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NHS
Blackpool Teaching Hospitals
NHS Foundation Trust

Annual Report

and **Accounts** · 2017/18

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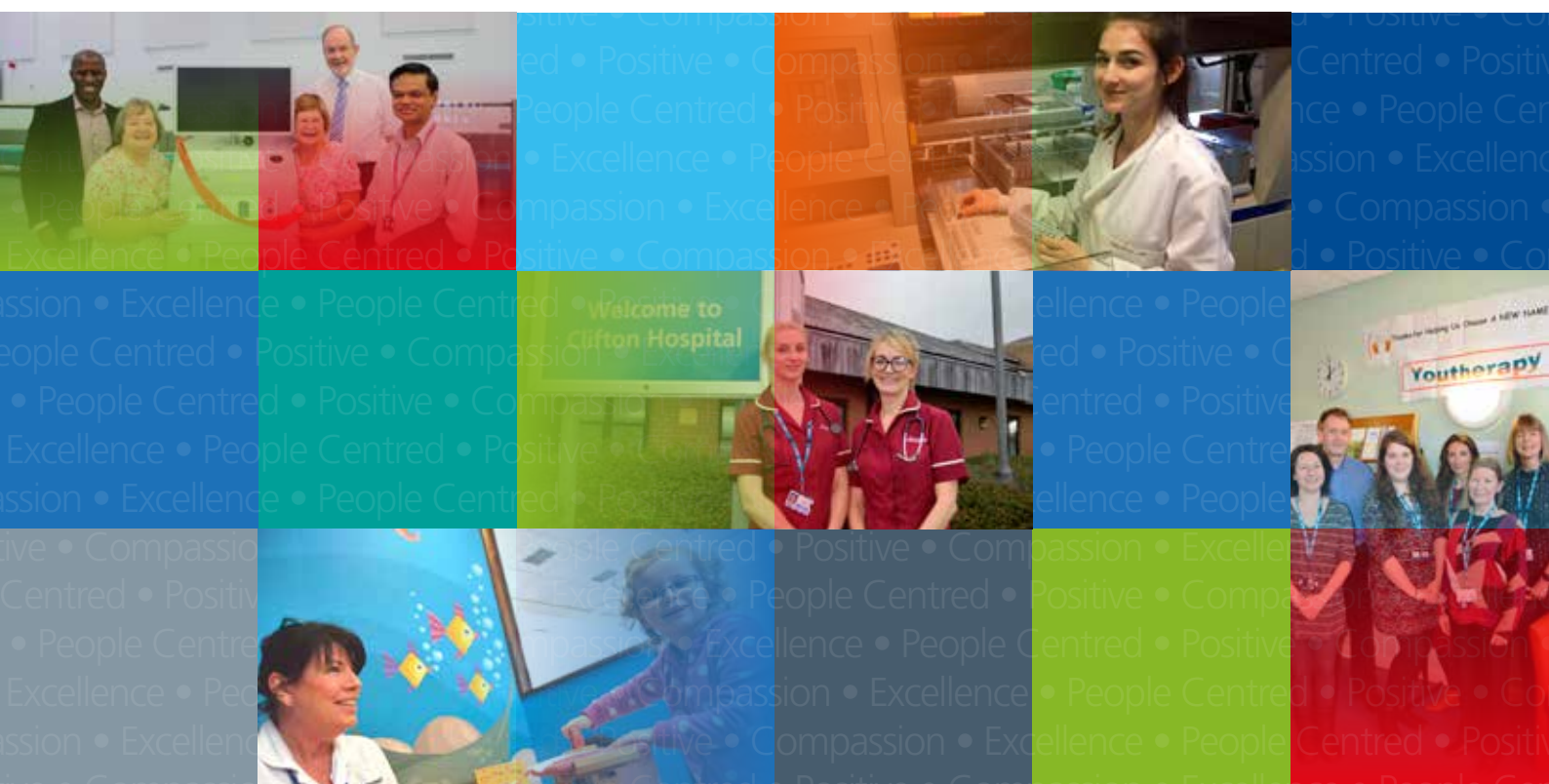
NHS

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

Contents

Chairman's and Chief Executive's Introduction

The year 2017/18 has been another challenging one for the Trust and we would like to thank all our dedicated staff, Governors and volunteers for all their hard work and commitment throughout the year.

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

The Trust, along with the wider NHS, is facing challenges in the years ahead – an ageing population; increasing numbers of people living with complex, long-term health and social care needs and rising expectations that a wider range of health services can provide an enhanced quality of life, all this against a background of increasing costs of providing care for our patients.

Nationally, NHS England has set out its expectations for the future through the publication of the Five Year Forward View. This describes a number of ambitions around changes to the way in which care is provided, all of which aim to reduce unnecessary admissions to hospital and improve the coordination of care for patients who have multiple, complex health and social care needs and we are delighted to see that our work with the Extensive Care programme on the Fylde coast and the Better Care Together partnership work in North Lancashire has seen some excellent results.

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

The Quality Strategy supports the Trust to provide compliance against the care standards set by the Care Quality Commission (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 reported that our services were "Good" or "Outstanding" in 15 out of 16 ratings and some areas identified for the Trust to review.

Among a number of highlights this year included our financial performance. The Trust planned to deliver a £3.8m surplus which included Sustainability and Transformation Funding (STF) of £9.4m as part of the Annual Planning process for 2017/18, but before the reporting of exceptional items, reported a surplus of £5.7m (2016/17: deficit £4.7m) including STF of £11.3m (2016/17: £12.3m) for the year which was an excellent achievement. Much of this was due to the fact that the Trust achieved its highest ever Cost Improvement Programme (CIP) savings of £21.2m (2016/17: £18.6m) which was an excellent achievement.

There remain a number of challenges for the Organisation especially in achieving the A&E waiting time standard. The Trust successfully launched the increased "Primary Care Streaming" in October 2017 improving performance for our non-admitted patients. However, the non-admitted patients that still require treatment in the A&E have not been seen in as timely a fashion due to the increasing demands and acuity of patients. In order to improve A&E performance and patient flow the Trust is working closely with the Emergency Care Improvement Programme (ECIP) to reduce the number of admissions and reduce the length of stay.

The impact of winter pressures compromised the Trust's ability to continue to deliver the Referral to Treatment (RTT) waiting times due to a mandated national directive to reduce bed occupancy during the winter periods to manage the non-elective demand.

In order to achieve the 18-week RTT standard at specialty level, the Trust will continue to respond to changing patterns of demand and will need to clear the back-log of long waiting patients as a result of cancelled elective activity in response to winter pressures.

The Trust also continued to experience challenges in the delivery of the cancer standards in 2017/18. The greatest challenge had been the impact that patient choice has had throughout the patient journey, but particularly to the first outpatient appointment, which we are aiming to improve and sustain a rate of 40% achievement. Work will continue into 2018/19 with the Alliance and through the Fylde Coast Cancer Steering Group to emphasise to the patients the importance of attending appointments once referred to the Trust and throughout the diagnostic stages of their pathway.

