NHS

Blackpool Teaching Hospitals
NHS Foundation Trust

Annual Report

and **Accounts** · 2018/19

70 YEARS OF THE NHS
1948 - 2018

Together we care

People Centred | Positive | Compassion | Excellence

NHS

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and **Accounts** · 2018/19

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

Contents

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

Chairman's and Chief Executive's Introduction

Welcome to our Annual Report and Accounts for 2018/19.

It has been another challenging year for the Trust and we would like to thank all our dedicated staff, Governors and volunteers for their hard work and commitment throughout the year.

We are now in the third year of our 2020 Vision, a five year strategy called "Together We Can...". We have continued to work closely with staff to embed the Strategy into our every day practices so the key aims of improving patient and staff experience, reducing mortality rates and reducing length of stay are at the forefront of everything we do.

The Trust, along with the wider NHS, is facing significant challenges in the years ahead - an ageing population, increasing numbers of people living with complex, long-term health and social care needs, rising expectations about quality of life and the range of services that are provided and increasing costs of providing care for our patients.

The Trust's aim is to embrace these challenges, seeing them as a real opportunity to reshape the way in which healthcare services are provided

to our patients, to better meet the needs of individuals and their families and we are working closely with partners across the Fylde coast including NHS Blackpool and NHS Fylde and Wyre CCGs, Blackpool Council and Lancashire County Council to improve the health and care of the population by delivering integrated services and making better use of resources.

Once again, we are very proud to report the many achievements and successes from over the year.

All our highlights are down to our fantastic staff and partners and a huge thank you goes to the many people who contribute to our continued success.

Our staff work tirelessly to provide the very best service they can for our patients. In doing so, they show their commitment to continuing to improve the quality of services that are provided across the areas we cover.

Together we are very much looking forward to building on our successes and gaining even more accolades for the care we provide.

Signed:

Date: 29th May 2019

Pearse Butler

CHAIRMAN

Signed:

Date: 29th May 2019

Kevin McGee

INTERIM CHIEF EXECUTIVE

Trust Highlights

NHS 70th Birthday

The Trust joined the celebrations of 70 years of the NHS with a multitude of events. From exhibitions to historical tours and street parties to video nostalgia, the Trust marked the occasion with pride. Celebrities were delighted to mark the event with messages of support and staff used the birthday to show off some of the amazing advancements and work carried out both in our hospitals and community.

World War One Centenary

Blackpool Victoria Hospital marked the centenary of World War One with a unique memorial. Thousands of poppies were knitted by volunteers to adorn an 18 foot high monument which graced the hospital's Main Entrance. The memorial, a scale version on the Menin Gate in Ypres, featured 28,000 knitted poppies and was a tribute to all those killed or injured in armed conflict over the past 100 years. The monument took months of preparation with all materials and labour donated by volunteers and local companies.

Beautiful Information Award

A team of experts at the Trust has won an award for using real time data to help improve patient care. The Trust's Health Informatics Team won the Beautiful Information Innovation Prize for developing an in-house computer-based patient information system which replaced traditional white-boards on adult wards. The new system, which is integrated with other important clinical tools such as, test results and referral updates, is accessible via any Trust device and provides live, transparent and auditable information to help provide better care by showing exactly where the patient is in the hospital and what treatment has been given and what the next steps are.

PLACE Award and other Catering Honours

Blackpool Victoria Hospital has beaten all national results for providing a good environment and enhanced non-clinical patient services. The hospital, which also received a top 5 star hygiene rating and a Healthier Choice Award, beat the national and regional averages for all Trusts in every area of the assessment. The assessments are known as PLACE (Patient Led Assessment Care of the Environment) and look at how the environment supports clinical care, assessing such aspects as privacy, dignity, food, cleanliness, maintenance and how the hospital building is able to support the care of patients.

Clifton Hospital's 30th Birthday and Garden

Celebrations came in twos at Clifton Hospital in 2018, with the hospital's 30th birthday and the opening of its patient garden. The garden was opened by comedy legend, Bobby Ball who had helped raise more than £30,000 to create a tranquil space which will benefit patients, visitors and staff for years to come.

Organ Donation Statue

A new statue to commemorate organ donors across the Fylde coast has been officially opened at Blackpool Victoria Hospital. The statue, funded by national organ donation funds, was designed by artist Stephen Broadbent from Broadbent Studios in Chester and is engraved with a poem written by local artist Adele Robinson. The granite statue is a tribute to those who have given the gift of life to others and also a celebration of the lives that have been saved.

Nicola Parry BEM

Nicola Parry, Associate Director of Nursing and Head of Midwifery, was awarded the British Empire Medal in the Queen's birthday honours list. British Empire Medals are awarded for an outstanding achievement or service to the community which has a significant, long-term impact. Nicola has worked tirelessly in her role as the professional leader of the Trust's Maternity and Children's services. She has supported staff to develop services that are at the forefront of innovative care. Her passion for midwifery, women's health and family services earned her this honour.

Silver Award

The Trust has received a special award for its support to defence and the wider Armed Forces community. The Trust is one of 16 organisations from across the North West to receive a Silver Award under the Ministry of Defence Employer Recognition Scheme for its support to services personnel such as reservists, cadets and volunteers.

Victoria's Voice

A group of inspirational Fylde coast youngsters have won a top honour to mark the NHS's 70th birthday. Members of Parliament (MP) from around England were encouraged to nominate people or organisations in their constituencies who had made innovations or provided high quality care. Blackpool North and Cleveleys MP, Paul Maynard, nominated the Victoria's Voice Youth Panel run by Blackpool Teaching Hospitals NHS Foundation Trust and he was delighted to see they beat off strong national competition to win the Patient and Public Involvement Award.

National Award for NHS Training Team

The Health Informatics Education and Training Team at the Trust has received a national Silver Award from the NHS Digital Training Service Accreditation (TSA) scheme. The scheme involves the training service being externally assessed by NHS Digital TSA assessors. The assessors praised the service for its high profile with good links to project teams for collaborative working. The service ensures it supports its learners, ensuring their needs are met through the training that is delivered and that access.

New Oncology Room

The Teenage Cancer Trust has funded the refurbishment of a hospital room and a day treatment area to provide a more age appropriate environment for teenagers and young people diagnosed with cancer. A room on the haematology ward and a room on the day-case unit, where young people with cancer receive their chemotherapy, have been given complete makeovers with new colourful wall decorations in the room and the bathroom, colourful blinds, comfy chairs, a flat screen TV and a range of DVDs and games to provide entertainment during long hospital stays.

New Cardiac Surgery

The first patient at the hospital's Lancashire Cardiac Centre has undergone a new surgical procedure which substantially reduces the risks of stroke in heart patients. The procedure involves a self-expanding device being placed into the left atrium of the heart. The implant opens up like an umbrella and prevents clots from forming.

Performance Report

Overview of Performance

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

Chief Executive's Statement on Performance of the Trust

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

More than 2,000 staff members took part in this year's national NHS Staff Survey. The results for 2018 indicate a slight decrease compared to those of 2017, which largely fits with the national picture, where nationally the results were described as challenging and a reflection of the pressure on the NHS service. Although the survey has identified some areas for improvement, no significant areas of concern were found. In comparison with other Combined Acute & Community Trusts average.

Detailed analysis is currently being undertaken by division and occupational groups to identify key differences within the data to enable targeted approaches to be taken in addressing concerns. Big Conversation sessions are being arranged to share the results with divisions and departments to ensure that staff identify the areas for improvement which will make the most difference to them. This information will be used by divisional management (supported by Workforce Business Partners) to update their improvement plans.

A Corporate Improvement Plan was developed for the key themes overall arising from the Staff Survey and these have been integrated into the Great Place to Work improvement action plan. This plan is monitored bi-monthly by the Great Place to Work Group. A communication plan is being developed to provide feedback to staff on the outcome of the Staff Survey in respect of a 'Together We Did',` which will be aligned to the Workforce Transformation Strategy.

Staff engagement is vitally important to the Organisation, so the Trust will continue to undertake activities to maintain an engagement score above 7 out of 10. The Trust will do this by continuing to run the Great Place to Work sessions, which are designed to give staff at all levels a voice. The Trust will also continue to survey staff to test the current climate and what it feels like for them to work for the Organisation.

Our actions for improvement are contained within the Great Place to Work action plan and we will continue to implement these actions in a timely way. The key priorities contained within the plan include recognition (the extent to which staff receive recognition and perceive their contributions are valued); influence (the extent to which staff are involved in wider decisions that may impact on them) and personal development (the extent to which staff perceive opportunities for personal growth).

In terms of performance, the Trust can report on a number of developments including:

- 96.6% of patients in 2018/19 were likely to recommend the Trust to a family member or friend;
- Zero reported MRSA bacterium infections;
- Increase in patient safety incident reporting demonstrating positive culture of safety;
- 98.2% of patients received Harm Free Care;
- 16.9% reduction in falls resulting in a harm;
- Staff survey scored 9.1 out of 10 for Equality and Diversity.

However, the Trust recognises the challenges it has faced this year, resulting in NHSI enforcement, in relation to A&E waiting time targets, cancer 62-day targets and continuing to be an outlier within mortality performance and the reduction in 10 Stroke beds within 2018/19, as part of governance actions taken by the Trust due to an ongoing criminal investigation.

The Directors are responsible for the preparation of this Annual Report and Accounts to provide a fair, balanced and understandable analysis of the Trust, providing the information necessary for patients, regulators and stakeholders to assess Blackpool Teaching Hospitals NHS Foundation Trust's performance, business model and strategy.

After making enquiries, the Directors have a reasonable expectation that Blackpool Teaching Hospitals NHS Foundation Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Trust is adopting the going concern basis in the preparation of the accounts (refer to page 17).

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

This Performance Report was approved by the Board of Directors.

Signed: K.P. ꝑꝏꝛ

Kevin McGee

INTERIM CHIEF EXECUTIVE

Date: 29th May 2019

History of the Trust

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

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

The Trust is situated on the west coast of Lancashire and operates within a regional health economy catchment area that spans Lancashire and South Cumbria, supporting a population of 1.7 million. The Trust is a provider of specialist tertiary care for Cardiac and Haematology Services across this region. The Trust does not operate outside of the United Kingdom.

The Trust provides a range of acute and community health services to the 352,000 population of the Fylde coast health economy and the estimated 18 million visitors a year.

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

During 2018/19, the Trust services have been provided from the following main sites:

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

The Trust provides services across the Blackpool, Fylde and Wyre communities and the wider Lancashire area from a multitude of locations. A number of these locations are provided by NHS Property Services Ltd (http://www.property.nhs.uk/).

The Trust's main commissioners are:

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

NHS Improvement is the Trust's regulator.

Purpose and Activities of our Trust

As well as providing the full range of District Hospital Services and Community Health Services, such as Adult and Children's Services, Health Visiting, Community Nursing, Sexual Health Services and Family Planning, Stop Smoking Services and Palliative Care. The Trust also provides tertiary Cardiac, Haematology and Adult Cystic Fibrosis Services to a 1.7 million population catchment area covering Lancashire and South Cumbria.

The Trust provides a comprehensive range of acute hospital services to the population of the Fylde coast, as well as the millions of holidaymakers that visit each year. The Trust employs 6,725 staff (headcount excluding Non-Executive Directors) and had a turnover (turnover includes operating income from patient care activities and other operating income in excess of £434m in 2018/19 (£432m in 2017/18).

Between 1st April 2018 and 31st March 2019 we treated 104,548 day cases and inpatients (elective and non-elective), 363,981 outpatients and had 77,050 A&E attendances.

Clinicians from Lancashire Teaching Hospitals NHS Foundation Trust provide onsite services for Vascular, Renal, Neurology and Oncology Services.

Our Vision and Values

The Trust's mission is "Together We Care…", which encompasses the strategic vision for 2020 of operating as a high performing organisation within

an Integrated Care System (ICS), which provides quality, safe and effective care. This will be achieved in a financially sustainable way, through our values-driven, skilled and motivated workforce.

The Trust's Values are:

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

Our Values are drivers for the behaviours that all of our staff strive to demonstrate. The values and behaviours have been and continue to be embedded and communicated across the Organisation via a number of initiatives including our recruitment processes, corporate induction, team briefings, meetings, appraisals and our annual awards ceremony.

Five Year Strategic Plan

Blackpool Teaching Hospitals NHS — NHS Foundation Trust

Together we care

Our Values

People Centred
Serving people is the focus of everything we do

The Trust Person is...
◄ Always patient focused
◄ Always a team player
◄ Always honest
◄ Always striving to communicate effectively

The Trust Manager is...
◄ Always equally patient and staff focused
◄ Always supporting effective teamwork
◄ Always honest
◄ Always striving to communicate widely and effectively

Compassion
Always demonstrating we care

The Trust Person is...
◄ Always showing empathy
◄ Always seeking to understand how others are feeling

The Trust Manager is...
◄ Always showing empathy for patients and staff
◄ Always seeking to understand how others are feeling

Positive
Having a can do response whatever the situation

The Trust Person is...
◄ Always staying positive to reassure patients
◄ Always reflecting about the impact of their own attitude and behaviours upon the service

The Trust Manager is...
◄ Always staying positive to reassure staff and patients
◄ Always reflecting about the impact of their own attitude and behaviours upon the service and staff

Excellence
Continually striving to provide the best care possible

The Trust Person is...
◄ Always striving to do their best for patients and colleagues
◄ Always appreciating the efforts of others
◄ Always taking responsibility for their actions
◄ Always seeking out opportunities for improvements

The Trust Manager is...
◄ Always striving to do their best for patients and staff
◄ Always appreciating the efforts of others
◄ Always taking responsibility for their actions
◄ Always seeking out opportunities for improvements

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

Blackpool Teaching Hospitals NHS Foundation Trust

During 2015/16, the Trust worked with partner organisations to undertake an in-depth strategic review across all aspects of its care provision, led by senior clinicians from across the Organisation and wider Fylde coast health and care economy. This resulted in the creation and launch of our Five Year Strategy and 2018/19 has been the third year of its implementation.

Blackpool Teaching Hospitals NHS Foundation Trust, along with the wider NHS, is facing significant challenges in the years ahead - an ageing population, increasing numbers of people living with complex, long-term health and social care needs, rising expectations about quality of life and the range of services that are provided,

together with increasing costs of providing care for our patients. Nationally, NHS England has set out its expectations for the future of the NHS through the publication of the NHS Long Term Plan. This describes a number of ambitions around changes to the way in which care is provided, many of which aim to reduce unnecessary admissions to hospital and improve the coordination of care for patients who have multiple, complex health and social care needs.

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

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

Together we care

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Our Five Year Strategy - At a Glance

Why do we need a new strategy?

We want to make sure we are in a strong position to meet the challenges we face from a number of perspectives covering national, regional and local health and care services and the financial pressures facing the NHS.

What do we need to know?

Our clinically led strategic review has helped the Trust define it's vision for 2020

Our Vision

"As high performing Trust, operating as part of an integrated care system, we will provide high quality, safe and effective care. This will be achieved in a financially sustainable way, through our skilled and motivated workforce."

Our Values

This will be delivered through seven work programmes, some of which will require us to change in line with our values.

PEOPLE CENTRED
Serving people is the focus of everything we do.

POSITIVE
Having a can do response whatever the situation.

COMPASSION
Always demonstrating we care

EXCELLENCE
Continually striving to provide the best care possible.

Our Work Programmes

Efficiency
Reducing length of stay to deliver high qaulity care affordably

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

Value
Getting most value from all our resources

Appropriate
Transforming non-elective points of entry into the healthcare system

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

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

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

Our Ambitions

REDUCING LENGTH OF STAY

BASELINE		
ELECTIVE	4.9	DAYS
NON-ELECTIVE	6.7	DAYS
CURRENT		
ELECTIVE	5.5	DAYS
NON-ELECTIVE	6.7	DAYS
AMBITION		
ELECTIVE	1.7	DAYS
NON-ELECTIVE	4.4	DAYS

IMPROVING PATIENT EXPERIENCE

BASELINE 96%
CURRENT 97%
AMBITION 98%
FRIENDS AND FAMILY TEST

REDUCE MORTALITY

BASELINE 114
CURRENT 114
AMBITION 100
SHMI

IMPROVING STAFF SATSIFACTION

BASELINE 69%
CURRENT 65%
AMBITION 85%
STAFF FRIENDS AND FAMILY TEST

REDUCING CLINICAL STAFF VACANCIES

BASELINE 4.5%
CURRENT 3.12%
AMBITION 2.5%

IMPROVING FINANCIAL SUSTAINABILITY

BASELINE RISK RATING 3
CURRENT RISK RATING 3
RISK RATING AMBITION 2

Together we can...

The Trust continues to work closely with partner health and social care organisations in the development of the Fylde Coast Integrated Care Partnership. It is planned to refresh the Trust's strategy in the context of developing a strategy for the Fylde coast in 2019/20.

Fylde Coast Local Delivery Plan

The Trust is a key partner in the development and implementation of the Fylde coast Local Delivery Plan (LDP). This is a reflection of the national direction of travel outlined in the Five Year Forward View and, more recently, in the NHS Long Term Plan which was published in January 2019. We also recognise that we will only be successful in supporting the residents of the Fylde coast with their health if we work in partnership across both commissioners and providers of health and care.

During 2018/19, the new models of care introduced as part of the Fylde Coast Vanguard have been further refined and embedded into our neighbourhood teams. The national funding that we received to allow us to pursue our new care models helped us to move faster and at a greater scale than we otherwise would have been able to. Our evaluation of the impact of these care models has informed the content of the NHS Long Term Plan in relation to primary and community care.

We have continued to participate in a number of national initiatives including the Test Bed Programme, which is focused on the use of technology to support patients in managing their conditions in their own homes, and the Healthy New Town Programme, which is focused on the design and establishment of new living environments that support improved health and wellbeing.

The Trust has been working to develop an Integrated Care Partnership, along with local Clinical Commissioning Groups, Blackpool Council and Lancashire County Council. The Fylde coast region was selected as one of only eight areas across England to act as a forerunner in this development, where partners across a defined area pool resources and work together more closely and more formally to achieve a common vision. Our plans are guided by feedback from patients, their families, local communities and clinicians who have

told us that they want:

- A focus on keeping people well;
- Empowered patients and communities who support themselves and each other;
- A better experience for patients, their carers and families;
- More support to help people better manage their long-term conditions;
- Coordinated care so that people don't have to repeat their medical history unnecessarily;
- Timely and appropriate care in community settings where possible;
- Less unnecessary time spent in hospital;
- A motivated, happy workforce;
- A financially stable system that makes best use of the "Fylde coast pound" (the total money available on the Fylde coast for health and care services).

Our main areas of focus have been grouped into "transformation programmes". These are leading the relevant work that is ongoing across all of the partner organisations in the following categories:

- Integrated primary and community care – supporting the creation of neighbourhood care teams, empowering people and communities, and redesigning our pathways for elderly and frail patients;
- Urgent and emergency care – supporting the creation of end-to-end pathways of care across the various different services on the Fylde coast, with a particular emphasis on improvements across the winder period;
- Planned care – supporting the creation of end-to-end pathways for our patients requiring cancer treatment and for our elective services, including improved ways in which General Practitioners (GPs) can obtain advice and guidance from hospital-based consultants;
- Corporate services – supporting the creation of integrated teams wherever possible to avoid duplication and introduce redesigned payment mechanisms that better support care in the most appropriate place.

One of our biggest successes this year has been the formation of our "100 System Leaders and Integrators" programme. This development

programme has seen 100 people from 12 organisations within the Fylde coast health and care sectors come together to strengthen collaborative working. One of the key aims of the programme is to step away from organisational mind sets and instead begin to think and behave as a member of an integrated, multidisciplinary team where care is delivered seamlessly. We have received funding from the North West Leadership Academy to support this work, and have received local and national recognition for the way in which it has been implemented.

Bay Health and Care

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

During 2018/19, the Trust transferred community and family services to the University Hospitals of Morecambe Bay NHS Foundation Trust in support of the strategy for that locality.

Risks and Uncertainties

The NHS is changing rapidly and this provides many opportunities, as well as uncertainty, for the Trust. The Board of Directors has identified a number of strategic risks facing the Organisation on the Board Assurance Framework (BAF) and many high-level operational risks on the Corporate Risk Register (CRR). All these risks will continue to impact the Organisation throughout 2019/20. However mitigation plans are in place and are monitored by the Risk Committee, Audit Committee and the Board of Directors. These plans are dependent upon changes taking place across the whole health economy. The current risks are predominately financial, workforce and quality-centred and are contained within the Annual Governance Statement in the table in section 4.3.

Emergency Planning

As a major provider of healthcare services, the Trust is prepared and able to respond in the event of a major incident, working within national legislation and guidance such as, the Civil Contingencies Act (2004) and the NHS Emergency Preparedness, Resilience and Response (EPRR) Framework.

The Trust has detailed plans for responding to the increased demands that a major incident would make on our services, while continuing to provide care for existing patients. The Trust plans satisfy the EPRR Core Standards and include a suite of plans for a range of emergencies such as pandemic influenza, major incidents for receiving casualties and a Trust-wide Business Continuity Plan. These are ratified at Board level. In addition, several other plans are ratified by the Emergency Planning Steering Committee, including the Severe Weather Plan, Ebola Procedure and Decontamination Plan. These documents define the key management systems and responsibilities of staff. The Trust-wide Business Continuity Plan incorporates a total of 51 departmental/service level plans covering all the divisional areas with operational information on alternative options to deliver their services should the need arise.

To improve patient outcomes following contamination with hazardous materials or substances (HAZMAT) in quantities or forms that may pose a reasonable risk to health, property, or the environment or a Chemical, Biological, Radiological or Nuclear (CBRN) Incident, ongoing training is provided for decontamination by the Emergency Department for their staff on how to use personal protective equipment (PPE) and respond to such an incident. The Trust has a trained trainer who provides this practical training. In this last year the training course has been redesigned and now provides the opportunity for students to participate in a live exercise as part of the course. This allows them to consolidate what they have learned in a live but safe learning environment and also provides other responders in the Trust who have a role in the plan to practise working together. The EPRR team work closely with the lead A&E Consultant with responsibility for emergency planning in the department and jointly provide training with regard to major incidents to staff.

Through engagement during planning and exercises via the Lancashire Resilience Forum and Local Health Resilience Partnership, the Trust works closely with its partners to ensure there is a joined up approach to emergency planning. The Trust is

Blackpool Teaching Hospitals NHS Foundation Trust

the host of a shared emergency planning service with Blackpool Council.

The Emergency Planning Team undertake group training sessions to enhance internal management of major incidents for the on call duty staff, this includes Duty Directors, Duty Managers (including Acute and Adults and Long Term Conditions), members of the Acute Response Team, Senior Nurses covering bleep 002 and Loggists. The Trust has also increased its number of Loggists this year to support the emergency planning process.

This year, the Trust was required to respond to a Monkeypox incident and participated in a health led multi agency response. Once stood down the incident was debriefed internally and lessons identified were captured in a report. The Trust also participated in the regional multi agency debrief.

The Trust has undertaken an annual self-assessment against the NHS Core Standards for EPRR and it was determined that the Trust was "Partially Compliant" against the standards. A work plan has been put in place to address gaps throughout 2018/19. The work plan is monitored via the Emergency Planning Steering Committee which is chaired by the Trust's Accountable Emergency Officer. Each year the NHS England regional EPRR team select a Trust to carry out an EPRR assurance visit and the visit took place at Blackpool Teaching Hospitals on 5th November 2018.

Going Concern

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

The Trust has submitted its annual financial plan to NHS Improvement (NHSI) to deliver a £5.5m surplus and year end cash surplus of £1.9m. The Trust must also deliver a Cost Improvement Programme (CIP) of £17.5m. The Trust has accepted the NHSI control total in 2019/20 and is therefore eligible to receive the Provider Sustainability Fund (PSF) and Marginal Rate Emergency Threshold (MRET) payments in 2019/20. At its meeting of 22nd May 2019, the Audit Committee considered the going concern

assessment based on the operational plan for 2019/20. The plan is based on:-

- activity assumptions that have been verbally agreed with commissioners based on 2018/19 forecast outturn activity levels brought forward into 2019/20 and then adjusted for population growth and performance trajectories;
- the 2018/19 forecast outturn adjusted for known normalisation items (including non-recurrent and full year effect of 2018/19 CIP, non-recurrent mitigating actions to deliver the control total in 2018/19, prior year adjustments included in 2018/19 and the non-recurrent and full year effect of 2018/19 service developments);
- significant non-recurrent commissioner support;
- accepting the control total in 2019/20 (on the basis of significant non-recurrent commissioner support);
- inclusion of the PSF;
- inclusion of the MRET funding;
- tariff income inflation and cost inflation: to reflect National Tariff prices uplift contained in Planning Guidance and impact of capital expenditure programme on depreciation.
- funding included for service developments and internal cost pressures;
- delivery of a Cost Improvement Programme of £17.5m.

Whilst there are factors in the operational plan for 2019/20 that represent material uncertainties that may cast significant doubt about the Trust's ability to continue as a going concern, the Directors, having made appropriate enquiries, still have a reasonable expectation that the Trust will have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts and the financial statements do not include the adjustments that would result if the Trust was unable to continue as a going concern.

Performance Analysis

Trust Performance

Non-elective Services and Waiting Times in the Emergency Department

During the last financial year, the enhanced streaming to the Urgent Care Centre initially reduced the number of Emergency Department (ED) attendances. However, the number has gradually increased even though streaming to the Urgent Care Centre remains relatively consistent. It is anticipated that the activity profile for 2019/20 is more likely to be similar to the outturn for 2016/17. The variation in demand remains, however it is now more predictable, both within the hours of the day and days of the week, with peaks associated with seasonality.

This level of insight informs the work we are doing to safely meet the needs of the patients we care for, whatever day or time of day they present to us. In times of peak pressure we will plan to ensure all patients receive the same level of care and that extra resources supplement the existing team. This is particularly important when we escalate into the scheduled care bed base as planned during winter escalation; thus ensuring patients are not out-lied and that the elective activity continues at a planned reduced level.

This year, we introduced additional hands on support to lead this work and to accelerate our programme called 'Better Care Now' which feeds into the Urgent and Emergency Care Steering Group. This group not only assures the governance of the work undertaken but acts as a planning resource and a group of senior accountable managers and Executives to authorise pathway and process change.

Quarter 4 A&E performance was 85%, there are a number of key work-streams designed to support the delivery of the 4hr A&E standard through 2019/20:

- Review and redesign of the triage and Rapid Assessment Team (RAT) process to ensure that ambulances are released quickly and all patients see a senior clinician in the first instance;
- Removal of the GP stream of patients out of the ED;
- Continued drive to ensure patients are cared for in the Acute Episodes of Care (AEC), where possible;
- Ensuring the Trust consistently works to the 4 hour transit time;
- Further development of urgent care GP pathways to reduce the attendance to the ED;
- Improve the clinical flow team and management of flow in the hospital managed through the daily meetings;
- Develop escalation policy's that deliver the de-escalation responses required in all areas;
- Procure support to embed SAFER (a bundle of 5 elements of best practice) at ward level;
- Through operational resilience meetings, develop a robust method of ensuring capacity is available at the time it is needed;
- Work with external partners, Emergency Care Intensive Support Team (ECIST), to continue the reduction of over 7-day stranded patient numbers;
- Work with a team of senior clinicians to ensure the clinical teams fully adopt the SHOP model (boardround checklist based on sick, home and other patients) and to ensure every patient has a plan of care.
- Develop a Frailty Model that ensures patients in our care are seen by the Care of Elderly (COE) Team and have a comprehensive geriatric assessment where ever they are in the hospital;
- To procure and develop technologies that both improve communication and visibility of our processes – aiming to introduce 'Clinical Medical Care (CEM) books' and 'voicera' in the near future.

Similar issues continue to be seen in children's services, with an increasing number of referrals to the Children's Assessment Unit (CAU). The CAU is open seven days a week to support A&E operational standards. The Trust is working in partnership with the local CCGs, and other local secondary care providers, to implement standardised pathways of care for the

management of children's health and social care that will support primary care professionals to make appropriate choices in urgent / emergency situations.

Elective services, inc Referral To Treatment (RTT) and Improving Access to Psychological Therapies (IAPT)

The open pathway measure was not delivered across 2018/19, the target is 92% and the Trust average was 80.8%, ending the year at 80.6%. The Trust has managed to reduce the number of open pathways below the volume reported at 2017/18 year end and had consistently been below trajectory on the number of patients waiting longer than 52 weeks, with a plan to eliminate these by the end of March 2019. In order to achieve the 18-week RTT standard at specialty level, the Trust will continue to respond to changing patterns of demand.

To mitigate risk and address capacity issues, a combination of actions will be taken including creation of additional internal capacity through: effective use of resources; use of the independent sector, if appropriate; embedding of Tier 2 services to manage demand appropriately; and identifying opportunities to redesign pathways and implement new ways of working across the health economy.

The Planned Care work stream aims to tie all of these elements together to improve services to patients, across both primary and secondary care. There will be particular focus on reducing face to face follow-up appointments, a continuation of pilot work in 2018/19. Key development priorities for the Scheduled Care Division include: surgical enhancements; robotic surgery; cold elective surgery and additional theatre facilities, tertiary centre enhancement, including a modular catheter laboratory and separation of cardiac and thoracic surgery; ICS collaboration, on fragile services as well as enhancing and strengthening other key services.

For IAPT, the quarterly access rate has increased annually from 15% (2016/17) to 19.1% (2018/19). The targets were achieved in 2017/18, but forecasting achievement of 16.7% against the target of 19.1%. The target is set nationally and is recognised as challenging to achieve. Plans are

in place to increase the access rate in line with national requirements, noting that the target increases incrementally to 22% in 2019/20 and 25% in 2020/21. The recovery rate target of 50% has been achieved by the Trust during 2018/19 with a forecast achievement of 53.0%. The access to treatment time targets of 95% accessing treatment in 18 weeks and 75% accessing treatment in six weeks have been achieved during 2018/19 at 100% and 95% respectively..

Cancer services

The Trust continued to experience challenges in the delivery of the cancer standards in 2018/19. Of significance, had been the levels of growth across the majority of the tumour sites, equating to just short of 13% in year. The greatest challenge has been the impact that patient choice has throughout the patient journey, but particularly to the first outpatient appointment. Work will continue into 2019/20 with commissioners and GPs to emphasise to the patients the importance of attending appointments once referred to the Trust and throughout the diagnostic stages of their pathway. Peaks in referral rates (predominantly driven by national cancer campaigns and seasonality) and increased case complexity are anticipated to continue across 2019/20.

The Trust is working with other providers to deliver the 62-day standard but is significantly handicapped by the lack of oncology capacity in the health economy. Actions to mitigate this include improved matching of demand and capacity through proactive pathway management (including continuous review of all administrative processes). Formal escalation processes are in place across each element of the pathway. The Trust is working closely with the Cancer Alliance to implement improvement in the four key pathways whilst aiming to consistently deliver the 85% standard. The Trust performance for Quarter 4 was 79.3%.

Diagnostic services

Capacity across diagnostic services is a key factor in the delivery of all operational standards and diagnostics remains a significant enabler for all

Access Standards in the Organisation, especially cancer. The use of computer tomography (CT) scanning has increased by 8%, which is common nationally, but is significant and is likely due to the winter pressure programme increasing hours of work, to successfully improve in-patient flow in the daytime, The use of bone densitometry scanning at the Clifton Hospital site has unexpectedly increased demand and activity by 14%, and has arisen due to a new breast cancer treatment, requiring prior assessment of osteoporosis.

Magnetic resonance imaging (MRI) is being increasingly recommended in many pathways, including cancer and stroke, alongside tertiary cardiac service requiring cardiac MRI as a non-invasive gold standard test. The need for support from an acute service for children's scanning using general anaesthetic, stress induced cardiac and in-patient imaging scans; restricts the availability of this scanner. An increasing number of MR mobile vans, including some support from private providers have been used this year, however the need for scans on the static Victoria site is essential and a business case is being prepared, aiming to balance the need for advanced and acute scans, developments and to enable acceptable time to test.

The Breast Imaging Service has been overwhelmed with demand in 2018 and had breached the 2-week wait target on a number of occasions. A business case was prepared to; provide double the imaging facilities and to enable all patients to be treated within the expected time frames. There has been a greater need for imaging involvement, since digital imaging has permitted sight of very small lesions. More clinic slots are needed to meet this need to enable triple assessment for all where this is needed. Inevitably, many patients require subsequent imaging and further imaging interventions and image guided surgical interventions require time on the single set of machines.

There remains the need to do annual imaging on post cancer patients. Reporting has been improved steadily and in 2018/19 the department is working to extend the radiographer role into reporting. During the year we have embarked on a robust recruitment programme for Consultant Radiologists to support the increasing workload and planned retirements. This is to support the workload including the demanding multi-

disciplinary team (MDT) meetings, that Radiology host. The department has submitted work for the United Kingdom Accreditation Status (UKAS) Imaging Service Accreditation Scheme already in 2019, to be assessed for the 9th year of national accreditation and to date remain the only trust in the North West to achieve this.

Pathology

The Pathology Service continues to experience increased demand for its services, with continued difficulties in recruitment to a Microbiologist and Clinical Scientist role. The department continues to promote a responsive workforce that allows scientists, nurses and supporting technical staff to undertake enhanced roles. The increased demand for the Phlebotomy and Anticoagulant Dosing and Advisory Service (ADAS) continues and the uptake of Direct Oral Anti Coagulants (DOAC) has been successfully introduced in some areas and provides synergy for those patients crossing from secondary to primary care, the future consideration maybe if there is a desire to adopt this appropriately cross primary care.

The improvement of ADAS service standards to "UKAS point of care" is positively impacting on patient safety. The directorate continues to maintain accreditations with Microbiology, Histology and is due for a review of Cell Pathology Services. The Trust continues its commitment to working in partnership across the ICP footprint for all Pathology services.

Financial Performance Review

The Group planned to deliver a £5.0m deficit as part of the Annual Planning process for 2018/19.

Table 1 below compares performance against the 2018/19 plan.

The Group reported a deficit of £10.9m for the year. After taking into account a loss on the transfer by absorption of assets related to the transfer of community services to University Hospitals of Morecambe Bay NHS Foundation Trust of £0.1m, the Group reported a deficit of £11.0m for the year.

Full details of the Group's financial performance are set out in the accounts for 1st April 2018 to 31st March 2019 that accompanies the Annual Report in Annex G.

Table 1 compares the 2018/19 actual performance to the 2018/19 plan.

Table 1	Plan £'m	Actuals £'m	Variance £'m
Total Income	422.6	434.0	11.4
Expenses	(416.2)	(433.7)	(17.5)
EBITDA*	**6.4**	**0.3**	**(6.1)**
Depreciation	(7.4)	(7.6)	(0.2)
Dividend**	(2.8)	(2.5)	0.3
Loss on Revaluation	0.0	(0.1)	(0.1)
Interest income	0.0	0.1	0.1
Interest expense	(1.3)	(1.3)	0.0
Deficit	**(5.0)**	**(11.0)**	**(6.0)**

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

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

Chart 1: Surplus/(Deficit) performance

Chart 1 : Surplus/(Deficit) Performance

- 2014/15
- 2015/16
- 2016/17
- 2017/18
- 2018/19

(£7.5) — 2014/15
(£17.0) — 2015/16
(£4.7) — 2016/17
£5.2 — 2017/18
(£11.0) — 2018/19
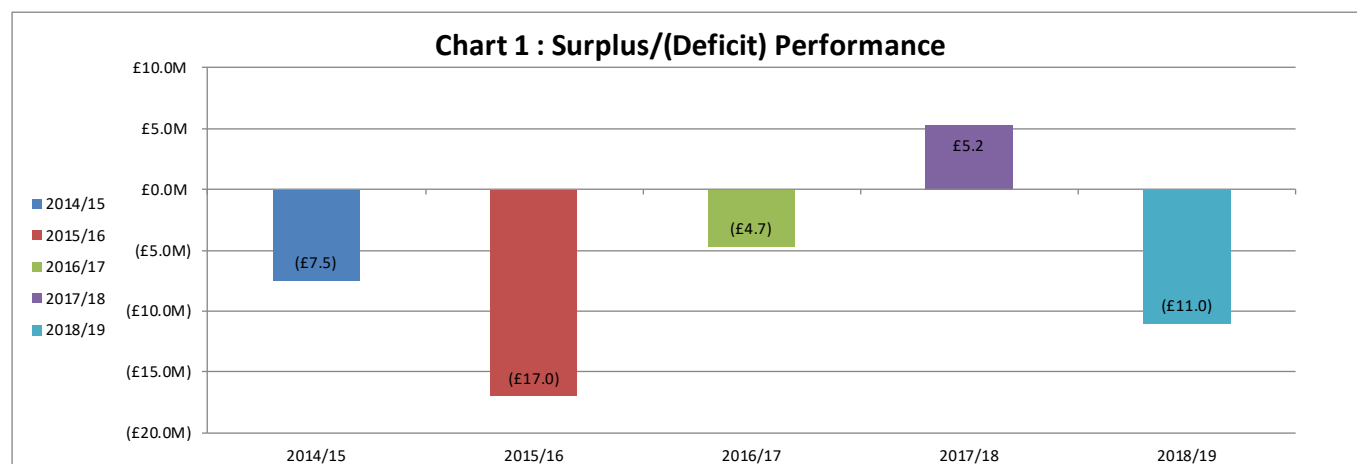
The Trust's main activity points of delivery are summarised in Charts 2, 3 and 4.

Chart 2: Completed Patient Spells

Chart 2 : Completed Patient Spells

Legend: 2014/15, 2015/16, 2016/17, 2017/18, 2018/19

Year	Completed Patient Spells
2014/15	100,662
2015/16	103,206
2016/17	104,019
2017/18	107,151
2018/19	104,548

Chart 3: Outpatient Attendances

Chart 3 : Outpatient Attendances

Legend: 2014/15, 2015/16, 2016/17, 2017/18, 2018/19

Year	Outpatient Attendances
2014/15	329,257
2015/16	362,018
2016/17	368,554
2017/18	344,584
2018/19	363,981
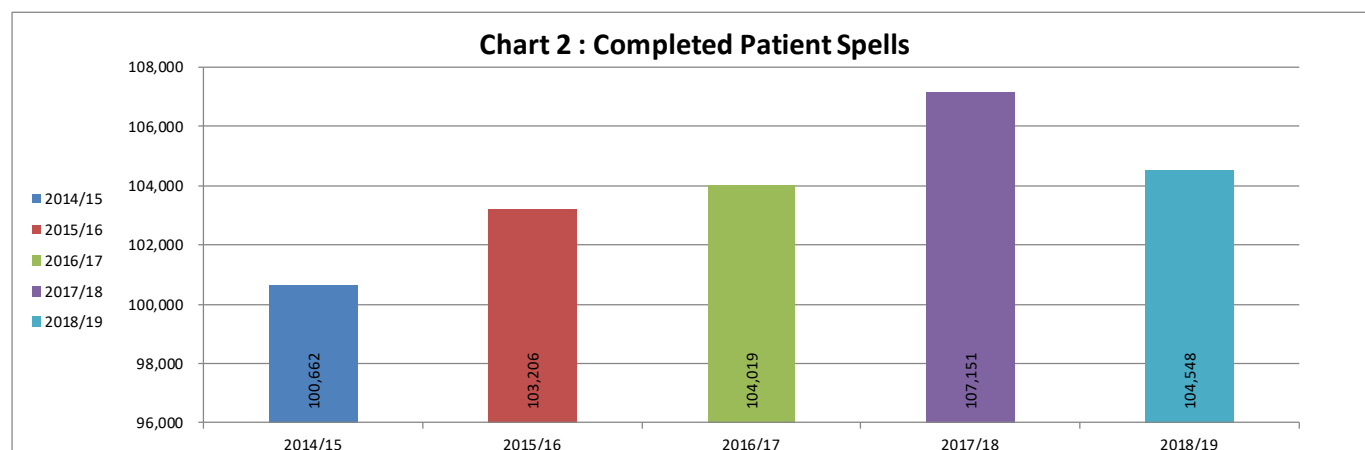
Chart 4: A&E Attendances

Chart 4 : A&E Attendances

Legend: 2014/15, 2015/16, 2016/17, 2017/18, 2018/19

Year	A&E Attendances
2014/15	83,303
2015/16	86,067
2016/17	86,709
2017/18	79,997
2018/19	77,050
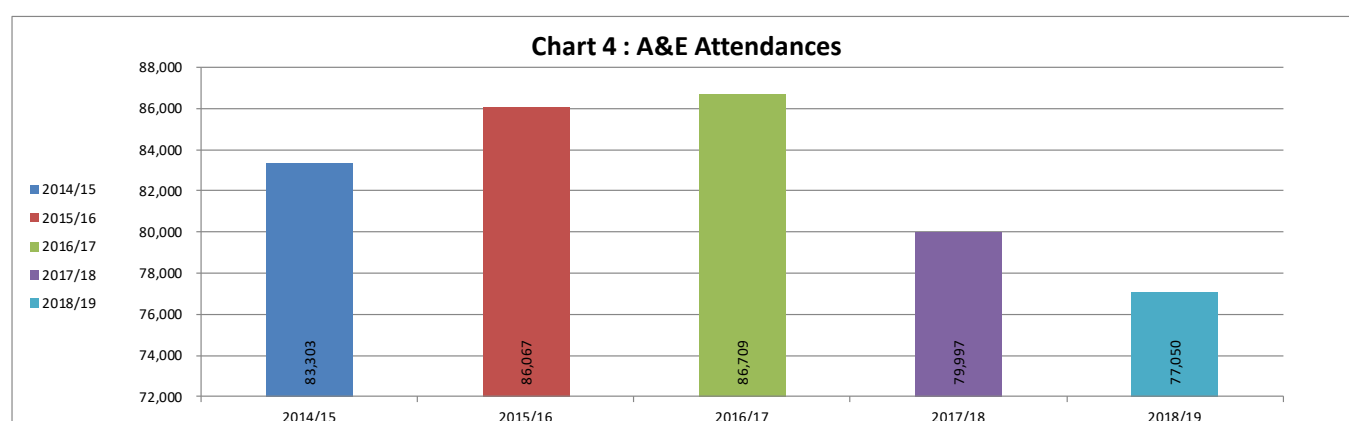
Income from providing clinical services to NHS patients, as shown in Table 2 and Chart 5 below, represents the majority of the Trust's income. The provision of these services is covered by contracts with Clinical Commissioning Groups, other NHS commissioners and Local Authorities. The terms of these contracts are agreed locally between the Trust and commissioners based on the national contract published by the Department of Health (DoH) and priced using the National Tariff, block contracts or locally agreed price contracts as appropriate.

Table 2: Clinical Income by Commissioner

Commissioners	2018/19 Clinical Income (£'m)	2017/18 Clinical Income (£'m)
Blackpool CCG	143.3	139.7
Fylde & Wyre CCG	116.7	105.7
Morecambe Bay CCG	9.2	15.8
NHS England - Specialist Commissioning	75.1	70.9
NHS England - Other Commissioning	6.7	20.3
Other Associate CCGs	7.3	13.7
Non-Contracted CCGs	5.9	2.9
Other NHS	6.7	3.2
Total	**370.9**	**372.2**

Chart 5: Clinical Income Recovery by Commissioners
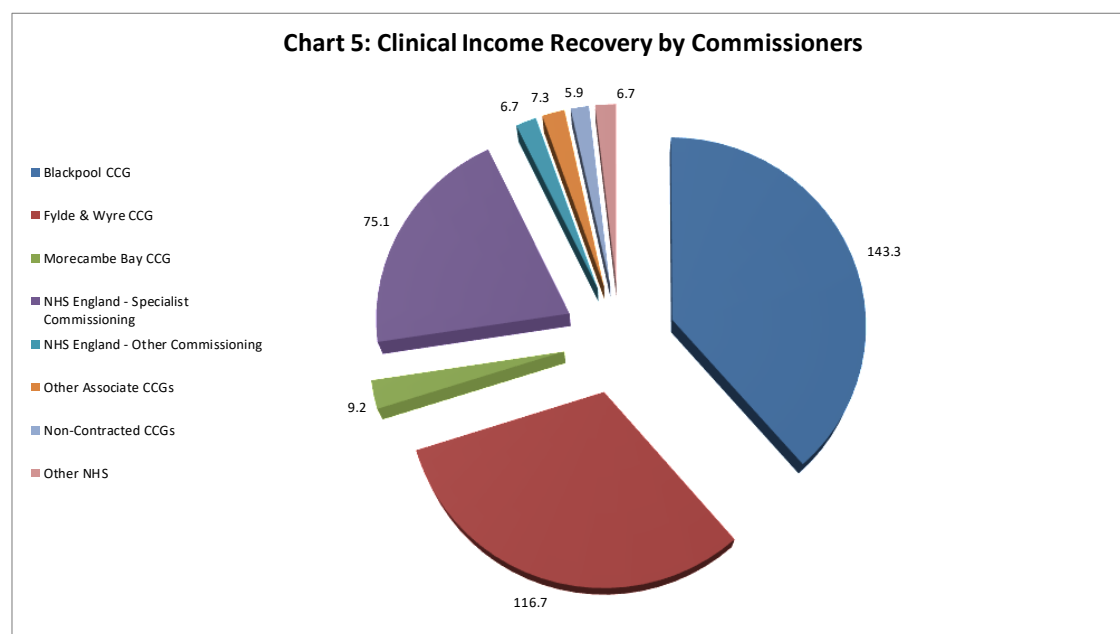
The Trust also receives a number of Non-NHS Clinical/Non-Clinical Income streams. The trend relating to this income is summarised in Chart 6 and the income performance by type is summarised in Table 3 and Chart 7.

Chart 6: Non-NHS Clinical/Non-Clinical Income 2014/15 to 2018/19

Chart 6 : Non-NHS Clinical/Non-Clinical Income 2014/15 to 2018/19
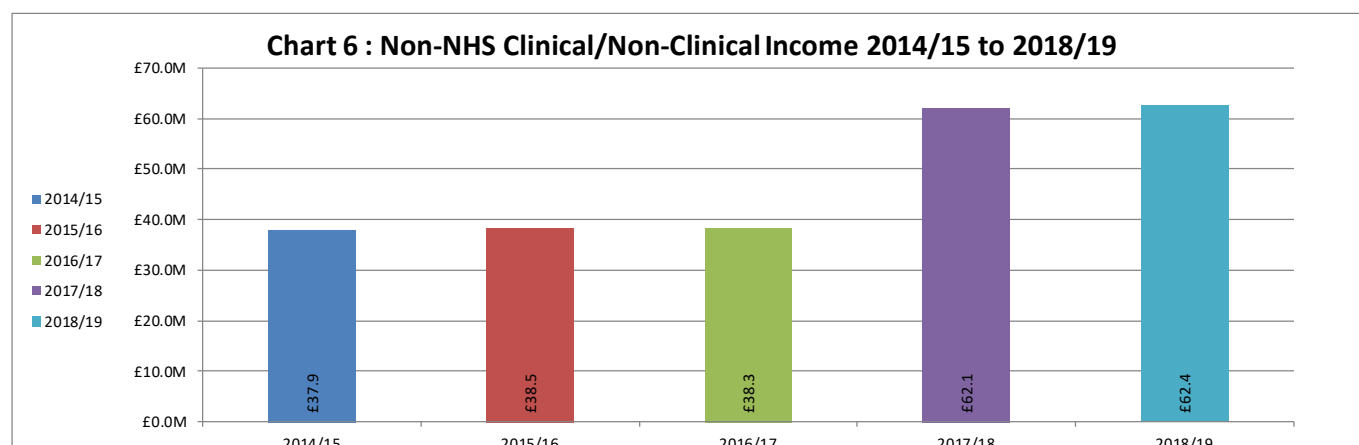
Table 3: Non-NHS Clinical/Non-Clinical Income by type

Non-NHS Clinical/Non-Clinical Income by type	2018/19 (£'m)	2017/18 (£'m)
Private Patient Income	1.8	1.8
RTA Income	0.6	1.0
Other Non-Protected Clinical Income	0.6	1.3
Research and Development	1.5	1.4
Education, Training and Research	12.3	12.7
Non-Patient Care Services to Other Bodies	12.1	6.2
Local Authority Clinical Income	16.4	15.3
Provider Sustainability Fund	5.8	11.3
Healthier Lancashire	5.6	1.8
Sale of Goods and Services	0.3	1.0
Other	5.4	6.0
Total	**62.4**	**59.9**

Chart 7 : Non-NHS Clinical/Non-Clinical Income by type
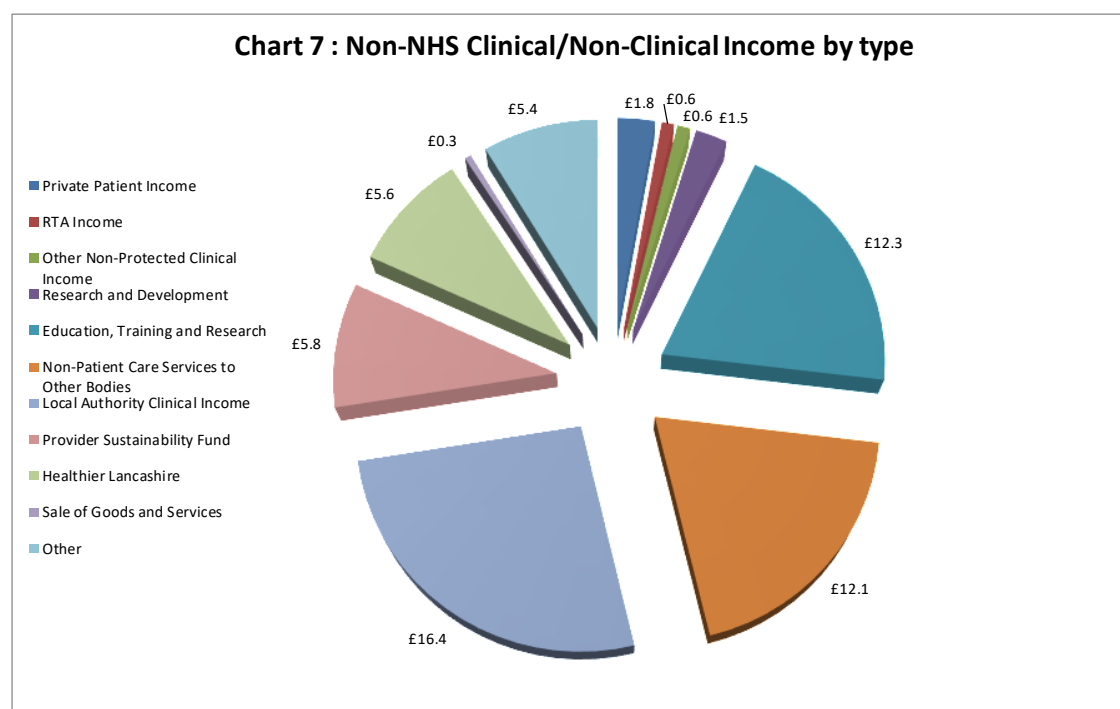
These income streams equated to £62.4m or 14.4% of the total income earned for the year. Of this £5.8m or 1.3% relates to Provider Sustainability Fund income and 8.5% relates to the provision of other services not directly related to healthcare, including catering and car park income. Any surplus from these services helps reduce the cost of patient related activities.

Chart 8: Private Patient Income 2014/15 − 2018/19

Chart 8 : Private Patient Income 2013/14 to 2017/18

Year	Income
2014/15	£1.7
2015/16	£1.7
2016/17	£1.4
2017/18	£1.8
2018/19	£1.8
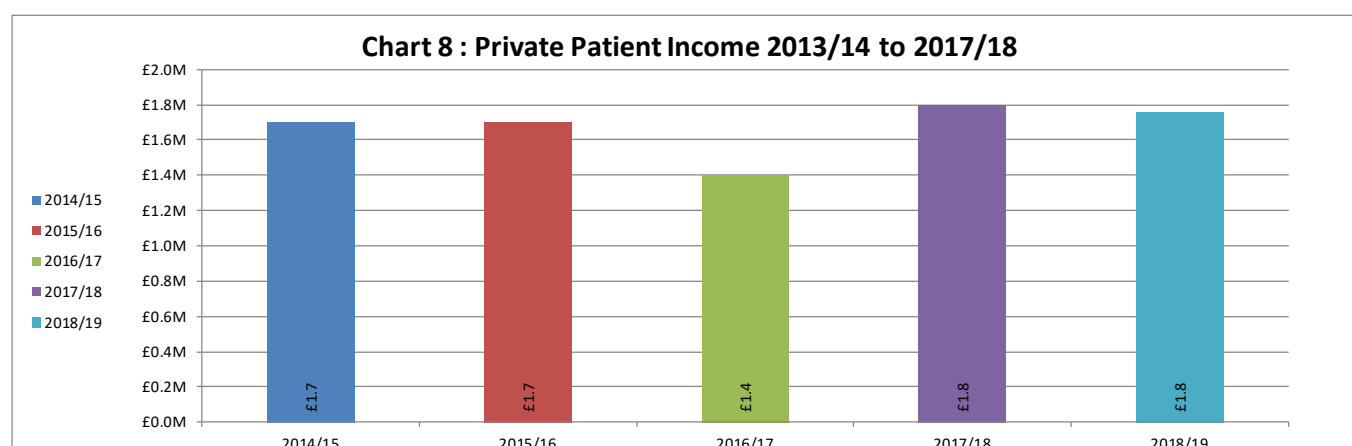
The Trust delivered £17.0m in CIP against a target of £21.9m.

The Trust has in place a Transformation Team to scrutinise CIP planning and delivery, utilising external support to identify areas of improvement and develop/implement action plans to deliver the required efficiency. During the last five years, the Trust has delivered cost improvements of £20.3m in 2014/15, £17.8m in 2015/16, £18.6m in 2016/17, £21.2m in 2017/18, and £17.0m in 2018/19.

During the year, the Trust spent £6.6m on management costs which represents 1.52% of turnover (turnover includes operating income from patient care activities and other operating income). By comparison, in 2017/18, management costs as a percentage of turnover were 1.29%. The definition of management costs used by the Trust is anyone in non-clinical posts at Band 8b and above.

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

Table 4: Expenditure Trend for 2013/14 − 2017/18

	2014/15 £'m	2015/16 £'m	2016/17 £'m	2017/18 £'m	2018/19 £'m
Expenditure	£381.1	£399.5	£415.5	£426.9	£445.2

Table 5: Expenditure for 2017/18 broken down by expenditure type

Expenditure by Type	2018/19 (£'m)
Pay Costs	293.2
Drug Costs	37.4
Depreciation & Impairments	8.7
Other Non-Pay	102.0
Financing Costs	3.9
Total	**445.2**

Other Non-Pay expenditure relates to supplies and services, premises, establishment and other non-pay expenditure (see note 6.1 within the 2018/19 Annual Accounts within Annex G)

Chart 9 : Expenditure for 2018/19 broken down by expenditure type

Legend:
- Pay Costs
- Drug Costs
- Depreciation & Impairments
- Other Non-Pay
- Financing Costs

£3.9
£102.0
£8.7
£37.4
£293.2
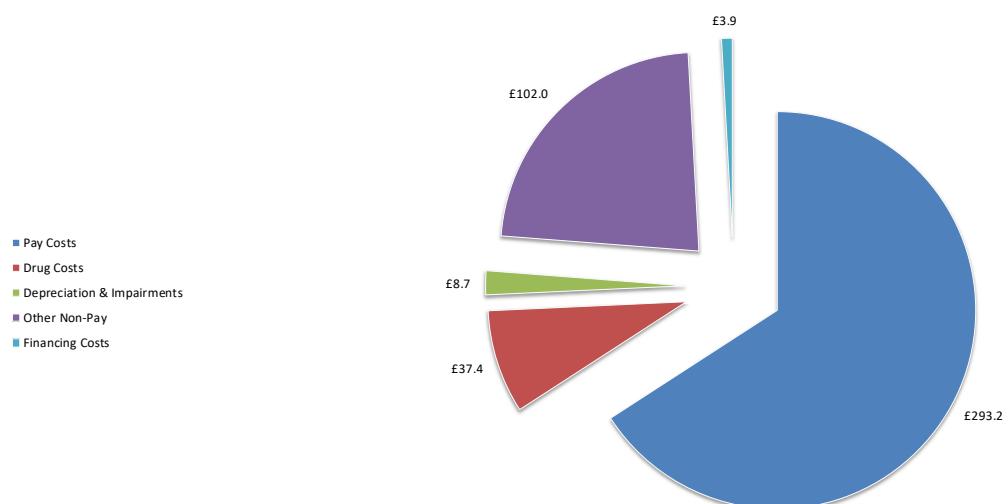
Cash Flow and Balance Sheet

The Trust's cash balance at the end of the financial year was £15.6m against a planned cash deficit of £3.3m. The cash balance was £18.9m above the plan. Chart 10 summarises the Trust's year end cash balances across the last five years.

Chart 10 : Year-end Cash Balances

Legend:
- 2014/15
- 2015/16
- 2016/17
- 2017/18
- 2018/19

£25.1 (2014/15), £7.8 (2015/16), £3.9 (2016/17), £3.3 (2017/18), £15.6 (2018/19)
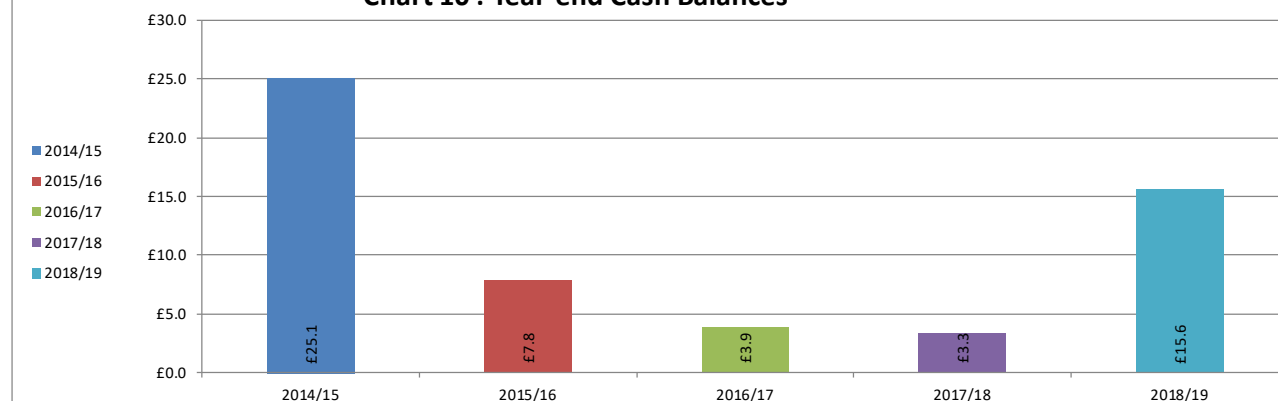
As a Foundation Trust, the Trust is required to ensure that it has enough liquidity to support its working capital requirements. During the year the Trust received an Interim Revenue Support loan from the Department of Health and Social Care of £20.9m on 11th March 2019 to support the cash position following worse the than plan financial performance. For further information on cash and liquidity expectations for 2019/20, see the Going

Concern section within the Performance Report on page 17, regarding the Trust's going concern assessment.

To comply with best practice the Trust is required to pay 95% of undisputed invoices within 30 days of receipt. Table 6 below summarises the performance for 2018/19.

Table 6: Better Payment Practice Code

Subject	Number 2018/19	£'000 2018/19	Number 2017/18	£'000 2017/18
Total Non-NHS trade invoices paid in the year	99,666	207,318	83,314	194,149
Total Non-NHS trade invoice within target	35,426	109,695	38,404	136,361
Percentage of Non-NHS trade invoices paid within target	35.5%	52.9%	46.1%	70.2%
Total NHS trade invoices paid in the year	3,469	23,958	3,363	53,274
Total NHS trade invoices paid within target	161	1,480	1,290	35,582
Percentage of NHS trade invoices paid within target	4.6%	6.2%	38.4%	66.8%

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

The Trust paid no interest to suppliers under the late payment of Commercial Debts (Interest) Act 1998 during 2018/19 (2017/18: Nil).

