



**Blackpool Teaching  
Hospitals**

NHS Foundation Trust

**Blackpool Teaching Hospitals NHS  
Foundation Trust**

# **Annual Report and Accounts**

**2022/2023**





# **Blackpool Teaching Hospitals NHS Foundation Trust Annual Report and Accounts 2022/2023**

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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

We are pleased to present the 2022-23 Annual Report for Blackpool Teaching Hospitals Foundation Trust, highlighting our achievements and progress in delivering high-quality healthcare services to our local communities over the past year.

Despite yet another challenging year, our colleagues have demonstrated unwavering dedication and commitment to providing compassionate care and support to our patients and their families.

The Trust's achievements over the past year have been made possible thanks to their hard work, as well as the support of our partners, stakeholders and the wider community. We'd like to express our gratitude and appreciation to everyone at the Trust who has played their part in delivering caring, safe and respectful treatment.

Of course, our thanks are extended to our colleagues across the Lancashire and South Cumbria footprint. Strengthening our partnership work across the health and care system has been fundamental in helping local people to live happy, healthy lives.

On 1 July 2022, the Lancashire and South Cumbria Integrated Care Board (ICB) was created, replacing the eight Clinical Commissioning Groups in the area. There is now a combined and renewed focus on the health of the whole population, in the many different communities, and the personalisation of care, making sure everyone has the same access to services and receive the same outcomes from treatments. It has been a challenging first year but one in which we have made good progress which our colleagues can be proud of.

There has been much to celebrate at the Trust, despite the significant pressures it has been facing. The £25M investment in the creation of our Emergency Village is continuing at pace. In September 2022, we moved into the second phase with the opening of the Same Day Emergency Care (SDEC) unit.

This multi-speciality unit has brought together seven specialties under one roof which, at the time, was a national first. Since opening, the unit has treated almost 9,000 patients of whom just under 7,000 were discharged home the same day. Not only has the unit enabled more patients to be seen and treated more quickly, but we have also reduced the average length of stay on the unit by 26%.

The success of the new unit was praised during a recent NHS England (NHSE) visit, who are sharing our SDEC model as a case study, providing valuable insight and information for other organisations to benchmark against.

This unit will continue to develop and expand as we introduce the eighth speciality – cardiology - to the unit, provide direct access for North West Ambulance Service (NWAS) for all specialities and begin a pilot project of integrating musculoskeletal services.

A significant consequence of the pandemic was the impact on our elective activity, with many patients experiencing delays in accessing care and treatment. It has taken a monumental amount of work and effort by our colleagues to tackle and reduce the elective activity backlogs. The Trust now reports very few patients waiting over 78 weeks, against the national target of zero patients by April 2023. Of the 160 patients waiting, 76 were due to lack of capacity and 84 due to being very complex (125 patients, 2021/22).

One important way we were able to help reduce waiting lists was through our partnership with Remedy Healthcare which allowed us to open a module endoscopy unit on nearby Stanley Park in Blackpool. In total the project is expected to undertake in the region of 6,900 endoscopy procedures.

Coming out of the pandemic also brought into sharper focus the need to look at the way we delivered diagnostic services. With the help of government funding, we are working with partners to plan a new one-stop shop offering diagnostic tests, scans and checks closer to home.

The Community Diagnostic Centre (CDC) in Fleetwood will provide multiple tests away from our hospital site making appointments more convenient for our patients who are referred directly by their GP.

The new CDC, which will join a centre opened at Whitegate Health Centre in Blackpool, will no doubt play a major role in making potentially life-saving diagnostic tests more easily accessible. In addition, it will reduce the number of appointments people need, help to diagnose patients faster as well as saving them travel

time and expense. The CDCs also divert patients away from our main hospitals so they can focus on treating urgent patients while the diagnostic centres continue to tackle the backlog of tests.

Providing care closer to home has become an increasingly important priority for us. We only need to look at the benefits to our patients, reduced travel times, more personalised care, and greater access to community resources, to know this is the right thing to do.

One of the approaches we have developed to provide care closer to home is through the use of telemedicine – the delivery of healthcare using technology such as video appointments. A great example of this is how our Dermatology team, based at our Clifton Hospital site, re-engineered how they worked to radically improve the waiting time for people at risk from skin cancer.

Working closely with our partners across the ICS helps us to make sure our patients receive the best possible care and support throughout their treatment journey. This includes collaborating with our community providers to deliver more care closer to home and working with social care partners to address any issues that may arise.

Over the winter months, the roll out of the virtual ward service across Lancashire and South Cumbria, was one of a number of significant developments that saw a range of local health and care providers working together.

Patients on our respiratory, care for the elderly, palliative, end of life care and cardiac pathways are benefiting from hospital-level care and remote monitoring in the comfort of their own home – which is often where they would much rather be. The virtual wards focus on those patients who would previously been admitted to hospital, either by preventing the admission or allowing them to return home sooner to continue their treatment or care at home or preferred place of residence.

Looking ahead, we recognise that there are still many challenges ahead. This is particularly evident with the ongoing financial constraints on local, regional and national levels. Each organisation within the system are facing their own unique financial challenges. How we approach ours needs to be not only a whole Board response, but a whole Trust response to help us to get back into financial balance in the years to come, so that we live within our means.

Our colleagues are our greatest asset and our greatest source of ideas and innovation. They know how our organisation works and how to best improve it. Each year the national NHS Staff Survey is carried out, with the responses providing a blueprint for the Trust's improvement plan over the following 12 months. The fact that 88% of people at the Trust feel their roles made a difference to patients, clearly demonstrates our colleagues' determination to do the very best job they can, with 74% saying that the care of our patients is the organisation's top priority. Further details are available on page 92 in the Staff Report section.

It was encouraging to read that the Trust scored higher than the national average in all the themes except one - We are always learning – where we scored slightly lower than the average. This was largely due to the number of appraisals carried out, which were often put on hold during the pressures of the pandemic. They have since been reinstated as a priority to complete.

While the scores are indeed important, it is the comments made by individuals which provide us with rich information which is extremely valuable. We would like to thank everyone who took the time to share their honest opinions of what it is like to work at the Trust. Many of our colleagues both live and work in the area so are not just part of our team here but also receive care and support.

Following last year's survey, we introduced new culturally diverse and ability networks to support colleagues across the Trust, and new ways for colleagues to engage with senior leaders in the organisation.

Again, this year, the themes and patterns within the comments will provide us with insight into where and how to improve, and this will be a big focus for us over the next 12 months. Blackpool Teaching Hospitals is a great place to work and it's humbling to know that people are so committed to making a difference to their patients.

A huge amount of work has and continues to be put into developing and establishing a robust culture of honesty, integrity and accountability in the organisation that starts at the top. Last year we re-launched our Freedom to Speak up campaign, which included striking visuals across our hospital sites, of our pledge to listen and act on any issues that are raised.



This was linked to our rebranding and the ratification of our strapline – Caring, Safe, Respectful – which is also boldly displayed throughout the organisation.

We want people to feel safe to be able to speak up about unacceptable behaviours, as well as being able to praise areas of excellence, because an unhappy workplace cannot provide the best quality care to patients. We want all our colleagues to feel able to raise concerns with their line managers and through normal channels, but we accept that there are times when this may be difficult. For this reason, the Freedom to Speak Up Guardian established a team of Ambassadors who are assessable to all colleagues and offer a pathway to raise concerns confidentially.

We are committed to addressing all the challenges, detailed in this introduction and throughout this annual report, head-on. Financial challenges, workforce shortages, increased demand on our services all pose significant obstacles to the smooth operating of the Trust. However, by adopting a proactive and solution-based approach, we are sure the Trust will be able to navigate these challenges.

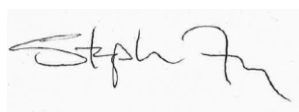
Last year we set out our Five-Year Strategy. Whilst this plan provides a way forward to 2027 it will change and evolve along the way, bending to new ideas, taking on suggestions, recognising things that have worked in other places and of course reacting to unknown challenges that might come along, such as a global pandemic.

The plan details how we will achieve our vision to improve the lives of people who live, work and volunteer on the Fylde Coast and beyond, by focusing on our people, our population and our responsibilities.

The priorities outlined in the strategy will support us to make a real difference in our communities and beyond. These include growing our workforce, making healthcare more equal to all, bettering our impact on the environment and promoting new ways of working. The Trust will continue to adapt and evolve to meet the changing needs of our community, and we look forward to working with our stakeholders to explore how we can improve the care and support to our patients in the years to come.

In conclusion, the past year has been another incredibly challenging time for the Trust, with the financial challenges of reporting a year end deficit against a plan to breakeven, and the CQC maternity services inspection issuing a section 31 letter of intent in relation to serious concerns relating to staffing levels and systems and process in place to protect women and babies within the care of the Trust. However, we have remained dedicated to providing the highest level of care to our patients. This report provides an overview of our achievements, challenges, and future plans. We are proud of our accomplishments, and we acknowledge that there is always more we can do to further improve the health and wellbeing of our communities.

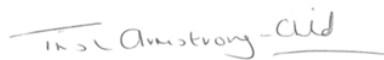
Finally, we would like to express our gratitude to our patients and visitors for their trust and support, which inspires us to continue to strive for excellence every day.



Signed:

Steve Fogg  
Chair

Date: 13 July 2023



Signed:

Trish Armstrong-Child  
Chief Executive

Date: 13 July 2023

# Group Highlights

## Trust Highlights

### **New service launched to help inpatients stop smoking**



A new service has been launched at the Trust to support inpatients to stop smoking.

Blackpool and some areas of Fylde and Wyre have very high numbers of smoking-related hospital admissions and the Inpatient Smoking Cessation Service is designed to help patients who are visiting the organisation's hospitals and who are smokers, to stop smoking.

Shane Faulkner, Service Manager for Long Term Conditions at the Trust, said: "Smoking puts patients at risk of complications and can even delay recovery after hospital procedures.

"Smokefree hospitals and grounds, as we have at Blackpool Teaching Hospitals, also create a smokefree environment for people trying to stop smoking and removes triggers that can cause people to smoke or relapse."

### **Volunteers to provide support for those caring for those with cancer**

A programme was launched to offer support and guidance for those who care, or have cared, for someone with cancer.

The Macmillan Cancer Carer Buddy Service launched with its first volunteer last year, to provide both practical and emotional support from someone who has experienced a similar journey as a loved one or carer.

The service's first volunteer was Sam Wilkinson from Blackpool, who got involved after losing her husband Geoff to cancer and was keen to offer her experience to those who needed it.



She said: “I just thought there must be others, especially husbands or wives, who love their partner dearly but are struggling and would like to have someone to just offload to or just listen to them.”

### **Conference highlighted work of Blackpool’s Patient Recruitment Centre**



The work of Blackpool’s National Institute for Health and Care Research (NIHR) Patient Recruitment Centre (PRC) was highlighted at a special conference.

The event, hosted by the Trust, heard how medical research is playing its part in meeting health challenges in the area.

At the time of the conference, almost 900 people had already benefitted from ground-breaking medical treatments trialled at the PRC (one of five in England) based in Blackpool Victoria Hospital since its launch.

The PRC’s achievements in Blackpool included administering the world’s first Novavax COVID-19 vaccine in November 2022.

Dr Jim Gardner, former Executive Medical Director at the Trust, added: “I’m really proud of a Trust that is pushing the boundaries around R&D. It is good for the organisation, and it is good for our patients.”

### **Award wins for Trust teams**

The Health Informatics Team at the Trust won two awards for its pioneering work on the COVID-19 Digital Staff Passport.

The initiative saw Trust colleagues collaborate with NHSE and NHSX to develop and roll-out the passport, allowing pre-employment checks for new hires and employees being transferred between NHS institutions in under five minutes, eliminating a lengthy manual process while maintaining the level of assurance, security, and privacy.

As a result, the team won the first prize in the European Identity Awards in the Verifiable Credentials and Decentralised Identity category. It then walked away with the Innovation in Workforce Deployment category at the North West Coast Research and Innovation Awards 2022.



Meanwhile, the Trust's Digital Training department was awarded Gold Status Accreditation from the North West Skills Network recognising that the service is following best practice.

Then the Trust won a prestigious HSJ Patient Safety Award for its project 'Giving Back the Gift of Time – Improving the Last 1,000 Days of Life' which won the Best Use of Integrated Care and Partnership Working in Patient Safety Award.

Finally, the Trust's grounds scooped a Royal Horticultural Society (RHS) Gold Award after the judging team was impressed with the standard of maintenance, memorial areas and features around the hospital.

### **Carers charter launched**

An important charter to support and recognise the importance of carers was launched last year by the Trust.

The Charter promised to:

- Identify and acknowledge carers
- Help carers to access support
- Involve carers in care, planning and decision-making for the person they care for
- Provide them with the information they need.

The Trust developed the charter after hosting a carers consultation event with Lancashire Carers Service. A range of commitments were then developed of what carers can expect from Trust staff when involved in the care and treatment of their relative or friend.

Colin Bowman, Carer Engagement Lead from Lancashire Carers said: "We want our carers to realise they are not alone, and feel able to cope with caring, especially when their relative leaves Trust services."

### **New digital record system introduced for parents-to-be**

BadgerNet was rolled out last year as a new digital system for parents-to-be to register their pregnancy and access their care notes.

BadgerNet is a full electronic patient record which supports clinical and administrative management of a pregnant person's whole maternity journey. It is a direct replacement for traditional paper-based records.

Also launched was Badger Notes, an online portal and app. Badger Notes replaced the traditional hand-held paper record and allows parents to have real-time access to their maternity care record, which is populated with the information from the hospital maternity records.

Lisa Fitzgerald, Head of Midwifery at the Trust, said: “BadgerNet will give our families easier access to their notes and puts families at the centre of their care, enabling us to continue to improve our commitment to person-centred care.”

### **Blackpool Teaching Hospitals unveiled its new five-year strategy**

The Trust unveiled its bold new strategy last summer, setting out the ambition to improve the lives of people who live, work and volunteer on the Fylde Coast and beyond.

The strategy was drawn up after consultation with groups from the local community including children and young people, patients, Trust colleagues, carers and key partners.

It set out three main aims:

- **Our people** – widening access to job opportunities, becoming the employer of choice within the community
- **Our population** – delivering high quality services with a key focus on preventative care and reducing health inequalities
- **Our responsibility** – working with partners to make sure these services are financially sustainable and to reduce environmental impact.

Trust Chief Executive, Trish Armstrong-Child, explained: “We know we work in some incredible communities, but we also recognise we work in areas that are experiencing poverty, reduced opportunities and poor health. Our plan doesn’t just look at what we can do to improve our organisation itself, but also what we can do to support our population over the next five years and beyond.”

### **New histology lab opened at Blackpool Victoria Hospital**



The Trust opened a new laboratory dedicated to the pathology specialism of histology.

As well as providing better facilities for colleagues, the lab increased the capacity to diagnose diseases and conditions.

Jo Sharples, Cellular Pathology Manager, said: “The opportunity to be involved in the lab design from the start has been an interesting and enjoyable project. The design and building teams have been great to work with and their support and specialist knowledge has been key in moving this project forward and making the laboratory the excellent, state of the art facility that it is.”



## **‘Echothon’ sees waiting list reduced by more than 10%**



Patients from Blackpool and across Lancashire and South Cumbria benefited from a scheme which saw hundreds of additional echocardiograms take place.

A special push nicknamed ‘echothon’ took place across four Trusts – BTH, East Lancashire Hospitals, Lancashire Teaching Hospitals and University Hospitals of Morecambe Bay.

In the end, the project cut the waiting list by 12 per cent and was made possible in part by the COVID-19 Digital Staff Passport which allows healthcare colleagues to work across a number of NHS organisations without the need for pre-employment checks.

Chris Hesketh, Echocardiography Manager at Blackpool Teaching Hospitals said: “We were fortunate, as we had access to the COVID-19 Digital Staff Passport so that we could all work at different Trusts as needed. This shows what we can do by engaging the wider network, we’re all in a similar situation with waiting lists, so when everybody engages, we can really come together and do great things.”

## **Critical Care Unit opened thanks to patient feedback**

The Trust’s brand-new Critical Care Unit was officially opened in August featuring a range of improvements and facilities for patients.

The unit now includes dedicated single-patient rooms designed to give privacy, comfort and dignity to all patients. The development was made possible thanks to the thoughts and feedback of patients and families who had previously been in the hospital in HDU and ITU wards.

Nicky Williams, Critical Care Physiotherapy Practitioner for the organisation said the feedback was invaluable: “HDU and ITU was open plan, and it could be quite a noisy environment, with new admissions, alarms and equipment.

“We know that a patient’s environment has a significant impact on them and their recovery and by giving them this extra level of privacy and dignity it is fundamental to how we want to care for our patients and give them the very best experience.”

## **The Right Care, in the right place, at the right time – SDEC opened**

Blackpool Victoria Hospital opened its new Same Day Emergency Care (SDEC) unit in September.

The SDEC completed the second phase of the Trust’s Emergency Village project and ensured that patients presenting at hospital with relevant conditions can be rapidly assessed, diagnosed and treated without being admitted to a ward. If clinically safe to do so, patients will go home the same day their care is provided.

In addition to medical and surgery treatments, patients can also be referred to the SDEC for specialisms including gynaecology, urology, orthopaedics and ear, nose and throat (ENT). Patients can be referred for treatment from the Trust's Emergency Department, via their GP, direct transfer from an ambulance or from NHS111.

The Trust also hosted a delegation from NHS England to officially open the unit with a ceremonial ribbon-cutting.



### **Endoscopy collaboration reduces waiting lists**



A partnership between Blackpool Teaching Hospitals and Remedy Healthcare saw a modular unit established on Stanley Park to make sure Endoscopy patients will have shorter waiting times.

The project aims to support an additional 6,800 procedures up to November 2023 and was part of the NHS' recovery programme aiming to reduce waiting lists.

The partnership will allow those patients who have been waiting for endoscopy procedures to be treated more quickly.

### **Outpatients set to benefit from new follow-up system**

A new, Patient Initiated Follow-Up (PIFU) system was trialled with the Trust's outpatients allowing them to have more control over when they have follow-up appointments.

After a hospital appointment, it is often necessary to arrange a follow-up appointment for ongoing care. Traditionally these appointments are offered at routine intervals but in some cases, patients might need a follow-up appointment sooner than their scheduled session – or they may agree that a follow-up is not required unless their symptoms flare up or their circumstances change.

PIFU helps the clinician and patient agree an appointment process which would work best for them. It was piloted by the Trust's Rheumatology team in mid-September, then rolled out to the first agreed specialties – Orthopaedics, Ophthalmology, Pain Management and Paediatrics.

Mitch Barrot, Project Manager for Transformation Planning and Delivery at the Trust, said: "We believe that this new approach will help to empower patients to manage their own condition and plays a key role in enabling shared decision making and supported self-management."

### **Trust welcomes 'eco-activist in residence'**



In support of its [Green Plan](#), BTH appointed eco-activist in residence, Maya Hindley, to work with local young people, community groups and the Trust's own Green Champions.

Maya, a student from Blackpool, took up the role to spend time working to help make a real impact on how the Trust meet the ambitious targets of its plan.

Maya said: "It is my hope that by involving colleagues and young people in conversations together, we will be able to hold meaningful discussions that offer different viewpoints on sustainability. This will hopefully produce a useful resource that will help make progress towards fulfilling the goals of the Trust's Green Plan, as well as allowing local members of the community to improve their environmental efforts."

### **Lancashire Cardiac Centre celebrates 1,000<sup>th</sup> TAVI**

Teams at Blackpool Victoria Hospital's Cardiac Centre were celebrating after reaching the milestone 1,000<sup>th</sup> TAVI procedure.

Cardiologists at Lancashire Cardiac Centre began performing TAVI (Trans-catheter Aortic Valve Implantation) procedures in 2008 as an alternative to open heart surgery. Prior to 2008 most heart valve procedures involved a three-night stay in hospital, extensive planning, required a general anaesthetic and was restrictive in that many patients were not fit for open heart surgery.



TAVI is a day case procedure, with at most a one-night stay and is performed under a local anaesthetic.



Dr Andrew Wiper, Lead TAVI Consultant and Head of Department, said: "TAVI is a lifesaving procedure for patients with a tight aortic valve, and we are able to insert a new aortic valve through the skin and all done under local anaesthetic, with the procedure taking on average an hour to perform. Left untreated – these patients have a worse prognosis than most advanced cancers.

We are one of only a handful of UK centres doing the TAVI as a day case procedure and are considered a national pioneer in this area.

#### **Remote monitoring for cardiac patients**



Patients awaiting cardiac surgery at Blackpool Teaching Hospitals were given additional peace of mind thanks to a remote monitoring technology solution giving them a direct link to a team of clinicians.

Teams at the Trust, FCMS and Lancashire and South Cumbria Integrated Care Board (ICB) worked with the remote monitoring technology provider Docobo on the initiative which is delivering one of the country's first digitally enabled cardiac surgical waiting lists.

Rachel Haworth, Project Lead based at Blackpool Teaching Hospitals, said: "This service aims to reduce the demand on primary and secondary care, including preventing emergency admission and 999 calls."

## **Community Diagnostic Centre announced for Fleetwood**

A new one-stop shop offering diagnostic tests, scans and checks closer to home was announced for Fleetwood.

The Community Diagnostic Centre (CDC) will provide multiple tests away from a hospital site making appointments more convenient for patients who will be referred by their GP.

Nigel Lewis, Divisional Director of Operations for Clinical Support Services at the Trust, said: “The new CDC will play a major role in making potentially life-saving diagnostic tests more easily accessible to people in Fleetwood.

“The one-stop shop approach will reduce the number of appointments people need, helping to diagnose patients faster as well as saving them travel time and expense. CDCs also divert patients away from our main hospitals so they can focus on treating urgent patients while the diagnostic centres tackle the backlog of tests.”

The CDC will join a centre opened at Whitegate Health Centre in Blackpool in 2021.

## **Fast-track care introduced for ‘minor stroke’ patients**

People with suspected minor stroke symptoms began to benefit this year from fast-track care.

Suitable patients attending the A&E department will now be taken to the new ambulatory care unit on the stroke ward at Blackpool Victoria Hospital. They will have blood tests and scans and be seen by a stroke consultant.

The new unit is part of a three-year programme of improvements to stroke care funded by Lancashire and South Cumbria ICB. Stroke nurse consultant Hollie Dhar said the service would mean patients can often be treated on the same day and avoid a stay in hospital.

## **NHS Staff Survey results**

Colleagues at the Trust believe their role makes a difference to patients – according to the results of the latest NHS Staff Survey.

The results of the latest survey were made available in March and provide a blueprint for the Trust’s improvement over the next year in areas ranging from patient care to leadership and how colleagues are supported.

The survey is linked to the NHS People Promise, a pledge that everyone in the NHS will help improve the experience of working in the organisation.

The themes of the promise are:

- We are compassionate and inclusive
- We are recognised and rewarded
- We each have a voice that counts
- We are safe and healthy
- We are always learning
- We work flexibly
- We are a team
- Staff engagement

In each of these themes, Blackpool Teaching Hospitals scored higher than the national average except one – the theme of We are always learning – where the Trust scored slightly lower than the average largely due to the number of staff appraisals carried out, which were often put on hold during the pressures of the pandemic and have since been reinstated.

In total, 4,017 colleagues completed the survey – more than 50% of all employees. Headline figures show that 88% of people feel their roles make a difference to patients – a figure higher than the national average. Meanwhile, 74% said that care of patients and service users is the organisation's top priority.

### **Celebrating Success Awards showcase**

The Trust's annual Celebrating Success colleague awards took place in March with winners from across the Trust recognised.

Broadcast live via YouTube, the awards included categories honouring a range of winners including Clinical Team of the Year, Non-Clinical Team of the Year, Rising Star, Research, Quality and Innovation and Learner of the Year.

The event was an opportunity to shine a light on all the great work we do for patients and in total more than 400 entries were received – an increase on the previous year.

[The ceremony can be watched back on YouTube using this link.](#)

## BFW Management Ltd (Atlas) Highlights



Atlas BFW Management Limited is a wholly owned subsidiary company of the Trust which was incorporated in December 2016 and began trading in March 2017. Atlas provides fully managed healthcare facilities services and property management solutions primarily to the Trust. These services include management of capital developments, all facets of Hard and Soft Facilities Management, Medical Engineering, Procurement and Property Management.

### Overview

Turnover has increased to £80.4m for the year to 31 March 2023 (£64.8m, 2012/22), a rise of £15.6m on the previous year, generating a profit before tax of £1.4m (£0.5m, 2021/22).

Atlas has also supported the Group through procurement savings and by contributing to energy costs.

### ***Operational highlights:***

Atlas delivered some highly successful Capital Developments which are now managed by the Company.

#### Critical Care Unit



Patients have benefited from a state-of-the-art Critical Care Unit. This is part of the investment in the Emergency Village project.

The new Critical Care Unit is a dedicated ward replacing the High Dependency Unit and Intensive Care Unit. It offers round-the-clock care for the hospital's most vulnerable patients. The new facility provides single occupancy spaces which can be sealed to prevent infection from spreading. There are also three specialist isolation rooms.

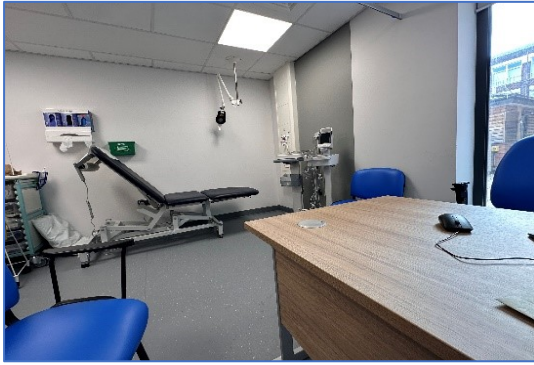
The Atlas Capital Development and Estates teams have worked closely with the Trust to deliver this scheme. This new high-quality facility will significantly improve the patient experience and enhance patient care whilst offering a much-improved working environment for staff.

#### Same Day Emergency Care (SDEC)

Atlas has built a new enlarged unit as part of the Critical Care Unit which means that more patients can be treated, more quickly.

#### Ambulatory Stroke Unit

This project has created a more appropriate environment for patients to be treated in, who have had a mild stroke and help them to return home the same day. The Service Manager of the Ambulatory Stroke Unit described its effect:



“This project was to provide a more appropriate environment for mild stroke patients to be treated in, and to cut down on the length of stay for this group of patients who in the past might stay overnight or longer on the Acute Stroke Unit. In many cases, we are now able to see and treat patients within a day due to the seamless process we have. Patients are seen by a Multidisciplinary Team (MDT) consisting of nursing, medical and therapy staff, all in the same place. If anyone needs further investigations such as a scan, it is only next door. This all plays a part in preventing unnecessary admission.

The work conducted has gifted us with a much pleasanter environment for staff and patients alike and our new MDT meeting room now allows us to deliver teaching sessions, hold group meetings and regional MDT calls.

Thank you to the team at Atlas for working with us on this project, it's been a great success.”

### Histopathology Laboratory

In the past year since Atlas has created a new Histopathology laboratory at Blackpool Victoria Hospital when it was decided that the current laboratory was no longer a suitable workplace.

Staff are now working in a spacious, state of the art facility. The Cellular Pathology Manager stated “The extra

workspace allows our teams to better manage and meet workload demands. We have had the opportunity to design bespoke equipment for to our workspace, something that wouldn't have been possible in our old laboratory.

The Atlas Project Manager, was fantastic in getting this over the line”.

A Specialist biomedical Scientist working in the new laboratory added that “The new laboratory is a massive improvement, we're pleased with what we have now.”



## North West in Bloom



In Autumn, the Grounds and Gardens Department won gold in the Northwest in Bloom Competition. This is part of Britain in Bloom, a prestigious competition showcasing skills in environmental beauty.

The team was awarded an outstanding score.

## ***Future developments***

The Directors will continue to grow turnover through the development of estates, facilities, procurement, property, and transport services to the local economy.

Atlas is leading the capital development of the Emergency Village for Blackpool Teaching Hospitals NHS Foundation Trust and this model will be replicated for future schemes which are currently in development.

There will be a focus on the quality and efficiency of the services provided. Significant investment has been made in key operational software systems. This will support a focus on continual improvement to the management of operations, the identification and management of risk and the growth in service offerings for existing and new customers.

## Social Value & Green Agenda

The generation of social value will be a core consideration in the development of future business decisions reflecting the values and ethos of the company. There will be three key areas of focus and support:

1. Social, improving the well-being of our employees and the communities we serve;
2. Economic, following business practices that deliver tangible improvements for our community and society as a whole; and,
3. Environmental.

The company is active and has a large part to play in promoting sustainability and in supporting the Government's and NHS's "Net Zero" aspirations



# Working with our Partners

Blackpool Teaching Hospitals NHS Foundation Trust is a key part of the integrated care system which is a partnership of all organisations that deal with improving care, health and wellbeing for the people of Lancashire and South Cumbria. This includes all the healthcare organisations and local authorities in the region who work together as an Integrated Care Partnership.

The Integrated Care Partnership (or ICP) works together to address the health, social care and public health needs of their communities, always making sure the public's voice is at the heart of decision-making. An integrated care strategy has now been agreed following extensive engagement and involvement with partners, colleagues and the public throughout 2022/23.

Partners include local authorities, NHS organisations, businesses, education, Healthwatch and voluntary, community, faith and social enterprise (VCFSE) organisations

As part of the Health and Social Care Act 2022, NHS Lancashire and South Cumbria Integrated Care Board (ICB) and the unitary and upper tier local authorities have a statutory duty to coordinate Lancashire and South Cumbria ICP together.

The first formal Lancashire and South Cumbria ICP meeting took place on Friday 30 September 2022, and it started with an opportunity for the members to hear from our residents.

Lancashire and South Cumbria is facing some very significant challenges. These include widening health inequalities, rising demand, pressure on quality and safety, staffing shortages, the wellbeing of our colleagues, and funding. These are well documented and have been exacerbated by the COVID-19 pandemic.

We must address these challenges with urgency.

We have seen that joining forces as equal partners can have huge benefits. Collaboration during the COVID-19 pandemic demonstrated what we can do together at scale to support our colleagues and patient care.

By working collaboratively, we will be much more likely to achieve our vision than if we work alone. This is because we will be able to better:

- agree joint priorities and how to best join forces to deliver them
- learn from and support each other
- share skills and best practice
- pool resources to support fragile services
- provide flexible career paths across organisational boundaries
- standardise our approach across Lancashire and South Cumbria to reduce variation and duplication
- support the local economy and the environment to add social value.

The Chief Executive of NHS Lancashire and South Cumbria Integrated Care Board (ICB) has published an honest assessment of the state of the health and care system in the region.

[https://www.healthierlsc.co.uk/application/files/7616/7950/3448/07a\\_-\\_State\\_of\\_the\\_System\\_Report.pdf](https://www.healthierlsc.co.uk/application/files/7616/7950/3448/07a_-_State_of_the_System_Report.pdf)

## **The Lancashire and South Cumbria Provider Collaborative**

Our partnership brings together the five provider NHS Trusts in Lancashire and South Cumbria to improve health and healthcare.

This is about working together to make sure patients, their families and communities benefit across the whole of the area.

The aim is to reduce health inequalities and improve services, outcomes and people's experiences of accessing healthcare. Our partnership also aims to ensure that Lancashire and South Cumbria is a great place to work.

The Provider Collaboration Board's vision, as agreed by the chairs and chief executives of the five Trusts, is to ensure:

- The best health and wellbeing of our population
- High-quality services
- A happy and resilient workforce
- Financial sustainability

This is known as the 'quadruple aim'.



The Provider Collaboration Board has agreed seven priorities:

- Develop a joint clinical vision
- Develop a joint vision for central (non-clinical) services
- Achieve parity of esteem between mental and physical health
- Recover and restore elective care and other operational services
- Improve the emergency and urgent care performance of the system
- Develop our leadership and ensure a great place to work with a resilient workforce
- Develop a clear financial strategy

There are many good examples of collaboration making a difference across Lancashire and South Cumbria, within both a clinical and non-clinical setting which you can read about [LSC Provider Collaborative : Collaboration in action](#)

## Examples of System Working

### Managing pressures and demand

Winter always sees great pressure on the health system. The winter of 2022/23 has been one of the most pressured the NHS has ever seen. In Lancashire and South Cumbria, the pressures within hospitals and in primary care have been managed reasonably well through a number of initiatives, such as the establishment of virtual wards and improvements to hospital discharge processes.