The Trust has experienced a number of highlights this year.

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 Tower Ballroom.

There has been a growing emphasis on recognising the work of staff and rewarding them for their commitment and loyalty. A new Going the Extra Mile recognition scheme has been piloted successfully and is set to be extended across the Organisation this year. 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.

The Trust launched its Freedom to Speak Up Guardian Service in 2017 with around 30 Champions trained across the Trust sites.

One major area of development over the past year has been the desire to invest in the youth of our local population, in order to attract, recruit and retain staff.

The Trust formed a "Health Academy" in partnership with St Mary's Catholic College while our Work Experience Programme has supported 388 students from all local schools and colleges. We received bronze accreditation from Fair Train this year, we also won Employer of the Year for our work with Blackpool & Fylde College.

The Trust continues to work in partnership with Blackpool & Fylde College and Blackpool Sixth Form College to support a Cadet Programme. During the past 12 months, the Trust has supported 45 cadets. Many of these cadets will go on to undertake undergraduate degrees at the local universities and return to the Trust as qualified practitioners in the future. All cadets will have guaranteed interviews with the Trust as Healthcare Assistants, making this a vital pipeline for our future workforce.

The Trust continues to work in partnership with Blackpool & Fylde College, Trafford College, University of Central Lancashire (UCLAN), Estio and Training 2000 to deliver various Apprenticeship programmes to new and existing staff. During the past 12 months, 108 staff members have been supported to gain a recognised qualification for the roles which they currently undertake.

The Trust is currently working in partnership with Blackpool Council with the Project Search initiative which provides a range of structured work placements for young people with learning disabilities, to enable them to gain valuable new skills and build their confidence to get on the road to employment.

In terms of performance, the Trust develops services based on patient experience feedback and works closely with several external organisations such as, Healthwatch Lancashire, NVision and the Blackpool Learning Disability Team among others to develop services.

The Trust's Patient Experience Team has worked closely with NHS England in the implementation of an "Always Event Programme" and can demonstrate how the "Johns Campaign" was reintroduced as part of this programme.

Some examples of 2017/18 service improvements facilitated across the Organisation include improved Haematology Services across Blackpool and Preston by improving the time to be seen for patients awaiting Haematology appointments.

The Rheumatology Service, in collaboration with local Clinical Commissioning Groups (CCG's), General Practitioners (GPs) and Consultant

Connect has developed a telephone triage system for all potential referrals to go through and has improved access times for patients requiring the Rheumatology Service and provides a more streamlined patient experience

The Stroke Service has been developed, with support from local CCG's, Stroke Association and Stroke Service professional team with an improvement in patient access to treatment and care with subsequent improvements in patient experience and outcomes.

One area that has received national attention is our work around the Patient Activation Measure (PAM) and Health Coaching. Patient Activation is the level of knowledge, skills and confidence a person has to manage their own health and wellbeing and understanding the PAM level of a patient enables healthcare professionals to tailor their approach appropriately. Using health coaching skills to tailor this approach is shown to support people in increasing their activation level, leading to improved clinical outcomes.

Our work around introducing New Care Models has been extended into the Children and Families Services and reflects the national and local strategic direction for care to be more integrated and community focused as described in the Five Year Forward View. This has been realised through a multitude of stakeholders support and high staff engagement for redesign around neighbourhoods.

Another area of success has been our Enhanced Recovery after Surgery (ERAS) programme which has expanded to enhance patient experience and outcomes from recovery following surgery. Patients are supported post discharge with phone

appointments and have the ERAS team's contact details as a hospital point of contact. This enables patient monitoring and support and has improved pain control, has a positive psychological impact on a patient's recovery and staff satisfaction due to visible improvements in quality of care through empowered decision making and an improvement in clinical outcomes for patients.

During the year there have been changes to the Board of Directors with the retirement of Mr Doug Garrett and Dr Malcolm McIllmurray as Non-Executive Directors and the appointment of Non-Executive Directors, Mr Keith Case and Mr Steve Finnigan. We would like to thank Doug and Malcolm for their efforts and service to the Trust.

The Trust Chairman, Mr Ian Johnson, also left the Organisation at the end of the year to join the University Hospitals of Morecambe Bay in a similar capacity. The Board of Directors would like to put on record their thanks to Ian for his support and advice over the last six years.

We would again like to thank our dedicated team of Volunteers, who give up their time to support us, and to everyone who has helped raise funds for the Trust charity, Blue Skies Hospitals Fund. All support is gratefully received and goes towards the provision of better care for our patients.
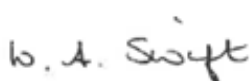
While much has been achieved again this year we know that there are always improvements we can make in order to deliver the best possible care for our patients but we know that with the dedication of our staff and the continued support of our Governors, Members and Volunteers we can look forward to more great things in 2018/19.

Signed: *Karen Crowshaw*

Karen Crowshaw
INTERIM CHAIRMAN

Date: 24th May 2018

Signed: *W. A. Swift*

Wendy Swift
CHIEF EXECUTIVE

Date: 24th May 2018

Performance Report

O v e r v i e w   o f   P e r f o r m a n c e

Chief Executive's Statement on Performance of the Trust

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

We are moving in the right direction thanks to our staff and partners but there is still work to be done. The pressures we have faced over the past 12 months will continue in 2018/19, which is why we need to continue and further intensify our focus on working towards our main aims of improving the patient and staff experience and reducing mortality rates, staff vacancies and length of stay (LOS).

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

Much of this work links in with the Trust's "Together We Can…" Five Year Strategy that was launched in 2016 after we worked in conjunction with partner organisations to undertake an in-depth strategic review across all aspects of our care provision, led by senior clinicians from across the Organisation and wider Fylde coast health and care economy. This resulted in the creation and launch of our Five Year Strategy and 2017/18 has been the second year of its implementation.

Last year, we launched our new Quality Strategy which sets out our ambition for three years to provide the best patient care that is informed, timely and safe.

The purpose of the Strategy is to support the delivery of the Organisation's Vision, Values, quality goals and strategic objectives and supports the Trust's overall Strategy by identifying and prioritising delivery of specified key improvements.

The Quality Strategy supports the Trust to provide compliance against the care standards set by the Care Quality Commission (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 reported that our services were "Good" or "Outstanding" in 15 out of 16 ratings and some other areas identified for the Trust to review. Action plans have been developed to address the regulated activity and the other areas identified for review will be monitored by the Quality Committee and at CQC quarterly engagement meetings throughout 2018/19. The regulated activity actions are also monitored through the local commissioning-led Quality Review Board.