The Trust invested over £11.2m in capital schemes during 2018/19 (£8.6m in 2017/18). Expenditure during the period included the following investments:

Table 7: Capital Expenditure 2018/19

	£'m
Medical Equipment	3.7
Electronic Information Projects	5.6
Building Infrastructure Projects	1.9

NHS Improvement's Single Oversight Framework

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

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

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

Segmentation

Blackpool Teaching Hospitals NHS FT is in segment 3 (2017/18: segment 2).

Finance and Use of Resources

The finance and use of resources theme is based on the scoring of five measures from "1 to 4", where "1" reflects the strongest performance. These scores are then weighted to give an overall score. Given that finance and use of resources is only one of the five themes feeding into the Single Oversight Framework, the segmentation of the Trust disclosed above might not be the same as the overall finance score here.

Table 8: Use of Resources Metrics 2018/19

	2018/19 Plan	2018/19 Annual Performance
Liquidity ratio	-34.7	-22.5
Capital Service Cover	0.89	0.19
I&E Margin	-0.90%	-2.20%
I&E Margin variance from plan	0.00%	-1.30%
Agency	-3.11%	20.97%

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 2018/19 accounts, which is outlined at Annex F.

Blackpool Teaching Hospitals NHS Foundation Trust has met the requirement for the 2018/19 Financial Year that the income from the provision of goods and services for the purposes of the health service in England is greater than its income from the provision of goods and services for any other purposes.

Where Blackpool Teaching Hospitals NHS Foundation Trust has received income other than income from the provision of goods and services for the purposes of the health service in England, this other income and any associated expenditure has not had a detrimental impact on the provision of goods and services for the purposes of the health service in England and where appropriate has contributed to/supported the provision of goods and services for the purposes of the health service in England.

Financial Instruments

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 carrying amount of financial assets represents the maximum credit exposure.

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. The Group has a Cash Committee which meets monthly to monitor cash performance and forecats. The Cash Committee is monitored by the Finance Committee.

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.

Cost Allocation and Charging

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

External Contracts

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

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

External Auditors

The Council of Governors at their meeting on 31st January 2018 approved the appointment of PwC as the Trust's external auditors until 31st May 2019. PwC were paid £68,400 (including VAT) in respect of statutory audit fees of the Foundation Trust. PwC were also paid £15,500 (excluding VAT) by BFW Management Ltd in respect of statutory audit fees relating to their Annual Accounts. In addition, PwC were paid £13,800 for non-statutory audit services relating to the independent reporting work in relation to the Independent Auditor's Report in the annual Quality Report.

The Trust limits work undertaken by the external auditors outside The Audit Code to ensure independence is not compromised. In 2018/19, PwC did not provide any non-audit services to the Trust (2017/18 : no non-audit services provided).

Counter Fraud and Bribery

NHS Counter Fraud Authority (NHS CFA) is the new special health authority which replaced NHS Protect in November 2016. NHS CFA 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 Deputy Chief Executive/Director of Finance and Performance is nominated to make sure that the Trust's requirements are discharged and is aided by a Local Counter Fraud Specialist (LCFS). The Trust has invested in a full time "in house" LCFS who has developed a Counter Fraud Plan that is risk based and aims to proactively reduce fraud and enhance an anti-fraud culture, whilst simultaneously supported by appropriate deterrence and prevention measures.

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

- Strategic Governance;
- Inform and Involve;
- Prevent and Deter;
- Hold to Account.

The LCFS has developed an anti-fraud culture across the Trust by:

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

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

Sustainable Development Plan and Environmental Performance

Accountability

The Trust is committed to reducing carbon and improving sustainability. It has set challenging targets in line with those of the NHS Sustainable Development Unit, whilst also complying with its obligations under environmental legislation. Sustainability goes beyond CO_2 reduction and saving energy, and Trust is committed to increasing our community engagement and local partnerships to ensure that we make a positive con¬tribution while managing its impact on the environment.

The Trust's vision in respect to Sustainability is to be "A leading provider of high quality, low-carbon healthcare, which incorporates sustainability and resource efficiency throughout every decision-making process."

Context Examples, Foundation Plans and Stakeholder Engagement

Work continues to be undertaken to improve the efficiency of the steam distribution system on site, installation of Light Emitting Diode (LED) lighting is embedded within our standard specification for refurbishments. We are continuing our extended use of sustainable energy sources and ways in which our reliance of fossil fuels can be reduced.

The Trust has upgraded lighting to LED lighting scheme in Acute Medical Unit (AMU), Wards 18 & 19 and 23 to 26, which has improved quality of light, improved safer environment for our staff and improved clients experience and well as reducing energy cost.

Benchmarking

The UK Government has set targets to cut CO_2 emissions by 34% by 2020 and the Trust has already invested significant funds over recent years, both in terms improving its performance and energy efficiency levels. The Carbon Reduction Statement will outline further investment and focus required, to ensure that we achieve our future tar¬gets. Trust has seen a 40.8% reduction in CO_2 emissions since the 2007 baseline. This exceeds the target set by the NHS Sustainable Development Unit of 34% by 2020.

Future

The Trust has been awarded £79,000 by NHS Improvement Energy Efficiency Fund (NEEF) for LED lighting scheme to upgrade the lighting on the Ground/First/Second Floor corridors and Street column lighting.

Our work will continue to source and implement modern technology such as, LED lighting, lighting controls and roll out Phase 2 of replacement of hot water calorifiers with Plate Heat Exchangers (PHE) and annual replacement of aging Steam Traps and upgrading of heating system. Alongside that work has taken place to increase the insulation of flats roofs to assist in keeping the hospital at an ambient temperature and retain heat.

The Trust is leading on the energy aspect of ICS, working with like-minded organisations in a collaborative manner, with potential to procure services jointly and share best energy efficiency practices.

The Trust is working engaging with Academia to develop program on energy awareness campaigns, policies and research which will benefit the Trust.

The Trust will review and introduce renewable energies and new merging technologies where possible such as, energy storage to reduce reliance on fossil fuel.

Quantitative and Qualitative Trends - Environmental Performance in Key Areas for 2017/18 and 2018/19

Table: Environmental Performance					
		Non-Financial Data		Cost	
		2017/18	2018/19	2017/18	2018/19
Waste Minimisation	Waste Arising (Total waste from all sources)	1506.5 tonnes	1386.5 tonnes	£388,142	£258,345
	Clinical Waste (waste disposed of via high temperature incineration)	565.1 tonnes	545 tonnes	£214,557	£147,836
	Waste sent to landfill	61.27 tonnes	0 tonnes	£31,051.55	£0
	Recycled waste	364 tonnes	403.2 tonnes	£40,248*	£41,544
	Non Hazardous Incineration (Energy from waste)	515 tonnes	439.65 tonnes	£87,670	£76,488
	Electrical and Electronic waste items	3.09 tonnes	6 tonnes	£898	£1,275
	Percentage of Waste subject to a recycling or recovery exercise	100% (Trust) 49% (Atlas)	100% (Trust) 50% (Atlas)	n/a	n/a
Management of Finite Resources	Water	167,865 m3	163,947 m3	£522,084	£516,458
	Electricity - Imported	35,041 GJ	29,531 GJ	£1,121,485	£1,132,060
	Total Electricity – Imported + CHP generated	58,933 GJ	58, 843 GJ	£1,152,346	£1,321,675
	Gas	151,794 GJ	165,394 GJ	£1,009,806	£1,176,202
	Other Energy – Heating Oil	262 GJ	262 GJ	£2,980	£2,980
	Fuel used in Blackpool Teaching Hospital Trust owned transport	29,725 litres	30,041.70 litres	£35,750	£38,507
	Fuel used in ex North Lancashire Primary Care Trust owned transport	61,234 litres	52,327 litres	£41,587	£34,625
Direct Green House Gas (GHG) Emissions	Direct emissions from the energy sources above only – excluding CHP generated electricity	11,463 tonnes	11,550 tonnes	£205,187	£ £211,356
Explanatory notes	-To bring this report in line with internal monthly reports waste costs are reported exclusive of VAT. All other costs are inclusive of VAT. -This figure represents a maximum based on in year purchases. The actual figure consumed is likely to be slightly lower. -Above data includes both Acute and Atlas community data where available. -The information above is an extrapolation of the best available data at the time of compilation (March 2019). Actual year-end figures may therefore differ slightly from those presented. In the event of any difference between this data in this report and that presented in our annual Estates Returns Information Collection (ERIC) return the ERIC figures are to be preferred.-*The Trust is a participant in the Government Carbon Reduction Commitment Energy Efficiency Scheme (CRC). The Organisation will be required to report on carbon emission it has omitted and surrender carbon allowances to Environment Agency (EA).				

N.B. – *Revenue estimated at £13,157.

Investment into energy efficiency has continued in 2018/19 and is led by the Energy Manager supported by Atlas Estates Team.

Progress on Objectives and Indirect Impacts

We are progressing well with our work towards the reduction for carbon omissions in line with National targets and the Trust Strategy. The replacement of a transformer linked to the CHP plant on one of our sites has achieved the objectives we set to reduce our use of electricity. The CHP at Clifton Hospital has yielded some saving albeit not to the level originally envisaged and further work will be undertaken on this site to reduce energy use and consumption.

Core Reporting on Material Sections

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

Social, Community and Human Rights Performance

The Trust continues to commit, support and invest in our local communities in order to attract, recruit and retain staff. The Workforce Development Team is actively engaged in supporting events and career fairs hosted by key partners including local schools, Blackpool Council and the department for Work and Pensions (DWP).

In September 2017, the Trust introduced the 'Health Academy' in partnership with St Mary's Catholic College to provide a vital pipeline of new talent in to the Trust helping develop our workforce of the future. During the first year of the academy 27 students were supported with one person taking an opportunity to join the 'Bench' with all the others progressing to university. Cohort 2 started in September 2018.

As well as the Health Academy, the Workforce Development Team also developed a Sector Based Work Academy, in partnership with Blackpool & the Fylde College and Jobcentre Plus, to support local unemployed residents back in the workplace. The programme has supported 18 people into employment in the first year, with 18 starting in Cohort 2 during August/September 2018.

The Trust continues to run a Nursing Cadet programme in partnership with Blackpool & the Fylde College, Lytham Sixth College and Blackpool Sixth Form College, aimed at preparing students to undertake undergraduate degrees at local universities, that we hope then return to the Trust as qualified practitioners in the future. All Cadets are offered a guaranteed interview with the Trust as Healthcare Assistants making this a vital pipeline of talent. During 2018 the programme supported 29 cadets.

The Workforce Development Team also manages a work experience programme that has supported 315 students from local schools and colleges in the last 12 months, that enable young people to make informed decisions about future careers within the sector.

The Trust also offers a broad range of apprenticeship programmes, that support both new recruitment and the development of existing staff, which supports our commitment to having a workforce that has the necessary skills to deliver a high quality service. Apprenticeship opportunities range from Intermediate Level through to Degree Level, with new programmes being introduced during the last 12 months including Nursing Associate. The apprenticeship programmes are delivered by a broad range of key partners that include, Blackpool & the Fylde College, the University of Central Lancashire, Trafford College and Estio Training. As part of National Apprenticeship Week 2018, the Trust held its first Apprenticeship Awards Ceremony recognising the achievements and contribution apprentices make to the Trust.

The Trust continues to provide placements for those who are potentially disadvantaged and are undertaking programmes with the Princes' Trust.

As well as investing in the youth, the Trust has also invested in other initiatives that support our social responsibilities and assist the Trust's recruitment challenges. We are currently working with the 2nd Battalion the Duke of Lancaster Regiment (Reservists) and 4th Battalion the Duke of Lancaster Regiment, the College of Veterans and Uniformed Services and Health Education England (HEE), to investigate how we can offer Military Veterans access into health sector employment on leaving the Armed Forces. The Trust has offered the opportunity of work experience for local service personnel leaving the Army.

The Trust continues to support existing staff to develop their literacy and numeracy skills by providing on site Maths and English lessons to achieve functional skills Level 2/GCSE.

Important Events affecting the Trust since 31st March 2019

Mrs Wendy Swift, Chief Executive of the Trust left the Organisation on 30th April 2019 and Mr Kevin McGee, Interim Chief Executive commenced on 1st May 2019.

The Trust is now subject to enforcement undertakings from NHSI outlined in a letter and signed by the Trust on the 25th April 2019. The enforcement undertakings are in relation to A&E waiting time targets, cancer 62-day targets and continuing to be an outlier within mortality performance.

The Council of Governors at their meeting on 14th May 2019, approved the removal of the Staff Constituency, Community Health Services (North Lancashire) from the Trust Constitution as these services had transferred to the University Hospitals of Morecambe Bay NHS Foundation Trust.

Overseas Operations

The Trust has no operations outside the United Kingdom.

Accountability Report

Directors' Report

Board of Directors

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

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

- Setting strategic aims and objectives, taking into account the views of the Council of Governors;
- Ensuring that robust assurance, governance and performance management arrangements are in place to deliver identified objectives;
- Ensuring the quality and safety of healthcare services, education, training and research and applying the principles and standards of robust clinical governance;
- Ensuring compliance with its Provider Licence, as laid down by Monitor (now NHS Improvement) and other relevant contractual or statutory obligations;
- Ensuring compliance with the Trust's Constitution, Standing Orders, Reservation of Powers & Scheme of Delegation, Standing Financial Instructions and Terms of Reference which set out the types of decisions that are required to be taken by the Board of Directors. The Reservation of Powers & Scheme of Delegation identifies those decisions that are reserved by the Board of Directors and those that can be delegated to its Board Committees, Committees and Trust Managers. The Constitution and the Reservation of Powers & Scheme of Delegation also describe which decisions are to be reserved for the Council of Governors.

The Board of Directors comprises eight voting Non-Executive Directors (NEDs) (including the Chairman) and five voting Executive Directors (EDs) (including the Chief Executive) and two non-voting Executive Directors. As a self-governing Foundation Trust, the Board of Directors has ultimate responsibility for the management of the Trust but is accountable for its stewardship to the Trust's Council of Governors and Foundation Trust Members. In addition, the Trust's performance is scrutinised by NHS Improvement and the Care Quality Commission.

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

- Attend Council of Governors meetings – the meetings are chaired by the Trust Chairman and there are at least two Non-Executive Directors present at each meeting and at least three Executive Directors attend the meetings including the Chief Executive;
- Attend meetings of the Membership Committee - one nominated Non-Executive Director attends meetings of the Membership Committee;
- Attend meetings of the Nominations Committee – the Senior Independent Director (NED) attends a least one meeting of the Nominations Committee on an annual basis.

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

- Attend, as observers, Board of Directors meetings held in public;
- Attend, as observers, committees of the Board, for example, Finance Committee, Quality Committee and Strategic Workforce & Transformation Committee;

- Attend service visits and formal patient safety walkabouts;
- Attend other Trust committees, for example, Charitable Funds Committee, Health Informatics Committee, Patient and Carer Experience & Involvement Committee.

The Non-Executive Directors are appointed by the Trust's Council of Governors and, under the terms of the Trust's Constitution, they must form the majority of the Directors.

Changes to the membership of the Board of Directors during 2018/19 were as follows:

- The appointment of Janet Barnsley (Interim Director of Planned Care) in April 2018;
- The resignation of Karen Crowshaw (Non-Executive Director) in May 2018;
- The appointment of Pearse Butler (Chairman) in June 2018;
- The resignation of Pat Oliver (Director of Operations) in July 2018;
- The resignation of Paul Renshaw (Interim Director of HR) in July 2018;
- The resignation of Alan Roff (Non-Executive Director) in August 2018;
- The appointment of Dr Jim Gardner (Non-Executive Director) in September 2018;
- The appointment of Kevin Moynes (Joint Director of HR & OD) in October 2018;
- The appointment of Berenice Groves (Interim Director of Urgent & Emergency Care) in October 2018;
- The resignation of Steve Finnigan (Non-Executive Director) in January 2019;
- The appointment of James Wilkie (Non-Executive Director) in February 2019;
- The appointment of Mark Beaton (Non-Executive Director) in February 2019.

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

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

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

Board of Directors' meetings have taken place in 2018/19 as follows:

- Formal Board Meetings in Public – 7;
- Confidential Board Meetings (Private/Extraordinary) – 7;
- Board Seminars – 2;
- Informal Board Meetings - 3.

There has been an amendment to the Committee Structure during the year with the disbandment of the Strategy & Assurance Committee and the introduction of Informal Board Meetings.

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

The two statutory committees are as follows:

- Audit Committee;
- Remuneration Committee.

The remaining three committees are as follows:

- Quality Committee;
- Finance Committee;
- Strategic Workforce & Transformation Committee.

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

behalf. The Charitable Funds Committee has been formally constituted by the Corporate Trustee with delegated responsibility to make and monitor arrangements for the control and management of the Trust's Charitable Fund and report to the meetings of the Corporate Trustee.

There have been four meetings of the Corporate Trustee during 2018/19.

Board Committees

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

Board Members	Board of Directors	Corporate Trustee	Audit Committee	Remunera-tion Committee	Strategy & Assurance Committee	Finance Committee	Quality Committee	Strategic Workforce and Transformation Committee
Number of Meetings	7	4	6	3	1	12	4	4
Karen Crowshaw (until 31.5.18)	2	N/A	N/A	N/A	N/A	1	1	N/A
Alan Roff (until 31.8.18)	3	1	N/A	1	1	N/A	2	N/A
Michael Hearty	6	2	6	2	0	N/A	4	N/A
Mark Cullinan	7	4	N/A	3	1	12	N/A	N/A
Mary Whyham	7	4	5	3	1	N/A	N/A	3
Keith Case	6	4	1**	2	1	10	N/A	N/A
Steve Finnigan (until 31.1.19)	5	2	5	3	1	N/A	N/A	4
Pearse Butler (from 25.6.18)	5	4	N/A	3	1	9	3	2
Dr Jim Gardner (from 1.9.18)	4	2	N/A	2	N/A	N/A	3	N/A
James Wilkie (from 1.2.19)	1	1	N/A	N/A	N/A	N/A	N/A	N/A
Mark Beaton (from 25.2.19)	1	1	N/A	N/A	N/A	N/A	N/A	N/A
Wendy Swift	7	4	3*****	N/A	1	12	4	3
Tim Bennett	7	4	6	N/A	1	10	1	N/A
Professor Mark O'Donnell	7	3	N/A	N/A	0	9	4	3
Pat Oliver (until 31.7.18)	2	1	1*	N/A	1	1	N/A	N/A
Marie Thompson	7	4	N/A	N/A	1	4	4	2
Paul Renshaw (until 31.7.18)	3	N/A	1*	N/A	1	1	N/A	2
Janet Barnsley	6	N/A	N/A	N/A	1	10	2	N/A
Berenice Groves (from 1.10.18)	5	N/A	N/A	N/A	1	5	N/A	N/A
Kevin Moynes (from 1.10.18	3	1	N/A	N/A	N/A	N/A	0	1

*:   required, upon request, to attend meetings for specific agenda items.
**:   attended as a deputy or an observer as part of the induction process.
***:   transferred to/from an alternative committee
****:   all Board members invited to attend
*****:   required to attend at least one Audit Committee Meeting per year to present the Annual Governance Statement.

The work of the Board statutory committees and Board committees is evaluated on an annual basis against agreed work plans and assurance reports are provided to the Board of Directors on a monthly or quarterly basis in respect of Audit, Finance, Quality and Strategic Workforce & Transformation.

The Corporate Assurance Department has undertaken a further review of the Terms of Reference of the Board of Directors and Board Committees to ensure alignment with the Reservations of Powers & Scheme of Delegation. The Board of Directors Terms of Reference Manual was submitted to the Board Committees in March/April 2019 and was approved by the Board of Directors in May 2019. The Terms of Reference will continue to be reviewed on a three yearly basis.

The Terms of Reference were reviewed in respect of the following:

- Board of Directors;
- Audit Committee;
- Quality Committee;
- Finance Committee;
- Strategic Workforce and Transformation Committee;
- Remuneration Committee;
- Corporate Trustee.

Board Composition and Profile

Pearse Butler (Chair)

Term of Office from 25.6.18 to 24.6.21 (First Term)

Experience:

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

Declarations of Interests:

- None

Karen Crowshaw (Non-Executive Director and Deputy Chairman)

Term of Office from 1.6.11 to 31.5.14 (First Term)
and from 1.6.14 to 31.5.17 (Second Term)
(term extended for a maximum of 12 months to 31.5.18 – resigned 31.5.18). Interim Chair from 1.4.18 to 31.5.18

Experience:

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

Declarations of Interests:

- Director - Crowshaw Consulting Limited
- Company Secretary - Erlsmere Management Company Ltd
- Trustee and Vice Chair – Curious Minds

Alan Roff (Non-Executive Director)

Term of Office from 1.12.11 to 30.11.14 (First Term)
and from 1.12.14 to 30.11.17 (Second Term)
(term extended for a maximum of 12 months to 30.11.18
– resigned 31.8.18))

Experience:
- Former Deputy Vice Chancellor of University of Central Lancashire
- Former Chair of North Regional Action Plan – European Regional Development Fund (ERDF)
- Former Chair of Lancashire Economic Partnership Board
- Former Chair of Preston Strategic Partnership Executive
- Former Council Member of North West Region Learning and Skills Council
- Former Board Member of North West Business Link
- Former Head of Computing Services, University of Central Lancashire (UCLAN)

Declarations of Interests:
- Former Employee - University of Central Lancashire
- Honorary Doctorate - University of Central Lancashire
- Member of Finance Committee – University of Salford

Michael Hearty (Non-Executive Director)

Term of Office from 1.4.16 to 31.3.19 (First Term)
and from 1.4.19 to 31.3.22 (Second Term)

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

Declarations of Interests:
- Interim Chair of the Audit Committee and Board Member - Public Health England
- Independent Advisor - Her Majesty's Revenue and Customs
- Director – MJRT Executive Ltd
- Board Member - Lancashire & South Cumbria STP

Blackpool Teaching Hospitals NHS Foundation Trust

Mark Cullinan (Non-Executive Director)

Term of Office from 1.7.16 to 30.6.19 (First Term)
and from 1.7.19 to 30.6.22 (Second Term)
Interim Chair from 1.6.18 to 24.6.18

Experience:
- 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 of Interests:
- Chair – Impact Housing Association, Cumbria
- Shareholder – Impact Housing
- Shareholder – Riverside Group Ltd Liverpool
- Trustee and Deputy Chair – St John's Hospice, Lancaster
- Chair – St John's Hospice Shops Board, Lancaster
- Trustee – Riverside Foundation Trust, Liverpool

Mary Whyham (Non-Executive Director)

Term of Office from 1.12.16 to 30.11.19 (First Term)

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

- **Declarations of Interests:**
- Trustee & Vice Chair – Parkinson's UK
- Chair – Blackpool Fylde & Wyre Parkinson's UK (until 4.3.19)
- Committee Member - Blackpool Fylde & Wyre Parkinson's UK (from 5.3.19)
- Governor – Singleton Church of England Primary School

Keith Case (Non-Executive Director)

Term of Office from 1.8.17 to 31.7.20 (First Term)

Experience:

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

Declarations of Interests:

- Chair – BFW Management Ltd (from 3.12.18)

Steve Finnigan (Non-Executive Director)

Term of Office from 1.8.17 to 31.7.20 (First Term) – resigned 31.1.19

Experience:

- Officer of Merseyside Police
- Chief Officer of Lancashire Constabulary
- Chief Constable of Lancashire Constabulary
- Honorary Fellow at University of Central Lancashire
- Visiting Business Fellow at Edge Hill University

Declarations of Interests:

- Professor of Policing Studies and Police Leadership – Liverpool John Moores University

Dr Jim Gardner (Non-Executive Director)

Term of Office from 1.9.18 to 31.8.21 (First Term)

- **Experience:**
- Deputy Head of the School of Medicine – University of Central Lancashire
- GP and Consultant – Helium Healthcare
- Trustee and Chair of the Care, Quality and Services Committee – St John's Hospice
- Group Medical Director – One Medical Group
- Medical Director – Lancashire Area Team, NHS England
- GP Partner – Captain French Lane Surgery

Declarations of Interests:
- Deputy Head of the School of Medicine – University of Central Lancashire
- Board Trustee – St John's Hospice, Lancaster
- Healthcare Partnership Network
- Helium Healthcare Ltd

James Wilkie (Non-Executive Director)

Term of Office from 1.2.19 to 31.1.22 (First Term)

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

Declarations of Interests:
- Secretary – Lancaster Civic Society
- Vice Chair – Lancaster Vision

Mark Beaton (Non-Executive Director)

Term of Office from 25.2.19 to 31.1.22 (First Term)

Experience:

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

Declarations of Interests:

- Shareholder - Accenture

Wendy Swift (Chief Executive)

Appointed in June 2017 - retired on 30.4.19

Experience:

- Former Interim Chief Executive of Blackpool Teaching Hospitals NHS Foundation Trust
- Former Deputy Chief Executive of Blackpool Teaching Hospitals NHS Foundation Trust
- Former Chief Executive of Blackpool Primary Care Trust
- Former Deputy Chief Executive of Blackpool Wyre and Fylde Community Health Services NHS Trust
- Former Director of Planning and Operations in East Lancashire Hospitals
- Extensive experience of working in Acute, Community and Primary Care Services

Declarations of Interests:

- Trustee/Director - Blackpool Football Club Community Trust
- Trustee/Director - Ashley Foundation

Tim Bennett (Deputy Chief Executive/Director of Finance & Performance)

Appointed in February 2016

Experience:

- Former Director of Finance & Performance at Blackpool Teaching Hospitals NHS Foundation Trust
- Former Director of Finance and Deputy Chief Executive at University Hospitals of Morecambe Bay NHS Foundation Trust
- Former Director in a Primary Care Trust
- Former Director in a large Health Authority.
- Former Chair of the Healthcare Financial Management Association (North West)
- Former Chairman of the student conference of the Finance Skills Development Association

Declarations of Interests:

- None

Professor Mark O'Donnell (Medical Director)

Appointed in April 2012

Experience:

- Consultant Physician in Stroke Medicine at Blackpool Teaching Hospitals NHS Trust.
- Former Consultant Physician in Care of the Elderly and General Internal Medicine at Blackpool, Fylde and Wyre Hospitals NHS Trust
- Former Clinical Director for Medicine at Blackpool, Fylde and Wyre Hospitals NHS Trust
- Former Trust Training Lead for Medical Specialties
- Former Clinical Lead – Lancashire & Cumbria Cardiac & Stroke Network

Declarations of Interests:

- Honorary Professor of Clinical Medicine – University of Buckingham
- Clinical Lead for Stroke – South Cumbria and Lancashire Integrated Care System

Pat Oliver (Director of Operations)

Appointed in April 2011 – retired 31.7.18

Experience:

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

Declarations of Interests:

- Stakeholder Director – BFW Management Ltd

Marie Thompson (Director of Nursing and Quality)

Appointed in February 2009

Experience:

- Registered General Nurse
- Over 30 years' experience in a variety of clinical, practice development and managerial roles
- Former Deputy Director of Nursing & Governance – Wrightington, Wigan & Leigh NHS FT
- Former Deputy Director of Nursing – East Lancashire Hospitals NHS Trust

Declarations of Interests:

- Non-Executive Director – Blackpool Coastal Housing

Paul Renshaw (Interim Director of Workforce) (non-voting)

Appointed in January 2018 – until 31.7.18

Experience:
- 30 years' experience as a human resources professional
- Extensive public and private sector experience as a Board member
- Former Executive Director of Organisational Development and Corporate Affairs – Salford Royal NHS Foundation Trust

Declarations of Interests:
- None

Janet Barnsley (Interim Director of Planned Care) (non-voting)

Secondment (from 1.4.18)

Experience:
- Former Director of Performance and Delivery at Blackpool Clinical Commissioning Group (currently on secondment to the Trust from this post)
- 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 of Interests:
- Secondment – Blackpool Clinical Commissioning Group
- Partner – Chief Finance Officer at Blackburn with Darwen Clinical Commissioning Group

Berenice Groves (Interim Director of Urgent & Emergency Care) (non-voting)

Appointed in October 2018

Experience:

- Qualified Paramedic with current registration
- 34 years NHS Experience
- Deputy Director of Commissioning – Durham and Darlington PCT
- National Head of Improvement – Emergency Care Intensive Support Team NHSI
- Director of Operations – South Tees NHS Foundation Trust

Declarations of Interests:

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

Kevin Moynes (Joint Director of HR & OD)

Appointed in October 2018

Experience:

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

Declarations of Interests:

- Director of HR & OD – East Lancashire Hospitals Trust
- Governor – Nelson & Colne College (until 1.2.18)
- Spouse – Very Senior Manager at Health Education England (HEE)

All existing members of the Board of Directors are voting members, with the exception of the Interim Director of Planned Care and the Interim Director of Urgent & Emergency Care.

Disclosures relating to NHS Improvement's Well-Led Framework Overview

The Trust commissioned Mersey Internal Audit Agency and the Advancing Quality Alliance to undertake a review of the Trust against Monitor's/ NHS Improvement's well-led framework in September 2016, which determined that the Trust

was "well led". In November 2017, the Trust was inspected by the CQC under the "well-led" domain and rated "Good".

Development of Services as a Foundation Trust

For detailed information on this section please refer to the Stakeholder Relations and New Services section on page 49 in the Annual Report.

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

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

For detailed information on the above see the Performance Report section of the Annual Report and section 3 of the Quality Report.

Stakeholder Relations and New Services

The Trust develops its services based on suggestions in patient /carer feedback and the Trust's Influence Panel. The Influence panel comprises of twenty members of the public, patients and carers who meet monthly to discuss Trust transformation projects. They offer their ideas to help us make patient centred improvements to the way we provide our services.

We also work closely with several external organisations to improve mutual understanding of what we do and deliver. This includes Healthwatch Blackpool and Lancashire, NVision, Blackpool Carer's, N-Compass and patient engagement teams in the ICS.

Partnership working with these during 2018/19 has included survey work as well as participation at trust events and workshops hosted by the Patient Experience Department. We have developed our Patient and Carer Involvement Strategy 2019-2022 and our staff engagement plans with these community groups.

We have established close working relationships with NHS England and NHSI colleagues as part of the successful work we doing around Always Events. Two members of staff at the Trust have been trained to mentor colleagues from other NHS organisations across England and are part of a national engagement network providing training in regional events.

Autism Services.

A service review was undertaken within year by the Intermediate Mental Health Team as a response to increasing referrals, waiting lists and lengths of treatments. The initial focus of this review being Autism diagnostic service and psychology service who had waiting lists in excess of eighteen months. Team members and commissioner identified how they could deliver an improved patient journey and communicated with other trusts to share pathways and best practise.

Services have been developed over the year to provide clearer referral pathways, information leaflets and there has been a significant improvement in reducing the numbers of people waiting 18 weeks. The ASD (Autism Spectrum Disorder) service has worked closely with National Autistic Society to ensure an established peer support/social inclusion group previously facilitated by the ASD service is now fully supported by the National Autistic Society. As the group runs on the site of the ASD service, drop in support is available from the team if needed, ensuring specialist input is available and this is now a fully functioning community group with peer volunteers from the ASD previous client base.

Smoking Cessation

Blackpool has the highest rate of smoking attributable hospital admissions in the whole of

England, at almost double the England average. Through partnership working and funding from Public Health Commissioners. A new smoking cessation service for in-patients at BVH, known as the In-patient Smoke-free Service, commenced in the latter part of 2018/19. In-patients who smoke are identified on admission and this information is recorded on the Trusts Patient Tracker System. This triggers a referral to the Stop Smoking Advisors who contact these patients and offer smoking cessation support, including nicotine replacement therapy (NRT). If applicable, patients are discharged with limited supply of NRT and offered follow-up contact and referral or signposting to community based stop smoking services.

Clifton Hospital Use of Technology

During 2018/19, the multidisciplinary team has developed the use of technology to enhance patient care and experience. This has resulted in a link remotely from the hospital to Trinity Hospice facilitating a virtual Ward Round across the hospital for patients supported by Fylde coast Palliative Care Services. Staff at all levels, patients and their families have benefited from discussion with a Specialist Palliative Care Nurse, advice around symptom management , alterations to medication agreed and actioned, and provision for the patient an opportunity to discuss their feelings, concerns and symptoms.

As a result of the success of the use of technology via the Vanguard Care Home Connect development, the hospital has explored ways of utilising remote care in other areas and is now developing links with over 104 Care / Nursing homes across Fylde Coast to facilitate patient assessments remotely, allocating a specific time to link up with a staff member, the patient and or relative as appropriate. The patient can also benefit from a virtual tour of the placement they are going to, may see their room, and facilities alleviating the element of stress and anxiety of moving to 24-hour care and the unknown. Care provider are benefiting through reduced travelling time and expenses, having one to one time with staff and patient therefore accessing pertinent current information and having the opportunity to put the prospective resident at ease. The Trust is seeing a positive impact on patient flow, reduced Length of Stay, improved patient experience and FFT feedback.

Health Visiting Transformation Project

The Transformation Project was delivered in partnership with Blackpool a Better Start and with input from some independent consultants, ReNew. In the service re-design there was consultation with a wide-range of stakeholders including service users and partner agencies.

The aim of the Health Visiting Transformation Project has been to improve the life chances of babies and children by delivering a significant increase in the use of preventative approaches in pregnancy and first three years of life by increasing the number of contacts to eight and reviewing content and methods. Through this transformation we are strengthening our therapeutic relationships with families, enabling parents to promote their child's health and development so that they are happy, healthy and ready to learn when they transfer to school. In particular we are working to improve children's social and emotional development, language, communication and health.

Part of this project has been to facilitate the service in becoming trauma informed. Health visitors have recently been trained to routinely enquire about Adverse Childhood Experiences (ACES). This will allow health visitors to affirm, validate and listen to parent's experiences of being parented during this critical period of transitioning into parenthood. Parents can reflect on their relationships, how they were parented themselves, and it is a time when they are most receptive to change.

Children Looked After Health Assessments

During 2018/2019, the Children Looked After (CLA) service have reviewed the Initial Health Assessments (IHAs) to adapt from paper form to electronic. This has enhanced the timeliness of the Paediatric Physician Associate receiving the electronic records including neonatal history and immunisations and social history prior to the assessment and ensures that the paper hospital records are reviewed and any past/current medical history are incorporated into the electronic system. Proformas for different age groups have been developed to support a standardisation of completing assessments. As a result of the changes

the time taken to complete an assessment has reduced so more IHAs can be completed during a clinical session whilst at the same time improving the quality of the assessments. Not only does the new standardised process ensure the assessment is completed thoroughly, the proforma directs the clinician to ensuring there is a focus on the "voice of the child" instead of spending a significant proportion of the clinic appointment looking through large amounts of paper and electronic records.

Diabetes Inpatient Specialist Nurse Service (DISN) & Foot Multi-Disciplinary Team (MDT) Service

During 2018, the Trust was successful in securing funding from NHSE for a DISN and Foot MDT Service which supported the recruitment of 2 DSN's, Podiatrists and a Dietician plus the necessary equipment and training packages required for our staff. Quality improvement changes have also been made to our e-referral system, resulting in accurate reporting, ability to identify training needs and improving treatment times for patients which has helped reduce length of stay. Working closely across acute and community services is providing a multidisciplinary team approach to support better outcomes for our patients demonstrated from data via our e-referral reporting system, patient surveys, National In Patient Diabetes Audit, feedback from link nurses on our wards that have been trained by our DSN's. Clinical leads and partners are working towards a community based Diabetes Service to provide in depth training for GP/Practice Nurses that will be supported by both Trust DSN's and their Consultant colleagues.

Emergency Department

The Emergency Department has made improvements and adopted systems to reduce the ambulance turnaround times. The Triage and Rapid Assessment and Treatment (RAT) areas have been separated to allow ambulance patients to be quickly assessed at triage and a decision on what area they require; "fit to sit" in the waiting room, require assessment area or require Rapid Assessment and Treatment which is Consultant led. The handover from North West Ambulance

Service (NWAS) to the triage nurse has been standardised and handover tools disseminated to both triage nurses and NWAS colleagues. Both of these initiatives have reduced the turnaround times of ambulances, which mean a better patient journey on admission to the department, efficient handover and access to a more timely assessment and treatment plan.

Oncology Inpatient Area

Following the review of patient feedback in relation to the Oncology Service, advising of poor patients' journeys due to patients being dispersed across the Organisation, a designated ward area has been developed over the last year to centralise all Oncology inpatients. Ward 3 opened, designated to Oncology patients in the Autumn of 2018, following a business case approval by the Executive Team. This has led to patients having a designated location, to spend their hospital stay, with access to specialist staff in a timely manner leading to enhanced patient experience. This service is supporting improvements to the Emergency Department access target through the streaming of appropriate patients and supporting the door to needle time for our patients suspected of having neutropenic sepsis.

Next steps in development is to increase the Oncology Day Case Unit further, to provide a triage and treatment area for our Oncology patients requiring urgent assessment and again improving the patient pathway through improved access to appropriately experienced staff in a more timely manner. This part of the development is being supported by the Cancer Alliance and both Rosemere Charity and Blue Skies are currently fund raising to support its delivery.

Improvements in Patient/Carer Information

The Trust has a comprehensive and extensive library of clinical information leaflets for patients and carers online, in the wards and clinics, and on the first floor of the main entrance at Victoria Hospital. In 2018/19, the Trust produced 18 information materials to assist patient and carers and help them to become responsible for their own health status. 83 patient information materials

were also updated or reviewed by individual services.

All Trust patient information continues to be reviewed by our Reader's Panel. Members of the panel have read or commented on 96 leaflets during 2018-19, so we know we are using the right words, in the right way to get our message across clearly. This Readers' Panel meet regularly to exchange information and encourage continued improvement for patient information.

During 2018/19, a new bedside folder was also made available for inpatients at every bedside at both Victoria Hospital and Clifton Hospital sites. The folder combines a large number of separate information sources into one easily accessible place. It includes a wide range of material from staff uniform and day-to-day life on the wards to bedside TVs and shop /café opening times. The information provided aims to ensure patients settle into a ward environment and ensure that they, their families and friends know how the hospitals work.

Patients who access Trust services continue to be asked about their language requirements and communication needs before they access our areas to ensure reasonable adjustments can be made. The Trust continues to use a national company, the Big Word, for language interpreting services for patients. During 2018/19, 1,168 face to face and 1,379 telephone interpreting sessions were booked with the Big Word. The most popular languages translated were Polish, Romanian, Cantonese, Urdu and Kurdish. There were 344 bookings made with the British Sign Language Company, Co-Sign, predominantly in the Outpatient areas.

In 2018/19, our local and national inpatient surveys highlighted that we could improve on the percentage of patients knowing the name of the member of staff caring for them. Badges were designed in consultation with our staff and patients as part of the NHS England Always Event programme and supporting the previous national hello my name is campaign. They were chosen to be bright yellow with large black writing to make them clear and easy to read for everyone including people with visual impairments. Ward and physiotherapy staff in Clifton Hospital are wearing these badges along with clinical nurse specialists in

Victoria Hospital. The plan is for them to be rolled out Trust wide by September 2019.

Complaints

The Patient Relations Team's role is to address, investigate and respond to informal concerns, general enquiries and formal complaints on behalf of the Trust's patients and their relatives. The Team managed 5,049 individual cases for the year 2018/19. 3,685 were general enquiries, and 777 were informal concerns.

The number of formal complaints received by the Team from April 2018 to March 2019 was 529 written complaints, a 19% increase from the previous year, with 58 e-complaints (dealt with at the point of service). The Trust supports the raising of informal concerns and formal complaints and the Team has attributed the rise in complaints received to improved reporting and also a reflection of challenges faced within the Organisation around elective and non elective pathways including rearranged outpatient appointments and waits for letters.

The Team identify areas of concerns or 'hot spots' to the appropriate lead and highlight when this is not a single occurrence to facilitate cohesive learning.

The Complaint Review Panel is an executive-led panel who meet with operational teams to discuss concerns and complaints. It is an important part of the complaint evaluation process. Whilst the format has changed during the time it has been in place the purpose of this panel is to retrospectively evaluate, challenge and improve the actions taken either in response to individual complaints or themes of complaints. The panel recognise that concerns and complaints are an important way of learning, and allows for opportunities to address 'hot spot' areas directly with the teams involved.

The Trust has seen a decline in the percentage of complaints that were responded to within 25-35 days. 68% of formal complaints were responded to within a 25-35 day timeframe, between April 2018 - March 2019, a 16% decrease from the previous year. Formal complaints are often complex. Due

to the complex nature and with the increase in case numbers both informally and formally the time to complete investigations has been affected.

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

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

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

Telephone: 01253 956856

Email: judith.oates@.nhs.net

Council of Governors Report

The Council of Governors was formed on 1st December 2007 in accordance with the NHS Act 2006 and the Trust's Constitution. The Council of Governors is responsible for representing the interests of NHS Foundation Trust Members and partner organisations in the local health economy.

The Council has the following three main roles:

i) **Advisory** – to communicate with the Board of Directors in respect of the views of members of the Trust and the wider community;

ii) **Guardianship** – to ensure that the Trust is operating in accordance with its Constitution and is compliant with its Provider Licence; and

iii) **Strategic** – to advise on a longer-term direction to help the Board effectively determine its policies.

The essence of these roles is elaborated on within the document entitled "Your Statutory Duties – A Reference Guide for NHS Foundation Trusts Governors" published by Monitor (now NHS Improvement). This document has been provided to all Governors.

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

- To appoint or remove the Chairman and other Non-Executive Directors.
  This duty was exercised during 2018/19
- To approve the appointment (by the Non-Executive Directors) of the Chief Executive.
  This duty was not exercised during 2018/19
- To decide the remuneration and allowances, and the other terms and conditions of office, of the Non-Executive Directors.
  This duty was exercised during 2018/19
- To appoint or remove the Foundation Trust's External Auditor.
  This duty was exercised during 2018/19.

- To appoint or remove any other External Auditor appointed to review and publish a report on any other aspect of the Foundation Trust's affairs.
  This duty was not exercised during 2018/19.
- To be presented with the Annual Accounts, any report of the External Auditor on the Annual Accounts and the Annual Report.
  This duty was exercised during 2018/19.
- 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 2018/19.
- To respond as appropriate when consulted by the Board of Directors in accordance with the Constitution.
  This duty was exercised during 2018/19.
- To undertake such functions as the Board of Directors shall from time to time request.
  This duty was exercised during 2018/19.
- To prepare, and from time to time review, the Foundation Trust's Membership Strategy and its policy for the composition of the Council of Governors and the composition of the Non-Executive Directors and, when appropriate, to make recommendations for the revision of the Trust's Constitution.
  This duty was not exercised during 2018/19.

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

In the event of there being unresolved concerns on the part of the Council of Governors, the Senior Independent Director (SID) has a vital role in intervening to resolve the issues of concern. Such circumstances could be in relation to the following:

- Chairman's performance;
- Where the relationship between the Chairman and Chief Executive is either too close or not sufficiently harmonious;

- Where the Foundation Trust's Strategy is not supported by the whole Board;
- Where key decisions are being made without reference to the Board;
- Where succession planning is being ignored.

The SID is a Non-Executive Director appointed by the Board of Directors as a whole, in consultation with the Nominations Committee of the Council of Governors, to undertake the role. The SID will be available to Foundation Trust Members and to Governors if they have concerns which, contact through the usual channels of the Chair, Chief Executive, Deputy Chief Executive/Director of Finance & Performance and Foundation Trust Secretary, has failed to resolve or where it would be inappropriate to use such channels.

During the year, the Council of Governors has formally approved a change to the Trust Constitution, namely a refresh of the Chair/NED recruitment process.

The Council of Governors now comprises a total of 29 Governors, including 16 Public Governors (elected from the constituencies of Blackpool, Fylde, Wyre and North West Counties, six Staff Governors (elected from the staff groups of Medical & Dental, Nursing & Midwifery, Clinical Support, Non-Clinical Support and Community Health Services (North Lancashire)) and seven Appointed Governors (from a range of key stakeholder organisations).

The initial Public Governors and Staff Governors were appointed in December 2007 for either two years or three years. All Public Governors are eligible for re-election at the end of their initial term of office for a further six years, i.e. two terms of office, however, they are not eligible for subsequent re-election, i.e. in excess of nine years.

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

Composition of the Council of Governors

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

APPOINTED GOVERNORS	ROLE
Principal Local Councils – 2: Blackpool Council Lancashire County Council	To represent key local non-NHS Local Health Economy partners.
Principal Universities – 4*: University of Central Lancashire* University of Lancaster* University of Liverpool University of Buckingham	To ensure strong teaching and research partnership and to represent other University interests.
Lancashire Care Foundation Trust - 1	To engage and assist the Trust in identifying the needs of the local community.
Local College or School Representative – 1	To engage and assist the Trust in dialogue with the younger catchment population.
Blackpool Carers Centre – 1 (VACANT)	To engage and assist the Trust in identifying the needs of the local community.
Total Appointed Governors – 7	

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

ELECTED STAFF GOVERNORS	ROLE
Class 1 – Medical & Dental – 1	To assist the Trust in developing its services and ensure active representation from those who deliver the services.
Class 2 - Nursing & Midwifery – 2	As above.
Class 3 - Clinical Support Staff – 1	As above.
Class 4 - Non-Clinical Staff – 1	As above.
Class 5 – Community Health Services (North Lancashire) – 1 (VACANT)	As above.
Total Elected Staff Governors – 6	

ELECTED PUBLIC GOVERNORS To represent:-	ROLE
Area 1 - Blackpool – 8	To represent patients who are resident in Blackpool.
Area 2 - Wyre – 4 - (1 VACANCY)	To represent patients who are resident in Wyre.
Area 3 - Fylde – 3	To represent patients who are resident in Fylde.
Area 4 - North West Counties – 1 (VACANT)	To represent patients who are resident in the wider environs of Cumbria and Lancashire.
Total Elected Public Governors – 16	

TOTAL MEMBERSHIP OF COUNCIL OF GOVERNORS
Appointed Governors (nominated) – 7
Staff Governors (elected) – 6
Public Governors (elected) – 16
Total membership of Council of Governors – 29

A by-election to the Council of Governors took place during 2018/19 as follows:

Public Governors:

Wyre Constituency
Christina McKenzie-Townsend (newly elected)

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

There is currently one Appointed Governor vacancy, two Public Governor vacancies and one Staff Governor vacancy.

The next elections to the Council of Governors will take place in August 2019.

Membership of the Council of Governors

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

Name	Constituency/Organisation
George Holden	Blackpool
Adele DeVito	Blackpool
Zacky Hameed**	Blackpool
Camilla Hardy	Blackpool
Patricia Roche	Blackpool
Robert Hudson**	Blackpool
Heather O'Hara**	Blackpool
Beverley Clark**	Blackpool
Graham Stuart	Fylde
Anthony Winter**	Fylde
Sheila Jefferson	Fylde
Betty Ray*** (until 12th February 2019)	Wyre
Christina McKenzie-Townsend* (from 16th October 2018)	Wyre
Sue Crouch**	Wyre
Ian Owen**	Wyre
Reverend David Crouchley**/*** (until 29th January 2019)	North West Counties
Dr Ranjit More	Medical and Dental
Sharon Vickers**	Nursing and Midwifery
Peter Farrington	Nursing and Midwifery
Tina Daniels	Non-Clinical Support
Jennifer Gavin**	Clinical Support
Michael Phillips**/*** (until 1st October 2018)	Community Health Services (North Lancashire)
Councillor Martin Mitchell**	Blackpool Council
Cllr Charles Edwards* (from 2nd November 2018)	Lancashire County Council
Steve Winterson*** (until 7th June 2018)	Lancashire Care NHS Foundation Trust
Paul Bibby* (from 24th August 2018)	Lancashire Care NHS Foundation Trust
Dr Deborah Kenny**	University of Central Lancashire
Margaret Bamforth* (from 2nd November 2018)	Local College/ School Representative
Dr Amelia Hunt	Lancaster University
Michelle Smith*** (until 13th December 2018)	Blackpool Carers Centre

*Elected or appointed in 2018/19
**Due for re-appointment/re-election in 2019/20
***Resigned from the Council of Governors in 2018/19

Meetings of the Council of Governors took place on the following dates in 2018/19:

- 25th April 2018;
- 18th May 2018 (Extraordinary Meeting);
- 31st May 2018 (Extraordinary Meeting);
- 26th June 2018 (Extraordinary Meeting);
- 25th July 2018;
- 7th November 2018 (changed from 31st October 2018);
- 17th January 2019 (Extraordinary Meeting);
- 6th February 2019.

The Chief Executive, Deputy Chief Executive/ Director of Finance & Performance and Director of Operations (until July 2018), Interim Director of Planned Care (from 1st April 2018) and the Interim Director of Urgent & Emergency Care (from October 2018) routinely attend meetings of the Council of Governors. Attendance of the remaining Executive Directors is organised on a rotational basis. The Non-Executive Directors continue to attend the Council of Governors meetings on a rotational basis.

During 2018/19, the Council of Governors received regular assurance reports/updates from the Chief Executive plus regular strategic, finance, performance and membership reports.

The "Select Committee" format continued during 2018/19, which allowed Governors to challenge and hold the Non-Executive Directors to account in monitoring the Trust's affairs and, in particular, to obtain assurance from the Board Committee Chairs. At their meeting on 7th November 2018, the Governors agreed this format be renamed to 'Board Committee Feedback'.

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

- Chairman's and Non-Executive Directors' Appraisals/Objectives/ Remuneration;
- Payment of Expenses to Chair and Non-Executive Directors;
- Chair and Non-Executive Recruitment Updates;
- Board of Directors Strategy Away Day;
- Elective Surgery Update;
- Chair's Updates;

- Governors Declarations - Fit and Proper Persons Test, Interests, Gifts and Hospitality;
- CQC Inspection Update;
- Information Governance Mandatory Training;
- Annual Members Meeting 2018/19 – Draft Minutes;
- Annual Report & Accounts;
- Quality Accounts;
- Financial Statements Audit & Quality Accounts Review (Pricewaterhouse Coopers) (PwC);
- Patient Experience;
- Winter Planning;
- BFW Management Ltd Update;
- Trust Constitution Update;
- Non-Executive Directors Terms of Office Extensions;
- North West Governors Forum;
- Governors Strategic Focus Group Terms of Reference;
- Governor Training;
- Governor Election;
- Provision of External Audit Services.

The Governors Strategic Focus Group continued to be actively involved in the strategic direction of the Trust and meetings took place as follows:

- 12th April 2018;
- 3rd July 2018;
- 3rd January 2019.

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

- Board Meetings held in Public (attendance as observers);
- Board Committees – Finance, Quality and Strategic Workforce (attendance as observers);
- Nominations Committee;
- Membership Committee;
- Governors' Informal Meetings;
- Governors' Sub-Group (Annual Report & Accounts and Quality Report 2018/19);
- Charitable Funds Committee;
- Operational Workforce Committee;
- Health Informatics Committee;

- Patient-Led Assessment of the Care Environment Committee;
- Patient and Carer Experience and Involvement Committee;
- Dementia Advisory Board;
- Equality, Diversity and Inclusion Committee;
- Learning from Incidents and Risks Committee (LIRC);
- Governors Strategic Focus Group;
- Bereavement Committee;
- Voluntary Services Committee;
- Formal Patient Safety Walkabouts;
- Governor Visiting Programme;
- Celebrating Success Awards Judging Panel;
- Fylde Coast NHS Health Event and Annual Meetings;
- NHSI Patient Experience Framework Workshop.

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

- NHS Providers Governor Focus Conference;
- North West Governors Forum.

During 2018/19, the Council of Governors continued with the work of the following two Task and Finish Groups:-

- Trust Constitution;
- Training and Development.

The Council of Governors placed the work of the Governor Elections Task and Finish Group on hold due to the large number of meetings in relation to the Chair and Non-Executive Director appointments.

Governor Attendance at Council of Governors Meetings:

Governors	Number of Meetings (4)
George Holden	2
Adele DeVito	4
Zacky Hameed	4
Camilla Hardy	3
Patricia Roche	3
Heather O'Hara	4
Beverley Clark	4
Robert Hudson	1
Graham Stuart	3
Sheila Jefferson	3
Tony Winter	2
Ian Owen	4
Sue Crouch	4
Betty Ray* (until 12th February 2019)	1
Reverend David Crouchley* (until 29th January 2019)	1
Christina McKenzie-Townsend*	1
Dr Ranjit More	2
Sharon Vickers	1
Peter Farrington	2
Jenny Gavin	3
Tina Daniels	3
Michael Phillips* (until 1st October 2018)	2
Councillor Martin Mitchell	3
Steve Winterson* (until 7th June 2018)	1
Dr Amelia Hunt	2
Michelle Smith* (until 13th December 2018)	1
Dr Debbie Kenny	1
Margaret Bamforth* (from 2nd November 2018)	2
Cllr Charles Edwards* (from 2nd November 2018)	2
Paul Bibby* (from 24th August 2018)	2

*resigned from, or joined, the Council during 2018/19

Board of Directors Attendance at Council of Governors Meetings:

Board of Directors	Number of Meetings (4)
Mr Pearse Butler** (from 25th June 2018)	3
Mrs Karen Crowshaw*/** (until 31st May 2018)	1
Mr Alan Roff*/** (until 31st August 2018)	2
Mr Keith Case*	0
Mr Steve Finnigan*/** (until 31st January 2019)	1
Mr Michael Hearty*	2
Mr Mark Cullinan*	2
Mrs Mary Whyham*	2
Dr Jim Gardner*/** (from 1st September 2018)	1
Mr James Wilkie*/** (from 1st February 2019)	0
Mr Mark Beaton*/** (from 25th February 2019)	0
Mrs Wendy Swift	3
Mr Tim Bennett	4
Professor Mark O'Donnell***	0
Mrs Pat Oliver** (from 31st July 2018)	1
Mrs Marie Thompson***	0
Mrs Janet Barnsley** (from 1st April 2018)	1
Mrs Berenice Groves** (from 1st October 2018)	1
Mr Paul Renshaw** (until 31st July 2018)	1
Mr Kevin Moynes**/*** (from 1st October 2018)	0

*NEDs attend at least one meeting per year (where possible)
**resigned from, or appointed to, the Board during 2018/19
***EDs attended as required.

Council of Governors – Statutory Committees

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

Governor Attendance at Nominations Committee Meetings:

Committee Members (7)	Number of Meetings (7)
Steve Winterson* – Appointed Governor (Lancashire Care NHS Foundation Trust) (until 7th June 2018)	1
Camilla Hardy – Elected Governor (Blackpool Constituency)	6
Sue Crouch – Elected Governor (Wyre Constituency) (from November 2017)	4
Mr George Holden – Elected Public Governor (Blackpool Constituency)	3
Mrs Pat Roche – Elected Public Governor (Blackpool Constituency)	2
Mr Tony Winter – Elected Public Governor (Fylde Constituency)	3
Miss Tina Daniels – Elected Staff Governor (Non-Clinical Support Constituency)	3
Councillor Martin Mitchell – Appointed Governor (Blackpool Council)	2

*resigned from, or joined, the Council during 2018/19

Governor Attendance at Membership Committee Meetings:

Committee Members (11)	Number of Meetings (3)
Ian Owen (Chair)	2
Margaret Bamforth (from 2nd November 2018)	1
David Crouchley* (until January 2019)	0
Zacky Hameed	3
Sheila Jefferson	3
Patricia Roche	1
Sharon Vickers	1
Tina Daniels	2
Robert Hudson	0
Heather O'Hara	2
Michelle Smith* (until December 2018)	0
Beverley Clark	2

resigned from, or joined, the Council during 2018/19

Nominations Committee Report

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

The membership of the Nominations Committee was revised in October 2018 and now comprises the Trust Chairman (Chair of the Committee) and seven Governors (five Public Governors, one Staff Governor and one Appointed Governor).

Membership of the Nominations Committee:

Mrs Karen Crowshaw – Interim Chairman (from 1st April 2018 until 31st May 2018);
Mr Pearse Butler – Trust Chairman (Chair) (from 25th June 2018);
Mrs Sue Crouch – Elected Public Governor (Wyre Constituency) ;
Mrs Camilla Hardy – Elected Public Governor (Blackpool Constituency) ;
Mr Steve Winterson – Appointed Governor (Lancashire Care NHS Foundation Trust) (until 7th June 2018);
Mr George Holden – Elected Public Governor (Blackpool Constituency) (from October 2018);
Mrs Pat Roche – Elected Public Governor (Blackpool Constituency) (from October 2018);
Mr Tony Winter – Elected Public Governor (Fylde Constituency) (from October 2018);
Miss Tina Daniels – Elected Staff Governor (Non-Clinical Support Constituency) (from October 2018);
Councillor Martin Mitchell – Appointed Governor (Blackpool Council) (from October 2018).

There have been seven meetings of the Nominations Committee during 2018/19.

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 Chairman and Non-Executive Directors Policy' for Non –Executive Directors.

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

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

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

To decide whether to psychometric test candidates.

To approve the Longlist and Shortlist of Candidates (not more than five for each vacancy) which will be 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.

- Chairman 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 Chairman and Non-Executive Directors:-

To recommend salary arrangements and related terms and conditions for the Trust Chairman 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 Chairman, which will be led by the Senior Independent Director.

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

To 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 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 currently stands at 4,931 as of 31st March 2019 (5,114 : 2018). A total of 29 members have been recruited, with 212 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 decreased over the year. The Trust's staff membership currently stands at 7,178 following a full refresh of staff data in March 2019 (7,177 : 2018).

Membership Report 1st April 2018 to 31st March 2019

Public constituency	
As at start (1st April 2018)	5,114
New Members	29
Members leaving	212
At year end (31st March 2019)	4,931

Staff constituency	
As at start (1st April 2018)	8,964
New Members	1,270
Members leaving	3,056
At year end (31st March 2019)	7,178

Public constituency Age(years)**:	Number of members
0 - 11	0
12 - 15	4
16 - 21	190
22+	4,175

Ethnicity**:	
White	3,699
Mixed	16
Asian or Asian British	70
Black or Black British	12
Other	0

Socio-economic groupings **:	
AB	1,279
C1	1,450
C2	1,090
DE	1,102

Gender analysis**:	
Male	2,292
Female	2,543

*The dates reflect data from the 1st April 2018 to 31st March 2019.

** Due to members opting not to disclose this information, the figures will not reflect the total Trust membership, therefore, this analysis excludes: 658 public members with no dates of birth; 1134 members with no stated ethnicity; and 96 members with no gender.

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 developments, seminars and events at the Trust;
- Use of the Trust's Twitter social network page to attract new members (the Trust has over 8,700 followers);
- Continuation of the Youth Health Leaders Project, which is now within 11 local schools. A third open day was held on site at Blackpool Victoria Hospital on 5th October 2018;
- One Volunteer who helps with membership engagement;
- A dedicated Membership and Governors Officer who acts as a link between the members, Council of Governors and the Trust;
- A dedicated membership email address:- **bfwh.members@nhs.net** and telephone line on 01253 956673.

Retention of Members

The Trust recognises the importance of having a representative membership and has continued through the work of the Membership Committee to focus on ways of improving engagement with existing members and ways to engage with the under-represented groups. The Membership Committee continues to work on developing those areas identified in the Membership Strategy as development areas:

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

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

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

The following initiatives have taken place over the last year to retain our existing members:

• Improved links have been made with the Voluntary Services Department in order to link up with health care events and joint working;

• By listening to members feedback we have been able to offer health seminars on topics suggested by members;

• The Trust's members magazine "Your Health" keeps members up-to-date with events and developments at the Trust;

• Members are able to contact the Membership Office with any queries or ideas via a dedicated membership hotline and email address;

• All members were invited to the Annual Members' Meeting in September 2018, a joint formal meeting between the local CCGs and the Trust, to discuss developments, future services, membership, healthcare across the wider health economy and joint working partnerships;

• Members are kept up-to-date with any fundraising activities taking place across the Trust.

Membership Representation

The Trust recognises that in certain areas, such as younger people and diversity, it still remains under-represented, however, working with Victoria's Voice and supporting the Youth Health Leaders project, the Trust is trying to engage more young people. The Trust will continue to work on recruiting from ethnic minority groups by utilising the skills and knowledge of the newly appointed Lead Champion for Diversity. On addressing these issues we will continue to improve our engagement with new and existing members and use their skills and knowledge to add value to the services the Trust offers across the whole community which we serve.