The Lancashire and South Cumbria system control centre (SCC) manages demand and capacity and ensures adequate oversight of operational pressures at all times, ensuring rapid decisions are made to respond to any emerging challenges. Bed occupancy in hospital remains high and delays in transfers from ambulance to hospital departments remain longer than they should be. In short, there are more people needing to get into hospital facing delays due to the time it takes to get people out of hospital. A rise in flu cases over winter also placed extra pressure on services, with growing hospital admissions, along with the unanticipated increase in the number of cases of children with invasive group A strep.

## **COVID-19**

The system's response to COVID-19 has outlined the huge benefits of collaborating – together we were able to make a massive difference to the lives of local people and their families.

The Trusts supported each other to manage critical care capacity during time of huge pressure on NHS services, for example.

Pathology services also worked together to coordinate testing at scale. As one of 11 pilot sites for rapid saliva (LAMP) testing, by working collaboratively the service was set up in record time to enable mass testing of NHS colleagues.

## **Community diagnostic services**

Patient waiting times for some diagnostic tests have improved because imaging services are being delivered as a collaborative network across the four hospital Trusts in Lancashire and South Cumbria.

During the COVID-19 pandemic in April 2020, 47% of patients were waiting over six weeks for their CT and MRI scans. This has now reduced to below 1% because the Trusts are working extremely hard to ensure patients have better access to diagnostics no matter where they live.

Part of this involves offering patients whose nearest hospital has longer waits access to a scan more quickly at a hospital with a smaller waiting list. This means some patients are travelling further to be seen more quickly.

The Diagnostic Imaging Network made up of the four hospital Trusts (Blackpool Teaching Hospitals NHS Foundation Trust, East Lancashire Hospitals NHS Trust, Lancashire Teaching Hospitals NHS Foundation Trust and University Hospitals of Morecambe Bay NHS Foundation Trust), provides the following imaging scans: CT, MRI, X-Ray, DEXA, radionuclide and non-obstetric ultrasound.

By working together, elective imaging activity across the Network has increased. As of 31 March 2023, our network is delivering 137% MRI and 150% CT scanning activity compared to pre-COVID levels in 2019/20.

## **Elective care recovery**

The proposed refresh of the Elective Recovery Programme was presented to the Provider Collaborative Board (PCB) on the 16 February 2023 and approved.

The four acute Trusts have been working together to reduce waiting times for our patients requiring treatment.

## **A new approach to digital patient records begins**

Hospitals across Lancashire and South Cumbria are looking at setting up a new system to allow patient records to be shared effectively regardless of which health service a patient has visited.

The establishment of a single, seamless electronic patient records (EPR) system comes on the back of the introduction of a shared care record, which has already been supporting patients by bringing data together from all our different providers of care.

This innovative approach will transform how information is stored and utilised and provide the foundations to improve clinical and care pathways as well as allowing hospitals to work together far more effectively.

There are numerous methods of recording and accessing patient information across hospitals in Lancashire and South Cumbria. The aim is to capture best practice and reduce variation across hospitals to allow staff, patients and their families to dedicate more time to treatment and recovery, by streamlining the process of accessing and utilising essential patient information.

The implementation of a single EPR system is considered a crucial milestone in advancing digital healthcare innovations and delivering integrated patient care throughout Lancashire and South Cumbria. By investing in a single system, we are making use of technology to offer the highest standard of care to patients, regardless of their location.

The EPR is the first of many ambitious steps in the Lancashire and South Cumbria Integrated Care Board's digital roadmap which promises more investment into technology and the rollout of more digital tools to improve care.

### **Collaborative bank**

The five Trusts are developing a collaborative bank for nurses, midwives, health care assistants, allied health professionals and administrators. A collaborative bank is a Lancashire and South Cumbria-wide bank, with the Trusts working together to boost our temporary workforce and improve patient care.

We want to make working at the bank attractive to increase our temporary workforce, meaning more colleagues supporting our departments and each other.

A collaborative bank will also mean fairer, more consistent bank rates, with colleagues able to work seamlessly across different Trusts should they wish.

We also want to reduce our reliance on agencies, so we have a more stable, consistent workforce who have all had the same training and understand our consistent processes to enhance patient care.

# 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

It goes without saying that we, and the NHS as a whole, have faced another exceptionally difficult year. While the impact of COVID-19 has diminished its grip across the Trust, there have been ongoing challenges around managing waiting lists for elective patients, ensuring there is a steady flow of patients through the Trust and dealing with the increased demands on our urgent and emergency care services.

Within this report and accounts, we provide an overview of the services we have provided over the last year, we also separately provide a Quality Account that can be accessed online here – this gives a more detailed overview of the quality of care provided in the Trust and sets out our performance against a number of ongoing objectives to improve the care provided to the population we serve.

In recent years, Blackpool Teaching Hospitals NHS Foundation Trust has had a number of challenges and we remain committed to working with our staff, our patients and our partners to embed the improvements we have been making. In 2021 the CQC conducted a Well Led review and identified a number of areas for improvement – this was followed up by an inspection of our maternity services and our Accident and Emergency services in 2022 when further recommendations were made for improvements. We take these reports seriously and within this report have provided updates on the actions taken to continue our journey of improvement

The financial picture for the future is also challenging. The financial regime for the NHS has changed following the years of pandemic financing and as you will see reported within our accounts, we did not achieve our planned breakeven position reporting a deficit of £12.9m.

Despite the challenges however, one thing which did not change was the drive and determination of our colleagues to continue to provide the very best services and care possible for our patients.

Teams have worked incredibly hard in the most challenging of circumstances for a long time now. People are physically tired and emotionally drained, and yet they continue to do their very best day in, day out. We can't thank our people enough for their commitment and we are doing all we can to support them through our wellbeing programme.

The efforts of our colleagues mean we have plenty of positive developments to report as well as the challenges. We have made significant progress in tackling the waiting list backlog through the initiatives outlined in this report. This year we have strengthened our focus on ensuring everyone at Blackpool Teaching Hospitals feels welcome and valued following our culture work, and on recognising our wider impact on the community we serve through the launch of our Five-Year Strategy.

We are going to continue to develop our approach to creating a culture of openness and honesty and value. We launched a wide-reaching programme of work around our Freedom to Speak Up services. We are committed to creating a culture with honesty, fairness and equality at its heart. We will not tolerate the harassment or victimisation of anyone raising a concern, nor will we tolerate any attempt to bully people into not raising any such concerns.

The results of the most recent NHS Staff Survey show that this work is starting to have a positive impact. The Trust scored higher than the national average in all but one of the themes of the survey. It also highlighted that more than 70% of colleagues felt their work was valued by their manager and that their manager takes a positive interest in their health and wellbeing, plus more than 80% said they enjoy working with the colleagues in their teams.

This annual report also explores our wider approach to social value – in other words, our contribution to our local community now and into the future. Social value describes the wider role of an organisation in helping

to improve the economic, social and environmental wellbeing of its local communities. We are committed to reducing inequalities and improving the overall wellbeing of the local community we serve. Being an anchor institute, we also play a significant role contributing to the local economy. Our approach will create a lasting, positive social impact for the community we serve.

This year and in the years ahead there is much to look forward to, including the continued development of the Emergency Village. We are also looking forward to working more closely than ever with our partners in the health and care system to further improve and coordinate services through the Lancashire and South Cumbria Integrated Care System.

Our achievements and success is down to our colleagues, supporters and partners. We would like to take this opportunity to formally thank them for their unfailing commitment and enthusiasm.

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

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:

Trish Armstrong-Child  
Chief Executive

Date: 13 July 2023

## 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.

The Trust operates as a Group with our wholly owned subsidiary company BFW Management Limited (Atlas) established in 2017 to provide our Estates Services and our Charity, Blue Skies Hospitals Fund (registered Charity number 1051570) which was commissioned in 2007 in accordance with the Charities Act 2011. Atlas and Blue Skies are both separate entities which provide their own Annual Report and Accounts.

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 352,000 population of the Fylde coast health economy and the estimated 18 million visitors a year.

The Trust also hosts the National Artificial Eye Service, which provides services across England. During 2022/23, 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:-

- Lancashire & South Cumbria Integrated Care Board (ICB);
- NHS England;
- Blackpool Council – Public Health;
- Lancashire County Council – Public Health.

From 1 July 2022, under the Health and Care Act 2022, Integrated Care Systems (ICSs) were legally and operationally established as statutory bodies. Clinical Commissioning Groups (CCGs) were absorbed into their local ICS and their commissioning powers transferred to the local Integrated Care Board (ICB).

NHS England is the Trust's regulator.

## Purpose and Activities of our Trust

The Trust's Board of Directors is made up of Non-Executive Directors and Executive Directors who work alongside each other 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.

The Executive Directors are lead directors responsible for achieving the Trust's strategic objectives and are supported by a divisional management structure consisting of five clinical divisions and corporate services. Each division is led by a triumvirate team consisting of a Divisional Director of Operations, a Divisional Medical Director and a Divisional Nurse Director.

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 1.8 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 8000 staff and had a turnover (turnover includes operating income from patient care activities and other operating income) of circa of £665m (£625m in 2021/22).

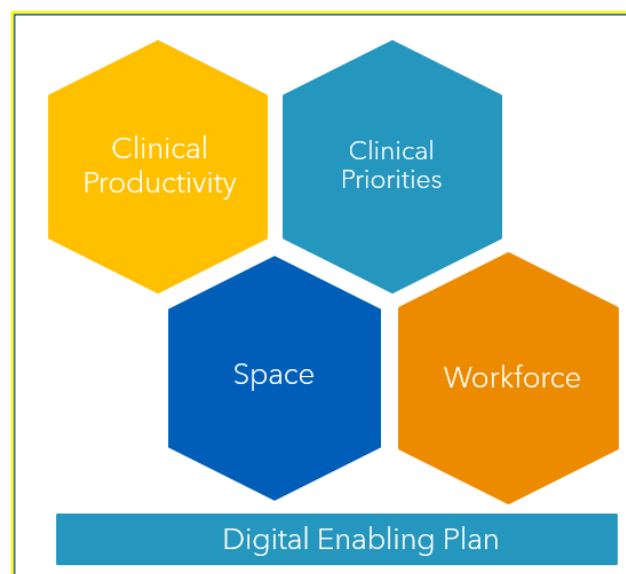
Between 1 April 2022 and 31 March 2023, the Trust treated 111,156 day cases and inpatients (elective and non-elective), 384,413 outpatients and had 74,858 A&E attendances.

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

## Trust's Five-Year Strategy

Following the launch of the Five-Year Strategy in June 2022, extensive work involving our clinical teams, senior leaders and corporate services has been undertaken to develop robust Enabling Plans, and a new Strategic Transformation Portfolio (STP). Combined, the Enabling Plans and STP outline 'how' the Trust will deliver its strategy.

### Outline of Strategic Transformation Portfolio



The STP is a collection multiple projects, initiatives, and programs that are strategically aligned and collectively aimed at driving significant and impactful changes across BTHT. The changes included in the scope of the STP encompass various aspects such as business processes, systems, technology, organisational structure, culture, and operations.

The transformation portfolio is designed to achieve a specific set of objectives, driven by the Trust's strategic vision, priorities and aims. It involves a holistic and coordinated approach to address complex challenges and opportunities, enabling the organisation to adapt, evolve, and become financially sustainable.

The projects within the STP are interconnected and interdependent, with each project contributing to the overall transformational goals. They may involve diverse areas such as digital transformation, operational efficiency improvements, cultural change initiatives, restructuring efforts, or other strategic initiatives.

Key characteristics of our STP include:

- **Strategic Alignment:** The projects within the portfolio align with the Trust's five-year strategy, ensuring that transformation efforts are in line with the overall vision and direction.
- **Complexity and Interdependencies:** The projects within the portfolio are typically complex, involving multiple workstreams, cross-functional teams, and interdependencies. Successful execution requires careful coordination and integration.
- **Scale and Scope:** The transformation portfolio encompasses a broad scope, addressing significant changes across various aspects of the Trust. It will involve multiple projects operating simultaneously or in phased sequences.
- **Resource Allocation:** The transformation portfolio requires dedicated resources, including financial, human, and technological resources. Resource allocation is coordinated and optimised across projects to ensure effective execution.
- **Risk Management:** Managing risks is crucial in the STP due to its complexity and scale. A comprehensive risk management strategy is employed to identify, assess, mitigate, and monitor risks throughout the transformation initiatives.
- **Governance and Oversight:** The STP has a governance structure in place to provide oversight, decision-making authority, and accountability. This ensures effective management, coordination, and alignment of the projects within the portfolio.
- **Benefits Realisation:** The transformation portfolio is focused on delivering tangible and measurable benefits. Key performance indicators (KPIs) and metrics are defined to track progress and evaluate the success of the transformation initiatives.

Overall, the STP is an ambitious and complex three-year portfolio of change programmes, designed to deliver and achieve our strategic aims and priorities, whilst optimising efficiency opportunities to support the Trust to move into a financially sustainable position. To date, twelve priority projects have been scoped and approved to be delivered in year one, with 55 individual workstreams planned.

The portfolio has four programmes, which are directly aligned to our three key aims, and the aims of the ICB, PCB, and NHE Long Term Plan:

The Trust strategy aims, with underpinning priorities and objectives are:

- **Aim: Our people:** To widen access to job opportunities, becoming the employer of choice within our community with an empowered, diverse, and engaged workforce.
- **STP Workforce Programme Objective:** To deliver an efficient, effective, and sustainable workforce for the organisation.
- **Aim: Our population:** To work with our population to co-produce high quality services with a key focus on preventative care and reducing health inequalities.
- **STP Clinical Priorities Programme Objective:** To address unwarranted variation and inequality in access, experience, outcomes, and cost with a view to delivering a sustainable service model. The programme will be underpinned by 7 projects delivered across three years.
- **STP Clinical Productivity Programme Objective:** To Transform services to deliver effective and efficient pathways at the point of care.

- **Aim: Our responsibility:** To work with partners to deliver high quality, financially sustainable services and reduce our environmental impact.
- **STP Clinical Priorities Objective:** To address unwarranted variation and inequality in access, experience, outcomes, and cost with a view to delivering a sustainable service model.
- **STP Space Programme Objective:** To review all estate currently owned and rented by the Trust to ensure its usage is optimised for clinical practices and to review all current leasing contract outside of the Trust's own estate.

All Programme Boards are now established, with key stakeholders being engaged in the delivery of Trust wide transformation.

The Trust has worked to develop its supporting enabling plans to facilitate the delivery of the strategy. The following plans have been finalised to date and signed off by the Board:

- Green Plan
- Health Inequalities Plan
- Digital Plan
- Anchor Framework

The following plans are currently in draft and are to be submitted imminently to board for approval:

- Quality Improvement
- Innovation
- Research and Development

A new governance structure has been implemented to support the delivery and monitoring of progress, namely the Strategy and Transformation Committee (STC) and the Strategy Delivery Group (SDG).

## Risks and Uncertainties

The NHS is changing rapidly and this provides many opportunities, as well as uncertainty, for the Trust. We have identified the following risks and will continue to monitor the impact these will have on the implementation of our strategy:-

- **Funding and Budgetary Pressures:** The NHS has been facing financial challenges, with increasing demand for services and limited funding. Budget constraints can impact patient care, staffing levels, and infrastructure development.
- **Workforce Shortages:** The NHS has been grappling with staffing shortages across various healthcare professions, including doctors, nurses, and allied health professionals. This shortage can strain resources and impact patient care.
- **Ageing Population and Increased Demand:** The UK's ageing population and the rising prevalence of chronic diseases have placed significant pressure on the NHS. The demand for healthcare services is increasing, necessitating effective resource management and care coordination.
- **Technological Advancements:** While technology offers opportunities for improving healthcare delivery, it also presents challenges. Adopting new technologies, such as electronic health records and telemedicine, requires investment, staff training, and ensuring data security and privacy.
- **Changing Political Landscape:** Political decisions and policy changes can affect the NHS. Shifts in government priorities, funding allocations, and healthcare policies can introduce uncertainties and impact the long-term planning and stability of the NHS.

Although we have now seen a significant decrease in the number of patients presenting acutely unwell as a result of COVID-19 the long-term impact of the pandemic will be felt for a number of years, NHS organisations across the country are seeing longer waiting times for elective procedures and patients presenting later for diagnosis and treatment.

In 2022 changes were made to the governance of the NHS with the abolition of Clinical Commissioning Groups (CCGs and the introduction of Integrated Care Systems (ICS) led by Integrated Care Boards (ICBs). The aim of these changes was to bring together health care providers to work collaboratively and



coordinate services for patients – this changes the regulatory framework in which we operate but we are hopeful that the enhanced local decision making will lead to the tailoring of healthcare services to the specific needs of the population we serve.

For the last few years, we have developed stronger more collaborative working arrangements with other Trusts in the area through the Lancashire and South Cumbria Provider collaborative board (PCB). In January 2023, we agreed some important changes to the way we work with the PCB and in 2023/24 we will increase the scope of our collaboration through shared projects including a pathology network and central services collaboration. These changes will enable all trusts to share expertise and deliver services more effectively and efficiently, but we recognise that changes like this bring uncertainty to our staff.

## Emergency Planning

As a major provider of healthcare services, the Trust prepares to be able to respond to a range of emergencies. It works to meet national legislation and guidance, such as, the Civil Contingencies Act (2004) and the NHS Emergency Preparedness, Resilience and Response (EPRR) Framework.

At the start of the year the Trust coordinated the response to COVID via a virtual Incident Coordination Centre (ICC) but this has now moved into a business as usual operation and the focus continues to be on recovery which remains a challenge as we continue to see patients requiring hospital stays as a result of the various waves of COVID. The Trust has the ability to set up the ICC should it be required. We are also ready to support the national COVID inquiry should we receive requests for information.

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.

It has been necessary during recent months to plan for and respond to the impacts of the various periods of health-related industrial action. This has also required the ICC to be stood up to support divisions and coordinate the response to ensure appropriate care and a safe environment is maintained for our patients.

The ICC was also required to support a major IT upgrade that affected the whole of the Trust and it was necessary to implement command and control arrangements to ensure the upgrade was coordinated both during planning and implementation.

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 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 regularly reviews its plans for responding to the increased demands that incidents will 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, severe weather and a Trust-wide Business Continuity 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.

This year the Trust is investing in upgrading its ICC that will provide a dedicated space to coordinate incidents along with the delivery of training and exercises.

Blackpool Teaching Hospitals completed the annual self-assessment against the NHS Core Standards for EPRR and reported that its preparedness was at the 'Substantial' level. The Trust also participated in the annual deep dive in relation to evacuation.

## Equality of Service Delivery to Different Groups

The Trust is committed to continually improving the experience for all our patients, families and carers by engaging with and sharing the experience of those we serve. The development of the patient experience delivery plan which focuses on key actions is instrumental in this.

There are a number of inclusivity and engagement projects which the patient experience team have been involved in during 2022-23 which include:

- All policies and procedures for service delivery continue to be subject to an equality impact assessment.
- There was a total of 16 complaints and concerns registered in 2022-23 relating to equality and diversity issues. This was a 30% reduction year on year. The issues reported this year covered a variety of individual situations, as opposed to any specific trends. The common remedy saw issues addressed through supervision and refresher training as appropriate. A monthly Experience of Care report contains details of all complaint and concerns and is circulated to all service leads with actions taken summarised in the Equality, Diversity and Inclusion committee every quarter.
- The Trust continues to support Families and Carers and has a dedicated Carers section on the Trust website. The co-produced Carer's Charter identifies our commitment to work together with our Carers. The development of the 'Carer's policy' which is currently in consultation and will support the Charter and our commitments to our Carers.
- The dementia delivery plan, and the Trust's trust first Learning Disability and Autism delivery plan are now in their second year and the progress of these support the patient experience delivery plan.
- Hidden Disabilities Sunflower – The trust continues to be signed up to this, and this is actively supported across the Trust. With over 8000 pieces of hidden disabilities promotional materials being handed out to date.
- Influence Panel – continues to meet regularly supporting various projects across the Trust. Recruitment to the panel is ongoing to increase the overall number of participants, and ensure it is fully representative of the local population.
- The development of the trust first adult changing area is expected to be completed in 23/24 as part of the new spiritual care centre development.
- All inpatient areas have now got the "What matters to me most" boards at the back of the bed to support person centre care.
- The Patient story programme continues to prove an account of a person's experience of care and treatment when accessing our services. Different ways of sharing this narrative continue to be explored.

## 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 areas for improvement and implement actions at the earliest opportunity.

The NHS Friends and Family Test (FFT) Survey is a mechanism that allows the organisation to collect feedback promptly to improve patient care. In 2022/2023, our overall satisfaction rate for this survey was 93% compared 96% the previous year.

We continue to take actions to ensure the survey is accessible to all.

- All printed surveys are black text on yellow A5 or A4 card;
- Large print yellow A4 forms are available and routinely shared with services
- Easy read forms continue to be readily available.
- Easy read forms are now sent via post to all patient who have an alert that indicates they have a learning disability our system following their inpatient stay.
- The reverse of the survey includes an optional protected characteristic section.
- In the last 12 months, the majority of respondents are aged between 65-74, female, white, heterosexual, and of Christian faith.
- 29% said they had a disability; a physical disability was selected the most.

- The survey is available in easy read, large print and 6 most popular languages which are Romanian, Polish, Kurdish Sorani, Arabic, Bengali and Urdu.
- The Trust website is currently undergoing redesign, advances in accessibility with information being easily translated, read aloud and different backgrounds and font sizes available to aid those with a visual impairment
- SMS and online FFT during 22/23 made up 48% compared to 24% the previous year. This has resulted in an increased number of responses up 31% on the previous year.

<b>NHS Friends and Family Test</b>	<b>2018-2019</b>	<b>2019-2020</b>	<b>2020-2021</b>	<b>2021-2022</b>	<b>2022-2023</b>
<b>Total Responses</b>	39,297	34,751	10,569	39,784	59,296
<b>% who rated their care as good</b>	97%	96%	95%	96%	93%
<b>% who rated their care as poor</b>	0.9%	1.7%	2.5%	2.2%	3.2%

The Trust received 59,296 national NHS Friends and Family Test Survey responses during 2022-23, an 8% increase on the previous year. The Trust's target is to achieve 96% overall satisfaction rate for the FFT. In 2022/2023, our overall satisfaction rate for the FFT was 93% which is below last year's result of 96%. We continuously work and meet with services to ensure that they fully understand their responses and comments and gather information and assurances that their feedback is being acted on and shared with the staff involved.

FFT satisfaction rates have been affected on a national level in 2022-23 by the significant pressures post Covid-19 pandemic and unprecedented demand, especially in urgent and emergency care. Nationally the current satisfaction rate in the Emergency Department (ED) is 83%. Whereas our ED FFT satisfaction rate was significantly lower at 70%, which has reduced from 79% the previous year. The Patient Engagement Team meet monthly with ED to discuss their FFT feedback and identify key priorities to improve their patients and carers experience and provide individualised actions to address performance.

The Trust have seen an increase in almost 19,000 responses over the year, with our neutral responses doubling over the last 12 months. The Patient Engagement Team had identified this as a potential issue affecting the satisfaction scores and have created a poster detailing how the scoring is calculated to help address the issue and these were implemented in the second half of the year which has had some impact on a reduction in neutral responses.

## Accessible Information Standard

The Accessible Information Standard was implemented in all organisations that provide care in August 2016. The standard sets out a specific, consistent approach to identifying, recording, flagging, sharing, and meeting the information and communication support needs of patients, service users, carer and parents with a disability, impairment, or sensory loss.

The Trust continues to meet the legal requirements of the Standard by having appointment letters in a patient's preferred format and easy read leaflets that are available at individual service level.

The Trust also uses information from the Equality Delivery System (EDS2) to improve the services it provides to patients and to create an inclusive working environment for staff. The Equality Delivery System is a framework that helps NHS organisations improve the services they provide for their local communities and provide better working environments, free of discrimination, for those who work in the NHS, while meeting the requirements of the Equality Act 2010. An annual review is undertaken to assess the Trust's performance against several outcomes within four goals. These goals form the basis of the organisation's equality objectives.

Assessments against the goals are undertaken on a rotational basis and in 2022, the focus was on the staff goals. The staff EDS2 consultation took place on 31 May 2022.

The Trust's Equality Delivery System Report and action plan is monitored quarterly by the Equality, Diversity, and Inclusion Group and bi-annually at the Workforce Assurance Committee.

Changes are being made to the Equality Standard System. In 2023/2024, the focus of the Equality Standard System will be a system wide approach based on the new Equality Delivery System 2022 framework.

## Equality Delivery System (EDS2)

The equality objectives as set out in the Equality Delivery System are:

Goal 1	Better Health Outcomes for All
Goal 2	Improved Patient Access and Experience
Goal 3	A Representative and Supportive Workforce
Goal 4	Inclusive Leadership

Details of the Trust's current performance against the Equality Delivery System goals is detailed below.

Goal	Outcomes	Grade	Comment
1. Better health outcomes for all	1.1 Achieve improvements in patient health, public health & patient safety for all, based on comprehensive evidence of needs & results	Not assessed in 2022/2023	
	1.2 Improve accessibility and information, and deliver the right services that are targeted, useful, and usable and use to improve patient experience.	Not assessed in 2022/2023	
2. Improved patient access and experience	2.1 People, carers and communities can readily access hospital, community health or primary care services and should not be denied access on unreasonable grounds	Achieving	No change
	2.2 People are informed and supported to be as involved as they wish to be in decisions about their care	Developing	The 2022 consultation saw a reduction in this outcome
	2.3 .People report positive experiences of the NHS	Achieving	The 2022 consultation saw an improvement in this outcome.
	2.4 People's complaints about services are handled respectfully and efficiently	Achieving	The 2022 consultation saw an improvement in this outcome
3. A representative and supportive workforce	3.1 Fair NHS recruitment and selection processes lead to a more representative workforce at all levels	Achieving	No change
	3.2.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	Developing	The Staff EDS2 2022 consultation saw a reduction in this outcome
	3.3 Training and development opportunities are taken up and positively evaluated by all staff	Achieving	The Staff EDS2 2022 consultation saw an improvement in this outcome

	3.4 When at work, staff are free from abuse, harassment, bullying and violence from any source	Undeveloped	The Staff EDS2 2022 consultation saw a reduction in this outcome
	3.5 Flexible working options are available to all staff consistent with the needs of the service and the way people lead their lives	Developing	No change
	3.6 Staff report positive experiences of their membership of the workforce	Developing	No change
4. Inclusive Leadership	4.1 Boards and senior leaders routinely demonstrate their commitment to promoting equality within and beyond their organisations	Developing	No change
	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	No change
	3. Middle managers and other line managers support their staff to work in culturally competent ways within a work environment free from discrimination	Developing	No change

## Going Concern

The Department of Health and Social Care (DHSC) and NHS England issued guidance on assessing Going Concern dated 1 April 2021. This guidance is still applicable for the 2022/23 financial year.

The Public Audit Forum which issues guidance to auditors on how auditing standards should be applied in the public sector published revised guidance in late 2020, and further updated May 2022. This updated guidance to auditors, approved by the Financial Reporting Council, explains that where the applicable financial reporting framework provides that the anticipated continued provision of services is a sufficient basis for going concern, then this should determine the extent of the auditor's procedures on going concern. This is the case in the NHS, with the DHSC Group Accounting Manual (GAM) and NHS foundation trust annual reporting manual (FT ARM) both based on the HM Treasury Financial Reporting Manual (FReM) where this definition applies.

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.

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.

## Performance Analysis

### How is performance measured?

Performance at the Trust is measured using the Integrated Performance Report (IPR). A copy of the IPR and disaggregated versions 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. This approach is recommended by the National Intensive Support Teams (IST) Making Data Count (MDC) team. In February 2022 the MDC team delivered training to the Trusts executive directors

on how best to utilise SPC for performance monitoring.

Each key performance indicator is provided on a monthly basis with exception narrative provided for those triggering as special cause from either a variation or assurance perspective. Commentary includes what is happening, why it's happening and what action is being taken to address the cause.

### What are the key performance indicators (KPIs)?

The key performance indicators within the IPR have been selected as they are included within the NHS System Oversight Framework (SOF) Metrics document, form part of the NHS Operational Planning Guidance, or due to their being a specific focus on them at this Trust.

Some of the metrics from the SOF include:

- Urgent and Emergency Care
  - Proportion of ambulance arrivals delayed over 30 minutes
  - Proportion of patients spending more than 12 hours in an emergency department
- Cancer
  - Total patients waiting over 62 days to begin cancer treatment
  - Proportion of patients meeting the faster cancer diagnosis standard
- Elective Care (Referral-to-treatment)
  - Total patients waiting more than 52, 78, and 104 weeks to start consultant-led treatment
  - Total elective activity undertaken
- Outpatients
  - Outpatient follow up activity levels
- Mortality
  - Summary Hospital-level Mortality Indicator

## Trust Performance 2022/23

Performance against some of the key metrics within the IPR are listed below:

### Urgent and Emergency Care:

Indicator	Operational Standard	2021/22	2022/23
Percentage of patients who have a total time in A&E less than 4 hours from arrival to admission, transfer, or discharge – all types	95%	Under Achieved: Q1 85.0% Q2 81.1% Q3 79.5% Q4 77.8%	Under achieved Q1 80.2% Q2 79.4% Q3 78.9% Q4 80.5%

The performance in the last quarter of the year of 80.5% is below the national target of 95% but well above the NHS England average of 71.8%, this also represents an improvement on the previous 2 quarters and the equivalent quarter in the previous year.

The IPR labels this KPI with a consistent non-achievement icon and a normal variation icon, confirming that this is an exception but offering a level of assurance due to the stability in performance.

### Cancer:

Indicator	Operational Standard	2021/22	2022/23
Percentage of patients first seen within 14 days of receipt of an urgent referral for suspected cancer	93%	Under Achieved: Q1 91.3% Q2 92.4% Q3 79.7% Q4 91.2%	Under achieved Q1 88.08% Q2 78.9% Achieved Q3 93.9% Under achieved

			Q4 91.3%
Percentage of patients first seen within 14 days of receipt of an urgent referral for breast symptoms (where cancer not initially suspected)	93%	Under Achieved: Q1 62.0% Achieved: Q2 96.8% Under Achieved: Q3 75.3% Q4 88.0%	Achieved Q1 93.8% Q2 96.5% Q3 97.98% Under achieved Q4 90.15%
Percentage of patients informed of a diagnosis or ruling out of cancer within 28 days of a receipt of a two week wait referral, receipt of an urgent referral from a cancer screening programme (breast, bowel, cervical), and receipt of a two week wait referral of any patient with breast symptoms (where cancer not suspected) *	75%	Under Achieved Q3 66.2% Q4 68.5%	Under achieved Q1 71.2% Q2 66.9% Q3 65.9% Q4 69.8%
Percentage of patients receiving first definitive treatment within 31 days of a decision to treat	96%	Achieved: Q1 99.0% Q2 98.5% Q3 96.1% Under Achieved: Q4 92.0%	Under achieved Q1 86.6% Q2 83.4% Q3 88.4% Q4 89.6%
Percentage of patients receiving subsequent drug treatment within 31 days of a decision to treat or earliest clinically appropriate date	98%	Achieved: Q1 100% Q2 100% Q3 100% Under Achieved: Q4 95.0%	Under achieved Q1 94.4% Q2 66.6% Achieved Q3 100% Q4 100%
Percentage of patients receiving subsequent surgical treatment within 31 days of a decision to treat or earliest clinically appropriate date	94%	Achieved: Q1 94.1% Under Achieved: Q2 92.9% Q3 93.5% Q4 86.7%	Under achieved Q1 87.2% Q2 91.3% Achieved Q3 97.3% Q4 94.4%
Percentage of patients receiving first definitive treatment within 62 days of an urgent referral for suspected cancer	85%	Under Achieved: Q1 80.9% Q2 73.5% Q3 67.4% Q4 62.3%	Under achieved Q1 66.9% Q2 65.8% Q3 75.7% Q4 64.4%
Number of patients waiting more than 62 days following an urgent referral for suspected cancer as at the period end **	To Reduce	Q3 363 Q4 155	Q1 297 Q2 259 Q3 261 Q4 141
Percentage of patients receiving first definitive treatment within 62 days of an urgent referral from a NHS Cancer Screening Programme (breast, cervical, or bowel) for suspected cancer	90%	Under Achieved: Q1 31.3% Q2 25.9% Q3 25.7% Q4 35.2%	Under achieved Q1 46.8% Q2 35.2% Q3 56.5% Q4 61.0%
Percentage of patients receiving first definitive treatment within 62 days of a consultant upgrade of urgency of a referral	No separate operational standard set	Q1 89.1% Q2 87.4% Q3 72.0% Q4 76.2%	Q1 56.0% Q2 58.4% Q3 67.4% Q4 67.8%

The focus over the last year has been to improve performance against the faster diagnosis standard (\*) while reducing the cancer backlog (\*\*).