A total of 2,300 members of staff took part in this year's NHS Staff Survey. There were some real positives in the report with improvements made in the three key areas covering the statutory Staff Friends and Family Test (SFFT) and the overall Engagement scores.
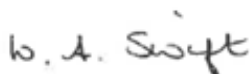
Significant improvements were seen in the areas covering the reporting of errors and a feeling that the Organisation takes action to ensure errors are not repeated. There were also significant improvements in staff being given feedback about changes made in response to reported errors and having training, learning or development in the last 12 months.

There were some areas of concern in staff feeling like they have enough resources to do their jobs properly and the feeling of health and wellbeing in the work place.

The Trust always aims to be responsive to patients' needs and will continue to listen to patients, staff,

stakeholders, partners and Foundation Trust Members as their views are extremely important to us. We are pleased that Governors and other local stakeholders have played a key part in shaping our priorities for the future. They have shared their ideas and comments so that we can continue to improve the quality of care and patient experience in areas when needed.

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

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

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

This Performance Report was approved by the Board of Directors on 23rd May 2018.

Signed:

Wendy Swift
CHIEF EXECUTIVE

Date: 24th May 2018

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 1st April 2012, the Trust merged with the Community Health Services of the former NHS Blackpool and NHS North Lancashire.

On 20th March 2017, the Trust's subsidiary company BFW Management Limited 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 1.6 million. The Trust is a provider of specialist tertiary care for Cardiac and Haematology Services across this region. The Trust does not operate outside of the United Kingdom.

The Trust provides a range of acute services to the 330,000 population of the Fylde coast health economy and the estimated 11 million visitors to the seaside town of Blackpool. Since 1st April 2012, the Trust also provides a wide range of Community Health Services to the 445,000 residents of Blackpool, Fylde, Wyre and North Lancashire.

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

During 2017/18, the Trust services have been provided from the following main sites:

- Blackpool Victoria Hospital;
- Clifton Hospital;
- Fleetwood Hospital.

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

The Trust's main commissioners are:

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

NHS Improvement is the Trust's regulator.

Purpose and Activities of our Trust

As well as providing the full range of District Hospital Services and Community Health Services, such as Adult and Children's Services, Health Visiting, Community Nursing, Sexual Health Services and Family Planning, Stop Smoking Services and Palliative Care, the Trust provides tertiary Cardiac, Haematology and Adult Cystic Fibrosis Services to a 1.6 million population catchment area covering Lancashire and South Cumbria.

The Trust provides a comprehensive range of acute hospital services to the population of the Fylde coast, as well as the millions of holidaymakers that visit each year. We employ 7,015 staff (headcount excluding Non-Executive Directors) and had a turnover in excess of £432m in 2017/18 (£410.7m in 2016/17).

Between 1st April 2017 and 31st March 2018 we treated 107,151 day cases and inpatients (elective and non-elective), 344,584 outpatients and had 79,997 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 and meetings, appraisals and our annual award ceremony.

Five Year Strategic Plan

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 2017/18 has been the second 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 and increasing costs of providing care for our patients. Nationally, NHS England has set out its expectations for the future of the NHS through the publication

of the Five Year Forward View. This describes a number of ambitions around changes to the way in which care is provided, all of which aim to reduce unnecessary admissions to hospital and improve the coordination of care for patients who have multiple, complex health and social care needs.

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

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

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"

Together we care

NHS
Blackpool Teaching Hospitals
NHS Foundation Trust

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	5.9	DAYS
NON-ELECTIVE	7.7	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 112
AMBITION 100
SHMI

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

REDUCING CLINICAL STAFF VACANCIES
BASELINE 4.5%
CURRENT 4.0%
AMBITION 2.5%

IMPROVING FINANCIAL SUSTAINABILITY
BASELINE RISK RATING 2
CURRENT RISK RATING 3
RISK RATING AMBITION 3

Together we can...

These will be achieved through our strategic work programmes:

Each of these work programmes has a lead Executive Director, Non-Executive Director, Divisional Director (a senior consultant) and a Clinical Lead. This team is focused on ensuring that the delivery of the various schemes is contributing to the overall achievement of our strategic ambitions. During 2017/18, we have made good progress against these ambitions and our programmes of work will continue into 2018/19.

Fylde Coast Local Delivery Plan

The Trust is a key partner in the development and implementation of the Fylde coast Local Delivery Plan (LDP). This is a reflection of the national direction of travel outlined in the Five Year Forward View, as well as our own acknowledgement that we will only be successful if we work in partnership across commissioners and providers of health and care.

During 2017/18, the Fylde Coast Vanguard received £4.32m of national funding for the year to pursue our priorities of introducing new care models. This funding helped us to move faster and at a greater scale than we otherwise would have been able to. Some of these new care models have been underway for some time and are receiving national recognition, such as the development of our Extensive Care Service.

We are participating in three national initiatives: the Vanguard Programme, 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 (ICP), 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 are being grouped into "transformation programmes", which are currently being set up. These will coordinate the relevant work ongoing across all of the partner organisations in the following categories:

- Integrated primary and community care;
- Urgent and emergency care;
- Planned care, and;
- Corporate services.

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 2017/18, further progress has been made with:

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

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 and many high-level operational risks on the Corporate Risk Register. All these risks will continue to impact the Organisation throughout 2018/19, however mitigation plans are in place and are monitored by the Audit Committee and 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 Emergency Preparedness, Resilience and Response Core Standards and include a Pandemic Influenza Plan, a Major Incident Plan and a Trust-wide Business Continuity Plan ratified by the Board of Directors. In addition, several other plans are ratified by the Emergency Planning Steering Committee, including the Severe Weather Plan, Ebola Procedure and Decontamination Plan. These documents define the key management systems and responsibilities of staff. The Trust-wide Business Continuity Plan incorporates a total of 56 departmental/service level plans covering all the divisional areas with operational information on alternative options to deliver their services should the need arise. The Trust-wide Business Continuity Plan has been aligned to the ISO22301 standard and during

2018/19 all EPRR plans will follow suit and will be reviewed taking into account the international standard and the United Kingdom's Joint Emergency Services Interoperability Programme (JESIP).

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.

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

The Emergency Planning Team undertake group training sessions on the internal management of major incidents for the on call or duty staff, this includes Duty Directors, Duty Managers (including Acute and Adults and Long Term Conditions), members of the Acute Response Team, Senior Nurses covering bleep 002 and Loggists. Working with the Emergency Department Lead Consultant, the training provided in relation to major incidents has been developed and a new training product is now being delivered to staff.

The Trust has undertaken a self-assessment in 2017 against the 60 NHS Core Standards for Emergency Preparedness, Resilience and Response. It was determined after following the Emergency Preparedness, Resilience and Response work plan that the Trust was "Substantially Compliant" with the core standards requiring some work to be done on four of the standards. A work plan has been put in place to address the four standards throughout 2017/18, which includes aligning the business continuity programme from BS25999 to ISO22301 and preparing a matrix to help determine if an emergency, in line with the Civil Contingencies Act, has occurred. The four areas for

improvement will be monitored via the Emergency Planning Steering Committee which sits on a quarterly basis and reports to Quality Committee.