Cost Allocation and Charging Guidance

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

Better Payment Practice Code

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

Income Disclosures

For detailed information on this section please refer to the Financial Performance Review section on page 28.

Quality Governance Framework

Quality Governance provides a framework for organisations and individuals to ensure the delivery of safe, effective and high quality healthcare. Its purpose is to help organisations monitor, develop and improve standards of care through a combination of structures and processes, at Divisional up to Board level, and supports the Trust to ensure quality performance and required standards are achieved. Quality Governance requires the Board to have the necessary leadership, skills and knowledge to ensure delivery of the quality agenda and through this the Board should promote a quality focused culture throughout the Trust.

The Trust is regulated by the Care Quality Commission (CQC) and engages with the CQC to ensure our services provide people with safe, effective, compassionate and high-quality care. The key lines of enquiry and standards the CQC monitor the Trust on that underpin the Trusts Governance Framework are:-

- **Safe** – patients protected from abuse and avoidable harm;
- **Effective** – care and treatment achieves good outcomes and promotes good quality of life and is evidence based, where possible;
- **Caring** – patients involved and treated with compassion, kindness, dignity and respect
- **Responsive** – services organised to meet patients' needs;
- **Well-led** – leadership, management and governance assure the delivery of high-quality patient-centred care, supports learning and innovation and promotes an open and fair culture.

Quality Performance Review

The Trust continues to be committed to patient safety and the delivery of high quality care and recognises the need for a robust governance framework to be in place to support staff to deliver safe and effective care. Clinical governance and patient safety is embedded within the Divisions of the Trust who have a nominated Senior Lead Nurse, supported by a Quality Manager, to oversee

governance arrangements and report compliance on agreed standards both set locally and externally by the CQC and NHSI at monthly Divisional Performance Boards with Executive Directors. To facilitate the development of safety and quality initiatives, we continue to review and monitor the implementation of NICE guidance standards and National Confidential Enquiry reports and participate in National Audits to ensure ongoing learning and development is implemented to promote safe care within best practice guidelines. This is monitored, through the Trust's monthly integrated reporting mechanism, by Quality Committee and assurance is provided through this Committee to the Board on compliance with national standards and guidance.

The Quality Committee is authorised by the Board to oversee quality activities within the scope of its Terms of Reference, including the monitoring of the delivery of the Quality Strategy and processes for assuring and delivering quality across the Organisation. The Quality Committee has overseen the implementation of year three of the Trust's three year Quality Strategy, which was developed to set out our ambition to provide the best patient care that is informed, timely and safe. The three year strategy aims to support the implementation of effective interventions to ensure care is safe and that care provided is as positive an experience for our patients as possible. The purpose of the Strategy is to support the delivery of the Organisation's vision, values, quality goals and strategic objectives. The Strategy closely supports the Trust's overall Strategy by identifying and prioritising delivery of specified key improvements in three quality and safety domains "informed", "timely" and "safe". Each of which has two goals providing a clear view of what our quality and safety priorities are and measures have been set to monitor progress against each goal.

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

The Quality Strategy supports the Trust to provide compliance against the care standards set by the CQC. The Trust was inspected by the CQC in November and December 2017, which resulted in an overall "Requires Improvement" rating. The published report in March 2018 noted 12 areas of action under four regulated activities and some other areas identified for the Trust to review. Action plans developed to address the regulated activity and the other areas identified for review have been monitored by the Quality Committee and at CQC Quarterly Engagement Meetings throughout 2018/19. The regulated activity actions have also been monitored through the Fylde Coast Executive Steering Group.

The Trust has an agreed quality contract with local commissioners with agreed key performance indicators that reflect national and local key health care targets, including agreed CQUIN requirements. Progress within performance, against the indicators within the quality contract, are monitored on a monthly basis with commissioners at a formal Quality Review Board where key quality improvements are also tabled and priority areas for development agreed.

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

Blackpool Teaching Hospitals NHS Foundation Trust received notification from NHS Improvement of quality and target breaches in relation to national outlier for Mortality indices, A&E maximum waiting time target breaches, none delivery of cancer 62-day target and a deteriorating position in CQC ratings for Urgent and Emergency Services.

Partnerships and alliances with local organisations and stakeholders have supported the Trust to facilitate the delivery of improved healthcare through the development of services and care provision. Some examples of 2018/19 service improvements facilitated across the Organisation are shared on page 49 and further examples of Trust-wide processes implemented to support overall quality and safety improvements are noted in the Quality Account section of the Annual Report.

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.

Blackpool Teaching Hospitals NHS Foundation Trust

Remuneration Committee Report

Annual Statement on Remuneration by the Chair of the Remuneration Committee

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

Senior Managers' Remuneration Policy

Future Policy Table

Element	Purpose and link to strategic objectives	Operation	Maximum opportunity	Performance metrics
Base salary	• Provides fixed remuneration for the role which reflect the size and scope of the Director/Snr managers responsibilities • Attracts and retains the talent necessary to deliver the Trust's strategy	• Salaries are paid monthly and are reviewed annually via the Remuneration Committee • Consideration is given to the size and scope of responsibilities; performance and experience; typical pay levels for comparable roles in similar Trusts	• Current salaries are disclosed on page 75 • Increases are normally in line with the national increases implemented for other staff groups	• Through achievement of agreed individual and corporate performance objectives
Retirement benefits	• Provides competitive post-retirement benefits • Attracts and retains the talent necessary to deliver the Trust's strategy	• Membership of the NHS Pension Scheme • Includes range of benefits e.g. life insurance	• Pension Contribution rates are defined in the NHS Pension Scheme rules, the employer contributes 14.3% of pensionable earnings (see page 75)	None

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

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

Following guidance from NHS Improvement 2018/19 annual pay increase recommendation for very senior managers (19th December 2018), all senior managers and Directors received a £2,075 uplift with the exclusion of the Medical Director, as he had received an uplift within his clinical component which is remunerated on an annual basis via the DDRB.

All Employees on Agenda for Change (AfC) pay rates received a pay award on 1st April 2018, All Employees on Medical and Dental terms and conditions received a pay award on 8th October 2018.

In 2018/19, the Chief Executive and Medical Director salaries are above the £150,000 threshold. This was based upon current market rates and externally benchmarked.

The Chief Executive salary is in the lower quartile percentage for Chief Executive Pay and the Medical Directors salary in the upper quartile percentage for Medical Directors.

Service Contracts Obligations

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

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

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

Policy on Payment for Loss of Office

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

Any payments for loss of office due to redundancy would be in line with the national scheme in operation at the time. There is no alternative scheme in place for the Directors or Senior Managers. Redundancy payments are currently calculated on a month's pay for every year of service up to a maximum of two years' pay and additional pension contributions are made for those staff over 50 years of age. New regulations governing public sector exit payments which were expected to be in force in Spring 2017 are yet to be implemented, consultation is currently in place and concludes July 2019.. Although we understand that it is still the government's intention to bring them into force, there is still no date for their implementation. These changes will cap exit payments at £95,000 and introduce a repayment rule for redundancy payments over £80,000 where the employee returns to other public sector employment. Additional changes will reduce the calculation for redundancy pay to three weeks' pay for every year of service up to a maximum of 15 months and a taper on any lump sums.

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

Statement of Consideration of Employment Conditions elsewhere in the Foundation Trust

The Trust offers the same package of benefits to all staff in terms of basic salary, NHS pension scheme benefits and access to the child care vouchers and lease car scheme/car allowance. There are no additional payments made to Directors and Senior Managers. Changes to HMRC legislation came into effect on 6th April 2017, which meant that the tax and national insurance contributions advantages where benefits are provided through arrangements under which the employee gives up the right to an amount of earnings in return for a benefit are largely withdrawn. This has been incorporated into our salary sacrifice schemes and any new schemes started from April 2017 are in line with the revised legislation.

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

The salary scale for Directors is based upon current market rates and is externally benchmarked. The Committee has utilised the annual remuneration survey undertaken by NHS Providers. The latest survey published indicates that in Foundation Trusts the median salary for a Chief Executive is £180,000 with the median salary for Directors ranging from £105,000 to £140,000.

The salary scale for Senior Managers is reflective of Bands 8b to Band 9 in AfC. The pay of Directors and Senior Managers is dependent on assessment of their performance through the annual appraisal process. Directors and Senior Managers will have agreed objectives and performance against these will form part of their appraisal. Any pay award would be subject to a satisfactory appraisal. This is also in line with staff employed under AfC terms and conditions where annual progression through the incremental scale is subject to satisfactory performance. This approach to pay progression is contained in the Trust's Appraisal Policy.

Annual Report on Remuneration

Service Contracts

For full details please refer to the Board Composition and Profile section of this report on page 39.

Single Total Figure Table 2018/19

(The following table has been subject to audit)

Senior Manager	2018/19						
	Salary & Fees (bands of £5,000)	Taxable Benefits £'000	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)
P Butler - Chairman (From 25 June 2018)	35 - 40	-	-	-	-	-	35 - 40
W Swift - Chief Executive	155 - 160	-	-	-	20 - 22.5	-	175 - 180
T Bennett - Deputy Chief Executive/Director of Finance and Performance	145 - 150	-	-	-	182.5 - 185	-	330 - 335
P Oliver - Director of Operations (To July 2018)	40 - 45	-	-	-	-	-	40 - 45
M O'Donnell - Medical Director *	230 - 235	-	-	-	35 - 37.5	-	265 - 270
B Groves - Interim Director of Operation for Unscheduled & Emergency Care (From 1 October 2018)	100 - 105	-	-	-	32.5 - 35	-	135 - 140
J Barnsley - Interim Director of Planned Care (From 1 April 2018)	100 - 105	-	-	-	7.5 - 10	-	110 - 115
P Renshaw - Director of Workforce (To 31 July 2018)	65 - 70	-	-	-	-	-	65 - 70
K Moynes - Joint Director of HR & OD (From 1 October 2018) **	25 - 30	-	-	-	25 - 27.5	-	50 - 55
M Thompson - Director of Nursing and Quality	135 - 140	-	-	-	17.5 - 20	-	155 - 160
M Whyham - Non Executive	10 - 15	-	-	-	-	-	10 - 15
M Hearty - Non Executive	15 - 20	-	-	-	-	-	15 - 20
M Cullinan - Non Executive	15 - 20	-	-	-	-	-	15 - 20
K Crowshaw - Non Executive (To 31 May 2018)	0 - 5	-	-	-	-	-	0 - 5
A Roff - Non Executive (To 31 August 2018)	5 - 10	-	-	-	-	-	5 - 10
S Finnigan - Non Executive (To 31 January 2019)	10 - 15	-	-	-	-	-	10 - 15
J Gardner - Non Executive (From 1 September 2018)	5 - 10	-	-	-	-	-	5 - 10
J Wilkie - Non Executive (From 1 February 2019)	0 - 5	-	-	-	-	-	0 - 5
M Beaton - Non Executive (From 25 February 2019)	0 - 5	-	-	-	-	-	0 - 5
K Case - Non Executive	10 - 15	-	-	-	-	-	10 - 15

Figures are inclusive of Medical Director's Consultant salary
**Kevin Moynes is employed by East Lancashire Hospitals NHS Trust, and has worked for Blackpool Teaching Hospitals NHS Foundation Trust for 2 days per week since 1 October 2018. The figures in the above table represent costs attributable to his work for this Trust only.*

Single Total Figure Table 2017/18

(The following table has been subject to audit)

Senior Manager	Salary & Fees (bands of £5,000)	Taxable Benefits £'000	Annual Performance related bonuses (bands of £5,000)	Long-trem performance-related bonuses (bands of £5,000)	Pension-related benefits (bands of £2,500)	Loss of Office (bands of £5,000)	Total (bands of £5,000)
I Johnson - Chairman	45 - 50	-	-	-	-	-	45 - 50
W Swift - Chief Executive	150 - 155	-	-	-	37.5 - 40	-	190 - 195
T Bennett - Deputy Chief Executive/Director of Finance and Performance	145 - 150	-	-	-	-	-	145 - 150
P Oliver - Director of Operations	120 - 125	-	-	-	27.5 - 30	-	150 - 155
M O'Donnell - Medical Director*	230 - 235	-	-	-	47.5 - 50	-	275 - 280
M Thompson - Director of Nursing and Quality	130 - 135	-	-	-	30 - 32.5	-	165 - 170
N Ingham - Director of Workforce & Organisational Development (Left 31st May 2017)	15 - 20	-	-	-	-	-	15 - 20
D Garrett - Non Executive (Left 31st May 17)	0 - 5	-	-	-	-	-	0 - 5
M McillMurray - Non Executive (Left 31st Jul 2017)	0 - 5	-	-	-	-	-	0 - 5
M Whyham - Non Executive	10 - 15	-	-	-	-	-	10 - 15
M Hearty - Non Executive	15 - 20	-	-	-	-	-	15 - 20
M Cullinan - Non Executive	10 - 15	-	-	-	-	-	10 - 15
K Crowshaw - Non Executive	10 - 15	-	-	-	-	-	10 - 15
A Roff - Non Executive	10 - 15	-	-	-	-	-	10 - 15
S Finnigan - Non Executive (From 1st Aug 2017)	5 - 10	-	-	-	-	-	5 - 10
K Case - Non Executive (From 1st Aug 2017)	5 - 10	-	-	-	-	-	5 - 10
P Renshaw - Interim Director of Workforce (From 26th Jan 2018)	20 - 25	-	-	-	-	-	20 - 25
J Bate - Interim Director of People (From 1st Oct 2017 - 23rd Nov 2017)	30 - 35	-	-	-	-	-	30 - 35

figures are inclusive of Medical Director's Consultant salary

No directors or senior managers of the Trust have received non cash benefits as part of their remuneration package in 2018/19 (2017/18: Nil). During 2018/19 no compensation payments were made to directors for loss of office (2016/17: Nil).

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

Pat Oliver, Director of Operations held a Stakeholder Director post at BFW Management Ltd, a wholly owned subsidiary company of the Trust which ended on 31st July 2018.

Table of Salary and Pension Entitlements of Senior

(The following table has been subject to audit)

Name and title	Real increase in pension at pension age (bands of £2500)	Real increase in pension lump sum at pension age (bands of £2500) £000	Total accrued pension at pension age 31st March 2019 (bands of £5000) £000	Lump sum at pension age related to accrued pension at 31st March 2019 (bands of £5000) £000	Cash Equivalent Transfer Value at 1st April 2018 £000	Real Increase in Cash Equivalent Transfer Value £000	Cash Equivalent Transfer Value at 31st March 2019 £000	Employer's contribution to stakeholder pension £000
W Swift - Chief Executive	(2.5) - (0)	(2.5) - (0)	75 - 80	225 - 230	0	0	0	23
T Bennett - Deputy Chief Executive/Director of Finance and Performance	7.5 - 10	(5) - (2.5)	60 - 65	160 - 165	1,032	204	1,288	21
M O'Donnell - Medical Director	(2.5) - (0)	(2.5) - (0)	95 - 100	290 - 295	0	0	0	27
M Thompson - Director of Nursing and Quality	0 - 2.5	0 - 2.5	55 - 60	165 - 170	1,005	103	1,158	20
B Groves - Interim Director of Operation for Unscheduled & Emergency Care (From 1 October 2018)	0 - 2.5	0 - 2.5	45 - 50	120 - 125	771	50	923	15
J Barnsley - Interim Director of Planned Care (From 1 April 2018)	0 - 2.5	(5) - (2.5)	30 - 35	80 - 85	543	50	624	14
K Moynes - Joint Director of HR & OD (From 1 October 2018) *	0 - 2.5	2.5 - 5	5 - 10	25 - 30	162	17	209	4

* Kevin Moynes is employed by East Lancashire Hospitals NHS Trust, and has worked for Blackpool Teaching Hospitals NHS Foundation Trust for two days per week since 1 October 2018. The figures in the above table represent costs attributable to his work for this Trust only.

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

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's and any other contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme, or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which the disclosure applies. The CETV figures, and 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 takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Fair Pay Multiple

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

The banded remuneration of the highest paid director in Blackpool Teaching Hospitals NHS FT in the financial year 2018/19 was £230,000-£235,000 (2017/18: £230,000-£235,000). This was 9.7 times (2017/18: 9.8) the median remuneration of the workforce, which was £23,951 (2017/18: £23,597).

In 2018/19, 4 (2017/18:1) employees received remuneration in excess of the highest-paid director. Remuneration ranged from £240,000 - £395,000 (2017-18: £275,000-£280,000).

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

In 2018/19, the Remuneration Committee was presented with a recommendation on the pay award of Directors and Senior Managers on local pay in line with NHSI recommendations, which specified £1,500 uplift for all staff who have not received a pay increase from any national pay award, bonus system throughout the same financial year.

There have been no additional payments other than salary increases which have been made in line with the process set out above.

Executive Directors' Expenses

Six of nine Directors submitted expense claims in 2018/19 (2017/18: 5/8). The total amount of expenses paid to Directors in 2018/19 was £17,419.44 (2017/18: £3,332.04).

Non-Executive Directors' Expenses

Six of eleven Non-Executive Directors submitted expense claims in 2018/19 (2017/18: 6/10). The total amount of expenses paid to Non-Executive Directors in 2018/19 was £7,959.05 (2017/18: £4,931.30).

Governor Expenses

Six of thirty Governors submitted expense claims in 2018/19 (2017/18: 6/30). The total amount of expenses paid to Governors in 2018/19 was £864.18 (2017/18: £988.55).

Membership of the Remuneration Committee

Mrs Karen Crowshaw – Chair of the Committee from 1.4.18 to 31.5.18;
Mr Mark Cullinan – Chair of the Committee from 1.6.18 to 24.6.18;
Mr Alan Roff (until 31.8.18);
Mr Michael Hearty;
Mrs Mary Whyham;
Mr Keith Case;
Mr Steve Finnigan (until 31.1.19);
Mr Pearse Butler – Chair of the Committee from 25.6.18;
Miss Judith Oates – Secretary to the Committee.

Three meetings of the Committee took place during 2018/19 with attendance as follows:

Committee Members	Number of Meetings (3)
Mrs Karen Crowshaw (Committee Chair from 1.4.18 to 31.5.18)	0
Mr Alan Roff (until 31.8.18)	1
Mr Michael Hearty	2
Mr Mark Cullinan (Committee Chair from 1.6.18 to 24.6.18)	3
Mrs Mary Whyham	3
Mr Keith Case	2
Mr Steve Finnigan (until 30.1.19)	3
Mr Pearse Butler (Committee Chair from 25.6.18)	3
Miss Judith Oates – Secretary to the Committee	3

Mrs Wendy Swift (Chief Executive) and Mr Paul Renshaw (Interim Director of HR) or Mr Kevin Moynes (Joint Director of HR & OD) provided advice/services to the Committee that materially assisted the Committee in their consideration of matters.

Signed: *K.P. [signature]*

Kevin McGee
INTERIM CHIEF EXECUTIVE

Date: 29th May 2019

Staff Report

Analysis of Staff Costs

Employee Benefits	2018-19	2017-18
	£'000	£'000
Salaries and wages	230,363	217,925
Social security costs	21,598	20,707
Apprenticeship levy	1,099	1,083
Employer's contributions to NHS pensions	25,267	24,599
Pension cost - other	55	73
Temporary staff (including agency)	14,633	13,714
TOTAL	293,015	278,101

Analysis of Staff Numbers

Average number of persons employed	Year ended 31st March 2019		Year ended 31st March 2019		Year ended 31st March 2019		Year ended 31st March 2018
	Permanently employed		Other Staff		Total		Total
	WTE		WTE		WTE		WTE
Medical and Dental	535		68		603		584
Administration and estates	1,206		41		1,247		1,229
Healthcare assistants and other support staff	1,862		8		1,870		1,875
Nursing, midwifery and health visiting staff	2,002		11		2,013		2,153
Nursing, midwifery and health visiting learners	1		12		13		61
Scientific, therapeutic and technical staff	632		11		643		667
Healthcare science staff	187		6		193		189
Other	4		0		4		2
TOTAL	6,429		157		6,586		6,760

Workforce Statistics

From analysis carried out between data collated on the makeup of the local community and that of staff employed, the Trust is reflective of the community it serves. The table below identifies the breakdown of staff groups for April 2018 to March 2019.

Organisation	Ethnic Origin	Full Time Equivalent (FTE)	Headcount*
LF Blackpool Teaching Hospitals NHS Foundation Trust	0 White	5.03	6
	4 Indian	3.00	3
	5 Pakistani	1.00	1
	7 Chinese	5.47	6
	A White - British	4707.47	5434
	B White - Irish	32.27	36
	C White - Any other White background	105.26	114
	C2 White Northern Irish	1.00	1
	C3 White Unspecified	0.46	1
	CA White English	36.26	41
	CB White Scottish	13.89	17
	CC White Welsh	2.73	3
	CF White Greek	1.00	1
	CH White Turkish	0.00	0
	CK White Italian	11.27	12
	CN White Gypsy/Romany	1.00	1
	CP White Polish	18.57	24
	CQ White ex-USSR	1.00	1
	CR White Kosovan	1.00	1
	CX White Mixed	2.00	2
	CY White Other European	36.53	38
	D Mixed - White & Black Caribbean	16.03	17
	E Mixed - White & Black African	4.00	4
	F Mixed - White & Asian	11.52	13
	G Mixed - Any other mixed background	9.92	11
	GC Mixed - Black & White	1.63	2
	GE Mixed - Asian & Chinese	0.60	1
	GF Mixed - Other/Unspecified	2.53	3
	H Asian or Asian British - Indian	133.35	141
	J Asian or Asian British - Pakistani	46.81	51
	K Asian or Asian British - Bangladeshi	7.33	8
	L Asian or Asian British - Any other Asian background	57.69	61
	LA Asian Mixed	3.80	3
	LB Asian Punjabi	1.59	2
	LE Asian Sri Lankan	2.00	2
	LF Asian Tamil	2.00	2
	LH Asian British	4.00	4
	LK Asian Unspecified	1.00	1
	M Black or Black British - Caribbean	6.00	6
	N Black or Black British - African	26.04	28
	P Black or Black British - Any other Black background	2.00	2
	PC Black Mixed	0.91	1
	PC Black Nigerian	3.00	3
	PD Black British	1.00	1
	R Chinese	11.57	12
	S Any Other Ethnic Group	57.13	62
	SC Filipino	46.52	49
	SD Malaysian	3.00	3
	SE Other Specified	3.40	5
	Undefined	192.26	230
	Z Not Stated	258.91	323
	Grand Total	**5902.75**	**6791**

The figures are based on the number of assignments by Ethnic Origin

Breakdown of Staff

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

Breakdown of Staff as at 31st March 2019		
	Male	**Female**
Directors and other senior managers*/**	10	5
Employees**	1375	5343

*Directors and senior managers comprises Executive Directors and Non-Executive Directors in post at 31st March 2019 as disclosed in the Remuneration Report.
**The figures represent the actual number of people working in the Organisations.

Sickness Absence

Sickness has ended the year at 4.90% for the rolling twelve month period (April to March) which is above the Trust target of 4% and adverse when compared to the same result last year which was 4.67%.

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

Occupational Health continues to support all staff and there has been a lot of work done this year looking at staff environments and what advice can be done with staff in their areas of work.

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

All staff, and their close family, have access to the Employee Assistance Programme that can give staff access to counselling, legal and financial advice as well as a wealth of wellbeing resources.

Interventions in Place

Menopause Group
With 61% of our workforce being women over the age of 40, we have found that the menopause workshops are being very well received and are breaking down some of the stigmas attached to this. The workshops are also being complemented by menopause cafes where women can get together to discuss any issues they are having on a more informal basis, with a cup of tea.

Flu Campaign
The 2018 flu campaign was launched in October in order to protect our staff, patients and families.

Support for Men's health
Due to the success of the menopause sessions there a pilot starting in 2019 for education sessions for men's health with information being shared in various settings.

Brain-based coaching and Leadership courses
More work is being done about coping with stressful situations in work, such as managing the changing environment. The resilience and stress management courses are now also supported by a course that looks at how and why we behave the way we do in stressful environments. The first of these courses, around amygdala hijack, was launched November 2018 and has been well received.

Health check events
The Health and Wellbeing team offer regular health check events for staff, including BMI,

cholesterol and blood pressure checks. These health check appointments are run as individual appointments within the Occupational Health department and as promotional events throughout the calendar year. Other annual events and promotions are being held, in-line with the WHO health calendar, such as world hepatitis day and world sleep day.

Musculoskeletal awareness

The physiotherapist service continues within Occupational Health and this is now also being supported by the Moving and Handling Advisor. As well as delivering training, the Advisor looks at incidents and 'hot spots' around the Trust so that advice can be given and risk assessments undertaken so as to prevent further issues. The Advisor also carries out Display Screen Equipment assessments so that we can a) ensure any potential problems are highlighted before they become

issues and b) any staff who do need adjustments within the workplace get the right equipment for their need.

Overall Trust Sickness Absence Rates	
Year	Sickness Absence Results
2013/14	3.92%
2014/15	4.47%
2015/16	4.25%
2016/17	4.78%
2017/18	4.67%
2018/19	4.90%

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 2018 calendar year.

Statistics Produced by NHS Digital*/Department of Health (**based on Jan-Dec 2018)					
National Average of 12 Months (Jan-Dec 2018)***	National Average for last quarter of 2018 (Oct-Dec)**	BTH Average FTE 2018 **	BTH FTE-Days Available *	BTH FTE-Days Lost to Sickness Absence*	BTH Average Sick Days per FTE **
4.29%	4.51%	6,168	2,251,638	110,911	17.98

*based on figures converted by DH to best estimates of required data items
** based on statistics published by NHS Digital from ESR Data Warehouse
***this is the latest annual figure available. NHS Digital will not publish the full 2018 calendar year figure until July 2019.

Promoting Equality and Diversity

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

- Eliminating discrimination, harassment and victimisation;
- Advancing equality of opportunity;

- Fostering good relations between people who share a protected characteristic and those who do not share it.

Some of our ongoing work includes:

- Working with the local Low Vision Group to improve Trust communications;
- Working with a Lancashire based Deaf association to improve awareness, understanding and communications;
- Further improve the Trust's work around the Accessible Information Standard;
- Dementia Project to assist patients with Dementia during their stay on a ward;
- Reviewing mechanisms to support patients in

hospital with a learning difficulty by having LD Passports;
- Mental Health First Aiders to be trained to support staff;
- Understanding the needs of minority/hard to reach groups to make healthcare accessible;
- Supporting In-Patients and staff who have an assistance dog;
- Improving Translation and Interpreting for patients including Easy Read documents;
- Disability Confident Scheme – Employer level achieved and working towards Leader level;
- Signed the Step into Health scheme to assist ex-military gain work experience in the NHS;
- Working with the MoD Career Transformation Programme team to assist ex-military;
- Achieved the Silver Award of the NHS Employers and MoD Employers Recognition Scheme;
- Closer partnership working with CCG's, Councils and third party organisations;
- Working to gain the NHS Veteran Hospital Scheme for supporting Veterans and Reservists working in the Trust.

The Trust continues to review how best to support all patients and service users, irrespective of any protected characteristic they may have to ensure we meet their needs. Work is ongoing in meeting the Accessible Information Standard (AIS), introduced in July 2016. A proposal is going to the Board of Directors to implement a new system which will allow for written communications in extended various formats to fully meet the requirements of the AIS. The new Patient Administration System (PAS) will further assist the Trust in meeting these standards.

The Trust's current Equality Objectives are:

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

The objectives are monitored by the Trust's Equality Diversity and Inclusion Implementation (ED&II) Group. Following the outcome of the last Equality Delivery System2 (EDS2) public consultation and engagement event it was agreed these objectives should continue until the next EDS2 event in 2019. By maintaining the two equality objectives it provides the ideal opportunity for the Trust to further improve in these areas. EDS2 continues to assist the Trust to meet the following requirements:

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

The Trust held its Equality Delivery System 2 (EDS2) public consultation and engagement event in March 2018. The report from the consultation identified:

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

Equality and Diversity (E&D) is part of the Trust's induction and mandatory training programmes to maintain awareness and emphasise the importance of E&D in all aspects of employment and service provision. A review of the topics included within the training identified the need to include awareness around Gypsy Roma Travellers and Armed Forces. To support this, the Trust has a number of policies which underpin our approach to supporting equality and diversity for our staff:

- Equality, Diversity and Human Rights Strategy;
- Recruitment and Selection (Disability Confident);
- Creating a diverse workforce – supporting staff with a disability (including access to a consultant led Occupational Health service for advice on reasonable adjustments);
- Gender Reassignment support in the workplace;
- Supporting Patients who have an Assistance Dog;
- Supporting Staff who have an Assistance Dog;
- Religious and Cultural Beliefs;
- Accessible Information Policy;
- Reasonable Adjustment Guide.

Gender Pay Gap

Background

The Government introduced legislation that made it a statutory requirement for public organisations to report annually on their gender pay gap. As a Public Sector organisation, the Trust is covered by the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017, which came into force on 31st March 2017. The Trust's Gender Pay Gap report published in March 2018 (based on 2017 figures) shows the median pay gap as 4.9% compared with the March 2019 report (based on 2018 figures) which shows the median has reduced to 4% which is well below the national figure of 8.6%. Although this year's figure of 4% shows a small reduction of 0.9% it demonstrates that steps put in place are starting to have an impact. For Medical and Dental staff, the only group to receive bonuses in the way of Clinical Excellence Awards, the median figure in 2018 was 12.50% in favour of male staff. The staff group identified in this staff group has 428 staff that are predominantly male therefore this year's median average of -13.43% indicates that more females than males in this group have been awarded Clinical Excellence Awards than the previous year.

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

Current position

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

The majority of the workforce is employed under AfC terms and conditions, with the salaries decided by a job evaluation scheme. The AfC process evaluates the job and not the post holder and makes no reference to gender or any other personal characteristics of existing or potential job holders. The data presented below is a snapshot as at 31st March 2018.

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

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

The Trust has a 4% gender pay gap which is below the national average of 8.6%.

Modern Slavery Act 2015

We are continuing to raise the profile of modern slavery and human trafficking across all services.

We contribute to the NHS Safeguarding Modern Slavery and Human Trafficking (MSHT) network and work in collaboration with our partners including the police.

Staff Communication on Matters of Concern and Performance

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

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

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

Members of staff were recognised for their hard work and dedication through the Trust's annual Celebrating Success awards which saw the highest number of entries ever received and more than 600 people attending the evening at the Winter Gardens.

Media and social media campaigns have focused on major initiatives such as the NHS 70 celebrations, the World War 1 Centenary, Takeover Day, Research and Development awareness, heart health campaigns, NHS Change Day, blood donation campaigns, an ovarian cancer campaign and an extensive campaign to encourage staff and members of the public to become Dementia Champions.

The Communications Team continues to champion the good work that goes on throughout the Trust by securing positive coverage within a wide spectrum of media and through its own publications such as Weekly News, Health Matters and Your Health.

This year however has seen a major increase in the use of social media with more than 7,500 followers on Twitter and a growing audience on Facebook and Instagram. The team has also developed a Staff App which was originally distributed as a pilot and will now be rolled out across the Organisation in 2019/20.

The Trust's Vision and Values are reflected throughout all our publications. Our Team Brief highlights the strategic ambition and our staff publications constantly refer to work being undertaken to achieve our ambitions.

The Team has also continued its Lessons Learned newsletter which is distributed to all staff to highlight areas for learning in clinical settings to promote safe care.

There has been a growing emphasis on recognising the work of staff and rewarding them for their commitment and loyalty. The 'Going the Extra Mile' recognition scheme was launched and over 670 staff have been recognised and thanked for their contribution. Staff were also recognised for their length of service to the Trust and wider NHS along with colleagues who had achieved a professional or academic qualification.

Freedom to Speak Up Service

The Trust formally launched its Freedom to Speak Up Service in 2017 and appointed Terri Vaselli as its Freedom to Speak Up Guardian with support from Dr Nick Harper, Ambassador, Kevin Moynes, Executive Lead, and Michael Hearty, the Non-Executive Lead. The need to establish a national Freedom to Speak Up Guardian was identified as part of the Francis Review findings in 2015 where it identified that patients could be at risk of harm because concerns were not being raised routinely by NHS staff.

Since launching the Service, around 150 concerns have been raised covering a wide range of issues from colleagues in a variety of job roles. The Guardian continues to promote the Service at inductions and across Divisions both here at BTHs and in Community. The Service is developing to ensure key learning is shared across the Trust and the National Guardian's Office is working towards embedding FTSU Guardians in all Primary Care Centres across England.

Terri Vaselli is the Regional Co-Chair for FTSU Guardians and is a 'panel member' of the Whistle-blowers' Support Scheme.

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.

Under clause 24 of the NHS Standard Contract for 2018/19 requires all organisations providing NHS services to put in place appropriate security management. The Trust has a focus on the requirement for effective leadership and the Director of Nursing and Quality as the nominated Security Management Director (SMD), together with the Trust's Local Security Management Specialist (LSMS) worked throughout 2018/19 towards providing the Trust's security priorities to give the assurance that the Trust has a proficient, competent and capable security provision.

The Trust has again invested in new CCTV equipment including our Hospital Safety Team body cameras, which continue to provide both a deterrent and detection of crime and increasing the probability of any persons committing any criminal offence being caught.

One of the key areas of work for the LSMS is working to reduce violence against NHS staff, and a key part of this is to constantly measure the scale of the problem. With a focal point of ensuring that staff are protected, appropriate training is recognised, Conflict Resolution and Breakaway training is offered to all front line staff.

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

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

The Trust is compliant with the Reporting of Injuries Diseases and Dangerous Occurrences, Regulations 2013, (RIDDOR). All RIDDOR incidents are investigated within reporting timeframes. RIDDOR reportable incidents for January 2018 to February 2019 shows the Trust reported 11 patients, 32 staff and one visitor RIDDORs.

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	2017/18	2018/19	% of Reduction
Verbal	294	330	+12.2%
Physical	262	232	-11.4%

NHS Staff Survey Results

Staff Engagement - Vision and Values Strategy for 2020

Staff engagement is vitally important to the Organisation so the Trust will continue to undertake activities to maintain an engagement score above 7 out of 10 (we do not have a target for engagement. The score has decreased slightly from 2017 from 7.1 to 7). The Trust will do this by continuing to run the Great Place to Work sessions which are designed to give staff at all levels a voice. The Trust will also continue to survey our staff to test the current climate and what it feels like for them to work here at Blackpool Teaching Hospitals.

Our actions for improvement are contained within the Great Place to Work action plan and we will continue to implement these actions in a timely way. The key priorities contained within the plan include recognition (the extent to which staff receive recognition and perceive their contributions are valued); influence (the extent to which staff are involved in wider decisions that may impact on them) and personal development (the extent to which staff perceive opportunities for personal growth).

- 20% of staff state that the appraisal/review helped them to improve their job (Q20b) 18% in 2017;
- 38% of staff state the appraisal helped them agree clear objectives for their work (Q20c) 31% in 2017;
- 33% of staff state that the appraisal left them feeling that their work was valued by the Organisation (Q20d) 30% in 2017;
- 40% of staff state that the values of the organisation were discussed as part of the appraisal process (Q20e) 36% in 2017.

NHS Staff Survey

The NHS staff survey is conducted annually. From 2018 onwards, the results from questions are grouped to give scores in ten indicators. The indicator scores are based on a score out of 10 for certain questions with the indicator score being the average of those.

The response rate to the 2018 survey among Trust staff was 35% (2017: 35.5%). Scores for each indicator together with that of the survey benchmarking group (Combined Acute & Community Trusts) are presented below:-

	Equality, diversity & inclusion	Health & wellbeing	Immediate managers	Morale	Quality of appraisals	Quality of care	Safe environment - Bullying & harassment	Safe environment - Violence	Safety culture	Staff engagement
Best	9.5	6.4	7.3	6.5	6.2	7.9	8.6	9.7	7.1	7.4
Your org	9.1	5.8	6.8	6.2	5.2	7.5	7.9	9.5	6.7	7.0
Average	9.2	5.9	6.8	6.2	5.4	7.4	8.1	9.5	6.7	7.0
Worst	8.3	5.5	6.5	5.7	4.5	7.1	7.4	9.3	6.3	6.6
No. responses	2,190	2,206	2,231	2,156	1,967	2,003	2,162	2,157	2,185	2,297

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

	Top 5 scores (compared to average)
69%	Q17d. **Staff given feedback about changes made in response to reported errors** (Average: 59%)
73%	Q12d. **Last experience of physical violence reported** (Average: 66%)
78%	Q28b. **Disability: organisation made adequate adjustment(s) to enable me to carry out work** (Average: 72%)
42%	Q5g. **Satisfied with level of pay** (Average: 36%)
50%	Q4e. **Able to meet conflicting demands on my time at work** (Average: 45%)

	Bottom 5 scores (compared to average)
50%	Q19g. **Supported by manager to receive training, learning or development definitely identified in appraisal** (Average: 54%)
28%	Q9d. **Senior managers act on staff feedback** (Average: 32%)
65%	Q21d. **If friend/relative needed treatment would be happy with standard of care provided by organisation** (Average: 69%)
19%	Q19b. **Appraisal/ review definitely helped me improve how I do my job** (Average: 22%)
30%	Q9c. **Senior managers try to involve staff in important decisions** (Average: 33%)

Commentary

Although the response rate has reduced by 0.5% compared to 2017, 2,307 still completed the survey. Nationally, the staff survey results have been described as challenging and a reflection of the pressure on the service.

The BTH survey responses were better than average for Quality of Care; the same as the average for Immediate Managers, Morale, Violence, Safety Culture and Staff Engagement; worse than average for Equality and Diversity, Health and Wellbeing, Quality of Appraisals and Bullying and Harassment.

The Trust's areas of improvement and deterioration from the 2017 survey are presented below:-

	Most improved from last survey
78%	Q28b. **Disability: organisation made adequate adjustment(s) to enable me to carry out work** (2017: 67%)
73%	Q12d. **Last experience of physical violence reported** (2017: 68%)
42%	Q5g. **Satisfied with level of pay** (2017: 37%)
36%	Q4g. **Enough staff at organisation to do my job properly** (2017: 32%)
59%	Q17a. **Organisation treats staff involved in errors fairly** (2017: 56%)

	Least improved from last survey
70%	Q16b. **In last month, have not seen errors/ near misses/incidents that could hurt patients** (2017: 75%)
56%	Q4c. **Involved in deciding changes that affect work** (2017: 60%)
62%	Q8c. **Immediate manager gives clear feedback on my work** (2017: 65%)
50%	Q19g. **Supported by manager to receive training, learning or development definitely identified in appraisal** (2017: 53%)
59%	Q4d. **Able to make improvements happen in my area of work** (2017: 62%)

The key areas for improvement are around increasing staff awareness of the health and wellbeing offer; reviewing the content of the annual appraisal training and development of the 'Just Culture' and use of resolution to minimise conflict within the Trust.

in 20 responses, out of 82 questions and only significantly worse in one response.

Future Priorities and Targets

Detailed analysis is currently being undertaken by division and occupational groups to identify key differences within the data to enable targeted approaches to be taken in addressing concerns. Big Conversation sessions are being arranged to share the results with divisions and departments to ensure that staff are identify the areas for improvement which will make the most difference to them. This information will be used by divisional management (supported by Workforce Business Partners) to update their improvement plans.

Summary of Performance

The staff survey results for 2018 are static compared to those of 2017. This fits with the national picture, where nationally, the results have been described as challenging and a reflection of the pressure on the NHS service. Although the survey has identified some areas for improvement no significant areas of concern were found. In comparison with other Combined Acute & Community Trusts average, the Trust performed significantly better

A corporate improvement plan was developed for the key themes overall arising from the staff survey and these have been integrated into the Great Place to Work improvement action plan. This plan is monitored bi-monthly by the Great Place to Work Group. A communication plan is being developed to provide feedback to staff on the outcome of the staff survey in respect of a 'Together We Did' which will be aligned to the Workforce Transformation Strategy.

Trade Union Facility Time

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

• Blackpool Teaching Hospitals NHS Foundation Trust
  1 April 2017 to 31 March 2018;

• Employees in your Organisation
  5,001 to 9,999 employees;

• Trade union representatives and full-time equivalents
  Trade union representatives: 51
  FTE trade union representatives: 51;

• Percentage of working hours spent on facility time
  0% of working hours: 24 representatives
  1 to 50% of working hours: 21 representatives
  51 to 99% of working hours: 4 representatives
  100% of working hours: 2 representatives;

• Total pay bill and facility time costs
  Total pay bill: £273,575,059
  Total cost of facility time: £88,340
  Percentage of pay spent on facility time: 0.03%;

• Paid trade union activities
  Hours spent on paid facility time: 6,105.5
  Hours spent on paid trade union activities: 472
  Percentage of total paid facility time hours spent on paid TU activities: 7.73%.

Expenditure on Consultancy

During 2018/19, the Trust incurred £6.793m on external consultancy costs (2017/18: £3.641m). The increase in costs in 2018/19 predominantly related to costs incurred by the Healthier Lancashire hosted service and funded IT development schemes.

Off-Payroll Engagements

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

During the year the Trust has introduced controls over the use of off-payroll engagements for highly paid staff (those staff earning more than £245 per day). All new engagements require the authorisation of an executive member of the Board of Directors prior to commencement of the engagement. Staff employed under such engagements are required to provide confirmation of their employment status and assurance of their taxation arrangements.

Table 1: For all off-payroll engagements as of 31st March 2018, for more than £245 per day and that last for longer than six months

Number of existing engagements as of 31st March 2019	0
Of which...	
Number that have existed for less than one year at time of reporting	0
Number that have existed for between one and two years at time of reporting	0
Number that have existed for between two and three years at time of reporting	0
Number that have existed for between three and four years at time of reporting	0
Number that have existed for four or more years at time of reporting	0

Table 2: For all new off-payroll engagements, or those that reached six months in duration, between 1st April 2018 and 31st March 2019, for more than £245 per day and that last for longer than six months

Number of new engagements, or those that reached six months in duration, between 1st April 2018 and 31st March 2019	0
Of which:	
Number assessed as caught by IR35	0
Number assessed as not caught by IR35	0
Number engaged directly (via PSC contracted to the entity) and are on the entity's payroll	0
Number of engagements reassessed for consistency / assurance purposes during the year	0
Number of engagements that saw a change to IR35 status following the consistency review	0

Table 3: For any off-payroll engagements of Board members, and/or senior officials with significant financial responsibility, between 1st April 2018 and 31st March 2019.

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.	9

Exit Packages

During the year the Trust approved one exit package. Termination benefits packages used by the NHS Foundation Trust consist of:

• Compulsory redundancy;

• Voluntary redundancy;

• Mutually agreed resignation scheme (MARS).

The following table discloses the number and cost to the NHS Foundation Trust of all exit packages that were agreed as at 31st March 2019. (2017/18 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)	1	(1)	1	(1)
£50,001 - £100,000			0	(0)	0	(0)	0	(0)
£100,001 - £150,000			0	(0)	0	(0)	0	(0)
Total number of packages by type			0	(0)	1	(1)	**1**	**(1)**
			£000		£000		**£000**	
Total resource cost - 2018/19			0		45		45	
Total resource cost - 2017/18			0		44		44	

Exit packages: Non-compulsory departure payments		2018/19			2017/18		
		Agreements		**Value**	Agreements		Value
		Number		**£000**	Number		£000
Voluntary redundancies including early retirement contractual costs		**0**		**0**	0		0
Exit payments following employment tribunals or court orders		**1**		**45**	1		44
Non-contractual payments requiring HMT approval		**0**		**0**	0		0
Total		**1**		**45**	1		44
Of which: Non-contractual payments requiring HMT approval made to individuals where the payment value was more than 12 months of their annual salary		**0**		**0**	0		0

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

NHS Foundation Trust Code of Governance

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

Blackpool Teaching Hospitals NHS Foundation Trust has applied the principles of the NHS Foundation Trust Code of Governance on a 'comply' or 'explain' basis. The NHS Foundation Trust Code of Governance, most recently revised in July 2014, is based on the principles of the UK Corporate Governance Code issued in 2012.

The Corporate Assurance Department have undertaken a review of the Trust's performance against the NHS Foundation Trust Code of Governance on the "comply" or "explain" basis and submitted a report and the self-assessment to the Audit Committee on 23rd April 2019. The Audit Committee approved that the Trust self-assessment in which the Trust complied with most provisions with the exception of B4.2:-

- B4.2 - The Chairman should regularly review and agree with each Director their training and development needs as they relate to their role on the Board.

  The reason for 'explaining' is the Non-Executive Directors appraisals for 2017/18 were not undertaken due to the resignation of the Chairman in January 2018 and the successor Chairman not being in post until the end of June 2018.

Disclosure of Public Interest

The Trust has not held any public consultations between 1st April 2018 – 31st March 2019.

Disclosures from the Audit Committee

Role and Composition

The primary function of the Audit Committee is to provide the Board of Directors with an independent assurance over the establishment and maintenance of an effective system of integrated governance, risk management and internal control across the whole of the Organisation's activities with the aim of supporting the achievement of the Trust's objectives.

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

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

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

and with the Welsh Government holding Board level positions with the latter two organisations.

The Committee's membership consists of three Non-Executive Directors (NEDs). In addition to the Committee members, standing invitations are also extended to the Deputy Chief Executive/Director of Finance and Performance, External and Internal Audit representatives, the Local Counter Fraud Specialist nd members of the Corporate Assurance Team. Other officers have been invited to attend the Audit Committee where it was felt that to do so would assist the Committee to fulfil its responsibilities effectively. The Chief Executive also has a standing invitation to the Committee, in particular for matters involving the Annual Governance Statement, Draft Internal Audit Plan and Annual Report and Accounts. Other Non-Executive Directors have been invited and have attended as chairs of Board Committees.

The Committee has met on six occasions during the year ended 31st March 2019. Each meeting has complied with the criterion for frequency of attendance and been quorate as set out in the Audit Committee's Terms of Reference.

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

The Remit of the Internal and External Auditors

Internal Audit

KPMG has provided the Trust's internal audit service since 1st October 2012. The core members of the Internal Audit Team are; the Head of Internal Audit and the Internal Audit Manager. In addition to these core members the team will draw on other specialists within KPMG to complete reviews. These staff report to the Head of Internal Audit to ensure that their work is co-ordinated and to provide a seamless delivery. The team are a mixture of Association of Chartered Accountants (ACA) Association of Chartered Certified Accountants (ACCA) qualified staff.

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

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

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

The initial contract term with KPMG ended on 30th September 2016. The Audit Committee agreed to extend the contact for 1 year until 30th September 2017. On 4th July 2017, the Audit Committee approved a further extension of the contract until 31st March 2020.

External Audit

PwC are currently the Trust's External Auditors and on 6th February 2019, the Council of Governors

approved a further extension of the contract until 31st March 2020. In 2018/19, PwC were paid £82,200 (including VAT) in respect of statutory audit fees, including the independent reporting work in relation to the Independent Auditor's report in the annual Quality Report. PwC were also paid £15,500 (excluding VAT) by BFW Management Ltd in respect of statutory audit on their Annual Accounts.

The Board maintains a policy on engaging its External Auditors for the provision of non-audit services, (other than the audit of the Quality Accounts) (The Use of External Auditors for Non-Audit Services - CORP/POL/257). This policy was reviewed and approved by the Audit Committee on 23rd April 2019 and the Board of Directors on 7th May 2019. This policy requires the approval of the Deputy Chief Executive / Director of Finance and Performance to retain the Trust's External Auditors for the supply of non-audit services and report non-audit services to the Audit Committee. In 2018/19, PwC did not provide any non-audit services to the Trust, however provided audit services in relation to the Independent Auditor's Report in the annual Quality Report, the statutory audit on the BFW Management Ltd Annual Accounts and the statutory audit on the Charity Annual Accounts.

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

Throughout the year the Committee has received regular reports from both Internal and External Auditors in relation to the adequacy of the systems of internal control and also received regular reports from the Head of Corporate Assurance and Local Counter Fraud Specialist on the robustness of risk management, governance and fraud arrangements throughout the Trust.

The Committee has reviewed and considered the work and findings of Internal Audit by:

- Discussing and agreeing the nature and scope of the Annual Internal Audit Plan;
- Receiving and considering progress against the plan presented by the Head of Internal Audit and Internal Audit Manager.

- Receiving reports on the Core Financial Controls; Governance Arrangements, Risk Management and Board Assurance Framework; Data Security and Protection Toolkit; Data Quality; Atlas Review; Post-CQC Visit; Additional Payments to Staff; Controls Over Interim and Locum Contracts and GDPR Pre-Implementation and Cyber Follow Up.

The Committee also met in private with Internal Audit representatives on 17th April 2018 to allow discussion of matters in the absence of Executive Officers.

At its meetings on 23rd May 2018 the Committee received the Head of Internal Audit Opinion.

The Committee has reviewed and considered the work of the External Auditor at its meetings in the year from 1st April 2018 to 31st March 2019 by:

In relation to 2017/18;

Considering the Trust's Annual Governance Statement for 2017/18 at the meeting held on 23rd May 2018 and recommending it to the Board for approval.

In relation to 2018/19;

For completeness, and even though the discussions in relation to 2018/19 were not completed until May 2019, the following issues were reviewed and considered by the Audit Committee.

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

- Discussing and agreeing the scope and cost of the audit detailed in the Annual Plan for 2018/19;
- Considering the extent of co-ordination with, and reliance on, Internal Audit;
- Consideration of a number of accounting treatments under International Financial Reporting Standards (IFRS) and the impact thereon in relation to the Annual Accounts;
- Receiving and considering the Annual Audit Letter at its meeting on 22nd May 2019 which was presented to the Board of Directors at its meeting also on 22nd May 2019;
- The accounting treatment of Charitable Funds and their relationship with the Trust's accounts.

Other Matters

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

• Effectiveness of the Whistleblowing and Freedom to Speak Up arrangements;

• Review of Trust strategies (Quality, Health Informatics, Procurement and Workforce);

• Monitoring compliance with the Trust's Provider Licence;

• Review of the Clinical Audit Plan;

• Consideration of Local Counter Fraud Specialist Reports and Annual Report;

• 'Deep dives' into significant risks on the Corporate Risk Register associated with GDPR, demand and capacity and staffing;

• A 'deep dive' into the actions to address the Risk Management Internal Audit Review;

• A 'deep dive' into the Complaints Process;

• Review of the Trust's compliance with the NHS Code of Governance;

• Review of NHSI's enforcement undertakings letter;

• The identification and agreement of matters for consideration by the Board.

Conclusion

The Committee has continued to focus in 2018/19 on supporting the Trust's governance, risk and assurance arrangements. However, the Committee recognises the challenges the Trust has faced this year, resulting in NHSI enforcement in relation to A&E waiting time targets, cancer 62-day targets and continuing to be an outlier within mortality performance. At the core of its discussions there has been a determination to promote sound principles of strategy, performance management and monitoring and of reporting with the intention of bringing greater clarity to the roles and accountabilities of the Trust's executive managers vis a vis the Board of Directors and its Committees. The aim continues to be to help the Trust provide excellent services to patients and to serve the public within a robust set of risk management arrangements and with overall efficiency and effectiveness.

Signed:

Michael Hearty

AUDIT COMMITTEE CHAIRMAN

Date: 29th May 2019

Signed:

Kevin McGee

INTERIM CHIEF EXECUTIVE

Date: 29th May 2019

Annex A: Quality Accounts

1: Statement on Quality from the Chief Executive

Blackpool Teaching Hospitals NHS Foundation Trust continues to ensure it is in a strong position to meet the challenges it faces whilst ensuring the care provided is safe, high quality and managed within available resources, which is provided in the most appropriate environment and to agreed pathways of care.

This means that patient safety and the quality of care we deliver continues to be at the heart of everything we do and we continue to increase our efforts towards driving quality and safety improvements across the Trust.

Our Quality Strategy has supported our Quality Improvement Programme and achievements during year three of the strategy are shared within the Quality Accounts and reflect 3 key principles set out within the strategy that care will be:

- Informed;
- Timely;
- Safe.

As Interim Chief Executive I am proud of what staff at the Trust have achieved throughout the year and how they have demonstrated the Trust's values of being people centred, positive, compassionate and demonstrating excellence in the care that we deliver to patients both within our hospital and community settings. I would like to thank all the staff at the Trust again this year for their dedication and for tirelessly working every day to provide positive outcomes for our patients.

Ensuring our patients receive a positive experience of care is important to us. We are pleased with our results in our patient experience surveys and the positive feedback of the 96.6% of patients stating that they would recommend our services to a relative or friend.

Although the Trust recognises challenges it has faced this year, resulting in NHSI enforcement, in relation to A&E waiting time targets, cancer 62-day targets and continuing to be an outlier within mortality performance it is important that we also celebrate our achievements for 2018 /2019. We want to share with you our story of continuous improvement in our Annual Quality Account. I hope that you will see that we care about, and are improving, the things that you would wish to see enhanced and that going forward our Quality Strategy will continue to help us achieve this.

We aim to be responsive to patients needs and will continue to listen to patients, staff, stakeholders, partners and Foundation Trust members as their views are extremely important to us. We are pleased that Governors and other local stakeholders have shared their ideas and comments so that we can continue to improve the quality of care and patient experience in areas where needed.

I am pleased to confirm that the Board of Directors has reviewed the 2018/19 Quality Account and I can confirm that to the best of my knowledge, the information is a balanced and accurate account of the quality services we provide. These Quality Accounts are our tenth yearly published accounts as a Foundation Trust and I am delighted to highlight the excellent progress we have made over the past 12 months in ensuring our patients receive the highest quality care possible.

Signed:

Kevin McGee

INTERIM CHIEF EXECUTIVE

Date: 29th May 2019

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

Our Quality Strategy supports the Trust Boards primary focus at Blackpool Teaching Hospitals NHS Foundation Trust of consistently providing high quality care to all patients. The organisational Strategic Framework already in place underpins the current quality programme set out in this Quality Account for 2018/19 and this continues to enable progress against the quality priorities set out in the Trust's Quality Strategy.

2.1 Rationale for the Selection of Priorities for 2018/19

The Trust's quality goals remain focused on the provision of safe and high quality care and continue to build on the goals set out in the 2017/18 quality accounts: patients and carers being involved in decisions about their care, zero inappropriate admissions, zero harms, zero delays and compliance with standard pathways. The Trusts quality priorities were agreed following consultation with Trust staff, governors and local CCGs; they support the targets set within the commissioning quality contract; and are aligned with the NHS constitution standards and CQC quality and safety standards. The 3-year quality strategy's development was overseen by the Quality Committee, and endorsed by the Trust Board of Directors in July 2016.

The development of a three-year quality improvement strategy has provided a framework to review quality of care against three quality domains; Informed, Timely and Safe (ITS how we care). Each domain covers a number of key improvement metrics, all of which are supported by three strategic enablers. The strategy has provided the Trust with a clear definition of quality and quality priorities for 2016 through to 2019, and the commitment of the organisation to put quality at the heart of all it does. The priorities selection were cross referenced with patient feedback on what is important to them, from listener programme feedback and results from patient surveys, to ensure patient and public views were taken into account.

Work has commenced across the integrated care partners on a Fylde Coast Quality Strategy approach. Whilst this work is developed the Quality Committee has supported that the current goals are rolled over for the coming year and continue to be reported to Quality Committee for ongoing monitoring and assurance purposes until the new Fylde Coast Strategy is agreed.

Together we care

Blackpool Teaching Hospitals NHS
NHS Foundation Trust

Quality Strategy
2016-19

| People Centred | Positive | Compassion | Excellence |

2.2 A Review of Quality Improvement Projects 2018/19

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

	Target Achieved (on plan) / Close to Target / Behind Plan.	✔ = ⬇
Harm Free Care	Target achieved	✔
Reducing Patient Falls	Target achieved	✔
Reduction in Pressure Ulcers	Behind Plan stage 2 and 4	⬇
Care of the Deteriorating Patient	Behind Plan	⬇
Clinical Pathways	Target achieved	✔
Patient Safety – Lessons Learned	New serious incident investigation process in place & being evaluated	✔
Infection Prevention – Methicillin Resistant Staphylococcus aureus (MRSA)	Target achieved	✔
Clostridium difficile.	Target achieved	✔
Patient Family and Carer Experience – Friends and Family Test (FFT)	Behind Plan	⬇
Patient Family and Carer Experience – 'Tell Us' Campaign	Awaiting publication of data	
Patient Family and Carer Experience – Always Events	Target achieved	✔
Workforce Experience	See written information on page 107	No target
Dementia Care	Target achieved	✔
End of Life Care	See written information on page 108	No target
Spiritual Care / Bereavement Care	See written information on pages 109-110	No target
Learning Disability Services	See written information on page 111	No target
LEDER Process	Process implemented and on plan	✔

2.2.1 Harm Free Care

'Harmfree'care*

A new mindset in patient safety improvement

What: Patients will be free from harm from falls, pressure ulcers, Catheter Associated Urinary Tract Infection (CA-UTI), Venous thromboembolism (VTE)
How Much: 95%

To help us monitor the safety of our patients, we have continued to measure the harms occurring to our patients in a drive to deliver 'harm free care'. Each month 'the safety thermometer' a tool from the Department of Health is completed by wards to audit the care given to our patients. The safety thermometer measures harms that occur to patients on a set day each month whilst in our care and identifies how many of our patients' experience one of the following four harms:

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

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

In 2018/19, based on Safety Thermometer data:

- 38 out of 9,178 hospital in-patients (0.41%) were reported as having a Catheter Associated Urinary Tract Infection (CAUTI);
- 45 out of 9,178 hospital in-patients (0.49%) were reported as having a Venous thromboembolism (VTE);
- 100 out of 9,178 hospital in-patients (1.01%) were reported as having a pressure ulcer;
- 27 out of 9,178 hospital in-patients (0.29%) were reported as having a fall.

The Trust can report that there has been a slight deterioration in performance since last year attributable due to an increase in pressure ulcers however, there has been an improvement in harm from reported falls. Further details of these can be found on pages 99 and 100.

Each of the four harms are then reviewed in more detail by individual teams to learn how we can improve patient care and outcomes and implement improvements in that specific area. This year there continues to be a focus on pressure ulcer and fall prevention which has actively supported patient and staff education and training to promote effective care to prevent these harms. A multi-disciplinary VTE Committee is in place to review harms as a result of VTE and is currently reviewing our practise guidance / policy in line with the latest best practice evidence to ensure patients receive the correct treatment plan based on their risk.

Outcome: Acute 97.7%, Community 98.6%, Trust 98.2%.
Progress: ✔ Target Achieved.
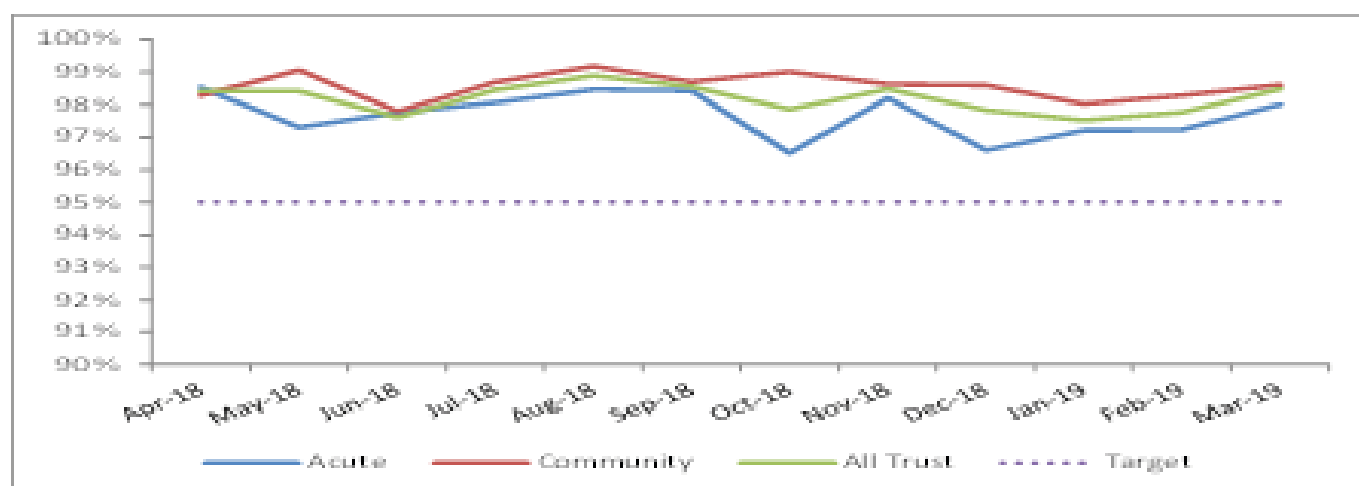
2.2.2 Reducing Patient Falls

"Leaves are supposed to fall, people aren't."