For the Faster Diagnosis Standard the Trust achieved 69.8% in the last quarter of the year which is below the 75% standard and below the NHS England average of 72.1%, however this does represent an improvement for the Trust on the last two quarters and the same quarter in the previous year.

The IPR labels this KPI with a consistent non-achievement icon and a positive variation icon, confirming that this is an exception, but that we have had some statistically significant improvement.

For the Cancer backlog the Trust reported 141 patients over 62 days at the end of Q4, although this is still higher than the national ask for 22-23 (to reduce to pre-covid levels) it represents the lower position in 18 months and put us below the threshold for national monitoring.

The IPR labels this KPI with consistent non-achievement icon and a positive variation icon, confirming that this is an exception, but that we have had some statistically significant improvement.

#### Elective Care:

Indicator	Operational Standard	2021/22	2022/23
Percentage of patients waiting 6 weeks or less for a diagnostic test as at month end	99%	Under Achieved: Q1 76.9% Q2 72.6% Q3 82.3% Q4 80.5%	Under achieved Q1 72.5% Q2 75.1% Q3 73.8% Q4 79.8%
Percentage of operations cancelled		Data Collection reinstated from Q3 21/22 Q3 1.26% Q4 0.91%	Q1 1.32% Q2 1.29% Q3 1.11% Q4 1.19%
Percentage of operations cancelled not treated within 28 days		Data Collection reinstated from Q3 21/22 Q3 17.2% Q4 13.6%	Q1 17.71% Q2 18.71% Q3 16.45% Q4 11.47%
Percentage of patients waiting less than 18 weeks for consultant-led treatment as at month end	92%	Under Achieved: Q1 73.4% Q2 71.5% Q3 71.4% Q4 69.4%	Under achieved Q1 68.4% Q2 65.6% Q3 65.9% Q4 60.9%
Number of RTT incomplete pathways waiting over 78 weeks as at month end	0	Q1 349 Q2 416 Q3 206 Q4 115	Q1 58 Q2 144 Q3 152 Q4 9
Number of RTT incomplete pathways waiting over 104 weeks as at month end	0	Q1 41 Q2 40 Q3 18 Q4 17	Q1 4 Q2 2 Q3 0 Q4 1

The focus for elective care during 22-23 was to eliminate long waiters, in particular those waiting more than 104 weeks and then those waiting over 78 weeks, except where patients choose to wait longer.

For those over 78 weeks the Trust achieved this ask with the only remaining patients as at the quarter end resulting from unavoidable reasons.

The IPR labels this KPI with a consistent non-achievement icon and a positive variation icon, confirming that this is an exception, but that we have seen some statistically significant improvement.

For those over 104 weeks the Trust achieved this ask with the only remaining patient as at the quarter end resulting from unavoidable reasons.



The IPR labels this KPI with a consistent non-achievement icon and a positive variation icon, confirming that this is an exception, but that we have seen some statistically significant improvement.

#### Mental Health:

Indicator	Operational Standard	2021/22	2022/23
Percentage of patients referred to Psychological Therapies (IAPT) starting treatment within 6 weeks	75%	Achieved: Q1 94.0% Q2 98.5% Q3 97.1% Q4 95.9%	Achieved Q1 95.9% Q2 96.4% Q3 95.1% Q4 97.7%
Percentage of patients referred to Psychological Therapies (IAPT) starting treatment within 18 weeks	95%	Achieved: Q1 98.9% Q2 99.4% Q3 99.5% Q4 99.1%	Achieved Q1 99.3% Q2 98.4% Q3 98.5% Q4 99.3%
Percentage of patients recovering following completion of treatment with Psychological Therapies (IAPT)	50%	Achieved: Q1 54.2% Q2 53.7% Q3 58.4% Q4 54.0%	Achieved Q1 53.5% Q2 51.2% Q3 51.8% Q4 51.3%

The focus for the mental health indicators is the continued achievement of the standards and this was consistently delivered throughout 2022-23.

The IPR labels the access standard above with a consistently passing assurance icon and a normal variation icon, while the recovery standard has an inconsistent achievement icon and a normal variation icon.

#### **Looking Ahead**

During 2022, the NHS published the priorities and operational planning guidance for 2023/24, these documents are released yearly and set out the requirements for NHS organisations over the coming year. The tasks set out this time were to recover our core services and productivity, make progress in delivering the key ambitions on the long term plan, and to continue to transform the NHS for the future.

In terms of performance the core element of those three tasks is the recovery of our core services and productivity, and this was sub-divided into three objectives. To improve ambulance response and A&E waiting times, reduce elective long waits and cancer backlogs, and improve performance against the core diagnostic standard, while making it easier for people to access primary care services, particularly general practice – the last of these objectives is not applicable to an NHS Foundation Trust.

The guidance then provides a series of more detailed objectives and actions that can be used to formulate KPIs for our 2023/24 performance monitoring, those relevant to an NHS Foundation Trust, measurable from a performance perspective are as follows, and deliverable within 23/24 are as follows:

Area	Objective	Trust Response	Trust Target Performance
Urgent and emergency care	Improve A&E waiting times so that no less than 76% of patients are seen within 4 hours by March 2024 with further improvement in 2024/25	Historically the Trust has achieved above 76% each month and so we expect this trend to continue.	77.0%
	Reduce adult general and acute (G&A) bed occupancy to 92% or below	The Trust do not expect to achieve the 92% ask.	95.8%
Community health services	Consistently meet or exceed the 70% 2-hour urgent community response (UCR) standard	At present the Trust is achieving the 70% standard and expect to continue this.	70%

Elective care	Eliminate waits of over 65 weeks for elective care by March 2024 (except where patients choose to wait longer or in specific specialties)	The Trust have committed to delivering this objective by March 2024.	0
	Deliver the system- specific activity target (Agreed through the operational planning process)	The Trust have committed to achieving the organisation specific targets.	Integrated Care Board - 115% Specialised Commissioning – 99%
	Deliver an appropriate reduction in outpatient follow ups in line with the national ambition to reduce this activity by 25% against the 2019/20 baseline by March 2024	Due to follow up backlogs the Trust will be unable to achieve a 25% reduction but have committed to a 10% reduction.	10% reduction
	Increase productivity and meet the 85% day case and 85% theatre utilisation expectations, using GIRFT and moving procedures to the most appropriate setting	The Trust consistently achieves the day case target but requires more work to achieve the theatre utilisation target, still there is a commitment to work towards this.	Day case – 85%  Theatre Utilisation – 85%
Cancer	Continue to reduce the number of patients waiting over 62 days	The Trust have committed to achieving this objective by March 2024.	128
	Meet the cancer faster diagnosis standard by March 2024 so that 75% of patients who have been urgently referred by their GP for suspected cancer are diagnosed or have a cancer ruled out within 28 days	The Trust have committed to achieving this objective by March 2024.	75%

## Financial Performance Review

The finance and contracting arrangements for the 2022/23 financial year were based on the submission of plans in June 2022. The key points from the NHSE guidance included financial arrangements based on system financial envelopes including nationally calculated block payments from commissioners, top-up funding, growth funding and COVID funding allocations.

Before the reporting of exceptional items, the Group reported a deficit £13.3m for the year. After taking into account in year revaluations; impairment & impairment reversals following an assessment of the Groups land and buildings at the 31 March 2023, the Group reported a deficit of £20.1m for the year.

During 2022/23, the Trust commissioned a high level review of the financial management processes, reporting on current adequacy and making recommendations for any improvement. The review was undertaken by a current Director of Finance from another NHS Foundation Trust. The review covered the following areas:

- Reducing the 2022/23 forecast deficit
- Planning for 2023/24
- Delivery of cost savings
- Improvement in forecasting
- Improving governance and accountability
- Planning for medium and long term financial stability
- Improving finance skills development

The Trust has considered the report and established an action plan to ensure that all recommendations are considered and implemented as appropriate within realistic timescales.

Performance is monitored by the finance team and reported to the Finance & Performance Committee to provide assurance the recommendations are delivered.

Full details of the Trust's financial performance are set out in the accounts for 1 April 2022 to 31 March 2023 that accompanies the Annual Report in Annex D.

Table 1 compares the 2022/23 actual performance to the 2022/23 plan.

<b>Table 1</b>	<b>Plan £'m</b>	<b>Actuals £'m</b>	<b>Variance £'m</b>
Total Income	612.9	664.7	51.8
Expenses	(583.2)	(649.0)	(65.8)
<b>EBITDA*</b>	<b>29.7</b>	<b>15.7</b>	<b>(14.0)</b>
Depreciation & Amortisation	(23.6)	(24.0)	(0.4)
Dividend**	(4.9)	(4.2)	0.7
Loss on Revaluation	0.0	(6.8)	(6.8)
Interest income	0.0	1.2	1.2
Interest expense	(1.3)	(1.3)	0.0
Other gains / losses	0.0	(0.3)	(0.3)
Corporation Tax	(0.1)	(0.3)	(0.2)
<b>Surplus / (Deficit)</b>	<b>(0.2)</b>	<b>(20.1)</b>	<b>(19.9)</b>

\* Earnings before interest, tax, depreciation and amortisation

\*\* Public Dividend Capital

The key variances against the plan included:

- Impact of 2022/23 final pay award
- Increased pay expenditure on bank and agency to cover escalation, operational demand, staff absence and one to one care;
- Increased cost of utilities
- Release of accruals and provisions

Income and expenditure offsets include:

- Employer pension contributions
- Restoration costs
- COVID out of envelope costs
- Specialised Commissioners excluded drugs and devices;
- Specific initiatives such as Community Diagnostic Hub, virtual ward and digital projects.

The Trust has accounted for £107.4m of system funding made up as follows:

- a) Top-up funding £76.1m;
- b) System COVID funding allocation £15.7m;
- c) System growth funding £15.1m.
- d) Ockenden funding £0.5m.

The Trust undertook a full estate revaluation during the year which has resulted in 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 £49.4m.

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 no Interim Revenue Support loans from the Department of Health and Social Care.

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 2022/23.

Subject	Number 2022/23	£'000 2022/23	Number 2021/22	£'000 2021/22
Total Non-NHS trade invoices paid in the year	90,818	299,085	89,712	256,599
Total Non-NHS trade invoice within target	84,887	281,465	79,243	204,444
Percentage of Non-NHS trade invoices paid within target	93.5%	94.1%	88.3%	79.7%
Total NHS trade invoices paid in the year	2,121	40,140	2,283	33,531
Total NHS trade invoices paid within target	1,944	38,709	1,788	27,095
Percentage of NHS trade invoices paid within target	91.7%	96.4%	78.3%	80.8%

Performance against the value metric is marginally lower than the Better Payment Practice Code requirement but significant progress has been made in 2022/23.

The Trust paid interest to suppliers under the late payment of Commercial Debts (Interest) Act 1998 of £347 during 2022/23 to Non-NHS suppliers. (2021/22: £9,491).

The Trust invested £38.8m in capital schemes during 2022/23 (£41.0m in 2021/22). Expenditure during the period included the following investments:

**Table 8: Capital Expenditure 2022/23**

	£'m
Building and Engineering Schemes	19.7
IM&T / Digital Schemes	9.2
Equipment Replacement Schemes	9.7
Charity / Grant Funded Projects	0.2

## NHS England's Oversight Framework

The Single Oversight Framework (SOF) was published by NHS England 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 Foundation Trust is in segment 3 (segment 3, 2021/22), Significant support needed and is in actual or suspected breach of the licence.

## NHS England 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.

In response to the Notice and the subsequent Care Quality Commission (CQC) inspection in June 2019, the Trust developed a System Improvement Plan with partners to address the concerns. The System Improvement Plan is monitored by the Blackpool System Improvement Board co-chaired by NHS England's Regional Medical Director and the Chief Officer for the Lancashire and South Cumbria Integrated Care System.

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.

## 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 2022/23 accounts, which is outlined at Annex C.

Blackpool Teaching Hospitals NHS Foundation Trust has met the requirement that for 2022/23 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.

There have been significant improvements to the quality of the Trust's costing information, and the reporting tools available to support decision making. Costing dashboards are accessible Trust-wide, and the data is benchmarked against national and system-level averages, to allow services to identify opportunities for cost reduction and improvements in the efficiency and effectiveness of how we deliver patient care. The Trust's Costing team have been working with different services across the organisation to support the development of costing information and data quality, and to help them understand their costs and resource usage.

## 2023/24 Financial Planning

NHS England published the 2023/24 Priorities and Operational Planning guidance on 23 December 2022.

The key funding and planning assumptions from the guidance are:

- a) Integrated Care Boards (ICBs) and providers are expected to work together to deliver a balanced net system financial position;
- b) Total ICB allocations are flat in real terms with additional funding available to expand capacity;
- c) Capital allocations will be topped up by £300m nationally, with funding prioritised for systems delivering agreed budgets in 2022/23;
- d) The contract default between ICBs and providers for most planned elective care (excluding outpatient follow up appointments) will be to pay unit prices for activity delivered.

On 4 May 2023, the Trust submitted a financial plan showing a £24.3m deficit for 2023/24. This encompasses delivery of a 5.5% cost saving target plan of £37.7m, financial recovery measures of £19.5m and additional income of £17.7m.

Achieving the 2023/24 plan will require the delivery of a challenging cost improvement programme alongside collaboration with partner organisations to ensure we maximise opportunities to drive improved quality and efficiency through collaborative projects. We have a robust process in place to give internal

oversight of our cost improvement plans including quality impact assessments to ensure there is no detrimental impact to these programmes. Our Board will continue to receive regular updates on progress with our financial plan.

The Trust has a financial recovery programme with a list of schemes that make up the £19.5m value. Delivery is being tracked against these schemes alongside the 5.5% cost saving target.

The £17.7m additional income is described in the second paragraph. This is a system financial planning stretch to enable the system to deliver an overall deficit position. Plans are still being worked on by the system to deliver the £17.7m, however savings are not projected to be delivered until July 2023.

The 2023/24 financial plan includes an assumption that the Trust will receive £17.7m of additional income (or will reduce expenditure) through system working across the ICB. This is based on the expectation of specific programmes of work to transform services and deliver financial improvements across the ICB as a whole.

## Sustainability Development Plan and Environmental Performance

Climate change has been widely recognised as one of the greatest threats to public health globally, nationally and in our region. The NHS is leading by example and has set an ambitious target to achieve net zero carbon emissions by 2040.

Blackpool Teaching Hospitals NHS Foundation Trust (BTH) published its first ever Green Plan in January 2022. Our Green Plan aims to drive sustainable change across the Trust over the next three years and to prepare us for the transition to deliver net zero carbon healthcare within two decades.

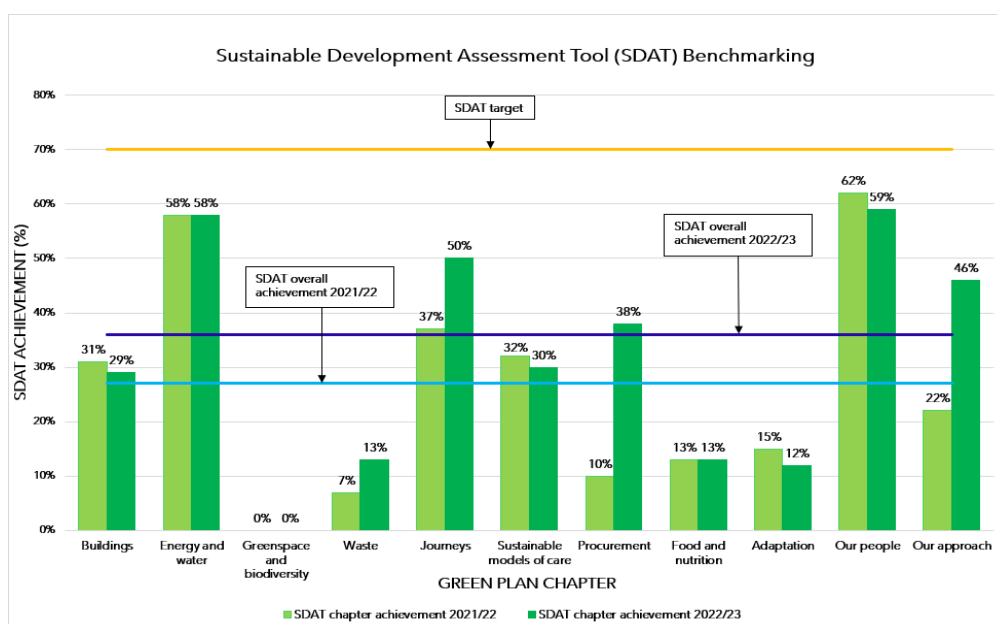
Our Green Plan sets out what we want to achieve and how we will do it to take us towards net zero carbon.

The first year of Green Plan implementation has been one of building relationships and laying the foundations for future years. It has been necessary to prioritise action in some of the chapters at the expense of action in others.

The reduction of our environmental impact is one of the ways that we can positively contribute to our local area (beyond the provision of healthcare) in our role as an 'anchor institution'

We benchmarked our progress using the Sustainable Development Assessment Tool (SDAT) for 2021/22 and scored 27%. At the end of 2022/23, our score has increased to 36%. This highlights the progress we have made during the year in taking action to deliver our Green Plan but also highlights the challenge we have remaining to hit our target of 70% by the end of 2024/25. See below graph.

### Sustainable Development Assessment Tool Graph



Key achievements during 2022/23 include:

- The implementation of a WARP-IT scheme to share and reuse equipment across the Trust, reducing disposal. Later stages of the scheme will enable the sharing of used equipment with other Trusts across Lancashire and South Cumbria.
- Completion of a Journeys to Work survey and preparation of a Journeys to Work plan to support staff to get where they need to be in the healthiest and most sustainable way. Implementation of this work has involved working with Blackpool Transport, Blackpool Council and the NHS England Net Zero Travel and Transport Scheme. Work on staff journeys will continue as a priority during 2023/24.
- An ICS funded programme manager was employed by the Trust to embed personalised care across our services, which will improve patient empowerment and reduce unnecessary healthcare use.
- Virtual wards offer the opportunity to care for patients at home, reducing the need for outpatient attendances and follow up, with clear implications in reduce travel to site. Providing care in a patient's home through remote monitoring offers the potential for improved patient experience and for patient empowerment. Virtual wards have been established for respiratory, frailty and paediatrics and a working group continues to drive the project forward.
- An electronic prescribing and medicines administration system (EPMA) was implemented to reduce paper use across the Trust.
- A Pharmacy Green group was established and developed an ambitious action plan to reduce the carbon emissions associated with medicines, the highest category of Trust emissions. Implemented actions include a scheme to increase the use of patients' own drugs, which will reduce unnecessary prescribing.
- An audit of nitrous oxide, a carbon intensive anaesthetic gas, was conducted during 2022/23. As a result of the survey, we have returned costly cannisters to the suppliers and decommissioned two nitrous oxide manifolds. We are currently testing the use of mobile anaesthetic machines which have the potential to reduce carbon emissions through leaky pipelines and reduce overall use, carbon emissions and costs.
- Recruitment of 38 committed Green Champions who will take action in their own areas of work and will spread the work of the Green Plan across the Trust.

The first year of the programme to implement Our Green Plan has delivered steady progress. The foundations have been laid for future action on carbon reduction. Progress in the year has been limited by some key challenges, including:

- The lack of dedicated substantive and whole-time programme management, and
- The difficulty in getting engagement from key BTH colleagues faced with competing priorities.

We will continue our journey towards net zero carbon in the coming year. Our activity will be a mixture of discrete short-term actions and engagement and influencing longer term change by engaging with partners. The Green Plan Steering Group have produced Objectives, Goals, Initiatives and Measures plans for 2023/24 and will communicate these across the Trust.

The key challenges for the second year of this programme will be to secure engagement across the Trust to continue to deliver positive progress, a continued focus on modal shift and hybrid working to reduce emissions from staff journeys and working with Atlas to develop plans and seek funding to decarbonise the estate.

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

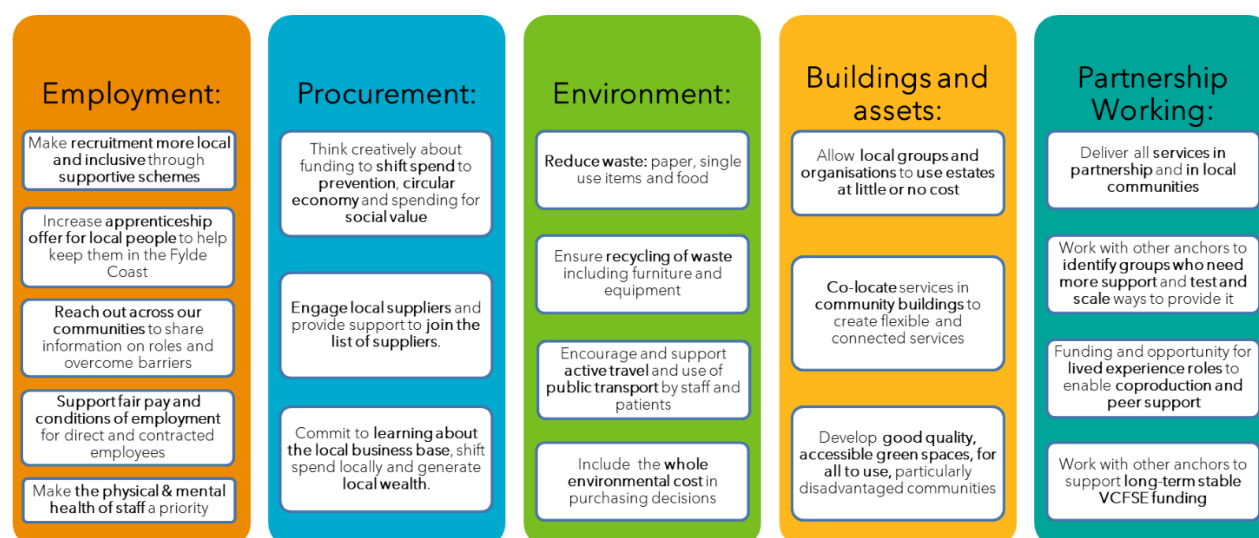
During 2022/23, we delivered a project Anchoring on the Coast to coproduce an anchor framework with our community. This innovative project was funded by the Health Foundation and engaged with a broad range of the community and staff and leaders in our Trust, other anchor institutions and organisations in our voluntary, community, faith and social enterprise sector.



- The community were central to producing this framework and setting the priorities for action by BTH and our anchor partners. The resulting framework sets out 19 goals across five pillars:
- How we purchase more locally and for social benefit
- How we widen access to quality work
- How we use our buildings and spaces (and those of other anchor institutions) to support communities
- How we work more closely with local partners
- How we reduce our environmental impact

Delivering against our anchor framework will improve health outcomes in our population and reduce health inequalities by working upstream to prevent poor health by improving economic, environmental, and social circumstances of our communities. This work aligns with the Trust's new Health Inequalities Plan and during 2023/24 we will begin to develop detailed action plans for how we can achieve our goals, working with key stakeholders within the Trust, our key partner anchor institutions and the community we serve.

## Our Anchor Framework



## Health Inequalities

Health inequalities are preventable, unfair, and unjust differences in health between groups, populations or individuals that arise from the unequal distribution of social, environmental, and economic conditions within societies. These determine the chances of people getting ill, their ability to prevent illness, or opportunities to act and access healthcare when ill health occurs.

Individuals do not have the same opportunity to be healthy due to the circumstances into which they are born, then grow up, live, work and grow old. Any individual or organisation that can change this has a moral obligation to do so. Blackpool Teaching Hospitals NHS Foundation Trust take seriously our responsibility to our patients, staff, volunteers, and community. This commitment is indicated in our Five-Year Strategy vision:

**“WE WILL IMPROVE THE LIVES OF PEOPLE WHO LIVE, WORK AND VOLUNTEER ON THE FYLDE COAST AND BEYOND”**

During 2022/23, we developed and achieved Board approval for Our Health Inequalities Plan as one of the enabling plans for the strategy, setting out action against its nine priorities. We are currently coproducing a community summary of the plan which will allow people across the Fylde Coast to be informed about the action we will be taking to tackle health inequalities.

During 2023/24, key priorities will be:

- To establish a Health Inequalities Steering Group who will oversee the implementation of the Health Inequalities Plan.



- To contribute to the national health inequalities agenda, through the CORE20PLUS5 approach to reducing health inequalities and by accelerating preventative workstreams such as increasing screening and vaccinations, delivering the tobacco prevention programme and delivering the HIV prevention programme.
- Identifying inequalities in our waiting lists and developing and publishing elective recovery plans focused on addressing unwarranted variation.
- Seizing opportunities to encourage positive behaviour changes at all points of contact. Provide staff training on health coaching, Making Every Contact Count (MECC) and patient activation measures (PAMs)
- Embedding principles of health equity in the development of new approaches to:
  - education, research, and innovation
  - our estates
  - our digital infrastructure
  - our people
  - quality improvement and transformation
  - sustainability and environmental measures.
- Supporting the development of Integrated Neighbourhood Teams to ensure health inequalities, prevention and personalised care are embedded.
- Expanding social prescribing referral processes using learning from existing social prescribing offer. Review social prescribing to ensure it is addressing the social determinants of health.

As a large public sector organisation who employs lots of people, spends lots of money on goods and services and has a range of buildings and spaces in our estate we can influence the wider factors that shape poor health and health inequalities to prevent them from happening. Our Anchor Framework and Our Green Plan are additional plans to tackle these social determinants of health and support our Health Inequalities Plan.

## **Important Events affecting the Trust since 31 March 2023**

There were no important events affecting the Trust since 31 March 2023.

## 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 England) 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.

Board of Directors composition 31 March 2023 (names of post holders during the reporting period on page 52).

- Ten independent voting Non-Executive Directors (NEDs) (including the Chair).
- Eight voting Executive Directors (EDs) (including the Chief Executive).
- Joint Director of Communications.
- Director of Corporate Governance.

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 2022/23 were as follows:

- The appointment of Steve Christian, Director of Strategy and Transformation in April 2022.
- The appointment of Steve Christian, Deputy Chief Executive in June 2022.
- The end of term of Mark Cullinan, Non-Executive Director in June 2022.
- The appointment of Robert Ryan, Non-Executive Director in July 2022.
- The appointment of Fergus Singleton, Non-Executive Director in July 2022.
- The appointment of Carl Fitzsimons, Non-Executive Director in July 2022
- The appointment of Adrian Carridice-Davids, from Associate Non-Executive Director to Non-Executive Director in October 2022.
- The appointment of Louise Ludgrove, Executive Director of People and Culture in May 2022.
- The appointment of Chris Barben, Executive Medical Director in May 2022.
- The resignation of Dr Jim Gardner, Executive Medical Director in May 2022.
- The resignation of Peter Murphy, Executive Director of Nursing, Midwifery, AHPs and Quality March 2023.

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.

Board of Directors' meetings have taken place in 2022/23 as follows:

- Formal Board Meetings in Public – 6
- Confidential Board Meetings (Private/Extraordinary) – 16
- Board Strategy Sessions – 5

During 2022/23, the two statutory committees of the Board of Directors were:-

- Audit Committee;
- Remuneration Committee.

In addition, the Board of Directors established three formal assurance committees, these are-

- Quality Assurance Committee
- Finance and Performance Committee
- Workforce Assurance Committee

## 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 (until 30.06.22)	1/1
Mark Beaton	5/6
James Wilkie	6/6
Fiona Eccleston	5/6
Andrew Roach	6/6
Sue McKenna	5/6
Adrian Carridice-Davids	4/6
Robert Ryan (from 01.07.22)	5/5
Fergus Singleton (from 01.07.22)	5/5
Carl Fitzsimons (from 01.07.22)	5/5
Trish Armstrong-Child	6/6
Steve Christian (from 19.04.22)	5/6
Jim Gardner (until 31.05.22)	0/1
Peter Murphy (until 17.03.23)	4/6

Chris Barben (from 16.05.22)	5/5
Janet Barnsley	5/6
Natalie Hudson	5/6
Shelley Wright	6/6
Feroz Patel	6/6
Louise Ludgrove	6/6
Esther Steel	6/6

## 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

### James Wilkie (Non-Executive Director)

(Deputy Chair, Senior Independent Director from 01.07.22)

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
- Chair – Lancaster Vision
- Daughter – employed by the British Pregnancy Advice Service
- Daughter – employed by Blackpool Teaching Hospitals NHS Foundation Trust
- Shareholder – stocks and shares ISA and collective retirement fund

**Robert Ryan (Non-Executive Director)**  
**Term of Office from 01.07.22 to 30.06.25 (First Term)**

**Experience:**

- Chartered Accountant with PWC
- Former Finance Director with Barclays Bank
- Various senior financial roles in banking, insurance, logistics and media
- Former Chief Operating Officer at Blackpool and The Fylde College.

**Declarations:**

- Nil

**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, Microsoft, Amazon, Netflix, Nvidia, Disney

**Fergus Singleton (Non-Executive Director)**  
**Term of Office from 01.07.22 to 30.06.25 (First Term)**

**Experience:**

- Worked for British Aerospace since joining in 1983
- Extensive experience in engineering, manufacturing, maintenance, supply chain and transformation.

**Declarations:**

- Nil

**Carl Fitzsimons (Non-Executive Director)**  
**Term of Office from 01.07.22 to 30.06.25 (First Term)**

**Experience:**

- Former Vice President of HR at Ecolab Inc (a US Fortune 500 company) European Group HRD at Thai Union (John West Group),
- Former HR Director Manx Telecom Plc,
- Managing Director 4BOX (a Talent and Transformation Practice)

**Declarations:**

- Managing Director 4BOX (Talent and Transformation Practice)

**Adrian Carridice-Davids (Non-Executive Director)**  
**Term of Office from 04.10.21 to 03.10.22 (Associate NED)**  
**Term of Office from 04.10.22 to 03.10.25 (First Term)**

**Experience:**

- Chair of Arawak Walton Housing Association
- 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 – Chair of Audit Committee  
from 01 May 2022  
Term of Office from 04.10.21 to 03.10.24 (First Term))**

**Experience:**

- Trustee and Member of Finance Committee - The Foxton Centre
- Finance Transformation and Change Management Consultant at FJE Consulting Ltd
- Former Director of Financial Operations – Allegis Group

**Declarations:**

- Trustee of Preston based charity: The Foxton Centre
- Shareholder and Director: FJE Consulting
- Shareholding: British Land Plc

**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:**

- Clinical Non- Executive at Dovehaven Care Homes Group



**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:**

- Nil

**Trish Armstrong-Child (Chief Executive)**  
**Appointed on 20.09.21**

**Experience:**

- Former Chief Executive of Southport and Ormskirk Hospital
- Deputy Chief Executive and Director of Nursing at Bolton NHS Foundation Trust

**Declarations:**

- Nil

**Steve Christian (Deputy Chief Executive/Executive Director of Strategy and Transformation)**  
**Appointed on 19.04.22**

**Experience:**

- Former Chief Integration Officer at Lancashire and South Cumbria NHS Foundation Trust.
- Former Deputy Chief Executive/Chief Operating Officer at Southport and Ormskirk Hospitals NHS Trust.
- Former Director of Service Improvement at NHS England
- Former Associate Director of Operations at St Helens and Knowsley Teaching Hospitals NHS Trust.

**Declarations:**

- Nil

**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

**Chris Barben (Executive Medical Director)**  
**Appointed on 16.05.22**

**Experience:**

- Former Associate Medical Director for Planned Care at Southport and Ormskirk NHS Trust.
- Former Consultant colorectal surgeon at Liverpool University Hospitals NHS Foundation Trust.
- Former Deputy Divisional Director of Surgery and Anaesthetics at Aintree Hospital
- Former Internal Clinical Advisor to the Health Service Ombudsman
- Former General Surgery Lead for the Elective Recovery Programme in Cheshire and Merseyside.