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 to deliver a £14m deficit (after impairments and exceptions items of £1.1m) and year end cash deficit of £10m. The Trust must also deliver a Cost Improvement Programme of £17.4m. The Trust did not agree to deliver the NHSI control total and therefore is not eligible to gain any Provider Sustainability Fund (PSF) payments in 2018/19. As the Trust plan shows a cash deficit in months 11 and 12, should the Trust not be able to enact sufficient mitigations, the Trust will request short term funding support from NHSI.

At its meeting of 23rd May 2018 the Audit Committee considered the going concern assessment based on the operational plan for 2018/19. The plan is based on activity assumptions that have been agreed with commissioners, combined with expenditure budgets that have taken into account the likely cost risks in this period and the requirement for efficiencies of £17.4m.

After making enquiries, the Directors believe that it is appropriate to prepare the financial statements on a going concern basis.

Performance Analysis

Trust Performance

Non-elective services and waiting times in the Accident & Emergency Department (A&E)

The main challenges in achieving the A&E waiting time standard in 2017/18 were a general reduction in A&E attendances but an increase in non-elective admissions which has resulted in difficulties with bed capacity creating congestion in the A&E. The Trust successfully launched the increased "Primary Care Streaming" in October 2017 improving performance for the non-admitted patients. However, the non-admitted patients that still require treatment in the A&E have not been seen in as timely a fashion due to the congestion which has occurred. The A&E team, supported by the Division, are developing an action plan to improve the A&E non-admitted performance. In order, to improve A&E performance the Trust has enlisted the assistance of an external patient flow expert and is also working closely with ECIP. The actions being taken below should assist in reducing the number of admissions and reduce the length of stay. It may however be necessary for investment to occur around the number of high end complex beds and capacity in the community to return patients to their own homes with the necessary support.

The main areas for focus will be as follows:

- Establishing whether further deflections from the A&E Service can be made by expanding the AVS Service;
- Ensuring that our Ambulatory Care Service is ring-fenced for the sole use of ambulatory patients;
- The development of a Frailty Service which has been problematic over the last few years due to resource issues;
- Further improvement of the implementation of the SAFER bundle via our electronic white board system. This will include a drive to deliver 20% of our discharges from wards in a morning via the new Discharge Lounge;
- The introduction of Band 4 Bed Coordinators

whose prime task will be to identify and reduce the delays for the stranded patient;
- Improved utilisation and identification of patients for Clifton Hospital.

In Children's Services, there has been a consistent number of referrals to the Children's Assessment Unit (CAU) compared to 2016/17. The CAU is open 7 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 (including the Child and Adolescent Support and Help Response Team (CASHER) for the management of children's health and social care that will support primary care professionals to make appropriate choices in urgent/emergency situations.

Elective services including Referral to Treatment (RTT) and Cancelled Operations

The open pathway measure was consistently not achieved across 2017/18. The impact of winter pressures has again this year compromised the Trust's ability to continue to deliver the RTT waiting times due to a mandated national directive to reduce bed occupancy during the winter periods to manage the non-elective demand.

In order to achieve the 18-week RTT standard at specialty level, the Trust will continue to respond to changing patterns of demand and will need to clear the back-log of long waiting patients as a result of cancelled elective activity in response to winter pressures. To mitigate risk and address capacity issues, a combination of actions will be taken including creation of additional internal capacity where necessary, introduction of Tier 2 services to manage demand appropriately and identifying opportunities to redesign pathways and implementing new ways of working across the health economy. There is an evident need to outsource activity to alternative providers to retrieve the RTT position and prevent a further decline in RTT performance. During the winter pressures, the elective activity cancelled was the priority 3, 4 and 5 work. All priority 1 and 2 patients

progressed through the system; this shift in patient priority mix will impact on the RTT retrieval of performance as the Trust is now seeing more patients waiting longer. For Improving Access to Psychological Therapies (IAPT), the increased quarterly access rate of 4.2% has been achieved in Q1 and Q2 of 2017/18. Q3 performance was 4.0% and has been discussed with partners in the Fylde Coast Programme Board and plans are in place to increase the access rate in line with national requirements for 2018/19. The recovery rate target of 50% had not been achieved historically by the Trust but has now been achieved consistently since July 2017.

Cancer Services

The Trust continued to experience challenges in the delivery of the cancer standards in 2017/18. The greatest challenge had been the impact that patient choice has had throughout the patient journey, but particularly to the first outpatient appointment, which we are aiming to improve and sustain a rate of 40% achievement. Work will continue into 2018/19 with the Alliance and through the Fylde Coast Cancer Steering Group 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 2018/19. Actions to mitigate this include improved matching of demand and capacity through proactive pathway management. Formal escalation processes are in place and embedded across each element of the pathway. The launch of the two week NICE guidance is being continuously monitored and a review of the impact this has on capacity and performance standards in the Trust will inform future education and referral management guidance.

The Trust is currently implementing electronic referral for all cancer fast track referrals and will continuously review the impact this will have on capacity and performance standards in the Trust. Early diagnosis, fast diagnosis and equity of access to treatment and care are central to the National Cancer Strategy. The Fylde Coast Cancer Steering Group is responsible for the delivery against these objectives and actions are set out in our local Fylde Coast Strategy for Cancer 2016-2021. The transformation work is being overseen by the planned care work programme of the ICS and through the transformation work programmes within Lancashire and Cumbria Cancer Alliance.

Further work will be undertaken to understand diagnostic capacity gaps and ascertain requirements to meet the new waiting time standard that by 2020 all patients will have a cancer diagnosis confirmed or excluded by day 28.

During 2017/18 and 2018/19, additional transformation funds have been secured from NHS England and Macmillan Cancer Support to support the Trust in delivery of:

1) Improving cancer waiting times further;
2) Implementation of the recovery package to ensure all patients have a holistic needs assessment and care plan at the point of diagnosis and at the end of treatment, ensure that treatment summaries are sent to GPs at the end of treatment and that cancer care reviews are undertaken by GPs at the end of treatment;
3) Ensure all breast, colorectal and prostate cancer patients have access to a stratified follow up pathway of care;
4) Ensure all patients have access to a clinical nurse specialist or other key worker.

Diagnostic Services

Capacity across Diagnostic Services is a key factor in the delivery of all operational standards. Although increased demand for these services is forecast across 2018/19, the access standard of 99% of all patients waiting a maximum of six weeks is forecasted to continue (and has been consistently achieved throughout 2017/18). Capacity issues have been identified in MR, CT and Ultrasound Services. To manage the levels of demand, the Trust continues to maximise machine outputs, maintain increased working hours and ensure full slot utilisation. To flex capacity, mobile MR scanners will support the Trust during the peak requirements. A continuous process of review has been undertaken allowing the department to streamline activities and increase capacity

across all modalities. Additionally, the workforce review redesigns roles allowing the department to manage the further increase in demand within the multi skilled workforce. Staff development is a big part of the future and the department is training staff to increase role substitution to develop more complex imaging techniques in line with NICE guidelines and the Cancer Alliance. The continued transition to electronic ways of working, including requesting and protocolling, will support further demand management. The department is working towards Imaging Services Accreditation Scheme (ISAS) accreditation for the seventh year.