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

How Much: 10% reduction by March 2019.

As a Trust we continue to use the falling leaf symbol to identify patients at risk of falling. These symbols alert staff at safety briefings of the patient's risk of falling, so all staff are able to visually see and consider the patient's safety needs to prevent falls when planning and delivering their care.

The Trust can report that we have continued over the year work to reduce harms caused to patients as a result of a fall. This has resulted in an improvement in the overall number of falls sustained by our patients over the past 12 months.

Changes in how and what information we collect from our patients that have had a fall have improved how professionals communicate with each other in order to prevent further falls. A key feature of this is the facilitation of safety huddles which are short multidisciplinary briefings designed to give staff the opportunities to understand what

is going on with each patient and anticipate future risks to improve patient safety and care. The aim is to create an environment where staff regularly communicate and use shared information to develop a comprehensive picture of the current status of patients.

Medstrom 500

Recent Initiatives include:
- Review and relaunch of falls policy;
- Changes in physiological review of patients to include NEWS 2;
- Improved post fall documentation by including a multi-disciplinary assessment and review of patient is made;
- Implementation of new bed frames which include low height function.

Outcome: This year, falls resulting in harm reduced by 19.86% and over 2 years saw a 22.3% reduction. This represents 0.5% of all inpatient admissions for the year.

Progress: Falls resulting in a serious harm have decreased by 60% over the 2 years.
✔ Target Achieved
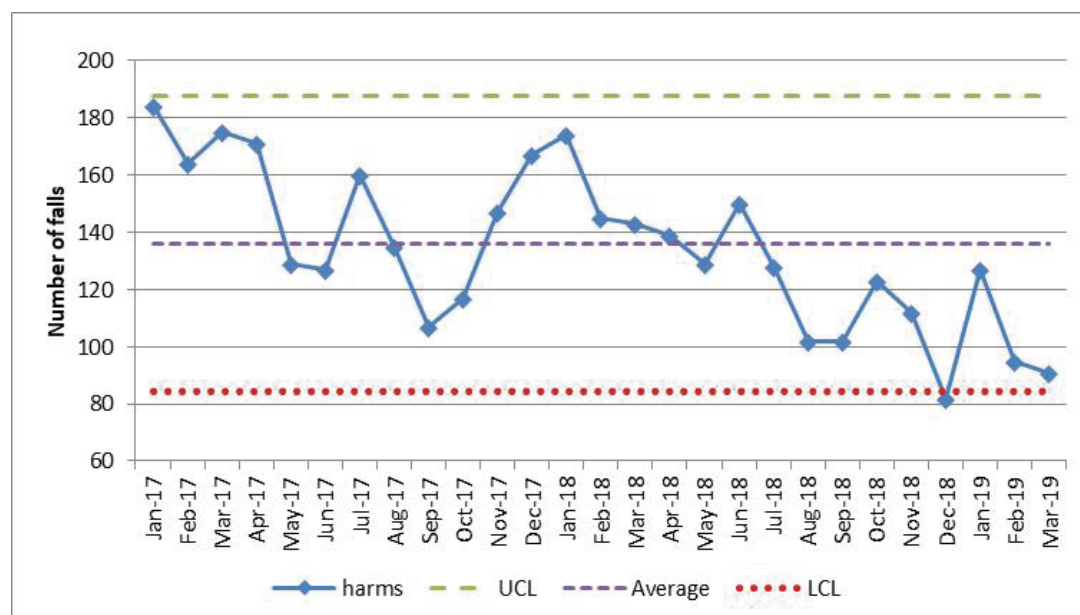
2.2.3 Reduction in Pressure Ulcers – Acute / Community

> **What:** Reduce the number of patients experiencing a harm as a result of a pressure ulcer
>
> **How Much:** Category 2 pressure ulcers 10%, Category 3 & 4 pressure ulcers 10% by March 2019

A pressure ulcer is localised damage to the skin and/ or underlying tissue, usually over a bony prominence (or related to a medical or other device), resulting from sustained pressure (including pressure associated with shear). The damage can be present as intact skin or an open ulcer and may be painful (NHS Improvement, 2018).

The structure of Our Tissue Viability Service has recently been redesigned, in recognition of the need to work differently in line with new national guidance. The appointment of a Lead Tissue Viability Nurse and the recruitment of the organisations first Assistant Practitioner in Tissue Viability is underway being part of this change. The Team supports hospital and community staff in the care of patients with complex tissue viability needs, and supports organisational learning from any pressure ulcer harms that do occur.

New guidance released by NHS Improvement in June 2018 has changed the way some pressure ulcers are measured and reported which will impact on both the number of pressure ulcers reported and the way the information is presented. NHSI accepts that this will lead to higher reported numbers from all organisations. Whilst it was

recommended that these changes were to be in place for rollout in April 2019, locally we have been embedding these changes into practice since November 2018.

Activities this year
- NHSI Pressure Ulcer Collaborative, with staff from two ward areas participating;
- National Stop the Pressure Day 2018: red pressure dots were displayed to raise awareness of pressure areas;
- Introduction of new bed frames with a standard pressure redistribution surface across the Acute Trust;
- Review of Root Cause Analysis documentation to streamline investigation of Pressure Ulcer harms;
- Introduction of Pressure Ulcer Awareness training provided to Allied Health Professionals.
- Encouragement of self-management through the development of a Low Risk Skin Integrity Care Plan;
- Tissue Viability Link Nurse Forum – quarterly meetings with excess of 50 link nurses attending;
- Provision of pressure redistribution trolley toppers for the Emergency Department.
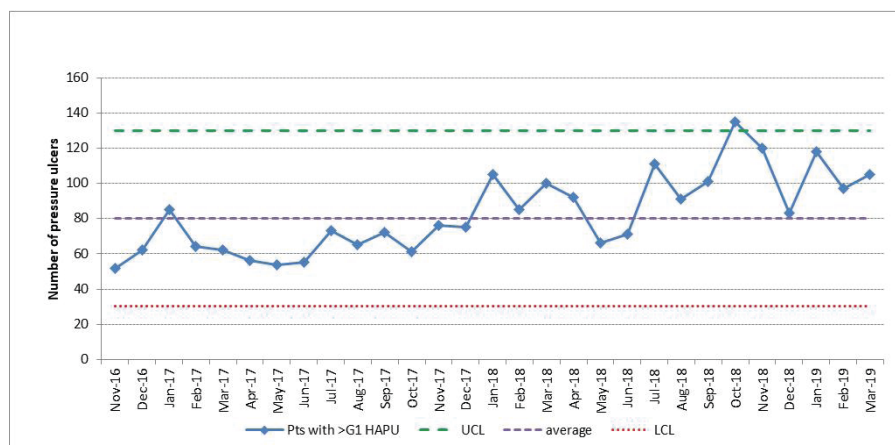
> **Outcome:** In 2018/19, in comparison to 2017/18, the trust (acute and community) Category 2 pressure ulcers increased 29.62%, category 3 decreased by 9.4% and category 4 increased by 20.83% The overall position for all categories together was an increase of 28.05% in year.
>
> **Progress:** ⬇ Behind Plan

2.2.4 Care of the Deteriorating Patient

What: Reduce avoidable harm caused by failure to rescue or failure to recognise the deteriorating patient

How Much: Maintain our March 2017 baseline of 'Failure to Rescue Deteriorating Patients'

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

Through the Critical Care Outreach service in collaboration with other key personnel, the Trust has developed a robust strategy for identifying the deteriorating patient. This is overseen by the Care of the Deteriorating Patient Group. This group consists of four work streams, each with a clinical lead and supported by a clinician with QSIR Quality Improvement methodology training. The four areas of focus are:

- Recognition and escalation of the deteriorating patient;
- End of Life Care;
- Mortality and Patient Harm;
- Sepsis and AKI Pathways.

Education and staff competency run through each of these four work streams

This year we have reinstated an adapted Global Trigger Tool Audit (GTT) to highlight lessons learned and areas of focus for the work streams. These audits review the care of patients who have had a cardiac arrest, unplanned admission to ITU, or reported incidents of patients deteriorating unexpectedly. We use this information and new composite data score to look at where we can make improvements in our care to prevent where possible, patients deteriorating unexpectedly.

This has resulted in an increase in our reporting performance, however this is seen as a positive as it reflects staff are more aware and transparent in raising concern. As the improvement actions become embedded we expect to see a reduction. These three elements will, moving forward, provide us with a composite score of failure to rescue and revised a baseline for us to measure any improvements against.

This year has seen several improvement initiatives implemented and/or ongoing, these include:

- Improved focus on reporting of patients' deterioration unexpectedly;
- The launch of a revised National Early Warning Score (NEWS2) to support early recognition and escalation of the deteriorating patient;
- Enhanced support for staff to recognise and administer oxygen in line with the patients' respiratory requirement;
- Ensuring safety briefings on ward areas are undertaken each day to aid the early identification of the deteriorating patient;
- Ensuring that appropriately documented 'ceilings of care' (patients previously expressed wishes, and/or limitations to their treatment) are identified for all patients;
- Development of 'Acute Care Champions', incorporating fluid balance champions for all in-patient areas;
- Enhanced 'Recognise and Act' training for staff to support improved awareness and competence. This training is mandatory for qualified nurses and has been extended to unqualified staff;
- Development of a community based NEWS2 trigger escalation tool and sepsis recognition/intervention tool to support the recognition and escalation of patients deteriorating in the community setting;
- Improved post falls management and care planning through an integrated medical and nursing review and document;
- Implementation of training for junior doctors to recognise and respond to the deteriorating patient;
- Ensuring appropriate Do Not Attempt Cardio-Pulmonary Resuscitation (DNA-CPR) decisions have been made and accurately recorded;

- Learning and sharing lessons from incidents and the GTT audits;
- Reviewed the links of patients deteriorating to our pathway work.

> **Outcome:** There has been an increase year to date of 33% against the 2017/18 baseline of failure to rescue a deteriorating patient
>
> **Progress:** ↓ Behind Plan

2.2.5 Clinical Pathways

> **What:** Improve the safety of our patients through delivery of care within defined evidence based pathways
>
> **How Much:** Pathways compliance – Sepsis antibiotic administration in 1 hour 74% and above 85% for all other Sepsis 6 items

The delivery of clinical pathways is overseen by a Clinical Pathway work stream internally in the trust, linking with a coast wide multiagency Integrated Care Partnership group and aims to:

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

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

In the last 12 months the Trust requirements for sepsis 6 outcomes compliance were changes from a 4-hour completion target to a 1-hour target from arrival in the department for the delivery of the key measure of antibiotics. This is more stringent than the previous national CQUINN of 1-hour delivery from screening positive for sepsis and the current regional target of the AQUA network, based on 1-hour from diagnosis of sepsis, not from arrival in the hospital. This was based on the detailed published evidence for the impact of sepsis 6. Over the last 12 months, significant programmes have sought to achieve this target.

The Trust has enrolled with the regional AQUA network led by colleagues from the Royal Liverpool Hospital to share good practice and performance. We have had an increased and sustained programme of evidence based education of all inducted staff by key stakeholders that has been highly rated.

The Trust's pathways group has met monthly and considered the ongoing prospective audit results for sepsis reported below. The group has now also formed within the new regional integrated care programme structure as a Fylde Coast Pathways group. This is currently seeking to explore pre-hospital opportunities to treat sepsis and will seek to produce one coherent coast wide sepsis pathway going forward.

As well as changing our targets, we have undertaken an ambitious ongoing education programme of new medical staff and the wider body. We have integrated sepsis trolleys with all the equipment to rapidly complete the sepsis 6 in key areas and we have provided integrated decision making aides, policy reminders and audit tools as a single document.

Compliance with the Sepsis 6 has overall increased. This data includes cases of both presumed and confirmed sepsis as it is measured from a whole sample of patients who either met our admission sepsis criteria, were treated as sepsis, later proven to have sepsis, were coded on discharge as sepsis or finally were reported in mortality data as sepsis. Delivery of antibiotics within 4 hours in January 2018 was 55.3% of patients and now delivery of antibiotics within 1-hour in March 2019 is 87.42%.

The Trust SHMI for sepsis has continued to drop since this became a focus for pathway work in July 2016 from a SHMI of 142.7, to a SHMI of 104.2 in July 2017, 91.2 in Jan 2018 and 88.0 in December 2019 65, the lowest rolling 12 months SHMI for sepsis the Trust has achieved to date.

The pathways group has recently calculated the crude mortality data for patients identified as presumed or confirmed sepsis. The crude mortality rate in October - November 2016 was 27% from a whole sample of 320 patients. The crude mortality rate in M9-11 is now 15% from a whole sample of 532 patients. This represents a risk reduction since the sepsis quality improvement works have been completed of 44%, in line with national published experience of similar good practice.

> **Outcome:** 2018/19:
> Sepsis antibiotic 1-hour administration improved
> Sepsis SHMI dropped to 65 in December 2018 -
> latest figure (104 in 2017)
> Crude sepsis mortality dropped by 44%
>
> **Progress:** ✔ Target Achieved

2.2.6 Patient Safety

Lessons Learned

The Trust continues to demonstrate a very positive and proactive culture of patient safety incident reporting and being open with patients, visitors and staff. Trust staff are encouraged to report all untoward incidents and in the past year over 19,000 patient safety incidents were reported by staff across all categories; no harm (near misses), low, moderate and severe harm impacts. Incidents are also reported which involve staff, visitors, contractors and other partnership organisations.

All serious incidents are investigated through the use of a Root Cause Analysis (RCA) tool to establish if not only gaps or omissions in care or treatment but also identifying best practice to be shared. Action plans, with timeframes and identified responsible leads, are compiled for each of these incidents. Anonymised root cause analysis (RCA) reports are made available to all staff through the Trust's internal Risk Management web site, to review and use as a learning tool. In the event of a patient death, these are routinely reviewed through the Trust's mortality and morbidity review process, which links into the Trusts serious incident review process.

Following recommendations from NHS Improvement and the Care Quality Commission, the Trust is currently reviewing how we implement and organisationally embed learning from our serious incident investigations. The Trust triangulates learning from formal complaints, informal patient concerns, claims, litigation, inquests, as well as from incidents, in order to capture where improvements and innovative change needs to happen.

Below are some of the ways in which we share learning from the above:

- The review of patient harm incidents, their outcomes and trends and themes across all levels of the organisation from the Board, reporting Committees, Divisional Governance and Departmental meetings to departmental and ward level team meetings, handovers and patient safety huddles;
- A bi-monthly dedicated forum - Learning from Incidents and Risk Committee (LIRC) where Divisions report how they are managing patient safety and risk within their own areas and share learning outcomes and action work streams;
- A quarterly Patient Relations, Incidents, Litigation and Learning (PILL) report is developed to inform and provide assurance that the Trust is learning from incidents, risks, claims, complaints and general feedback from patients;
- The publication of a bi-monthly dedicated Trust-wide Lessons Learned Newsletter to share the learning from serious incidents and organisational risks with all staff. The December newsletter also highlighted the initiatives and service improvements the Trust has been responsible for over the last 10 years and more, in order to promote and celebrate the achievements of the Trust and its staff;
- Sharing with Clinical Divisions weekly and monthly data reports on incidents, complaints and litigation, including trends and themes and new initiatives established to improve patient safety;
- The publication of 7 Minute Briefings to inform and advise staff of new initiatives, developments and legislations, including 'Incident Reporting', 'Never Events', 'Duty of Candour', 'Freedom to Speak Up', 'Always Events', 'Mental Capacity Act (MCA)', 'Equality & Diversity', Medicines Management etc.

Duty of Candour

The intention of the duty of candour legislation is to ensure that health providers are open and transparent with people who use their services. Formal duty of candour compliance applies whenever a patient suffers moderate to serious harm whilst under our care. Training and awareness presentations are undertaken to advise staff of their obligations to keep patients informed when patient safety incidents occur, to

offer apologies when things have gone wrong and to inform the patient or Next of Kin of what will happen to resolve concerns identified. All final Duty of Candour letters are reviewed and signed off by the Medical Director of the Trust, to ensure our communications with the patient, their relative or relevant person provides meaningful information and ongoing support.

2.2.7 Infection Prevention

i) Reduce cases of Methicillin Resistant Staphylococcus aureus (MRSA) – Acute

What: Reduce cases of Methicillin Resistant Staphylococcus aureus (MRSA) Blood Stream Infections within the Trust	
How Much: 0 cases of MRSA Blood Stream Infections	

Blackpool Teaching Hospitals NHS Foundation Trust
Cumulative Performance MRSA Bacteraemias
1st April 2013 - 31st March 2019
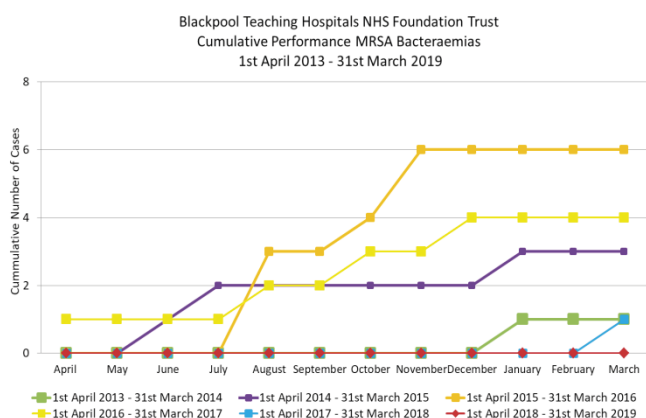
In response to the concerns about the rising number of reports of MRSA, the then Department of Health made surveillance of MRSA bacteraemia mandatory from April 2001. Public Health England has managed the mandatory surveillance through a web-based data capture system (DCS) which provides the means to capture clinical information on the patient and the infection, the likely source of infection and previous healthcare interactions. The DCS also provides dynamic, on-demand reporting to acute trusts, CCGs and other organisations allowing those involved in the care of patients to investigate trends at a local level.

The Trust has robust Staphylococcus aureus screening pathways which, in conjunction with Improved Hand Hygiene and compliance with Aseptic Non Touch Technique (ANTT), have led to a sustained reduction in MRSA.

Outcome: 0 cases of MRSA Blood Stream Infection	
Progress: ✔ Target achieved	

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

What: Reduce cases of Clostridium difficile within the Trust	
How Much: 39 avoidable cases of Clostridium difficile	

Blackpool Teaching Hospitals NHS Foundation Trust
Actual Performance for Clostridium Difficile Infections
1st April 2013 to 31st March 2019
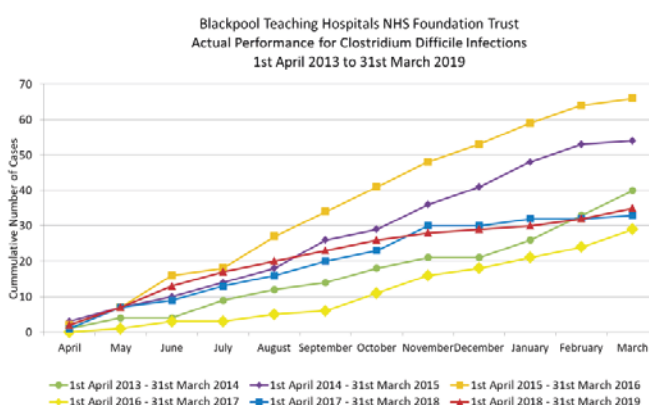
In 2004, quarterly surveillance of Clostridium difficile infections (CDI) in patients' ≥ 65 years old was made mandatory due to increasing prevalence. From 2007, the surveillance was expanded to include all patients 2 or more years old and was extended to enhanced surveillance to capture patient-level information. Since 2007, rates of CDI have declined dramatically. One of the ways in which the Trust prevents cases of CDI is through the use of UV-C technology. This device emits UV-C light with permanently damages the DNA genetic structure of bacteria and viruses. It is used throughout the hospital as part of a rolling deep clean programme.

Outcome: 35 cases of Clostridium difficile 25 cases were deemed unavoidable as no lapses in care were identified 7 cases were attributed to lapses in care relating to antimicrobial prescribing. 3 cases awaiting validation	
Progress: ✔ Target achieved	

2.2.8 Patient, Family and Carer Experience

i) NHS Friends and Family Test

> **What:** Achieve the organisations objective by 2019 that 98% of patients would be likely to recommend the service to their friends or family if they needed similar care or treatment
>
> **How Much:** 98% 2018/ 2019

Our Friends and Family Test (FFT) data is collated, analysed and managed via our online patient feedback system, Meridian. This system enables us to compare our FFT results to other patient experience feedback so we know how we are performing in the eyes of patients and carers. Clinical and operational teams have direct access to the FFT feedback through this portal and use both positive and negative feedback to influence the care and treatment they provide, detailing any actions they have taken if required.

- The NHS Friends and Family Test (FFT) was launched in 2013 following the publication of the Francis Report.
- Since the launch of the FFT, Blackpool Teaching Hospitals have submitted over 240,000 pieces of feedback.
- In 2018/19 Blackpool Teaching Hospitals surveyed 47,954 patients using the FFT survey.
- Every service user that comes into contact with our services is given the opportunity to complete the FFT form via SMS Text, Online or in a paper format.
- In 18/19 98% of our patients recommended our Community services. 96% patients recommend our ward staff and 95% recommended our Outpatient Department.

The Organisation's ambition is to ensure that 98% of our patients and carers are satisfied with our services. A number of our services display and sharing the positive comments received from completed FFT forms. Many of our areas regularly achieve over 98% and high patient participation levels.

We are constantly looking for new ways to share the feedback received via the FFT with our recent social media campaign proving very successful. Improving mechanisms of sharing the information gained from the FFT makes it easier for services to respond more effectively and be more responsive to the needs of our service users.

> **Outcome:** 96.6%
>
> **Progress:** Improvement in percentage from previous year of 96.50%. Text messaging trials are being rolled out in Maternity services and Emergency department. Comments received continue to be shared with teams. There is also engagement work ongoing via social media to reach a wider audience with our patient comments.

ii) 'Tell Us' Campaign

> **What:** To be better than national average for Trusts in the National Inpatient Survey against the Question: Patients wanted to be more involved in decisions about their care.
>
> **How Much:** 67% of patients feel involved in decisions about their care – 2017 CQC National Inpatient Survey – 2018 Information not available until June 2019
> Local Listener Survey – 86% were you involved as much as you wanted to be in decisions about your care

The Patient Experience Department continues to run the "Tell Us" campaign as part of the ongoing Patient and Carer Involvement Strategy. The department continues to highlight the campaign and the importance of capturing patient and carer feedback across the organisation. In 2018/19 we continued to increase our social media presence, presented at Trust inductions, shared first person experiences via the patient stories programme, hosted the Trusts first Community Lounge, provided training and awareness sessions.

Feedback from patients also comes in the form of compliments and it is important that the Trust reflects to its staff when things go well and ensure that staff feel valued and appreciated for all their hard work and commitment.

During 2018/19, progress has been made in capturing the views of our patients whilst receiving their care and treatment. This information is then shared with areas to celebrate their success and highlight any areas that need improving. We currently have 13 listener volunteers currently in post, who engage monthly with over 200 patients each month over the last 12 months.

The Influence Panel has evolved during the last 12 months. We now have 20 members with varied backgrounds who meet with staff monthly to discuss new projects with the patient's voice at the heart. In the last 12 months they have worked on initiatives to prevent kidney infections in hospital, electronic prescribing, a Trust wide carers' charter and supported the introduction of flexible visiting into several ward areas.

Outcome: 1,250 people who were inpatients during July were sent this survey and the Trusts response rate was 42%.

Progress: 2018 Information not available until June 2019*

*CQC 2018 Survey results when available

iii) Always Event™

What: Progress the concept of the Always Event programme throughout the Organisation.

How Much: Increase the number of services facilitating in the 'Always Event' process.

Always Events are aspects of the patient experience that are so important to patients and family members that health care providers must aim to perform them consistently for every individual, every time. The framework can be described in more detail here: https://www.england.nhs.uk/always-events/. Our Trust has been working in collaboration with NHS England and Picker for four years to reliably integrate Always Events into our routine care processes. During 2018-19 the following progress was made:

- A Carer's Welcome poster was created to let carers know that they could visit the ward outside of normal visiting hours. This was designed by the Influence Panel. The posters are now on all ward entrances across both our Hospital sites;

- Flexible visiting commenced on six of our orthopaedic and surgical wards (2-8pm). A lot of one to one interviews and focus group work was conducted to find out staff and patients perception to the proposed changes. Staff were concerned at the start at the patient's ability to rest due to the ward being overcrowded (77%), and possible breaches to patient confidentially, and privacy and dignity (70%) especially during ward rounds;

- Now 94% of all staff and patients like having flexible visiting in their area;

- Annual data shows there has been a 33% reduction in the number of aggressive behaviour by patients and visitors in the 6 areas currently offering flexible visiting.

Outcome: A Carer's Welcome is Trust wide across all hospital sites. Flexible visiting is now happening on six wards, with plans to commence on 4 wards in the new financial year.

Progress: Achieved.
Aside from the 2 Always Events listed above, there are 3 other Always Events in operation at Blackpool Teaching Hospitals and two members of BTH staff have been successfully appointed as NHS England Mentors to advise and support other Trusts who are involved in the programme.

2.2.9 Workforce Experience

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

- Raising awareness of bullying and harassment through communications;
- Marketing the Freedom to Speak up service in particular at Trust Induction to make staff aware of how to raise a concern;
- Appointment of an Associate Director for International Medical Graduates to support newly appointed IMG's;
- Delivery of bullying and harassment training programmes in collaboration with Staff Side colleagues;
- Raising awareness of the support available to all staff;
- Design and embed a triage system / flowchart to enable people to identify whether they are being bullied and what support is most appropriate;
- Including Bullying and Harassment in appropriate training, such as Courageous Conversations;

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

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

- Succession planning approach embedded in appraisal and job planning processes to ensure that staff from all backgrounds are able to access relevant leadership development opportunities. Black, Asian and Minority Ethnic attendance on programmes is monitored via the Workforce Race Equality Scheme Action Plan;
- The Senior Collaborative Leadership Programme has representation from Black, Asian and Minority Ethnic staff who have been identified through succession planning processes;
- Great Place to Work Group monitor results of pulse check surveys and National Staff Survey information bi-monthly.

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

2015	2016	2017	2018
81%	81%	81%	79%

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

2015	2016	2017	2018
87%	85%	86%	83%

Freedom to Speak Up

The Trust encourages an open and transparent culture and supports staff to speak up if they have concerns or challenges they require support with. The Trusts Freedom to Speak up Guardian provides a means for staff to feel supported to do this if they feel they are not able to directly talk to their line manager or if they want anonymity. To support staff there is a freedom to speak up information section on the Trust website and a dedicated area on the Trust app where staff can fill a form in to raise a concern. To support the Trust guardian there is 15 champions trained that can also be accessed for support. To date 60 staff have accessed the service and been supported to raise concerns and have benefited from the guardian / champions ensuring they have been listened to and actions / responses to their concerns have been fed back to them.

2.2.10 Improving Care for Patients Living with Dementia

What: Patients aged 75 years or over have a dementia assessment on admission	
How Much: 90% against all three elements of the Dementia assessments	

The Trust acknowledges that dementia currently affects over a half a million people and it is expected that this number is set to rise considerably as people live longer and the occurrence of dementia increases with age. The Quality Strategy sets out our ambitions to provide the best patient care that is informed, timely and safe for all of our patients. This is even more key for those patients with a diagnosis of dementia and with the numbers of patients with dementia forecast to rise rapidly the development of a Dementia Strategy in 2016 was an important step forward for the Trust.

The Trust has completed its second year of projects, service improvements and process developments against the dementia strategies key action areas and an update on progress against these priorities has been presented to the Quality Committee.

The Dementia Advisory Board has overseen key achievements during Year Two Implementation of the strategy which have included:

- Health and wellbeing plan available on intranet;
- Care pathways written and amended in line with new guidance awaiting formal launch;
- Butterfly alert used on tracker to alert need

to consider butterfly scheme and reasonable adjustments;
- Paint me a picture cards in place;
- Dementia champions across all clinical areas and clinical lead identified to support strengthening of champions role and work;
- Training packages agreed and developed and key identified people noted to support training programme;
- E discharge and district nurse referral forms review commenced to include dementia assessments and relevant information;
- Johns Campaign rolled out and scoping of equipment for key areas to support Johns Campaign commenced;
- Blackpool 'for your information' website providing dementia care and services information available;
- 2018 dementia audit participated in and awaiting results to be compared with previous audit to influence action planning and alignment into priority areas of work;
- Purchase of dementia friendly cutlery and crockery;
- Dementia friendly day room upgrades for Care of Elderly wards;
- Dementia Awareness week event programme;
- Facilitation of dementia HUB and carers café at Clifton Hospital on a monthly basis;
- Support of use of memory corridor with monthly programmed visits;
- Completion of dementia garden at Clifton Hospital;
- Roll out of Abbey pain tool;
- Use of 'pets as therapy'.

Outcome: 90.92% patients age 75 years and over received a dementia risk assessment
Progress: ✔ Achieved

2.2.11 End of Life Care

The Trust continues to work toward the Fylde Coast End of Life Strategy and our shared vision to improve and deliver excellence in end of life care across the Fylde Coast There is strong partnership working across all organisations providing end of life services, including Trinity Hospice, CCG's,

GP's, District Nursing Teams, and third sector organisations.

2018/19 has brought significant changes within the Trusts team supporting the End of Life Care agenda. We are delighted to receive an increase in our palliative nursing workforce from Trinity Hospice and have two additional Clinical Nurse Specialists and three Associate Clinical Nurse Specialists in post. This will enhance our service and will support the Trust in starting to work towards 7-day working during 2019/20.

Referrals to the specialist palliative care team continue to grow year on year and positively 86% of patients were seen within 24 hours. The team continue work to increase in deaths in usual place of residence and achieving patients preferred place of care will continue to be a focus across the Fylde Coast throughout 2019/20.

The Trust supports early open and honest discussions to ensure patients and those important to them are involved and support in decision making and that we support them when the time comes for them to be cared for in their place of choosing. In order to support staff we have successfully introduced a network-wide advance care planning training programme and over 290 staff have attended training on the Fylde Coast. We have continued to offer DNACPR simulation sessions and over 163 staff have attended this training. Work is ongoing through the Trust Quality Improvement Programmes to promote use of the AMBER care bundle and early identification of patients requiring end of life care and support.

A comprehensive range of education and training is available to staff across the Fylde Coast with Trust, community and Trinity Hospice teams delivering across the variety of settings. An overarching Training group has been established with an aim to further improve standardisation of training, provision of training for vulnerable groups and further develop face to face bespoke training and clinical skills. Over 400 staff training episodes have been recorded over the year including: verification of death, advance care planning, syringe pump, key trainer training, symptom management at end of life, care of the dying person, dementia friends, Frailty and Dementia, communication skills – basic and advanced and DNACPR simulation training. A Workforce Strategy group will undertake a review of all programmes across the Fylde Coast and this will include a training needs analysis against the strategy objectives for 2019/20 onwards.

Documentation is shared where possible and our Electronic Palliative Care Co-ordination System (EPaCCS) continues to increase in use and is use across all GPs across the Fylde coast with continued increase in use. The system shares information across organisational boundaries, and is making a real difference in decision making, when a person/family phone for support especially in the out of hours period. Patients attending A&E or being admitted into hospital with an EPaCCS record, staff are able to view information which includes preferences and wishes and teams are encouraged to review the records to support care planning and decision making. We aim to improve on access within the hospital setting over the next 12 months and as within the strategy objectives seek to further improve on embedding advance care planning and meeting patient's wishes with preferred place of care at the end of life.

2.2.12 Bereavement Care

The Bereavement and Carers Group meet quarterly to bring relevant departments together in order to facilitate and deliver excellence in bereavement care throughout the Trust. To achieve a high standard in care the Groups Action Plan focuses on six areas:

- Feedback. Engaging with the views, ideas and issues raised by patients, cares and staff. This

is primarily met through the monitoring of the Bereavement Survey. Survey results and comments and fed back directly to ward and Divisional Leads. They are also monitored by the Group for common themes. We will also participate in the National Survey (2019);

- Training. Developing and supporting a skilled workforce on bereavement care. Currently reviewing what training is made available to staff and volunteers in order to better coordinate the training and resources available. For example; coordinating future ward based training sessions with the End of Life Care Team to include Spiritual Care and Bereavement;

- Literature. A monitoring of the Trusts bereavement literature, including the 'You and Your Loss Booklets. Helping in the introduction of an 'Easy Reference Guide' (End of Life Care and Bereavement) for staff that has been developed over the last few months;

- Environment. Seeking to improve the environment for the dying, carers and bereaved. Reviewing the wards to identify and encourage the sharing of good practice whilst ensuring the availability of key resources (such as bereavement boxes and visitor support packs);

- Policy and Procedures. The ongoing monitoring of relevant Trust policy and procedures;

- Post bereavement Care. Developing support for the bereaved carers. This includes a number of long established remembrance services throughout the year and the future relaunch of a service for the Critical Care Unit in May 2019. Post bereavement care also includes the maintaining of high standards through the Bereavement Office and Chaplaincy in relation to funerals.

2.2.13 Spiritual and Pastoral Care

Meeting the spiritual needs of patients/carers or users is an integral part of holistic care; treating each person as an individual with respect and compassion. All staff and volunteers within the Trust have a responsibility and ability to assess and help deliver spiritual care.

The Chaplaincy leads in the promotion and understanding of spiritual care and delivers an education programme that highlights good spiritual care, religious needs, spiritual assessment and staff wellbeing. Chaplaincy Spiritual Care Training days are available for Community based healthcare providers and Local Faith Group leaders to attend and learn alongside Trust and Hospice staff. Local Religious Leaders have been invited to share about the specific religious needs of patients and staff at education and awareness days.

The Chaplaincy Team consists of three whole time Chaplains, a Muslim Chaplain (3 hours), a Roman Catholic Chaplain (14 hours), and 33 Chaplaincy Volunteers (including Humanists).

The Chaplains provide a 24/7 on-call service to help deliver spiritual care and to meet specific religious needs, often in an end of life context. They also maintain a directory of Local Faith Communities to assist in responding when appropriate. There are 152 places of worship in the Fylde Coast; the directory also includes contacts for non-religious groups such as Humanists.

On the Blackpool Victoria Hospital site there is a Chapel open to all, and two separate Multi-faith Prayer Rooms, one with ablution facilities. There is a weekly Communion Service, Mass, and Jumma Prayers.

Chaplaincy works closely with the Bereavement and Carers Group to champion high standards of care, including spiritual needs. There are annual Bereavement Services for the families and carers following adult, child or neonatal death. The Chaplaincy also assists with hospital contract funerals as required by the Bereavement Office.

The Chaplaincy Service Level Agreement with Trinity Hospice helps facilitate a continuity of spiritual care for patients/carers or users across the Fylde Coast Healthcare community. There is a working relationship with Trinity Hospice (including Brian House and The Linden Centre), Blackpool Registrar, Coroner, Funeral Directors, Carleton and Lytham Park Crematorium, the Blackpool SANDS group, Miscarriage Association, Donnas Dream House, and other local carers and bereavement groups. In working with these groups the Chaplaincy help to promote and coordinate good spiritual and religious care.

2.2.13 Learning Disability Service

Learning Disability Service

The Trust has recently appointed to the Learning Disability lead liaison nurse post whose role will help to support staff in the care and treatment of our patients with a Learning Disability.

The Learning Disability Guide role meetings have continued and there has been increased acknowledgement of the need to participate in this role from inpatient areas.

The guide meetings are supported by one of Blackpool learning disability team members and other invited speakers who talk about their role in working with learning disabilities. This is a supported learning opportunity and supports the guides on difficulties they have faced and how these can be overcome.

The Learning Disability flag on the hospital patient information system has enabled patients, known to the Trust to have a learning disability, to be flagged up on the ward patient flow tracker. This has also enabled a daily update to be provided to the Blackpool Learning Disability team. Progress is ongoing to have this information available for patients known to Lancashire Care Trust.

One of the Trust's patients and his mother spoke about their positive experience when accessing the Trust's services as part of the Patient Story Programme.

The full story can be heard: **https://www.youtube. com/watch?v=EQfOyxahzmg&index=4&t=0s&list= PLA3nCFPhlfsv_y6tm9qakJ3Lta9xs_Puh**

LEDER Process

The Learning Disabilities Mortality Review (LeDeR) Programme is commissioned by the Healthcare Quality Improvement Partnership (HQIP) on behalf of NHS England. It aims to support improvements in the quality of health and social care service delivery for people with learning disabilities and to help reduce health inequalities and premature mortality sometimes faced by people with learning disabilities. The Trust actively participates in these reviews and has a robust process in pace for identifying when a person with learning disabilities dies whilst in our care.

The first full multi-agency review of a death using the LeDeR process took place in Quarter 4. Learning from this will be shared with each relevant agency. The findings of this review will also be reflected on during a Grand round event on the LeDeR process.

To support learning form the LeDeR process the organisation has improved how we record deaths of service users: During this process if learning disability is identified whether previously known or not key questions are asked which will help identify appropriate referral into the LEDAR process.

The LeDeR review compliments other investigations or reviews that may take place following the death of a person with disabilities, for example: Serious Case Reviews (SCRs), Safeguarding Adult Reviews (SARs), Safeguarding Adults Enquiries (Section 42 Care Act) Domestic Homicide Reviews (DHRs), Serious Incident Reviews, Coroners' investigations and Child Death Reviews.

In 2018/19, the Trust reported seven deaths of patients with learning difficulties to the LeDeR centre.

2.3 Our Plans for the Future

2.3.1 The Quality Strategy 2016 – 2019

The Trust's Quality Committee is authorised by the Board to oversee quality activities within the scope of its Terms of Reference, including the monitoring of the delivery of the Quality Strategy and processes for assuring and delivering quality

across the organisation. The main priority of the Quality Committee is to provide assurance to the Board that the highest possible standards in quality of care and patient safety are set and achieved by the Trust.

The development of a three-year quality strategy has provided a framework to review quality of care against three quality domains; Informed, Timely and Safe (ITS how we care). Each domain covers a number of key improvement metrics, all of which are supported by three strategic enablers. The strategy has provided the Trust with a clear definition of quality and quality priorities for 2016 to 2019, and the commitment of the Organisation to put quality at the heart of all it does.

Work has commenced across the integrated care partners on a Fylde Coast Quality Strategy approach. Whilst this work is developed the Quality Committee has supported the approach that the current goals are rolled over and continued to be reported to Quality Committee for ongoing monitoring and assurance purposes until the new Fylde Coast Strategy is agreed.

2.3.2 Quality Improvement

The Trust has made some progress in using methods and tools to improve quality of care and patient outcomes and has worked closely with AqUA to support this. Following the Trust participation in the NHSI Moving to Good Programme it was clear that many Trusts are investing in Quality Improvement capability and capacity and developing systematic organisation wide programmes to ensure that continuous improvement is implemented at scale. As a result the Trust has signed up as a QSIR (Quality, Service, Improvement & Redesign) Trust with NHSI and their ACT (Advancing Change and Transformation) Academy. This will ensure there is a clear, consistent and widely understood improvement methodology for the organisation. The Trust has supported a number of staff, both clinical and non-clinical, to undertake QSIR Associate training which will facilitate the organisation and its key stakeholders to tackle large and small scale system wide change, create a culture of continuous improvement, and thus progress with structure the quality improvement journey.

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

The purpose of the Quality Strategy is to support the delivery of the organisation's vision, values, quality goals and strategic objectives. Our vision is to create a culture of continuous improvement where; 'Our care will be safe, high quality and managed within available resources, provided in the most appropriate environment and to agreed pathways of care' and 'Our highly skilled and motivated workforces will be patient centred, caring and compassionate, living our values every day.'

The Quality Strategy closely supports the Trust's overall strategy by identifying and prioritising delivery of specified key improvements in the three quality and safety domains set out below, informed/timely/safe, thereby enabling the delivery of two key quality related measurable goals within each domain.

We share again this year in our accounts the metrics for each quality and safety domain as set out below, each of which has yearly targets set against them, the achievement which has been reported to the Board of Directors through the Quality Committee.

Care Domain:	Key Goals:	Metrics:
Informed	**Enhancing the Patient Experience and Promoting Patient Involvement**	• Did you feel well looked after by staff • Patient who have been treated with dignity and respect • Patients who feel involved in their care • Patients know which nurse is looking after them • Doctors answers to questions were understood by patients • Patients who would recommend the service to friends and family
Informed	**Providing Evidence Based Care**	• Compliance with key clinical pathways based upon opportunities to care • Mortality rates for conditions with a clinical pathway as reflected in 12-month rolling SHMI
Timely	**Care in the Right Place**	• Number of 'none optimal placement' of patients to admitting ward • NEL length of stay reduction • EL length of stay reduction • Delayed transfers of care • Number of 7 and 21 day stranded patient
Timely	**Care at the Right Time**	• RTT open pathways • Total number of patients waiting • Cancer treatment targets62 days • Cancer targets • A&E 4 hour standard • Cancelled Operations non clinical on the day • Percentage bed occupancy
Safe	**Harm Free Care**	• Reduction in falls incidents resulting in harm • Reduction in failure to rescue / cardiac arrests • 100% compliance with intrapartum guidance • Reduction in avoidable harm due to pressure ulcers
Safe	**Open and Honest Culture**	• Number of clinical incidents reported • Performance on questions from staff survey in relation to transparency • Number of duty of candour processes completed for patient safety incidents

IT'S how we care

2.4 Our Quality Priorities 2019/20

Our Quality Strategy 2016-2019 outlines a number of projects that we will be continuing to focus on in the coming year during 2019/20 and these have been closely aligned to the Trust's 2020 strategic vision. The quality strategies metrics displayed above have set targets which will be monitored and reported to the Quality Committee via a performance exception report throughout 2019/20.

The Trust is currently being supported by NHS Improvement to support the Trust priority during 2019/20 to embed a culture for quality improvement (QI), which is supported by a central QI team, the focus of which will establish a clear plan for Quality Improvement that focuses on the key areas for improvement. This is outlined in the Improvement Board Terms of Reference where progress against the development of the QI programme and outputs of four work streams will be monitored and reported.

The four key drivers of focus for quality improvement are:

- Establishing, agreeing and adopting the behaviours, at all levels, which support a culture for improvement to flourish;
- Reviewing the systems, structures and resources to support continuous, sustained, improvement in quality and performance – this will link with ensuring governance systems and assurance processes;
- Introduction of evidence based best practice to ensure that data is displayed appropriately so that performance and improvement information is transparent and reliable, and provides genuine assurance at all levels;
- Establishment of a governance structure to ensure that improvement work is aligned with trust priorities and is given the support required to engage and empower staff.

The actions required to attain the above drivers are multi-faceted, but include:

- Development of a Quality Improvement Strategy which is underpinned by a Quality Improvement Delivery Plan aligned to the Trust strategy and objectives, and that is endorsed by the Executive Directors. This includes the implementation of clinical pathways and plans to deliver seven day services, a national initiative of which the Trust is participating in;
- Development of a QI Capacity and Capability plan, which identifies how many staff are needed at each level of QI competence; how these will be trained and supported; how time to deliver improvement work will be released. This will align to the NHSI 'dosing formulary';
- Facilitating the development of system leaders, both Executive, clinical and non-clinical, alongside front line staff to understand their role and responsibilities in Quality Improvement;
- Ensuring that there are clear structures in place to oversee and facilitate QI work, including the recognition of the links to other departments;
- Establishing a cross-functional QI Advisory Group to act as critical friends and sounding board for QI development; to monitor progress and to ensure that learning is shared and spread;
- Effective use of data to measure and demonstrate sustained improvement, aligned to the QSIR methodology.

The Trust recognises that to embed QI is a journey and this will be reflected in the QI Strategy which will be amalgamated with the current Quality Strategy and reported against going forward.

Our Priorities Going Forward 2019/20
In addition to the above the Trust notes its operational quality priorities which are measured monthly and reported to the Board via the Trust integrated performance report. These continue to be priorities as historically have been fed back either via national patient focused public agendas or through local feedback processes, complaint themes from patients and surveys from patients and staff as important to patients and the wider public:

- Reducing Mortality (Summary Hospital Level Mortality Indicator -SHMI) for conditions with a clinical pathway;
- Maintaining a reduction in Infections;

- Reducing elective and non-elective length of stay;
- Increasing the reporting of near miss incidents;
- Reducing Harm from Serious Incidents;
- Reducing Never Events;
- Enhancing Patient Experience;
- Improving performance against A&E 4-hour standard;
- Improving CQC Ratings.

Within programmes of work to move forward with all of the above, consideration is given within service planning and developments towards achieving seven day services. The Trust is required to and submitted in 2018/19 its action plan to NHSI relating to the ten National Clinical Standards for 7-day services. Key leads are identified for each of the standards to provide a baseline position, to describe actions identified to support working towards each standard and to co-ordinate progress reports from individual relevant teams on movement towards each standards overall achievement. The Trust recognises that to support the programme of work towards seven day working consideration of staffing requirements to support developments is pivotal, which it is recognised is a challenge due to current gaps in staffing establishments. Medical staffing gaps in rotas are driven by vacancy of posts, the Trust advertise posts via NHS jobs, the British Medical Journal and all framework agencies who support sourcing of candidates.   The number of staff in post has increased over the year although the Trust acknowledges some areas where recruitment is difficult remain. The Trust accesses an agency support to head hunt for these posts, with success over the year in some areas, where there is also a national shortage. The development of a Trust microsite has been completed which promotes what the Trust offers to staff and advertises vacant post available and an increased interest in advertised posts can be demonstrated.

The Trust integrates CQC standards within all work programmes developed to support the above priorities. Feedback from CQC Inspections (see page 121) including regulatory requirements are reflected in a Trust-wide CQC action plan which is monitored by Quality Committee, Fylde Coast Executive Board and with the CQC at monthly Engagement Meetings.

Integrated Care Partnership
The three Fylde coast health organisations (Blackpool CCG, Fylde and Wyre CCG and Blackpool Teaching Hospitals NHS Foundation Trust) are individually and collectively active partners in the Lancashire and South Cumbria ICS through involvement in a number of transformation work programmes, the development of a commissioning framework for L&SC, the development of new management and governance arrangements for CCGs, the creation of jointly agreed planning assumptions, and the development of ICS-to-ICP assurance processes with national bodies.

There has been an established Fylde Coast ICP Steering Group facilitating this over the year and the Fylde Coast Clinical Senate comprising of Fylde Coast senior leadership teams has been used to influence the development of a localised vision which will encompasses all partners' quality priorities.

2.4.1 Statements of Assurance from the Board of Directors

Review of Services
During 2018/19, the Blackpool Teaching Hospitals NHS Foundation Trust provided and/or subcontracted the following relevant health services:

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

The Trust also provides Stroke services, which has seen a reduction in 10 beds within 2018/19, as part of governance actions taken by The Trust due to an ongoing criminal investigation.

Blackpool Teaching Hospitals NHS Foundation Trust received notification from NHS Improvement of quality and target breaches in relation to national outlier for Mortality indices, A&E maximum waiting time target breaches, none delivery of cancer

62-day target and a deteriorating position in CQC ratings for Urgent and Emergency Services.

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

The income generated by the relevant Health services reviewed in 2018 /19 represents 100 per cent of the total income generated from the provision of relevant health services by the Blackpool Teaching Hospitals NHS Foundation Trust for 2018/19.

2.4.2 Participation in Clinical Audits and National Confidential Enquiries

During 2018/19, 54 national clinical audits and five national confidential enquiries covered relevant Health services that Blackpool Teaching Hospitals NHS Foundation Trust provides.

During that period Blackpool Teaching Hospitals NHS Foundation Trust participated in 95% national clinical audits and 100% national confidential enquiries of the national clinical audits and national confidential enquiries which it was eligible to participate in.

The national clinical audits and national confidential enquiries that Blackpool Teaching Hospitals NHS Foundation Trust was eligible to participate in during 2018/19 are as follows;

The national clinical audits and national confidential enquiries that Blackpool Teaching Hospitals NHS Foundation Trust participated in during 2018/19.

2.4.3 Table 1 National Clinical Audits

The national clinical audits and national confidential enquiries that Blackpool Teaching Hospitals NHS Foundation Trust participated in, and for which data collection is was completed during 2018/19 are listed below alongside the number of cases submitted to each audit or enquiry as a percentage of the number of registered cases required by the terms of that audit or enquiry are as follows:			
	National Clinical Audit Title	Eligible	Participated	Number or Percentage submitted
1	Adult Cardiac Surgery (NICOR)	✔	✔	1003
2	Adult Community Acquired Pneumonia British Thoracic Society (BTS)	✔	✔	Ongoing
3	British Association of Urology Surgeons (BAUS) Urology Audit - Cystectomy	No	Not applicable to Blackpool Teaching	
4	BAUS Urology Audit - Nephrectomy	✔	✔	52
5	BAUS Urology Audit - Percutaneous Nephrolithotomy (PCNL)	✔	✔	46
6	BAUS Urology Audit - Radical prostatectomy	No	Not applicable to Blackpool Teaching	
7	BAUS Urology Audit Female stress urinary incontinence	✔	Not participating	
8	Cardiac Rhythm Management (CRM)	✔	✔	712
9	Case Mix Programme (CMP) ICNARC	✔	✔	100%
10	Child health clinical outcome review programme NCEPOD	✔	✔	100%

	National Clinical Audit Title	Eligible	Participated	Number or Percentage submitted
11	Elective surgery (National PROMs Programme)	✔	✔	Ongoing
12	Falls and Fragility Fractures Audit Programme (FFFAP)	✔	✔	Ongoing
13	Feverish Children (care in emergency departments) Royal College of Emergency Medicine (RCEM)	✔	✔	136
14	Inflammatory Bowel Disease (IBD) programme	✔	Not participating 2018/19	
15	Learning Disability Mortality Review Programme (LeDeR)	✔	✔	100%
16	Major Trauma Audit. Trauma Audit & Research Network (TARN)	✔	✔	392
17	Mandatory Surveillance of Bloodstream Infections and Clostridium Difficile Infection	✔	✔	132
18	Maternal, New born and Infant Clinical Outcome Review Programme. MBRRACE-UK	✔	✔	24
19	Medical & Surgical Clinical Outcome Review Programme. National Confidential Enquiry into Patient Outcome and Death (NCEPOD)	✔	✔	100%
20	Mental Health Clinical Review National Confidential Inquiry into Suicide and Homicide	No	Not applicable to Blackpool Teaching	
21	Myocardial Ischaemia National Audit Project (MINAP)	✔	✔	1455
22	National Asthma and COPD Audit Programme	✔	✔	43
23	National Audit of Anxiety and Depression	No	Not applicable to Blackpool Teaching	
24	National Audit of Breast Cancer in Older patients (NABCOP)	✔	439	100%
25	National Audit of Cardiac Rehabilitation	✔	✔	3751
26	National Audit of Care at the End of Life (NACEL)	✔	✔	80
27	National Audit of Dementia	✔	✔	79
28	National Audit of Intermediate Care (NAIC)	✔	✔	100%
29	National Audit of Percutaneous Coronary Interventions (PCI)	✔	✔	1688
30	National Audit of Pulmonary Hypertension	No	Not applicable to Blackpool Teaching Hospitals	

	National Clinical Audit Title	Eligible	Participated	Number or Percentage submitted
31	National Audit of Seizures and Epilepsies in Children and Young People	✔	✔	30
32	National Bariatric Surgery Registry (NBSR)	No	Not applicable to Blackpool Teaching Hospitals	
33	National Bowel Cancer Audit (NBOCA)	✔	✔	231
34	National Cardiac Arrest Audit (NCAA)	✔	✔	133
35	National Clinical Audit for Rheumatoid and Early Inflammatory Arthritis (NCAREIA)	✔	✔	60
36	National Audit of Psychosis	No	Not applicable to Blackpool Teaching Hospitals	
37	National Clinical Audit of Specialist Rehabilitation for Patients with Complex Needs following Major Injury (NCASRI)	No	Not applicable to Blackpool Teaching Hospitals	
38	National Comparative Audit of Blood Transfusion programme	✔	✔	100%
39	National Congenital Heart Disease (CHD)	✔	✔	119
40	National Diabetes Audit – Adults	✔	✔	100%
41	National Emergency Laparotomy Audit (NELA)	✔	✔	76%
42	National Heart Failure Audit	✔	✔	92%
43	National Joint registry (NJR)	✔	✔	659
44	National lung cancer audit (NLCA)	✔	✔	203
45	National Maternity and Perinatal Audit (NMPA)	✔	✔	464
46	National Mortality Case Record Review Programme	✔	✔	64%
47	National Neonatal Audit Programme (NNAP)	✔	✔	100%
48	National Oesophago-gastric Cancer (NAOGC)	✔	✔	79
49	National Ophthalmology audit. Royal College of Ophthalmologists (RCOphth)	✔	Not participating 2018/19	
50	National Paediatric Diabetes Audit (NPDA)	✔	✔	136
51	National Prostate Cancer Audit	✔	Not applicable to Blackpool Teaching Hospitals	
52	National Vascular Registry	No	Not applicable to Blackpool Teaching Hospitals	
53	Neurosurgical National Audit Programme	No	Not applicable to Blackpool Teaching Hospitals	
54	Non-Invasive Ventilation – Adults (BTS)	✔	✔	Ongoing
55	Paediatric Intensive Care (PICANet)	No	Not applicable to Blackpool Teaching Hospitals	

	National Clinical Audit Title	Eligible	Participated	Number or Percentage submitted
56	Prescribing Observatory for Mental Health (POMH-UK)	No	Not applicable to Blackpool Teaching Hospitals	
57	Reducing the impact of serious infections (Antimicrobial Resistance and Sepsis)	✔	✔	100%
58	Sentinel Stroke National Audit Programme (SSNAP)	✔	✔	90%
59	Serious Hazards of Transfusion (SHOT) UK National haemovigilance scheme	✔	✔	100%
60	Seven Day Hospital Services	✔	✔	262
61	Surgical Site Infection Surveillance Service	✔	✔	18
62	UK Cystic Fibrosis Registry	✔	✔	58
63	Vital Signs in Adults (care in emergency departments) (RCEM)	✔	✔	120
64	VTE risk in lower limb immobilisation (care in emergency departments) (RCEM)	✔	✔	12
	Rheumatology Audit - BSR Guidelines on Systemic Lupus Erythematosus (SLE) Management 2018	✔	✔	6
	National Audit of Inpatient Falls	✔	✔	100%
	NatSSIPs / LocSSIPs	✔	✔	100%
	RCR Audit of prevention and detection of Acute Kidney Injury in adult patients undergoing iodinated contrast media injections (CI-AKI)	✔	✔	100%
	National audit of the provision of imaging of the severely injured patient	✔	✔	100%
	Potential Donor audit	✔	✔	100%

Note: - Some National Audits require a total number of patients entered into the data base rather than a % required in others

The reports of 11 national clinical audits were reviewed by the provider in 2018/19 and Blackpool Teaching Hospitals NHS Foundation Trust intends to take the following actions to improve the quality of healthcare provided (see Appendix A).

The reports of 76 local clinical audits were reviewed by the provider in 2018 /19 and Blackpool Teaching Hospitals NHS Foundation Trust intends to take the following actions to improve the quality of healthcare provided (see Appendix B).

2.4.4 Table 2 NCEPOD National Confidential Enquiries into Patient Outcome and Death 2018/19

The following studies were issued or reports published in 2018/19:

Title	Eligible	Participated	% Submitted
Pulmonary Embolism	✔	✔	100%
Bowel Obstruction	✔	✔	100%
Perioperative Diabetes	✔	✔	100%
Cancer in Children, Teens and Young Adults	✔	✔	100%
Acute Heart Failure	✔	✔	100%

The Trust is awaiting issue of the reports for pulmonary embolism and bowel obstruction. Where reports have been received the Trust is in the process of reviewing the recommendations.

2.4.5 Participation in Clinical Research in 2018/19

The number of patients receiving relevant health services provided or sub-contracted by Blackpool Teaching Hospitals NHS Foundation Trust in 2018/19 that were recruited during that period to participate in research approved by a research ethics committee was 1,758.

Of the 1,758, 1,564 participants were recruited to National Institute of Health Research (NIHR) Portfolio Studies which exceeds our target of 1,320 for the year set by the NIHR Clinical Research Network, North West Coast. On average there were 113 different research studies/trials open at any one time during 2018/19.

Participation in clinical research demonstrates Blackpool Teaching Hospitals NHS Foundation Trust's commitment to improving the quality of care offered and to making our contribution to wider health improvement. Our clinical staff remains abreast of the latest possible treatment possibilities, and active participation in research leads to successful patient outcomes.

2.4.6 Information on the Use of the Commissioning for Quality and Innovation

A proportion of Blackpool Teaching Hospitals NHS Foundation Trust's income in 2018/19 was conditional on achieving quality improvement and innovation goals agreed between Blackpool Teaching Hospitals NHS Foundation Trust and any person or body they entered into a contract, agreement or arrangement with for the provision of relevant health services, through the Commissioning for Quality and Innovation payment framework.

Further details of the agreed goals for 2018/19 and for the following 12 month period are available electronically at: http://www.bfwh.nhs.uk/about/performance/

The Commissioning for Quality and Innovation (CQUIN) payment framework was implemented to support the cultural shift towards making quality the organising principle of NHS services. In particular, it aims to ensure that local quality improvement priorities are discussed and agreed at Board Level within Commissioner-provider discussions by making a small proportion of provider payment conditional on locally agreed goals around quality improvement and innovation.

The total planned monetary value of income of CQUIN in 2018/19 conditional upon achieving quality improvement and innovation goals is £7.5m; The Trust achieved a monetary total value of £7.5m for the associated payment in 2018/19.

A decision was taken by Fylde coast Executives that, as part of the contract payment reform being piloted by the Fylde Coast Health Economy to

transform services, the CQUIN scheme for 2018 onwards would be aligned to the Better Care now project which supports the Quality strategy of the Fylde Coast, and focuses specifically on improving the quality of services for Fylde Coast residents.

The CQUIN scheme included improvement plans against Clinical Pathways to support reduction in an increased SHMI and to support improved compliance against agreed local and national trajectories. These were monitored via schedule four of the Trust's contract with commissioners. All improvements were tracked through the Better Care Now (BCN) KPI Dashboard.

Better Care Now key work streams covered:

- Admission / Admission Avoidance;
- Care & Treatment;
- Return to Home to support the end to end patient journey;
- Improve flow at each step.

2.4.7 Registration with the Care Quality Commission and Periodic Special Reviews

Blackpool Teaching Hospitals NHS Foundation Trust is required to register with the Care Quality Commission (CQC) and its current registration status is compliant. Blackpool Teaching Hospitals NHS Foundation Trust has the following conditions on registration; no conditions.

The Care Quality Commission has not taken enforcement action against Blackpool Teaching Hospitals NHS Foundation Trust during 2018/19.

Statements from the Care Quality Commission

The Foundation Trust is fully compliant with the registration requirements of the Care Quality Commission and had a full planned inspection in Nov/Dec of 2017 against the CQC fundamental standards of care of which the CQC stipulate standards of care should never fall below.

The formal inspection report from the CQC inspection was received in March 2018. Outcomes from the inspection have been monitored during 2018/19 via the Trust's CQC action plan which reflects divisional actions identified to address 12 areas of improvement, under four regulated activities. The CQC action plan has been presented at the Trusts Quality Committee and also at the Fylde Coast Executive Steering Group. Divisions reflect progress against divisional actions within the action plan at Divisional Performance Board meetings that are held with Executive Directors on a monthly basis.

CQC carried out an unannounced inspection of A&E Services in January 2019. The report will be published in May 2019 and will be rated however, any areas for improvement will be incorporated into the current ongoing Trust CQC Action Plan.