**Declarations:**

- Nil

**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 – Director of Performance for the ICB.
- Father-in-law – Chair of East Lancashire Hospice

**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:**

- Nil

**Louise Ludgrove (Executive Director of People and Culture)**  
**Appointed on 07.02.22 (interim) and 16.05.22 (substantive)**

**Experience:**

- 20 + years Board Level Experience
- Director @Ludgrove Consultancy Services
- Worked as an interim for 11 years across a number of organisations, specialising in challenged Trusts

**Declarations:**

- Director of Ludgrove Consultancy Services Limited
- Trustee for Great Dane Adoption Society

**Esther Steel (Executive Director of Corporate Governance)**  
**Appointed on 14.03.22**

**Experience:**

- An experienced Governance professional with a unique background as both an Allied Health Professional and a Mental Health Nurse
- Almost 40 years of experience in the NHS
- Ensures that care and engagement are at the heart of governance decisions

**Declarations:**

- Husband is employed by Lancashire Teaching Hospitals NHS Foundation Trust

**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

**Jim Gardner (Executive Medical Director) Appointed in January 2020  
(Resigned 31.05.22)**

**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

**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

**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

All existing members of the Board of Directors are voting members, with the exception of the Executive Director of Corporate Governance and the Joint Executive Director of Communications.

## **NHS England's Well-Led Framework Overview**

The NHS England well-led framework is a set of guidelines and principles that outlines the expectations for effective leadership and governance within NHS organisations in England. It provides a framework for NHS Foundation Trusts to ensure that they are well-led and can deliver high-quality care to patients.

The well-led framework emphasises the importance of strong leadership at all levels of an organisation, from the board of directors to frontline staff. It promotes a culture of openness, transparency, and accountability, encouraging leaders to engage with staff, patients, and stakeholders to understand their needs and perspectives.

Key elements of the well-led framework include:

1. Clear and shared purpose: Establishing a clear vision, mission, and values that guide our actions and decisions.

In 2022/23, we worked with staff and stakeholders to build on the new strategy developed towards the end of 2021 leading to the publication of a new five year strategy with associated annual objectives. We developed a new strapline and are in the process of developing refreshed values for the Trust

2. Strong leadership: Ensuring that leaders have the necessary skills, experience, and support to effectively lead and manage their teams.

We are committed to the development of our staff at all levels and have a number of development programmes available to give our staff the best skills to lead and manage their teams.

3. Engaged staff: Fostering a positive working environment that values and supports staff, promotes their well-being, and encourages their professional development.

Building on recommendations from the National Guardian's Office in 2021, we have increased the resource provided to support staff who want to speak up, we have a focused staff wellbeing team and a NED Wellbeing champion and as mentioned elsewhere in this report have developed networks to support our staff.

4. Effective governance: Implementing robust governance structures and processes that ensure accountability, risk management, and effective decision-making.

Following the 2021 CQC report we undertook a review of our governance arrangements implementing a new Committee structure to give increased accountability and provide a strong thread of assurance from ward to board

5. Patient-centeredness: Placing patients at the centre of care by involving them in decision-making, actively seeking their feedback, and continuously improving services based on their needs.

Our patients remain at the heart of everything we do, and we actively engage with patients and service users through our Governors, our Influence panels and our Lived Experience Experts.

6. Continuous learning and improvement: Promoting a culture of learning, innovation, and quality improvement, where lessons are shared and best practices are adopted.

We are incredibly proud of our Quality Improvement Programme, this provides learning and support for our staff to develop new ideas and drive improvements. We have heard in the last few days that seven of our programmes that were underway in 2022/23 have been shortlisted in the Health Service Journal national awards.

Our last full CQC inspection was undertaken in September and October 2021 with the final report published in January 2022 – the report identified areas for improvement and as discussed elsewhere in this report action plans have been agreed to address these recommendations.

The CQC rating for the Trust is as below:

Safe	Effective	Caring	Responsive	Well-led	Overall
Requires Improvement ↔ Jan 2022	Requires Improvement ↔ Jan 2022	Good ↔ Jan 2022	Inadequate ↓ Jan 2022	Requires Improvement ↑ Jan 2022	Requires Improvement ↔ Jan 2022

## 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 the Annual Governance Statement at Annex B.

## Complaints

The Patient and Family Relations team address, investigate and respond to enquiries, concerns and formal complaints on behalf of our patients and their relatives. The team manage to respond to all cases with the majority being resolved within 48 hours.

Overall, the team managed 15,801 individual cases during 2022-23, which is a significant increase when compared to the 3621 individual cases recorded the previous year and indicative of the improved responsiveness of the expanded team.

In 2022-23 there were 444 formal complaints registered. This represented a 25% increase year on year compared to the 354 received in 2021-22. The team also managed 911 Informal Concerns, and 14,446 enquiries each contact enabling the team to support patients, relatives and carers.

The New NHS complaints standards were published by the Public and Health Sector Ombudsman at the start of 2023 and these will be adopted by the trust within a revised complaints management policy and associated Standard Operating Procedures early in the new financial year.

The number of complex complaint cases which are required to be investigated and are given the 40-day time frame has increased. These were 20% higher in 2022-23 at 136 cases, compared to 113 in 2021-22. This is similar to what peer organisations are also reporting.

These complex complaints cases have almost doubled in the last 2 years and this trend is expected to continue.

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 England). 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 2022/23 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 not exercised during 2022/23.*
- To decide the remuneration and allowances, and the other terms and conditions of office, of the Non- Executive Directors.  
*This duty was exercised during 2022/23 – 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 2022/23.*
- 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 8 November 2022.*
- 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 2022/23 through Governor attendance at the Start of the Year conference and through regular updates to Governor meetings.*
- To respond as appropriate when consulted by the Board of Directors in accordance with the Constitution.  
*This duty was not exercised during 2022/23.*
- 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.  
*During 2022/23, Governors discussed membership and engagement in preparation for publishing a new Membership Strategy in 2023.*

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			
Wyre	4			
<b>Total</b>	<b>16</b>			
Clinical Support		1		
Medical & Dental		1		
Non-Clinical Support		1		
Nursing & Midwifery (2 x vacancy)		2		
<b>Total</b>		<b>5</b>		
Blackpool Council			1	
Lancashire County Council			1	
University of Central Lancashire			2*	
University of Lancaster* (1 x vacancy)				
Blackpool & Fylde College			1	
Blackpool Carers Centre (1 x vacancy)			1	
<b>Total</b>			<b>6</b>	
<b>Total membership of the Council of Governors</b>				<b>27</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 an election during the year 1 April 2022 to 31 March 2023.

### **Public Governors:**

#### Blackpool Constituency

Graham Curry (re-elected)  
Alan Gaynor (newly elected)  
Heather O'Hara (newly elected)  
Lisa Robins (re-elected)

#### Fylde Constituency

Linda Griffiths (newly elected)

#### Wyre Constituency

Howard Ballard (newly elected)  
Sue Crouch (re-elected)  
William Jackson (newly elected)

#### North West Counties

David Wilton (newly elected)

### **Staff Governors:**

#### Clinical Support Constituency

Jenny Gavin (re-elected)

#### Nursing and Midwifery

No candidates – election in 2023.

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 2023.

## **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 (until 08.11.22)	Blackpool
Patricia Roche*** (Deputy Lead Governor)	Blackpool
Nigel Patterson	Blackpool
Rick Scott	Blackpool
Graham Curry*	Blackpool
Jeannette Beckett (until 08.11.22)	Blackpool
Lisa Robins*	Blackpool
Alan Gaynor* (from 01.10.22)	Blackpool
Heather O'Hara* (from 01.10.22)	Blackpool
John Moore**	Fylde
Gail Goodman**	Fylde

Linda Griffiths* (from 01.10.22)	Fylde
Christina McKenzie-Townsend (until 08.11.22)	Wyre
Sue Crouch* (Lead Governor)	Wyre
Ian Owen***	Wyre
Pat Greenhough (until 08.11.22)	Wyre
William Jackson* (from 01.10.22)	Wyre
Howard Ballard* (from 01.10.22)	Wyre
David Wilton* (from 01.10.22)	Northwest Counties
Dr Ranjit More**	Medical and Dental
David Collett (until 25.10.22)	Nursing and Midwifery
Tina Daniels*	Non-Clinical Support
Jennifer Gavin*	Clinical Support
Councillor Martin Mitchell (until 26.05.22)	Blackpool Council
Dr Deborah Kenny (until 31.03.23)	University of Central Lancashire
Margaret Bamforth**	Local College/ School Representative
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 2022/23, there were four formal meetings of the Council of Governors and they took place on the following dates:

- 7 June 2022
- 5 October 2022
- 13 December 2022
- 14 March 2023.

There was one Extraordinary/Private Meeting held on 05 May 2022.

During 2022/23, the Council of Governors received regular reports/updates from the Chief Executive/ Executive Directors plus regular strategic, finance, performance and membership reports.

The Non-Executive Directors continue to provide 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 Assurance Committee, Finance & Performance Committee and Workforce Assurance Committee.
- Membership Committee;
- Governors' Informal Meetings;
- Charitable Funds Committee;
- Annual Members Meeting.

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

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

<b>Governors</b>	<b>Number of Formal Meetings (4)</b>
Adele DeVito	3/4
Zacky Hameed (until 30.09.22)	1/1
Patricia Roche (Deputy Lead Governor)	4/4
Nigel Patterson	4/4
Rick Scott	4/4
Graham Curry	2/4
Jeannette Beckett (until 08.11.22)	1/1
Lisa Robins	3/4
Alan Gaynor (from 01.10.22)	1/3
Heather O'Hara (from 01.10.22)	2/3
John Moore	4/4
Gail Goodman	1/4
Linda Griffiths (from 01.10.22)	1/3
Christina McKenzie-Townsend (until 08.11.22)	0/1
Sue Crouch* (Lead Governor)	2/4
Ian Owen	3/4
Pat Greenhough (until 08.11.22)	0/1
William Jackson (from 01.10.22)	0/3
Howard Ballard (from 01.10.22)	2/3
David Wilton (from 01.10.22)	3/3
Dr Ranjit More	2/4
David Collett (until 25.10.22)	0/1
Tina Daniels	4/4
Jennifer Gavin	4/4
Councillor Martin Mitchell (until 26.05.22)	0/0
Dr Deborah Kenny	3/4
Margaret Bamforth	4/4

## 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)
Jeanette Beckett	Elected Public Governor (Blackpool Constituency) (until 31.09.22)
Sue Crouch	Elected Public Governor (Wyre Constituency)
Pat Roche	Elected Public Governor (Blackpool Constituency)
Tina Daniels	Elected Staff Governor (Non-Clinical Support Constituency)
Margaret Bamforth	Appointed Governor (Blackpool & the Fylde College) (from 28.09.22)
Zacky Hameed	Elected Public Governor (Blackpool Constituency) (until 30.09.22)
Mr Ian Owen	Elected Public Governor (Wyre Constituency)

There have been two meetings of the Nominations Committee during 2022/23.

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 4,505 as of 31 March 2023 (4,705 for 2022). A total of 10 members have been recruited, with 117 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 7,490 (7,481 for 2022).

### **Membership Report 1 April 2022 to 31 March 2023**

Membership size and movements	
Public constituency	(2022/23)
At year start (1 April 2022)	4,612
New members	10
Members leaving	117
At year end (31 March 2023)	4,505



Staff constituency***	(2022/23)
At year start (1 April 2022)	4
New members	7,490
Members leaving	4
At year end (31 March 2023)	7,490
Analysis of current membership	
Public constituency	Number of members
Age (years):*/**	
0-16	0
17-21	25
22+	3,853
Not stated	627
Ethnicity:*/**	
White	3,352
Mixed	19
Asian or Asian British	65
Black or Black British	12
Other	0
Not stated	1,057
Socio-economic groupings: */**	
AB	1,151
C1	1,324
C2	1,006
DE	1,015
Gender analysis:*/**	
Male	1,994
Female	2,405
Other	106

\*The dates reflect data from the 1 April 2022 to 31 March 2023.

\*\*Due to members opting not to disclose this information, the figures will not reflect the total Trust membership, therefore this analysis excludes: 627 public members with no stated dates of birth; 1,057 members with no stated ethnicity; and 106 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: ([bfbw.corporate.governance@nhs.net](mailto:bfbw.corporate.governance@nhs.net)) and telephone line (01253 951505).

## **Membership Representation**

The Trust's engagement with members during 2022/23 was reduced due to the ongoing impact of the pandemic,

As activity returned to normal we held a health fair in partnership with the local college to provide an opportunity for our staff Governors to canvas the opinion of members and the wider public. All Governors worked with Board members in sharing their views and the views of those they represent in the formulation of our new strategy.

## **Cost Allocation and Charging Guidance**

For detailed information on this section please refer to the Financial Performance Review section on page 45.

## **Better Payment Practice Code**

For detailed information on this section please refer to the Financial Performance Review section on page 44.

## **Income Disclosures**

For detailed information on this section please refer to the Financial Performance Review section on page 45.

## **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

I am pleased to present the Remuneration Report for 2022/23. As Chair of the Board of Directors, I chair the two committees charged with responsibility for nomination and remuneration:

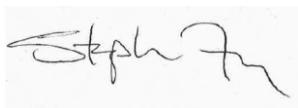
- a Board Remuneration Committee with formal delegated responsibility for the nomination and remuneration of Executive Directors and;
- a Governor Nomination Committee – this second committee acts in an advisory and supporting capacity for the full Council of Governors but does not have formally delegated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

During the reporting year, the Remuneration Committee acted in accordance with the policy table on the following page and considered following:

- the arrangements to appoint a new Executive Medical director and a new Chief Nurse
- the award of an appropriate cost of living pay rise for staff on VSM arrangements – it was agreed that an award of £1400 would be made to all staff on a VSM contract
- in considering the salary for the Executive Medical Director consideration was given to the guidance with regard to salaries of over £150,000 and in accordance with the guidance this was shared with NHS England
- in all discussions consideration was given to the environment in which the Trust is operating.

The salary scale for Directors is based upon current market rates and is externally benchmarked using data provided by NHS Providers.



Signed:

Date: 13 July 2023

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 75</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 77) 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>	These are set at a level which: <ul style="list-style-type: none"> <li>Reflects the commitment and contribution that is expected from the Chair and NEDs comparable with other similar NHS Trusts</li> </ul>	None
--	--	--	--	------

This is the annual basic pay based on market rates and approved by the Remuneration Committee. The Trust does not pay any additional remuneration to its Directors, Senior Managers or Non-Executive Directors in the form of bonuses. Pay awards are dependent on performance in the role and have been determined in line with the prevailing approach taken for other groups of staff who are subject to national pay bargaining arrangements.

All employees on Agenda for Change pay scales received a minimum uplift of £1400 (pro-rata) with the lowest bands receiving higher uplifts.

Medical and Dental staff not in training grades, received a 4.5% increase from 1 April 2022. Doctors and Dentists in training received a 2% uplift.

## 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. All contracts include a 6-month probationary period.

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 maximum salary cap of £80K per annum, and a month for every year of service up to a maximum of two years' pay. Additional pension contributions are made for those staff over 50 years of age.

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 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 52.

### Single Total Figure Table 2022/23

(The following table has been subject to audit)

2022/23							
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)
Patricia Armstrong Child - Chief Executive	215 - 220	-	-	-	97.5 - 100	-	315 - 320
Steven Christian - Director for Transformation Strategy / Deputy Chief Executive (from 19.4.22)	150 - 155	-	-	-	75 - 77.5	-	225 - 230
Peter Murphy - Director of Nursing, AHPs and Quality (until 17.3.23)	130 - 135	3200	-	-	2.5 - 5	-	135 - 140
Janet Parr (previously Barnsley) - Director of Integrated Care and Performance	125 - 130	-	-	-	15 - 17.5	-	145 - 150
Dr Jim Gardner - Medical Director (until 31.5.22)**	35 - 40	-	-	-	-	-	35 - 40
Natalie Hudson - Chief Operating Officer	130 - 135	3500	-	-	30 - 32.5	-	165 - 170
Feroz Patel - Director of Finance ****	135 - 140	7400	-	-	27.5 - 30	-	170 - 175
Shelley Wright - Joint Director of Communications*	60 - 65	-	-	-	15 - 17.5	-	75 - 80
Catherine (Louise) Ludgrove - Director of People & Culture	140 - 145	-	-	-	30 - 32.5	-	170 - 175
Chris Barben - Medical Director (from 16.5.22)**	150 - 155	-	-	-	300 - 302.5	-	455 - 460
Steve Fogg- Chairman	40 - 45	-	-	-	-	-	40 - 45
Mark Cullinan - Non - Executive (until 30.6.22)	0 - 5	-	-	-	-	-	0 - 5
James Wilkie - Non-Executive Director	10 - 15	-	-	-	-	-	10 - 15
Mark Beaton - Non-Executive Director	10 - 15	-	-	-	-	-	10 - 15

Fiona Eccleston - Non-Executive Director	10 - 15	-	-	-	-	-	10 - 15
Susan McKenna - Non-Executive Director	10 - 15	-	-	-	-	-	10 - 15
Andrew Roach - Non-Executive Director	10 - 15	-	-	-	-	-	10 - 15
Adrian Carridice-Davids - Non-Executive Director	10 - 15	700	-	-	-	-	10 - 15
Carl Fitzsimons - Non-Executive Director (from 01.07.22)	10 - 15	-	-	-	-	-	10 - 15
Fergus Singleton - Non-Executive Director (from 01.07.22)	10 - 15	-	-	-	-	-	10 - 15
Robert Ryan - Non-Executive Director (from 01.07.22)	10 - 15	-	-	-	-	-	10 - 15

\* S Wright was employed by East Lancashire Hospitals NHS Trust, and has 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.

\*\* Medical Director's salary includes clinical duty fees where applicable.

\*\*\* Simone Anderton acted up into the Director of Nursing post between 20/03/23 and 31/03/23, no additional remuneration was paid to Simone for this period.

\*\*\*\*F Patel joined the ICB on secondment post year end.

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.

### 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 (until 30.06.22)	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	5 - 10	-	-	-	-	-	5 - 10
Susan McKenna - Non-Executive Director	5 - 10	-	-	-	-	-	5 - 10
Dr Sheena Bedi - Non-Executive Director (till 31.08.21)	5 - 10	-	-	-	-	-	5 - 10
Andrew Roach - Non-Executive Director	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.

## 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.

### 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 31 March 2023	Lump sum at pension age related to accrued pension at 31 March 2023	Cash Equivalent Transfer Value at 1 April 2022	Real Increase in Cash Equivalent Transfer Value	Cash Equivalent Transfer Value at 31 March 2023	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
Patricia Armstrong Child - Chief Executive	5 - 7.5	5 - 7.5	85 - 90	190 - 195	1,469	92	1,636	31
Steven Christian - Director for Transformation Strategy / Deputy Chief Executive (from 19.4.22)	2.5 - 5	2.5 - 5	30 - 35	45 - 50	349	40	424	21
Peter Murphy - Director of Nursing, AHPs and Quality (till 17.3.23)	0 - 2.5	0	60 - 65	165 - 170	1,242	16	1,316	19



Janet Parr (previously Barnsley) - Director of Integrated Care and Performance	0 - 2.5	0	50 - 55	100 - 105	899	22	967	18
Dr Jim Gardner** - Medical Director (till 31.5.22)	0	0	0	0	0	0	0	0
Natalie Hudson - Chief Operating Officer	0 - 2.5	0	25 - 30	0	238	8	272	19
Feroz Patel - Director of Finance	2.5 - 5	0	45 - 50	80 - 85	693	21	756	21
Shelley Wright* - Joint Director of Communications	0 - 2.5	0	0 - 5	0	27	6	43	9
Catherine (Louise) Ludgrove - Director of People & Culture	0 - 2.5	0	5 - 10	10 - 15	8	21	48	19
Chris Barben - Medical Director (from 16.5.22)	12.5 - 15	32.5 - 35	55 - 60	115 - 120	777	300	1,169	22

\*S Wright is employed by East Lancashire Hospitals NHS Trust and has 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.

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

NHS Pensions are still assessing the impact of the McCloud judgement in relation to changes to benefits in 2015. The benefits and related CETVs disclosed do not allow for any potential future adjustments that may arise from this judgement.

Cash equivalent transfer value (CETV) figures are calculated using the guidance on discount rates for calculating unfunded public service contribution rates that was extant on 31 March 2023. HM Treasury published updated guidance on 27 April 2023; this guidance will be used in the calculation of 2023/24 CETV figures.

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)

NHS foundation trusts are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the lower quartile, median and upper quartile remuneration of the organisation's workforce.

The banded remuneration of the highest-paid director in the organisation in the financial year 2022-23 was £215,000 - £220,000 (2021-22, £205,000 - 210,000). This is a change between years of 5%.

Total remuneration 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.

For employees of the Trust as a whole, the range of remuneration in 2022-23 was from £20,270 to £441,000 (2021-21 £10,000 to £336,344). The percentage change in average employee remuneration (based on total for all employees on an annualised basis divided by full time equivalent number of employees) between years is 9.77%.

16 employees received remuneration in excess of the highest-paid director in 2022-23. (2021-22: 26 employees.)

The relationship to the remuneration of the organisation's workforce is disclosed in the below table.

2022/23	Salary & Fees % increase	Annual Performance Related bonuses % Increase
Highest Paid Director (1)	5.00%	0.00%
Total Employees	9.77%	0.00%
2021/22		
Highest Paid Director	0.00%	0.00%
Total Employees	1.72%	0.00%

(1) The increase in salary declared on the highest paid director is not due to a change in one individual's salary, it is however as a result of a change to the highest paid director.

(2) The increase in salary declared on the employee base as a whole, includes non-consolidated and inflationary pay increases for both 2021/22 & 2022/23 owing to the timing of the approval

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 is based on the mid-point of the band for each of salary and performance pay and bonus 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 2023 or the year ending 31 March 2022.

The remuneration of the employee at the 25th percentile, median and 75th percentile is set out below. The pay ratio shows the relationship between the total pay and benefits of the highest paid director (excluding pension benefits) and each point in the remuneration range for the organisation's workforce.

2022/23	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
Total Remuneration (£)	25,477	32,995	43,842
Salary component of total remuneration* (£)	24,891	31,114	42,750
Pay Ratio Information	8.5 : 1	6.6 : 1	5 : 1
2021/22			
Total Remuneration (£)	22,719	31,496	41,233
Salary component of total remuneration (£)	21,777	27,780	39,027
Pay Ratio Information	9.1 : 1	6.6 : 1	5 : 1

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

### **Executive Directors' Expenses**

Four of eleven Executive Directors submitted expense claims in 2022/23 (2021/22: 5/11). The total amount of expenses paid to Directors in 2022/23 was £9,544 (2021/22: £9,261).

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

One of ten Non-Executive Director submitted expense claims in 2022/23 (2021/22: 0). The total amount of expenses paid to Non-Executive Directors in 2022/23 was £1,001 (2021/22: nil).

### **Governor Expenses**

One of twenty-nine Governors submitted expense claims in 2022/23 (2021/22: 0). The total amount of expenses paid to Governors was £273 (2021/22: nil)

## Membership of the Remuneration Committee

Steve Fogg – Chair of the Committee  
Mark Cullinan (until 30.06.22)  
James Wilkie  
Mark Beaton  
Sue McKenna  
Andrew Roach  
Fiona Eccleston  
Adrian Carridice-Davids  
Carl Fitzsimons (from 01.07.22)  
Fergus Singleton (from 01.07.22)  
Robert Ryan (from 01.07.22)

Three meetings of the Committee took place during 2022/23 with attendance as follows:

Committee Members (8)	Number of Meetings (3)
Steve Fogg (Committee Chair)	3/3
Mark Cullinan (until 30.06.22)	0/0
James Wilkie	3/3
Mark Beaton	2/3
Sue McKenna	3/3
Andrew Roach	2/3
Fiona Eccleston	2/3
Adrian Carridice-Davids	2/3
Carl Fitzsimons (from 01.07.22)	2/3
Fergus Singleton (from 01.07.22)	3/3
Andy Roach (from 01.07.22)	3/3
Robert Ryan (from 01.07.22)	3/3
Trish Armstrong-Child	3/3
Esther Steel (Advisory capacity)	3/3
Louise Ludgrove (Advisory capacity)	3/3

Mrs Trish Armstrong-Child (Chief Executive) and Mrs Louise Ludgrove (Director of People & Culture) 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: 13 July 2023

# Staff Report

## Analysis of Staff Costs

(The following table has been subject to audit)

Employee Benefits	2022-23			2021-22		
	Perm	Other	Total	Perm	Other	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Salaries and wages	335,223	163	335,386	291,071	107	291,178
Social security costs	32,552	0	32,552	28,823	0	28,823
Apprenticeship levy	2,282	0	2,282	1,655	0	1,655
Employer's contributions to NHS pensions	32,757	0	32,757	31,190	0	31,190
Employer's contributions paid to NHSE on providers behalf (6.3%)	14,196	0	14,196	13,461	0	13,461
Pension cost – other	174	0	174	159	0	159
Termination Benefit	159	0	159	0	0	0
Temporary staff (including agency)	0	40,309	40,309	0	34,669	34,669
<b>Total employee benefits including capitalised staff costs</b>	<b>417,343</b>	<b>40,472</b>	<b>457,815</b>	<b>366,359</b>	<b>34,776</b>	<b>401,135</b>
Less costs capitalised as part of assets	(1,505)	0	(1,505)	(1,567)	0	(1,567)
<b>Total employee benefits excluding capitalised staff costs</b>	<b>415,838</b>	<b>40,472</b>	<b>456,310</b>	<b>364,792</b>	<b>34,776</b>	<b>399,568</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 £14.196m (£13.461m 21/22) 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 31 March 2023	Year ended 31 March 2023	Year ended 31 March 2023	Year ended 31 March 2022
	Permanently employed	Other Staff	Total	Total
	WTE	WTE	WTE	WTE
Medical and Dental	643	117	760	732
Administration and estates	1966	3	1969	1561
Healthcare assistants and other support staff	1770	0	1770	2051
Nursing, midwifery and health visiting staff	2406	164	2570	2431
Nursing, midwifery and health visiting learners	0	0	0	0
Scientific, therapeutic and technical staff	748	11	759	747
Healthcare science staff	219	3	222	208
Other	0	0	0	0
<b>Total Average Numbers</b>	<b>7752</b>	<b>298</b>	<b>8050</b>	<b>7,730</b>
<b>Of which:</b>				
Number of employees (WTE) engaged on capital projects	32	0	32	38

## 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 2023		
	Male	Female
Directors and other senior managers*/**	12	8
Employees**	1861	6386

\*Directors and senior managers comprise Executive Directors and Non-Executive Directors in post at 31 March 2023 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 6.74 %for the rolling 12-month period (April to March) which is above the Trust target of 4% and slightly above last year's result of 6.41%

A physically and mentally healthy workforce is essential to provide the best care for our patients. The Trust's Health & Wellbeing Strategy focuses on 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. The Psychological Staff Support team has worked, over the last 12 months, to develop a series of interventions to support individuals and teams. There is now a process whereby teams that are struggling can get support in the form of workplace trauma training, psychological safety training and drop-in sessions where members of the team attend the workplace to be there should any staff need space to talk to someone. The team has also been fortunate to be assigned two trainee clinical psychologists and so the capacity to run therapy clinics has increased.

### 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 continues to support 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 (MSK) Awareness**

The physiotherapist service continues within Occupational Health with the addition of a new band 6 member of staff. This has greatly increased our capacity to see staff with musculoskeletal problems. In spring 2023, Occupational Health is also introducing a new staff self-referral service which will support staff who are in work with an MSK issue. This service aims to ensure staff get the right treatment as quickly as possible, and prevent people having to go off sick, if they can be supported in work. 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.

### **Workplace Trauma Training**

Along with existing training programmes, the psychological well team are running workplace trauma training for teams. This training helps teams to understand some of the stressor in and out of work, how to manage stress, and how to recognise when colleagues are struggling and need support.

### **The Well Team**

The Well Service has become an integral part of the HR and OD service. The team coordinates a comprehensive calendar of events, including health check events, wellbeing celebrations and organised activities that staff working across the Trust footprint can take part in. This includes Pilates, yoga, walking groups, and organised fun runs. The service produces a monthly newsletter and calendar that details upcoming activities, together with offers available for staff. This also includes a monthly health and wellbeing calendar for staff to follow. There is a dedicated wellbeing portal that staff may access, together with an enhanced Wellbeing Directory that includes all the detail of support in and out of the Trust.

Health and wellbeing activities are promoted throughout the Trust by Health and Wellbeing Coordinators who are supported by over 200 Wellbeing Champions. Activity 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
2016/17	4.78%
2017/18	4.67%
2018/19	4.90%
2019/20	5.41%
2020/21	4.66%
2021/22	6.41%
2022/23	6.74%

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 2022 calendar year.

Statistics Produced by NHS Digital*/Department of Health & Social Care (**based on Jan-Nov 2022)					
National Average of 12 Months (Jan-Dec 2022)	National Average for last available quarter of 2022 (Jul-Sept)**	BTH Average FTE 2022 **	BTH FTE-Days Available *	BTH FTE-Days Lost to Sickness Absence*	BTH Average Sick Days per FTE **
5.57%	5.36%	7,158	2,612,670	239,600	33.47
<p>*based on figures converted by DH to best estimates of required data items</p> <p>** based on statistics published by NHS Digital from ESR Data Warehouse</p>					

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

The Trust is committed to promoting equality, diversity, and inclusion in all activities for all patients, visitors, and staff. Under the Equality Act 2010, all public sector employers must abide by the Public Sector Equality Duty (PSED).

The PSED has three key aims, which are:

1. Eliminate discrimination, harassment, and victimisation.
2. Advance equality of opportunity between people who share a protected characteristic and people who do not.
3. Foster good relations between people who share a protected characteristic and those who do not.

The Act explains that having due regard for advancing equality involves:



- Removing or minimising disadvantages suffered by people due to their protected characteristics
- Taking steps to meet the needs of people from protected groups where these are different from the needs of other people
- Encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low.

Throughout 2022/23, the Trust continued to work on activities that were aligned to the advancement of the equality and inclusion agenda. Some examples of our achievements to help us to this include:

- Launching new staff networks, including the Culturally Diverse and Faith Staff Network, Disability & Long-Term Conditions Staff Network, the LGBTQ+ Staff Network, Women's Network and one for Veterans, Reservists and Forces Family Network
- Collaborating with partners in the Lancashire & South Cumbria system to develop the Belonging Strategy
- Building the leadership and inclusion agenda into all Trust leadership programmes, including the New Consultant Induction programme
- Included staff stories in the Trust's Workforce Assurance Committees, providing opportunities for staff to talk about their lived experiences with members of the Board
- Observing and promoting EDI awareness days, weeks and months through our internal communications, Executive-led webinars and through wider regional and national online engagement events.
- Reviewing and refreshing the Trust's values with a view to launching them in April 23. These values will be underpinned by a behavioural framework which will be co-developed with members of the workforce
- Participating in the L & SC Reverse mentoring programme pilot. This initiative saw five of the Trust's senior leaders partnered with colleagues from within the system who come from a range of diverse backgrounds
- Developed a Reasonable Adjustment policy to help remove or reduce a disadvantage related to someone's disability or long-term condition
- Develop a suite of Neurodiverse podcasts with a view to launching them in 2023/24
- 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
- Reviewing mechanisms to support patients in hospital with a learning difficulty by having LD Passports
- Dedicated lead Nurse for Learning Disabilities to progress the Trust's Learning Disability agenda
- Increased the number of Wellbeing Champions to 150
- Improving Translation and Interpreting for patients including Easy Read documents
- Signed the Step into Health scheme to assist ex-military gain work experience in the NHS

## **Meeting our Equality Duties and Mandated Standards**

The Trust is also required to produce detailed information to demonstrate our regard to the Equality Act 2010 and other NHS standards, such as the Accessible Information Standard, NHS Equality Delivery System 2013 (EDS2), Workforce Race Equality Standard (WRES), Workforce Disability Equality Standard (WDES) and the Gender Pay Gap. Highlights from each of these reports can be found below. The full reports are published on our website [Equality Diversity and Inclusion](#).

### **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.

The WRES report is based on data contained within the ESR system on 31 March 2022. 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 BME workforce has increased over the last twelve months from 12.4% to 14.03%.

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 and do not experience discrimination at work.

The 2022/23 report highlighted that there had been a slight increase in the number of Black, Asian, and Minority Ethnic staff recruited. Although the increase was small, it is seen as a positive improvement.