The Pathology Service continues to experience increased demand for its services, with continued difficulties in recruitment to Consultant Microbiologist roles. The department continues to promote a responsive workforce that allows scientists, nurses and supporting technical staff to undertake enhanced roles. The increased demand for Phlebotomy and Anticoagulation Dosing Advisory Service (ADAS) continues and the monitoring of patients starting on DOAC's (Direct Oral Anti Coagulants) in Secondary Care is now being managed by the ADAS team with an option to roll this out to Primary Care later in the year. The improvement of the Point of Care Testing (POCT) service standards for "UKAS" accreditation is positively impacting on patient safety. Each laboratory discipline is now fully accredited to

UKAS ISO15189 standards and has embarked on a yearly roll out of continuous improvement overseen by UKAS inspectors. The Trust has been successful this year in gaining funding from the Cancer Alliance to develop the PDL1 service for cancer patients both across the Fylde coast and the Alliance footprint. The Trust continues its commitment to working in partnership across the ICS footprint for all Pathology Services in response to NHSI directive in September 2017.

Financial Performance Review

The Trust planned to deliver a £3.8m surplus as part of the Annual Planning process for 2017/18.

Table 1 below compares performance against the 2017/18 plan.

Before the reporting of exceptional items the Trust reported a surplus of £5.7m for the year. After taking into account an impairment of assets of £0.5m, the Trust reported a surplus of £5.2m for the year.

Full details of the Trust's financial performance are set out in the accounts for 1st April 2017 to 31st March 2018 that accompanies the Annual Report in Annex G.

Table 1 compares the 2017/18 actual performance to the 2017/18 plan.

Table 1	Plan £'m	Actuals £'m	Variance £'m
Total income	411.5	432.1	20.6
Total operating expenses	(404.2)	(423.0)	(18.8)
Operating surplus	**7.3**	**9.1**	**1.8**
Total finance costs	(3.5)	(3.9)	(0.4)
Surplus for the financial year	**3.8**	**5.2**	**1.4**

The Trust'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

Legend: 2013/14, 2014/15, 2015/16, 2016/17, 2017/18

Year	Value (£m)
2013/14	(£12.4)
2014/15	(£7.5)
2015/16	(£17.0)
2016/17	(£4.7)
2017/18	£5.2
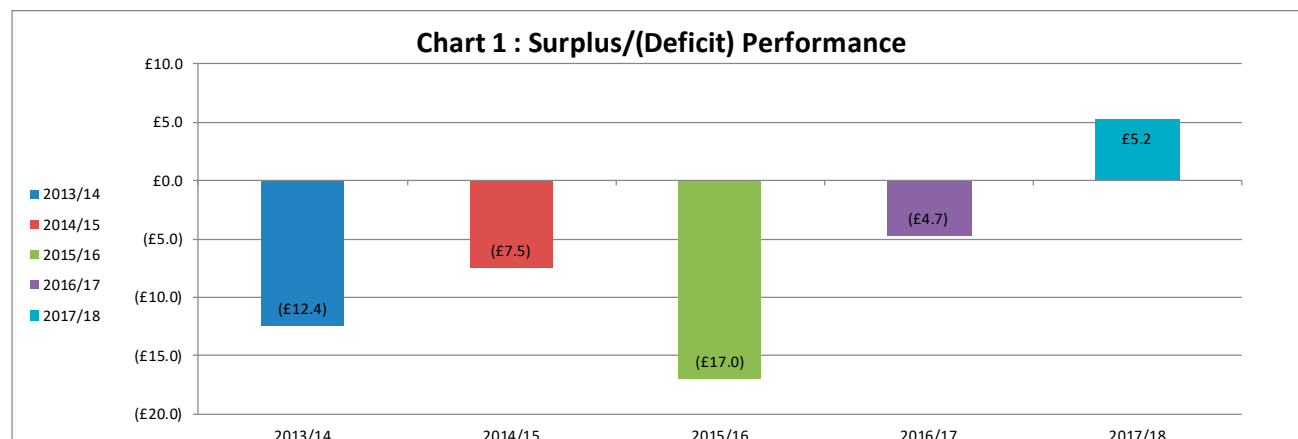
The financial performance prior to exceptional items was £1.9m better than plan.

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

Chart 2: Completed Patient Spells

Chart 2 : Completed Patient Spells

Legend: 2013/14, 2014/15, 2015/16, 2016/17, 2017/18

Year	Completed Patient Spells
2013/14	94,355
2014/15	100,662
2015/16	103,206
2016/17	104,019
2017/18	107,151

Chart 3: Outpatient Attendances

Chart 3 : Outpatient Attendances

Legend: 2013/14, 2014/15, 2015/16, 2016/17, 2017/18

Year	Outpatient Attendances
2013/14	305,185
2014/15	329,257
2015/16	362,018
2016/17	368,554
2017/18	344,584
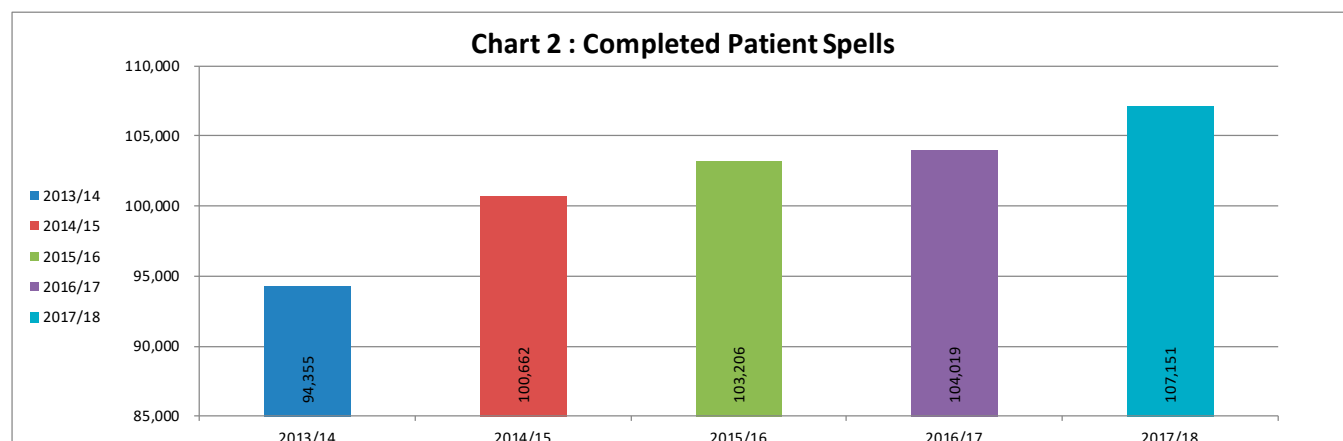
Chart 4: A&E Attendances