The Trust is expecting a full comprehensive inspection during 2019 as part of the CQC's planned inspection regime and until this is facilitated the overall rating for the Trust remained 'Requires Improvement'.

Ratings for the whole trust

Safe	Effective	Caring	Responsive	Well-led	Overall
Requires Improvement →← Mar 2018	Good ↑ Mar 2018	Good →← Mar 2018	Requires Improvement →← Mar 2018	Good ↑ Mar 2018	Requires Improvement →← Mar 2018

The rating for well-led is based on our inspection at trust level, taking into account what we found in individual services. Ratings for other key questions are from combining ratings for services and using our professional judgement.

Rating for acute services/acute trust

	Safe	Effective	Caring	Responsive	Well-led	Overall
Blackpool Victoria Hospital	Requires improvement →← Mar 2018	Good ↑ Mar 2018	Good →← Mar 2018	Requires improvement →← Mar 2018	Good ↑ Mar 2018	Requires improvement →← Mar 2018
Clifton Hospital	Requires improvement Apr 2014	Good Apr 2014	Good Apr 2014	Good Apr 2014	Good Apr 2014	Good Apr 2014
Fleetwood Hospital	Requires improvement Apr 2014	N/A	Good Apr 2014	Requires improvement Apr 2014	Good Apr 2014	Good Apr 2014
Overall trust	Requires improvement →← Mar 2018	Good ↑ Mar 2018	Good →← Mar 2018	Requires improvement →← Mar 2018	Good ↑ Mar 2018	Requires improvement →← Mar 2018

Ratings for the trust are from combining ratings for hospitals. Our decisions on overall ratings take into account the relative size of services. We use our professional judgement to reach fair and balanced ratings.

Ratings for a combined trust

	Safe	Effective	Caring	Responsive	Well-led	Overall
Acute	Requires improvement →← Mar 2018	Good ↑ Mar 2018	Good →← Mar 2018	Requires improvement →← Mar 2018	Good ↑ Mar 2018	Requires improvement →← Mar 2018
Community	Good Mar 2018	Good Mar 2018	Good Mar 2018	Good Mar 2018	Good Mar 2018	Good Mar 2018
Mental health	Requires improvement Mar 2018	Good Mar 2018	Good Mar 2018	Good Mar 2018	Good Mar 2018	Good Mar 2018
Overall trust	Requires improvement →← Mar 2018	Good ↑ Mar 2018	Good →← Mar 2018	Requires improvement →← Mar 2018	Good ↑ Mar 2018	Requires improvement →← Mar 2018

The rating for the well-led key question is based on our inspection at trust level, taking into account what we found in individual services. Ratings for other key questions take into account the ratings for different types of service. Our decisions on overall ratings take into account the relative size of services. We use our professional judgement to reach fair and balanced ratings.

2.4.8 Special Reviews / Investigations

Blackpool Teaching Hospitals NHS Foundation Trust has not participated in any special reviews or investigations by the Care Quality Commission during the reporting year.

2.4.9 Information on the Quality of Data

High quality information leads to improved decision making that in turn results in better patient care, wellbeing and patient safety. Data should always be accurate, up to date and clear.

Blackpool Teaching Hospitals NHS Foundation Trust will be taking the following actions to improve data quality:

- Provision of external assurance on a selection of the quality data identified within the Quality Report;
- Local internal assurance provision via the analysis of data following local internally led audits in line with annual internal audit plan;
- Scrutiny of quality and safety metrics performance data by the Board through the Integrated Performance report and the Quality Committee Assurance report;

- Facilitation of controlled processes for the provision of information externally with control checks throughout the process and formal sign off requirements;
- Implementation of data reporting validation by internal and external control systems involving Clinical Audit, the Audit Commission, Senior Manager and Executive Director Reviews;
- Implementation of random check process on pathways by the Trusts internal data team;
- Ongoing monthly formal Divisional Boards with Executive Directors to overall monitor financial, operational, governance and quality kept performance indicators.

Good quality data will continue to inform performance against the key quality goals within the Trusts strategy and will influence future developments to enhance achievements against metrics attached to each of the quality goals.

2.4.10 NHS Number and General Medical Practice Code Validity

Blackpool Teaching Hospitals NHS Foundation Trust submitted records during 2018/2019 to the Secondary Uses Service (SUS) for inclusion in the Hospital Episode Statistics which are included in the latest published data. The percentage of records in the published data:

- which included the patient's valid NHS number was:

  - 99.6% for admitted patient care;
  - 99.9% for outpatient care; and
  - 98.7% for accident and emergency care.

- Which included the patient's valid General Medical Practice Code was:

  - 99.9% for admitted patient care
  - 99.9% for outpatient care; and
  - 99.9% for accident and emergency care.
  April to December 2018 – February 2019

2.4.11 Information Governance Assessment Report 2018/19

Blackpool Teaching Hospitals NHS Foundation Trust's Information Governance Assessment Report overall score for 2018/19 was not reported on and was not graded from Information Governance Toolkit Grading Scheme.

Blackpool Teaching Hospitals no longer use the Information Governance Toolkit and has moved to using the Data Security and Protection Toolkit (DSPT).

Blackpool Teaching Hospitals NHS Foundation Trust's Information Governance Assessment Report for 2018/19 describes the Trust as Compliant with 82% of Mandatory Evidence Items within the Data Security and Protection Toolkit.

For 2018/19, the grading system is based upon 100 mandatory evidence items divided into the following topics:

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

Information Governance (IG) relates to the way organisations 'process' or handle information. It covers personal information, i.e. that relating to patients' / service users and employees, and corporate information, e.g. financial and accounting records.

The Data Security and Protection Toolkit is an online system which allows the Trust to undertake a self-assessment by providing evidence and judging whether the organisation is able to meet assertions that demonstrate that the organisation is working towards or meeting the National Data Guardians (NDG) standards.

The purpose of the assessment is to assist the Trust in measuring our compliance against the law and central guidance and to see whether information is handled correctly and protected from unauthorised access, loss, damage and destruction.

2.4.12 Payment by Results (PBR) Clinical Coding Audit

Blackpool Teaching Hospitals NHS Foundation Trust was not subject to the Payment by Results clinical coding audit during this reporting period by the Audit Commission.

2.4.13 Learning From Deaths

During April 2018 – December 2019, 1,193 of Blackpool Teaching Hospitals NHS Foundation Trust patients died. This comprised the following number of deaths which occurred in each quarter of that reporting period:

- 413 in the first quarter;
- 396 in the second quarter;
- 384 in the third quarter;
- 484 in the fourth quarter.

By March 2019, 989 case record reviews and including approximately 25 investigations have been carried out in relation to 61% of the deaths included in the above item. In a number of cases a death was subjected to both a case record review and an investigation. The number of deaths in each quarter for which a case record review or an investigation was carried out was:

- 308 in the first quarter;
- 207 in the second quarter;
- 285 in the third quarter;
- 189 in the fourth quarter.

Nine deaths representing less than 1% of the patient deaths during the reporting period are judged to be more likely than not to have been due to problems in the care provided to the patient.

In relation to each quarter, this consisted of:

- 3 deaths representing 1% for the first quarter;
- 4 deaths representing 1.9% for the second quarter;
- 2 deaths representing 0.7% for the third quarter;
- 0 deaths representing 0% for the fourth quarter.

A description of the actions which the Trust has taken, in the reporting period and ongoing, from what has been learnt from the reviews during the reporting period include;

- Review and revision of the vascular surgical pathway;
- Implementation of a pathway for the management of massive pulmonary embolism;
- Revision and re emphasis of the bacterial endocarditis pathway and team;
- Re-introduction of sepsis pathway and associated sepsis resources to achieve improved pathway compliance;
- Implementation of NEWS2 chart;
- Work with commissioners and external consultancy on accuracy of coding;
- Work programme with pathways group on pneumonia mortality;
- External review from Royal College of Physicians of pneumonia pathway;
- Education roll out on the safe management of specific fluid and electrolyte disorders;
- Fylde coast approach to implementation of preferred place of care for end of life patients;
- Implementation of learning disability guides and development of awareness training.

An assessment of the impact of the actions described in the above, which were taken by the Trust during the reporting period, concludes:

- The need for a generation of individual action plans for cases where learning is identified;
- Communication from face to face presentations at speciality level increases commitment to supporting learning point actions;
- The development of a periodic 'lessons learned newsletter has provided a good forum for sharing lessons learned to wider team members.

The above has resulted in continued significant improvement in sepsis SHMI:

- 194 (estimated) case record reviews and 2 (estimated) investigations were completed after 31/03/2019 which related to deaths which took place before the start of the reporting period;

- 2 deaths (estimated) representing 1% (extrapolated) of the patient deaths before the reporting period, are judged to be more likely than not to have been due to problems in the care provided to the patient;

  - This number has been estimated using Trust level 1 screening tool and level 2 speciality detailed case review methods, including Royal College of Physicians avoidability grading's;

- 12 representing 0.7% of the patient deaths (during the previous reporting period) are judged to be more likely than not to have been due to problems in the care provided to the patient.

2.4.14 The NHS Outcome Framework Indicators

The NHS Outcomes Framework sets out high level national outcomes which the NHS should be aiming to improve. The Framework provides indicators which have been chosen to measure these outcomes.

It is important to note that whilst these indicators must be included in the Quality Accounts the most recent national data available for the reporting period is not always for the most recent financial year and where this is the case these will be noted underneath the indicator description. It is also not always possible to provide the national average and best and worst performers for some indicators due to the way the data is provided.

Domain	Preventing people from dying prematurely						
Indicator	SHMI - The value and banding of the summary hospital level mortality indicator (SHMI) (November 2017 – October 2018) 115.62						
National Average	100						
Where applicable – Best Performer	69						
Where applicable – Worst Performer	125						
Trust Statement							
The Blackpool Teaching Hospitals NHS Foundation Trust considers that this data is as described for the following reason:	• Latest national HED available data						
The Blackpool Teaching Hospitals NHS Foundation Trust has taken the following actions to improve this (percentage/proportion/score/rate/number) and so the quality of its services, by undertaking the following action:	• Mortality board in operation • All deaths in hospital reviewed						
2015/16	118	2016/17	118	2017/18	112	2018/19	Not Available

Domain	Enhancing quality of life for people with long-term conditions					
Indicator	% of patient deaths with palliative care coded at either diagnosis or speciality level for November 2017 – October 2018 taken from Dr Foster Mortality Comparator 22.37%					
National Average	31.73%					
Where applicable – Best Performer	93.10%					
Where applicable – Worst Performer	0%					
Trust Statement						
The Blackpool Teaching Hospitals NHS Foundation Trust considers that this data is as described for the following reason:	• Data taken from National HED System as governed by standard national definitions					
The Blackpool Teaching Hospitals NHS Foundation Trust has taken the following actions to improve this (percentage/proportion/score/rate/number) and so the quality of its services, by undertaking the following action:	• Education of staff regarding documentation of palliative care input					
2015/16	16.48%	2016/17	17.24%	2017/18	21.89%	2018/19	Not available

Domain	Helping people to recover from episodes of ill health or following injury		
Indicator	Patient outcome scores for groin hernia surgery (most recent full year of data) – this is not collected as no longer a mandated standard		
National Average	Adjusted National Average	National Average	
Where applicable – Best Performer	Adjusted average health gain – NHS Trusts best performer	Where applicable – Best Performer	
Where applicable – Worst Performer	Adjusted average health gain – NHS Trusts worst performer	Where applicable – Worst Performer	
Trust Statement			
The Blackpool Teaching Hospitals NHS Foundation Trust considers that this data is as described for the following reason:	Patient reported outcome measures (PROMS data taken from NHS Digital as governed by standard national definitions) measure quality from the patient perspective and seek to calculate the health gain experienced by patients following a clinical procedure		
The Blackpool Teaching Hospitals NHS Foundation Trust has taken the following actions to improve this (percentage/proportion/score/rate/number) and so the quality of its services, by undertaking the following action:	This is no longer a mandated standard		

2015/16	-0.022	2016/17	This is no longer a mandated standard	2017/18	This is no longer a mandated standard	2018/19	This is no longer a mandated standard

Domain	**Helping people to recover from episodes of ill health or following injury**	
Indicator	Patient outcome scores for varicose vein surgery	
National Average	Adjusted National Average	Service no longer provided at BTH
Where applicable – Best Performer	Adjusted average health gain – best performer	Service no longer provided at BTH
Where applicable – Worst Performer	Adjusted average health gain – worst performer	Service no longer provided at BTH
Trust Statement		
The Blackpool Teaching Hospitals NHS Foundation Trust considers that this data is as described for the following reason:	• Patient reported outcome measures (PROMS data taken from NHS Digital as governed by standard national definitions) measure quality from the patient perspective and seek to calculate the health gain experienced by patients following a clinical procedure	
The Blackpool Teaching Hospitals NHS Foundation Trust has taken the following actions to improve this (percentage/proportion/score/rate/number) and so the quality of its services, by undertaking the following action:	• As Vascular services have now moved to Lancashire Teaching hospitals, Blackpool Teaching Hospitals no longer collects PROMs data for varicose veins.	

2015/16	Service no longer provided at BTH	2016/17	Service no longer provided at BTH	2017/18	Service no longer provided at BTH	2018/19	Service no longer provided at BTH

Domain	Helping people to recover from episodes of ill health or following injury		
Indicator	Patient outcome scores for hip replacement surgery April 2016 – March 2017 (most recent full year of data)		
National Average	Adjusted National Average		0.437
Where applicable – Best Performer	Adjusted average health gain – best performer		0.500
Where applicable – Worst Performer	Adjusted average health gain – worst performer		0.360
Trust Statement			
The Blackpool Teaching Hospitals NHS Foundation Trust considers that this data is as described for the following reason:	• Patient reported outcome measures (PROMS data taken from NHS Digital as governed by standard national definitions) measure quality from the patient perspective and seek to calculate the health gain experienced by patients following a clinical procedure		
The Blackpool Teaching Hospitals NHS Foundation Trust has taken the following actions to improve this (percentage/proportion/score/rate/number) and so the quality of its services, by undertaking the following action:	• Promotion continues throughout the Trust, on the importance of completing the questionnaire and enhancing patient awareness that they will receive post-operative questionnaire. • Participation rate information is now published within quarterly reports for reporting and monitoring purposes. Monthly bulletins are circulated to the Medical Director, as Trust lead for PROMs. • Participation rates since changing provider have seen an increase and continue to do so moving into 2019.		

2015/16	0.476	2016/17	0.408	2017/18	Data not available until Aug – Nov 2019	2018/19	Data not available until Aug – Nov 2020

Domain	Helping people to recover from episodes of ill health or following injury		
Indicator	Patient outcome scores for knee replacement surgery April 2016 – March 2017 (most recent full year of data)		
National Average	Adjusted National Average		0.323
Where applicable – Best Performer	Adjusted average health gain – NHS Trusts best performer		0.397
Where applicable – Worst Performer	Adjusted average health gain – NHS Trusts worst performer		0.271
Trust Statement			
The Blackpool Teaching Hospitals NHS Foundation Trust considers that this data is as described for the following reason:	• Patient reported outcome measures (PROMS data taken from NHS Digital as governed by standard national definitions) measure quality from the patient perspective and seek to calculate the health gain experienced by patients following a clinical procedure		
The Blackpool Teaching Hospitals NHS Foundation Trust has taken the following actions to improve this (percentage/proportion/score/rate/number) and so the quality of its services, by undertaking the following action:	• Promotion continues throughout the Trust, on the importance of completing the questionnaire and enhancing patient awareness that they will receive post-operative questionnaire. • Participation rate information is now published within quarterly reports for reporting and monitoring purposes. Monthly bulletins are circulated to the Medical Director, as Trust lead for PROMs. • Participation rates since changing provider have seen an increase and continue to do so moving into 2019.		

2015/16	0.476	2016/17	0.408	2017/18	Data not available until Aug – Nov 19	2018/19	Data not available until Aug – Nov 20

Domain	Ensuring that people have a positive experience of care			
Indicator	Responsiveness to inpatients personal needs: CQC national inpatient survey			
National Average	National survey data not available until June 2019			
Where applicable – Best Performer	National survey data not available until June 2019			
Where applicable – Worst Performer	National survey data not available until June 2019			
Trust Statement				
The Blackpool Teaching Hospitals NHS Foundation Trust considers that this data is as described for the following reason:	• The Trust considers our patient's feedback to be crucial in ensuring that our services develop in order for the Trust to meet our standards (data taken from Quality Health data and validated by CQC and governed by standard national definitions).			
The Blackpool Teaching Hospitals NHS Foundation Trust has taken the following actions to improve this (percentage/proportion/score/rate/number) and so the quality of its services, by undertaking the following action:	• Raising awareness of the Trust's 'Tell Us' campaign. • Continue to work with our listeners (volunteers). • Share our National Inpatient survey results throughout the Trust and work collaboratively to make improvements. • Use our quarterly local patient feedback survey as a tool to track improvement over the year. • Using the Always Event programme to work collaboratively with our patients, carers and staff to plan and co-design on new ideas for service improvement. • The launch of the Always Event – Flexible Visiting campaign.			
2016/17	67.8	2017/18	National survey data not available until June 2019	2018/19	National survey data not available until May / June 2020

Domain	Ensuring that people have a positive experience of care
Indicator	Percentage of patients who would recommend the provider to friends or family needing care. Inpatients
National Average	National survey data not available until June 2019
Where applicable – Best Performer	National survey data not available until June 2019
Where applicable – Worst Performer	National survey data not available until June 2019
Trust Statement	
The Blackpool Teaching Hospitals NHS Foundation Trust considers that this data is as described for the following reason:	• The FFT is an overarching indicator of patient experience, which when combined with the follow up question can be used to drive cultural change and result in an increased focus on the experiences of patients (data taken from NHS England and governed by standard national definition).

Domain	Ensuring that people have a positive experience of care	
Indicator	Percentage of patients who would recommend the provider to friends or family needing care. Patients discharged from Accident and Emergency	
National Average	National survey data not available until June 2019	
Where applicable – Best Performer	National survey data not available until June 2019	
Where applicable – Worst Performer	National survey data not available until June 2019	
Trust Statement		
The Blackpool Teaching Hospitals NHS Foundation Trust considers that this data is as described for the following reason:	• The FFT is an overarching indicator of patient experience, which when combined with the follow up question can be used to drive cultural change and result in an increased focus on the experiences of patients (data taken from NHS England and governed by standard national definition).	
The Blackpool Teaching Hospitals NHS Foundation Trust has taken the following actions to improve this (percentage/proportion/score/rate/number) and so the quality of its services, by undertaking the following action:	• Continue to increase the response rate to give a true reflection on how our patients rate our Emergency department service. • Continue to work towards consistently achieving a response rate of 20%. • Ensure that linked actions are followed up and acted on. • Review written feedback to develop themes which will inform improvement plans. • FFT results easily accessible online via the FFT portal. • Further promotion of the online portal. • Implement the roll out of a texting pilot. • Encourage staff to further access the system to view their results, share best practice and act on areas of concern. • Raise the profile of the FFT via social media.	
2016/17	93.27%	2017/18	93.41%	2018/19	Data not available until June 2019

Domain	Ensuring that people have a positive experience of care
Indicator	Percentage of patients who would recommend the provider to friends or family needing care. Patients discharged from Maternity Services as per question asked at birth
National Average	National survey data not available until June 2019
Where applicable – Best Performer	National survey data not available until May / June 2019
Where applicable – Worst Performer	National survey data not available until May / June 2019

Trust Statement	
The Blackpool Teaching Hospitals NHS Foundation Trust considers that this data is as described for the following reason:	• The FFT is an overarching indicator of patient experience, which when combined with the follow up questions can be used to drive cultural change and result in an increased focus on the experience of patients (data taken from NHS England and governed by standard national definition).
The Blackpool Teaching Hospitals NHS Foundation Trust has taken the following actions to improve this (percentage/proportion/score/rate/number) and so the quality of its services, by undertaking the following action:	• Continue to increase the response rate to give a true reflection on how our patients rate our maternity service. • Notifying services of any emerging themes so they can take immediate actions to rectify the situation and reviewing written feedback to develop themes which will inform improvement plans. • Continue to work towards consistently achieving a response rate of 20%. • FFT results easily accessible online via the FFT portal. • Continue with the Maternity text messaging trial. • Further promotion of the online portal • Encourage staff to further access the system to view their results, share best practice and act on areas of concern.

2016/17	98%	2017/18	96.22%	2018/19	Data not available Until June 2019

Domain	Ensuring that people have a positive experience of care		
Indicator	The number of Mixed Sex Accommodation Breaches		
National Average	N/A No national definition set		
Where applicable – Best Performer	N/A No national bench marking information		
Where applicable – Worst Performer	N/A No national benchmarking information		
Trust Statement			
The Blackpool Teaching Hospitals NHS Foundation Trust considers that this data is as described for the following reason:	• The Trust records a breach when any patient is not transferred out of a critical care area within a specified time period. This is normally due to a speciality bed not being available.		
The Blackpool Teaching Hospitals NHS Foundation Trust has taken the following actions to improve this (percentage/proportion/score/rate/number) and so the quality of its services, by undertaking the following action:	• The patient experience team and the clinical teams have developed an escalation flow chart which details actions to be taken to prevent breaches occurring within critical care. • The patient experience team works alongside the clinical teams and the commissioners to understand and learn lessons from occurred breaches.		
2016/17	6	2017/18 13	2018/19 1

Domain	Ensuring that people have a positive experience of care		
Indicator	Percentage of <u>staff</u> who would recommend the Trust as a provider of care to their Friends or family. Staff Survey		
National Average	69%		National Average
Where applicable – Best Performer	90%		Where applicable – Best Performer
Where applicable – Worst Performer	49%		Where applicable – Worst Performer
Trust Statement			
The Blackpool Teaching Hospitals NHS Foundation Trust considers that this data is as described for the following reason:	Data extracted from the National Staff Survey management and key findings report for 2018.		
The Blackpool Teaching Hospitals NHS Foundation Trust has taken the following actions to improve this (percentage/proportion/score/rate/number) and so the quality of its services, by undertaking the following action:	• Further analysis to be undertaken at Divisional level to identify targeted areas of concern and subsequent action plans. • Significant improvement work is in progress through the Better Care Now programme, Strategic work programmes contained within the local delivery plan and the Integrated Care Partnership to improve patient pathways.		
2016/17 65%	2017/18 66%	2018/19 65%	

Domain	Helping people to recover from episodes of ill health or following injury							
Indicator	28 day readmission rate for patients 16 or over							
National Average	No national benchmarking data available							
Where applicable – Best Performer	No national benchmarking data available							
Where applicable – Worst Performer	No national benchmarking data available							
Trust Statement								
The Blackpool Teaching Hospitals NHS Foundation Trust considers that this data is as described for the following reason:	• The number of patients readmitted to hospital within 28 days of being discharged from hospital expressed as a % of all discharges in the period (data taken from local source and as governed by NHSI standard national definition).							
The Blackpool Teaching Hospitals NHS Foundation Trust has taken the following actions to improve this (percentage/proportion/score/rate/number) and so the quality of its services, by undertaking the following action:	• Clinically led reviews of readmissions to identify and implement actions to reduce avoidable admissions. • Inclusion of commissioners on joint working group to identify and implement health economy wide readmission avoidance schemes. • Monitoring at Trust Board a quality improvement programme for the year. • Monitoring of relevant performance indicators and plans at Commissioning Quality Review Board and contract meetings							
2015/16	7.64	2016/17	7.2	2017/18	7.34	2018/19	5.24%	

Domain	Helping people to recover from episodes of ill health or following injury							
Indicator	28 day readmission rate for patients 0-15							
National Average	No national benchmarking data available							
Where applicable – Best Performer	No national benchmarking data available							
Where applicable – Worst Performer	No national benchmarking data available							
Trust Statement								
The Blackpool Teaching Hospitals NHS Foundation Trust considers that this data is as described for the following reason:	• The number of patients readmitted to hospital within 28 days of being discharged from hospital expressed as a % of all discharges in the period (data taken from local source and as governed by NHSI standard national definition)							
The Blackpool Teaching Hospitals NHS Foundation Trust has taken the following actions to improve this (percentage/proportion/score/rate/number) and so the quality of its services, by undertaking the following action:	• Clinically led reviews of readmissions to identify and implement actions to reduce avoidable admissions. • Inclusion of commissioners on joint working group to identify and implement health economy wide readmission avoidance schemes. • Monitoring at Trust Board a quality improvement programme for the year. • Monitoring of relevant performance indicators and plans at Commissioning Quality Review Board and contract meetings.							
2015/16	12.35	2016/17	11.8	2017/18	12.51	2018/19	13.05%	

Domain	Treating and caring for people in a safe environment and protecting them from avoidable harm						
Indicator	Percentage of admitted patients' risk-assessed for Venous Thromboembolism (VTE)						
National Average	Not available until 1st June 2019						
Where applicable – Best Performer	Not available until 1st June 2019						
Where applicable – Worst Performer	Not available until 1st June 2019						
Trust Statement							
The Blackpool Teaching Hospitals NHS Foundation Trust considers that this data is as described for the following reason:	• Nationally published via NHS Digital and is governed by standard national definition for VTE. National data not available at time of publishing data provided from local source						
The Blackpool Teaching Hospitals NHS Foundation Trust has taken the following actions to improve this (percentage/proportion/score/rate/number) and so the quality of its services, by undertaking the following action:	• Ongoing monitoring and Audit. • VTE Committee with a medical Chair in place. • VTE Assessment completion incorporated into IT ward tracker						
2015/16	99.4%	2016/17	99.4%	2017/18	99.2%	2018/19	65%

Domain	Treating and caring for people in a safe environment and protecting them from avoidable harm						
Indicator	Rate of Clostridium difficile (C Diff) per 100,000 bed days of cases reported amongst patients aged 2 or over (2018/2019)						
National Average	National table published until 11th July 2019						
Where applicable – Best Performer	National table published until 11th July 2019						
Where applicable – Worst Performer	National table published until 11th July 2019						
Trust Statement							
The Blackpool Teaching Hospitals NHS Foundation Trust considers that this data is as described for the following reason:	*Clostridium difficile objectives for the Trust are set by NHS Improvement. The objective for 2018/19 was 39 or less cases of C Diff linked to a lapse in care (data extracted from the Public Health England (PHE) Healthcare Associated Infection Data Capture System (HCAIDCS) and governed by standard national definition).						
The Blackpool Teaching Hospitals NHS Foundation Trust has taken the following actions to improve this (percentage/proportions/score/rate/number) and so the quality of its services, by undertaking the following action:	The Trust performs a Post Infection Review of all cases of C Diff and the decision as to whether or not the case is linked to a lapse in care is agreed with our local commissioners. The Trust uses a UV-C decontamination device following cases of CDI and as part of a rolling deep clean programme. An Antimicrobial formulary is available to all prescribing staff and compliance with the same is monitored via audits.						
2015/16	66 cases 21.8	2016/17	*29 cases 11.02	2017/18	33 cases 12.54	2018/19	35 cases 13.53

Domain	Treating and caring for people in a safe environment and protecting them from avoidable harm
Indicator	The number of and percentage of patient safety incidents per (100 admissions) that resulted in severe harm or death (April 2018 – March 2019)
National Average	National Data no longer published per 100 Admissions
Where applicable – Best Performer	National Data no longer published per 100 Admissions
Where applicable – Worst Performer	National Data no longer published per 100 Admissions

Trust Statement	
The Blackpool Teaching Hospitals NHS Foundation Trust considers that this data is as described for the following reason:	• The Trust continues to promote and exhibit a culture of open and honest reporting. • Incident data is obtained from the Trust's Risk Management Incident Reporting system, governed by national standards and definitions for levels of incident reporting. • Admissions data is produced by the Trust's Informatics Department.
The Blackpool Teaching Hospitals NHS Foundation Trust has taken the following actions to improve this (percentage/proportion/score/rate/number) and so the quality of its services, by undertaking the following action:	• Encouraging a culture of voluntary reporting. • Implementing a monitoring system on the number and management of incidents. • Implementation of lessons learned processes. • Promoting duty of candour. • Implementation and continued review of an independent and impartial Serious Incident Process and six monthly review and audit of action plans.

2015/16	0.01% (18) (12 months data)	2016/17	0.01% (10) (12 months data)	2017/18	0.00% (4) (12 months data)	2018/19	0.009% (12 months data)

Domain	Treating and caring for people in a safe environment and protecting them from avoidable harm –					
Indicator	The number of emergency c sections					
National Average	National data not published as percentage					
Where applicable – Best Performer	National data not published as percentage					
Where applicable – Worst Performer	National data not published as percentage					
Trust Statement						
The Blackpool Teaching Hospitals NHS Foundation Trust considers that this data is as described for the following reason:	• The Trust promotes a maternity safety culture enabling the optimum outcomes for all families (data taken from the National Maternity Data set and is governed by standard national definition).					
The Blackpool Teaching Hospitals NHS Foundation Trust has taken the following actions to improve this (percentage/proportion/score/rate/number) and so the quality of its services, by undertaking the following action:	• Promotion of normal birth via the Fylde Coast Birth Centre. • The Team are participating in the maternity and neonatal collaborative safety programme. • Labour ward leadership programme ongoing. • All emergency caesarean section are individually reviewed and monitored at Divisional and Trust Board.					
2015/16	12.2%	2016/17	14.3%	2017/18	13.33%	2018/19	15.1%

Domain: Preventing people from dying prematurely

The standardised Hospital Level Mortality Indicator (SHMI) is a measure of mortality developed by the Department of Health, which compares our actual number of deaths with our predicted number of deaths. The Trust has continued to implement its mortality governance programme concentrating on pathways of care. The latest nationally published SHMI rate for the Trust is 114.99 for the period October 2017 to September 2018, this compares to 115.99 for the period October 2016 to September 2017.

The latest available data from the hospital evaluation data system for the period November 2017 – October 2018 shows a figure of 115.62.

Domain: Helping people to recover from episodes of ill health or following injury

Patient reported outcome scores
A patient reported outcome measure (PROMs) is a series of questions that patients are asked in order to gauge their views on their own health. Using data gathered in relation to knee replacement and hip replacements, patients are asked to score their health before and after surgery. We are then able to understand whether patients see a 'health gain' following surgery.

The patient is invited to complete two questionnaires; the data provided then gives the average difference between their first score (pre-surgery) and second score (post-surgery).

Blackpool Teaching Hospitals works closely with our service provider to continuously look at different ways to increase responses to PROMs in order to gain a comprehensive overview of our service in these areas.

Domain: Ensuring that people have a positive experience of care

Responsiveness to Inpatients' personal needs
This indicator provides a measure of quality, based on the Care Quality Commission's National Inpatient Survey. The score is calculated by averaging the answers to five questions in the inpatient survey. The highest score achievable is 100%.

The Trust is proud of its 'Tell Us' campaign which is part of the patient experience strategy, this provides the structure to increase the feedback we obtain from patients and relatives which we use to influence and evolve service developments.

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

Risk assessing inpatients for venous thromboembolism (VTE) is important in reducing hospital acquired VTE and the Trust has worked hard to ensure our patients are risk assessed properly and appropriate treatment timely commenced. The VTE Committee supports ongoing work in reducing this harm across the organisation and added the completion of the VTE assessment as a field on the IT Tracker system which allows wards to identify patient risk and ensure it is being managed in line with best practice. However, whilst technological solution to recording the data was developed data collection was affected and not reported nationally as not deemed an accurate record of data provision. On-going live audits are undertaken daily across all wards to ensure that each standard and expected stage of the patient journey to risk assess and appropriately prevent hospital attributed VTE whilst in our care.

Domain: The number of and percentage of patient safety incidents per (100 admissions) that resulted in severe harm or death (April 2018 – March 2019)

Patient safety incidents are reported to NHS England. The rate of patient safety incidents per 100 admissions reported by Blackpool Teaching Hospitals NHS Foundation Trust was 13% for the year 2018/19, compared to 11.6% for the year 2017/18, 9.04% for the year 2016/17 and 8.29% for the year 2015/16. Organisations that report more incidents usually have a better and more effective safety culture and the Trust continues to perform within the top 25% of patient safety incident reporters nationally.

3 Review of Quality Performance

3.1 An Overview of Quality of Care

The measures in the table below provide performance in 2018/19 against indicators selected by the Board which reflects the list of priorities that the Board deemed necessary to continue to monitor throughout the year. Previous years priority indicators have remained the same and these continue to be measured as the metrics within the quality strategy.

The below are areas that feature in the Trust's strategy for quality improvement, feature within the Trust's Quality Strategy and which the Trust wishes to highlight within the quality accounts.

	Indicators	2018/19	2017/18	2016/17	2015/16	2014/15	2013/14
Patient safety Outcomes	Hospital Standardised Mortality Rate (Summary Hospital Mortality Indicator)	113 (Oct 17 to Nov 18)	111	113	114	119	113 (Oct 17 to Nov 18)
	Stroke Mortality Rate Data Source HED:	135 (Oct 17 to Nov 18)	132	120	139	133	135 (Oct 17 to Nov 18)
	Sign Up to Safety Pressure Ulcer harm reduction	Stage 2 29.62% increase, stage 3 9.4% increase, stage 4 20.83% increase.	Stage 2 10.96% increase, stage 3 183.33% increase and stage 4 56.25% increase.	Stage 2, 1.94% increase, stage 3, 32.26% decrease and stage 4 16.67% decrease.	Stage 2 13% increase Stage 3 & 4 pressure ulcers 19.67% reduction	Not in place	Not in place
	Sign Up to Safety reduction in harm as a result of a fall	16.9% reduction	2.47% increase overall	7.23% increase overall	6% reduction	Not in place	Not in place

	Indicators	2018/19	2017/18	2016/17	2015/16	2014/15	2013/14
Clinical Effectiveness	Compliance with implementation of NICE guidance	NG - 113/117 97%	NG – 84/86 98%	NG – 59/66 89%	NG – 9/45 20%	0/8 0% Note national guidance introduced at this point	N/A Not in place
		CG - 132/136 98%	CG - 140/142 99%	CG – 98/102 96%	CG – 64/95 67%	60/96 63%	46/79 58%
	Opportunities to care within clinical pathways - sepsis	89%	86%	84%	91%	93%	N/A Not in place
	Opportunities to care within clinical pathways – AKI	84%	79%	75%	74%	82%	N/A Not in place
	Opportunities to care within clinical pathways - pneumonia	98%	97%	95%	93%	91%	N/A Not in place
	Opportunities to care within clinical pathways - Stroke	95%	96%	93%	87%	92%	N/A Not in place
	Opportunities to care within clinical pathways – Fractured Neck of Femur (#NOF)	Not audited from 01.04.2018	75%	75%	** 76%	88.73%	N/A Not in place
	Opportunities to care within clinical pathways – Cardiac Chest Pain	97%	98%	97%	96%	98%	N/A Not in place
	Opportunities to care within clinical pathways – Chronic Obstructive Pulmonary Disease (COPD)	95%	95%	94%	* 94%	97.82%	N/A Not in place
	Opportunities to care within clinical pathways – Abdo Chest Pain	91%	86%	88%	86%	93%	N/A Not in place
	Opportunities to care within clinical pathways – Heart Failure	61%	56%	72%	72%	N/A Not in place	N/A Not in place
Patient Experience	Percentage of Adult Inpatient who rate care as excellent/very good/ good	(2017 data) 79%	(2016 data) 81%	(2015 data) 80%	(2014 data) 81%	(2013 Data) 81%	(2012 Data) 79%
	Percentage of Adult Inpatients who have been treated with Respect & Dignity	(2017 data) 85%	(2016 data) 89%	(2015 data) 91%	(2014 data) 89%	(2013 Data) 90%	(2012 Data) 86%
	Percentage of Adult Inpatients who felt involved in their care and/ or treatment	(2017 data) 67%	(2016 data) 71%	(2015 data) 71%	(2014 data) 71%	(2013 Data) 73%	(2012 Data) 67%

*COPD start date was 28th May 2014 (not a full years data)
**#NOF launch date was 25th June 2014 (not a full years data)

3.2 The Risk Assessment Framework

Blackpool Teaching Hospitals aims to meet all national targets and priorities and we have provided an overview of the national targets and minimum standards including those set out within NHSI Single Oversight   Framework.

National Targets and Minimum Standards	Target	Target 2018/19	2018/19	2017/18	2016/17	2015/16	2014/15	2013/14
Access to Cancer Services - All Cancers: one month diagnosis to treatment	First Treatment	>= 96%	Achieved: Q1 98.1% Q2 99.8% Q3 98.9% Q4 98.4%	Achieved: Q1 97.7% Q2 96.7% Q3 99.4% Q4 99.6%	Achieved: Q1 99.0% Q2 99.0% Q3 100% Q4 99.8%	Achieved: Q1 99.8% Q2 99.6% Q3 99.8% Q4 99.8%	Achieved: Q1 98.8%, Q2 98.9%, Q3 99.8% Q4 99.5%	Achieved: Q1 98.9% Q2 98.9% Q3 99.8% Q4 99.3%
	Subsequent Treatment – Drugs	>=98%	Achieved: Q1 100% Q2 100% Q3 100% Q4 100%	Achieved: Q1 100% Q2 100% Q3 100% Q4 100%	Achieved: Q1 100% Q2 100% Q3 100% Q4 100%	Achieved: Q1 100% Q2 100% Q3 100% Q4 100%	Achieved: Q1 100%, Q2 100%, Q3 100 % Q4 100%	Achieved: Q1 99.2% Q2 100% Q3 100% Q4 100%
	Subsequent Treatment – Surgery	>=94%	Achieved: Q1 100% Q2 100% Q3 100% Q4 100%	Achieved: Q1 94% Q2 98.4% Q3 100% Q4 97.7%	Achieved: Q1 100% Q2 100% Q3 100% Q4 100%	Achieved: Q1 97.6% Q2 100% Q3 100% Q4 97.8%	Achieved: Q1 100%, Q2 100%, Q3 100% Q4 96.6%	Achieved: Q1 100% Q2 98.7% Q3 96.3% Q4 97.3%

National Targets and Minimum Standards	Target	Target 2018/19	2018/19	2017/18	2016/17	2015/16	2014/15	2013/14
Access to Cancer Services - All Cancers: two month GP urgent referral to treatment:	62 day general	>=85%	Not applicable	Under Achieved: Q1 82.9% Q2 80% Q3 83% Achieved: Q4 85.1%	Achieved: Q1 88.5% Q2 85.04% Q3 86.56% Under achieved: Q4 83.7%	Achieved: Q2 87.7% Q3 85.8% Q4 86.7% Under achieved: Q1 82.3%	Achieved: Q1 87.1%, Q3 88.7% Under achieved: Q2 76.7% Q4 82.4%	Achieved: Q1 86.6% Q2 89.4% Q3 85.2% Q4 86.6% Annual % Excluding rare cancer 86.5%
	62 day general (Including Rare Cancers)	>=85%	Achieved: Q1 86%, Under Achieved: Q2 81% Q3 83% Q4 79% (A)	Not applicable	Not applicable	Not applicable	Not applicable	Achieved: Q1 86.8% Q2 89.4% Q3 85.4% Q4 86.7% Annual % 87.1%
	62 day screening	>=90%	Under achieved: Q1 75.9%: Q2 82.3% Q3 83.6% Q4 – 64.7%	Under Achieved: Q1 80.8% Q2 74.5% Q3 76.7% Q4 77.8%	Achieved: Q1 90.0% Q2 91.43% Q4 94.4% Under achieved: Q3 80.95%	Achieved: Q2 90.9% Under achieved: Q1 86.6% Q3 82.0% Q4 89.8%	Achieved: Q1 95.1%, Q2 92.9% Under achieved: Q3 74.2% Q4 74.4%	Achieved: Q1 89.1% Q2 91.7% Q3 90.1% Q4 94.7%
	62 day upgrade	90%	Achieved: Q1 91.1% Q2 89.8% Q3 96.6% Q4 91.2%	Achieved: Q1 92.3% Q2 91.6% Q3 90.6% Q4 90.3%	Achieved: Q1 91.8% Q2 93.1% Q4 87.6% Under achieved: Q3 88.28%	Achieved: Q2 94.9% Q3 93.0% Under achieved: Q1 89.4% Q4 89.4%	Achieved: Q1 93.3%, Q3 92.3% Q4 95.8% Under achieved: Q2 86.5%	Achieved: Q1 85.4% Q2 95.9% Q3 93.6% Q4 92.6%
	Breast Symptoms – 2wk wait	93%	Under Achieved: Q1 22.2%, Q2 20.4% Q3 52.2% Q4 – 30.5%	Achieved: Q1 98.4% Q3 99.6% Under achieved: Q2 91.3% Achieved: Q4 99.1%	Achieved: Q1 98.6% Q2 99.19% Q3 99.18% Q4 98.9%	Achieved: Q1 94.8% Q3 95.9% Q4 99.3% Under achieved: Q2 90.4%	Achieved: Q1 96.6%, Q2 93.7%, Q3 94.3% Q4 98.0%	Achieved: Q1 94% Q2 94.8% Q3 96.7% Q4 93%
	Maximum 6 week wait for diagnostic procedures	99%	Achieved: Q1 99.58% Q2 99.54% Q3 99.52% Q4 99.05%	Achieved: Q1 99.71% Q2 99.86% Q3 99.73% Q4 99.75%	Achieved: Q1 99.16% Q2 99.67% Q3 99.75% Q4 99.75%	Not previously reported		
Cancelled Operations	Percentage of Operations Cancelled	0.8%	Under achieved: Q1 1.67% Q2 1.17% Q3 1.26% Q4 1.55%	Under Achieved: 2.1%	Under Achieved: 1.01%	Achieved: 0.7%	Under Achieved: 1.7%	Under Achieved: 0.9%
	Percentage of Operations not treated within 28 days	0%	Under Achieved: Q1 3.5% Q4 7.14% Achieved: Q2 0% Q3 0%	Achieved: 0%	Achieved: 0%	Achieved: 0%	Achieved: 0%	Achieved: 0%

National Targets and Minimum Standards	Target	Target 2018/19	2018/19	2017/18	2016/17	2015/16	2014/15	2013/14
Access to Treatment	18 week Referral to Treatment (Admitted Pathway)	>=90%	Under achieved: Q1 64.40% Q2 65.02% Q3 65.06% Q4 63.15%	Under Achieved: 74.5%	Under Achieved: 86.2%	Under Achieved: 88.7%	Under Achieved: 88.7%	Achieved: 92.0%
	18 week referral to treatment Patients on an incomplete pathway	>+92%	Under achieved: Q1 81.04% Q2 79.99% Q3 81.24% Q4 81.06%	Under Achieved: 87.2% (A)	Achieved: 93.5% (A)	Achieved: 95.1% (A)	Achieved: 92.0%	Achieved: 94.7%
	18 week Referral to Treatment (Non-Admitted Pathways [including Audiology])	>=95%	Under achieved: Q1 86.92% Q2 86.20% Q3 87.20% Q4 87.18%	Under Achieved: 89.8%	Under Achieved: 93.6%	Achieved: 95.4%	Achieved: 95.2%	Achieved: 96.7%
Infection Control	Incidence of MRSA	0	Achieved: 0	Not Achieved: 1	Not Achieved: 4	Not Achieved: 5	3 (Target 0)	1 (Target 0)
	Incidence of Clostridium difficile	39	Achieved: 31	Achieved: 33	Achieved: 29	43 (Target <=40)	54 (Target <=28)	26 (Target <=29)
Access to A&E	Total time in A&E	95% of patients admitted/ transferred/ discharged within 4hrs	Under achieved: Q1 85% Q2 83% Q3 86% Q4 85% (A)	Under Achieved: 84.4% (A)	Under Achieved: 87.9% (A)	Under Achieved: 92.0% (A)	Achieved: 96.1%	Not updated on National website as yet
Access to healthcare for people with a learning disability	The Trust provides self-certification that meets the requirements to provide access to healthcare for patients with a learning disability	N/A	NHSI national benchmarking results awaited June 2019	No longer a national target	No longer a national target	Achieved	Achieved	Achieved
VTE Risk Assessment	Venous thromboembolism risk assessment	95%	65% (data capture failure for 1 quarter data not included)	99.2%	99.4%	99.4%	Not previously reported in accounts	Not previously reported in accounts
Where needed the criteria for the above indicators has been included in the Glossary of Terms								

Data comes from the NHS Information Centre Portal

NB. For all indicator figures where the Trust are providing limited assurance, they are clearly referenced with (A)
The reported indicator performance for A&E has been calculated on the number of patients who have a total time in A&E over 4 hours from arrival to admission, transfer or discharge as per the national guidance.
The reported indicator 62 day cancer has been calculated based on the accountable number of first definitive treatments for patients diagnosed with a new primary cancer (the numerator) and the number of accountable breaches (the denominator). The definition of a breach as per Cancer Waiting Time Guidance, is any patient treated more than 62 days after receipt of a GP suspected Cancer referral.

All quality performance targets form part of the quality contract between the Trust and Commissioners. These targets are reported monthly within the Trust integrated performance report which is monitored through the sub committees of the Trust Board and the quality contract targets are discussed at the monthly Quality Contract Review Group. Under performing indicators are captured within relevant work programmes and quality improvement projects which inform future service developments, for example: the proposed development of an emergency village, has been influenced by the A&E Boards programme of work to improve 4 and 12 hour targets.

3.3 Statements from Local Clinical Commissioning Groups (CCGs), Local Healthwatch Organisations and Overview and Scrutiny Committees (OSCs)

3.3.1 Joint Statement from Blackpool Clinical Commissioning Group and Fylde & Wyre Clinical Commissioning Group

NHS

Blackpool Clinical Commissioning Group
Fylde and Wyre Clinical Commissioning Group
Blackpool Teaching Hospitals NHS Foundation Trust

Quality Accounts 2018/2019 – Stakeholder Feedback

Fylde Coast Clinical Commissioning Groups feedback

The Quality Account presents information in a readable format. A mixed picture of improvement in some areas and underachievement against targets in others is described.
As this is year three of a 3-year Quality Strategy it would have been useful to have seen a summary of outcomes for the 3-year period.

In relation to Harm Free Care it is disappointing to note that the Trust is reporting a deterioration in performance since last year attributable to an increase in pressure ulcers. It is however encouraging to note that there has been an improvement in each of the other 3 areas Falls; Catheter Associated Urinary Tract Infection (CA-UTI): Venous Thromboembolism (VTE)
The CCGs note that the Tissue Viability Service has been redesigned, and new guidance released by NHS Improvement has changed the way some pressure ulcers are measured and reported which will impact on the number of pressure ulcers.

It is disappointing to note that the Trust have seen an increase of 33% to date against the 17/18 baseline of failure to rescue a deteriorating patient. Several developments to support improvement are

noted in the report. The CCGs note that this year the Trust has reinstated an adapted Global Trigger Tool Audit (GTT) to highlight lessons learned and areas of focus for the work streams. These audits review the care of patients who have had a cardiac arrest, unplanned admission to ITU, or reported incidents of patients deteriorating unexpectedly. The Trust uses this information and new composite data score to look at where it can make improvements in care to prevent where possible, patients deteriorating unexpectedly. The CCGs acknowledge that this has resulted in an increase in reporting performance, however this is seen as a positive as it reflects staff are more aware and transparent in raising concern. As the improvement actions become embedded we expect to see a reduction.

The CCGs are pleased to note that the Trust has improved compliance with the Sepsis pathway target (to 87.42% in March 19) of antibiotic administration within 1 hour.

Regarding Patient Safety and Lessons Learned, the CCGs are pleased to note that the Trust is following the recommendations from NHS Improvement and the Care Quality Commission, to review how lessons learned are implemented and organisationally embedded from the Serious Incident investigations.

The CCG is working to support a reduction in health care associated infections across health care settings and recognises that the Trust operates a robust approach to reviewing and learning from each infection experienced by a patient in their care. It is encouraging that the rate of 31 cases against a target of no more than 39 for Clostridium difficile has been achieved and zero cases of MRSA were reported. The CCG will continue to work with the Trust and the wider Lancashire health economies to support this progress.

The CCG acknowledges the Trust has been monitored via it's CQC action plan, and this has been shared with the Fylde Cost Executive Steering Group.

Timely, accurate and informative discharge information for patients and their GPs has been and continues to be a constant concern for the CCG and Primary Care. In some cases, the lack of prompt and appropriate discharge information

adversely affects continuity of patient care in the community. Improvements regarding this process should be considered by the Trust for 2019/20. It is disappointing to note that this continues to be an issue.

We look forward to supporting the Trust to deliver its priorities for 2019/20 in relation to the key elements of the quality of care i.e. clinical effectiveness, quality of the patient experience and patient safety.

Lesley Anderson- Hadley: Chief Nurse and Head of Quality and Safety:
On Behalf of Blackpool Clinical Commissioning Group Clinical Commissioning Group

Claire Lewis: Acting Executive for Governance, Patient Safety and Risk:
On Behalf of Fylde and Wyre Clinical Commissioning Group

3.3.2 Statement from Lancashire Healthwatch

Healthwatch Lancashire
Response to Blackpool Teaching Hospitals NHS Foundation Trust
Quality Accounts Report for
2018-19

Introduction:
Healthwatch Lancashire is pleased to be able to submit the following considered response to Blackpool Teaching Hospitals NHS Foundation Trust Quality Accounts Report for 2018-19.

Part 1: Statement on Quality from the Chief Executive
Ensuring that patients have a positive experience of care is a sentiment we fully support and we recognise the aim of the Trust to be responsive to the views of patients, their families, staff, stakeholders and partners to improve the quality of care and we applaud this.

Part 2: Priorities for improvement and statements of assurance from the Board of Directors
We note the progress of the Quality Improvement Projects 2017/18 and the rationale to roll the current goals into 2018/19 due to the work being

done across the integrated care partners on a Fylde Coast Quality Strategy approach.

In terms of the progress in respect of the individual projects we thought the description of the activity and the subsequent actions and results were clearly and comprehensively explained

We welcome the participation of the Trust in the National Health Service Improvement (NHSI) 'Moving to Good' programme and the signing up as a Quality, Service Improvement and Redesign (QSIR) Trust and their Advancing Change and Transformation (ACT) Academy, the aim being to create a culture of continuous improvement.

2018-19 Priorities:
We are encouraged by the work that has been undertaken with NHS Improvement to embed a culture for quality improvement within the Trust and the actions described to ensure that appropriate strategies, plans, capacity and leadership are in place to address the areas of focus for quality improvement.

We are satisfied with the priority projects going forward and the working with partners (Blackpool CCG, Fylde and Wyre CCG) individually and collectively within the Lancashire and South Cumbria Integrated Care System to develop a localised vision which encompasses all partner's quality priorities

In accordance with the current NHS reporting requirements and mandatory quality indicators requiring inclusion in the Quality Account the Trust appears to have fulfilled this requirement.

We do however note that additional consideration (2) of the NHS Improvement letter 17th December 2018 Quality accounts: reporting arrangements 2018/19, ahead of legislation requested Trusts to provide details of ways that staff can speak up (including whistle-blowers) and how they ensure such staff do not suffer detriment as a result. We do recognise the work currently being done (2.2.9 Workforce experience) and not wishing to detract from a positive Report we would suggest a section explaining the different ways in which staff can speak up if they have concerns over quality of care, patient safety or bullying and harassment with the Trust as an enhancement.

Summary
Overall, we liked the document. The emphasis on increased involvement patients, public, staff and partner organisations to develop continuous improvement is integral to the document. We at Healthwatch Lancashire welcome this and would like to find ways of supporting this in practice.

Sue Stevenson
Chief Operating Officer
Healthwatch Lancashire

3.3.3 Statement from Lancashire Health Scrutiny Committee

"Although we are unable to comment on this year's Quality Account we are keen to engage and maintain an ongoing dialogue throughout 2019-20."

3.3.4 Statement from Blackpool Heath Scrutiny Committee

 Quality Account Return 2018/2019: Blackpool Teaching Hospitals NHS Foundation Trust
The Blackpool Adult Social Care and Health Scrutiny Committee welcomes the opportunity to comment on the Blackpool Teaching Hospitals NHS Foundation Trust Quality Account for 2018/2019. The past year appears to have been one of mixed headlines for the Trust. The Committee has been pleased to note that improvements in winter planning have had a positive impact on services over the difficult winter months for the accident and emergency department and other hospital departments.

Over the year, the Committee has raised concerns such as the Trust's performance in relation to four and twelve hour accident and emergency wait times, the number of patients seen within two weeks of referral for breast cancer symptoms and the number of cancelled operations, with assurance provided by commissioners that work is ongoing to ensure improvement. It does not appear that poor performance in these areas has been fully expanded on within the quality account, although this may be due to the strict requirements of what can and should be included in a quality account statement.

The Committee has welcomed engagement with the Trust over the last year and was pleased to work with BTH on a recent scrutiny review, the recommendations of which aim to have a positive effect on accident and emergency waiting times. The Committee looks forward to further positive engagement in 2019/2020.

Councillor Jim Hobson
Chairman, Adult Social Care and Health Scrutiny Committee

3.3.5 Statement from Governors

Governor Statement: Quality Accounts 2018/19
The Governors of Blackpool Teaching Hospital's NHS Foundation Trust play an important governance role, holding the non-executives to account on behalf of the wider community. Governor observers attend all of the main strategic Board Committees, feeding back key issues and concerns to the Council of Governors. This year Governors have appointed a new Trust Chair and three new non-executive directors, all of whom we expect to bring considerable experience and a fresh perspective to the many challenges facing the Trust.

During 18/19 the Trust supported Governors to participate in the design and commissioning of a bespoke training package which will now be mandatory for all new Governors, helping them to prioritise demands, to understand better what constitutes assurance and to be more effective as a governing body.

Governors welcome the opportunity to comment upon the Quality Accounts, which provide an extensive overview of all the quality improvement work in place to achieve care that is Informed, Timely and Safe. The accounts are honest and transparent, recognising areas of excellence and success as well as areas for improvement. Some Governors have commented that an executive summary might help to make the document more accessible.

Governors are pleased to note that patient satisfaction, as measured by the Friends and Family test, continues to be high, but would now also like to see the introduction of more information about

the rate of return. Governors continue to maintain a strong focus on the SHMI (Standardised Hospital Mortality Index) and welcome the improvements achieved with regard to sepsis. Our attention now turns to pneumonia and AKI (acute kidney infection) to see if similar improvements can be secured in these areas.

Whilst there is much to celebrate in the Quality Accounts (including national recognition for palliative care and for engagement with young people), Governors will also want to understand why the strategy to reduce pressure ulcers is behind plan. The governing body, though, is only too aware of the wider strategic determinants which can impact upon quality. We understand that current financial pressures and the ongoing difficulties of recruitment facing all Trusts can frequently combine to increase waiting lists and reduce the quality of service available. Nonetheless, we were pleased to note that this year's Winter Plan appeared to function more effectively and did not result in the scale of cancelled elective surgery experienced in the previous year.

Since the CQC visit in 2017, Governors have received regular updates on waiting times in the Emergency Department and, whilst the Trust still struggles to meet national targets, it is pleasing to see the considerable progress that has been made and the strong support from partners to achieve these improvements. Governors were also very pleased to learn this year that the Trust has been successful in attracting capital funding to improve its Emergency Department in the near future.

3.4 Head of Internal Audit's annual opinion – 23/05/2018

Head of Internal Audit Opinion 2018/19

Basis of opinion for the period 1 April 2018 to 31 March 2019

Our internal audit service has been performed in accordance with KPMG's internal audit methodology which conforms to Public Sector Internal Audit Standards (PSIAS). As a result, our work and deliverables are not designed or intended to comply with the International Auditing and Assurance Standards Board

(IAASB), International Framework for Assurance Engagements (IFAE) or International Standard on Assurance Engagements (ISAE) 3000. PSIAS require that we comply with applicable ethical requirements, including independence requirements, and that we plan and perform our work to obtain sufficient, appropriate evidence on which to base our conclusion.

Roles and responsibilities

The Board is collectively accountable for maintaining a sound system of internal control and is responsible for putting in place arrangements for gaining assurance about the effectiveness of that overall system. The Annual Governance Statement (AGS) is an annual statement by the Accountable Officer, on behalf of the Board, setting out:

- How the individual responsibilities of the Accountable Officer are discharged with regard to maintaining a sound system of internal control that supports the achievement of policies, aims and objectives;
- The purpose of the system of internal control as evidenced by a description of the risk management and review processes, including the Assurance Framework process; and
- The conduct and results of the review of the effectiveness of the system of internal control including any disclosures of significant control failures together with assurances that actions are or will be taken where appropriate to address issues arising.

The Assurance Framework should bring together all of the evidence required to support the AGS.

The Head of Internal Audit (HoIA) is required to provide an annual opinion in accordance with PSIAS, based upon and limited to the work performed, on the overall adequacy and effectiveness of the organisation's risk management, control and governance processes (i.e. the system of internal control). This is achieved through a risk-based programme of work, agreed with Management and approved by the Audit Committee, which can provide assurance, subject to the inherent limitations described below.

The purpose of our HoIA opinion is to contribute to the assurances available to the Accountable Officer and the Board which underpin the Board's

own assessment of the effectiveness of the system of internal control. This opinion will in turn assist the Board in the completion of the AGS, and may also be taken into account by other regulators to inform their own conclusions.

The opinion does not imply that the HoIA has covered all risks and assurances relating to the organisation. The opinion is substantially derived from the conduct of risk-based plans generated from a robust and Management-led Assurance Framework. As such it is one component that the Board takes into account in making its AGS.

Opinion
Our opinion is set out as follows:
- Basis for the opinion;
- Overall opinion; and

Basis for the Opinion
The basis for forming our opinion is as follows:

- An assessment of the design and operation of the underpinning Assurance Framework and supporting processes;

- An assessment of the range of individual assurances arising from our risk-based internal audit assignments that have been reported throughout the period. This assessment has taken account of the relative materiality of these areas; and

- An assessment of the process by which the organisation has assurance over its registration requirements of its regulators.

Overall Opinion
Our opinion based for the period 1 April 2018 to 31 March 2019 is that:

'Significant assurance with minor improvement opportunities' can be given on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.

Commentary
The commentary below provides the context for our opinion and together with the opinion should be read in its entirety.

Our opinion covers the period 1 April 2018 to 31 March 2019 inclusive, and is based on the eleven audits that we completed during 2018/19.

The design and operation of the Assurance Framework and associated processes
Overall our review found that the Assurance Framework in place is founded on a systematic risk management process and does provide appropriate assurance to the Board.

The Assurance Framework reflects the organisation's key objectives and risks and is reviewed on at least an annual basis by the Board. We have raised recommendations in relation to further developments that are needed to the BAF to allow it to continue to be fit for purpose as the Trust and its risk environment continue to develop.

The range of individual opinions arising from risk-based audit assignments, contained within our risk-based plan that have been reported throughout the year
We have found a theme that is common to a number of the findings in our reviews. This is the Trust's effectiveness at managing and implementing change as exemplified in the following:

- The Trust did not issue the revised Standards of Business Conduct (SoBC) Policy to staff until January 2019, although it was formally ratified by the Board in November 2017. This meant that staff who were required to complete a declaration were not all able to prior to the year end. This means the Trust did not have a full listing of staff declarations of interest as required by the Policy and by national NHS guidance;

- "Decision making staff" are required to complete declarations under the SoBC Policy. The Trust did not establish which staff members would be classed as decision makers until after the Policy was issued. This created another barrier to the Trust achieving the required compliance at the year end;

- The Trust did not issue the updated Risk Management Policy (which includes the updated risk scoring matrix) until the middle of March 2019. This makes it difficult to evidence a

change in the way the Trust's risk management processes have been functioning throughout the year as is the focus of our opinion;

- The Trust was ultimately compliant with the requirements of the Data Security and Protection Toolkit at the year end. It achieved compliance with some of the requirements through the use of an action plan showing how the Trust will become compliant in the next six months. This approach has been suggested nationally by NHS Digital and as such we are able to accept this as audit evidence of compliance. This is historically an area where the Trust has performed well and where audits have run smoothly. This year, we did our phase two audit in early March and found the majority of the recommendations were still outstanding. The final report has been completed using evidence provided at and just after the year end.