A breakdown of our workforce by staff group on 31 March 2023 is as follows:

Organisation	Ethnic Origin	Full Time Equivalent (FTE)	Headcount
LF Blackpool Teaching Hospitals NHS Foundation Trust	A White - British	5396.60	6,065
	B White - Irish	36.27	42
	C White - Any other White background	172.24	186
	C2 White Northern Irish	2.00	2
	CA White English	29.32	36
	CB White Scottish	6.11	8
	CC White Welsh	0.80	1
	CF White Greek	2.00	2
	CK White Italian	4.00	4
	CM White Traveller	0.93	1
	CP White Polish	10.43	12
	CQ White ex-USSR	0.80	1
	CR White Kosovan	1.00	1
	CW White Other Ex-Yugoslav	1.00	1
	CX White Mixed	1.64	2
	CY White Other European	23.88	26
	D Mixed - White & Black Caribbean	17.65	20
	E Mixed - White & Black African	11.20	12
	F Mixed - White & Asian	16.31	19
	G Mixed - Any other mixed background	18.57	20
	GA Mixed - Black & Asian	2.00	2
	GC Mixed - Black & White	1.00	1
	GF Mixed - Other/Unspecified	1.43	2
	H Asian or Asian British - Indian	371.86	388
	J Asian or Asian British - Pakistani	85.93	92
	K Asian or Asian British - Bangladeshi	9.47	10
	L Asian or Asian British - Any other Asian background	55.87	61
	LA Asian Mixed	4.00	4
	LB Asian Punjabi	2.47	3
	LD Asian East African	1.00	1
	LE Asian Sri Lankan	3.00	3
	LF Asian Tamil	1.00	1
	LH Asian British	4.00	4
	LK Asian Unspecified	2.00	2
	M Black or Black British - Caribbean	18.60	19
	N Black or Black British - African	60.70	64
	P Black or Black British - Any other Black background	4.00	4

PB Black Mixed	0.75	1
PC Black Nigerian	7.85	8
PE Black Unspecified	1.00	1
R Chinese	19.33	22
S Any Other Ethnic Group	86.57	93
SC Filipino	446.51	450
SD Malaysian	2.00	2
SE Other Specified	8.40	9
Unspecified	11.30	13
Z Not Stated	459.10	547
<b>Grand Total</b>	<b>7423.88</b>	<b>8,268</b>

## 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.

The WDES report is based on data contained within the ESR system on 31 March 2022. The data shows the total number of staff employed at the time of this report was 7940 with only 4% (328) of staff declaring a long-term 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

The Equality Act 2010 (Gender Pay Gap) Information Regulation 2017 came into force on 6 April 2017. This legislation requires all organisations employing more than 250 staff to report annually on the gap in pay between men and women.

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 March 2023 and the report is based on 2022 figures. The report shows that the Trust has a 5.7% gender pay gap for staff on Agenda for Change pay grades. This means that women earn 95p for every £1 that a man earns. This figure is below the national average of 8.3% (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 539 Medical and Dental staff who are predominantly male. This disparity has been created because of the way the CEA has been distributed since 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 Government's 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 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 also 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 2022/23, 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:

- Arranging 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 2022 NHS Staff Survey which continues to maintain high numbers 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 2022/23 and 2021/22.

	2022/23	2021/22
Concerns Raised	289	65

Analysis of our data shows that there is an increase in the number of medical staff speaking up and a reduction in the number of anonymous concerns raised.

In 2021, the National Guardian's Office conducted a review at the Trust. The Trust were given thirty-seven recommendations to improve its speaking up culture. There were six areas of focus, including:

- Freedom to Speak Up Guardian
- Identifying something might be wrong
- Speaking up
- Examining the facts
- Outcome and feedback
- Reflecting and moving forward

These recommendations were implemented and signed off by NHS England in March 2023.

In October 2022, members of the Board completed the Freedom to Speak Up self-assessment tool. This resulted in the production of an action plan aimed at further improvements to creating a safe, speaking up culture. This process also identified the need for all staff, managers and Board members to complete Speaking Up training. Speaking Up training will become mandatory training for all staff from April 2023.

In May 2022, the Trust disbanded the joint Freedom to Speak Up office it had in place with East Lancashire Hospitals Trust. Blackpool Teaching Hospitals now has its own dedicated Freedom to Speak Up service.

## 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 Executive Director for Integrated Care worked throughout 2022/23 towards providing the Trust's Health and Safety 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.

From 1 April 2022 to 31 March 2023, The Trust reported a total of 41 incidents to the HSE – RIDDOR, this includes 2 patients, 39 staff and 0 (nil) visitor / contractor incidents.

From the 41 incidents reported, 16 incidents were reported as injury, 22 incidents were reported as a case of disease and 3 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	2021/22	2022/23	%
Verbal	273	264	3.3%
Physical	276	241	13.5%

## Counter Fraud, Bribery and Corruption

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

The 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 \(xfyldecoast.nhs.uk\)](#)

## Staff Engagement

Positive staff engagement drives our strategic ambition to sustain happy, healthy teams that deliver safe, caring, and effective care for everyone, every day. Elevated 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 engagement score is 7.0/10. The national average engagement score for Acute & Community Trust sector of 6.8.

The National Staff Survey engagement score is drawn from three sub-scores: advocacy, involvement, and motivation. While the involvement score has remained static year on year, motivation and advocacy scores have declined, which is perhaps not surprising due to current operational pressures facing the NHS. However, the Trust has met or exceeded the national average scores in all three areas for the Acute and Acute & Community Trust sector.

An Employee Engagement Sponsor Group was set up in 2021/2022. The group meets quarterly and oversees all engagement activities, including the implementation of trust wide and divisional engagement action plans. It ensures that 'You Said, Together We Did' feedback loop is closed, guaranteeing regular updates are provided to staff. The group is chaired by the Chief Executive and attended by a broad range of senior stakeholders.

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. 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 #proudtobecomunity. The annual Celebrating Success awards recognise staff who embrace the trust's core values.

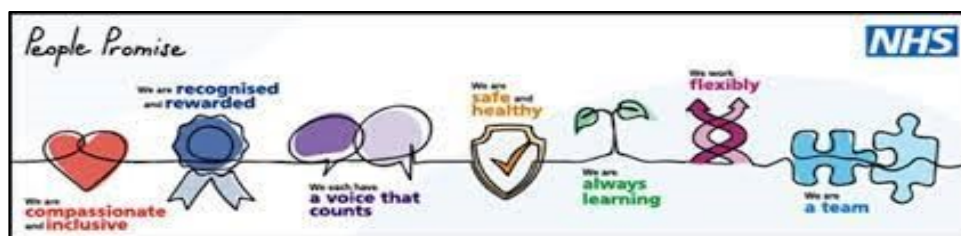
Our actions for improvement are drawn from the National Staff Survey and will support the delivery of the Trust's Five-Year Strategy. Efforts will continue across all elements of the People Promise in the coming year with an emphasis on the following themes:

- **We are compassionate and inclusive** (compassionate culture, inclusion)
- **We are recognised and rewarded**
- **We each have a voice that counts** (Raising Concerns)

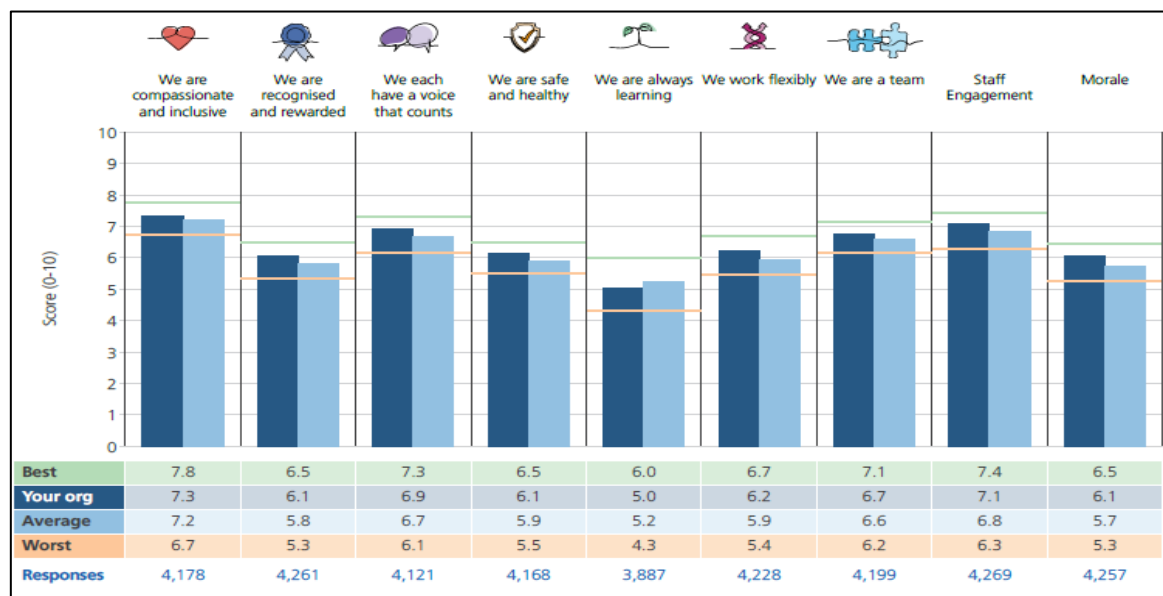
## NHS National Staff Survey

The NHS staff survey is conducted annually. In 2021/22, the format was revised and updated to align with the NHS People Promise.





The Trust's response rate to the 2022 survey was 51%, (2021: 59%). Although a decrease on the previous year's response rate, it is significantly higher than the 44% national average response rate for Acute and Community Trusts. Scores for each theme, together with those for the survey benchmarking group (Combined Acute and Acute & Community Trusts) are presented below:



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

- 60% of staff would recommend the organisation as place to work
- 59% of staff indicated if a friend/relative needed treatment they would be happy with the standard of care provided by organisation
- 74% 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, the Trust remains committed to understanding why staff feel the way they do and to developing meaningful and measurable plans to improve the staff experience.

The Trust's Board remains committed to improving the Trust's culture and employee experience. Consequently, several targeted initiatives are in development, including the "Well Aware" team mark, revised and updated management development training and the recent launch of a series of staff networks that will help to inform trust policy. "Big Conversation" listening events are currently underway, facilitating the co-creation of 2023-2024 action plans with our workforce.

The Trust's areas of improvement and deterioration since the 2021 survey are presented below:

Most Improved Scores	Trust 2022	Trust 2021
Received appraisal in the past 12 months	72.8%	65.9%
Disability: organisation made reasonable adjustment(s) to enable me to carry out work	76.1%	70.6%
Not felt pressure from manager to come to work when not feeling well enough	78.4%	74.8%



In last 12 months, have not felt unwell due to work related stress	56.3%	53.3%
Appraisal helped me agree clear objectives for my work	30.4%	27.7%

Most Declined Scores	Trust 2022	Trust 2021
Satisfied with level of pay	29.5%	37.1%
If friend/relative needed treatment would be happy with standard of care provided by organisation	58.8%	65.4%
Organisation acts on concerns raised by patients/service users	69.0%	74.0%
Would recommend organisation as place to work	59.8%	64.2%
Would feel secure raising concerns about unsafe clinical practice	72.7%	76.5%

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

- Progress the Trust wide action plan on equality, diversity, and inclusion at pace to ensure all staff have equal opportunities and do not experience discrimination at work
- Ongoing work to maintain a compassionate culture in the trust
- Supporting our leaders to restore and champion the appraisal process, this is to ensure that individuals get the opportunity to discuss their performance, their career aspirations 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.

The Trust will update the corporate National Staff Survey action plan and divisional priorities to reflect the themes identified in the 2022 survey. Oversight and support of these actions 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. In 2021/22 the survey questions were aligned to the seven elements of the NHS ‘People Promise,’ plus two additional themes of engagement and morale. All indicators are based on a 10-point score for specific questions with the indicator score being the average of those. The response rate to the 2022 survey among trust staff was 51%.

### 2022/2023

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

Indicators (‘People Promise’ elements and themes)	2022/23		2021/22	
	Trust Score	Benchmarking group avg. score	Trust Score	Benchmarking group avg. score
People Promise:				

We are compassionate and inclusive	7.3	7.2	7.3	7.2
We are recognised and rewarded	6.0	5.7	6.1	5.8
We each have a voice that counts	6.8	6.6	6.9	6.7
We are safe and healthy	6.1	5.9	6.1	5.9
We are always learning	5.2	5.4	5.0	5.2
We work flexibly	6.2	6.0	6.2	5.9
We are a team	6.8	6.6	6.7	6.6
Staff engagement	7.0	6.8	7.1	6.8
Morale	6.0	5.7	6.1	5.7

## **2020/21**

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

	2020/21	
	Trust score	Benchmarking group avg. score
Equality, diversity, and inclusion	9.2	9.1
Health and wellbeing	6.0	6.1
Immediate managers	6.8	6.8
Morale	6.3	6.2
Quality of appraisals	N/A	N/A
Quality of care	7.7	7.5
Safe environment – bullying and harassment	8.1	8.1
Safe environment – violence	9.3	9.5
Safety culture	6.8	6.8
Staff engagement	7.1	7.0

## **Commentary**

- The response rate of 51% is above average for Acute and Acute and Community Trusts in England; the median response rate for which is 44%.
- The trust had the highest response rate of all Acute and Acute & Community Trusts in our integrated care system (ICS)
- 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 eight of the nine themes when compared with all Acute and Acute and Community Trusts. The eight themes the trust 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 due to a low appraisals sub score; however, the trust has made considerable progress in improving this score during the past year.

- When compared to other Acute and Acute and Community Trusts in the ICS, Blackpool came first for the theme: we are recognised and rewarded, and joint first for five themes: we are compassionate and inclusive, we work flexibly, we are a team, engagement, and morale.
- The advocacy measure of engagement indicates a year-on-year decline across all three questions.

### Future Priorities and Targets

- It is recommended that there is a specific focus from all leaders to champion the appraisal process, ensuring managers are suitably equipped to facilitate meaningful conversations that help staff do their jobs well, agree clear objectives and support them in 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 help keep our workforce well and in work.
- Collaboration between the trust board / senior management and the Staff Guardian will continue to instill confidence in staff to speak up safely. In particular, the trust will focus on supporting colleagues with a protected characteristic to speak up during the next 12 months.
- The trust will progress the equality, diversity, and inclusion agenda at pace to ensure all staff have equal opportunities.
- It is recommended that there is development of a comprehensive and measurable survey action plan with supporting divisional actions. This joined-up approach to developing staff satisfaction and engagement in 2023 will be overseen and supported at the Employee Engagement Sponsor Group.

## 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. Please see below the 2021/22 submission which covers 1 April 2021 to 31 March 2022 which was reported to Gov UK on 31 July 2022.

### Facilitated Time – 1 April 2021 to 31 March 2022 Submission

Heading – Subject Field		2021/22
Organisation		BTHNHSFT – 1 April 2021 to 31 March 2022
Employees in the Organisation		5,001 to 9,999 employees
Trade Union Representatives and F/T equivalent		Trade Union rep – 57 FTE Trade Union rep – 55.90
Percentage of working hours spent – facilitated time		0% of working hours: 18 reps 1-50% of working hours: 35 51-99% of working hours: 3 100% of working hours: 1
Total pay bill and facility time costs		Total pay bill: £399,568,000 Total cost of facility time: £120,210.69 Percentage of pay spent on facility time: 0.03%
Paid trade union activities		Hours spent on paid facility time: 4062.75 Hours spent on paid trade union activities: 0

		Percentage of total paid facility time hours spent on paid TU activities: <b>0.00%</b>
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## Expenditure on Consultancy

During 2022/23, the Trust incurred £0.911m on external consultancy costs (2021/22: £3.967m).

## Off-Payroll Engagements

As part of the Review of Tax Arrangements of Public Sector Appointees published by the Chief Secretary to the Treasury on 23 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 2023, earning £245 per day or greater</b>	
Number of existing engagements as of 31 March 2023	1
Of which:	
Number that have existed for less than one year at time of reporting	1
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 2023, earning £245 per day or greater</b>	
Number of off-payroll workers engaged during the year ended 31 March 2023	2
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 *	2
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 2022 and 31 March 2023</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 approved 1 exit package in 2022/23 (21/22: 0). 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 2023. (2021/22 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 (0)	0 (0)	0 (0)
£25,001 - £50,000	0 (0)	0 (0)	0 (0)
£50,001 - £100,000	0 (0)	0 (0)	0 (0)
£100,001 - £150,000	0 (0)	0 (0)	0 (0)
£150,001 - £200,000	1 (0)	0 (0)	1 (0)
Total number of packages by type	1 (0)	0 (0)	1 (0)
	£'000	£'000	£'000
<b>Total resource cost – 2022/23</b>	159	0	<b>159</b>
<b>Total resource cost – 2021/22</b>	0	0	<b>0</b>

Exit packages: Non-compulsory departure payments	2022/23		2021/22	
	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>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<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 NHS Foundation Trust Code of Governance (FT Code) was updated in 2022 with a new code coming into effect from 1 April 2023. References in this report are to the 2014 edition of the Code which was based on the 2012 issue of the UK Corporate Governance Code.

In accordance with NHS Guidance, we have applied the principles of the FT Code on a “comply or explain” basis, which is in line with best practice and has been applied successfully within by NHS

Foundation Trusts. There are no provisions within the NHS Foundation Trust Code of Governance that we did not comply with during 2022/23.

The Director of Corporate Governance reviews our compliance with the FT Code for the Audit Committee. The Audit Committee considered this report at its meeting on 02 March 2023 and agreed that the Trust complied with all the main and supporting principles of the Code of Governance.

The Code is implemented through key governance documents, policies and procedures of the Trust, including but not limited to:

- The Constitution
- Standing Orders
- Standing Financial Instructions
- Scheme of Delegation
- Schedule of Matters Reserved for the Board
- Code of Conduct (for Directors, for Governors and for Senior Managers)
- Staff Handbook
- Governor Handbook.

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 2023 and approved a declaration of compliance with the provisions.

## **NHS England's Oversight Framework**

For detailed information on this section please refer to the Financial Performance Review section on page 42.

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

For detailed information on this section please refer Annex A on page 103.

## **Annual Governance Statement**

For detailed information on this section please refer to Annex B on page 104.

## **Disclosure of Public Interest**

The Trust has not held any public consultations between 1 April 2022 and 31 March 2023.

## **Disclosures from the Audit Committee**

### **Role and Composition**

The primary function of the Audit Committee is to provide the Board of Directors with 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.

The Committee considers reports from the Trust's Executive Directors and the Internal and External Auditors. It provides assurance 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.

During 2022/23, the Committee was chaired by Fiona Eccleston, who joined the Trust in October 2021. Membership of the Audit Committee in 2022/23 is shown in the table below.

The Audit Committee met five times during 2022/23, attendance at the meeting was as below.

#### **Attendance at the Audit Committee Meetings**

<b>Members</b>	<b>Number of Meetings (5)</b>
Fiona Eccleston (from 01.05.22)	5/5
Mark Cullinan (until 30.06.22)	2/2
Sue McKenna	2/2
Mark Beaton	3/3
Fergus Singleton (from 01.07.22)	3/3
Carl Fitzsimons (from 01.07.22)	1/1
Robert Ryan (from 01.07.22)	2/2
James Wilkie	2/2
Feroz Patel	5/5
Esther Steel	5/5

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 for matters involving the Annual Governance Statement, Draft Internal Audit Plan and Annual Report and Accounts.

#### **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

The appointment of Deloitte LLP as the Trust's external auditors was made by the Governors in October 2020.

In 2022/23, Deloitte LLP was paid £87,000 (including VAT) in respect of the 2022/23 statutory audit fees. Deloitte LLP was also paid £26,000 (excluding VAT) by BFW Management Ltd in respect of statutory audit on their 2022/23 Annual Accounts. The audit of the Blue Skies accounts and report was also undertaken by Deloitte LLP at a cost to the Charity of £10,500 (excluding VAT).

The Trust maintains a policy on engaging its external auditors for the provision of non-audit services, other than the audit of the Quality Accounts

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 2022/23, 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 meet in private prior to each formal meeting to allow discussion of matters in the absence of Executive Officers.
- At its meeting on 13 June 2023 the Committee received the Head of Internal Audit Opinion.

### **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 2022/23
- 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 a verbal update on the Annual Audit Representation Letter at its meeting on 13 June 2023, with a further update and consideration at the Extraordinary Meeting on 13 July 2023.

### **Other Matters**

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

- Consideration of the Going Concern report prior to approval by the Board of Directors.
- Receiving reports from the internal and external auditors and providing oversight to ensure agreed recommendations are addressed.
- Reviewing the Board Assurance Framework to seek assurance that the risks to the Trust's strategic objectives are managed with mitigations in place.
- Receiving regular reports from the local counter fraud specialist to provide assurance of the on-going development of an anti-fraud culture and specific actions taken in relation to concerns raised both internally and through national fraud awareness initiatives.
- Reviewing compliance with the Code of Governance.
- Reviewing proposed changes to the Standing Orders, Scheme of Delegation and Constitution and approving changes to the Trust's Standing Financial Instructions.
- Receiving and providing oversight of regular reports on losses, waivers and variations.



## Conclusion

The Committee has continued to focus on supporting the Trust's governance, risk and assurance arrangements. 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: 13 July 2023

Fiona Eccleston  
Audit Committee Chair (from 01.05.22)



Signed:

Date: 13 July 2023

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 England.

NHS England 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 the use 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 England, 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:  
Trish Armstrong-Child  
Chief Executive

Date: 13 July 2023

## Annex B: Annual Governance Statement

### ANNUAL GOVERNANCE STATEMENT 2022/23

### 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 2023 and up to the date of approval of the annual report and accounts.

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

##### **Leadership**

As Accountable Officer, I am accountable for the quality of the services provided by the Trust and have overall accountability and responsibility for leading our risk management arrangements on behalf of the Board.

Leadership of the risk management process is provided through the Board of Directors which is responsible for monitoring the overall programme for management of risk across the organisation and its activities and sets 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.

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.

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.

Our Executive team is supported by a divisional management structure consisting of five clinical divisions and corporate services. Each division is led by a triumvirate team consisting of a Divisional Director of Operations, a Divisional Medical Director and a Divisional Nurse Director.

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.

Risk management training is part of the Trust's Induction programme and mandatory training provided for all staff throughout the Trust includes health and safety, fire, security and incident reporting.

We work hard to foster an open and accountable reporting culture, and staff are encouraged to identify and report incidents. Sharing learning through risk related issues, incidents, complaints, and claims is an essential component of maintaining the risk management culture within the Trust. Learning is shared through divisions and Trust wide forums such as the Clinical Governance Group.

Learning is acquired from a variety of sources which include:

- Analysis of incidents, complaints, claims and acting on the findings of investigations.
- External inspections and peer reviews.
- Internal and external audit reports.
- Clinical audits.
- Outcome of investigations and inspections relating to other organisations.

The Trust continues to fully support and co-operate with Lancashire Constabulary as part of ongoing investigations that are known and within the public domain.

This has included providing support internally and externally with access to potential witnesses and information as required, as well as to renewed public appeals for information and messages have been amplified to colleagues through established Trust channels.

This ongoing focus has required additional health and well-being support to be put in place. This was particularly appropriate before, during and after a criminal trial involving a former member of staff which concluded in February 2023.

## **The Risk and Control Framework**

Risk management is fundamental to our ability to effectively deliver safe and effective services, with systems and processes in place throughout the organisation to identify, assess and mitigate risk, as well as provide the necessary training and development opportunities for staff with specific responsibilities for co-ordinating and advising on risk management.

## **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 to ensure that risks which cannot be managed locally are escalated through the Trust in a timely and methodical way.

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 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 our cost base.

## **Quality Governance Arrangements**

The Quality Governance Framework was developed as an assessment tool for Trusts to benchmark their arrangements for effective leadership and quality governance. It provides a structure and guidance to

ensure the delivery of high-quality care and continuous improvement.

Our Quality Assurance Committee, chaired by one of non-executive directors is established to seek assurance on the quality of care provided and is charged with ensuring that there are adequate and appropriate structures, processes and controls in place across the organisation.

Our Audit Committee plays a crucial role in quality governance receiving reports from our internal auditors who are commissioned to conduct independent assessments of systems, processes and controls to ensure compliance with regulatory requirements and identify areas of non-compliance or potential risks.

Our Clinical Governance Committee has oversight of clinical effectiveness, patient safety and the overall quality of care, reviewing performance information to identify areas for improvement and opportunities to enhance quality and patient outcomes.

External assessments validate the quality of the services we provide, our last Well Led inspection was undertaken in September 2021 we have continued our work to respond to recommendations identified and have worked with our internal auditors to provide assurance that action has been taken to address the recommendations within the report.

The Quality Assurance Committee receive a monthly update on progress to address recommendations within all CQC reports, this provides an opportunity for Board members to seek assurance that actions are being addressed as planned. In addition to this we provide regular updates to the System Improvement Board (SIB) on progress with these actions. We have worked with stakeholders including the CQC and ICB to review our progress with these actions and have received assurance from our internal auditor that progress has been made on implementing and embedding the agreed actions.

## Significant Risks – In Year and Future Risks

Our Board Assurance Framework is used to provide Board members with a clear structured description of the key strategic risks facing the organisation, the controls and mitigations that are in place to limit the impact these risks and issues have on the delivery of services to our patients.

At the start of 2022, the most significant risk facing us was the **ongoing impact of the COVID-19** pandemic on our staff and patients. During the year, we returned to normality in terms of restrictions in health care settings, but we will continue to feel the ramifications in the years to come.

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.

The emotional and physical impact on our 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.

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.

For 2023/24, one of our biggest challenges will be the achievement of a challenging financial plan with the need to deliver an ambitious cost efficiency programme to ensure the **financial sustainability** of the organisation. We recognise that to deliver services effectively and efficiently we will need to collaborate with our partners but recognise that this does not come without risk, and we will continue to work closely with our staff and our partners to deliver our financial plan.

We have implemented a number of additional controls to deliver our cost efficiency programme, these include but are not limited to a vacancy control panel, a non-pay review group and a programme of gateway review meetings where our Executive team met with divisions to discuss progress with the cost improvement programme. Each scheme has a Quality Impact Assessment (QIA) to ensure the scheme does not impact on patient safety or quality of care and we are clear that the focus is on working

collaboratively to maintain or improve the quality of care for the population we service.

We recognise the work we need to do to mitigate these risks and issues, and this will be a key focus of our work in 2023/24.

## 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 are as follows:

- **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 approving the scope of the annual penetration testing of the Trust's IT systems. The SIRO takes ownership of the risk assessment process for information and cyber security risk, including review of an annual information risk report.
- **Chief Information Officer CIO** – The CIO oversees the people processes and technologies within the Trust Digital Division. As digital skills become a core competency the CIO is a key leadership role in the management of technical and operational processes and in particular information security.
- **Caldicott Guardian (CG)** – The CG acts as the data conscience of the organisation. As a senior person they are 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 associated 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 National Data Guardian Standards and provides evidence of how risks to data security are being managed and controlled within the organisation. Compliance against ten standards and 138 controls are measured. The 2022/23 annual DSPT audit achieved a substantial assurance rating in all 10 standards.

During 2022/23, the Trust retained its Cyber Essentials Certification and continues to work towards Cyber Essentials plus.

In 2022/23, the Trust also received a substantial assurance rating following audits undertaken by Mersey Internal Audit Agency (MIAA) for Mobile Device Management and Cyber Security.

## Risks to Data Security

Where a data security incident is identified, it will be treated as a serious incident and investigated accordingly. All incidents meeting the requirements of the Information Commissioner (ICO) are reported to their office as a matter of course, and that office may also choose to investigate independently.

## Compliance with the NHS Foundation Trust Licence Condition 4 (FT Governance)

In 2022, the Board identified potential weaknesses in the structures in place to provide assurance of compliance with the NHS provider licence condition 4 – these were addressed with revisions to the governance structure including the introduction of a new Workforce Assurance Committee and enhanced executive oversight of performance delivery.

Having implemented changes to our governance structures during 2022/23 we have scheduled a programme of Committee effectiveness reviews during 2023/24 – these will be undertaken using a self-assessment tool developed as a modification of the Healthcare Financial Management Association (HFMA) Audit Committee evaluation tool. The results of each Committee self-assessment will be shared with the Board of Directors as part of the Committee's annual report to the Board.

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

the Director of Corporate Governance and is reviewed within the Audit Committee before being submitted to the Board of Directors.

## **Embedding Risk Management**

We recognise that it is vital to ensure that risk management is embedded throughout the Trust. There are a range of systems and procedures in place that support this embedding, including:

- We encourage all staff, at all levels, to identify and report incidents, including 'near misses'. There is a comprehensive system in place to enable colleagues to report incidents.
- Learning from incidents is a key part of the process, and each colleague who reports an incident is entitled to a response that identifies both the response of the Trust and how learning will be taken to prevent recurrence of that type of incident.
- there are systems in place to enable risk at all levels to be identified, from the 'shop floor' to the Board of Directors: and risks are regularly reviewed at the appropriate level.
- Each Board committee has responsibility for reviewing the Board Assurance Framework and assessing levels of assurance for risks within its area of responsibility.

## **Public Stakeholders**

The Council of Governors is our main forum for engagement 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.

We work with our partners in the local health economy and facilitate lay representation on a number of our committees including having governor observers in attendance at our Quality Assurance Committee, our Finance and Assurance Committee our Workforce Assurance Committee and our Audit Committee. Governors also participate in PLACE inspections and often join with an executive and non-executive director for our weekly patient safety walkabouts. We have an active patient participation panel and understand the importance of listening to those with lived experience when considering changes to the services we deliver.

## **Workforce Strategies and Staffing systems – Developing Workforce Safeguards**

In April 2022, we introduced a new Workforce Assurance Committee to act on behalf of the Board in driving workforce and culture transformation. The Workforce Assurance Committee has been tasked by the Board to ensure that short-, medium- and long-term plans and systems are in place to ensure safe sustainable and effective processes are in place to comply with the Developing Workforce Safeguards. During the reporting year a monthly safe staffing report was provided and the Board both directly and through its committees received regular performance reports against key workforce metrics. The format of the staffing report is currently being reviewed to ensure it is fully compliant with guidance.

There is a formal escalation process in place for operational staffing challenges.

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, [About Our Trust | Blackpool Teaching Hospitals NHS Foundation Trust \(bfwh.nhs.uk\)](https://www.bfwh.nhs.uk/about-us/about-our-trust) 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 NHS guidance.

We are fully compliant with the registration requirements of the Care Quality Commission and are continuing our work to address recommendations in previous reports.

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**

### **The Role of the Board**

- The role of the Board is crucial in ensuring that key processes are applied to ensure the economic, efficient and effective use of resources through the promotion of good governance and financial stewardship.
- The Board is responsible for setting the strategic direction of the Trust, this include defining financial objectives and ensuring that resources are allocated appropriately.
- The Board participates in financial planning processes working closely with the executive leadership team and finance professionals to review and approve the annual budget ensuring alignment with the strategic priorities and financial sustainability.
- The Board evaluates the allocation of resources and considers the potential impact on service delivery and patient outcomes.
- The Board oversees processes to identify, assess and mitigate financial risks and ensures that plans are in place to safeguard financial resources and make informed decisions regarding investments, funding and cost management.
- The Board monitors financial performance through regular reporting and key performance indicators.
- Ensuring value for money continues to be a key 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.

### **The Role of Internal Audit**

Internal audit functions within the NHS are responsible for evaluating and assessing financial and operational processes to identify areas of improvement and potential risks.

To promote economic utilisation of resources, internal audit focuses on verifying that financial transactions are transparent, compliant, and in accordance with established guidelines and regulations. By conducting audits and reviewing financial records, internal auditors help ensure that resources are allocated appropriately, and that wasteful spending is minimised.

In terms of efficiency, internal audit plays a key role in evaluating the effectiveness of operational processes and systems. This helps streamline operations, eliminate redundant tasks, and optimise resource allocation, enhancing the overall efficiency of our services.

Auditors assess whether resources are being utilised to achieve the desired outcomes and objectives. This involves evaluating the impact of resource allocation on patient care, service delivery, and overall performance.

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.

### **Head of Internal Audit Opinion**

During 2022/23, internal audit services were provided by Mersey Internal Audit (MIAA) MIAA provided us with 15 reports during the year:

- Three reports were advisory and did not have an assurance rating.
- Four reports gave substantive assurance.
- Seven reports provided moderate assurance, and
- One report gave limited assurance.



Based on the above reports, the Head of Internal Audit overall 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.

### **Other Assurance Mechanisms**

We continue to benchmark spend with other acute providers within the Lancashire and South Cumbria ICS and use benchmarking data sets to ensure that we continue to develop and identify opportunities to improve efficiency and strengthen our financial position.

We subscribe 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.