Chart 4 : A&E Attendances

Legend: ■ 2013/14 ■ 2014/15 ■ 2015/16 ■ 2016/17 ■ 2017/18

Year	Attendances
2013/14	82,999
2014/15	83,303
2015/16	86,067
2016/17	86,709
2017/18	79,997
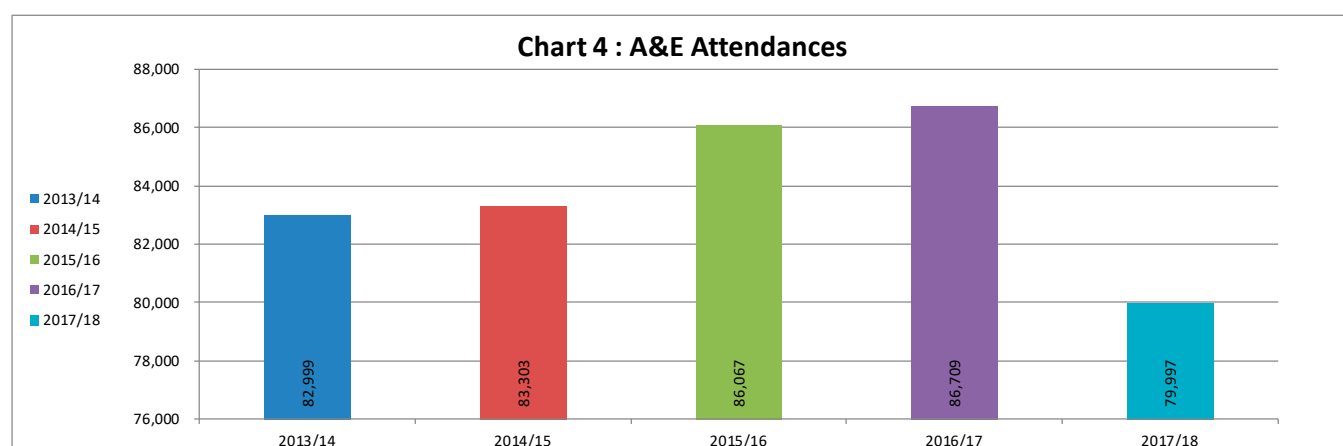
Income from providing clinical services to NHS patients, as shown in Table 2 and Chart 5 below, represents the majority of the Trust's income. The provision of these services is covered by contracts with Clinical Commissioning Groups, other NHS commissioners and Local Authorities. The terms of these 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	2017/18 Clinical Income (£'m)
Blackpool CCG	139.7
Fylde & Wyre CCG	105.7
Morecambe Bay CCG (formerly Lancashire North CCG)	15.8
NHS England - Specialist Commissioning	70.9
NHS England - Other Commissioning	20.3
Other Associate CCGs	13.7
Non-Contracted CCGs	2.9
Other NHS	3.2
Total	**372.2**

Chart 5: Clinical Income Recovery by Commissioners

Chart 5: Clinical Income Recovery by Commissioners

Legend:
- Blackpool CCG
- Fylde & Wyre CCG
- Morecambe Bay CCG (formerly Lancashire North CCG)
- NHS England - Specialist Commissioning
- NHS England - Other Commissioning
- Other Associate CCGs
- Non-Contracted CCGs
- Other NHS

Values shown: 13.7, 2.9, 3.2, 20.3, 139.7, 70.9, 15.8, 105.7
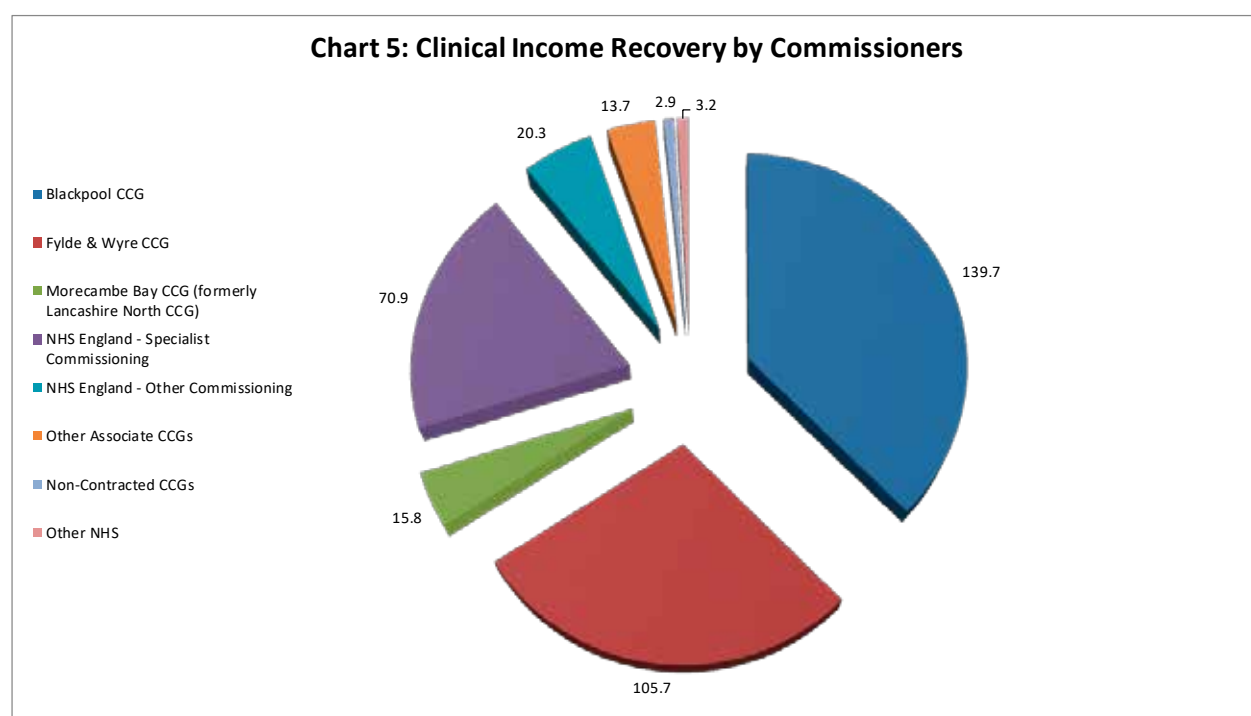
The Trust also receives a number of Non-NHS Clinical/Non-Clinical Income streams. The trend relating to this income is summarised in Chart 6 and the income performance by type is summarised in Table 3 and Chart 7.