When we identify a theme in the issues arising in our reviews, we have to question whether it represents an underlying issue with the Assurance Framework and its associated processes. As part of this process we also consider the positive findings from our core and other reviews:

- Our Core Financial Controls work in relation to Cost Improvement Programmes (CIP) and Use of Resources (UoR) was rated as significant assurance with minor improvement opportunities. We also note that the Trust met its CIP savings target for the year;

- Our Core Financial Controls work in relation to cash management was rated as significant assurance with minor improvement opportunities;

- Our Data Quality review provides significant assurance with minor improvement opportunities;

- Our Post-CQC Visit Follow Up provides significant assurance with minor improvement opportunities. One element of our opinion (below) relates to the Trust's compliance with its regulators' requirements and therefore this positively supports this element of our opinion;

- Our Additional Payments to Staff review noted significant progress in addressing previous high priority issues in relation to Waiting List Initiative payments. This review shows that a whole new process and IT system have been implemented to address these concerns raised showing the Trust has systematically approached resolving the issues raised.

None of our 2018-19 assignments prevent us from issuing "significant with minor improvements" assurance overall. This is because we have obtained sufficient evidence as part of our work during the year that the Trust has had an effective system of internal control in place. The issues we have identified this year relate the management of small-scale change. This has not impacted the overall internal control process in year. The risk is that the Trust will not be able to effectively respond to transformational change requirements going forward if current issues are not addressed and that this could lead to an ineffective internal control system in future years.

The process by which the organisation has assurance over its registration requirements of its regulators
As noted above, our follow up review of the Trust's implementation of its CQC action resulted in a "significant assurance with minor improvement opportunities" rating which shows the Trust is working towards addressing the issues noted as part of the most recent inspection. The Trust also maintains a self-assessment against the requirement of its provider licence (which we have audited in the past) and which is reported to Audit Committee annually. There are some areas where the Trust is not reporting itself as fully compliant but overall the Trust can state that it is not in breach of its provider licence.

As noted above, our follow up review of the Trust's implementation of its CQC action resulted in a "significant assurance with minor improvement opportunities" rating which shows the Trust is working towards addressing the issues noted as part of the most recent inspection.

We are aware that the Trust is now subject to enforcement undertakings from NHSI outlined in a letter dated 19th March and signed by the Trust 25th April 2019. We have reviewed the content

of this letter and are comfortable that it does not contain any information in relation to the Trust's performance that we were not already aware of when forming our 2018/19 opinion. It also does not contain information which contradicts the findings of our internal audit reports in year or the contents of this opinion. We will work with management to ensure the content of our 19/20 plan allows us to conclude appropriately in relation to this matter in our Head of Internal Audit Opinion next year.

KPMG LLP

KPMG LLP
Chartered Accountants
Manchester
21 May 2019

4 Appendices

Appendix A - Actions Taken Following Issue of National Report

Title	Actions taken following issue of National Report
Fractured neck of femur (RCEM)	ED nominated a hip fracture lead to improve and champion standards of care in this area by working with the lead anaesthetist. Written protocols and pathways for hip fracture management have been updated to include a section on how to investigate using CT and/or MRI when the x-ray is normal but the clinical findings are still suspicious of #NOF. Protocols are easily accessible for all staff. Protocols and pathways have been reviewed to ensure a focus on the rapid assessment and relief of pain, including utilising nurse-led prescribing. Training included as part of nurse triage training package. Adequate staff numbers and skill mix in assessment area to give prescribed analgesia. Pain scoring mandatory for all patients with suspected or confirmed #NOF. ED undertaken QIPs to find a locally accepted way of ensuring pain scores are done. Triage initiated X-ray. Nerve blocks should be used where possible to limit the use of systemic analgesia. Patients must be monitored following blocks.
Pain in children (RCEM)	Work to ensure administration of analgesia pre-hospital is documented in the notes, to prevent medication errors and ensure patient safety. The patient's pain level is assessed and documented using a pain score. Staff trained and aware of how to use pain scores. Department investigate and utilise the existing systems, such as nurse led prescribing (PGDs) to ensure timely administration and documentation of analgesia to children with moderate or severe pain. Departments developed a system to ensure re-evaluation of pain after analgesia. Such mechanisms may empower parents and children to self-report pain and assist in re-evaluation of efficacy of analgesia in a patient-centric timeframe.
National Asthma & COPD audit programme	Respiratory team review within 24 hours. Oxygen prescription stipulating target range. Smoking cessation and use of pharmaco therapy. COPD severity score recording DECAF. COPD discharge bundle.
BTS National Emergency Oxygen Audit 2016	IT have inserted reminder on intranet homepage about Oxygen prescription on drug chart creating awareness of oxygen policy with junior doctors.
Diabetes (Adult) ND(A), includes National Diabetes Inpatient Audit (NADIA)	Diabetes team involve their patients in planning their care. Insulin prescription introduced after trial. Action taken to prevent night-time hypos, including the introduction of bedtime snacks. Enough staff on the diabetes team to provide support to other healthcare professionals and patients in the delivery of safe diabetes care. Procedures in place on wards to ensure that all appropriate patients are promptly referred and seen by the diabetes team. Procedures in place to improve foot examinations on admission and make sure that NICE guidance are implemented. Record all DKA and HHS cases that happen in hospital as serious incidents and analyse the causes of these incidents. Continue to monitor the use of insulin infusions to make sure that they are used appropriately.

BTS Smoking cessation audit 2016	Support all smokers in hospital by referring then to specialised smoking cessation support services to discuss and explore the option of smoking cessation. Improve prescription of NRT.
Inflammatory Bowel Disease (IBD) programme / IBD Registry	Use of accurate symptom assessment or disease activity score at all points of clinical interaction. Adoption of faecal calprotectin or other biomarker to aid assessment of disease activity. Implementation of a treatment pathway that is readily available to aid timely treatment decision making.
National End of Life Care 2015	Determined that the Trust stocks DWP 1027. What to do after a death in England and wales – decided by carer group. Highlighted as gap with commissioners at Fylde EOLC Strategic group. Increased patient and public representation for discussing or reporting on EOLC (currently health watch represented on Transform Steering Group and patient rep on Bereavement Group). Highlighted importance of this in ongoing Transform Training (included in training learning objectives) Amended Transform staff survey to include question about confidence in having these discussions.
National BTS Paediatric Asthma Audit	Document the provision of the written asthma plan at the time of discharge. Training for junior doctors at the time of induction and nurses reminded to document at time of discharge. Documented in E- discharge patient to see GP within 2 days of discharge. Educate junior doctors at induction teaching, about CXR in asthma. Documentation of exposure to smoking completed by junior doctors.
National Paediatric Pneumonia audit	All junior doctors educated about chest x-rays, antibiotic use, following the trust's antimicrobial formulary to treat pneumonia and follow ups in children with pneumonia.
National Adult Asthma Audit	Specialist asthma service with a named medical lead. Patients receive a dedicated asthma discharge care bundle, a recorded peak expiratory flow performed on admission including post bronchodilator peak flow. Patients admitted to hospital with an asthma attack to be discharged on inhaled corticosteroids.

Appendix B - Actions Taken as a Result of Local Audit

Audit Title	Actions taken as a result of local clinical audit
Unscheduled Care	
Reviewing of asthmatic children's ED attendance against RCEM standards	Raise awareness of the findings of the audit at departmental governance meeting and paediatric ED nurse meeting. Continued education of staff of patient benefits by delivering best practice care. Increased awareness amongst nursing staff of the importance of recording systolic blood pressure for all patients, and peak flow in children aged 5 years and older. Monitor compliance of the asthma care bundle within this patient group
Management of adults patients with DKA in the emergency department	Introduction of bespoke intravenous infusion chart which clearly indicates which fluid is to be infused according to biochemical results. Provided teaching sessions on audit findings, coroners' findings and the DKA care summary.
Management of out of hospital cardiac arrest during the first 24hrs of intensive care	Introduced Out Of Hospital Cardiac Arrest Care Bundle.
Communication with relatives in ITU	Raised awareness of the relatives spoken to by a Nurse / ITU doctor within 60 minutes of ITU admission. Formal interview with a Consultant within 24 hours of admission
Acutely ill patients in hospital recognition of and response to acute illness in adults in hospital. Incorporating recording, monitoring & assessment of fluid balance & recognition of risk factors for AKI	Respiratory Nurse Specialists and other stakeholders developed an appropriate revision of the VOSC in relation to NEWS 2 recommendations. Continue to deliver training to nursing and medical staff & reinforce the use of NEWS, the Graded Response Strategy (GRS) and the use of appropriate documentation. Embed safe oxygen prescribing and target setting in all education opportunities with medical personnel. Awareness of audit findings by Medical Director and Deanery Lead. Education in line with safe oxygen prescribing policy. Continue to ensure AKI and fluid balance monitoring is embedded within R&A. Link to ongoing strategic pathway work. Established network of fluid balance champions within the divisions. Appropriate opportunities for recording bedside glucose levels embedded within current education. Review all adult 2222 calls (excluding A&E). Awareness of the poor take up by key stakeholders and a relevant action plan.
Regional audit of the diagnosis and treatment of Giant Cell Arteritis (GCA) against BSR Guidelines	GCA pathway to be introduced.
Quality Improvement audit on minimum mean Colonoscopy withdrawal times	Awareness to input data correctly including the new Colonoscopy Withdrawal Time. Checked and corrected glitch in endoscopy system. Mandatory to input CWT in the system. Endoscopist with low ADR and CWT informed about their results and monitored appropriately.

Audit Title	Actions taken as a result of local clinical audit
Check listing and monitoring patients receiving Anti-Thymocyte Globulin treatment	Pre-treatment checks monitoring clearly documented and evidenced in the clinical notes. New ATG check list and monitoring form when the patient admitted to the haematology ward for ATG treatment. Implementation of ATG checks listing and monitoring bedside form.
Compliance with NICE CG 100 Alcohol Disorders and CORP/ PROC/487	Staff continues to utilise the skills of the Alcohol Liaison Nurse Service to ensure appropriate care is maintained. Alcohol Liaison Nurse Service work with A&E and AMU staff at all levels to ensure initial management plans for alcohol withdrawal syndrome is appropriate and in place. Continue to provide access to training in identification of patients with increasing alcohol use. Encourage Medical, Non-Medical and Allied Health Professions to engage with training.
Management of Community Acquired Pneumonia	Doctors continued education in recording CURB score and appropriate use of antibiotics as per Trust guidance. Record of appropriate diagnosis to enable correct coding.
Audit of falls patients	Falls pro forma / protocol created based on the NICE guideline and completed for all falls patients. Importance to be given to measure lying / standing BP and also to check footwear. Paper information regarding community services to be distributed to patient / family / carers when noted to have high falls risk. Impart the message to all the relevant wards where fall patients are admitted that medications should be reviewed.
Audit of documentation of individualised care plans for end of life patients on the Blackpool Victoria Hospital stroke unit	Teaching session during stroke department Monday educational meeting. Stroke ward EOL care pro-forma produced and approved by departmental lead. Audit outcomes education and explanation of trial for stroke ward EOL care plan shared with nursing and healthcare staff at ward meetings.
Patient adherence to medications following stroke	Assess for medication issues at follow-up appointments for patients with stroke or TIA in clinic (adherence, problems with administration or side effects). Assess blood pressure control in clinic and adjust anti-hypertensive medications to aim to achieve RCP target of <130 mmHg systolic in patients without contraindications. Assess serum HDL cholesterol levels while in hospital and at clinic 12 weeks later, and adjust cholesterol modification therapy to aim to achieve RCP target of >40% reduction in HDL cholesterol.
Documentation and safety of lumbar puncture in AMU	Pro-forma modified. Organised equipment trolley. Increased awareness regarding pro-forma.
Smoking cessation advice in respiratory wards	Increased awareness about NRT choices and doses, Increased awareness about smoking cessation advice. Verbal education sessions for doctors, Poster displayed in relevant areas. Education about smoking and lung disease.
Resuscitation trolley audit	Resuscitation Department reviewed resuscitation trolley software that highlights the readiness of a resuscitation trolley.

Audit Title	Actions taken as a result of local clinical audit
Do not attempt cardio pulmonary resuscitation	Staff attended training session on DNACPR (Simulation Sessions run by Dr Preston, dates advertised on the OneHR website under the Resuscitation Department). Training tailored to highlight the importance of correctly completing all areas of the DNACPR form. Community matrons to be part of the decision team to be able to instigate DNACPR orders as they are familiar with the complexities and chronic co-morbidities of the patients under their care.
Scheduled Care	
Anaesthesia and peri-operative analgesia for hip fracture patients	Laminated best practice guidelines for hip fractures created and kept in the anaesthetic room in theatre 9.
Pre-op fasting for fluids in adults	The admission letter to the patient has been changed to include that they have 200mls of water before starting journey to hospital. All elective patients on arrival to pre op reception are given glass of water to drink. After team brief for each theatre, the order of list finalised. Except first patient all patients will continue to receive water (up to 50mls) till 45 minutes before anaesthesia. Patients who had drink within last 30 minutes of induction of anaesthesia will be delayed or put on lower order of the list.
Anticoagulation compliance pre-procedure in patients with cardiac arrhythmia	Patients seen in pre-admission who have had 2 sub therapeutic INR readings to be identified and medication to be swapped to NOAC at preadmission appointment where applicable. Verbal and written information given in arrhythmia clinic. Patient information leaflet on all anticoagulation medication to be available and given to patients. Pre admission pack to have section that addresses anticoagulation advice /compliance.
Medical vs Surgical management of Pneumothorax	Electronic referral system introduced in order to make sure patients are appropriately referred. Patients to be prioritised for early surgery.
Permanent Pacemaker Implantation post Cardiac Surgery	Poster available in the outpatient clinics, same day admission, CITU, Cardiothoracic Wards to remind the team to mention the possibility of permanent pacemaker implantation upon consent of the patient for cardiac surgery.
Assessment of treatment of patients discharged with the primary diagnosis of acute heart failure (first diagnostic position) at Blackpool Victoria Hospital	If the patient has a primary diagnosis of heart failure and suitable for Cardiology then the patient will be admitted to Cardiology. Care pathways are now in place on DGH and A&E wards.
Re-audit Average admission to coronary angiography time for patients with non ST elevation acute coronary syndrome	Weekend lists have been introduced for NSTE-ACS patients. Timings to be recorded for each ACS patient as part of routine entry in Medcon.

Audit Title	Actions taken as a result of local clinical audit
Coding of cardiac electrophysiology procedures and its effect on revenue	Coder checklist and pre-admission/admission checklist devised and in use. Scheduled monthly review with coders agreed.
Discharge summary for acute myocardial infarction patients	Information included in discharge summaries for AMI patients as per NICE guideline. Comprehensive discharge summaries for patients with AMI.
How does the radiological investigations for acute abdo pain in urology patients compare with the ASGBI Commissioning Guide	Average hospital stay decreased, patients discharged with OP plans for USS.
Surgical outcomes following simple mastectomy and mastectomy with reconstruction	Information disseminated to all breast surgeons and awareness of increased risk of post-operative haematoma in patients with clopidogrel.
Outcome of laparoscopy colorectal surgery	Ongoing education within department in data collection/reporting regarding Lymph Nodes information.
Perioperative intravenous fluid therapy compared to British census guideline	Departmental teaching to junior doctors emphasising iv fluid according to the guidelines. Guidelines and presentation distributed. Nurse in charge on surgical wards reinforce the importance of clinical assessment table for fluid status on clinical notes and the importance of documentation of weight.
Intravenous fluid prescription in adults on General Surgical Wards	Teaching sessions delivered to FY1's to increase the awareness of NICE standards for IV fluid prescribing. Poster on SAU detailing NICE maintenance requirements.
Assessment of the accuracy of MRI's in direct free circumferential resection margin in staging of rectal cancer	Pro-forma produced to remind all staff to report minimum distance to mesorectal fascia.
Retrospective audit on the diagnosis and management of acute pancreatitis	Departmental staff training undertaken in relation to diagnosing acute pancreatitis within 48hrs. Patients will be managed in HDU/ICU.
Are acute take ultrasounds performed within recommended 24 hour period	Priority slot on Sonography list during the week for an SAU patient. Perform sonographies on Saturday afternoon and Sundays. Education to Junior doctors.
Assessment of using regional anaesthetic blocks in breast surgery	Capsulotomy and expander replace used for these procedures in the future and will not be used for wide local excision, excision biopsy, fibro adenoma excision, mastopexy and sentinel node biopsy.

Audit Title	Actions taken as a result of local clinical audit
Do interspeciality referrals in BTH fall short of the 7 day clinical standards	Registrars receive email notification when and e-referral is received.
Indications for requesting abdominal x-ray in emergency patients	Ongoing education of Junior doctors.
Re-audit of outcomes of lid cancer surgery and review of periocular tumour referral pathways	Referral Pathway updated. Mail sent to all GP's with a covering letter. Stamp to be introduced with appropriate information to be filled in.
Strabismus surgery outcomes in post-op patients	All patients within 10D from straight is not a realistic target should be >60% or patient satisfaction >70%. Standards have been amended to reflect this.
Antibiotic prophylaxis for Orthopaedic Surgeries	Antibiotic guidelines sent to all prescribers. Surgeons/anaesthetists to document the reason they are changing the antibiotics and if they need to extend the duration.
Management of acute ankle fractures	Practice changed in considering the weight bearing status of these patients and whether it is possible to allow these patients to weight bear at an earlier stage.
Distal radius fracture management	Ongoing education of BOAST guidelines.
Re-audit the effectiveness of twin block functional appliance treatment in Primary and Secondary Care	Continue to provide treatments with this design of appliance. Instructed patients to wear fulltime. Continue providing TBA's for appropriate 15-17 year olds.
Families	
Emergency and elective LSCS Audit	Pathway for maternal request in new LSCS guideline. Objective studies for Oasis to guide decision. Updated LSCS guideline. Reminder to medical staff correct classification of LSCS good practice.
Outpatient hysteroscopy and management of endometrial hyperplasia	OPH pro-forma to improve documentation of procedure and advice on analgesia/leaflet and recommendation of mirena / ablation for HMB. Reminder to medical staff that Mirena IUSis first-line management for hyperplasia without atypia (counsel about benefits over oral progesterone) Reminder to medical staff that a diagnosis of hyperplasia in women on tamoxifen should be referred to MDT and repeat biopsy 6/12. Reminder to medical staff that hyperplasia with atypia if not treated with TAH=BSO needs repeat biopsy 3/12 interval (see RCOG).
Adherence to Trust policies for blood transfusion in pregnancy	Improved awareness training. Use of bedside checklist as standard care. Optimisation of HB antenatal PO/IV Iron. Intra-operative cell salvage where possible.

Audit Title	Actions taken as a result of local clinical audit
Shoulder dystocia	Weekly brief to educate clinical staff on definition and management of shoulder dystocia. Use of pro-forma based on Euroking to improve documentation- any Euroking documentation following shoulder dystocia prompts the pro-forma completion.
Risk assessment and surveillance of fetal growth restriction	Discussed at Labour ward forum regarding policy on measuring SFHs. If patients are having serial growth scans reminder sent to staff.
Domestic abuse information adherence to policy	Weekly review - staff education /reminder for staff to ask the question regarding domestic abuse. Discuss results in safeguarding study day (2018).
Management of suspected ectopic pregnancy audit	Continued training in follow up post-surgical management of ectopic. pregnancies. No further BhCGs unless directed by surgeon. Advise patients on 3 week urine BhCG.
Bladder care in labour	Two weeks targeted training on bladder care in labour at handover on Delivery suite and Ward D. Practice development midwife completed handover talks to highlight importance of correct clinical management and documentation.
Audit of postnatal bladder care	Two weeks targeted training by practice development midwife on postnatal bladder care on Delivery Suite and Ward D. All staff reminded of the importance of documenting the first void within 6 hours of delivery or 6 hours of catheter removal for women who had a spinal or epidural anaesthesia.
Detecting obesity in children (5-18 years old)	Ongoing education of junior doctors in recording height and weight and plotted on growth charts. Local guideline developed to assist investigating childhood obesity.
Audit of Management of babies born at 35-37 weeks gestation	Education regarding checking babies temperature. Review of admission criteria protocol/guideline. All babies 35+0 - 35+6 gestation to be admitted to neonatal unit.
Management of feverish illness in children < 5 years	Discussed awareness of NICE guideline on feverish children <5 yrs. and plan to follow trust antibiotic guideline at junior doctors induction meeting.
Management of Bronchiolitis	Ensure fluid balance chart in notes for those patients with concerns of poor intake. Avoid use of chest x-rays and do not prescribe corticosteroids in patients diagnosed with bronchiolitis communicated to staff.
Audit of recording care plans in CAMHS	Updated Care plan template to capture information not recorded (as noted in audit results). Updated assessment documents add details of reviews, helplines in appointment cards.
Diagnosis and Management of Children with DKA	Doctors made aware of web address of online calculator for fluid management and web link to BSPED is available on local guidelines. DKA management discussed in induction of junior doctors.
Re-audit of the Paediatric diabetic with elevated HbA1c>75mmol/mol	Dieticians encouraged to document their presence in clinics. Children and adolescents provided with advice regarding the effects of alcohol in diabetes. Produced section on the nexus review forms for DKA education.
Re audit management of periorbital and orbital cellulitis in children	CAU pathway pro forma developed to review antibiotic guideline, periorbital cellulitis guideline.

Audit Title	Actions taken as a result of local clinical audit
Are the neonates with heart murmurs managed according to trust local guidelines	Cardiac murmur protocol implemented.
Clinical Support	
Blood transfusion consent/clinical indication/recorded benefit audit	Increased awareness amongst medical staff around the need for consent to transfusion.
Cervical loop histopathology reports	Education to the clinical team, in colposcopy to include smear+/- biopsy results and colposcopy findings in the clinical information. Use of modified pro-forma mandatory for histopathology reporting of cervical loop biopsies.
To assess the prescribing of epidural analgesia in the critical care setting (ITU, HDU, SHCU)	Epidural analgesia protocol reviewed.
Re-audit zero tolerance approach to safe prescribing	Education and training delivered to all prescribers. Audit learning sheet included in all prescribing induction.
Safe and Secure handling of medicines - ordering, receipt, storage and distribution on wards and departments	Training sessions and face to face awareness sessions for all members of Pharmacy staff to raise awareness of safe and secure handling of medicines, ordering, receipt, storage and distribution.
Omission sticker Audit	Ongoing Medicines management training. Staff to ensure that they are aware of the relevant paperwork associated with self-administration of medicines.
Compliance of AE ENP/ANP x-ray referrals	New referral criteria implemented.
ALTC	
BAPEN nutritional care tool	Training programme developed in MUST for all nurses and health care professional on all wards at the Trust.
Feed provision on intensive care	Introduction of low calorie, high protein supplements for use in intensive care to improve protein provision.
Audit or pressure ulcer management in ALTC	A standardised training programme on Pressure Ulcer prevention and management has been developed and put in place. Standard Operating Procedure for dissemination to Nursing and Therapy teams with support from CIL has been developed and put in place. All staff to clearly document within the patient's electronic and paper record that pressure ulcer prevention information has not only been provided but also that a discussion has been held. Training in advising patients and carers in the use of barrier products.
Notes audit of MSK South Physiotherapy against NICE guidelines	Tick box added to Lumbar spine template on EMIS for advice and promotions of ADL'S/ return to work. Promote increase use of Start back Risk stratification tool within new referral template.
MUST Audit	Training programme developed in MUST for all nurses and health care professional on all wards at the Trust.
Notes audit of Podiatry against NICE guidelines	Diabetes template on EMIS reviewed to ensure relevant sections are covered and applied.

Appendix C – Glossary of Abbreviations and Terms

Table i: Glossary of Abbreviations

Abbreviation	Meaning
SUTS	Sign up to Safety
NICE	National Institute Health and Care Excellence
CAUTI	Catheter Associated Urinary Tract Infection
NHS	National Health Service
AKI	Acute Kidney Injury
IV	Intravenous
CCG	Clinical Commissioning Group
CDI	Clostridium difficile Infection
PROMS	Patient Reported Outcome Measures
HED	Healthcare Evaluation Data
CQC	Care Quality Commission
CQUIN	Commissioning for Quality and Innovation
DNACPR	Do Not Attempt Cardio-Pulmonary Resuscitation
GP	General Practitioners
MRSA	Methicillin Resistant Staphylococcus aureus
NCEPOD	National Confidential Enquiries into Perinatal Outcomes of Death
NICE	National Institute for Health and Care Excellence
PbR	Payment by Results
SHMI	Summary Hospital Level Mortality Indicator
VTE	Venous Thromboembolism
RCP	Royal College of Physicians
CTG	Cardiotocography
UV-C	Ultra Violet
AMU	Acute Medical Unit
NIHR	National Institute of Health Research
#NOF	Fractured Neck of Femur
COPD	Chronic Obstructive Pulmonary Disease
A&E	Accident & Emergency
SSNAP	Sentinel Stroke Audit Programme
RCEM	Royal College of Emergency Medicine
CADS	Complicated Acute Diverticulitis Audit
MINAP	Myocardial Ischaemia National Audit
NICOR	National Institute for Cardiovascular Outcomes Research
ICNARC	Intensive Care National Audit Research Centre
NPDA	National Paediatric Diabetes Audit
NCAA	National Cardiac Arrest Audit
NELA	National Emergency Laparotomy Audit
C-diff	Clostridium difficile
LeDer	Learning Disabilities Mortality Review

Abbreviation	Meaning
HQIP	Healthcare Quality Improvement Partnership
SCR	Serious Case Review
SAR	Safeguarding Adult Review
DHR	Domestic Homicide Review
ACS	Accountable Care System
ICP	Integrated Care Partnership
MoU	Memorandum of Understanding
SUS	Secondary User Service
IG	Information Governance
VOICES	National Bereavement Survey
MSK	Musculoskeletal
MINAP	Myocardial Ischaemia National Audit Project
BAUS	British Association of urology Surgeons
NBOCAP	National Bowel Cancer Audit Programme
CRM	Cardiac Rhythm Management
CMP	Case Mix Programme
ICNARC	Intensive Care National Audit and Research Centre
CHD	Congenital Heart Disease
PCI	Percutaneous Coronary Interventions
NPDA	National Paediatric Diabetes Audit
FFFAP	Falls and Fragility Fractures Audit Programme
HANA	Head and Neck Cancer Audit
IBD	Inflammatory Bowel Disease
TARN	Trauma Audit & Research Network
MBRRACE-UK	Mothers and Babies; Reducing Risks through Audits and Confidential Enquiries
NABCOP	National Audit of Breast Cancer in Older Patients
NAIC	National Audit of Intermediate Care
NBSR	National Bariatric Surgery Registry
NCAA	National Cardiac Arrest Audit
RCP	Royal College of Physicians
NCSARI	National Clinical Audit of Specialist Rehabilitation for patient with Complex needs following Major Surgery
NJR	National Joint Registry
NLCA	National Lung Cancer Audit
NNAP	National Neonatal Audit Programme
RCOphto	National Opthalmology audit Royal College of Ophthalmologists
PICANet	Paediatric Intensive Care
POMH	Prescribing Observatory for Mental Health
SHOT	Serious Hazards of Transfusion
GIRFT	Getting It Right First Time
BTS	British Thoracic Society
SUS	Secondary User Service

Abbreviation	Meaning
IG	Information Governance
BTH	Blackpool Teaching Hospital
EPaCCS	The Electronic palliative care co-ordination system

Table ii: Glossary of Terms	
Term	**Meaning**
Aseptic Non Touch Technique	A specific type of technique to protect key sites and key parts of a patient from microorganisms which may be transferred from a healthcare worker or the environment to a patient.
Catheter associated urinary tract infection	An infection which it is believed to have started by a urinary catheter.
Clinical	Relating to the care environment.
Commissioners	Group responsible for most healthcare services available within a specific geographical area
Clostridium difficile	Clostridium difficile (C.diff) is a bacterium that is present naturally in the gut. Some antibiotics that are used to treat other health conditions can interfere with the balance of 'good' bacteria in the gut. When this happens, C.diff bacteria can multiply and produce toxins (poisons), which cause illness such as diarrhoea and fever. At this point, a person is said to be 'infected' with C.diff.
CQUIN	Commissioning for Quality and Improvement. This is a system introduced in 2009 to make a proportion of healthcare providers' income conditional on demonstrating improvements in quality and innovation in specified areas of care.
Emergency readmissions to hospital within 28 days of discharge	Location of the latest published data can be accessed from: http://www.ic.nhs.uk/pubs/hesemergency0910
Friends and Family Test	A test that provides us with a simple, easily understandable way to obtain patient feedback to pinpoint areas for improvement Further information can be located at the following link: http://transparency.dh.gov.uk/2012/11/28/nhs-friends-and-family-test
Methicillin Resistant Staphylococcus aureus	MRSA stands for Methicillin-Resistant Staphylococcus aureus. It is a common skin bacterium that is resistant to some antibiotics. Many people carry this bacteria without developing an infection. MRSA bacteraemia – An MRSA bacteraemia means the bacteria has infected the body through a break in the skin and multiplied, causing symptoms.
Mortality	Mortality relates to death. In health care mortality rates mean death rate.
Monitor	Monitor was established in 2004 and authorises and regulates NHS Foundation Trusts. Monitor works to ensure Foundation Trusts comply with the conditions they signed up to and that they are well led and financially robust.
National Johns Campaign	National campaign to promote the right of families and carers of people with dementia to be allowed to remain with them in hospital for as many hours as they are needed

Term	Meaning
National Patient Survey Results	The patient survey question to be monitored by the Trust is in relation to 'Responsiveness to inpatients' personal needs' http://www.dh.gov.uk/en/Publicationsandstatistics/PublishedSurvey/NationalsurveyofNHSpatients/DH_126972
National Staff Survey Results	The staff survey question to be monitored by the Trust is in relation to the 'Percentage of staff who would recommend the provider to friends or family needing care'. Location of the latest published data can be accessed from: http://www.nhsstaffsurveys.com/
NHS Outcomes Framework	The NHS Outcomes Framework is structured around five domains, which set out the high-level national outcomes that the NHS should be aiming to improve. They focus on: • Domain 1 Preventing people from dying prematurely • Domain 2 Enhancing quality caring of life for people with long-term conditions • Domain 3 Helping people to recover from episodes of ill health or following injury; • Domain 4 Ensuring that people have a positive experience of care; and • Domain 5 Treating and caring for people in a safe environment Available at: http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance
NICE	National Institute of Excellence. An independent organisation that provides national guidance and standards on the promotion of good health and the prevention and treatment of ill health.
Organisational Strategic Framework	The organisations process of defining it strategy, or direction, and making decisions on allocating its resources and priorities to achieve the strategy.
Patient Reported Outcome Measures	The patient reported outcome scores are for i) groin hernia surgery, ii) varicose vein surgery, iii) hip replacement surgery, and iv) knee replacement surgery http://www.ic.nhs.uk/statistics-and-data-collections/hospital-care/patient-reported-outcome-measures-proms
Percentage of admitted patients risk-assessed for Venous Thrombo-Embolism	Location of the latest published data can be accessed from: http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsStatistics/DH_131539
Quality Strategy	A document which outlines the aims and objectives of the Trust relating to patient safety and improving quality
Quality Improvement	A formal approach to the analysis of performance and systematic efforts to improve it resulting in better outcomes for patients, better systems performance and better staff development.
Root Cause Analysis	A method of problem solving that tries to identify the root causes of issues and why they are happening
Safety Thermometer	A point of care survey which is used to record the occurrence of four types of harm (pressure ulcers, falls, catheter associated urinary tract infection and venous thromboembolism)
Sign up to Safety Campaign	This is a national campaign and unified programme for patient safety across the NHS in England

Term	Meaning
Summary Hospital Level Mortality Index	The Summary Hospital-level Mortality Index (SHMI) is a system which compares expected mortality of patients to actual mortality. The Summary Hospital Level Mortality Indicator measures whether mortality associated with hospitalisation was in line with expectations. http://www.ic.nhs.uk/CHttpHandler.ashx?id=10664&p=0
Venous Thrombo embolism (VTE)	Venous Thromboembolism (VTE) is the term used for deep vein thrombosis (DVT) and Pulmonary Embolism (PE). A DVT is a blood clot that forms in a deep vein. Sometimes the clot breaks off and travels to the arteries of the lung where it will cause a pulmonary embolism (PE).
62-day cancer screening waiting time standard	Number of patients receiving first definitive treatment for cancer within 62 days referral from the screening programme as a percentage of the total number of patients receiving first definitive treatment for cancer following a referral from the screening programme.
Leading Change Adding Value	A National Framework for Nursing, Midwifery and Care Staff
Clostridium difficile Target	Number of patients identified with positive culture for Clostridium difficile
Rate of Clostridium difficile	Location of the latest published data can be accessed from: http://www.hpa.org.uk/Topics/InfectiousDiseases/InfectionsAZ/ClostridiumDifficile/EpidemiologicalData/MandatorySurveillance/cdiffMandatoryReportingScheme/ The following information provides an overview on how the criteria for measuring this indicator has been calculated: • Patients must be in the criteria aged 2 years and above • Patients must have a positive culture laboratory test result for Clostridium difficile which is recognised as a case • Positive specimen results on the same patient more than 28 days apart are reported as a separate episode • Positive results identified on the fourth day after admission or later of an admission to the Trust is defined as a case and the Trust is deemed responsible
MRSA Target	Number of patients identified with positive culture for MRSA bacteraemia
Rate of MRSA	The following information provides an overview on how the criteria for measuring this indicator has been calculated: • An MRSA bacteraemia is defined as a positive blood sample test for MRSA on a patient (during the period under review); • Reports of MRSA cases includes all patients who have an MRSA positive blood culture detected in the laboratory; whether clinically significant or not, whether treated or not; • The indicator excludes specimens taken on the day of admission or on the day following the day of admission; • Specimens from admitted patients where an admission date has not been recorded or where it cannot be determined if the patient was admitted, are attributed to the Trust; • Positive results on the same patient more than 14 days apart are reported as separate episodes, irrespective of the number of specimens taken in the intervening period, or where the specimens were taken.

Term	Meaning
Rate of MRSA	The following information provides an overview on how the criteria for measuring this indicator has been calculated: • An MRSA bacteraemia is defined as a positive blood sample test for MRSA on a patient (during the period under review); • Reports of MRSA cases includes all patients who have an MRSA positive blood culture detected in the laboratory; whether clinically significant or not, whether treated or not; • The indicator excludes specimens taken on the day of admission or on the day following the day of admission; • Specimens from admitted patients where an admission date has not been recorded or where it cannot be determined if the patient was admitted, are attributed to the Trust; and • Positive results on the same patient more than 14 days apart are reported as separate episodes, irrespective of the number of specimens taken in the intervening period, or where the specimens were taken.
Maximum 62 days from urgent GP referral to first treatment for all cancers	The following information provides an overview on how the criteria for measuring this indicator has been calculated: • The indicator is expressed as a percentage of patients receiving their first definitive treatment for cancer within 62 days of an urgent GP referral for suspected cancer; • An urgent GP referral is one which has a two week wait from the date that the referral is received to first being seen by a consultation (see http://www.dh.gov.uk/prod-consum-dh/groups/dh-digitalassets/documents/digitalasset/dh-103431.pdf); • The indicator only includes GP referrals for suspected cancer (i.e. excludes consultant upgrades and screening referrals and where the priority type of the referral is National Code 3 – Two week wait); • The clock start date is defined as the date the referral is received by the Trust; and • The clock stop date is defined as the date of first definitive cancer treatment as defined in the NHS Dataset Change Notice (A copy of this can be accessed at: http://www.ish.nhs.u/documents/dscn/dscn2008/dataset/202008.pdf. In summary this is the date of the first definitive cancer treatment given to a patient who is receiving care for a cancer condition or it is the date that cancer was discounted when the patient was first seen or it is the date that the patient made the decision to decline all treatment.
Rate of patient safety incidents and percentage resulting in severe harm or death	Location of the latest published data can be accessed from: http://www.nrls.npsa.nhs.uk/resources/?entryid45=132789
Waiting times and the 18 weeks referral to treatment (RTT) pledge	The NHS Constitution gives patients the right to access services within maximum waiting times, or for the NHS to take all reasonable steps to offer you a range of suitable alternative providers if this is not possible. Patients have the legal right to start non-emergency NHS consultant-led treatment within a maximum of 18 weeks from referral, unless the patient chooses to wait longer or it is clinically appropriate that the patient wait longer.
4 hour A&E waiting times	The maximum four-hour wait in A&E is a key NHS commitment and is a standard contractual requirement for all NHS hospitals. In addition, NHS England has an added contractual requirement covering NHS hospitals that no A&E patient should wait more than 12 hours on a trolley.

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

The Directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations to prepare Quality Accounts for each financial year.

NHS Improvement has issued guidance to NHS foundation trust boards on the form and content of annual quality reports (which incorporate the above legal requirements) and on the arrangements that NHS foundation trust boards should put in place to support data quality for the preparation of the Quality Report.

In preparing the Quality Report, Directors are required to take steps to satisfy themselves that:

- The content of the Quality Report meets the requirements set out in the *NHS Foundation Trust Annual Reporting Manual 2018/19* and supporting guidance:
- The content of the Quality Report is not inconsistent with internal and external sources of information including:
  - o Board minutes for the period, April 2018 to April 2019;
  - o Papers relating to quality reported to the Board over the period April 2018 to April 2019;
  - o Feedback from the Commissioners, Blackpool Clinical Commissioning Group dated 13/05/2019; and Fylde & Wyre Clinical Commissioning Group dated 13/05/2019;
  - o Feedback from Healthwatch Lancashire dated 03/05/2019;
  - o Feedback from the Blackpool Council's Health Scrutiny Committee dated 23/04/2019;
  - o Feedback from Governors dated 02/05/2019;
  - o The Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, published April 2018 to March 2019;
  - o The 2017 national patient survey published June 2018;
  - o The 2018 national staff survey published February 2019;
  - o Care Quality Commission inspection, published 03/05/2019; and
  - o The Head of Internal Audit's annual opinion over the Trust's control environment dated 21/05/2019.

The Quality Report presents a balanced picture of the NHS Foundation Trust's performance over the period covered;

- The performance information reported in the Quality Report is reliable and accurate;
- There are proper internal controls over the collection and reporting of the measures of performance included in the Quality Report, and these controls are subject to review to confirm that they are working effectively in practice;
- The data underpinning the measures of performance reported in the Quality Report is robust and reliable, conforms to specified data quality standards and prescribed definitions, is

subject to appropriate scrutiny and review; and

- The Quality Report has been prepared in accordance with Monitor's annual reporting guidance (which incorporates the Quality Accounts regulations) (published at http://www.monitor-nhsft.gov.uk/annualreportingmanual) as well as the standards to support data quality for the preparation of the Quality Report (available at http://www.monitor-nhsft.gov.uk/annualreportingmanual)

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

By order of the Board:

Signed: **Date: 29th May 2019**

Pearse Butler

CHAIRMAN

Signed: **Date: 29th May 2019**

Kevin McGee

INTERIM CHIEF EXECUTIVE

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

Independent Auditors' Limited Assurance Report to the Council of Governors of Blackpool Teaching Hospitals NHS Foundation Trust on the Annual Quality Report

We have been engaged by the Council of Governors of Blackpool Teaching Hospitals NHS Foundation Trust to perform an independent assurance engagement in respect of Blackpool Teaching Hospitals NHS Foundation Trust's Quality Report for the year ended 31 March 2019 (the 'Quality Report') and specified performance indicators contained therein.

Scope and subject matter

The indicators for the year ended 31 March 2019 subject to limited assurance (the "specified indicators") marked with the symbol Ⓐ in the Quality Report, consist of the following national priority indicators as mandated by Monitor (operating as NHS Improvement) ("NHSI"):

Specified Indicators	Specified indicators criteria
Percentage of patients with a total time in A&E of four hours or less from arrival to admission, transfer or discharge.	In line with the definition included within NHS Improvement's "Detailed requirements for external assurance for quality reports 2018/19" Annex C (page 27 and 28). https://improvement.nhs.uk/resources/nhs-foundation-trust-quality-reports-requirements/
Maximum waiting time of 62 days from urgent GP referral to first treatment for all cancers.	In line with the definition included within NHS Improvement's "Detailed requirements for external assurance for quality reports 2018/19" Annex C (page 29). https://improvement.nhs.uk/resources/nhs-foundation-trust-quality-reports-requirements/

Respective responsibilities of the Directors and auditors

The Directors are responsible for the content and the preparation of the Quality Report in accordance with the NHS Foundation Trust Annual Reporting Manual ("FT ARM") and the 'Detailed requirements for quality reports 2018/19' issued by NHSI. The Directors are also responsible for the conformity of the specified indicators criteria with the assessment criteria set out in the FT ARM and the 'Detailed requirements for external assurance for quality reports 2018/19' issued by NHSI and for reporting the specified indicators in accordance with those criteria, as referred to on the pages of the Quality Report listed above.

Our responsibility is to form a conclusion, based on limited assurance procedures, on whether anything has come to our attention that causes us to believe that:

- The Quality Report does not incorporate the matters required to be reported on as specified in the FT ARM and the 'Detailed requirements for quality reports 2018/19';

- The Quality Report is not consistent in all material respects with the sources specified below; and

- The specified indicators have not been prepared in all material respects in accordance with the criteria

set out in the FT ARM and the 'Detailed requirements for external assurance for quality reports 2018/19'.

We read the Quality Report and consider whether it addresses the content requirements of the FT ARM and the 'Detailed requirements for quality reports 2018/19'; and consider the implications for our report if we become aware of any material omissions.

We read the other information contained in the Quality Report and consider whether it is materially consistent with the following documents:

- Board minutes for the period, April 2018 to April 2019;

- Papers relating to quality, reported to the Board over the period April 2018 to April 2019;

- Feedback from the Commissioners, Blackpool Clinical Commissioning Group dated 13/05/2019; and Fylde & Wyre Clinical Commissioning Group dated 13/05/2019;

- Feedback from Healthwatch Lancashire dated 03/05/2019;

- Feedback from the Blackpool Council's Health Scrutiny Committee dated 23/04/2019;

- Feedback from Governors dated 02/05/2019;

- The Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, published April 2018 to March 2019;

- The 2017 national patient survey published June 2018;

- The 2018 national staff survey published February 2019;

- Care Quality Commission inspection, published 03/05/2019; and

- The Head of Internal Audit's annual opinion over the Trust's control environment dated 21/05/2019.

We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with those documents (collectively, the "documents"). Our responsibilities do not extend to any other information.

Our Independence and Quality Control

We complied with the Institute of Chartered Accountants in England and Wales (ICAEW) Code of Ethics, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.
We apply International Standard on Quality Control (UK) 1 and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Use and distribution of the report

This report, including the conclusion, has been prepared solely for Council of Governors of Blackpool Teaching Hospitals NHS Foundation Trust as a body, to assist Council of Governors of Blackpool Teaching Hospitals NHS Foundation Trust's quality agenda, performance and activities. We permit the disclosure of this report within the Annual Report for the year ended 31 March 2019, to enable the Council of Governors to demonstrate they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the indicators. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors as a body and Blackpool Teaching Hospitals NHS Foundation Trust for our work or this report save where terms are expressly agreed and with our prior consent in writing.

Assurance work performed

We conducted this limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) 'Assurance Engagements other than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board ('ISAE 3000 (Revised)'). Our limited assurance procedures included:

- reviewing the content of the Quality Report against the requirements of the FT ARM and the 'Detailed requirements for quality reports 2018/19';

- reviewing the Quality Report for consistency against the documents specified above;

- obtaining an understanding of the design and operation of the controls in place in relation to the collation and reporting of the specified indicators, including controls over third party information (if applicable) and performing walkthroughs to confirm our understanding;

- based on our understanding, assessing the risks that the performance against the specified indicators may be materially misstated and determining the nature, timing and extent of further procedures;

- making enquiries of relevant management, personnel and, where relevant, third parties;

- considering significant judgements made by the NHS Foundation Trust in preparation of the specified indicators;

- performing limited testing, on a selective basis, of evidence supporting the reported performance indicators, and assessing the related disclosures; and

- reading the documents.

A limited assurance engagement is less in scope than a reasonable assurance engagement. The nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement.

Limitations

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information.

The absence of a significant body of established practice on which to draw allows for the selection of different, but acceptable, measurement techniques which can result in materially different measurements and can impact comparability. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision thereof, may change over time. It is important to read the Quality Report in the context of the criteria set out in the FT ARM and 'Detailed requirements for quality reports 2018/19'.

The nature, form and content required of Quality Reports are determined by NHSI. This may result in the omission of information relevant to other users, for example for the purpose of comparing the results of different NHS Foundation Trusts.

In addition, the scope of our assurance work has not included governance over quality or non-mandated indicators in the Quality Report, which have been determined locally by Blackpool Teaching Hospitals NHS Foundation Trust.

Conclusion

Based on the results of our procedures, nothing has come to our attention that causes us to believe that for the year ended 31 March 2019:
- The Quality Report does not incorporate the matters required to be reported on as specified in the FT ARM and the 'Detailed requirements for quality reports 2018/19';

- The Quality Report is not consistent in all material respects with the documents specified above; and

- The specified indicators have not been prepared in all material respects in accordance with the criteria set out in the FT ARM and the 'Detailed requirements for external assurance for quality reports 2018/19'.

PricewaterhouseCoopers LLP.

PricewaterhouseCoopers LLP
Manchester
29 May 2019

The maintenance and integrity of Blackpool Teaching Hospitals NHS Foundation Trust's website is the responsibility of the directors; the work carried out by the assurance providers does not involve consideration of these matters and, accordingly, the assurance providers accept no responsibility for any changes that may have occurred to the reported performance indicators or criteria since they were initially presented on the website.

Annex D: A Statement of the Chief Executive's responsibilities as the Accounting Officer

Statement of the Chief Executive's responsibilities as the Accounting Officer of Blackpool Teaching Hospitals NHS Foundation Trust

The National Health Service Act 2006 states that the Chief Executive is the Accounting Officer of the NHS Foundation Trust. The relevant responsibilities of Accounting Officer, including their responsibility for the propriety and regularity of the public finances for which they are answerable, and for the keeping of proper accounts, are set out in the NHS Foundation Trust Accounting Officer Memorandum issued by NHS Improvement.

NHS Improvement, in exercise of the powers conferred on Monitor by the NHS Act 2006, has given Accounts Directions which require Blackpool Teaching Hospitals NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis required by those Directions. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Blackpool Teaching Hospitals NHS Foundation Trust and of its income and expenditure, total recognised gains and losses and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Department of Health Group Accounting Manual and in particular to:

- Observe the Accounts Direction issued by NHS Improvement, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgements and estimates on a reasonable basis;
- State whether applicable accounting standards as set out in the NHS Foundation Trust Annual Reporting Manual (and the Department of Health Group Accounting Manual) have been followed, and disclose and explain any material departures in the financial statements,
- Ensure that the use of public funds complies with the relevant legislations, delegated authorities and guidance,
- 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.

The Accounting Officer is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the NHS Foundation Trust and to enable him/her to ensure that the accounts comply with requirements outlined in the above mentioned Act. The Accounting Officer is also

responsible for safeguarding the assets of the NHS Foundation Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Signed: *K.P. gee*

Date: 29th May 2019

Kevin McGee
INTERIM CHIEF EXECUTIVE

Key

Annex E: Annual Governance Statement 2018/19

ANNUAL GOVERNANCE STATEMENT 2017/18
BLACKPOOL TEACHING HOSPITALS NHS FOUNDATION TRUST

1. Scope of Responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the NHS Foundation Trust's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me. I am also responsible for ensuring that the NHS Foundation Trust is administered prudently and economically and that resources are applied efficiently and effectively. I also acknowledge my responsibilities as set out in the NHS Foundation Trust Accounting Officer Memorandum.

2. The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of Blackpool Teaching Hospital NHS Foundation Trust (the Trust), to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Blackpool Teaching Hospital NHS Foundation Trust for the year ended 31 March 2019 and up to the date of approval of the Annual Report and Accounts.

3. Capacity to Handle Risk

3.1 Leadership

On 30th April 2019, Mrs Wendy Swift, Chief Executive of the Trust, left the Organisation and Mr Kevin McGee, Interim Chief Executive, commenced in post on 1st May 2019.

As Accounting Officer, the Chief Executive has overall accountability and responsibility for ensuring that there are effective risk management and integrated governance systems in place within the Trust, and for meeting all statutory requirements and adhering to guidance issued by NHS Improvement. The Chief Executive leads the risk management process and the Risk Committee meets on a bi-monthly basis to review the risk management processes. The Risk Committee ensures the Risk Management Policy is implemented and ensures the correct process is adopted for managing risk; controls are present and effective; and action plans are robust for those risks which remain. The Risk Committee hold the Directors to account for their management of risk within their areas of responsibility. The Risk Committee provides assurance to the Audit Committee which monitors and reviews the risk management system to ensure it is effective

and reports to the Board of Directors on the assurances against the Risk Management Policy and Board Assurance Framework which contains the key risks against the Trusts strategic objectives and the Corporate Risk Register which contains all the significant operational risks. To ensure accountability a lead Executive Director has been identified for each risk on the Board Assurance Framework and Corporate Risk Register.

- The Board of Directors has overall responsibility for setting the strategic direction of the Trust and managing the risks in delivering the strategy. All committees have risk management responsibilities reporting in to the Audit Committee and the Board of Directors. Some aspects of risk are delegated to the senior managers;
- The Chief Executive is responsible for reporting to the Audit Committee and Board of Directors on the overall risk management policy and for ensuring that the policy is implemented and evaluated effectively;
- The Chief Information Officer is the nominated Senior Information Risk Owner (SIRO) for the Trust and has responsibility for information and cyber security risk including the annual review of the information risk assessment to support the statement of internal control;
- The Deputy Chief Executive/Director of Finance, Performance and ICT is responsible for financial risk, capital programme management, the effective coordination of financial controls and for monitoring performance and has an additional specific responsibility as the Security Management Director within the Trust;
- The Director of Nursing and Quality is the professional lead for nurses, midwives, health visitors and allied health professionals and responsible for safeguarding, patient experience, emergency planning and security management;
- The Director of Nursing and Quality and Medical Director have shared responsibility for clinical risk management;
- The Medical Director is the professional lead for all Doctors;
- The Medical Director has additional specific responsibilities as the Caldicott Guardian, Director of Infection Prevention Control and the nominated Director for Health and Safety Management;

- The Interim Director of Operations – Planned Care and Interim Director of Operations-Unscheduled Care is responsible for developing risk based operational key performance indicators and for monitoring performance and reporting to the Board of Directors on a bi-monthly basis;
- The Interim Director of Operations - Unscheduled Care is also responsible estate management including fire safety and facilities management;
- The Joint Director of Human Resources and Organisational Development is responsible for workforce planning, staffing issues, education and training.

All Deputy Directors, Divisional Directors, Heads of Departments, Associate Directors of Nursing, and ward/departmental managers have delegated responsibility for the management of risk in their areas. Risk is integral to their day-to-day management responsibilities. It is also a requirement that each individual division produces a divisional/directorate risk register, which is consistent and mirrors the Trust's Corporate Risk Register requirements and is in line with the Risk Management Policy.

Non-Executive Directors work alongside the Executive Directors as an equal member of the Board of Directors. They share responsibility for the decisions made by the Board of Directors and for the success of the Trust in leading the local improvement of healthcare services. Non-Executive Directors ensure that financial controls and risk management systems are robust and defensible and that the Board of Directors is kept fully informed through timely and relevant information.

Governors have an important role to play and are responsible for providing leadership in order to operate effectively, represent the interests of members and influence the strategic direction of the Trust. The Council of Governors is responsible for holding the Non-Executive Directors, individually and collectively, to account for the performance of the Board of Directors. This is achieved by Governors attending and observing committees of the Board of Directors, attending Board of Director meetings in public and meeting with the Chair and Chief Executive as well as at meetings of the Council of Governors.

The Trust's Internal Audit Risk Management and the Board Assurance Framework review concluded for operational risk management that the assurance level would be ''significant assurance with minor improvement opportunities', however, for the strategic risk management element of the review the assurance level was 'partial assurance with improvements required', as the Trust needs to mature its approach to wider system changes.

3.2 Training

Staff are trained or equipped to manage risk in a way appropriate to their authority and duties. The Trust has in place, mandatory training with an annual update requirement, targeted training for trainee doctors, role specific training to support new roles such as the Nursing Associate and adhoc targeted divisional training as required and a scheduled managers training programme. Each Division and Corporate Directorate has a responsibility to develop specific departmental local induction programmes, which includes awareness of the Division/Directorate risk management arrangements.

The Trust has in place a core skills mandatory training programme and the Board of Directors has set out the minimum requirements for staff training required to control key risks and includes risk management processes such as health and safety, moving and handling, resuscitation, infection prevention, safeguarding patients, Prevent and information governance. A comprehensive training needs analysis has been kept under review which sets out the training requirements for all members of staff and includes the frequency of training in each case.

The Risk Management team are responsible for undertaking training for all staff on Risk Management and Incident Reporting. An overview of Clinical Governance and Risk Management, including incident reporting, consent and duty of candour is provided to staff through training sessions, such as, Junior and Trainee Doctors' Induction. Specific training on incident reporting and managing incidents and RCAs is undertaken through a rolling programme of presentations available to all staff. Local training sessions are also arranged for individuals or groups upon request.

The results from the 2018 National Staff Survey show that staff see a continuing improvement in the feedback they receive about changes made in response to reported errors.

Significant improvements since 2016	2016	2017	2018
Staff given feedback about changes made in response to reported errors	63%	67%	69%

The Trust uses an integrated electronic risk management system, known as Ulysses which is used to record and manage incidents, complaints, claims, safeguarding and information governance. The Corporate and Divisional Risk Registers and Board Assurance Framework are managed electronically and updated bi-monthly. The risk management leads within each division and corporate directorate are responsible for coordinating the ongoing review and management of risks identified, collated, reported and reviewed locally through the Trust governance structures.

Employees, contractors and agency staff are required to report all adverse incidents and concerns. The Trust supports a learning culture, ensuring that an objective investigation or review is carried out to continually learn from incidents.

Through the above training, staff are provided with examples highlighting the importance of taking responsibility for risk management and how we share learning from incident reporting, risk assessments and identifying areas, to improve our services and ultimately patient and staff safety.

The Learning from Incidents and Risks Committee meets on a bi-monthly basis to ensure concerns identified from incidents, complaints, audit outcomes and claims are reviewed with lessons learnt being used as a method of improvement and sharing of good practice. Learning from incident trends and themes and serious incident investigations is shared across the organisation through data reports, articles published in Trust newsletters, Safety Notices and organisational and divisional Lessons Learned posters. All finalised Serious Incident Investigation reports are available

for staff to access through the Risk Management intranet site to use as a learning tool.

In addition to the Trust reviewing all internally driven investigation reports, the Trust also adopts an open approach to the learning derived from third party investigations, audits, and/or external reports. During 2018/19, the Trust has taken on board recommendations from a number of external reports including the report from the Trusts CQC inspection that was published in March 2018.

The Trust actively seeks to share learning points with other health organisations, and pays regard to external guidance issued. Accordingly, the Trust reviews any gaps against new guidance and adjusts systems and processes as appropriate in line with best practice.

During 2018/19, the Trust provided two in-house training sessions in partnership with an external trainer from Inspiration NW. The training covered the core skills for Governors (including the statutory role of the governor, accountability issues and effective questioning). The format agreed by the Governors was based on 25% presentation, 25% question and answer and 50% discussions.

A number of Governors who were not able to attend the in-house training have been offered NHS Providers Governwell training to assist them in their duties. The courses offered are; a core skills module and specialist skills modules; Accountability, Effective Questioning and Challenge and Member and Public Engagement.

4. The Risk and Control Framework

4.1 Key Elements of the Risk Management Strategy

The Risk Management Policy has been ratified by the Board of Directors in 2018/19. The Risk Management Policy assigns responsibility for the ownership, identification and management of risks to all individuals at all levels in order to ensure that risks which cannot be managed locally are escalated through the Trust. The process populates the Board Assurance Framework and Corporate Risk Register, to form a systematic record of all identified risks. Risks are identified from operational pressures, strategic planning and from the analysis of untoward incidents. The control measures, designed to mitigate and minimise identified risks, are recorded within the Board Assurance Framework, Corporate Risk Register and Divisional Risk Registers.

The Trust's vision and values identify the expected culture for the Trust; these are linked to the strategic objectives, from which the Board Assurance Framework has been developed therefore supporting the risk management framework.

4.2 Key Elements of the Quality Governance Arrangements

The Board of Directors has adopted five strategic objectives which took into account the needs of the Trust and its patients as well as the requirements of NHSI and Commissioners. The measures are used to monitor and assess the performance of the Trust against the strategic objectives which are reported to the Board. The Quality Committee, as a committee to the Board, monitors quality aspects of the strategic measures and also quarterly receives a report on the metrics aligned to the quality goals set within the Trust's Quality Strategy. Wider quality measures are also included within the Trusts Integrated Performance Report, also monitored by the Quality Committee. Each Division has to report individual performance, including quality indicator performance, to monthly Divisional Performance Board Meetings held by Executive Directors with each Divisional Management Team. Quality performance is seen to be intrinsically linked to quality risks which are reviewed by the relevant Divisional senior management teams and then reviewed by the Executive Directors via Divisional Performance Boards. The Board Assurance Framework identifies the key risks for the Organisation and the three main quality risks within 2018/19 were identified as; failure to maintain a reduction in the Trust Mortality rates, compliance with CQC standards and maintaining a high patient experience, which have been monitored by the Quality Committee as a standard agenda item.

The Foundation Trust is fully compliant with the registration requirements of the CQC and was fully inspected in 2017 against the CQC's fundamental standards of care of which the CQC stipulate standards of care should never fall below. The Trust at the same time also received a full 'well led' inspection and received a 'good' rating for this standard which was based on their inspection at Trust level whilst also taking into account what they found in individual services. Ratings for all five key standards are:

Are services safe?	'Requires Improvement' (same)
Are services effective?	'Good' (improved)
Are services caring?	'Good' (same)
Are services responsive?	'Requires Improvement' (same)
Are services well led?	'Good' (improved)

The overall rating for the Trust remained as 'Requires Improvement' which took into account the current historic ratings of services not inspected during this inspection process.

The inspection report was published in March 2018 and presents ratings across the 16 core services registered with the CQC as; one 'maintaining' an overall requires improvement rating, 14 achieving an overall 'good' rating and one achieving an overall 'outstanding' rating.

The inspection report noted areas of outstanding practice across the Community services and Acute services.

Twelve areas of action were recommended to improve the Trust and these equate to four breaches of the CQC regulations. An action plan was developed to manage progress in responding to the recommendations and this is monitored with CQC at the Trusts monthly engagement meetings. The action plan is also monitored by the Quality Committee and by the Commissioner led Fylde Coast Advisory Board during 2018/19.

Internal processes, via a CQC hub, have been set up to support the Trust in its preparation for a full comprehensive CQC inspection in 2019 and these processes will continue and be embedded going forward to ensure divisions are constantly reviewing their compliance against the CQC standards and CQC key lines of enquiries.

The Trust provides Stroke services, which has seen a reduction in 10 beds within 2018/19, as part of governance actions taken by the Trust due to an ongoing criminal investigation.

The Trust recognises the challenges it has faced this year, resulting in NHSI enforcement in relation to A&E waiting time targets, cancer 62-day targets and continuing to be an outlier within mortality performance and is implementing a Quality and Performance Improvement Plan to address the NHSI 'Enforcement Undertaking' letter.

Data Security

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

- SIRO - acts as an advocate for information risk and provides written advice to the Accounting Officer on the content of the annual Statement of Internal Control (SIC) in regard to information risk;

  (The SIRO ensures the Trust deploys technologies, processes and controls to protect against malicious (external) attacks and is responsible for the approving the scope of the annual penetration testing of the Trust's systems.)

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

- Data Protection Officer – informs, monitors and advises the Trust about complying with GDPR and other data protection laws.

The Trust is close to achieving Cyber Essentials certification which will provide further assurance to our customers that the Trust takes data security seriously. Further information is available in section 6.