We have in place a System Improvement Plan; this is monitored by the ICS led System Improvement Board and provides scrutiny and challenge to seek assurance that the actions we are taking are having the required impact with the primary objective being improvement segment three to segment two of the Oversight Framework.

During 2022/23, we undertook a self-assessment using the Healthcare Financial Management Association (HFMA) self-assessment tool and following this, we commissioned an external review of our financial governance. We have been acting on the recommendations to ensure that we have robust arrangements in place to agree financial objectives and to provide clear reporting on the achievement of our financial plan.

Updates on the action plan to address the recommendations from the HFMA self-assessment and the external peer review have been reviewed through the Finance and Investment Committee and through our Audit Committee, in addition to this the author of the peer review has been provided with updates on the actions taken. Additional resource was identified to support the implementation of these actions additional resource, this included temporary support from an experienced, senior NHS financial professional.

### **Information Governance**

We aim to deliver a high standard of excellence in Information Governance throughout the Trust. The Information Governance Management Framework brings together all the statutory requirements, standards and best practice and provides a comprehensive suite of policies, procedures and guidance to support all information processing activities.

The Digital Committee, formerly the Health Informatics Committee is responsible for all aspects of Information Management, Information Governance and Information Communications and Technology throughout the Trust; this includes the identification and management of information and data security risks. The Digital Committee is chaired by the Deputy Chief Executive/Senior Information Risk Owner (SIRO).

Members of the Digital Assurance Group are responsible for actively monitoring information risk and preparing, reports for the Risk Committee. In addition, risks are escalated as appropriate to the Digital Committee for discussion.

In 2022/23, The Information Governance Team received a national award for Team of the Year from the Strategic Information Governance Network (SIGN).

### **Data Quality and Governance**

Data accuracy remains a key priority for the Trust and is an area where we recognise there have been challenges. During the CQC inspection undertaken in 2021 an issue with data quality was identified with a recommendation that the Trust "evaluates and improves its practices in respect of the processing of information"

We commissioned an external provider with recognised expertise to support us in the validation of pathways, this included a review of how our waiting lists are managed. Actions taken in collaboration with this partner included the validation of pathways, a plan for future waiting list management and a new reporting suite to manage performance on an ongoing basis. Monthly reports were provided to the Finance and Performance Committee and provided assurance of improved operational grip through the

introduction of a standardised referral to treatment (RTT) rhythm. The external provider undertook a follow up review of the actions taken in response to their initial report – the results of this review were provided to the Finance and Performance Committee and provided assurance that good progress had been made.

All of the patients on the elective admitted waiting list have all been risk stratified against the list of guidance received from the Royal College of Surgeons.

## Data Incidents

The reporting of information related incidents is an integral part of all employees' duties 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.

Data incidents fall in to one of two categories, Reportable or Non-Reportable. 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.

## Incidents reported to the ICO/DHSC

Date of incident (Month)	Nature of incident	ICO Outcome
November 2022	Unauthorised access	No further action
November 2022	Unauthorised access	No further action
December 2022	Unauthorised access	No further action

The three incidents above related to unauthorised access of individual patient records – these were reported to the ICO and managed internally in accordance with our policies.

## 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 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

### The Board

The Chief Executive and Board of Directors have overall responsibility for the system of internal control and for ensuring public funds are used responsibly in the provision of services. The Board is supported by a formal committee structure with clearly delegated areas of responsibility to each of our Non-Executive Director chaired assurance committees (described elsewhere in this statement).

At every committee meeting, members consider matters that have been deemed to be of significant issue to refer to the Board through our escalation report. These reports include control issues or areas where there are gaps in assurance. For further details of the Board see page 52.

### 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. The Audit Committee is supported in its work by the internal and external audit providers and the Local Counter Fraud Services (LCFS) key functions which enable it to judge the system of internal control include:

- The regular reports of the internal audit service, which provide specific advice on the level of assurance available in relation to the area reviewed. These also enable the committee to review management's response and proposed actions to the review's findings, and to form a view about the level of assurance those responses provide.
- In line with best practice, the committee regularly meets privately with the internal and external audit providers, without management attending, to obtain assurance as to the control environment in place.
- Information from both the internal and external audit providers on the environment in which the Trust is operating is provided to the committee on a regular basis.
- The work of the LCFS which provides evidence for the committee to judge the available assurance for systems to detect and prevent fraud and misappropriation from the public funds made available to the Trust.
- Regular review of the main documentation related to the Trust's control systems. This will usually cover the Standing Financial Instructions, the Schedule of Delegations, and the Schedule of Matters Reserved to the Board of Directors (for decision).

## **Conclusion**

### **Significant Internal Control Issues**

While good progress has been made during 2022/23 towards addressing previous governance weaknesses there are still some areas which meet the criteria of significant control issue as defined in the guidance.

After discussion within our Executive team meeting on 5 June 2023 and discussion with Board members through the Audit Committee I feel the following issues should be considered on the basis that they might prejudice achievement of our priorities and could undermine the integrity or reputation of the NHS.

## **Financial Performance**

As disclosed within the reports and the accounts, 2022/23 was a challenging year for the Trust and at the end of the year we reported a deficit of £12.9m against our plans to breakeven. We have worked with system partners in developing budgets for 2023/24 but recognise this will continue to be a challenge.

## **Care Quality Commission**

Following an inspection of maternity services in June 2022, the CQC issued us with a Section 31 Letter of Intent describing serious concerns in relation to staffing levels and systems and process in place to protect the women and babies in our care. We provided a response to this letter and have continued to work with the CQC and other partners to address these concerns.



Signed:

Date: 13 July 2023

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 2023 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 requirements of the Department of Health and Social Care Group Accounting Manual, as directed by NHS England; and
- have been prepared in accordance with the requirements of the National Health Service Act 2006.

We have audited the financial statements which comprise:

- the Consolidated Statement of Comprehensive Income;
- the Group and Foundation Trust Statements of Financial Position;
- the Consolidated and Foundation Trust Statements of Changes in Equity;
- the Group and Foundation Trust Statements of Cash Flows; and
- the related notes 1 to 38.

The financial reporting framework that has been applied in their preparation is applicable law and the accounting requirements of the Department of Health and Social Care Group Accounting Manual, as directed by NHS England.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)), the Code of Audit Practice issued by the Comptroller & Auditor General 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 Department of Health and Social Care Group Accounting Manual 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, internal audit and the local counter fraud service about their own identification and assessment of the risks of non-compliance with laws and regulations.

We obtained an understanding of the legal and regulatory framework that the Group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. This included the National Health Service Act 2006.
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty. These included the Data Protection Act 2018 and relevant employment legislation.

We discussed among the audit engagement team 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 or non-compliance with laws and regulations in the following area, and our specific procedures performed to address it are described below:

- the completeness of expenditure specifically relating to the year end cut off of expenditure, the inappropriate capitalisation of revenue expenditure and the accuracy of accruals: we tested a sample of accruals to supporting documentation to assess whether the liability had been incurred as at 31 March 2023, we tested a sample of fixed asset additions to challenge whether the items were capital in nature and we tested a sample of post year end invoices and payments to identify any unrecorded liabilities.

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 and internal audit 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, reviewing internal audit reports and reviewing the reports issued in January 2022 and September 2022 and the other correspondence received from the Care Quality Commission and NHS England in relation to the Foundation Trust.

## 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, in all material respects; and
- the information given in the Performance Report and the Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### Matters on which we are required to report by exception

#### *Use of resources*

Under the Code of Audit Practice and Schedule 10(1(d)) of the National Health Service Act 2006, we are required to report to you if we have not been able to satisfy ourselves that the Foundation Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

On 13 July 2023 we reported to the Foundation Trust a significant weakness in the Foundation Trust's governance arrangements in relation to how the organisation monitors and ensures appropriate standards are met, such as meeting legislative/regulatory requirements. This significant weakness is as a result of the findings of the Foundation Trust's CQC inspection reports that were issued in January 2022 and September 2022, and NHS England's formal enforcement actions which remain in place. Our recommendation for improvement included the need to consider the additional matters raised by the CQC since April 2022 and ensure that these additional findings are addressed through robust action plans, and the implementation of appropriate monitoring arrangements.

On 13 July 2023 we reported to the Foundation Trust a significant weakness in the Foundation Trust's arrangements to secure financial sustainability. This significant weakness is as a result of the following: the Foundation Trust having a year end adjusted deficit of £12.9m, the Foundation Trust is forecasting a deficit in 2023/24 with significant savings plans required to meet the financial plan in 2023/24 and currently limited plans in place to deal with this target. In addition, there was also a financial governance review completed during the year which identified significant concerns over the financial governance. Our recommendation for improvement included that the Foundation Trust continues to implement the recommendations in the financial governance review and that this is monitored by the Finance and Performance Committee.

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 Auditor Guidance Notes issued by the Comptroller & Auditor General, as to whether the Foundation Trust has made 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 2023 by the time of the issue of our audit report. Other findings from our work, including our commentary on the Foundation Trust's arrangements, will be reported in our separate Auditor's Annual Report.

***Annual Governance Statement and compilation of financial statements***

Under the Code of Audit Practice, we are required to report to you if, in our opinion:

- the Annual Governance Statement does not meet the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual, is misleading, or is inconsistent with information of which we are aware from our audit; or
- proper practices have not been observed in the compilation of the financial statements.

We are not required to consider, nor have we considered, whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in respect of these matters.

***Reports in the public interest or to the regulator***

Under the Code of Audit Practice, we are also required to report to you if:

- any matters have been reported in the public interest under Schedule 10(3) of the National Health Service Act 2006 in the course of, or at the end of the audit; or
- any reports to the regulator have been made under Schedule 10(6) of the National Health Service Act 2006 because we have reason to believe that the Foundation Trust, or a director or officer of the Foundation Trust, is about to make, or has made, a decision involving unlawful expenditure, or is about to take, or has taken, unlawful action likely to cause a loss or deficiency.

We have nothing to report in respect of these matters.

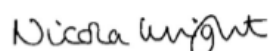


#### Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate until we have completed our work in respect of the Foundation Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources (as reported in the Matters on which we are required to report by exception – Use of resources section of our report) and the work necessary to issue our statement on consolidation schedules. We are satisfied that our remaining work in these areas is unlikely to have a material impact on the financial statements or on our value for money conclusion.

#### 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  
21 July 2023

## **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 2023 issued on 21 July 2023 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 2023 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 requirements of the Department of Health and Social Care Group Accounting Manual, as directed by NHS England; 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 2023 on 21 July 2023, we had not completed our work on the Foundation Trust's arrangements.

In our audit report for the year ended 31 March 2023 issued on 21 July 2023, 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 2023 issued on 21 July 2023, 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. We have now completed our work in this area.

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.

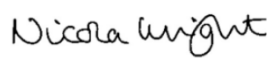
On 21 July 2023 we reported to the Foundation Trust significant weaknesses in the Foundation Trust's governance arrangements and arrangements to secure financial sustainability. The significant weaknesses reported were:

- 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 Foundation Trust's CQC inspection reports of January 2022 and September 2022, and NHS England's formal enforcement actions which remain in place; and
- weakness in the Foundation Trust's arrangements to secure financial sustainability. This significant weakness is as a result of the following: the Foundation Trust having a year end

adjusted deficit of £12.9m, the Foundation Trust forecasting a deficit in 2023/24 with significant savings plans required to meet the financial plan in 2023/24 and currently limited plans in place to deal with this target. In addition, there was also a financial governance review completed during the year which identified significant concerns over the financial governance.

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 issued by the Comptroller & Auditor General.



Nicola Wright (Key Audit Partner)  
For and on behalf of Deloitte LLP  
Appointed Auditor  
Newcastle upon Tyne, United Kingdom  
31 August 2023

## FOREWORD TO THE ACCOUNTS

### BLACKPOOL TEACHING HOSPITALS NHS FOUNDATION TRUST

These accounts for the year ended 31 March 2023 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: 13 July 2023

Trish Armstrong-Child  
Chief Executive

Blackpool Teaching Hospitals NHS Foundation Trust

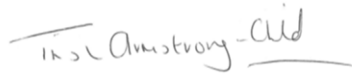
Annual accounts for the year ended 31 March 2023

## Foreword to the accounts

### Blackpool Teaching Hospitals NHS Foundation Trust

These accounts, for the year ended 31 March 2023, have been prepared by Blackpool Teaching Hospitals NHS Foundation Trust in accordance with paragraphs 24 and 25 of Schedule 7 within the National Health Service Act 2006.

**Signed**

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

<b>Name</b>	<b>Trish Armstrong-Child</b>
<b>Job title</b>	<b>Chief Executive</b>
<b>Date</b>	<b>13th July 2023</b>

## Consolidated Statement of Comprehensive Income

		Group	
		2022/23	2021/22
	Note	£000	£000
Operating income from patient care activities	3	629,106	591,453
Other operating income	4	35,605	33,884
Operating expenses	7, 9	(679,788)	(618,928)
<b>Operating (deficit) / surplus</b>		<b>(15,077)</b>	<b>6,409</b>
Finance income	11	1,198	25
Finance expenses	12	(1,345)	(891)
PDC dividends payable		(4,210)	(4,285)
<b>Net finance costs</b>		<b>(4,357)</b>	<b>(5,151)</b>
Other (losses)	13	(333)	(91)
Gains arising from transfers by absorption	38	-	1,203
Corporation tax expense		(316)	(26)
<b>(Deficit) / surplus for the year</b>		<b>(20,083)</b>	<b>2,344</b>
<b>Other comprehensive income</b>			
<b>Will not be reclassified to income and expenditure:</b>			
Impairments	8, 19	2,950	1,494
Revaluations	19	5,633	210
Other reserve movements		52	44
<b>Total comprehensive (expense) / income for the period</b>		<b>(11,448)</b>	<b>4,092</b>

In accordance with Section 408 of the Companies Act 2006, the trust is exempt from the requirement to present its own income statement and statement of comprehensive income. The trust's deficit for the period was £21.5m deficit (2021/22: £1.3m profit).

## Statements of Financial Position

		Group		Trust	
		31 March 2023	31 March 2022	31 March 2023	31 March 2022
	Note	£000	£000	£000	£000
<b>Non-current assets</b>					
Intangible assets	14,15	9,845	8,424	9,124	7,727
Property, plant and equipment	16,17	248,778	228,531	248,725	226,964
Right of use assets	20	54,672	-	53,297	-
Other investments / financial assets	21	-	-	23,530	725
Receivables	25	2,230	2,274	2,230	2,274
<b>Total non-current assets</b>		<b>315,525</b>	<b>239,229</b>	<b>336,906</b>	<b>237,690</b>
<b>Current assets</b>					
Inventories	24	8,796	7,107	5,800	4,231
Receivables	25	34,490	16,932	35,150	18,613
Other investments / financial assets	21	-	-	2,774	-
Cash and cash equivalents	26	49,437	76,839	34,649	69,294
<b>Total current assets</b>		<b>92,723</b>	<b>100,878</b>	<b>78,373</b>	<b>92,138</b>
<b>Current liabilities</b>					
Trade and other payables	27	(110,676)	(95,686)	(96,108)	(89,274)
Borrowings	29	(2,753)	(2,869)	(2,753)	(2,757)
Lease liabilities	29	(6,461)	-	(6,345)	-
Provisions	31	(1,540)	(2,742)	(1,540)	(2,741)
Other liabilities	28	(9,906)	(18,488)	(11,015)	(19,512)
<b>Total current liabilities</b>		<b>(131,336)</b>	<b>(119,785)</b>	<b>(117,761)</b>	<b>(114,284)</b>
<b>Total assets less current liabilities</b>		<b>276,912</b>	<b>220,322</b>	<b>297,518</b>	<b>215,544</b>
<b>Non-current liabilities</b>					
Trade and other payables	27	(1,657)	(1,540)	(1,500)	(1,500)
Borrowings	29	(22,957)	(27,091)	(22,957)	(25,651)
Lease liabilities	29	(48,525)	-	(47,200)	-
Other financial liabilities	30	-	-	(26,809)	-
Provisions	31	(2,919)	(3,650)	(2,920)	(3,649)
<b>Total non-current liabilities</b>		<b>(76,058)</b>	<b>(32,281)</b>	<b>(101,386)</b>	<b>(30,800)</b>
<b>Total assets employed</b>		<b>200,854</b>	<b>188,041</b>	<b>196,132</b>	<b>184,744</b>
<b>Financed by</b>					
Public dividend capital		309,412	285,150	309,412	285,150
Revaluation reserve		20,380	12,193	20,380	12,193
Income and expenditure reserve		(130,466)	(110,528)	(133,660)	(112,599)
Charitable fund reserves	23	1,528	1,226	-	-
<b>Total taxpayers' equity</b>		<b>200,854</b>	<b>188,041</b>	<b>196,132</b>	<b>184,744</b>

The notes on pages A9 - A66 form part of these accounts

Name  
Position

**Trish Armstrong-Child**  
**Chief Executive**

Signed



Date

**13th July 2023**



## Consolidated Statement of Changes in Equity for the year ended 31 March 2023

Group	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Charitable fund reserves £000	Total £000
<b>Taxpayers' and others' equity at 1 April 2022 - brought forward</b>	<b>285,150</b>	<b>12,193</b>	<b>(110,528)</b>	<b>1,226</b>	<b>188,041</b>
Impact of implementing IFRS 16 on 1 April 2022	-	-	-	-	-
(Deficit) / surplus for the year	-	-	(20,586)	503	(20,083)
Transfer from revaluation reserve to income and expenditure reserve for impairments arising from consumption of economic benefits	-	(395)	395	-	-
Impairments	-	2,950	-	-	2,950
Revaluations	-	5,633	-	-	5,633
Public dividend capital received	24,262	-	-	-	24,262
Other reserve movements	-	-	253	(201)	52
<b>Taxpayers' and others' equity at 31 March 2023</b>	<b>309,412</b>	<b>20,381</b>	<b>(130,466)</b>	<b>1,528</b>	<b>200,855</b>

## 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' and others' 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)	2,345
Transfer from revaluation reserve to income and expenditure reserve for impairments arising from consumption of economic benefits	-	(207)	207	-	-
Impairments	-	1,494	-	-	1,494
Revaluations	-	210	-	-	210
Public dividend capital received	30,294	-	-	-	30,294
Other reserve movements	-	-	120	(76)	44
<b>Taxpayers' and others' 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>

## Statement of Changes in Equity for the year ended 31 March 2023

Trust	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Total £000
<b>Taxpayers' and others' equity at 1 April 2022 - brought forward</b>	<b>285,150</b>	<b>12,193</b>	<b>(112,599)</b>	<b>184,744</b>
Impact of implementing IFRS 16 on 1 April 2022	-	-	-	-
Surplus/(deficit) for the year	-	-	(21,508)	(21,508)
Other transfers between reserves	-	(395)	395	-
Impairments	-	2,950	-	2,950
Revaluations	-	5,633	-	5,633
Public dividend capital received	24,262	-	-	24,262
Other reserve movements	-	-	52	52
<b>Taxpayers' and others' equity at 31 March 2023</b>	<b>309,412</b>	<b>20,381</b>	<b>(133,660)</b>	<b>196,133</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' and others' 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/(deficit) for the year	-	-	1,270	1,270
Other transfers between reserves	-	(207)	207	-
Impairments	-	1,494	-	1,494
Revaluations	-	210	-	210
Public dividend capital received	30,294	-	-	30,294
<b>Taxpayers' and others' equity at 31 March 2022</b>	<b>285,150</b>	<b>12,193</b>	<b>(112,599)</b>	<b>184,744</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 and Atlas.

### **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 23).

### **Other reserve movements**

Other reserves movement consists 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

	Note	Group		Trust	
		2022/23 £000	2021/22 £000	2022/23 £000	2021/22 £000
<b>Cash flows from / (used in) operating activities</b>					
Operating (deficit) / surplus		(15,078)	6,410	(16,457)	5,049
<b>Non-cash income and expense:</b>					
Depreciation and amortisation	7	24,016	14,303	23,742	14,156
Net impairments	8	6,820	(2,730)	6,820	(2,730)
Income recognised in respect of capital donations	4	(0)	(201)	(0)	(277)
(Increase) / decrease in receivables and other assets		(17,028)	2,902	(41,611)	4,621
(Increase) / decrease in inventories		(1,688)	903	(1,569)	1,188
(Decrease) / Increase in payables and other liabilities		9,048	24,705	24,377	26,968
Increase / (decrease) in provisions		(1,905)	1,508	(1,905)	1,508
Movements in charitable fund working capital		(43)	50	-	-
Tax (paid) / received		(10)	(104)	-	-
Other movements in operating cash flows		(201)	(77)	(201)	2
<b>Net cash flows from / (used in) operating activities</b>		<b>3,931</b>	<b>47,669</b>	<b>(6,804)</b>	<b>50,485</b>
<b>Cash flows from investing activities</b>					
Interest received		1,198	25	1,530	22
Purchase of intangible assets		(3,194)	(3,613)	(3,033)	(3,222)
Purchase of PPE		(38,116)	(29,373)	(34,535)	(29,373)
Sales of PPE		49	54	49	54
<b>Net cash flows (used in) / from investing activities</b>		<b>(40,063)</b>	<b>(32,907)</b>	<b>(35,989)</b>	<b>(32,519)</b>
<b>Cash flows from financing activities</b>					
Public dividend capital received		24,262	30,294	24,262	30,294
Movement on loans from DHSC		(1,771)	(2,500)	(1,771)	(2,500)
Movement on other loans		(923)	(923)	(923)	(1,648)
Capital element of lease liability repayments		(6,792)	(107)	(6,679)	-
Interest on loans		(775)	(854)	(1,519)	(854)
Other interest		-	(9)	-	(9)
Interest paid on lease liability repayments		(599)	(54)	(550)	-
PDC dividend (paid)		(4,672)	(4,103)	(4,672)	(4,103)
<b>Net cash flows from / (used in) financing activities</b>		<b>8,730</b>	<b>21,744</b>	<b>8,148</b>	<b>21,180</b>
<b>(Decrease) / Increase in cash and cash equivalents</b>		<b>(27,402)</b>	<b>36,506</b>	<b>(34,644)</b>	<b>39,146</b>
<b>Cash and cash equivalents at 1 April - brought forward</b>		<b>76,839</b>	<b>40,333</b>	<b>69,294</b>	<b>30,148</b>
<b>Cash and cash equivalents at 31 March</b>	26	<b>49,437</b>	<b>76,839</b>	<b>34,649</b>	<b>69,294</b>

## **Notes to the Accounts**

### **Note 1 Accounting policies and other information**

#### **Note 1.1 Basis of preparation**

NHS England has directed that the financial statements of NHS Foundation Trusts 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 DHSC Group Accounting Manual 2022-23, 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 DHSC GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the NHS Foundation Trust for the purpose of giving a true and fair view has been selected.

These have been applied consistently in dealing with items considered material in relation to the accounts.

#### **Accounting convention**

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, investment asset, other investments and intangible assets.

#### **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 Funds**

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.

**Other subsidiaries**

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.

Atlas BFW Management Ltd (trading as Atlas) commenced trading on 20th March 2017 as a wholly owned subsidiary of the Trust to provide a fully managed facilities management service to the Trust and other clients.

The amounts consolidated are drawn from the published financial statements of Atlas for the years ended 31 March 2023 and 31 March 2022 which have been prepared in accordance with the United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards comprising FRS102 being the financial reporting standards applicable in the UK and Republic of Ireland, and applicable law).

Where Atlas accounting policies are not aligned with those of the Trust, 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 on consolidation.

#### **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 health care services. Funding envelopes are set at an Integrated Care System (ICS) level. The majority of the Trust's income is earned from NHS commissioners in the form of fixed payments to fund an agreed level of activity.

In 2022/23 fixed payments are set at a level assuming the achievement of elective activity targets.

The Trust also receives income from commissioners under Commissioning for Quality Innovation (CQUIN) and Best Practice Tariff (BPT) schemes. Delivery under these schemes is part of how care is provided to patients. As such CQUIN and BPT payments are not considered distinct performance obligations in their own right; instead they form part of the transaction price for performance obligations under the overall contract with the commissioner. In 2022/23 payment under these schemes is included in fixed payments from commissioners based on assumed achievement of criteria.

Elective recovery funding provides additional funding for the delivery of elective services. In 2022/23 elective recovery funding was included within the aligned payment and incentive contracts. In 2021/22 income earned by the system based on achievement of elective recovery targets was distributed between individual entities by local agreement and income earned from the fund was accounted for as variable consideration.

#### **Revenue from research contracts**

Where research contracts fall under IFRS 15, revenue is recognised as and when performance obligations are satisfied. For some contracts, it is assessed that the revenue project constitutes one performance obligation over the course of the multi-year contract. In these cases, it is assessed that the Trust's interim performance does not create an asset with alternative use for the Trust, and the Trust has an enforceable right to payment for the performance completed to date. It is therefore considered that the performance obligation is satisfied over time, and the Trust recognises revenue each year evenly over the course of the contract.

#### **NHS injury cost recovery scheme**

The Trust receives income under the NHS injury cost recovery scheme, designed to reclaim the cost of treating injured individuals to whom personal injury compensation has subsequently been paid, for instance by an insurer. The Trust recognises the income when it receives notification from the Department of Work and Pension's Compensation Recovery Unit, has completed the NHS2 form and confirmed there are no discrepancies with the treatment. The income is measured at the agreed tariff for the treatments provided to the injured individual, less an allowance for unsuccessful compensation claims and doubtful debts in line with IFRS 9 requirements of measuring expected credit losses over the lifetime of the asset.

## **Note 1.5 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 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 of sale 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 entitlements earned but not taken by employees at the end of the period is recognised in financial statements to the extent that the employees are permitted to carry forward leave into the following period.

### **Pension costs**

#### *NHS Pension Scheme*

Past and present employees are covered by the provisions of the NHS Pensions scheme. The scheme is an unfunded, defined benefit scheme that 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.

For early retirements other than those due to ill health the additional pension liabilities are not funded by the schemes. 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 a cost of more than £250; where the assets are functionally interdependent; had broadly simultaneous purchase dates; are anticipated to have simultaneous disposal dates and are under single managerial control.
- form part of the initial setting-up cost of a new building or refurbishment of a ward or unit, irrespective of their individual or collective cost.

### *Subsequent expenditure*

Subsequent expenditure relating to an item of property, plant and equipment is recognised as an increase in the carrying amount of the asset when it is probable that additional future economic benefits or service potential deriving from the cost incurred to replace a component of such item will flow to the enterprise and the cost of the item can be determined reliably. Where a component of an asset is replaced, the cost of the replacement is capitalised if it meets the criteria for recognition above. The carrying amount of the part replaced is de-recognised. Other expenditure that does not generate additional future economic benefits or service potential, such as repairs and maintenance, is charged to the Statement of Comprehensive Income in the period in which it is incurred.

### **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 valuer 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 meeting the location requirements of the services being provided. Assets held at depreciated replacement cost have been valued on an alternative site basis where this would meet the location requirements.

Assets in the course of construction for service or administration purposes are carried at cost less any impairment loss. Cost includes professional fees and, where capitalised in accordance with IAS23, borrowing costs. Assets are revalued and depreciation commences when they are brought into use.

IT equipment, transport equipment, furniture and fittings, and plant and machinery that are held for operational use are valued at depreciated historic cost where these assets have short useful economic lives or low values or both, as this is not considered to be materially different from current value in existing use.

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

**Depreciation**

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 economic lives in a manner consistent with the consumption of economic or service delivery benefits. Freehold land is considered to have an infinite life and is not depreciated.

Property, plant, and equipment which has been reclassified as 'held for sale' ceases to be depreciated upon the reclassification.

Assets in the course of construction are not depreciated until the asset is brought into use.

**Revaluation gains and losses**

Revaluation gains are recognised in the revaluation reserve, except where, and to the extent that, they reverse a revaluation decrease that has previously been recognised in operating expenses, in which case they are recognised in operating expenses.

Revaluation losses are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to operating expenses.

Gains and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'.

**Impairments**

In accordance with the GAM, impairments that arise from a clear consumption of economic benefit or service potential in the asset are charged to operating expenses. A compensating transfer is made from the revaluation reserve to the income and expenditure reserve of an amount equal to the lower of (i) the impairment charged to operating expenses; and (ii) the balance in the revaluation reserve attributable to that asset before the impairment.

An impairment that arises from a clear consumption of economic benefit or service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss is reversed. Reversals are recognised in operating income to the extent that the asset is restored to the carrying amount it would have had if the impairment had never been recognised. Any remaining reversal is recognised in the revaluation reserve. Where, at the time of the original impairment, a transfer was made from the revaluation reserve to the income and expenditure reserve, an amount is transferred back to the revaluation reserve when the impairment is recognised.

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

**De-recognition**

Assets intended for disposal are reclassified as 'held for sale' once the criteria in IFRS 5 are met. The sale must be highly probable and the asset available for immediate sale in its present condition.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged and the assets are not revalued, except where the 'fair value less costs to sell' falls below the carrying amount. Assets are de-recognised when all material sale contract conditions have been met.

Property, plant, and equipment which is to be scrapped or demolished does not qualify for recognition as 'held for sale' and instead is retained as an operational asset and the asset's economic life is adjusted. The asset is de-recognised when scrapping or demolition occurs.

**Donated 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 are shown in the table below:

	Min life Years	Max life Years
Land	-	-
Buildings, excluding dwellings	21	64
Dwellings	28	36
Plant & machinery	2	15
Transport equipment	5	15
Information technology	5	15
Furniture & fittings	5	15

### 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's business or which arise from contractual or other legal rights. They are recognised only where it is probable that future economic benefits will flow to, or service potential be provided to, the Trust and where the cost of an asset can be measured reliably.

Internally generated goodwill, brands, mastheads, publishing titles, customer lists and similar items are not capitalised as intangible assets.

Expenditure on research is not capitalised, whereas expenditure on development is capitalised, only where the requirements set out in IAS 38 are met:

- the project is technically feasible to the point of completion and will result in an intangible asset for sale or use;
- the Trust intends to complete the asset and sell or use it;
- the Trust has the ability to sell or use the asset;
- how the intangible asset will generate probable future economic, or service delivery benefits is known, e.g. the presence of a market for it or its output, or where it is to be used for internal use, the usefulness of the asset;
- adequate financial, technical and other resources are available to the Trust to complete the development and sell or use the asset and;
- the Trust can measure reliably the expenses attributable to the asset during development.

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

#### Measurement

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

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 in the same manner as for property, plant, and equipment. Intangible assets held for sale are measured at the lower of their carrying amount or "fair value less costs to sell".

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

Intangible assets are amortised over their expected useful economic lives in a manner consistent with the consumption of economic or service delivery benefits.

**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 are shown in the table below:

	<b>Min life Years</b>	<b>Max life Years</b>
Development expenditure	-	-
Software licences	2	15
Licences & trademarks	3	15
Other (purchased)	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.

The Trust receives 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. In response to the adoption of IFRS 9 the GAM expands the definition of a contract to include legislation and regulations which give rise to arrangements that in all other respects would be a financial instrument and do not give rise to transactions classified as a tax by ONS.

This includes the purchase or sale of non-financial items (such as goods or services), which are entered into in accordance with the Trust's normal purchase, sale or usage requirements and are recognised when, and to the extent which, performance occurs, ie, when receipt or delivery of the goods or services is made.

##### **Classification and measurement**

Financial assets and financial liabilities which arise from contracts for the purchase or sale of nonfinancial 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 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 and loans receivable and payable.

After initial recognition, these financial assets and financial liabilities are measured at amortised cost using the effective interest method less any impairment (for financial assets). The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

Interest revenue or expense is calculated by applying the effective interest rate to the gross carrying amount of a financial asset or amortised cost of a financial liability and recognised in the Statement of Comprehensive Income and a financing income or expense. In the case of loans held from the Department of Health and Social Care, as 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 or assets measured at fair value through other comprehensive income, the Trust recognises an allowance for expected credit losses.

The Trust adopts the simplified approach to impairment for contract and other receivables, contract assets and lease receivables, measuring expected losses as at an amount equal to lifetime expected losses. For other financial assets, the loss allowance is initially measured at an amount equal to 12-month expected credit losses (stage 1) and subsequently at an amount equal to lifetime expected credit losses if the credit risk assessed for the financial asset significantly increases (stage 2). For financial assets that have become credit impaired since initial recognition (stage 3), expected credit losses at the reporting date are measured as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

**Derecognition**

Financial assets are de-recognised when the contractual rights to receive cash flows from the assets have expired or the Trust has transferred substantially all the risks and rewards of ownership.

Financial liabilities are de-recognised when the obligation is discharged, cancelled, or expires.