Chart 6: Non-NHS Clinical/Non-Clinical Income 2013/14 to 2017/18

Chart 6 : Non-NHS Clinical/Non-Clinical Income 2013/14 to 2017/18

Legend:
- 2013/14
- 2014/15
- 2015/16
- 2016/17
- 2017/18

Bar values: 2013/14 £37.9, 2014/15 £38.5, 2015/16 £38.3, 2016/17 £62.1, 2017/18 £59.9
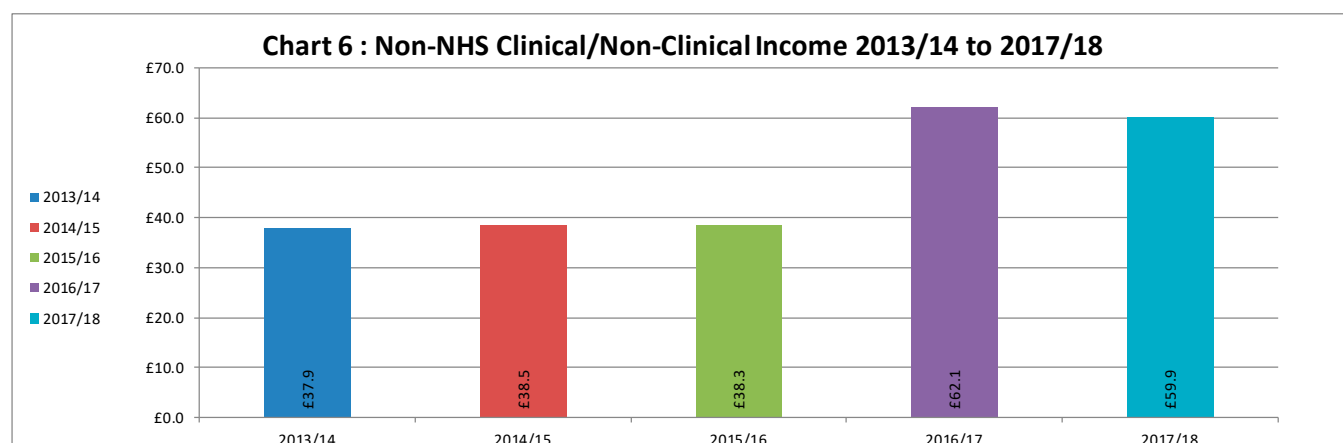
Table 3: Non-NHS Clinical/Non-Clinical Income by type

Non-NHS Clinical/Non-Clinical Income by type	2017/18 (£'m)
Private Patient Income	1.8
RTA Income	1.0
Other Non-Protected Clinical Income	1.3
Research and Development	1.4
Education, Training and Research	12.7
Non-Patient Care Services to Other Bodies	6.2
Local Authority Clinical Income	15.3
Sustainability & Transformation	11.3
Healthier Lancashire	1.8
Sale of Goods and Services	1.0
Other	6.0
Total	**59.9**

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

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

Legend:
- Private Patient Income
- RTA Income
- Other Non-Protected Clinical Income
- Research and Development
- Education, Training and Research
- Non-Patient Care Services to Other Bodies
- Local Authority Clinical Income
- Sustainability & Transformation
- Healthier Lancashire
- Sale of Goods and Services
- Other
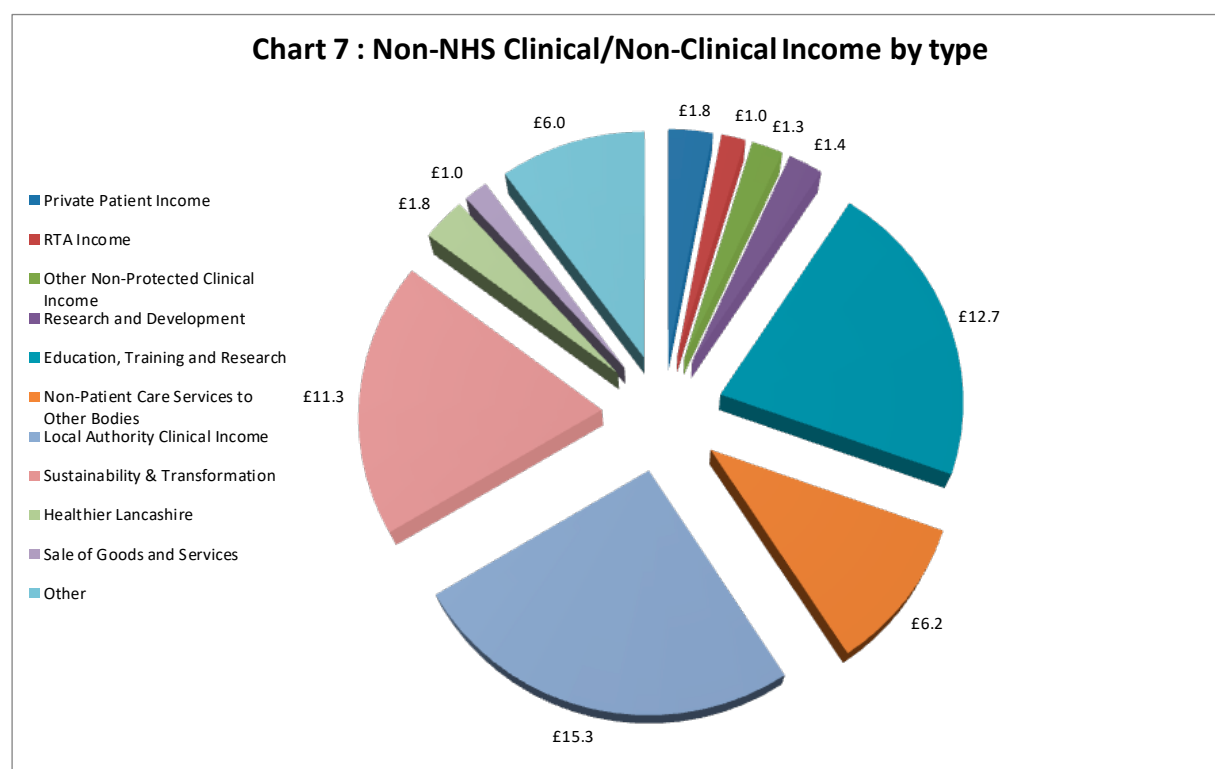
These income streams equated to £59.9m or 13.9% of the total income earned for the year. Of this £11.3m or 3% relates to Sustainability and Transformation Fund income and 6.8% relates to the provision of other services not directly related to healthcare, including catering and car park income. Any surplus from these services helps reduce the cost of patient related activities.