4.3 Organisations Key Risks

The key organisational risks for the year were identified from the strategic objectives for 2018/19, forming the Board Assurance Framework and operational risks collated for the Corporate Risk Register, these included the following:

In-Year Risks 2018/19	Future Major and Significant Clinical Risks 2019/20
National Compliance Requirements - Single Operating Framework and Care Quality Commission Regulations	
- The Trust is incurring reputational damage due to the failure to meet the performance targets within the Single Oversight Framework; - The Trust is failing performance targets, whilst providing suboptimal care until the health and social care system improves the management of emergency admissions and discharges; - The Trust could provide suboptimal care to patients and incur reputational damage if the CQC Standards are not maintained.	- Failure to meet planned care performance targets within the Single Oversight Framework; - o RTT - o Cancer - o Diagnostics Could lead to the provision of suboptimal care to patients and damage the reputation of the Trust - Failure to meet Emergency Department 4 hour performance standard within the Single Oversight Framework. Could lead to the provision of suboptimal care to patients and damage the reputation of the Trust; - Failure to maintain the CQC Standards could lead to the provision of suboptimal care to patients and incur reputational damage to the Trust.
Strategic Ambition 1: QUALITY: Mortality – SHMI We aim to achieve our lowest levels of mortality by, meeting and then falling below our expected number of deaths; <=100 by 2019.	
The Trust has a higher than expected SHMI which may indicate suboptimal standards of care and may incur reputational damage.	Failure to reduced SHMI to within the expected range may indicate suboptimal standards of care and may damage the reputation of the Trust.
Strategic Ambition 2: QUALITY: Patient Experience: Friends and Family Test We aim to achieve our highest levels of patient satisfaction; 98% by 2019.	
Poor Patient Family and Friends Test score implies that patient care is not optimal. This will affect patient outcomes and may result in reputational damage.	Poor Patient Family and Friends Test score implies that patient care is not optimal. This will affect patient outcomes and may result in reputational damage.

In-Year Risks 2018/19	Future Major and Significant Clinical Risks 2019/20
Strategic Ambition 3: OPERATIONS: Length of stay We aim to achieve top quartile performance, moving to top decile performance, for both non-elective and elective lengths of stay, whilst at the same time maintaining high quality care; Non-elective - 5.1 days by 2018 and 4.4 days by 2021; Elective - 2.2 days by 2018 and 1.7 days by 2021 and Readmissions within 30-days - 94.2 by 2019 and 79.5 by 2021.	
• Patients may be adversely affected by unnecessarily prolonged stays in hospital which will occur if the Trust is unable to deliver reductions in non-elective and elective lengths of stay.	• Unnecessarily prolonged stays in hospital may adversely affect patient care and increase Trust costs.
Strategic Ambition 4: WORKFORCE: Vacancy rate We aim to significantly reduce our clinical vacancy rate, based on future workforce numbers; 2.5% by 2021.	
• The Trust has inadequate staffing levels to deliver optimal care services due to national shortages in nursing, medical and support staff.	• Due to national shortages in nursing, medical and support staff the Trust may deliver suboptimal care.
Strategic Ambition 5: WORKFORCE: Staff Satisfaction: Friends & Family Test We aim to achieve our highest levels of staff satisfaction; 85% by 2021.	
• The Trust has poor retention levels and low levels of productivity due to a lack of support and engagement.	• Due to a lack of support and poor engagement, the Trust has poor retention levels and low levels of productivity.
Strategic Ambition 6: FINANCE: Finance We aim to achieve a Use of Resource Rating of 3; 3 by 2019.	
• The Trust may not meet its control total due to failure to achieve the CIP plan and due to increased non-pay, pay and agency costs.	• Failure to achieve the CIP plan and reduce non-pay, pay and agency costs will result in the Trust not achieving the financial plan without Distressed Finance.
Enablers Putting in place enablers such as improved use of information technology, making good use of our estate and enhancing our communications.	
• The Trust may not meet its strategic ambition of engaging with new technology due to failure to embed the systems within staff duties and hold them to account; • The failure to agree and establish a model for an Integrated Care Partnership risks the ability of the health economy and Trust to deliver the Fylde Coast strategy and financial sustainability; • The Trust will not realise the benefits identified in the Business Case if BFWML failure to deliver the contract.	• Failure to embed the systems within staff duties and hold them to account will risk the implementation of the national EPR target of 2020; • The Trust will not meet its Strategic Ambitions due to the failure to deliver transformational change.

All the above risks have been assessed; mitigations put in place and are managed within impact scores ratified by the Board of Directors. The risks are monitored through the Audit Committee and reported to the Board of Directors. The Trust has mitigated several significant risks in on the Corporate Risk Register in 2018/19:

- Transfer of dental equipment;
  - o Mitigation: NHSE have funded the equipment;
- Anaesthetic staffing;
  - o Mitigation: Trainees are now allocated across the hospital;
- Ward nurse staffing;
  - o Mitigation: Recruitment of overseas nurses;
- Ineffective use of E-Rostering system;
  - o Mitigation: E-Rostering rolled out to community, and team manager now in post;
- ODP staffing;
  - o Mitigation: ODP's recruited and in post;
- Neighbourhoods staffing;
  - o Mitigation: Recruited staff and in post.

4.4 Principle Risks to the NHS Foundation Trust Provider Licence

The Internal Auditors have undertaken a review of the Risk Management and the Board Assurance Framework as part of the Internal Audit Annual Plan which was agreed by the Chief Executive and the Audit Committee, the outcome for the operational risk management was 'significant assurance with minor improvement opportunities', and the outcome for strategic risk management was 'partial assurance with improvements required'.

The Audit Committee undertakes the role of gaining assurance regarding the risk management function directly and gains assurance through several sources; internally from the Head of Corporate Assurance, the Deputy Chief Executive/Director of Finance, Performance and ICT and periodically via the Chairs of the Quality, Strategic Workforce and Finance Committees. The Internal Auditors provide assurance through the Audit Plan including in-year progress via management responses and external assurance via the External

Auditors. It then reports to the Board of Directors on the level of assurance of aspects of governance, risk management and internal controls.

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

In 2019, the Trust has undertaken a self-assessment against the Trust's 'Provider Licence' which identified the Trust has reporting systems to NHS Improvement. However, the Trust has some areas for further improvement regarding governance and patient choice. The Trust is implementing a Quality and Performance Improvement Plan to address the NHSI 'Enforcement Undertaking' letter and the recommendations to address the Governance and Risk Management and Standards of Business Conduct reviews. The Trust's Internal Audit Governance Arrangements review for Standards of Business Conduct concluded an assurance level of 'partial assurance with minor improvement required'. This has been reported to the Audit Committee and the Board of Directors, the Audit Committee will monitor the actions.

The Provider Licence requires the Trust to involve both patients and public stakeholders in the governance agenda. This has been achieved through engagement with the Foundation Trust Membership, Governors, Blackpool CCG, Fylde and Wyre CCG, Blackpool Overview and Scrutiny Committee, Lancashire Overview and Scrutiny Committee, Blackpool Local Safeguarding Children's Board, Blackpool Vulnerable Adults Board, and local branches of Health Watch. The Trust has engaged with Public Governors in managing risk through the participation on the Learning from Incidents, Risks and Claims Committee, and through the Chief Executives Presentation at the Board of Directors meeting which contains risk management mitigations. As part of the Annual Report and Annual Accounts, the Readers Panel has given comments on the document.

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

complete EIA for all policies, procedures and guidelines before being sent to the relevant committee for validation and ratification. Likewise completion of an EIA is expected when there is a new service to be implemented, a change to a service or cessation of a service along with the relevant consultation and engagement with service users. Where an adverse impact is identified during the completion of the initial assessment, a full EIA is carried out. This involves consulting and engaging with people who represent protected characteristic groups and other groups if required to do so.

The Trust has a Patient and Carer Experience and Involvement Strategy in place to outline how staff must ensure they systematically listen to, capture and use the views and experiences of public stakeholders, groups and organisations in the delivery, evaluation, improvement and development of our services.

Patient feedback is actively solicited through daily and monthly surveys and is reviewed on an on-going basis with performance reports reviewed regularly by the Patient Experience and Involvement Committee, the Quality Committee and the Board of Directors.

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

In addition, the Trust has reviewed its compliance with 'The NHS Foundation Trust Code of Governance' and is compliant with most provisions, with the exception of B4.2;

- B4.2 - The Chairman should regularly review and agree with each director their training and development needs as they relate to their role on the board.
  The reason for 'explaining' is the Non-Executive Directors appraisals for 2017/18 were not undertaken due to the resignation of the Chair in January 2018 and the successor Chair not being in post until the end of June 2018.

These have been reported to the Audit Committee and the Board of Directors.

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

The Foundation Trust has published an up-to-date register of interests for decision-making staff within the past twelve months, as required by the 'Managing Conflicts of Interest' in the NHS guidance.

As an employer with staff entitled to membership of the NHS Pension Scheme, control measures are in place to ensure all employer obligations contained within the Scheme regulations are complied with. This includes ensuring that deductions from salary, employer's contributions and payments into the Scheme are in accordance with the Scheme rules, and that member Pension Scheme records are accurately updated in accordance with the timescales detailed in the Regulations.

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

The Foundation Trust has undertaken risk assessments and has a sustainable development management plan in place which takes account of UK Climate Projections 2018 (UKCP18). The Trust ensures that its obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with

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

The Trust achieved its planned delivery of a Use of Resource Rating (UOR) of 3 (4 the lowest score and 1 the highest score). This is in line with the annual plan submitted to NHS Improvement (NHSI).

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

The Trust was rated as good in the Use of Resources Assessment Report published in 2018.

The Trust submitted the operational plan for 2019/20 ensuring that it is fully aligned with the Fylde Coast Integrated Care Partnership partners. All three organisations are consistent in their assumptions regarding performance trajectories for A&E, Cancer RTT and Diagnostic Targets. The Trust continues to develop systems and processes to help deliver an improvement in the financial performance which includes the following:

- Approval of the operational plan submission by the Board of Directors;
- Approval of the annual budgets by the Board of Directors;
- Monthly Finance Committee to ensure Directors meet their respective financial targets reporting to the Board;
- Monthly Divisional Performance Meetings attended by the Executive Team to ensure that Divisions meet the required level of performance for key areas;
- Monthly Cash Committee with measures to further improve cash balances which reports to the Finance Committee;
- The Trust has continued to utilise a Programme Management Office to support robust planning and delivery of the Trusts strategic transformation plan, with a specific focus on the Cost Improvement Programme (CIP) Plan;
- As the Trust continues to make the transition from an in year CIP delivery to a longer term planned approach, the Trust has implemented a 'Turnaround' system to ensure that in year delivery is maintained during this period of change. The turnaround system includes the appointment of a Turnaround Consultant and a set of turnaround actions (incl. 'Grip and Control);
- The Divisions play an active part in ongoing review of financial performance including CIP requirements and Quality, Innovation, Productivity and Prevention (QIPP) delivery;
- Monthly reporting to the Board of Directors on key performance indicators covering Finance and Activity; Quality and Safety; and Human Resource targets through the Integrated Performance Report (IPR).

The Trust also participates in initiatives to ensure value for money, for example:

- Value for money is an important component of the Internal and External Audit plans that provide assurances to the Trust regarding processes that are in place to ensure the effective use of resources;
- In-year cost pressures are reviewed rigorously, challenged, and mitigating strategies considered;
- The Trust utilises the Lord Carter review model hospital data sets to ensure that it continues to develop and identify opportunities to improve efficiency and strengthen its financial position;
- The Trust subscribes to a national benchmarking organisation (HED). This provides comparative information analysis on patient activity and clinical indicators. This informs the risk management process and identifies where improvements can be made;
- The Trust has a standard assessment process for future business plans to ensure value for money and to ensure that full appraisal processes are employed when considering the effect on the organisation.

Following the comprehensive strategic review carried out in 2015/16 the Trust considered the need for strategic change from a number of perspectives (national, regional / local health and social care economy, and internal), before undertaking a SWOT analysis and a 'base case' financial forecasting exercise, and finally considering its financial and clinical sustainability in this 'base case' or 'do nothing' scenario.

The Trust's strategic vision addresses the key issues associated with achievement of clinical and financial sustainability. This strategy covers the period 2016/17 to 2020/21, and was reviewed by the Board of Directors during 2018/19. It is planned to refresh the strategy in 2019/20 as part of the development of a Fylde Coast Integrated Care Partnership strategy, which is informed by the Trust's clinical priorities and the need to ensure financial sustainability.

6. Information Governance

Information Governance (IG) relates to the way organisations 'process' or handle information, it covers personal information, i.e. relating

to patients/service users and employees, and corporate information, e.g. financial and accounting records.

The 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 purpose of the assessment is to enable organisations to measure their compliance against the law and central guidance and to see whether information is handled correctly and protected from unauthorised access, loss, damage and destruction.

The Health Informatics Committee (HIC) is responsible for all aspects of Information Management, Information Governance and Information Communications Technology throughout the Trust known collectively as Information Management; this includes the identification and management of information and data security risks. The HIC is chaired by the Trusts' Chief Information Officer who is also the Trusts' Senior Information Risk Owner (SIRO).

The reporting and investigation of incidents is an integral part of all employees' duties. It applies to ALL staff and all untoward events and near misses.

• **Information Security Incidents**

These are known as a 'Data Security and Protection Incidents'. Incidents fall in to one of two categories, Reportable or Non-Reportable. As a guide this includes any incident which involves actual or potential failure to meet the requirements of the General Data protection Regulation Data Protection 2016/679 (GDPR), the Data Protection Act 2018 and/or the Common Law of Confidentiality.

All data breaches are assessed using the CIA triad (Confidentiality, Integrity and Availability) using guidance issued via the DSPT.

The security triad

• **Definition of a breach using CIA**

Confidentiality - unauthorised or accidental disclosure of, or access to personal data.
Integrity - unauthorised or accidental alteration of personal data.
Availability - unauthorised or accidental loss of access to, or destruction of, personal data.

• **Grading of a breach**

Likelihood - the significance of the breach and the of serious consequences occurring.
Impact - the on the individual or groups of individuals and not the Organisation.

• **Audit reports**

The Trust was invited by the Information Commissioner to participate in a consensual audit in December 2018. The purpose of the audit is to provide the Information Commissioner and the Trust with an independent assurance of the extent to which the Trust is complying with data protection legislation. The scope of the audit focussed on:

• Governance & Accountability;
• Records Management;
• Requests for Personal Data.

The Trust received a final rating of reasonable assurance for all areas.

During November 2018, KPMG conducted an audit of the first DSPT submission. Fifteen assertions were reviewed and the Trust received final rating of significant assurance with minor improvement opportunities.

• **Data Security Protection Incidents**

The Trust had one reportable incident during 2018/19:

Date of incident	Nature of incident	Number affected	How patients were informed	Lessons learned
19/9/18	Confidentiality: Disclosed in error	1	Duty of candour letter: 28/11/18 by Patient Advisory Liaison Service (PALS) & 23/4/19 by Medical Director	Extra time and care must be taken to ensure the notes being filed are going into the correct Health Record Folder and standard operating procedures for the processing of patient information must include additional checks.

7. Annual Quality Report

The Directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 (as amended) to prepare Quality Accounts for each financial year. NHS Improvement (in exercise of the powers conferred to Monitor) has issued guidance to NHS Foundation Trust Boards on the form and content of Annual Quality Reports which incorporate the above legal requirements and the NHS Foundation Trust Annual Reporting Manual.

The Trust's vision, values and priorities were originally set through wide involvement and in consultation with patients, staff, external stakeholders and Governors. Ongoing delivery and future developments of the Trusts Strategy continue to be inclusive of partners and key stakeholders across the Fylde Coast to ensure that a wide and balanced view of governance delivery is reflected within the Quality Accounts. The consultation of the Quality Accounts included the Council of Governors selecting the area for external audit assurance processes and took on board NHSI's strong recommendation that this should reflect SHMI. In the preparation of the Quality Accounts, the Trust appointed a Quality Accounts Project Lead to develop the Quality Accounts to ensure appropriate controls were in place to provide assurance on the accuracy of the accounts data and supporting narrative.

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

The development of a three year quality improvement strategy has provided a framework to review quality of care against three quality domains; Informed, Timely and Safe (IT'S how we care). Each domain covers a number of key improvement metrics, all of which are supported by three strategic enablers. The strategy has provided the Trust with a clear definition of quality and quality priorities for 2016 to 2019, and these are presented within the Quality Accounts which are developed taking into account frameworks that are in place in relation to the following areas:

- **Governance and Leadership**

The quality improvement system is led directly by the Board of Directors which also exercises its governance responsibilities through monitoring and review of the Trust's quality performance presented within the Trust's integrated performance reporting monitoring process. The Quality Committee is a committee of the Board and leads the quality improvement strategy and reviews quarterly quality performance against an agreed set of indicators which are set out with in the Trust's three year Quality Strategy and also monitors the quality elements of the Board Assurance Framework.

- **Policies**

The Trust-wide policies that are in place provide the foundation for delivery of quality of care, these are linked to risk management and clinical governance processes and overall quality performance, through delivery of these policies standardisation and

compliance with best practise standards achieves delivery of safe quality care to patients. Data quality policies and procedures are reflected in the national Information Governance Toolkit and all evidence is audited via the Information Governance Team and Internal Audit. Data quality reports are developed and submitted through the Health Informatics Committee, Divisional Performance Review Meetings and through to the Board of Directors. Data quality staff are in post with relevant job descriptions whose remit is to provide training, advise, review data, (where applicable) correct anomalies and support the ongoing development of the Trusts Integrated Performance Report.

• **Systems and Processes**

The Board of Directors ensures that adequate systems and processes are maintained to measure and monitor the Trust's effectiveness, efficiency and economy as well as the quality of its healthcare delivery. The Board regularly reviews the performance of the Trust through its Board Committees who monitor performance against regulatory requirements, the Board Assurance Framework, the six strategic measures and all associated approved plans and objectives.

• **People and Skills**

The Trust's Workforce Strategy 2014-2019 is a key document that brings together the Trust's processes to attract, develop, retain, support and reward our staff to meet our strategic priorities. In order to meet the new challenges and opportunities of the future the Trust recognises the need to have a flexible and dynamic workforce. The impact staff experience has on our patients and the delivery of high quality safe and effective care is recognised by the Board of Directors.

The Board aims to create a great and safe place to work and the best place to receive care by ensuring that our staff experience compassion, excellence and positivity and that as an organisation the Trust is putting people, patients and staff, at the centre of everything it does. Our strategy and ambitions for 2021 outlines how we aspire to achieve this aim.

The monitoring of progress of the Trust Strategy, against the current core components for ensuring the quality of our workforce and achieving our mission of Together We Care, has provided the

assurance to the Board that we have been able to provide quality and safety within the delivery of our working practices.

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

• Safe staffing levels;
• Safe recruitment and induction practice;
• Compliance with mandatory training requirements;
• Staff being able to raise concerns (whistle-blowing);
• Effective systems of feedback;
• Revalidation of medical, nursing and dental staff.

The Trust's safe staffing governance is overseen by the Strategic Workforce Committee (SWC), which is a committee of Trust Board, who meet on a quarterly basis. Also in attendance at SWC are senior representatives from Nursing and AHP, HR, Operation and Planning as well as Workforce Services representatives such as Talent Acquisition, Workforce Information, ESR, e-Rostering, Bank and Agency and other workforce operational teams.

As an Acute and Community Health provider we have fully rolled out e-Rostering for all staffing groups etc. Medical and Dental which is currently in the process of implementation and we are on the advent of rolling out Allocate Safer Staffing Tool, which will fully support the deployment of staff to safely meet the care hours required in line with national recommendations. In addition we have also requested access to NHSI Staffer Staffing tool kit which allows the appropriate calculation of Care Hours per Patient per Day in addition to professional judgement. Currently safe staffing judgements are made on a bi-annual, monthly, weekly and daily basis in line with activity and demand, which is overseen by Director of Nursing and Quality who is supported by the Deputy Director of Nursing and Quality.

The forecast demand for staffing for 2019/20 is captured in the Trust's annual workforce planning return which is collated with input from HR, Finance, Nursing, Medical and Operational Managers, this is ensures that the work is undertaken in a collaborative and more informative approach to

workforce planning. A five year workforce plan is in operation which will be underpinned by a number of other strategies which support with Workforce with delivery dates and Key Performance Indicators to achieve the workforce plan objectives and further develop work on new roles, recruitment and retention, and skills development for existing staff. We will continue to work collaboratively with other Trusts to ensure our workforce plans are aligned across the wider Lancashire and South Cumbria Account Care System and Integrated Care Partnership across the Fylde coast.

In November 2018, the Trust appointed an Associate Director for Quality Improvement, who will be working to develop an Integrated Performance and Quality Framework (PQF). The PQF will report directly into Quality Improvement Board (QIB) which will have access to accurate and timely information on performance across all clinical services, workforce metrics that are supported by Statistical Performance Charts (SPC), so that data can be assessed, tracked against Trust trajectory plans and rebased should the need arise and assist in the decision making within the Trust.

Embedded across the Trust are robust Quality Impact Assessments (QIA) and Risk Assessment Matrix which are linked to Cost Improvement and Cost Avoidance programmes.

All risk management an escalation levels are in place which are aligned to the Corporate Risk Register and Board Assurance Framework. Low levels of staff within Nursing and Midwifery and Medical and Dental have been place on both to ensure discussions and appropriate target action plans are in place to ensure safe and effective care is delivered here at BTH.

- **Data Use and Reporting**

The Trust is provided with external assurance on a selection of the quality data identified within the Quality Accounts which was taken from National Data Submissions, HED, National Patient Survey results, Local Inpatient Survey results and Information Governance Toolkit results. Local internal assurance is also provided via;

- Provision of external assurance on a selection of the quality data identified within the Quality Report;

- Analysis of data following local internally led audits in relation to nursing care indicators, analysis of data following incidents, analysis of complaints and claims data and safe nurse staffing;
- Quality and safety metrics performance data reporting for scrutiny to the Board on a monthly basis through the Integrated Performance Report, and committees of the Board including the Quality Committee Assurance Report;
- Controlled processes for the provision of external information with control checks throughout the process with formal sign off procedures;
- Data reporting validation by internal and external control systems involving Clinical Audit, the Audit Commission, Senior Manager and Executive Director Reviews;
- Random check processes on pathways by the Trusts internal data team;
- Monthly formal Divisional Boards held with Executive Directors to overall monitor financial, operational, governance and quality key performance indicators;
- Scrutiny of data provision to commissioners monitored at the Quality and Performance contract meetings.
- Scrutiny by the Care Quality Commission monitored at the monthly CQC engagement meetings;
- Peer review processes as part of the National Quality Surveillance Programme.

The quality and safety metrics are also reported to the Board through the Integrated Performance Report and the metrics within the quality strategy via the Quality Committee Assurance report. All data regarding quality performance included within the commissioning quality contract is monitored monthly with commissioners at the formal Quality Review Group.

The Trust has a fully controlled process for the provision of external information with control checks throughout the process. Formal sign off processes of key performance indicators on data are submitted through the Information Management Department and in terms of quality data signed off within the Clinical Governance Departments management processes.

The assurance on the performance of operational data that impacts on quality of care, such as elective waiting times, is weekly monitored through the process of 'patient target list' meetings where all divisions are represented and their performance data presented and reviewed. All data regarding operational performance included within the commissioning performance contract is monitored monthly with commissioners at the Commissioning Contract Board.

The Trust's Quality goals emphasise ongoing commitment to quality and include;

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

The Board of Directors at the Trust can confirm it has the appropriate mechanisms in place to prepare, approve and publish its Quality Accounts for 2018/19. The Board of Directors is satisfied that the Quality Accounts provides a balanced view and the appropriate controls are in place to ensure accuracy of data and a true reflection of overall quality within the Organisation.

8. Review of Effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the NHS Foundation Trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on the content of the Quality Report attached to this Annual Report and other performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, Audit Committee, Risk Committee, Finance Committee, Quality Committee and

Strategic Workforce Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

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

- The Board of Directors receiving Assurance Reports from the Chairs of the Audit, Quality, Finance and Strategic Workforce Committees;
- The Audit Committee challenging the Chairs of the Quality, Finance and Strategic Workforce Committees and giving assurance on their performance to the Board of Directors;
- The Audit Committees review of the Clinical Audit Plan, findings from the Security and Fraud Self Review Tools;
- The Audit Committees review of effectiveness of the Whistleblowing and Freedom to Speak Up arrangements;
- The Audit Committees findings from 'deep dives' on the:
  i. Trust's compliance with the General Data Protection Regulations;
  ii. Trust's management of demand and capacity;
  iii. Trust's management of risk.
- The Internal Audit reviews on:
  i. Core Financial Controls – CIP and UOR concluded 'significant assurance with minor improvement opportunities';
  ii. Core Financial Controls – Cash Management concluded 'significant assurance with minor improvement opportunities';
  iii. Data Quality concluded 'significant assurance with minor improvement opportunities'.
  iv. Risk Management and the Board Assurance Framework concluded for operational risk management 'significant assurance with minor improvement opportunities', and for strategic risk management 'partial assurance with improvements required';
  v. Governance Arrangements – Procurement concluded 'partial assurance with improvements required';

vi. Governance Arrangements – Standards of Business Conduct concluded 'partial assurance with minor improvement required'.

vii. Data Security and Protection Toolkit concluded 'significant assurance with minor improvement'.

9. Conclusion

My review of the effectiveness of the systems of internal control has taken account of the work of the senior management team within the Trust, which has responsibility for the development and maintenance of the internal control framework within their discrete portfolios. In line with the guidance on the definition of the significant internal control issues, I have not identified any significant internal control issues.

Signed: *K.P.gee*   **Date: 29th May 2019**

Kevin McGee
INTERIM CHIEF EXECUTIVE

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

Report on the audit of the financial statements

Opinion

In our opinion, Blackpool Teaching Hospitals NHS Foundation Trust's Group and Trust financial statements (the "financial statements"):

give a true and fair view of the state of the Group's and Trust's affairs as at 31 March 2019 and of the Group's income and expenditure and the Group's and Trust's cash flows for the year then ended; and

have been properly prepared in accordance with the Department of Health and Social Care Group Accounting Manual 2018/19.

We have audited the financial statements, included within the Annual Report and Accounts (the "Annual Report"), which comprise: the Group and Trust's Statement of Financial Position as at 31 March 2019; the Group Statement of Comprehensive Income for the year then ended; the Group and Trust's Statement of Cash flows for the year then ended; the Group and Trust's Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with the National Health Service Act 2006, the Code of Audit Practice and relevant guidance issued by the National Audit Office on behalf of the Comptroller and Auditor General (the "Code of Audit Practice"), International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Material uncertainty relating to going concern – Group and Trust

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the Group's and the Trust's ability to continue as a going concern.

The Trust has recorded a deficit for 2018/19 and is forecasting a surplus for 2019/20. The forecast surplus is based on a number of assumptions including the delivery of a cost improvement programme and the receipt of additional one off support from commissioners. The achievement of these assumptions, in particular whether financial support will be forthcoming or sufficient, is currently uncertain, as are any terms and conditions that would be associated with any funding obtained.

These conditions, along with the other matters explained in Note 1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the Group's and the Trust's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Group or the Trust were unable to continue as a going concern.

Explanation of Material Uncertainty

The Department of Health and Social Care Group Accounting Manual 2018/19 requires that the financial statements of the Trust should be prepared on a going concern basis unless management either intends to apply to the Secretary of State for the dissolution of the NHS foundation trust without the transfer of the services to another entity, or has no realistic alternative but to do so.

The Trust recorded a deficit in 2018/19 of £11.3 million.

In 2018/19 the Trust has drawn down an additional £20.8 million of loans from the Department of Health and Social Care. The Trust plans to receive £17.5m additional one off funding from commissioners (as projected within its cash flow plan). The Trust is forecast to hold approximately £59 million in loans with the Department of Health and Social Care at the end of 2019/20. The Trust's plan also includes the assumption that the Trust will need to deliver £17.5m of cost improvement plans (financial savings), which the Board believe will be challenging but achievable.

What audit work we performed

In considering the financial performance of the Trust and the appropriateness of the going concern assumption in the preparation of the financial statements, we obtained the 2019/20 annual plan and going concern paper that considered the Trust's financial plans and cash flows to May 2020 and:

- Understood the Trust's budget, cash flow forecast and levels of reserves, and the impact of cash flow sensitivities on the Trust's ability to meets its liabilities as they fall due; and
- Understood and challenged the assumptions behind the Trust's financial forecasts and cash flows.

Our audit approach

Context

Our audit for the year ended 31 March 2019 was planned and executed having regard to the fact that the Group's and Trust's operations and financial stability were largely unchanged in nature from the previous year. In light of this, our approach to the audit in terms of scoping and key audit matters was largely unchanged.

Overview

- Overall Group and Trust materiality: £7,818k (2018: £8,630k) which represents 2% of operating income (2018: total income).

- We performed our audit of the financial information for the Group at Blackpool Victoria Hospital which is where the Group's finance function is based.
- In establishing our overall approach, we assessed the risks of material misstatement, taking into account the nature, likelihood and potential magnitude of any misstatement. Following this assessment, we applied professional judgement to determine the extent of testing required over each balance in the annual accounts.

Our principal risks and key audit matters were:

- Management override of control and the risks of fraud in revenue recognition;

- Going concern; and

- Valuation of the Trust's land and buildings (including dwellings).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. . In addition to going concern, described in the 'Material uncertainty relating to going concern' section above, we determined the matters described below to be the key audit matters to be communicated in our report. This is not a complete list of all risks identified by our audit.

Key audit matter	How our audit addressed the key audit matter
Management override of control and the risks of fraud in revenue recognition - Group and Trust *See note 1 to the financial statements for the directors' disclosures of the related accounting policies, judgements and estimates relating to the recognition of income and notes 3-5 for further information.* Under ISAs (UK) 240 there is a (rebuttable) presumption that there are risks of fraud in revenue recognition and management override of controls. We focused on this area because there is a heightened risk due to the Trust being under increasing financial pressure. Whilst the Trust is looking at ways to maximise revenue, there is significant pressure to report results in line with its annual plan to attain set key performance indicators and incentives. We considered the key areas to be: • recognition of revenue; • manipulation through journal postings to the general ledgers.	*Revenue* We evaluated and tested the accounting policy for revenue recognition to ensure that it is consistent with the requirements of the Department of Health and Social Care Group Accounting Manual 2018/19 and IFRS 15. For income/receivable transactions (for NHS and non-NHS income), we tested on a sample basis that the transactions and the associated income had been posted to the correct financial year by tracing them to invoices, subsequent cash received or other documentary evidence. We further sampled invoices raised pre and post year end to assess whether they were recognised in the correct period. We tested a sample of items of contract revenue across Clinical Commissioning Groups ("CCG") and NHS England and management's recognition of income received during the year was in line to the contract value. We agreed the income recognised in the year to correspondence between the Group and the CCG regarding over/under performance. We agreed income back to invoices and cash receipts and ensured it was accounted for in the correct accounting period. *Manipulation through journal postings* We used data analysis techniques to select a sample of manual and automated journal transactions that had been recognised in revenue, focusing in particular on those with unusual characteristics. We performed other journal tests which were focused on identifying unusual account combinations. We traced the journal entries selected for testing, to supporting documentation to check that the transaction had was valid and could be supported. Our testing identified no issues that required further investigation.
Valuation of the Trust's land and buildings (including dwellings)- Trust *Management's accounting policies, key judgements and use of experts relating to the valuation of the Trust's estate are disclosed in Note 1 to the financial statements.* We focused on this area because Property, Plant and Equipment (PPE) represents the largest balance in the Trust's statement of financial position. The PPE balance at 31 March 2019 is £164.8m (31 March 2018:167.1m). Land and buildings are measured at fair value based on periodic valuations. The valuations are carried out by a professionally qualified valuer in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual, and performed with sufficient regularity to ensure that the carrying value is not materially different from fair value at the reporting date. The Trust carried out a full revaluation during 2016/17. During 2018/19, the Trust has used the Building Cost Information Service (BCIS) of RICS indices to assess the carrying value of land and buildings. As a result of this they concluded that there was no material change in the carrying value and did not book any accounting entries as a result of this.	As part of our work around valuation of land and buildings we: • Engaged our in-house valuation experts to consider the reasonableness of the BICS indices applied to the assessment. This exercise considered whether the indices used were in line with an expected range; • Checked that the valuer had a UK qualification, was part of an appropriate professional body and was not connected with the Trust; • Tested a sample of the asset additions to supporting documentation; and • Physically inspected a sample of assets across land, buildings to check existence and to confirm they were in use. Our testing noted no material changes in carrying value.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Trust and the Group, the accounting processes and controls, and the environment in which the Group operates.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	*Trust financial statements*
Overall materiality	£7,818,000 (2018: £8,630,000)	£7,818,000 (2018: £8,630,000)
How we determined it	2% of operating income(2018: 2% of total revenue)	2% of operating income (2018: 2% of total revenue)
Rationale for benchmark applied	We have applied this benchmark, a generally accepted auditing practice, in the absence of indicators that an alternative benchmark would be appropriate.	We have applied this benchmark, a generally accepted auditing practice, in the absence of indicators that an alternative benchmark would be appropriate.

For the component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality. The materiality allocated to the component was £2 million (2018: £469,000).

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £300,000 (Group audit) (2018: £300,000) and £300,000 (Trust audit) (2018: £300,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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.

With respect to the Performance Report and the Accountability Report, we also considered whether the disclosures required by the NHS Foundation Trust Annual Reporting Manual 2018/19 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) and the Code of Audit Practice require us also to report certain opinions and matters as described below.

Performance Report and Accountability Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Performance Report and Accountability Report for the year ended 31 March 2019 is consistent with the financial statements and has been prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2018/19.

In light of the knowledge and understanding of the Group and the Trust and their environment obtained in the course of the audit, we did not identify any material misstatements in the Performance Report or Accountability Report.

In addition, the parts of the Remuneration and Staff reports to be audited have been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2018/19.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Chief Executive's responsibilities as the Accounting Officer, the directors are responsible for the preparation of the financial statements in accordance with the Department of Health and Social Care Group Accounting Manual 2018/19, and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine 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 directors are responsible for assessing the Group's and 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 the directors either intend to liquidate the Group and Trust or to cease operations, or have no realistic alternative but to do so.

The Trust is also responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

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

Our audit did not consider any impact that the United Kingdom's withdrawal from the European Union may have on the Trust as the terms of withdrawal are not clear, and it is difficult to evaluate all of the potential implications on the Trust's activities, patients, suppliers and the wider economy.

Use of this report

This report, including the opinions, has been prepared for and only for the Council of Governors of Blackpool Teaching Hospitals NHS Foundation Trust as a body in accordance with paragraph 24 of Schedule 7 of the National Health Service Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

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

Under the Code of Audit Practice we are required to report, by exception, if we conclude we are not satisfied that the Trust has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2019.

We draw your attention to the Annual Governance Statement and Accounting policies within the Annual report which includes further details on the matters noted below and the Trust's actions to address the issues.

Adverse opinion

As a result of the matters set out in the Basis for adverse opinion and key audit matter section immediately below, we have concluded that the Trust has not put in place proper arrangements for securing economy, efficiency and effectiveness in the use of its resources for the year ended 31 March 2019.

Basis for adverse opinion and Key Audit Matter

The Trust set a planned deficit target for 2018/19 of £4.9 million. The Trust did not, however, achieve this target and recorded a deficit of £11.3 million. The Trust reported that they met their target cost improvement plan (financial savings) of £17 million for 2018/19. The Trust note that approximately 73% of these savings were driven from non-recurrent schemes. We understand that management are forecasting future savings of £17.5m for 2019/20, which the Board believe will be challenging but achievable.

In 2018/19 the Trust has drawn down £20.8 million of agreed loan facilities from the Department of Health and Social Care. The cash position in 2019/20 will be reliant on further one off income being received from commissioners, which has not yet been formally agreed. The Trust is forecast to hold approximately £59 million in loans with the Department of Health and Social Care at the end of 2019/20.

Based on the quality and target breaches at the Trust, NHS Improvement issued an enforcement undertaking dated 19 March 2019 that set out a number of actions for the Trust, which included:

- The implementation and revision of the action plan to address the concerns of the CQC inspection report and subsequent concerns;

- The identification of workforce and associated governance structures required to address the concerns identified by the CQC and the commission of a medical engagement survey; and

- Regular communication with NHS Improvement on the progress in meeting these undertakings.

The Trust had a CQC inspection during 2017/18 and was given an overall rating for the Trust as *Requires Improvement*. The Trust also received a combined rating for quality and use of resources as *Requires Improvement*. The Trust is developing an action plan to address the findings.

What audit work we performed

In considering the Trust's arrangements we:

- Understood the Trust's 2018/19 and 2019/20 financial plan, including its cash flows and assumptions underpinning borrowing needs; and

- Reviewed the enforcement notice received on 19 March 2019 and the outcomes of the latest regulatory findings including NHSI's single oversight framework, and CQC inspections.

Our procedures in respect of going concern are explained in the "Material uncertainty related to going concern" section above.

Other matters on which we report by exception

We are required to report to you if:

the statement given by the directors within the Statement of Chief Executive's responsibilities as the Accounting Officer, in accordance with provision C.1.1 of the NHS Foundation Trust Code of Governance, that they consider the Annual Report taken as a whole to be fair, balanced and understandable, and provides the information necessary for patients, regulators, and other stakeholders to assess the Group's and Trust's performance, business model, and strategy is materially inconsistent with our knowledge of the Group and Trust acquired in the course of performing our audit.

the section of the Annual report within Disclosures from the Audit Committee in the Staff Report, as required by provision C.3.9 of the NHS Foundation Trust Code of Governance, describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee.

the Annual Governance Statement does not meet the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual 2018/19 or is misleading or inconsistent with our knowledge acquired in the course of performing our audit. We have not considered whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

we have referred a matter to Monitor under Schedule 10 (6) of the National Health Service Act 2006 because we had reason to believe that the Trust, or a director or officer of the Trust, was about to make, or had made, a decision which involved or would involve the incurring of expenditure that was unlawful, or was about to take, or had taken a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency.

we have issued a report in the public interest under Schedule 10 (3) of the National Health Service Act 2006.

we have not received all the information and explanations we require for our audit.

We have no exceptions to report arising from this responsibility.

Certificate

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

Rebecca Gissing (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester
29 May 2019

Annex G: Accounts for the Period 1st April 2018 to 31st March 2019

FOREWORD TO THE ACCOUNTS
BLACKPOOL TEACHING HOSPITALS NHS FOUNDATION TRUST

These accounts for the year ended 31st March 2019 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: _K.P. [signature]_   **Date: 29th May 2019**

Kevin McGee
INTERIM CHIEF EXECUTIVE

NHS
Blackpool Teaching Hospitals
NHS Foundation Trust

Statement of Comprehensive Income for the year ended 31 March 2019

		Group	
		2018/19	2017/18
	Note	**£000**	£000
Operating income from patient care activities	3	**390,936**	391,821
Other operating income	4	**43,079**	40,301
Operating expenses	6	**(441,268)**	(423,007)
Operating (deficit)/surplus from continuing operations		**(7,253)**	9,115
Finance income	7	**149**	61
Finance expenses	8	**(1,255)**	(1,239)
PDC Dividends payable		**(2,505)**	(2,645)
Net finance costs		**(3,611)**	(3,823)
Gains/(losses) on disposal of assets	9	**0**	(8)
(Losses)/gains / arising from transfers by absorption	32	**(57)**	0
Corporation tax expense	11	**(65)**	(44)
(Deficit)/surplus for the year		**(10,986)**	5,240
Other comprehensive (expense)/income			
Will not be reclassified to income and expenditure:			
Revaluation losses on property, plant and equipment	14	**(211)**	(262)
Revaluation gains on property, plant and equipment	14	**0**	79
Total comprehensive (expense)/income for the year		**(11,197)**	5,057

The notes on pages A6 to A46 form part of these accounts.
All revenue and expenditure is derived from continuing operations.

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NHS
Blackpool Teaching Hospitals
NHS Foundation Trust

Statement of Financial Position as at 31 March 2019

	Note	Group 31 March 2019 £000	31 March 2018 £000	Trust 31 March 2019 £000	31 March 2018 £000
Non-current assets					
Intangible assets	12	**6,435**	4,052	**6,320**	3,929
Property, plant and equipment	13	**166,637**	167,195	**164,872**	167,184
Receivables	17	**391**	560	**391**	560
Total non-current assets		**173,463**	171,807	**171,583**	171,673
Current assets					
Inventories	16	**12,259**	7,101	**9,364**	5,226
Receivables	17	**30,583**	32,097	**32,182**	34,474
Non-current assets for sale and assets in disposal groups	18	**0**	0	**0**	0
Cash and cash equivalents	19	**15,586**	3,314	**13,534**	1,916
Total current assets		**58,428**	42,512	**55,080**	41,616
Current liabilities					
Trade and other payables	21	**(53,164)**	(48,126)	**(50,214)**	(47,280)
Borrowings	23	**(4,407)**	(4,206)	**(4,315)**	(4,206)
Provisions	24	**(864)**	(606)	**(864)**	(606)
Other liabilities	22	**(14,291)**	(10,642)	**(14,148)**	(10,642)
Total current liabilities		**(72,726)**	(63,580)	**(69,541)**	(62,734)
Total assets less current liabilities		**159,165**	150,739	**157,122**	150,555
Non-current liabilities					
Trade and other payables	21	**(16)**	(2)	**0**	0
Borrowings	23	**(58,835)**	(40,523)	**(57,260)**	(40,523)
Provisions	24	**(1,202)**	(1,315)	**(1,202)**	(1,315)
Other liabilities	22	**(1,500)**	(1,500)	**(1,500)**	(1,500)
Total non-current liabilities		**(61,553)**	(43,340)	**(59,962)**	(43,338)
Total assets employed		**97,612**	107,399	**97,160**	107,217
Financed by					
Public dividend capital		**147,436**	146,026	**147,436**	146,026
Revaluation reserve		**10,445**	10,852	**10,445**	10,852
Income and expenditure reserve		**(60,269)**	(49,479)	**(60,721)**	(49,661)
Total taxpayers' equity		**97,612**	107,399	**97,160**	107,217

The accounts on pages A1 to A46 were approved by the NHS Foundation Trust Board on 29th May 2019 and are signed on its behalf by:

Signed: *K.P. McGee*

Date: 29th May 2019

Kevin McGee
INTERIM CHIEF EXECUTIVE

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NHS
Blackpool Teaching Hospitals
NHS Foundation Trust

Statement of Changes in Equity for the year ended 31 March 2019

	Group			
	Public dividend capital	**Revaluation reserve**	**Income and expenditure reserve**	**Total**
	£000	**£000**	**£000**	**£000**
Taxpayers' and others' equity at 1 April 2018 - brought forward	**146,026**	**10,852**	**(49,479)**	**107,399**
Deficit for the year	0	0	(10,986)	**(10,986)**
Other transfers between reserves	0	(196)	196	**0**
Impairments of property, plant and equipment (note 14)	0	(211)	0	**(211)**
Public dividend capital received	1,410	0	0	**1,410**
Taxpayers' and others' equity at 31 March 2019	**147,436**	**10,445**	**(60,269)**	**97,612**

	Group			
	Public dividend capital	**Revaluation reserve**	**Income and expenditure reserve**	**Total**
	£000	**£000**	**£000**	**£000**
Taxpayers' and others' equity at 1 April 2017 - brought forward	**144,779**	**12,481**	**(56,165)**	**101,095**
Surplus for the year	0	0	5,240	**5,240**
Other transfers between reserves	0	(1,446)	1,446	**0**
Impairments of property, plant and equipment (note 14)	0	(262)	0	**(262)**
Revaluation gains on property, plant and equipment	0	79	0	**79**
Public dividend capital received	1,247	0	0	**1,247**
Taxpayers' and others' equity at 31 March 2018	**146,026**	**10,852**	**(49,479)**	**107,399**

The notes on pages A6 to A46 form part of these accounts.

Information on reserves

Public dividend capital
Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS organisation. Additional PDC may also be issued to trusts by the Department of Health and Social Care. A charge, reflecting the cost of capital utilised by the trust, is payable to the Department of Health 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.

Where assets are depreciated that have been subject to an earlier upward revaluation and an amount is held within the revaluation reserve, a transfer is made to the income and expenditure reserve equivalent to the element of the depreciation charged on the revalued amount.

Income and expenditure reserve
The balance of this reserve is the accumulated surpluses and deficits of the NHS Foundation Trust.

Statement of Changes in Equity for the year ended 31 March 2019

	Trust			
	Public dividend capital	**Revaluation reserve**	**Income and expenditure reserve**	**Total**
	£000	**£000**	**£000**	**£000**
Taxpayers' and others' equity at 1 April 2018 - brought forward	**146,026**	**10,852**	**(49,661)**	**107,217**
Deficit for the year	0	0	(11,256)	**(11,256)**
Other transfers between reserves	0	(196)	196	**0**
Impairments of property, plant and equipment (note 14)	0	(211)	0	**(211)**
Public dividend capital received	1,410	0	0	**1,410**
Taxpayers' and others' equity at 31 March 2019	**147,436**	**10,445**	**(60,721)**	**97,160**

	Trust			
	Public dividend capital	**Revaluation reserve**	**Income and expenditure reserve**	**Total**
	£000	**£000**	**£000**	**£000**
Taxpayers' and others' equity at 1 April 2017 - brought forward	**144,779**	**12,481**	**(56,165)**	**101,095**
Surplus for the year	0	0	5,058	**5,058**
Other transfers between reserves	0	(1,446)	1,446	**0**
Impairments of property, plant and equipment (note 14)	0	(262)	0	**(262)**
Revaluation gains on property, plant and equipment	0	79	0	**79**
Public dividend capital received	1,247	0	0	**1,247**
Taxpayers' and others' equity at 31 March 2018	**146,026**	**10,852**	**(49,661)**	**107,217**

The notes on pages A6 to A46 form part of these accounts.

Information on reserves

Public dividend capital
Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS organisation. Additional PDC may also be issued to trusts by the Department of Health and Social Care. A charge, reflecting the cost of capital utilised by the trust, is payable to the Department of Health 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.

Where assets are depreciated that have been subject to an earlier upward revaluation and an amount is held within the revaluation reserve, a transfer is made to the income and expenditure reserve equivalent to the element of the depreciation charged on the revalued amount.

Income and expenditure reserve
The balance of this reserve is the accumulated surpluses and deficits of the NHS Foundation Trust.

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NHS
Blackpool Teaching Hospitals
NHS Foundation Trust

Statement of Cash Flows for the year ended 31 March 2019

		Group		Trust	
		2018/19	2017/18	2018/19	2017/18
	Note	£000	£000	£000	£000
Cash flows from operating activities					
Operating (deficit) / surplus		**(7,253)**	9,115	**(7,594)**	8,893
Non-cash income and expense:					
Depreciation and amortisation	6	**7,653**	6,545	**7,600**	6,539
Net impairments	6	**998**	484	**998**	484
Income recognised in respect of capital donations	4	**(21)**	(179)	**(21)**	(179)
(Increase)/decrease in receivables and other assets		**1,849**	(4,281)	**2,836**	(6,657)
Increase in inventories		**(5,165)**	(2,985)	**(4,145)**	(1,110)
Increase/(decrease) in trade and other payables		**5,274**	(2,719)	**2,976**	(3,525)
Increase in other liabilities		**3,649**	802	**3,506**	802
Decrease in provisions		**140**	(1,715)	**140**	(1,715)
Tax paid		**(38)**	0	**0**	0
Net cash flows generated from operating activities		**7,086**	5,067	**6,296**	3,532
Cash flows from investing activities					
Interest received		**145**	57	**130**	52
Purchase of intangible assets		**(3,500)**	(1,777)	**(3,500)**	(1,647)
Purchase of property, plant and equipment		**(6,145)**	(7,299)	**(6,069)**	(7,288)
Sales of property, plant and equipment		**575**	50	**581**	51
Net cash flows used in investing activities		**(8,925)**	**(8,969)**	**(8,858)**	**(8,832)**
Cash flows from financing activities					
Public dividend capital received		**1,410**	1,247	**1,410**	1,247
Receipt of loans from the Department of Health and Social Care	23.1	**20,883**	0	**20,883**	0
Repayment of loans from the Department of Health and Social Care	23.1	**(3,223)**	(3,224)	**(3,223)**	(3,224)
Receipt of other loans	23.1	**0**	9,230	**0**	9,230
Repayment of other loans	23.1	**(983)**	(581)	**(983)**	(581)
Capital element of finance lease rental payments		**(56)**	0	**0**	0
Interest on loans		**(1,141)**	(1,131)	**(1,141)**	(1,131)
Interest paid on finance lease liabilities		**(13)**	0	**0**	0
Other interest		**(130)**	0	**(130)**	0
Public Dividend Capital dividends paid		**(2,636)**	(2,196)	**(2,636)**	(2,196)
Net cash flows generated from financing activities		**14,111**	3,345	**14,180**	3,345
Increase / (decrease) in cash and cash equivalents		**12,272**	**(557)**	**11,618**	**(1,955)**
Cash and cash equivalents at 1 April - b/f		**3,314**	3,871	**1,916**	3,871
Cash and cash equivalents at 31 March	19	**15,586**	3,314	**13,534**	1,916

The notes on pages A6 to A46 form part of these accounts.

All revenue and expenditure is derived from continuing operations.

Notes to the Accounts

Note 1 Accounting policies and other information

Note 1.1 Basis of preparation

NHS Improvement, in exercising the statutory functions conferred on Monitor, has directed that the financial statements of the trust shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (GAM), which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the GAM 2018/19 issued by the Department of Health. The accounting policies contained in the GAM follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to accounts.

Note 1.1.1 Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets, inventories and certain financial assets and financial liabilities.

Note 1.2 Going concern

These accounts have been prepared on a going concern basis.

The Trust has submitted its 2019/20 annual plan to NHS Improvement to deliver a £5.5m I&E surplus (including £0.1m exceptional items) and year end cash balance of £1.9m.

Financial Priorities for 2019/20

The Trust has agreed its control total with NHSI and therefore is eligible to claim Provider Sustainability Fund (PSF) payments of £6.3m and Marginal Rate Emergency Tariff (MRET) central funding of £4.2m for 2019/20 (included in the planned surplus stated above).

The challenges for the Trust in 2019/20 are to ensure that the cash position is managed robustly and that the I&E position is achieved. The key assumptions in delivering the planned position are:

• Continuation of the Turnaround approach including focus on maximising the effect of the CIP Board, Grip and Control, and other cost control processes;

• A Cost Improvement Programme (CIP) of £17.5m is met in 2019/20 with a large recurrent element;

• Conditions of the PSF are met and funds are received quarterly in arrears with the final instalment after March 2020;

• Receipt of £17.5m non-recurrent support from commissioners;

• Pay costs are contained within planned resource levels;

• Expenditure costs are monitored and controlled, and where adverse variances occur, rectification actions are taken to cover shortfalls;

• Activity contracts are aligned with commissioner plans, and the demand and capacity planning and actions, are sufficiently resilient and reliable to ensure resource levels are within planned levels; and

• Continuation of the proactive cash management approach including considering alternative funding methods for capital purchases.

The achievement of these assumptions, in particular whether financial support will be forthcoming or sufficient, is currently uncertain, as are any terms and conditions that would be associated with any funding obtained.

In accordance with IAS 1, management have made an assessment of the Trust's ability to continue as a going concern considering the significant challenges described above. Although these factors represent a material uncertainty that may cast significant doubt about the Trust's ability to continue as a going concern, the Directors, having made appropriate enquiries, still have a reasonable expectation that the Trust will have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts and the financial statements do not include the adjustments that would result if the Trust was unable to continue as a going concern.

Notes to the Accounts

Note 1.3 Consolidation

NHS Charitable Fund

The NHS Foundation Trust is the corporate trustee to Blackpool Teaching Hospitals Charitable Fund (Registered number 1051570). The NHS Foundation Trust has assessed its relationship to the charitable fund and determined it to be a subsidiary because the NHS Foundation Trust 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.

From 2013/14, the NHS Foundation Trust is required to consolidate the charitable fund into it's accounts, however because the income and expenditure of the fund represent 0.2% of the NHS Foundation Trust income and expenditure, the fund is not considered to be material and has not been consolidated.

Other Subsidiaries

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

Subsidiary entities are those over which the NHS Foundation Trust are exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The income, expenses, assets, liabilities, equity and reserves of subsidiaries are consolidated in full into the appropriate financial statement lines. The capital and reserves attributable to minority interests are included as a separate item in the Statement of Financial Position.

The amounts consolidated are drawn from the published financial statements of BFW Management Limited for the year ended 31 March 2019.

Where subsidiaries' accounting policies are not aligned with those of the trust (including where they report under UK FRS102) then amounts are adjusted during consolidation where the differences are material.

Subsidiaries which are classified as held for sale are measured at the lower of their carrying amount and 'fair value less costs to sell'.

All intragroup balances and transactions, including unrealised profits arising from the intragroup transactions, have been eliminated in full.

Note 1.4.1 Revenue from contracts with customers

Where income is derived from contracts with customers, it is accounted for under IFRS 15. The GAM expands the definition of a contract to include legislation and regulations which enables an entity to receive cash or another financial asset that is not classified as a tax by the Office of National Statistics (ONS). As directed by the GAM, the transition to IFRS 15 in 2018/19 has been completed in accordance with paragraph C3 (b) of the Standard: applying the Standard retrospectively but recognising the cumulative effects at the date of initial application (1 April 2018).

Revenue in respect of goods/services provided is recognised when (or as) performance obligations are satisfied by transferring promised goods/services to the customer and is measured at the amount of the transaction price allocated to those performance obligations. At the year end, the Trust accrues income relating to performance obligations satisfied in that year. Where the Trust's entitlement to consideration for those goods or services is unconditional a contract receivable will be recognised. Where entitlement to consideration is conditional on a further factor other than the passage of time, a contract asset will be recognised. Where consideration received or receivable relates to a performance obligation that is to be satisfied in a future period, the income is deferred and recognised as a contract liability.

Notes to the Accounts

Note 1.4.1 Revenue from contracts with customers continued

Revenue from NHS contracts

The main source of income for the Trust is contracts with commissioners for health care services. A performance obligation relating to delivery of a spell of health care is generally satisfied over time as healthcare is received and consumed simultaneously by the customer as the Trust performs it. The customer in such a contract is the commissioner, but the customer benefits as services are provided to their patient. Even where a contract could be broken down into separate performance obligations, healthcare generally aligns with paragraph 22(b) of the Standard entailing a delivery of a series of goods or services that are substantially the same and have a similar pattern of transfer. At the year end, the Trust accrues income relating to activity delivered in that year, where a patient care spell is incomplete.

Revenue from research contracts

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

NHS injury cost recovery scheme

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

Note 1.4.2 Revenue grants and other contributions to expenditure

Government grants are grants from government bodies other than income from commissioners or trusts for the provision of services. Where a grant is used to fund revenue expenditure it is taken to the Statement of Comprehensive Income to match that expenditure.

The value of the benefit received when accessing funds from the Government's apprenticeship service is recognised as income at the point of receipt of the training service. Where these funds are paid directly to an accredited training provider, the corresponding notional expense is also recognised at the point of recognition for the benefit.

Note 1.4.3 Other income

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

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

Blackpool Teaching Hospitals
NHS Foundation Trust

Notes to the Accounts

Note 1.5 Expenditure on employee benefits

Short-term employee benefits

Salaries, wages and employment-related payments such as social security costs and the apprenticeship levy are recognised in the period in which the service is received from employees. The cost of annual leave entitlements earned by employees but not taken before the year end which employees can carry forward into the next financial year, has not been recognised in the accounts as it is not considered to be material.

Pension costs

NHS Pension Scheme

Past and present employees are covered by the provisions of the NHS Pension Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, general practices and other bodies, allowed under the direction of Secretary of State, in England and Wales. The scheme are not designed in a way that would enable employers to identify their share of the underlying scheme assets and liabilities. There, the schemes are accounted for as though they are defined contribution schemes.

Employers pension cost contributions are charged to operating expenses as and when they become due.

Additional pension liabilities arising from early retirements are not funded by the schemes except where the retirement is due to ill-health. The full amount of the liability for the additional costs is charged to the operating expenses at the time the NHS Foundation Trust commits itself to the retirement, regardless of the method of payment.

Note 1.6 Expenditure on other goods and services

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

Note 1.7 Property, plant and equipment

Note 1.7.1 Recognition

Property, plant and equipment is capitalised where:
- it is held for use in delivering services or for administrative purposes
- it is probable that future economic benefits will flow to, or service potential be provided to, the trust
- it is expected to be used for more than one financial year
- the cost of the item can be measured reliably
- the item has cost of at least £5,000, or
- collectively, a number of items have a cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control.
- form part of the initial setting-up cost of a new building or refurbishment of a ward or unit, irrespective of their individual or collective cost.

Note 1.7.2 Measurement

Valuation

All property, plant and equipment assets are measured initially at cost, representing the costs directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management. Land and buildings are subsequently measured at fair value based on periodic valuations less subsequent depreciation and impairment losses.

The valuations are carried out by professionally qualified valuers in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual, and performed with sufficient regularity to ensure that the carrying value is not materially different from fair value at the reporting date.

Fair values are determined as follows:
- Specialised operational property - Depreciated Replacement Cost using a Modern Equivalent Asset (MEA) approach
- Non specialised property - Existing Use Value
- Land - Market value for existing use

Assets in the course of construction are valued at cost less any impairment loss.

Cost includes professional fees but not borrowing costs, which are recognised as expenses immediately, as allowed by IAS 23 (Borrowing Costs) for assets held at fair value. Assets are revalued when they are brought into use.

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.

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Notes to the Accounts

Note 1.7.2 Measurement continued

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 year in which it is incurred.

Depreciation

Items of property, plant and equipment are depreciated over their remaining useful economic lives in a manner consistent with the consumption of economic or service delivery benefits. Freehold land is considered to have an infinite life and is not depreciated.

Property, plant and equipment which has been reclassified as 'held for sale' ceases to be depreciated upon the reclassification. Assets in the course of construction are not depreciated until the asset is brought into use.

Management have determined that each building within the NHS Foundation Trust's estate is one component, the whole of which is maintained to a standard such that the useful economic life of the whole building and the elements within the building is the same.

Revaluation gains and losses

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

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

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

Impairments

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

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

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

Note 1.7.3 De-recognition

Assets intended for disposal are reclassified as 'held for sale' once all of the following criteria are met:

- the asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales;
- the sale must be highly probable i.e.
  - management are committed to a plan to sell the asset;
  - an active programme has begun to find a buyer and complete the sale;
  - the asset is being actively marketed at a reasonable price;
  - the sale is expected to be completed within 12 months of the date of classification as 'held for sale'; and
  - the actions needed to complete the plan indicate it is unlikely that the plan will be dropped or significant changes made to it.

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

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Notes to the Accounts

Note 1.7.3 De-recognition continued

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

Note 1.7.4 Donated, government grant and other grant funded assets

Donated and grant funded property, plant and equipment assets are capitalised at their fair value on receipt.

The donation / grant is credited to income at the same time, unless the donor has imposed a condition that the future economic benefits embodied in the grant are to be consumed in a manner specified by the donor, in which case, the donation / grant is deferred within liabilities and is carried forward to future financial years to the extent that the condition has not yet been met.

The donated and grant funded assets are subsequently accounted for in the same manner as other items of property, plant and equipment.

Note 1.7.5 Useful lives of property, plant and equipment

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

	Min life Years	Max life Years
Buildings, excluding dwellings	90	90
Dwellings	90	90
Plant & machinery	10	15
Transport equipment	5	10
Information technology	5	15
Furniture & fittings	5	15

Finance-leased assets (including land) are depreciated over the shorter of the useful life or the lease term, unless the trust expects to acquire the asset at the end of the lease term in which case the assets are depreciated in the same manner as owned assets above.

Note 1.8 Intangible assets

Note 1.8.1 Recognition

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the NHS Foundation Trust's business or which arise from contractual or other legal rights. They are recognised only where it is probable that future economic benefits will flow to, or service potential be provided to, the Trust and where the cost of an asset can be measured reliably, and where the cost is at least £5,000, or form a group of assets which collectively have a cost of at least £5,000, where the assets are functionally interdependent, had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control.

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

Expenditure on research is not capitalised.