### **Note 1.13 Leases**

A lease is a contract or part of a contract that conveys the right to use an asset for a period of time in exchange for consideration.

An adaptation of the relevant accounting standard by HM Treasury for the public sector means that for NHS bodies, this includes lease-like arrangements with other public sector entities that do not take the legal form of a contract. It also includes peppercorn leases where consideration paid is nil or nominal (significantly below market value) but in all other respects meet the definition of a lease. The Trust does not apply lease accounting to new contracts for the use of intangible assets.

The Trust determines the term of the lease term with reference to the non-cancellable period and any options to extend or terminate the lease which the Trust is reasonably certain to exercise.

#### **The Trust as a lessee**

##### *Recognition and initial measurement*

At the commencement date of the lease, being when the asset is made available for use, the Trust recognises a right of use asset and a lease liability.

The right of use asset is recognised at cost comprising the lease liability, any lease payments made before or at commencement, any direct costs incurred by the lessee, less any cash lease incentives received. It also includes any estimate of costs to be incurred restoring the site or underlying asset on completion of the lease term.

The lease liability is initially measured at the present value of future lease payments discounted at the interest rate implicit in the lease. Lease payments include fixed lease payments, variable lease payments dependent on an index or rate and amounts payable under residual value guarantees. It also includes amounts payable for purchase options and termination penalties where these options are reasonably certain to be exercised.

Where an implicit rate cannot be readily determined, the Trust's incremental borrowing rate is applied. This rate is determined by HM Treasury annually for each calendar year. A nominal rate of 0.95% applied to new leases commencing in 2022 and 3.51% to new leases commencing in 2023.

The Trust does not apply the above recognition requirements to leases with a term of 12 months or less or to leases where the value of the underlying asset is below £5,000, excluding any irrecoverable VAT. Lease payments associated with these leases are expensed on a straight-line basis over the lease term. Irrecoverable VAT on lease payments is expensed as it falls due.

As required by a HM Treasury interpretation of the accounting standard for the public sector, the Trust employs a revaluation model for subsequent measurement of right of use assets, unless the cost model is considered to be an appropriate proxy for current value in existing use or fair value, in line with the accounting policy for owned assets. Where consideration exchanged is identified as significantly below market value, the cost model is not considered to be an appropriate proxy for the value of the right of use asset.

The Trust subsequently measures the lease liability by increasing the carrying amount for interest arising which is also charged to expenditure as a finance cost and reducing the carrying amount for lease payments made. The liability is also remeasured for changes in assessments impacting the lease term, lease modifications or to reflect actual changes in lease payments. Such remeasurements are also reflected in the cost of the right of use asset. Where there is a change in the lease term or option to purchase the underlying asset, an updated discount rate is applied to the remaining lease payments.

#### **The Trust as a lessor**

A lessor shall classify each of its leases as an operating or finance lease. A lease is classified as finance lease when the lease substantially transfers all the risks and rewards incidental to ownership of an underlying asset. Where substantially all the risks and rewards are not transferred, a lease is classified as an operating lease.

Income from operating leases is recognised on a straight-line or another systematic 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.

### **Initial application of IFRS 16**

*IFRS 16 Leases* as adapted and interpreted for the public sector by HM Treasury has been applied to these financial statements with an initial application date of 1 April 2022. IFRS 16 replaces *IAS 17 Leases*, *IFRIC 4 Determining whether an arrangement contains a lease* and other interpretations.

The standard has been applied using a modified retrospective approach with the cumulative impact recognised in the income and expenditure reserve on 1 April 2022. Upon initial application, the provisions of IFRS 16 have only been applied to existing contracts where they were previously deemed to be a lease or contain a lease under IAS 17 and IFRIC 4. Where existing contracts were previously assessed not to be or contain a lease, these assessments have not been revisited.

#### *The Trust as lessee*

For continuing leases previously classified as operating leases, a lease liability was established on 1 April 2022 equal to the present value of future lease payments discounted at the Trust's incremental borrowing rate of 0.95%. A right of use asset was created equal to the lease liability and recognised in the Statement of Financial Position immediately prior to initial application. Hindsight has been used in determining the lease term where lease arrangements contain options for extension or earlier termination.

No adjustments have been made on initial application in respect of leases with a remaining term of 12 months or less from 1 April 2022 or for leases where the underlying assets has a value below £5,000. No adjustments have been made in respect of leases previously classified as finance leases.

#### *The Trust as lessor*

Leases of owned assets where the Trust is lessor were unaffected by initial application of IFRS 16.

#### *2021/22 comparatives*

Comparatives for leasing transactions in these accounts have not been restated on an IFRS 16 basis. Under IAS 17 the classification of leases as operating or finance leases still applicable to lessors under IFRS 16 also applied to lessees. In 2021/22 lease payments made by the Trust in respect of leases previously classified as operating leases were charged to expenditure on a straight line or other systematic basis.



#### 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.

		Nominal rate	Prior year rate
Short-term	Up to 5 years	0.47%	Minus 0.02%
Medium-term	After 5 years up to 10 years	0.70%	0.18%
Long-term	After 10 years up to 40 years	0.95%	1.99%
	Exceeding 40 years	0.66%	1.99%

HM Treasury provides discount rates for general provisions on a nominal rate basis. Expected future cash flows are therefore adjusted for the impact of inflation before discounting using nominal rates. The following inflation rates are set by HM Treasury, effective from 31 March 2022.

	Inflation rate	Prior year rate
Year 1	4.00%	1.20%
Year 2	2.60%	1.60%
Into perpetuity	2.00%	2.00%

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 31.1) 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 where an inflow of economic benefits is probable. The Group and Trust have no contingent assets.

Contingent liabilities are not recognised, 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. 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. The PDC dividend calculation is based upon the Trust's group accounts (i.e., including subsidiaries), but excluding consolidated charitable funds.

**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 yearend is reported within trade and other receivables (note 25) or trade and other payables (note 27).

Atlas BFW Management Ltd (trading as Atlas) 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 Climate change levy**

Expenditure on the climate change levy is recognised in the Statement of Comprehensive Income as incurred, based on the prevailing chargeable rates for energy consumption.

**Note 1.20 Foreign exchange**

The Trust's functional currency and presentational currency is pounds sterling. Transactions denominated in a foreign currency are translated into sterling at the spot exchange on the date of the transaction. 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 Statement of Comprehensive Income or expenditure in the year in which they arise.

**Note 1.21 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 1.22 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 the Trust not been bearing its 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 1.23 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 1.24 Early adoption of standards, amendments and interpretations**

No new accounting standards or revisions to existing standards have been early adopted in 2022/23.

**Note 1.25 Standards, amendments and interpretations in issue but not yet effective or adopted**

IFRS Standards and amendments that have not yet been adopted within the FReM, and are therefore not applicable to Department of Health and Social Care group accounts in 2022/23 are detailed as follows – There are no new or amended standards that have not yet been adopted.

**Note 1.26 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.

**Critical judgements in applying accounting policies**

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 the Trust has control over those arrangements per IFRS 10 Consolidated Financial Statements.

The Trust has assessed its existing contracts and collaboration arrangements for 2022/23 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.

**Note 1.27 Sources of estimation uncertainty**

The following are assumptions about the future and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

At 31 March 2023 the Trust's valuers carried out a full 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 £1.763m, split between a net increase credited to the revaluation reserve of £8.583m and a net impairment credited to operating expenditure of £6.820m. Further details relating to the revaluations are disclosed in (note 19). The value of land and buildings for the Trust is £201.9m (2021/22 £162.3m) and a 1% change in value would equate to £2.019m (2021/22 £1.623m).

The valuation exercise was carried out during December 2022 with a valuation date of 31 March 2023. 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 2023 is £258.6m (31 March 2022 £237.0m), of which £201.9m 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.

**Note 3 Operating income from patient care activities (Group)**

All income from patient care activities relates to contract income recognised in line with accounting policy 1.4.

<b>Note 3.1 Income from patient care activities (by nature)</b>	<b>2022/23</b>	<b>2021/22</b>
	<b>£000</b>	<b>£000</b>
<b>Acute services</b>		
Income from commissioners under API contracts*	484,834	465,602
Other NHS clinical income	22,495	31,020
<b>Community services</b>		
Income from commissioners under API contracts*	54,999	53,355
Income from other sources (e.g. local authorities)	12,952	12,643
<b>All services</b>		
Private patient income	512	833
Elective recovery fund	17,671	14,211
Agenda for change pay award central funding***	14,796	-
Additional pension contribution central funding**	14,196	13,461
Other clinical income	6,651	328
<b>Total income from activities</b>	<b>629,106</b>	<b>591,453</b>

\*Aligned payment and incentive contracts are the main form of contracting between NHS providers and their commissioners. More information can be found in the 2022/23 national tariff payments system documentation.

<https://www.england.nhs.uk/publication/past-national-tariffs-documents-and-policies/>

\*\*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.

\*\*\* In March 2023 the government announced an additional pay offer for 2022/23, in addition to the pay award earlier in the year. Additional funding was made available by NHS England for implementing this pay offer for 2022/23 and the income and expenditure has been included in these accounts as guided by the Department of Health and Social Care and NHS England. In May 2023 the government confirmed this offer will be implemented as a further pay award in respect of 2022/23 based on individuals in employment at 31 March 2023.

**Note 3.2 Income from patient care activities (by source)**

	<b>2022/23</b>	<b>2021/22</b>
<b>Income from patient care activities received from:</b>	<b>£000</b>	<b>£000</b>
NHS England	149,070	124,178
Clinical commissioning groups*	107,724	449,489
Integrated care boards*	344,533	-
Department of Health and Social Care	55	120
Other NHS providers	7,272	3,344
NHS other	391	283
Local authorities	12,402	12,679
Non-NHS: private patients	512	833
Non-NHS: overseas patients (chargeable to patient)	207	171
Injury cost recovery scheme	503	355
Non NHS: other	6,437	-
<b>Total income from activities</b>	<b>629,106</b>	<b>591,453</b>

Entities where income is greater than 10% of total revenue: Lancashire & South Cumbria Integrated Care Board £340million, NHS Blackpool CCG £75million (entity ceased to operate on 30th June 2022 and this activity now forms part of Lancashire & South Cumbria ICB) and NHS England £150million.

\* On 1st July 2022, CCGs ceased to exist and were replaced nationally by 42 Integrated Care Boards (ICBs). Any contracts were novated from the CCGs to the newly formed ICBs at this point and the associated income is reported as ICB Income from this point onwards.

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

	2022/23	2021/22
	£000	£000
Income recognised this year	207	171
Cash payments received in-year	100	53
Amounts added to provision for impairment of receivables	-	211
Amounts written off in-year	-	-

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

	2022/23			2021/22		
	Contract income	Non-contract income	Total	Contract income	Non-contract income	Total
	£000	£000	£000	£000	£000	£000
Research and development	3,500	-	3,500	3,962	-	3,962
Education and training <sup>(1)</sup>	14,645	1,588	16,233	10,787	1,375	12,162
Non-patient care services to other bodies <sup>(2)</sup>	3,941	-	3,941	4,276	-	4,276
Reimbursement and top up funding <sup>(3)</sup>	2,097	-	2,097	4,799	-	4,799
Income in respect of employee benefits accounted on a gross basis	3,049	-	3,049	2,319	-	2,319
Receipt of capital grants and donations	-	-	-	-	201	201
Charitable and other contributions to expenditure	-	1,425	1,425	-	1,527	1,527
Revenue from operating leases	-	339	339	-	301	301
Charitable fund incoming resources	-	1,077	1,077	-	481	481
Other income <sup>(4)</sup>	3,943	-	3,943	3,856	-	3,856
<b>Total other operating income</b>	<b>31,175</b>	<b>4,429</b>	<b>35,604</b>	<b>29,999</b>	<b>3,885</b>	<b>33,884</b>

Other notes:

(1) Blackpool Teaching Hospitals NHS Foundation Trust (the Group) host services for the North West Leadership Academy, and Healthier Lancashire and South Cumbria. A review of the role of the Group in hosting these services was undertaken in 2019/20 and concluded that the Group is acting in the capacity of an agent. Income and costs for these services are therefore reported on a net basis.

(2) Non-patient care services to other bodies includes service level agreement income from other NHS bodies for estates, IT and payroll services provided by the Trust.

(3) Reimbursement and top up funding. Following the temporary financial regime introduced by DHSC, the Trust has continued to receive additional income outside of system funding to reimburse specific costs incurred relating to Covid-19.

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

	<b>2022/23</b>	<b>2021/22</b>
	<b>£000</b>	<b>£000</b>
Revenue recognised in the reporting period that was included in or within contract liabilities at the previous period end	3,079	2,508

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 5.1 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>2022/23</b>	<b>2021/22</b>
	<b>£000</b>	<b>£000</b>
Income from services designated as commissioner requested services	592,951	573,626
Income from services not designated as commissioner requested services	36,155	17,827
<b>Total</b>	<b>629,106</b>	<b>591,453</b>



## Note 6 Operating leases - Blackpool Teaching Hospitals NHS Foundation Trust as lessor

This note discloses income generated in operating lease agreements where Blackpool Teaching Hospitals NHS Foundation Trust is the lessor.

The Trust has applied IFRS 16 to account for lease arrangements from 1 April 2022 without restatement of comparatives. Comparative disclosures in this note are presented on an IAS 17 basis. This includes a different maturity analysis of future minimum lease receipts under IAS 17 compared to IFRS 16.

### Note 6.1 Operating leases income (Group)

	2022/23 £000	2021/22 £000
<b>Lease receipts recognised as income in year:</b>		
Minimum lease receipts	339	301
<b>Total in-year operating lease income</b>	<b>339</b>	<b>301</b>

### Note 6.2 Future lease receipts (Group)

	31 March 2023 £000
<b>Future minimum lease receipts due at 31 March 2023:</b>	
- not later than one year	328
<b>Total</b>	<b>328</b>
	31 March 2022 £000
<b>Future minimum lease receipts due at 31 March 2022:</b>	
- not later than one year;	330
- later than one year and not later than five years;	368
<b>Total</b>	<b>698</b>

The Trust lease out units within the hospital main entrance to Costa Coffee (t/a as Compass Medirest; WH Smiths & Marks & Spencers (t/a WH Smiths Hospitals Ltd) and Lloyds Pharmacy.

## Note 7 Operating expenses (Group)

	2022/23	2021/22
	£000	£000
Purchase of healthcare from NHS and DHSC bodies	1,452	1,246
Purchase of healthcare from non-NHS and non-DHSC bodies	5,548	6,002
Staff and executive directors costs <sup>(2)</sup>	456,151	399,568
Remuneration of non-executive directors	198	172
Supplies and services - clinical (excluding drugs costs)	61,703	60,818
Supplies and services - general	10,786	10,165
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	50,688	47,965
Inventories written down	509	752
Consultancy costs	911	3,967
Establishment	12,724	15,099
Premises	15,510	14,633
Transport (including patient travel)	2,912	1,935
Depreciation on property, plant and equipment and right of use assets	20,448	12,179
Amortisation on intangible assets	3,568	2,123
Impairment reversals / (charges)	6,820	(2,730)
Movement in credit loss allowance: contract receivables / contract assets	(203)	466
Increase/(decrease) in other provisions	-	98
Change in provisions discount rate(s)	(492)	73
Fees payable to the external auditor		
audit services- statutory audit	208	127
other auditor remuneration (external auditor only)	-	-
Internal audit costs	75	96
Clinical negligence	20,225	19,225
Legal fees	33	1,630
Insurance	262	224
Research and development	1,015	1,971
Education and training	3,327	2,764
Expenditure on short term leases (current year only)	27	-
Expenditure on low value leases (current year only)	7	-
Operating leases expenditure (comparative only)	-	775
Redundancy	159	-
Car parking & security	1,458	679
Hospitality	5	11
Losses, ex gratia & special payments	19	20
Other NHS charitable fund resources expended	574	545
Other	3,161	16,328
<b>Total</b>	<b>679,788</b>	<b>618,928</b>

(1) Blackpool Teaching Hospitals NHS Foundation Trust (the Group) hosts services for the North West Leadership Academy, and Healthier Lancashire and South Cumbria. A review of the role of the Group in hosting these services was undertaken in 2019/20 and concluded that the Group is acting in the capacity of an agent. Income and costs for these services are therefore reported on a net basis.

(2) The employer contribution rate for NHS pensions increased from 14.3% to 20.6% (excluding administration charge) from 1 April 2019. For both 2022/23 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 £14.2m (2021/22 £13.5m) and related funding have been recognised in these accounts.

**Note 7.1 Limitation on auditor's liability (Group)**

The limitation on auditor's liability for external audit work is £132k (2021/22: £128k).

**Note 8 Impairment of assets (Group)**

	2022/23	2021/22
	£000	£000
<b>Net impairments charged to operating surplus / (deficit) resulting from:</b>		
Changes in market price	6,820	(2,730)
<b>Total net impairments charged to operating surplus / (deficit)</b>	<b>6,820</b>	<b>(2,730)</b>
Impairments charged to the revaluation reserve	(2,950)	(1,494)
<b>Total net impairments</b>	<b>3,870</b>	<b>(4,224)</b>

The impairments arise from the annual revaluation of Trust land and building assets. At 31 March 2023 the Trust's valuers carried out a full 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 9 Employee benefits (Group)**

	<b>2022/23</b>	<b>2021/22</b>
	<b>Total</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>
Salaries and wages	335,386	291,178
Social security costs	32,552	28,823
Apprenticeship levy	2,282	1,655
Employer's contributions to NHS pensions	46,953	44,651
Pension cost - other	174	159
Termination benefits	159	-
Temporary staff (including agency)	40,309	34,669
<b>Total gross staff costs</b>	<b>457,815</b>	<b>401,135</b>
Recoveries in respect of seconded staff	-	-
<b>Total staff costs</b>	<b>457,815</b>	<b>401,135</b>
<b>Of which</b>		
Costs capitalised as part of assets	1,505	1,567

Employee benefits excluding capitalised staff costs reconciles to the total of staff and executive directors costs in note 7 Operating expenses.

Blackpool Teaching Hospitals NHS Foundation Trust (the Group) hosts services for the North West Leadership Academy, and Healthier Lancashire and South Cumbria. A review of the role of the Group in hosting these services was undertaken in 2019/20 and concluded that the Group is acting in the capacity of an agent. Income and costs for these services are therefore reported on a net basis and the WTE for the hosted services staff are excluded.

**Note 9.1 Retirements due to ill-health (Group)**

During 2022/23 there were 3 early retirements from the Trust agreed on the grounds of ill-health (3 in the year ended 31 March 2022). The estimated additional pension liabilities of these ill-health retirements is £172k (£186k in 2021/22).

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

## **Note 10 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 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 2023, is based on valuation data as at 31 March 2022, updated to 31 March 2023 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 at 20.6% of pensionable pay.

The actuarial valuation as at 31 March 2020 is currently underway and will set the new employer contribution rate due to be implemented from April 2024.

**Note 11 Finance income (Group)**

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

	2022/23	2021/22
	£000	£000
Interest on bank accounts	1,198	25
<b>Total finance income</b>	<b>1,198</b>	<b>25</b>

**Note 12 Finance expenditure (Group)**

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

	2022/23	2021/22
	£000	£000
<b>Interest expense:</b>		
Interest on loans from the Department of Health and Social Care	685	744
Interest on other loans	86	104
Interest on lease obligations	599	53
Interest on late payment of commercial debt	-	9
<b>Total interest expense</b>	<b>1,370</b>	<b>910</b>
Unwinding of discount on provisions	(27)	(20)
Other finance costs	2	-
<b>Total finance costs</b>	<b>1,345</b>	<b>890</b>

**Note 12.1 Late payment of commercial debts (interest) Act 1998 / Public Contract Regulations 2015 (Group)**

	2022/23	2021/22
	£000	£000
Amounts included within interest payable arising from claims made under this legislation	-	9

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

	2022/23	2021/22
	£000	£000
Gains on disposal of assets	49	54
Losses on disposal of assets	(382)	(145)
<b>Total gains / (losses) on disposal of assets</b>	<b>(333)</b>	<b>(91)</b>
<b>Total other gains / (losses)</b>	<b>(333)</b>	<b>(91)</b>

The loss on disposal results from the disposal of medical equipment assets with a carrying value of £376k and a lease disposal with a carrying value of £6k.

The gain on disposals is split as follows: £34k gain from the sale of medical equipment assets with a carrying value of £81k and £15k loss from the sale of medical equipment with no carrying value.

**Note 14 Intangible assets - 2022/23**

<b>Group</b>	<b>Software licences £000</b>	<b>Licences &amp; trademarks £000</b>	<b>Intangible assets under construction £000</b>	<b>Other (purchased) £000</b>	<b>Total £000</b>
<b>Valuation / gross cost at 1 April 2022 - brought forward</b>	<b>9,775</b>	<b>8,728</b>	<b>-</b>	<b>3,412</b>	<b>21,915</b>
Additions	2,931	848	749	462	<b>4,990</b>
<b>Valuation / gross cost at 31 March 2023</b>	<b>12,706</b>	<b>9,576</b>	<b>749</b>	<b>3,874</b>	<b>26,905</b>
<b>Amortisation at 1 April 2022 - brought forward</b>	<b>6,731</b>	<b>5,602</b>	<b>-</b>	<b>1,158</b>	<b>13,491</b>
Provided during the year	1,459	1,479	-	630	<b>3,568</b>
<b>Amortisation at 31 March 2023</b>	<b>8,190</b>	<b>7,081</b>	<b>-</b>	<b>1,788</b>	<b>17,059</b>
<b>Net book value at 31 March 2023</b>	<b>4,516</b>	<b>2,495</b>	<b>749</b>	<b>2,086</b>	<b>9,846</b>
<b>Net book value at 1 April 2022</b>	<b>3,044</b>	<b>3,126</b>	<b>-</b>	<b>2,254</b>	<b>8,424</b>

**Note 14.1 Intangible assets - 2021/22**

<b>Group</b>	<b>Software licences £000</b>	<b>Licences &amp; trademarks £000</b>	<b>Intangible assets under construction £000</b>	<b>Other (purchased) £000</b>	<b>Total £000</b>
<b>Valuation / gross cost at 1 April 2021</b>	<b>7,823</b>	<b>6,891</b>	<b>843</b>	<b>2,176</b>	<b>17,733</b>
Transfers by absorption	973	-	-	-	<b>973</b>
Additions	979	1,837	-	393	<b>3,209</b>
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</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	<b>2,123</b>
<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 relates to IT software development that will align IT systems across regional NHS organisations and provide ongoing benefit to the Trust.



**Note 15 Intangible assets - 2022/23**

<b>Trust</b>	<b>Software licences £000</b>	<b>Licences &amp; trademarks £000</b>	<b>Intangible assets under construction £000</b>	<b>Other (purchased) £000</b>	<b>Total £000</b>
<b>Valuation / gross cost at 1 April 2022 - brought forward</b>	<b>9,775</b>	<b>8,727</b>	<b>-</b>	<b>2,675</b>	<b>21,177</b>
Additions	2,931	848	749	300	4,828
<b>Valuation / gross cost at 31 March 2023</b>	<b>12,706</b>	<b>9,575</b>	<b>749</b>	<b>2,975</b>	<b>26,005</b>
<b>Amortisation at 1 April 2022 - brought forward</b>	<b>6,731</b>	<b>5,602</b>	<b>-</b>	<b>1,117</b>	<b>13,450</b>
Provided during the year	1,459	1,479	-	493	3,431
<b>Amortisation at 31 March 2023</b>	<b>8,190</b>	<b>7,081</b>	<b>-</b>	<b>1,610</b>	<b>16,881</b>
<b>Net book value at 31 March 2023</b>	<b>4,516</b>	<b>2,494</b>	<b>749</b>	<b>1,365</b>	<b>9,124</b>
<b>Net book value at 1 April 2022</b>	<b>3,044</b>	<b>3,125</b>	<b>-</b>	<b>1,558</b>	<b>7,727</b>

**Note 15.1 Intangible assets - 2021/22**

<b>Trust</b>	<b>Software licences £000</b>	<b>Licences &amp; trademarks £000</b>	<b>Intangible assets under construction £000</b>	<b>Other (purchased) £000</b>	<b>Total £000</b>
<b>Valuation / gross cost at 1 April 2021</b>	<b>7,823</b>	<b>6,891</b>	<b>630</b>	<b>2,045</b>	<b>17,389</b>
Transfers by absorption	973	-	-	-	<b>973</b>
Additions	979	1,836	-	-	<b>2,815</b>
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</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	<b>2,115</b>
<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 16 Property, plant and equipment - 2022/23**

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	Charitable fund PPE assets £000	Total £000
<b>Valuation/gross cost at 1 April 2022 - brought forward</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>-</b>	<b>276,259</b>
IFRS 16 implementation - reclassification to right of use assets	-	-	-	-	(1,918)	-	-	-	-	(1,918)
Additions	-	662	-	17,979	9,866	-	5,268	-	-	33,775
Impairments	-	(1,024)	(88)	-	-	-	-	-	-	(1,112)
Reversals of impairments	-	4,050	11	-	-	-	-	-	-	4,061
Revaluations	-	(4,862)	41	(933)	-	-	-	-	-	(5,755)
Reclassifications	-	27,157	(703)	(26,454)	-	-	-	-	-	-
Disposals / derecognition	-	-	-	-	(14,225)	(83)	-	-	-	(14,308)
<b>Valuation/gross cost at 31 March 2023</b>	<b>8,379</b>	<b>177,177</b>	<b>2,309</b>	<b>14,038</b>	<b>49,839</b>	<b>9</b>	<b>39,181</b>	<b>71</b>	<b>-</b>	<b>291,003</b>
<b>Accumulated depreciation at 1 April 2022 - brought forward</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27,578</b>	<b>83</b>	<b>20,011</b>	<b>55</b>	<b>-</b>	<b>47,727</b>
IFRS 16 implementation - reclassification to right of use assets	-	-	-	-	(415)	-	-	-	-	(415)
Provided during the year	-	4,494	73	-	4,025	1	4,814	4	-	13,411
Impairments	-	12,655	-	933	-	-	-	-	-	13,588
Reversals of impairments	-	(6,767)	-	-	-	-	-	-	-	(6,767)
Revaluations	-	(10,392)	(63)	(933)	-	-	-	-	-	(11,388)
Reclassifications	-	10	(10)	-	(75)	-	75	-	-	-
Disposals / derecognition	-	-	-	-	(13,849)	(82)	-	-	-	(13,931)
<b>Accumulated depreciation at 31 March 2023</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,264</b>	<b>2</b>	<b>24,900</b>	<b>59</b>	<b>-</b>	<b>42,224</b>
<b>Net book value at 31 March 2023</b>	<b>8,379</b>	<b>177,177</b>	<b>2,309</b>	<b>14,037</b>	<b>32,575</b>	<b>7</b>	<b>14,281</b>	<b>12</b>	<b>-</b>	<b>248,777</b>
<b>Net book value at 1 April 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>-</b>	<b>228,532</b>

**Note 16.1 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	Charitable fund PPE assets £000	Total £000
<b>Valuation / gross cost at 1 April 2021 - as previously stated</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>
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>-</b>	<b>276,258</b>
<b>Accumulated depreciation at 1 April 2021 - as previously stated</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>
Transfers by absorption	-	-	-	-	-	-	-	-	-	-
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>-</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>-</b>	<b>228,532</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>-</b>	<b>198,408</b>

**Note 16.2 Property, plant and equipment financing - 31 March 2023**

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
Owned - purchased	8,379	174,468	2,309	14,037	31,198	7	14,121	12	<b>244,531</b>
Owned - donated/granted	-	2,710	-	-	1,377	-	160	-	<b>4,247</b>
<b>NBV total at 31 March 2023</b>	<b>8,379</b>	<b>177,178</b>	<b>2,309</b>	<b>14,037</b>	<b>32,575</b>	<b>7</b>	<b>14,281</b>	<b>12</b>	<b>248,778</b>

**Note 16.3 Property, plant and equipment financing - 31 March 2022**

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
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 17 Property, plant and equipment - 2022/23**

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 2022 - brought forward</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>
IFRS 16 implementation - reclassification of existing leased assets to right of use assets	-	-	-	-	-	-	-	-	-
Additions	-	662	-	17,979	9,866	-	5,268	-	33,775
Impairments	-	(1,024)	(88)	-	-	-	-	-	(1,112)
Reversals of impairments	-	4,050	11	-	-	-	-	-	4,061
Revaluations	-	(4,862)	41	(933)	-	-	-	-	(5,755)
Reclassifications	-	27,157	(703)	(26,454)	-	-	-	-	-
Disposals / derecognition	-	-	-	-	(14,225)	(83)	-	-	(14,308)
<b>Valuation/gross cost at 31 March 2023</b>	<b>8,379</b>	<b>177,178</b>	<b>2,309</b>	<b>14,038</b>	<b>49,755</b>	<b>3</b>	<b>39,175</b>	<b>71</b>	<b>290,907</b>
<b>Accumulated depreciation at 1 April 2022 - brought forward</b>	-	-	-	-	27,133	83	20,008	56	47,280
IFRS 16 implementation - reclassification of existing leased assets to right of use assets	-	-	-	-	-	-	-	-	-
Provided during the year	-	4,494	73	-	4,016	1	4,813	4	13,401
Impairments	-	12,655	-	933	-	-	-	-	13,588
Reversals of impairments	-	(6,767)	-	-	-	-	-	-	(6,767)
Revaluations	-	(10,392)	(63)	(933)	-	-	-	-	(11,388)
Reclassifications	-	10	(10)	-	(75)	-	75	-	-
Disposals / derecognition	-	-	-	-	(13,849)	(82)	-	-	(13,931)
<b>Accumulated depreciation at 31 March 2023</b>	-	-	-	-	<b>17,224</b>	<b>2</b>	<b>24,896</b>	<b>60</b>	<b>42,182</b>
<b>Net book value at 31 March 2023</b>	<b>8,379</b>	<b>177,178</b>	<b>2,309</b>	<b>14,038</b>	<b>32,531</b>	<b>1</b>	<b>14,279</b>	<b>11</b>	<b>248,725</b>
<b>Net book value at 1 April 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>

**Note 17.1 Property, plant and equipment - 2021/22**

<b>Trust</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>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>Valuation / gross cost at 1 April 2021 - as previously stated</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 - as previously stated</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 17.2 Property, plant and equipment financing - 31 March 2023**

Trust	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Owned - purchased	8,379	174,468	2,309	14,038	31,154	1	14,119	11	<b>244,478</b>
Owned - donated / granted	-	2,710	-	-	1,377	-	160	-	<b>4,247</b>
<b>Total net book value at 31 March 2023</b>	<b>8,379</b>	<b>177,178</b>	<b>2,309</b>	<b>14,038</b>	<b>32,531</b>	<b>1</b>	<b>14,279</b>	<b>11</b>	<b>248,725</b>

**Note 17.3 Property, plant and equipment financing - 31 March 2022**

Trust	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Owned - purchased	8,379	148,308	3,048	23,446	25,538	3	13,741	15	<b>222,478</b>
Owned - donated / granted	-	2,886	-	-	1,442	-	159	-	<b>4,487</b>
<b>Total 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>26,980</b>	<b>3</b>	<b>13,900</b>	<b>15</b>	<b>226,965</b>



**Note 18 Donations of property, plant and equipment**

During the year there were donated assets to the value of £201k (2021/22 £76k) received from the Blue Skies Charity, and a further nil (2021/22 221k) from DHSC in response to the COVID-19 pandemic.

**Note 19 Revaluations of property, plant and equipment**

Land and buildings (including dwellings) valuations are carried out by professionally qualified valuers (Cushman & Wakefield) in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual.

During December 2022 to February 2023 the Trust's valuers carried out a full revaluation of the land, buildings and dwellings with a valuation date of 31 March 2023. 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 valuation that took place at 31st March 2023 and is reported in the 2022/23 Annual Accounts has resulted in an 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)

	<b>2022/23</b>	<b>2021/22</b>
	<b>£000</b>	<b>£000</b>
Revaluation gains recognised in the revaluation reserve	<b>(5,633)</b>	<b>(2,318)</b>
Impairments charged to the revaluation reserve	<b>(2,950)</b>	<b>613</b>
Impairments recognised in operating expenses	<b>13,588</b>	<b>4,833</b>
Reversal of previous impairments recognised in operating expenses	<b>(6,767)</b>	<b>(7,563)</b>
	<hr/> <b>(1,762)</b> <hr/>	<hr/> <b>(4,435)</b> <hr/>

**Note 20 Right of use assets - 2022/23**

Group	Property (land and buildings)	Plant & machinery	Total	Of which: leased from DHSC group bodies
	£000	£000	£000	£000
IFRS 16 implementation - reclassification of existing leased assets from PPE or intangible assets	-	1,918	<b>1,918</b>	-
IFRS 16 implementation - adjustments for existing operating leases / subleases	55,929	4,288	<b>60,217</b>	51,460
Additions	58	-	<b>58</b>	-
Remeasurements of the lease liability	(40)	-	<b>(40)</b>	-
Disposals / derecognition	(31)	(204)	<b>(235)</b>	-
<b>Valuation/gross cost at 31 March 2023</b>	<b>55,916</b>	<b>6,002</b>	<b>61,918</b>	<b>51,460</b>
IFRS 16 implementation - reclassification of existing leased assets from PPE or intangible assets	-	415	<b>415</b>	-
Provided during the year	5,620	1,417	<b>7,037</b>	5,119
Disposals / derecognition	(25)	(182)	<b>(207)</b>	-
<b>Accumulated depreciation at 31 March 2023</b>	<b>5,595</b>	<b>1,650</b>	<b>7,246</b>	<b>5,119</b>
<b>Net book value at 31 March 2023</b>	<b>50,321</b>	<b>4,352</b>	<b>54,672</b>	<b>46,341</b>
Net book value of right of use assets leased from other NHS providers				1,195
Net book value of right of use assets leased from other DHSC group bodies				45,146

**Note 20.1 Right of use assets - 2022/23**

<b>Trust</b>	<b>Property (land and buildings) £000</b>	<b>Plant &amp; machinery £000</b>	<b>Total £000</b>	<b>Of which: leased from DHSC group bodies £000</b>
IFRS 16 implementation - adjustments for existing operating leases / subleases	55,929	4,288	<b>60,217</b>	51,460
Additions	58	-	<b>58</b>	-
Remeasurements of the lease liability	(40)	-	<b>(40)</b>	-
Disposals / derecognition	(31)	(204)	<b>(235)</b>	-
<b>Valuation/gross cost at 31 March 2023</b>	<b>55,916</b>	<b>4,084</b>	<b>60,000</b>	<b>51,460</b>
Provided during the year	5,620	1,290	<b>6,910</b>	5,119
Disposals / derecognition	(25)	(182)	<b>(207)</b>	-
<b>Accumulated depreciation at 31 March 2023</b>	<b>5,595</b>	<b>1,108</b>	<b>6,703</b>	<b>5,119</b>
<b>Net book value at 31 March 2023</b>	<b>50,321</b>	<b>2,976</b>	<b>53,297</b>	<b>46,341</b>
Net book value of right of use assets leased from other NHS providers				1,195
Net book value of right of use assets leased from other DHSC group bodies				45,146

**Note 20.2 Reconciliation of the carrying value of lease liabilities**

Lease liabilities are included within borrowings in the Statement of Financial Position. A breakdown of borrowings is disclosed in note 29.

	<b>Group</b>	<b>Trust</b>
	<b>2022/23</b>	<b>2022/23</b>
	<b>£000</b>	<b>£000</b>
<b>Carrying value at 1 April 2022</b>	<b>1,552</b>	<b>-</b>
IFRS 16 implementation - adjustments for existing operating leases	60,217	60,217
Lease additions	58	58
Lease liability remeasurements	(40)	(40)
Interest charge arising in year	599	550
Early terminations	(9)	(9)
Lease payments (cash outflows)	(7,391)	(7,229)
<b>Carrying value at 31 March 2023</b>	<b>54,986</b>	<b>53,547</b>

Lease payments for short term leases, leases of low value underlying assets and variable lease payments not dependent on an index or rate are recognised in operating expenditure.

These payments are disclosed in note 7. Cash outflows in respect of leases recognised on-SoFP are disclosed in the reconciliation above.

**Note 20.3 Maturity analysis of future lease payments at 31 March 2023**

	<b>Group</b>		<b>Trust</b>	
	Of which leased from DHSC group bodies:		Of which leased from DHSC group bodies:	
	<b>Total</b>		<b>Total</b>	
	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>
	<b>2023</b>	<b>2023</b>	<b>2023</b>	<b>2023</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Undiscounted future lease payments payable in:</b>				
- not later than one year;	6,992	5,373	6,831	5,373
- later than one year and not later than five years;	26,222	21,487	25,577	21,487
- later than five years.	24,334	21,777	23,442	21,777
<b>Total gross future lease payments</b>	<b>57,548</b>	<b>48,637</b>	<b>55,850</b>	<b>48,637</b>
Finance charges allocated to future periods	(2,562)	(2,078)	(2,303)	(2,078)
<b>Net lease liabilities at 31 March 2023</b>	<b>54,986</b>	<b>46,559</b>	<b>53,547</b>	<b>46,559</b>
<b>Of which:</b>				
Leased from other NHS providers		1,200		1,200
Leased from other DHSC group bodies		45,358		45,358

**Note 20.4 Maturity analysis of finance lease liabilities at 31 March 2022 (IAS 17 basis)**

The following table details the maturity of obligations under leases the Trust previously determined to be finance leases under IAS 17 at 31 March 2022.

	<b>Group</b>	<b>Trust</b>
	<b>31 March</b>	<b>31 March</b>
	<b>2022</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
<b>Undiscounted future lease payments payable in:</b>		
- not later than one year;	161	-
- later than one year and not later than five years;	645	-
- later than five years.	1,070	-
<b>Total gross future lease payments</b>	<b>1,876</b>	<b>-</b>
Finance charges allocated to future periods	(324)	-
<b>Net finance lease liabilities at 31 March 2022</b>	<b>1,552</b>	<b>-</b>
of which payable:		
- not later than one year;	112	-
- later than one year and not later than five years;	485	-
- later than five years.	955	-

Total of future minimum sublease payments to be received at the reporting date

- -

**Note 20.5 Commitments in respect of operating leases at 31 March 2022 (IAS 17 basis)**

This note discloses costs incurred in 2021/22 and commitments as at 31 March 2022 for leases the Trust previously determined to be operating leases under IAS 17.

	<b>Group</b>	<b>Trust</b>
	<b>2021/22</b>	<b>2021/22</b>
	<b>£000</b>	<b>£000</b>
<b>Operating lease expense</b>		
Minimum lease payments	775	736
<b>Total</b>	<b>775</b>	<b>736</b>
	<b>31 March</b>	<b>31 March</b>
	<b>2022</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
<b>Future minimum lease payments due:</b>		
- not later than one year;	333	256
- later than one year and not later than five years;	772	465
- later than five years.	126	-
<b>Total</b>	<b>1,231</b>	<b>721</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:

	<b>Annual</b>	<b>Lease term</b>
	<b>Commitment</b>	<b>remaining</b>
	<b>£000</b>	<b>Years</b>
Endoscopy Equipment	86	4
Decontamination Equipment	44	2
Fleetwood Hospital	77	6
Ultrasound Equipment	66	1
CT Scanner	53	1

**Note 20.6 Initial application of IFRS 16 on 1 April 2022**

IFRS 16 as adapted and interpreted for the public sector by HM Treasury has been applied to leases in these financial statements with an initial application date of 1 April 2022.

The standard has been applied using a modified retrospective approach without the restatement of comparatives. Practical expedients applied by the Trust on initial application are detailed in the leases accounting policy in note 1.13.

Lease liabilities created for existing operating leases on 1 April 2022 were discounted using the weighted average incremental borrowing rate determined by HM Treasury as 0.95%.

**Reconciliation of operating lease commitments as at 31 March 2022 to lease liabilities under IFRS 16 as at 1 April 2022**

	<b>Group</b>	<b>Trust</b>
	<b>£000</b>	<b>£000</b>
<b>Operating lease commitments under IAS 17 at 31 March 2022</b>	<b>1,231</b>	<b>748</b>
<b>IAS 17 operating lease commitment discounted at incremental borrowing rate</b>	<b>1,207</b>	<b>721</b>
<b>Less:</b>		
Irrecoverable VAT previously included in IAS 17 commitment	(206)	(121)
<b>Other adjustments:</b>		
Differences in the assessment of the lease term	496	496
Public sector leases without full documentation previously excluded from operating lease commitments	51,531	51,531
Rent increases/(decreases) reflected in the lease liability, not previously reflected in the IAS 17 commitment	6,502	6,502
Finance lease liabilities under IAS 17 as at 31 March 2022	1,552	-
Other adjustments	687	687
<b>Total lease liabilities under IFRS 16 as at 1 April 2022</b>	<b>61,769</b>	<b>59,816</b>

**Note 21 Other investments / financial assets**

	<b>Group</b>		<b>Trust</b>	
	<b>2022/23</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2021/22</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Carrying value at 1 April - brought forward</b>	-	-	<b>725</b>	-
<b>Carrying value at 1 April - restated</b>	-	-	<b>725</b>	-
<b>At start of period for new FTs</b>	-	-	-	-
Acquisitions in year	-	-	25,579	725
<b>Carrying value at 31 March</b>	-	-	<b>26,304</b>	<b>725</b>

The addition in year relates to a loan between the Trust and Atlas for the construction of the Emergency Village & Critical Care (EVCC) and Modular Ward schemes. The Trust will carry the financial liability (loan) at amortised cost (which would be expected to be the same as the amount received where the interest rate is a market rate). The balance is eliminated on consolidation.

**Note 22 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 (trading as Atlas) is to provide estate management and facilities services.

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

**Note 23 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 2023 £000	31 March 2022 £000
<b>Unrestricted funds:</b>		
Unrestricted income funds	973	736
<b>Restricted funds:</b>		
Other restricted income funds	555	490
	<u><b>1,528</b></u>	<u><b>1,226</b></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 24 Inventories**

	Group		Trust	
	31 March 2023 £000	31 March 2022 £000	31 March 2023 £000	31 March 2022 £000
Drugs	1,549	880	1,549	880
Consumables	7,243	6,224	4,250	3,350
Other	1	1	1	1
Charitable fund inventory	3	2	-	-
<b>Total inventories</b>	<u><b>8,796</b></u>	<u><b>7,107</b></u>	<u><b>5,800</b></u>	<u><b>4,231</b></u>
<b>of which:</b>				
Held at fair value less costs to sell	-	-	-	-

Inventories recognised in expenses for the year were £43,738k (2021/22: £42,862k). Write-down of inventories recognised as expenses for the year were £509k (2021/22: £752k).

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 2022/23 the Trust received £1,425k of items purchased by DHSC (2021/22: £1,526k).

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 25 Receivables

	Group		Trust	
	31 March 2023 £000	31 March 2022 £000	31 March 2023 £000	31 March 2022 £000
<b>Current</b>				
Contract receivables <sup>(1)</sup>	29,339	12,280	29,486	13,785
Allowance for impaired contract receivables / assets	(1,025)	(1,277)	(1,025)	(1,277)
Prepayments	3,436	2,924	4,207	3,742
PDC dividend receivable	739	277	739	277
VAT receivable	210	1,321	39	512
Other receivables	1,692	1,311	1,678	1,528
Clinician pension tax provision reimbursement funding from NHSE <sup>(2)</sup>	26	46	26	46
NHS charitable funds receivables	73	50	-	-
<b>Total current receivables</b>	<b>34,490</b>	<b>16,932</b>	<b>35,150</b>	<b>18,613</b>
<b>Non-current</b>				
Contract receivables <sup>(1)</sup>	1,133	1,132	1,133	1,132
Allowance for impaired contract receivables / assets	(424)	(423)	(424)	(423)
Clinician pension tax provision reimbursement funding from NHSE <sup>(2)</sup>	1,521	1,565	1,521	1,565
<b>Total non-current receivables</b>	<b>2,230</b>	<b>2,274</b>	<b>2,230</b>	<b>2,274</b>
<b>Of which receivable from NHS and DHSC group bodies:</b>				
Current	26,721	9,597	26,660	9,566
Non-current	1,521	1,565	1,521	1,565

(1) The Trust has an amount receivable of £1,783k (2021/22 £1,782k) 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 £1,133k 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 since 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 25.1 Allowances for credit losses - 2022/23

	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 2022 - brought forward</b>	<b>1,700</b>	-	<b>1,700</b>	-
New allowances arising	579	-	579	-
Reversals of allowances	(782)	-	(782)	-
Utilisation of allowances (write offs)	(48)	-	(48)	-
<b>Allowances as at 31 Mar 2023</b>	<b>1,449</b>	-	<b>1,449</b>	-

#### Note 25.2 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</b>	<b>1,309</b>	-	<b>1,282</b>	-
Changes in existing allowances	493	-	493	-
Utilisation of allowances (write offs)	(27)	-	-	-
Changes arising following modification of contractual cash flows	(75)	-	(75)	-
<b>Allowances as at 31 Mar 2022</b>	<b>1,700</b>	-	<b>1,700</b>	-

#### Note 25.3 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 ICBs 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 25.1. 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 £30.5m (£13.4m 2021/22), being the total of the carrying amount of financial assets excluding cash. There are no amounts held as collateral against these balances.

**Note 26 Cash and cash equivalents**

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.

	<b>Group</b>		<b>Trust</b>	
	<b>2022/23</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2021/22</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>At 1 April</b>	<b>76,839</b>	<b>40,333</b>	<b>69,294</b>	<b>30,148</b>
Net change in year	(27,402)	36,506	(34,644)	39,146
<b>At 31 March</b>	<b>49,437</b>	<b>76,839</b>	<b>34,650</b>	<b>69,294</b>
<b>Broken down into:</b>				
Cash at commercial banks and in hand	20	1,361	12	11
Cash with the Government Banking Service	49,417	75,478	34,637	69,283
<b>Total cash and cash equivalents as in SoFP</b>	<b>49,437</b>	<b>76,839</b>	<b>34,649</b>	<b>69,294</b>

**Note 26.1 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.

	<b>Group and Trust</b>	
	<b>31 March</b>	<b>31 March</b>
	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Bank balances	6	6
Monies on deposit	-	-
<b>Total third party assets</b>	<b>6</b>	<b>6</b>

**Note 27 Trade and other payables**

	Group		Trust	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	£000	£000	£000	£000
<b>Current</b>				
Trade payables	19,636	22,049	11,607	22,780
Capital payables	12,727	15,532	12,727	11,964
Accruals	61,165	42,244	55,224	38,989
Receipts in advance and payments on account	3,594	3,095	3,594	3,095
Social security costs	8,707	8,268	8,543	8,163
Other taxes payable	241	52	-	-
Pension contributions payable	4,458	4,283	4,409	4,283
Other payables	4	-	4	-
NHS charitable funds: trade and other payables	144	163	-	-
<b>Total current trade and other payables</b>	<b>110,676</b>	<b>95,686</b>	<b>96,108</b>	<b>89,274</b>
<b>Non-current</b>				
Receipts in advance and payments on account	1,500	1,500	1,500	1,500
Other taxes payable	157	40	-	-
<b>Total non-current trade and other payables</b>	<b>1,657</b>	<b>1,540</b>	<b>1,500</b>	<b>1,500</b>
<b>Of which payables to NHS and DHSC group bodies:</b>				
Current	11,362	16,368	9,751	14,501
Non-current	-	-	-	-

**Note 28 Other liabilities**

	Group		Trust	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	£000	£000	£000	£000
<b>Current</b>				
Deferred income: contract liabilities	9,906	18,488	11,015	19,512
<b>Total other current liabilities</b>	<b>9,906</b>	<b>18,488</b>	<b>11,015</b>	<b>19,512</b>

**Note 29 Borrowings**

	Group		Trust	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	£000	£000	£000	£000
<b>Current</b>				
Loans from DHSC	1,830	1,834	1,830	1,834
Other loans	923	923	923	923
Lease liabilities*	6,461	112	6,345	-
<b>Total current borrowings</b>	<b>9,214</b>	<b>2,869</b>	<b>9,098</b>	<b>2,757</b>
<b>Non-current</b>				
Loans from DHSC	20,188	21,959	20,188	21,959
Other loans	2,769	3,692	2,769	3,692
Lease liabilities*	48,525	1,440	47,200	-
<b>Total non-current borrowings</b>	<b>71,482</b>	<b>27,091</b>	<b>70,157</b>	<b>25,651</b>

\* The Trust has applied IFRS 16 to lease arrangements within these accounts from 1 April 2022 without restatement of comparatives. More information about leases and the impact of this change in accounting policy can be found in note 20.

**Note 29.1 Reconciliation of liabilities arising from financing activities (Group)**

<b>Group - 2022/23</b>	<b>Loans from DHSC £000</b>	<b>Other loans £000</b>	<b>Lease liabilities £000</b>	<b>Total £000</b>
<b>Carrying value at 1 April 2022</b>	<b>23,793</b>	<b>4,615</b>	<b>1,552</b>	<b>29,960</b>
<b>Cash movements:</b>				
Financing cash flows - payments of principal	(1,771)	(923)	(6,792)	<b>(9,486)</b>
Financing cash flows - payments of interest	(689)	(86)	(599)	<b>(1,374)</b>
<b>Non-cash movements:</b>				
IFRS 16 implementation - adjustments for existing operating leases / subleases	-	-	60,217	<b>60,217</b>
Additions	-	-	58	<b>58</b>
Lease liability remeasurements	-	-	(40)	<b>(40)</b>
Application of effective interest rate	685	86	599	<b>1,370</b>
Early terminations	-	-	(9)	<b>(9)</b>
<b>Carrying value at 31 March 2023</b>	<b>22,018</b>	<b>3,692</b>	<b>54,986</b>	<b>80,696</b>

<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>
Prior period adjustment	-	-	-	-
<b>Carrying value at 1 April 2021 - restated</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>

**Note 29.2 Reconciliation of liabilities arising from financing activities (Trust)**

	Loans from DHSC £000	Other loans £000	Lease liabilities £000	Total £000
<b>Trust - 2022/23</b>				
<b>Carrying value at 1 April 2022</b>	<b>23,791</b>	<b>4,615</b>	<b>-</b>	<b>28,406</b>
<b>Cash movements:</b>				
Financing cash flows - payments and receipts of principal	(1,771)	(923)	(6,679)	(9,373)
Financing cash flows - payments of interest	(689)	(86)	(550)	(1,325)
<b>Non-cash movements:</b>				
IFRS 16 implementation - adjustments for existing operating leases / subleases	-	-	60,217	60,217
Additions	-	-	58	58
Lease liability remeasurements	-	-	(40)	(40)
Application of effective interest rate	685	86	550	1,321
Early terminations	-	-	(9)	(9)
<b>Carrying value at 31 March 2023</b>	<b>22,016</b>	<b>3,692</b>	<b>53,547</b>	<b>79,255</b>

	Loans from DHSC £000	Other loans £000	Finance leases £000	Total £000
<b>Trust - 2021/22</b>				
<b>Carrying value at 1 April 2021</b>	<b>26,299</b>	<b>5,539</b>	<b>-</b>	<b>31,838</b>
<b>Cash movements:</b>				
Financing cash flows - payments and receipts of principal	(2,500)	(923)	-	(3,423)
Financing cash flows - payments of interest	(750)	(104)	-	(854)
<b>Non-cash movements:</b>				
Application of effective interest rate	743	104	-	847
<b>Carrying value at 31 March 2022</b>	<b>23,791</b>	<b>4,617</b>	<b>-</b>	<b>28,408</b>

**Note 30 Other financial liabilities**

	Group		Trust	
	31 March 2023 £000	31 March 2022 £000	31 March 2023 £000	31 March 2022 £000
<b>Non-current</b>				
Other financial liabilities	-	-	26,809	-
<b>Total non-current other financial liabilities</b>	<b>-</b>	<b>-</b>	<b>26,809</b>	<b>-</b>

The addition in year relates to a loan between the Trust and Atlas for the construction of the EVCC scheme and modular ward scheme. The Trust will carry the financial liability (loan) at amortised cost (which would be expected to be the same as the amount received where the interest rate is a market rate). The balance is eliminated on consolidation.

**Note 31 Provisions for liabilities and charges analysis (Group and Trust)**

Group and Trust	Pensions: early departure costs	Pensions: injury benefits	Legal claims	Clinicians Pension Tax	Other	Total
	£000	£000	£000	£000	£000	£000
<b>At 1 April 2022</b>	<b>106</b>	<b>1,950</b>	<b>583</b>	<b>1,611</b>	<b>2,141</b>	<b>6,391</b>
Change in the discount rate	(11)	(481)	-	(1,361)	-	(1,853)
Arising during the year	14	93	189	1,282	-	1,578
Utilised during the year	(17)	(107)	(205)	(15)	(2)	(346)
Reversed unused	-	-	(152)	-	(1,162)	(1,314)
Unwinding of discount	(1)	(25)	-	30	-	4
<b>At 31 March 2023</b>	<b>91</b>	<b>1,430</b>	<b>415</b>	<b>1,547</b>	<b>977</b>	<b>4,460</b>
<b>Expected timing of cash flows:</b>						
- not later than one year;	17	105	415	26	977	1,540
- later than one year and not later than five years;	61	405	-	138	-	604
- later than five years.	13	920	-	1,383	-	2,316
<b>Total</b>	<b>91</b>	<b>1,430</b>	<b>415</b>	<b>1,547</b>	<b>977</b>	<b>4,460</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 2022/23 the Trust has not provided for any new Permanent Injury Benefit cases (2021/22: nil), the movement in year is however related to remeasurements of existing provisions.

*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 holds a provision in relation to 6 employment tribunal cases currently being managed through the Trust's legal

*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 accounts.

*Other provisions:*

Other provisions relate to potential claims from staff in relation to salary sacrifice contribution made as part of the Trust's staff lease car scheme.

**Note 31.1 Clinical negligence liabilities**

At 31 March 2023, £334,952k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of Blackpool Teaching Hospitals NHS Foundation Trust (31 March 2022: £486,263k).

**Note 32 Contingent assets and liabilities**

	Group		Trust	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	£000	£000	£000	£000
<b>Value of contingent liabilities</b>				
NHS Resolution legal claims	(76)	(95)	(76)	(95)
<b>Net value of contingent liabilities</b>	<b>(76)</b>	<b>(95)</b>	<b>(76)</b>	<b>(95)</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 has no contingent assets.

**Note 33 Contractual capital commitments**

	Group		Trust	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	£000	£000	£000	£000
Property, plant and equipment	4,819	2,400	4,819	2,400
Intangible assets	437	-	437	-
<b>Total</b>	<b>5,256</b>	<b>2,400</b>	<b>5,256</b>	<b>2,400</b>

**Note 34 Other financial commitments**

The Group and Trust is committed to making payments under non-cancellable contracts (which are not leases, PFI contracts or other service concession arrangements), analysed by the period during which the payment is made:

	Group		Trust	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	£000	£000	£000	£000
Not later than 1 year	3,240	1,161	-	-
After 1 year and not later than 5 years	4,216	1,525	-	-
Paid thereafter	2,313	732	-	-
<b>Total</b>	<b>9,769</b>	<b>3,418</b>	<b>-</b>	<b>-</b>

During the 2020/21 financial year Atlas BFW Management Ltd (trading as Atlas) established a database recording contracts entered into for the ongoing maintenance of medical devices. At 31 March 2023 Atlas had commitments totalling £9.769m (2021/22 £3.418m) under these contracts.



## **Note 35 Financial instruments**

### **Note 35.1 Financial risk management**

Although the Group does not hold or deal in complex financial instruments, it is required to comment upon its exposure to credit, liquidity and market risk and how those risks are managed.

#### **Credit Risk**

The majority of the Group's income is due from NHS commissioners and is subject to legally binding contracts which limits credit risk. Non-NHS customers do not represent a large proportion of total income and the majority of these customers are organisations that are unlikely to cease trading in the short term or default on payments - e.g. universities, local councils, insurance companies, etc.

The Group's treasury management operations are carried out by the finance department, within parameters defined formally within the Group's standing financial instructions and policies agreed by the board of directors. The Group's treasury activity is subject to review by the Group's internal auditors.

The Group ensures that daily cash flows are examined and cash forecasts are prepared to identify risks at an early stage ensure appropriate action is taken on a timely basis.

#### **Liquidity Risk**

The Group is exposed to liquidity risk in that it needs to maintain sufficient cash balances to meet payable obligations in order to ensure continuity of service. However, that risk is mitigated by the regular monthly receipt of contractual cash from NHS commissioners. Where the Group is unable to maintain sufficient cash balances the it may apply for financial assistance from the Secretary of State under section 42a of the National Health Service Act 2006.

#### **Market Risk**

As the Group does not deal in currencies, invest cash over the long term, borrow at variable rates or hold any equity investments in companies (other than its own subsidiary) its exposure to market risk (either interest rate, currency or price) is limited.

#### **Foreign Exchange Risk**

All financial assets and liabilities are recorded in sterling. Therefore the Group has no exposure to foreign exchange risks.

**Note 35.2 Carrying values of financial assets (Group)**

	Held at amortised cost £000	Total book value £000
<b>Carrying values of financial assets as at 31 March 2023</b>		
Trade and other receivables excluding non financial assets	32,262	<b>32,262</b>
Cash and cash equivalents	47,821	<b>47,821</b>
Consolidated NHS Charitable fund financial assets	1,689	<b>1,689</b>
<b>Total at 31 March 2023</b>	<b>81,772</b>	<b>81,772</b>

	Held at amortised cost £000	Total book value £000
<b>Carrying values of financial assets as at 31 March 2022</b>		
Trade and other receivables excluding non financial assets	14,634	<b>14,634</b>
Cash and cash equivalents	75,489	<b>75,489</b>
Consolidated NHS Charitable fund financial assets	1,400	<b>1,400</b>
<b>Total at 31 March 2022</b>	<b>91,520</b>	<b>91,520</b>

**Note 35.3 Carrying values of financial assets (Trust)**

	Held at amortised cost £000	Total book value £000
<b>Carrying values of financial assets as at 31 March 2023</b>		
Trade and other receivables excluding non financial assets	32,323	<b>32,323</b>
Cash and cash equivalents	34,649	<b>34,649</b>
<b>Total at 31 March 2023</b>	<b>66,972</b>	<b>66,972</b>

	Held at amortised cost £000	Total book value £000
<b>Carrying values of financial assets as at 31 March 2022</b>		
Trade and other receivables excluding non financial assets	16,356	<b>16,356</b>
Cash and cash equivalents	69,293	<b>69,294</b>
<b>Total at 31 March 2022</b>	<b>85,649</b>	<b>85,649</b>

**Note 35.4 Carrying values of financial liabilities (Group)**

	Held at amortised cost £000	Total book value £000
<b>Carrying values of financial liabilities as at 31 March 2023</b>		
Loans from the Department of Health and Social Care	22,018	<b>22,018</b>
Obligations under leases	54,986	<b>54,986</b>
Other borrowings	3,692	<b>3,692</b>
Trade and other payables excluding non financial liabilities	97,985	<b>97,985</b>
Consolidated NHS charitable fund financial liabilities	141	<b>141</b>
<b>Total at 31 March 2023</b>	<b>178,822</b>	<b>178,822</b>

	Held at amortised cost £000	Total book value £000
<b>Carrying values of financial liabilities as at 31 March 2022</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>

**Note 35.5 Carrying values of financial liabilities (Trust)**

	Held at amortised cost £000	Total book value £000
<b>Carrying values of financial liabilities as at 31 March 2023</b>		
Loans from the Department of Health and Social Care	22,016	<b>22,016</b>
Obligations under leases	53,547	<b>53,547</b>
Other borrowings	3,692	<b>3,692</b>
Trade and other payables excluding non financial liabilities	83,968	<b>83,968</b>
<b>Total at 31 March 2023</b>	<b>163,223</b>	<b>163,223</b>

	Held at amortised cost £000	Total book value £000
<b>Carrying values of financial liabilities as at 31 March 2022</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>

The Trust has two loans (2021/22: 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 35.6 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.

	<b>Group</b>		<b>Trust</b>	
	<b>31 March 2023 £000</b>	<b>31 March 2022 £000</b>	<b>31 March 2023 £000</b>	<b>31 March 2022 £000</b>
In one year or less	108,515	87,812	83,902	75,648
In more than one year but not more than five years	38,992	15,993	15,044	15,348
In more than five years	38,089	15,643	13,971	14,573
<b>Total</b>	<b>185,597</b>	<b>119,448</b>	<b>112,917</b>	<b>105,569</b>

**Note 36 Losses and special payments**

	<b>2022/23</b>		<b>2021/22</b>	
<b>Group and Trust</b>	<b>Total number of cases Number</b>	<b>Total value of cases £000</b>	<b>Total number of cases Number</b>	<b>Total value of cases £000</b>
<b>Losses</b>				
Cash losses	-	-	1	2
Bad debts and claims abandoned	43	53	90	75
<b>Total losses</b>	<b>43</b>	<b>53</b>	<b>91</b>	<b>77</b>
<b>Special payments</b>				
Ex-gratia payments	67	19	34	19
<b>Total special payments</b>	<b>67</b>	<b>19</b>	<b>34</b>	<b>19</b>
<b>Total losses and special payments</b>	<b>110</b>	<b>72</b>	<b>125</b>	<b>96</b>

## Note 37 Related parties

### Parent

The Trust is a public benefit corporation established under the NHS Act 2006, and the Department of Health and Social Care are the Trust's parent. The Trust is therefore a related party to all bodies within the government accounts boundary.

### Whole of Government Accounts Bodies

All government bodies which fall within the whole of government accounts boundary are regarded as related parties because they are all under the common control of HM Government and Parliament. This includes, for example, all NHS bodies, all local authorities and central government bodies.

The main bodies with whom the Group has had transactions are those with which the Group has received income above £1m during the year or has shared directorship. These are:

#### NHS Providers

Lancashire and South Cumbria NHS Foundation Trust  
Lancashire Teaching Hospitals NHS Foundation Trust  
Manchester University NHS Foundation Trust  
East Lancashire Hospitals NHS Trust

#### Local Authorities

Blackpool Borough Council  
Lancashire County Council

#### NHS & Other DHSC Bodies

Health Education England  
NHS Blackpool CCG (demised 01/07/22)  
NHS Fylde & Wyre CCG (demised 01/07/22)  
NHS Morecambe Bay CCG (demised 01/07/22)  
NHS Lancashire and South Cumbria ICB  
NHS Greater Manchester ICB

#### Central Government

HM Revenue & Customs

### Non Whole of Government Accounts Bodies

The Trust has a number of related parties with non whole of government accounts (WGA) bodies where Directors hold positions, such as at Universities. The Trust's Teaching Hospitals status was achieved through collaboration with the University of Liverpool, therefore this entity is treated as a related party. NHS Shared Business Services is classed as a related party to the NHS although it is outside the WGA boundary. The Trust has had transactions with these bodies as set out below:

	Income		Receivables	
	2022/23	2021/22	2023	2022
	£000	£000	£000	£000
St Johns Hospice	3	0	3	0
Blackpool and The Fylde College	0	1	0	0
University of Liverpool	74	99	3	3
	<b>77</b>	<b>100</b>	<b>6</b>	<b>3</b>

	Expenditure		Payables	
	2022/23	2021/22	2023	2022
	£000	£000	£000	£000
Lancaster University	94	73	92	0
University of Liverpool	5	1	2	0
Blackpool and The Fylde College	9	4	2	1
Fylde Coast Women's Aid	3	20	0	0
Age UK Ltd	0	0	126	1
Hollister Ltd	7	14	0	0
British Red Cross Society	0	8	0	0
	<b>118</b>	<b>120</b>	<b>222</b>	<b>2</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 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 Commission (Registered Charity 1051570) and has its own Corporate Trustee drawn from the NHS Foundation Trust Board.

Transactions with the fund are as follows:

	<b>2022/23</b>	2021/22
	<b>£000</b>	£000
Donations received from the charitable fund, recognised as income	<b>201</b>	76
Amounts receivable from the fund as at 31st March	<b>20</b>	13

The amount receivable at 31 March is not secured and is not subject to particular terms and conditions.

**Note 38 Transfers by absorption**

During 2021/22 Lancashire Teaching Hospitals Foundation Trust, University Hospitals of Morecambe Bay NHS Foundation Trust 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.

	<b>2022/23</b>	2021/22
	<b>£000</b>	£000
Lancashire Teaching Hospitals NHS Foundation Trust	-	654
University Hospitals of Morecambe Bay NHS Foundation Trust	-	295
East Lancashire Hospitals NHS Trust	-	254
Transfers recognised in the SOCI as a surplus due to transfer by absorption	<u>-</u>	<u>1,203</u>

Further copies of the Annual Report and Accounts for the period 1 April 2022 to 31 March 2023 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