Expenditure on development is capitalised only where all of the following can be demonstrated:
- the project is technically feasible to the point of completion and will result in an intangible
  asset for sale or 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, e.g. the
  presence of a market for it or its output, or where it is to be used for internal use, the usefulness of the
  asset;
- adequate financial, technical and other resources are available to the trust to complete the development
  and sell or use the asset and;
- the trust can measure reliably the expenses attributable to the asset during development.

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

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Notes to the Accounts

Note 1.8 Intangible assets continued

Note 1.8.2 Measurement

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

Subsequently intangible assets are measured at current value in existing use. Where no active market exists, intangible assets are valued at the lower of depreciated replacement cost and the value in use where the asset is income generating. Revaluations gains and losses and impairments are treated in the same manner as for property, plant and equipment. An intangible asset which is surplus with no plan to bring it back into use is valued at fair value under IFRS 13, if it does not meet the requirements of IAS 40 of IFRS 5.

Intangible assets held for sale are measured at the lower of their carrying amount or "fair value less costs to sell".

Amortisation

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

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

Note 1.8.3 Useful econonic life of intangible assets

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

	Min life Years	Max life Years
Software	5	15
Licences & trademarks	5	15
Other (purchased)	15	15

Note 1.9 Inventories

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

Other inventories relating to items where the economic benefit will be consumed over more than one year is valued at 50% of cost. During 2018/19 the Group have recognised new inventory lines within the other category. Further information is provided in note 16.

Note 1.10 Cash and cash equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and that form an integral part of the Trust's cash management. Cash, bank and overdraft balances are recorded at current values.

Note 1.11 Financial assets and financial liabilities

Note 1.11.1 Recognition

Financial assets and financial liabilities arise where the Trust is party to the contractual provisions of a financial instrument, and as a result has a legal right to receive or a legal obligation to pay cash or another financial instrument. In response to the adoption of IFRS 9 (see note 29.1) the GAM expands the definition of a contract to include legislation and regulations which give rise to arrangements that in all other respects would be a financial instrument and do not give rise to transactions classified as a tax by ONS.

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

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Notes to the Accounts

Note 1.11.2 Classification and measurement

Financial assets and financial liabilities are initially measured at fair value plus or minus directly attributable transaction costs except where the asset or liability is not measured at fair value through income and expenditure. Fair value is taken as the transaction price, or otherwise determined by reference to quoted market prices or valuation techniques.

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

Financial assets are classified as subsequently measured at amortised cost.

Financial liabilities are classified as subsequently measured at amortised cost.

Financial assets and financial liabilities at amortised cost

Financial assets and financial liabilities at amortised cost are those held with the objective of collecting contractual cash flows and where cash flows are solely payments of principal and interest. This includes cash equivalents, contract and other receivables, trade and other payables, rights and obligations under lease arrangements and loans receivable and payable.

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

Interest revenue or expense is calculated by applying the effective interest rate to the gross carrying amount of a financial asset or amortised cost of a financial liability and recognised in the Statement of Comprehensive Income and a financing income or expense. In the case of loans held from the Department of Health and Social Care, the effective interest rate is the nominal rate of interest charged on the loan.

Impairment of financial assets

For all financial assets measured at amortised cost including lease receivables, contract receivables and contract assets or assets measured at fair value through other comprehensive income, the Trust recognises an allowance for expected credit losses.

The Trust adopts the simplified approach to impairment for contract and other receivables, contract assets and lease receivables, measuring expected losses as at an amount equal to lifetime expected losses. For other financial assets, the loss allowance is initially measured at an amount equal to 12-month expected credit losses (stage 1) and subsequently at an amount equal to lifetime expected credit losses if the credit risk assessed for the financial asset significantly increases (stage 2).

For financial assets that have become credit impaired since initial recognition (stage 3), expected credit losses at the reporting date are measured as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

Expected losses are charged to operating expenditure within the Statement of Comprehensive Income and reduce the net carrying value of the financial asset in the Statement of Financial Position.

Note 1.11.3 Derecognition

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

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

Note 1.12 Leases

Finance leases

Where substantially all risks and rewards of ownership of a leased asset are borne by the NHS foundation trust, the asset is recorded as property, plant and equipment and a corresponding liability is recorded. The value at which both are recognised is the lower of the fair value of the asset or the present value of the minimum lease payments, discounted using the interest rate implicit in the lease.

The asset and liability are recognised at the commencement of the lease. Thereafter the asset is accounted for as an item of property plant and equipment.

The annual rental is split between the repayment of the liability and a finance cost so as to achieve a constant rate of finance over the life of the lease. The annual finance cost is charged to Finance Costs in the Statement of Comprehensive Income. The lease liability is de-recognised when the liability is discharged, cancelled or expires.

Notes to the Accounts

Note 1.12 Leases continued

Operating leases

Other leases are regarded as operating leases and the rentals are charged to operating expenses on a straight-line basis over the term of the lease. Operating lease incentives received are added to the lease rentals and charged to operating expenses over the life of the lease.

Leases of land and buildings

Where a lease is for land and buildings, the land component is separated from the building component and the classification for each is assessed separately.

Note 1.13 Provisions

The Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using the discount rates published and mandated by HM Treasury.

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 25 but is not recognised in the Trust's accounts.

Non-clinical risk pooling

The Trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the trust pays an annual contribution to NHS Resolution and in return receives assistance with the costs of claims arising. The annual membership contributions, and any "excesses" payable in respect of particular claims are charged to operating expenses when the liability arises.

Note 1.14 Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets, but are disclosed in note 26 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 26, unless the probability of a transfer of economic benefits is remote.

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

Note 1.15 Public dividend capital

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

At any time, the Secretary of State can issue new PDC to, and require repayments of PDC from, the trust. PDC is recorded at the value received.

A charge, reflecting the cost of capital utilised by the NHS foundation trust, is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the NHS foundation trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for
(i) donated assets (including lottery funded assets),
(ii) average daily cash balances held with the Government Banking Services (GBS) and National Loans Fund (NLF) deposits, excluding cash balances held in GBS accounts that relate to a short-term working capital facility, and
(iii) any PDC dividend balance receivable or payable.

In accordance with the requirements laid down by the Department of Health (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the "pre-audit" version of the annual accounts. The dividend thus calculated is not revised should any adjustment to net assets occur as a result the audit of the annual accounts.

Notes to the Accounts

Note 1.16 Value added tax

Most of the activities of the NHS foundation trust are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT. The net amount of VAT recoverable from or payable to HMRC at the year end is reported within trade and other receivables (note 17) or trade and other payables (note 21).

Note 1.17 Corporation tax

BFW Management Limited (trading as Atlas) is a wholly owned subsidiary of Blackpool Teaching Hospitals NHS Foundation Trust and is subject to corporation tax on profits.

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the Statement of Financial Position date. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each financial position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the financial position date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting year, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the year
Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Note 1.18 Foreign Exchange

The NHS Foundation Trust's functional currency and presentational currency is sterling. Transactions denominated in a foreign currency are translated into sterling at the exchange rate ruling on the dates of the transactions. At the end of the 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 NHS Foundation Trust's surplus/deficit in the year in which they arise.

Note 1.19 Third Party Assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the NHS foundation trust has no beneficial interest in them. However, they are disclosed in note 20 to the accounts in accordance with the requirements of HM Treasury's *FReM*.

Notes to the Accounts

Note 1.20 Losses and special payments

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled. Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis, including losses which would have been made good through insurance cover had NHS foundation trusts not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure).

However the losses and special payments note is compiled directly from the losses and compensations register which reports on an accrual basis with the exception of provisions for future losses.

Note 1.21 Gifts

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

Note 1.22 Transfers of functions to other NHS bodies

For functions that the trust has transferred to another NHS body, the assets and liabilities transferred are de-recognised from the accounts as at the date of transfer. The net loss gain corresponding to the net assets transferred is recognised within expenses, but not within operating activities. Any revaluation reserve balances attributable to assets de-recognised are transferred to the income and expenditure reserve.

Note 1.23 Critical judgements in applying accounting policies

In the application of the Trust's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates and the estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Note 1.24 Sources of estimation uncertainty

The following are the key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Revaluation of land, buildings and dwellings

At 31st March 2018 the NHS Foundation Trust's valuers carried out a desktop revaluation of the land, buildings and dwellings which followed a full revaluation as 31st March 2017. As there has been no significant capital expenditure on land buildings and dwellings in the year, and no material movement in the indices on which desktop valuations are based, management have decided not to revalue assets at 31st March 2019. Management intend to carry out a full revaluation at 31st March 2020.

Based on the net book value of land, building and dwellings as at 31st March 2019, a +/- 5% movement in the indices on which the desktop valuations are based would result in a revaluation gain / loss of £7.3m, which management would consider to be a material movement.

Notes to the Accounts

Note 1.25 Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2018/19.

Note 1.26 Standards, amendments and interpretations in issue but not yet effective or adopted

The following table presents a list of recently issued 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 2018/19.

● IFRS 16 Leases – Application required for accounting periods beginning on or after 1 January 2019, but not yet adopted by the FReM: early adoption is not therefore permitted.

● IFRS 17 Insurance Contracts – Application required for accounting periods beginning on or after 1 January 2021, but not yet adopted by the FReM: early adoption is not therefore permitted.

● IFRIC 23 Uncertainty over Income Tax Treatments – Application required for accounting periods beginning on or after 1 January 2019.

Note 2 Operating Segments

All of the activities of the Trust arise form 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 Foundation 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.

NHS

Blackpool Teaching Hospitals
NHS Foundation Trust

Notes to the Accounts

Note 3 Operating income from patient care activities

Note 3.1 Income from patient care activities (by nature)

	Group	
	2018/19	**2017/18**
	£000	**£000**
Acute services		
Elective income	**57,565**	56,457
Non elective income	**99,456**	98,722
First outpatient income	**15,712**	13,766
Follow up outpatient income	**21,790**	22,341
A & E income	**9,824**	10,356
High cost drugs income from commissioners	**6,218**	7,031
Other NHS clinical income	**100,280**	99,249
Community services		
Community services income from CCGs and NHS England	**56,498**	61,874
Income from other sources (e.g. local authorities)	**15,497**	15,113
All services		
Private patient income	**1,756**	1,815
AfC pay award central funding 1	**4,383**	0
Other clinical income	**1,957**	5,097
Total income from activities	**390,936**	391,821

1) The Trust has received funding from the Department of Health and Social Care towards the cost of the 2018/19 pay award.

Note 3.2 Income from patient care activities (by source)

	Group	
	2018/19	2017/18
Income from patient care activities received from:	**£000**	£000
NHS England	**81,808**	92,796
Clinical Commissioning Groups	**282,443**	276,905
Department of Health and Social Care	**4,398**	0
Other NHS providers	**2,309**	2,239
NHS other	**631**	479
Local authorities	**16,385**	15,294
Non-NHS: private patients	**1,756**	1,815
Non-NHS: overseas patients (chargeable to patient)	**102**	203
NHS injury scheme	**581**	1,001
Non NHS: other	**523**	1,089
Total income from activities	**390,936**	391,821

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Notes to the Accounts

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

	Group	
	2018/19	2017/18
	£000	£000
Income recognised this year	**102**	203
Cash payments received in-year	**107**	77

Note 4 Other operating income

	2018/19	2017/18
	£000	£000
Other operating income from contracts with customers:		
Research and development (contract)	**1,496**	1,430
Education and training (1)	**12,331**	12,730
Non-patient care services to other bodies (2)	**12,047**	6,182
Provider sustainability / sustainability and transformation fund income (PSF / STF)	**5,833**	11,323
Income in respect of employee benefits accounted on a gross basis	**3,496**	2,946
Other contract income (3)	**7,855**	5,508
Other non-contract operating income:		
Donations and grants of physical assets from NHS charities	**21**	179
Charitable and other contributions to expenditure	**0**	3
Total other operating income	**43,079**	40,301

Other notes:

(1) Education and training income comprises income relating to the North West Leadership Academy for which the NHS Foundation Trust is the host organisation, and funding received from NHS Northwest for junior doctors training.

(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 NHS Foundation Trust. The increase in 2018/19 arises from income received for funding for IT projects relating to Digital Health and Healthier Lancashire.

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

Notes to the Accounts

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

	Group 2018/19 £000
Revenue recognised in the reporting year that was included in within contract liabilities at the previous year end	10,642
Revenue recognised from performance obligations satisfied (or partially satisfied) in previous years	0

Note 5.2 Income from activities arising from commissioner requested services

Under the terms of its provider licence, the trust is required to analyse the level of income from activities that has arisen from commissioner requested and non-commissioner requested services. Commissioner requested services are defined in the provider licence and are services that commissioners believe would need to be protected in the event of provider failure. This information is provided in the table below:

	Foundation Trust 2018/19 £000	2017/18 £000
Commissioner requested services	367,344	369,796
Non-commissioner requested services	23,592	22,025
Total	**390,936**	391,821

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Notes to the Accounts

Note 6 Operating expenses

	Group	
Note 6.1 Operating expenses comprise	**2018/19**	2017/18
	£000	£000
Purchase of healthcare from NHS and DHSC bodies	**1,484**	2,450
Purchase of healthcare from non-NHS and non-DHSC bodies	**1,626**	832
Staff and executive directors costs	**293,015**	278,101
Remuneration of non-executive directors	**193**	204
Supplies and services - clinical (excluding drugs costs)	**36,937**	43,640
Supplies and services - general	**7,480**	7,740
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	**37,424**	34,702
Consultancy costs	**5,680**	3,609
Establishment	**6,908**	4,338
Premises	**14,576**	18,304
Transport (including patient travel)	**2,628**	2,664
Depreciation on property, plant and equipment	**6,335**	5,617
Amortisation on intangible assets	**1,318**	928
Net impairments of property, plant and equipment (See note 14)	**998**	484
Movement in credit loss allowance: contract receivables / contract assets	**(246)**	0
Movement in credit loss allowance: all other receivables and investments	**(74)**	130
Decrease in other provisions	**359**	(1,622)
Change in provisions discount rate(s)	**(21)**	17
Audit fees payable to the external auditor		
audit services- statutory audit	**84**	78
other auditors remuneration (external auditor only)	**14**	13
Internal audit costs	**88**	83
Clinical negligence	**13,956**	13,871
Legal fees	**184**	93
Insurance	**228**	246
Research and development	**5**	0
Education and training	**3,076**	2,064
Rentals under operating leases	**1,415**	1,447
Early retirements	**17**	0
Car parking & security	**409**	253
Hospitality	**53**	36
Losses, ex gratia & special payments	**94**	60
Hosted services Service Level Agreement	**2,141**	0
Other	**2,884**	2,625
Total	**441,268**	423,007

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Notes to the Accounts

Note 6.2 Other auditors remuneration

PricewaterhouseCoopers LLP provide statutory audit services to the NHS Foundation Trust and to the Blackpool Teaching Hospitals Charitable Fund. The cost of audit services for the charitable fund are not included in operating expenses but are paid for by the charity. The cost for statutory audit of the charity was £10,800 in 2018/19 (2017/18: £10,382)

In addition to the statutory audit services for the group and subsidiary, PricewaterhouseCoopers LLP also charged £13,800 for additional services to the NHS Foundation Trust in 2018/19 for the non-statutory audit of the Quality Accounts (2017/18: £12,732).

Note 6.3 Limitation on auditors' liability (Group)

The audit engagement contract with PricewaterhouseCoopers LLP approved by the Board of Governors contains a £1million limit on their liability for losses or damages in connection with the audit contract for their audit work. This limitation does not apply in the event of losses or damages arising from fraud or dishonesty of PricewaterhouseCoopers LLP.

Note 6.4 Employee benefits

	Group	
	2018/19	2017/18
	Total	Total
	£000	£000
Salaries and wages	**230,363**	217,925
Social security costs	**21,598**	20,707
Apprenticeship levy	**1,099**	1,083
Employer's contributions to NHS pensions	**25,267**	24,599
Pension cost - other	**55**	73
Temporary staff (including agency)	**14,633**	13,714
Total staff costs	**293,015**	278,101

Employee costs above reconciles to the total of Executive Directors' costs and Employee costs on Note 6.1 Operating expenses.

Note 6.5 Average number of employees (WTE basis)

	Group			
			2018/19	2017/18
	Permanent	**Other**	**Total**	Total
	Number	**Number**	**Number**	Number
Medical and dental	535	68	**603**	584
Administration and estates	1,206	41	**1,247**	1,229
Healthcare assistants and other support staff	1,862	8	**1,870**	1,875
Nursing, midwifery and health visiting staff	2,002	11	**2,013**	2,153
Nursing, midwifery and health visiting learners	1	12	**13**	61
Scientific, therapeutic and technical staff	632	11	**643**	667
Healthcare science staff	187	6	**193**	189
Other	4	0	**4**	2
Total average numbers	**6,429**	**157**	**6,586**	6,760

Additional information on staff and pension costs have been included within the Remuneration Report.

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Notes to the Accounts

Note 6.6 Retirements due to ill-health (Group)

During 2018/19 there were no early retirements from the Trust agreed on the grounds of ill-health (3 in the year ended 31 March 2018). The estimated additional pension liabilities of these ill-health retirements is nil (£233k in 2017/18).

The cost of these ill-health retirements will be borne by the NHS Business Services Authority - Pensions Division.

Note 6.7 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. 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 year.

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 2019, is based on valuation data as 31 March 2018, updated to 31 March 2019 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. The Department of Health and Social Care have recently laid Scheme Regulations confirming that the employer contribution rate will increase to 20.6% of pensionable pay from this date.

The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap set following the 2012 valuation. Following a judgment from the Court of Appeal in December 2018 Government announced a pause to that part of the valuation process pending conclusion of the continuing legal process.

National Employment Savings Scheme (NEST)

The Pensions Act 2008 introduced automatic enrolment of eligible workers into a qualifying workplace pension scheme. The National Employment Savings Scheme (NEST) is a defined contribution pension scheme and the Trust has a duty to automatically enrol employees into the scheme, subject to certain criteria. However, the number of enrolments and the level of contributions are not material to the Trust's Accounts.

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Notes to the Accounts

Note 6.8 Operating leases

Note 6.8.1 Blackpool Teaching Hospitals NHS Foundation Trust (Group and Trust) as a lessee
This note discloses costs and commitments incurred in operating lease arrangements where Blackpool Teaching Hospitals NHS Foundation Trust (Group and Trust) is the lessee.

	Group and Trust	
	2018/19	2017/18
	£000	£000
Operating lease expense		
Minimum lease payments	**1,415**	1,447
Total	**1,415**	1,447
	31 March 2019	31 March 2018
	£000	£000
Future minimum lease payments due:		
- not later than one year;	**1,380**	1,362
- later than one year and not later than five years;	**1,691**	2,276
- later than five years.	**357**	35
Total	**3,428**	3,673

6.8.2 Significant leasing arrangements

The significant operating lease arrangements held by the Group and Trust relate to property and medical equipment and are subject to the following terms:

 - No transfer of ownership at the end of the lease term.
 - No option to purchase at a price significantly below fair value at the end of the lease term.
 - Leases are non-cancellable or must be paid in full.
 - Lease payments are fixed for the contracted lease term.

Significant operating lease arrangements held by the Group and Trust relate to:	**Annual commitment £000**	Lease term Years
- IT Equipment	282	5
- Endoscopy Equipment	263	6
- Infusion Pumps	153	5
- Decontamination Equipment	125	4
- Fleetwood Hospital Outpatients	77	10

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Notes to the Accounts

Note 7 Finance income

Finance income represents interest received on assets and investments for the year.

	Group	
	2018/19	2017/18
	£000	£000
Interest on bank accounts	**149**	61
Total finance income	**149**	61

Note 8 Finance expenses

	Group	
	2018/19	2017/18
	£000	£000
Interest expense:		
Loans from the Department of Health and Social Care	**986**	1,046
Other loans	**159**	189
Finance leases	**13**	-
Total interest expense	**1,158**	1,235
Unwinding of discount on provisions	**5**	4
Other finance costs	**92**	0
Total finance costs	**1,255**	1,239

Note 9 Gains/(losses) on disposal of assets

	Group	
	2018/19	2017/18
	£000	£000
Gains on disposal of assets	**0**	50
Losses on disposal of assets	**0**	(58)
Total gains / (losses) on disposal of assets	**0**	(8)

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

Note 10 Trust income statement and statement of comprehensive income

In accordance with Section 408 of the Companies Act 2006, the Trust is exempt from the requirement to present its own income statement and statement of comprehensive income. The Trust's deficit for the year was £11.3 million (2017/18: £5.2 million surplus). The trust's total comprehensive expense for the year was £11.5 million (2017/18: £5.1 million income).

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Notes to the Accounts

Note 11 Corporation tax expense

This note discloses the UK corporation tax charge applicable on the ordinary activities of BFW Management Limited (trading as Atlas).

	Group **2018/19** **£000**	Group 2017/18 £000
UK Corporation Tax		
Total current tax charge for the year	**51**	42
Deferred Tax		
Origination and reversal of timing differences	**14**	2
Tax expense	**65**	44

Factors affecting the tax charge for the current year
The tax charge is higher (2017/18: higher) than the standard rate of corporation tax in the UK of 19% (2017/18: 19%), the differences are explained below.

	Group **2018/19** **£000**	Group 2017/18 £000
Current tax reconciliation		
Profit on ordinary activities before taxation	**336**	225
Tax on profit at standard UK tax rate of 19% (2017/18: 19%)	**64**	43
Effects of:		
Expenses not deductible for tax purposes	**1**	1
Tax charge for the year	**65**	44

Changes to the UK corporation tax rates were substantively enacted as part of the Finance Bill 2015 on 6 September 2016. These include a further reduction in the main rate of corporation tax to the rate reductions enacted in Finance Act 2015. The main rate of corporation tax is now 19% from 1 April 2017 and 17% from 1 April 2020. This will reduce the Company's future current tax charge accordingly.

Corporation Tax only applies to the activities of BFW Management Ltd. The NHS Foundation Trust is a Health Service Body within the meaning of s519A ICTA 1988 and accordingly is exempt from taxation in respect of income and capital gains within categories covered by this.

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Notes to the Accounts

Note 12 Intangible assets

Group - 2018/19	Software licences £000	Licences & trademarks £000	Other (purchased) £000	Total £000
Valuation / gross cost at 1 April 2018 - brought forward	**4,890**	**4,208**	**579**	**9,677**
Additions	1,574	960	1,167	3,701
Valuation / gross cost at 31 March 2019	**6,464**	**5,168**	**1,746**	**13,378**
Amortisation at 1 April 2018 - brought forward	**3,464**	**2,138**	**23**	**5,625**
Provided during the year	509	752	57	1,318
Amortisation at 31 March 2019	**3,973**	**2,890**	**80**	**6,943**
Net book value at 31 March 2019	**2,491**	**2,278**	**1,666**	**6,435**
Net book value at 31 March 2018	**1,426**	**2,070**	**556**	**4,052**

Group - 2017/18	Software licences £000	Licences & trademarks £000	Other (purchased) £000	Total £000
Valuation / gross cost at 1 April 2017 - brought forward	**4,474**	**3,504**	**0**	**7,978**
Additions	416	704	579	1,699
Valuation / gross cost at 31 March 2018	**4,890**	**4,208**	**579**	**9,677**
Amortisation at 1 April 2017 - brought forward	**3,081**	**1,616**	**0**	**4,697**
Provided during the year	**383**	**522**	**23**	**928**
Amortisation at 31 March 2018	**3,464**	**2,138**	**23**	**5,625**
Net book value at 31 March 2018	**1,426**	**2,070**	**556**	**4,052**
Net book value at 31 March 2017	**1,393**	**1,888**	**0**	**3,281**

In 2017/18 the Trust recognised an intangible asset relating to the set up costs incurred arising from the formation of BFW Management Limited (trading as Atlas). These costs will be amortised over the 15 year term of the service contract between the Trust and the subsidiary. In 2018/19 the Trust capitalised development costs associated with the development of operational systems to improve patient flow. These assets will provide operational and financial performance benefits in the current and future years.

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Notes to the Accounts

Note 12 Intangible assets continued

Foundation Trust - 2018/19	Software licences £000	Licences & trademarks £000	Other (purchased) £000	Total £000
Valuation / gross cost at 1 April 2018 - brought forward	**4,890**	**4,208**	**450**	**9,548**
Additions	1,574	960	1,167	3,701
Valuation / gross cost at 31 March 2019	**6,464**	**5,168**	**1,617**	**13,249**
Amortisation at 1 April 2018 - brought forward	**3,464**	**2,138**	**17**	**5,619**
Provided during the year	510	752	48	1,310
Amortisation at 31 March 2019	**3,974**	**2,890**	**65**	**6,929**
Net book value at 31 March 2019	**2,490**	**2,278**	**1,552**	**6,320**
Net book value at 31 March 2018	**1,426**	**2,070**	**433**	**3,929**

Foundation Trust - 2017/18	Software licences £000	Licences & trademarks £000	Other (purchased) £000	Total £000
Valuation / gross cost at 1 April 2017 - brought forward	**4,474**	**3,504**	**0**	**7,978**
Additions	416	704	450	**1,570**
Valuation / gross cost at 31 March 2018	**4,890**	**4,208**	**450**	**9,548**
Amortisation at 1 April 2017 - brought forward	**3,081**	**1,616**	**0**	**4,697**
Provided during the year	383	522	17	922
Amortisation at 31 March 2018	**3,464**	**2,138**	**17**	**5,619**
Net book value at 31 March 2018	**1,426**	**2,070**	**433**	**3,929**
Net book value at 31 March 2017	**1,393**	**1,888**	**0**	**3,281**

In 2017/18 the Trust recognised an intangible asset relating to the set up costs incurred arising from the formation of BFW Management Limited (trading as Atlas). These costs will be amortised over the 15 year term of the service contract between the Trust and the subsidiary. In 2018/19 the Trust capitalised development costs associated with the development of operational systems to improve patient flow. These assets will provide operational and financial performance benefits in the current and future years.

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Notes to the Accounts

Note 13 Property, plant and equipment

Group - 2018/19

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Valuation/gross cost at 1 April 2018 - brought forward	7,615	138,887	2,913	30,653	80	15,702	43	195,893
Transfers by absorption	0	0	0	(22)	0	(64)	-	(86)
Additions	0	1,587	16	3,700	6	2,274	28	7,611
Impairments	(76)	(135)	0	0	0	0	0	(211)
Transfers to/ from assets held for sale	0	(575)	0	0	0	0	0	(575)
Valuation/gross cost at 31 March 2019	**7,539**	**139,764**	**2,929**	**34,331**	**86**	**17,912**	**71**	**202,632**
Accumulated depreciation at 1 April 2018 - brought forward	0	0	0	19,243	80	9,340	35	28,698
Transfers by absorption	0	0	0	(7)	0	(29)	0	(36)
Provided during the year	0	2,409	57	1,780	0	2,084	5	6,335
Impairments	84	914	0	0	0	0	0	998
Accumulated depreciation at 31 March 2019	**84**	**3,323**	**57**	**21,016**	**80**	**11,395**	**40**	**35,995**
Net book value at 31 March 2019	**7,455**	**136,441**	**2,872**	**13,315**	**6**	**6,517**	**31**	**166,637**
Net book value at 31 March 2018	**7,615**	**138,887**	**2,913**	**11,410**	**0**	**6,362**	**8**	**167,195**

Property, plant and equipment financing - 2018/19

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Net book value at 31 March 2019								
Owned - purchased	7,455	134,053	2,872	11,060	6	6,456	31	161,933
Finance leased	0	0	0	1,682	0	0	0	1,682
Owned - donated	0	2,388	0	573	0	61	0	3,022
NBV total at 31 March 2019	**7,455**	**136,441**	**2,872**	**13,315**	**6**	**6,517**	**31**	**166,637**

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Notes to the Accounts

Note 13 Property, plant and equipment continued

Group - 2017/18

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Valuation / gross cost at 1 April 2017 - brought forward	7,605	140,198	2,952	34,229	93	12,577	43	197,697
Additions	0	1,765	5	2,187	0	3,125	0	7,082
Impairments	0	(259)	(3)	0	0	0	0	(262)
Transfer of depreciation to gross book value following revaluation	10	(2,817)	(41)	0	0	0	0	(2,848)
Disposals / derecognition	0	0	0	(5,763)	(13)	0	0	(5,776)
Valuation/gross cost at 31 March 2018	7,615	138,887	2,913	30,653	80	15,702	43	195,893
Accumulated depreciation at 1 April 2017 - brought forward	0	0	0	23,215	93	7,903	31	31,242
Provided during the year	0	2,387	56	1,733	0	1,437	4	5,617
Impairments	0	706	0	0	0	0	0	706
Reversals of impairments	0	(222)	0	0	0	0	0	(222)
Transfer of depreciation to gross book value following revaluation	0	(2,871)	(56)	0	0	0	0	(2,927)
Disposals/ derecognition	0	0	0	(5,705)	(13)	0	0	(5,718)
Accumulated depreciation at 31 March 2018	0	0	0	19,243	80	9,340	35	28,698
Net book value at 31 March 2018	7,615	138,887	2,913	11,410	0	6,362	8	167,195
Net book value at 31 March 2017	7,605	140,198	2,952	11,014	0	4,674	12	166,455

Property, plant and equipment financing - 2017/18

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Net book value at 31 March 2018								
Owned - purchased	7,615	136,230	2,913	10,715	0	6,283	8	163,764
Owned - donated	0	2,657	0	695	0	79	0	3,431
NBV total at 31 March 2018	7,615	138,887	2,913	11,410	0	6,362	8	167,195

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Notes to the Accounts

Note 13 Property, plant and equipment continued

Foundation Trust - 2018/19

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Valuation/gross cost at 1 April 2018 - brought forward	7,615	138,887	2,913	30,648	80	15,696	43	195,882
Transfers by absorption	0	0	0	(22)	0	(64)	0	(86)
Additions	0	1,587	16	1,901	6	2,274	28	5,812
Impairments	(76)	(135)	0	0	0	0	0	(211)
Transfers to/ from assets held for sale	0	(575)	0	0	0	0	0	(575)
Valuation/gross cost at 31 March 2019	**7,539**	**139,764**	**2,929**	**32,527**	**86**	**17,906**	**71**	**200,822**
Accumulated depreciation at 1 April 2018 - brought forward	0	0	0	19,243	80	9,340	35	28,698
Transfers by absorption	0	0	0	(7)	0	(29)	0	(36)
Provided during the year	0	2,409	57	1,737	0	2,082	5	6,290
Impairments	84	914	0	0	0	0	0	998
Accumulated depreciation at 31 March 2019	**84**	**3,323**	**57**	**20,973**	**80**	**11,393**	**40**	**35,950**
Net book value at 31 March 2019	7,455	136,441	2,872	11,554	6	6,513	31	164,872
Net book value at 31 March 2018	7,615	138,887	2,913	11,405	0	6,356	8	167,184

Property, plant and equipment financing - 2018/19

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Net book value at 31 March 2019								
Owned - purchased	7,455	134,053	2,872	10,981	6	6,452	31	161,850
Owned - donated	0	2,388	0	573	0	61	0	3,022
NBV total at 31 March 2019	**7,455**	**136,441**	**2,872**	**11,554**	**6**	**6,513**	**31**	**164,872**

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Notes to the Accounts

Note 13 Property, plant and equipment continued

Foundation Trust - 2017/18

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Valuation / gross cost at 1 April 2017 - brought forward	7,605	140,198	2,952	34,229	93	12,577	43	197,697
Additions	0	1,765	5	2,182	0	3,119	0	7,071
Impairments	0	(259)	(3)	0	0	0	0	(262)
Transfer of depreciation to gross book value following revaluation	10	(2,817)	(41)	0	0	0	0	(2,848)
Disposals / derecognition	0	0	0	(5,763)	(13)	0	0	(5,776)
Valuation/gross cost at 31 March 2018	7,615	138,887	2,913	30,648	80	15,696	43	195,882
Accumulated depreciation at 1 April 2017 - brought forward	0	0	0	23,215	93	7,903	31	31,242
Provided during the year	0	2,387	56	1,733	0	1,437	4	5,617
Impairments	0	706	0	0	0	0	0	706
Reversals of impairments	0	(222)	0	0	0	0	0	(222)
Transfer of depreciation to gross book value following revaluation	0	(2,871)	(56)	0	0	0	0	(2,927)
Disposals/ derecognition	0	0	0	(5,705)	(13)	0	0	(5,718)
Accumulated depreciation at 31 March 2018	0	0	0	19,243	80	9,340	35	28,698
Net book value at 31 March 2018	7,615	138,887	2,913	11,405	0	6,356	8	167,184
Net book value at 31 March 2017	7,605	140,198	2,952	11,014	0	4,674	12	166,455

Property, plant and equipment financing - 2017/18

Net book value at 31 March 2018

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Owned - purchased	7,615	136,230	2,913	10,710	0	6,277	8	163,753
Owned - donated	0	2,657	0	695	0	79	0	3,431
NBV total at 31 March 2018	7,615	138,887	2,913	11,405	0	6,356	8	167,184

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Notes to the Accounts

Note 14 Revaluation and impairment 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.

At 31st March 2018 the NHS Foundation Trust's valuers carried out a desktop revaluation of the land, buildings and dwellings which followed a full revaluation as 31st March 2017. As there has been no significant capital expenditure on land buildings and dwellings in the year, and no material movement in the indices on which desktop valuations are based, management have decided not to revalue assets at 31st March 2019 as they are fairly stated. Management intend to carry out a full revaluation at 31st March 2020.

The desktop revaluation that took place at 31st March 2018 and reported in the 2017/18 Annual Accounts resulted in market value revaluation gains that reverse market value impairments charged to operating expenses in previous years. Gains up to the value of any previous impairment on the same asset were recognised in operating expenses with any excess being recognised in the revaluation reserve.

The impact of the revaluation on charges to operating expenses and reserves is as follows (Group and Foundation Trust):

	2018/19	2017/18
	£000	£000
Revaluation gains recognised in the revaluation reserve	0	(79)
Impairments charged to the revaluation reserve	211	262
Net impairments recognised in operating expenses	998	484
	1,209	667

In April 2018, the Trust reclassified Fleetwood Hospital as an asset held for sale and the land and buildings were revalued to £575k. This resulted in an impairment charge of £998k to operating expenses, and a charge against the revaluation reserve of £211k. The land and buildings were sold on 22nd November 2018 with sales proceeds of £575k.

BFW Management Ltd entered into an operating lease with the Fleetwood Trust (the purchaser) on the date of sale for the Outpatients Department facility within the hospital on a 10 year term at an annual rental of £76,700 (see note 6.8).

Note 15 Investments in associates and joint ventures

Blackpool Teaching Hospitals NHS Foundation Trust is the sole shareholder of BFW Management Ltd (trading as Atlas). The Trust owns of 100 ordinary £1 shares. The principal activity of BFW Management Ltd is to provide estate management and facilities services.

Note 16 Inventories

	Group		Foundation Trust	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
	£000	£000	£000	£000
Drugs	671	602	671	602
Consumables	4,924	3,999	2,029	2,124
Other	6,664	2,500	6,664	2,500
Total inventories	**12,259**	7,101	**9,364**	5,226

Inventories recognised in expenses for the year were £30,129k (2017/18: £30,268k). Write-down of inventories recognised as expenses for the year were £0k (2017/18: £0k).

In 2017/18 the Trust has accounted for theatre tray inventory of £2,500k which had not previously been recognised within inventories. During 2018/19 the Trust completed the review of theatre tray inventory and accounted for an additional £385k. In addition, the Trust has recognised additional inventory of £3,779k relating to items where the economic benefit will be consumed. All inventory in the other category have been valued at 50% of cost. The Trust is continuing to review inventory levels to ensure that costs are accounted for in the year that the economic benefit is consumed.

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Note 17 Receivables

	Group		Foundation Trust	
Note 17.1 Trade receivables and other receivables	**31 March 2019**	31 March 2018	**31 March 2019**	31 March 2018
	£000	£000	**£000**	£000
Current				
Contract receivables*	**18,558**	0	**24,610**	0
Contract assets*	**7,546**	0	**4,705**	0
Trade receivables*	**0**	11,818	**0**	12,226
Accrued income*	**0**	14,716	**0**	17,331
Allowance for impaired contract receivables / assets	**(410)**	0	**(410)**	0
Allowance for other impaired receivables	**0**	(655)	**0**	(474)
Prepayments (non-PFI)	**3,079**	1,943	**1,211**	904
Interest receivable	**10**	6	**10**	7
PDC dividend receivable	**270**	139	**270**	139
VAT receivable	**0**	1,839	**241**	2,044
Other receivables	**1,530**	2,291	**1,545**	2,297
Total current receivables	**30,583**	32,097	**32,182**	34,474
Non-current				
Allowance for other impaired receivables	**(461)**	(536)	**(460)**	(536)
Other receivables	**852**	1,096	**851**	1,096
Total non-current receivables	**391**	560	**391**	560
Of which receivables from NHS and DHSC group bodies (no non-current balances):	**19,952**	24,522	**18,412**	24,314

*Following the application of IFRS 15 from 1 April 2018, the trust's entitlements to consideration for work performed under contracts with customers are shown separately as contract receivables and contract assets. This replaces the previous analysis into trade receivables and accrued income. IFRS 15 is applied without restatement therefore the comparative analysis of receivables has not been restated under IFRS 15.

Contract assets include the accrual for the income recognised by the Trust for partially completed episodes of patient care. Contract asset also includes an amount due from the Provider Sustainability Fund of £2,841k. (2017/18: formerly named Sustainability and Transformation Fund of £6,857k reported in accrued income).

The NHS Foundation Trust has declared an amount receivable of £2,101k (2017/18 £2,346k) from the Compensation Recovery Unit (CRU) in respect of charges due under the NHS Injury Scheme. The NHS Foundation Trust recovers approximately £1,250k each year and this amount has been classified as current with £851k classified as non-current and included in other receivables.

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Note 17 Receivables

Note 17.2 Allowances for credit losses

	Group		Foundation Trust	
	Contract receivables and contract assets	All other receivables	Contract receivables and contract assets	All other receivables
	£000	£000	£000	£000
Allowances as at 1 Apr 2018 - brought forward	0	1,191	0	1,010
Impact of implementing IFRS 9 (and IFRS 15) on 1 April 2018	656	(656)	475	(475)
New allowances arising	192	0	192	0
Reversals of allowances	(438)	(74)	(257)	(74)
Allowances as at 31 Mar 2019	410	461	410	461

Note 17.3 Allowances for credit losses 2017/18

	Group	Foundation Trust
	All receivables	All receivables
	£000	£000
Allowances as at 1 Apr 2017 - as previously stated	1,111	1,111
Increase in provision	253	72
Amounts written off during the year as uncollectable	(50)	(50)
Unused amounts reversed during the year	(123)	(123)
Allowances as at 31 Mar 2018	1,191	1,010

Note 18 Non-current assets held for sale and assets in disposal groups

	Group		Foundation Trust	
	2018/19	2017/18	2018/19	2017/18
	£000	£000	£000	£000
NBV of non-current assets for sale and assets in disposal groups at 1 April	0	0	0	0
Assets classified as available for sale in the year	575	0	575	0
Assets sold in year	(575)	0	(575)	0
NBV of non-current assets for sale and assets in disposal groups at 31 March	0	0	0	0

During 2018/19 the Trust re-categorised Fleetwood Hospital as an asset held for sale valued at £575k. Completion of the sale took place on 22nd November 2018 with proceeds received of £575k.

Notes to the Accounts

Note 19 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.

	Group		Foundation Trust	
	2018/19	2017/18	**2018/19**	2017/18
	£000	£000	**£000**	£000
At 1 April	**3,314**	3,871	**1,916**	3,871
Net change in year	**12,272**	(557)	**11,618**	(1,955)
At 31 March	**15,586**	3,314	**13,534**	1,916
Broken down into:				
Cash in transit and in hand	**75**	79	**75**	79
Cash with the Government Banking Service	**15,511**	3,235	**13,459**	1,837
Total cash and cash equivalents as in SoFP	**15,586**	3,314	**13,534**	1,916

Note 20 Third party assets held by the trust

The NHS Foundation Trust held the following cash and cash equivalents on behalf of third parties which have been excluded from cash and cash equivalents in the NHS Foundation Trust's statement of financial position:

	Group and Trust	
	31 March 2019	31 March 2018
	£000	£000
Patients' monies	**6**	1
Blackpool Teaching Hospitals Charitable Fund	**1,516**	1,447
Total third party assets	**1,522**	1,448

Note 21 Trade and other payables

Note 21.1 Trade and other payables	Group		Foundation Trust	
	31 March 2019	31 March 2018	**31 March 2019**	31 March 2018
	£000	£000	**£000**	£000
Current				
Trade payables	**27,698**	29,772	**29,584**	31,289
Capital payables	**3,342**	3,419	**3,342**	3,419
Accruals	**15,574**	9,025	**11,458**	6,771
Social security costs	**5,920**	5,680	**5,830**	5,612
VAT payables	**581**	0	**0**	0
Corporation tax payable	**49**	42	**0**	0
Accrued interest on loans	**0**	188	**0**	189
Total current trade and other payables	**53,164**	48,126	**50,214**	47,280
Non-current				
Deferred tax	**16**	2	**0**	0
Total non-current trade and other payables	**16**	2	**0**	0
Of which payables from NHS and DHSC group bodies (no non-current):	**9,174**	6,101	**8,707**	5,679

Notes to the Accounts

Note 21 Trade and other payables continued

Note 21.2 Movement in deferred tax liability

	Group		Foundation Trust	
	31 March 2019 £000	31 March 2018 £000	**31 March 2019 £000**	31 March 2018 £000
Deferred tax liability at beginning of year	**2**	0	**0**	0
Charge to the statement of comprehensive income in the year	**14**	2	**0**	0
Deferred tax liability at end of year	**16**	2	**0**	0
The deferred tax liability consists of:				
Accelerated capital allowances	**16**	2	**0**	0

Note 22 Other liabilities

	Group		Foundation Trust	
	31 March 2019 £000	31 March 2018 £000	**31 March 2019 £000**	31 March 2018 £000
Current				
Deferred income - contract liabilities	**14,291**	10,642	**14,148**	10,642
Total other current liabilities	**14,291**	10,642	**14,148**	**10,642**
Non-current				
Deferred income - contract liabilities	**1,500**	1,500	**1,500**	1,500
Total other liabilities	**15,791**	12,142	**15,648**	12,142

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Note 23 Borrowings

	Group		Foundation Trust	
	31 March 2019	31 March 2018	**31 March 2019**	31 March 2018
	£000	£000	**£000**	£000
Current				
Loans from DHSC	**3,319**	3,223	**3,319**	3,223
Other loans	**996**	983	**996**	983
Obligations under finance leases	**92**	0	**0**	0
Total current borrowings	**4,407**	4,206	**4,315**	4,206
Non-current				
Loans from DHSC	**50,337**	32,678	**50,337**	32,678
Other loans	**6,923**	7,845	**6,923**	7,845
Obligations under finance leases	**1,575**	0	**0**	0
Total non-current borrowings	**58,835**	40,523	**57,260**	40,523

Following adoption of IFRS 9, on 1 April 2018, the GAM was subsequently updated and loans are measured at amortised cost.

Further information on borrowings

	Original Value	Interest Rate	Term	Balance at 31 March 2019 *
Analysis of DHSC loans	**£000**	**%**	**Years**	**£000**
Capital loan 1: Agreement dated 6 March 2009	25,000	3.70	25	16,321
Capital loan 2: Agreement dated 26 July 2012	16,500	2.06	25	12,799
Interim Revenue Support Loan: Agreement dated 6	9,250	1.42	8	3,635
Interim Revenue Support Loan: Agreement dated 6 March 2019	20,883	1.50	3	20,901
Analysis of other loans				
Salix Finance Ltd (Energy Efficiency Loans Programme): Agreement dated May 2014 (Completed 1 September 2018)	477	0	4	0
Blackpool Council Loan: Agreement dated 7 July 2017	9,230	1.96	10	7,919
Analysis of finance leases				
Siemens Financial Services Ltd: Agreement dated 16 May 2018	1,723	0.82	15	1,667

* Includes accrued interest at 31 March 2019

Notes to the Accounts

Note 23 Borrowings continued

Note 23.1 Reconciliation of liabilities arising from financing activities

Group	DHSC loans £000	Other loans £000	Finance leases £000	Total £000
Carrying value at 1 April 2018	35,901	8,828	0	**44,729**
Impact of implementing IFRS 9 on 1 April 2018	84	81	0	**165**
Cash movements:				
Financing cash flows - receipt of principal	20,883	0	0	**20,883**
Financing cash flows - payments of principal	(3,223)	(983)	(56)	**(4,262)**
Financing cash flows - payments of interest	(975)	(166)	(13)	**(1,154)**
Non-cash movements:				
Additions	0	0	1,723	**1,723**
Interest charge arising in the year	986	159	13	**1,158**
Carrying value at 31 March 2019	**53,656**	**7,919**	**1,667**	**63,242**

Trust	DHSC loans £000	Other loans £000	Total £000
Carrying value at 1 April 2018	35,901	8,828	**44,729**
Impact of implementing IFRS 9 on 1 April 2018	84	81	**165**
Cash movements:			
Financing cash flows - receipt of principal	20,883	0	**20,883**
Financing cash flows - payments and receipts of principal	(3,223)	(983)	**(4,206)**
Financing cash flows - payments of interest	(975)	(166)	**(1,141)**
Non-cash movements:			
Interest charge arising in the year	986	159	**1,145**
Carrying value at 31 March 2019	**53,656**	**7,919**	**61,575**

Note 23.2 Finance leases

Obligations under finance leases where the Group is the lessee	Group	
	2019 £000	2018 £000
Gross lease liabilities	**2,101**	0
of which liabilities are due:		
- not later than one year;	**145**	0
- later than one year and not later than five years;	**579**	0
- later than five years.	**1,377**	0
Finance charges allocated to future periods	**(434)**	0
Net lease liabilities	**1,667**	0
of which payable:		
- not later than one year;	**92**	0
- later than one year and not later than five years;	**396**	0
- later than five years.	**1,179**	0

BFW Management have entered into a 15 year finance lease agreement for the rental of beds and mattresses as part of a bed replacement programme provided as part of the fully managed facility service to the Foundation Trust.

There are no finance leases in the Foundation Trust (2018: Nil)

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Note 24 Provisions (Group and Trust)

	Pensions relating to other staff	Permanent Injury Benefit	Other Legal Claims	Other	Total
	£000	£000	£000	£000	£000
At 1 April 2018	**94**	**1,315**	**127**	**385**	**1,921**
Change in the discount rate	0	(21)	0	0	**(21)**
Arising during the year	0	2	131	646	**779**
Utilised during the year	(16)	(84)	(98)	0	**(198)**
Reversed unused	0	0	(35)	(385)	**(420)**
Unwinding of discount	1	4	0	0	**5**
At 31 March 2019	**79**	**1,216**	**125**	**646**	**2,066**
Expected timing of cash flows:					
- not later than one year;	15	78	125	646	**864**
- later than one year and not later than five years;	49	313	0	0	**362**
- later than five years.	15	825	0	0	**840**
Total	**79**	**1,216**	**125**	**646**	**2,066**

The provisions for pensions relating to other staff and permanent injury benefit are stated at the present value of future amounts estimated as payable using life expectancy tables provided by the Office of National Statistics. Payments are made on a quarterly basis to the NHS Pension Scheme and NHS Injury Benefit Scheme respectively.

Other legal claims represent an estimate of the amounts payable by the NHS Foundation Trust in relation to the excess on claims for clinical negligence and injury to third parties. In return for an annual contribution from the NHS Foundation Trust to NHS Resolution, the claims are settled by NHS Resolution on the NHS Foundation Trust's behalf and excess amounts charged to the NHS Foundation Trust at that point.

Note 25 Clinical negligence liabilities

At 31 March 2019, £262,908k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of Blackpool Teaching Hospitals NHS Foundation Trust (31 March 2018: £224,482k).

Note 26 Contingent assets and liabilities

	Group		Foundation Trust	
	31 March 2019	31 March 2018	**31 March 2019**	31 March 2018
	£000	£000	**£000**	£000
Value of contingent liabilities				
NHS Resolution legal claims	(63)	(98)	(63)	(98)
Value of contingent liabilities	**(63)**	(98)	**(63)**	(98)

This is the maximum potential liability for Staff and Occupiers Liability, which represents the difference between the balance provided and the excess due to NHS Resolution scheme of which the NHS Foundation Trust is a member. This estimate is based on an assessment of the outcome of each case and as such may vary up to the point of settlement or withdrawal. Costs are charged to the NHS Foundation Trust up to the value of the excess by NHS Resolution as they are incurred.

The Trust has no contingent assets.

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Note 27 Contractual capital commitments

	Foundation Trust			
	31 March 2019 £000	31 March 2019 £000	31 March 2019 £000	31 March 2018 £000
Property, plant and equipment	0	0	0	938
Total contractual capital commitments	**0**	**0**	**0**	**938**

Note 28 Financial Instruments

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 carrying amount of financial assets (see note 28.1) represents the maximum credit exposure.

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. The Group has a Cash Committee which meets monthly to monitor cash performance and forecast. The Cash Committee is monitored by the Finance Committee.

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.

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Note 28.1 Carrying values of financial assets

IFRS 9 Financial Instruments is applied retrospectively from 1 April 2018 without restatement of comparatives. As such, comparative disclosures have been prepared under IAS 39 and the measurement categories differ to those in the current year analyses.

Group	Held at amortised cost	Held at fair value through the I&E	Held at fair value through the OCI	Total book value
	£000	£000	£000	£000
Carrying values of financial assets as at 31 March 2019 under IFRS 9				
Trade and other receivables excluding non financial assets	26,325	0	0	**26,325**
Cash and cash equivalents	15,586	0	0	**15,586**
Total at 31 March 2019	41,911	0	0	**41,911**

Foundation Trust	Held at amortised cost	Held at amortised cost	Held at fair value through the I&E	Held at fair value through the OCI	Total book value
	£000	£000	£000	£000	£000
Carrying values of financial assets as at 31 March 2019 under IFRS 9					
Trade and other receivables excluding non financial assets	25,443	25,443	0	0	**25,443**
Cash and cash equivalents	13,534	13,534	0	0	**13,534**
Total at 31 March 2019	**38,977**	**38,977**	**0**	**0**	**38,977**

Group	Loans and receivables	Assets at fair value through I&E	Held to maturity	Available for sale	Total book value
	£000	£000	£000	£000	£000
Carrying values of financial assets as at 31 March 2018 under IAS 39					
Trade and other receivables excluding non financial assets	26,920	0	0	0	**26,920**
Cash and cash equivalents	3,314	0	0	0	**3,314**
Total at 31 March 2018	**30,234**	**0**	**0**	**0**	**30,234**

Foundation Trust	Loans and receivables	Assets at fair value through I&E	Held to maturity	Available for sale	Total book value
	£000	£000	£000	£000	£000
Carrying values of financial assets as at 31 March 2018 under IAS 39					
Trade and other receivables excluding non financial assets	30,142	0	0	0	**30,142**
Cash and cash equivalents	1,916	0	0	0	**1,916**
Total at 31 March 2018	**32,058**	**0**	**0**	**0**	**32,058**

Notes to the Accounts

Note 28 Financial Instruments continued

Note 28.2 Carrying values of financial liabilities

IFRS 9 Financial Instruments is applied retrospectively from 1 April 2018 without restatement of comparatives. As such, comparative disclosures have been prepared under IAS 39 and the measurement categories differ to those in the current year analyses.

Group	Held at amortised cost	Held at fair value through the I&E	Total book value
	£000	£000	£000
Carrying values of financial liabilities as at 31 March 2019 under IFRS 9			
Loans from the Department of Health and Social Care	53,656	0	**53,656**
Other borrowings excluding finance leases	7,919	0	**7,919**
Obligations under finance leases	1,667	0	**1,667**
Trade and other payables	45,970	0	**45,970**
Total at 31 March 2019	**109,212**	**0**	109,212

Foundation Trust	Held at amortised cost	Held at fair value through the I&E	Total book value
	£000	£000	£000
Carrying values of financial liabilities as at 31 March 2019 under IFRS 9			
Loans from the Department of Health and Social Care	53,656	0	**53,656**
Other borrowings excluding finance leases	7,919	0	**7,919**
Trade and other payables	38,858	0	**38,858**
Total at 31 March 2019	**100,433**	**0**	**100,433**

Group	Held at amortised cost	Held at fair value through the I&E	Total book value
	£000	£000	£000
Carrying values of financial liabilities as at 31 March 2018 under IAS 39			
Borrowings	44,729	0	**44,729**
Trade and other payables	42,405	0	**42,405**
Total at 31 March 2018	**87,134**	**0**	87,134

Foundation Trust	Held at amortised cost	Held at amortised cost	Held at amortised cost
	£000	£000	£000
Carrying values of financial liabilities as at 31 March 2018 under IAS 39			
Borrowings	44,729	0	**44,729**
Trade and other payables	41,668	0	**41,668**
Total at 31 March 2018	**86,397**	**0**	86,397

The NHS Foundation Trust has three loans with the Department of Health and Social Care (DHSC), one loan with Blackpool Council, and one interest free loan (that ended during the 2018/19 financial year) with the Energy Efficiency Loans Programme categorised within financial liabilities. The carrying value of the liability is considered to approximate to fair value as the 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.

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Notes to the Accounts

Note 28 Financial Instruments continued

Note 28.3 Maturity of financial liabilities

	Group		Foundation Trust	
	31 March 2019	31 March 2018	**31 March 2019**	31 March 2018
	£000	£000	**£000**	£000
In one year or less	**50,377**	46,611	**43,173**	45,874
In more than one year but not more than two years	**4,241**	4,146	**4,147**	4,146
In more than two years but not more than five years	**29,311**	9,577	**29,008**	9,577
In more than five years	**25,283**	26,800	**24,105**	26,800
Total	**109,212**	87,134	**100,433**	86,397

Note 29.1 Initial application of IFRS 9

IFRS 9 Financial Instruments as interpreted and adapted by the GAM has been applied by the Trust from 1 April 2018. The standard is applied retrospectively with the cumulative effect of initial application recognised as an adjustment to reserves on 1 April 2018.

IFRS 9 replaces IAS 39 and introduces a revised approach to classification and measurement of financial assets and financial liabilities, a new forward-looking 'expected loss' impairment model and a revised approach to hedge accounting.

Under IFRS 9, borrowings from the Department of Health and Social Care, which were previously held at historic cost, are measured on an amortised cost basis. Consequently, on 1 April 2018 borrowings increased by £84k, and trade payables correspondingly reduced.

The GAM expands the definition of a contract in the context of financial instruments to include legislation and regulations, except where this gives rise to a tax. Implementation of this adaptation on 1 April 2018 has led to the classification of receivables relating to Injury Cost Recovery as a financial asset measured at amortised cost. The carrying value of these receivables at 1 April 2018 was £2,345k.

Note 29.2 Initial application of IFRS 15

IFRS 15 Revenue from Contracts with Customers as interpreted and adapted by the GAM has been applied by the Trust from 1 April 2018. The standard is applied retrospectively with the cumulative effect of initial application recognised as an adjustment to the income and expenditure reserve on 1 April 2018.

IFRS 15 introduces a new model for the recognition of revenue from contracts with customers replacing the previous standards IAS 11, IAS 18 and related Interpretations. The core principle of IFRS 15 is that an entity recognises revenue when it satisfies performance obligations through the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those goods or services.

As directed by the GAM, the Trust has applied the practical expedient offered in C7A of the standard removing the need to retrospectively restate any contract modifications that occurred before the date of implementation (1 April 2018).

Notes to the Accounts

payments

	2018/19		2017/18	
	Total number of cases	Total value of cases	Total number of cases	Total value of cases
Group	Number	£000	Number	£000
Losses				
Bad debts and claims abandoned	0	0	1	50
Total losses	0	0	1	50
Special payments				
Ex-gratia payments	49	94	50	60
Total special payments	49	94	50	60
Total losses and special payments	49	94	51	110

Note 31 Related parties

Parent

The NHS Foundation 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 during the year are:

NHS Bodies
NHS Blackpool CCG
NHS Fylde & Wyre CCG
NHS England
Health Education England
NHS Resolution
NHS Property Services
Lancashire Teaching Hospitals NHSFT
East Lancashire Hospitals NHST

Local Authorities
Blackpool Unitary Authority
Lancashire County Council

Central Government
HM Revenue & Customs
NHS Pension Scheme

Non Whole of Government Accounts Bodies

The NHS Foundation Trust has a number of related parties with non Whole of Government Accounts (WGA) bodies where Governors hold positions at Universities. Teaching Hospital status was achieved through collaboration with the University of Liverpool therefore is treated as a related party. NHS Shared Business Services is classed as a related party to the NHS although it is outside the WGA boundary. The NHS Foundation Trust has had transactions with these bodies as set out below:

	Income		Receivables	
			31 March	31 March
	2018/19	2017/18	2019	2018
	£000	£000	£000	£000
University of Central Lancashire	203	86	0	70
St Johns Hospice	0	35	0	0
Buckingham University	0	49	0	0
Lancaster University	7	4	7	2
Blackpool Coastal Housing	22	0	27	0
University of Liverpool	25	8	0	2
	257	182	34	74

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Notes to the Accounts

Note 31 Related parties continued

Non Whole of Government Accounts Bodies continued

	Expenditure		Payables	
	2018/19	2017/18	**2019**	2018
	£000	£000	**£000**	£000
University of Central Lancashire	**352**	616	**16**	148
Liverpool John Moores University	**0**	16	**0**	0
University of Salford	**0**	10	**0**	0
Lancaster University	**60**	65	**0**	30
NHS Shared Business Services	**57**	57	**42**	11
Fylde Coast Womens Aid	**30**	13	**2**	0
Ormerod Home Trust Ltd	**0**	1	**0**	0
Blackpool Carers Centre	**1**	0	**0**	0
	500	778	**60**	189

Key management personnel

During the year reported in these accounts, none of the Board Members, Governors or key management staff have undertaken any material transactions with the Group. Details of Directors' remuneration and other benefits are included in the Annual Report's Remuneration Report

Blackpool Teaching Hospitals Charitable Fund

The NHS Foundation Trust has also received revenue and capital payments from Blackpool Teaching Hospitals Charitable Fund and related charities (formerly Blackpool, Fylde and Wyre Hospitals Charitable Fund). The Charity is registered with the Charity Commissioners (Registered Charity 1051570) and has its own Trustees drawn from the NHS Foundation Trust Board.

Transactions with the fund are as follows:

	2018/19	2017/18
	£000	£000
Donations received from the charitable fund, recognised as income	**21**	178
Amounts receivable from the fund as at 31st March	**128**	65

The amount receivable at 31st March is not secured and is not subject to particular terms and conditions.

Note 32 Transfers by absorption

On 1 October 2018 the provision of northern community services transferred from the NHS Foundation Trust to University Hospitals of Morecambe Bay NHS Foundation Trust.
The NHS Foundation Trust have accounted the transfer of assets used in the provision of this service as a loss on transfer by absorption. A loss of £57k has been reported in the Statement of Comprehensive Income for 2018/19 relating to:

	2018/19	2017/18
	£000	£000
Transfer of property, plant and equipment	**50**	0
Transfer of inventories	**7**	0
Total loss on transfer by absorption	**57**	0

Note 33 Events after the reporting date

On 30 April 2019 Wendy Swift, the Chief Executive of the NHS Foundation Trust retired. She has been replaced on an interim basis by Kevin McGee for a period of up to six months. Mr McGee will continue to remain Chief Executive Officer of East Lancashire Hospitals NHS Trust during this period.

Further copies of the Annual Report and Accounts for the period 1st April 2018 to 31st March 2019 can be obtained by writing to:

Miss Judith Oates
Corporate Assurance Manager/Foundation Trust Secretary
Blackpool Teaching Hospitals NHS Foundation Trust
Trust Headquarters
Blackpool Victoria Hospital
Whinney Heys Road
Blackpool
FY3 8NR

Alternatively the document can be downloaded from our website **www.bfwhospitals.nhs.uk**

If you would like to comment on our Annual Report or would like any further information, please write to:

Mr Kevin McGee
Interim Chief Executive
Blackpool Teaching Hospitals NHS Foundation Trust
Trust Headquarters
Blackpool Victoria Hospital
Whinney Heys Road
Blackpool
FY3 8NR