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

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

- 2013/14: £1.9
- 2014/15: £1.7
- 2015/16: £1.7
- 2016/17: £1.4
- 2017/18: £1.8
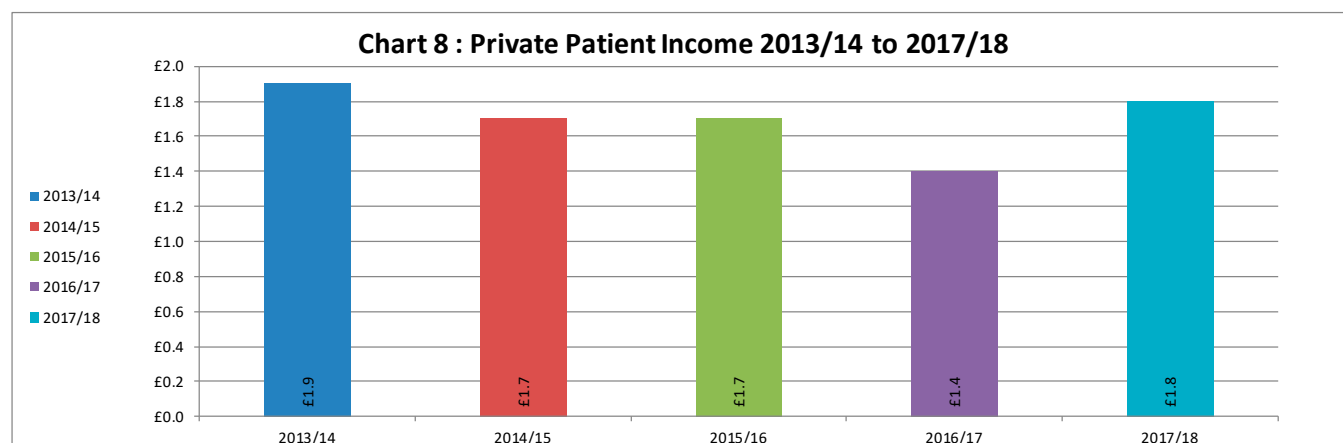
The Trust delivered £21.2m in CIP against a target of £21.0m. In addition, the Trust has also accounted for an impairment charge as a result of downward valuation of £0.5m which is included within operating expenses but treated as an exceptional item.

The Trust has in place a Transformation Team to scrutinise CIP planning and delivery, utilising external support to identify areas of improvement and develop/implement action plans to deliver the required efficiency. During the last five years, the Trust has delivered savings of £12.7m in 2013/14,

£20.3m in 2014/15, £17.8m in 2015/16, £18.6m in 2016/17 and £21.2m in 2017/18.

During the year, the Trust spent £5.6m on management costs which represents 1.29% of turnover. By comparison, in 2016/17, management costs as a percentage of turnover were 1.44%. 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

	2013/14 £'m	2014/15 £'m	2015/16 £'m	2016/17 £'m	2017/18 £'m
Expenditure	£385.6	£381.1	£399.5	£415.5	£426.9

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

Expenditure by Type	2017/18 (£'m)
Pay Costs	278.3
Drug Costs	34.7
Depreciation & Impairments	7.0
Other Non-Pay	103.0
Financing Costs	3.9
Total	**426.9**

Chart 9: Expenditure for 2017/18 broken down by expenditure type

Chart 9 : Expenditure for 2017/18 broken down by expenditure type

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

£103.0

£3.9

£7.0

£34.7

£278.3
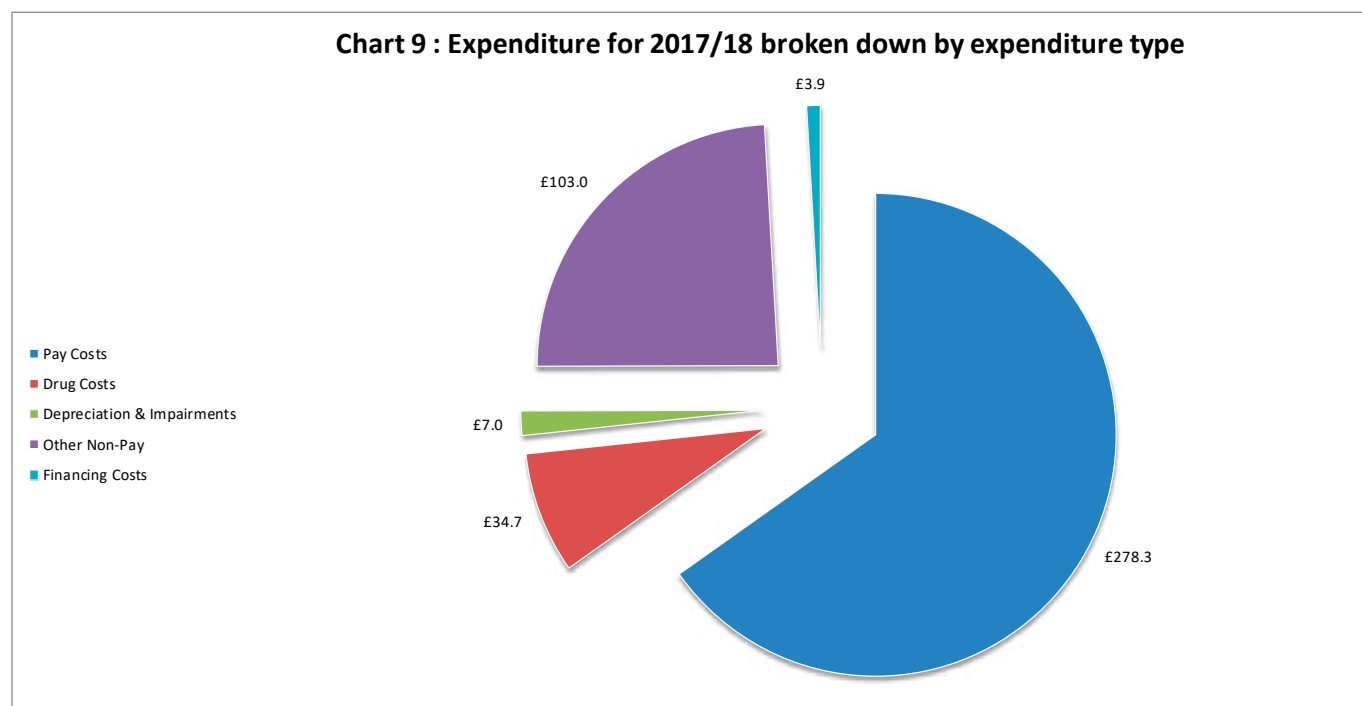
Cash Flow and Balance Sheet

The Trust's cash balance at the end of the financial year was £3.3m against a planned balance of £6.2m. The cash balance was £2.9m below the plan. Chart 10 summarises the Trust's year end cash balances across the last five years.

Chart 10: Year-end Cash Balances

Chart 10 : Year-end Cash Balances

- 2013/14
- 2014/15
- 2015/16
- 2016/17
- 2017/18

Year	Balance
2013/14	£25.3
2014/15	£25.1
2015/16	£7.8
2016/17	£3.9
2017/18	£3.3
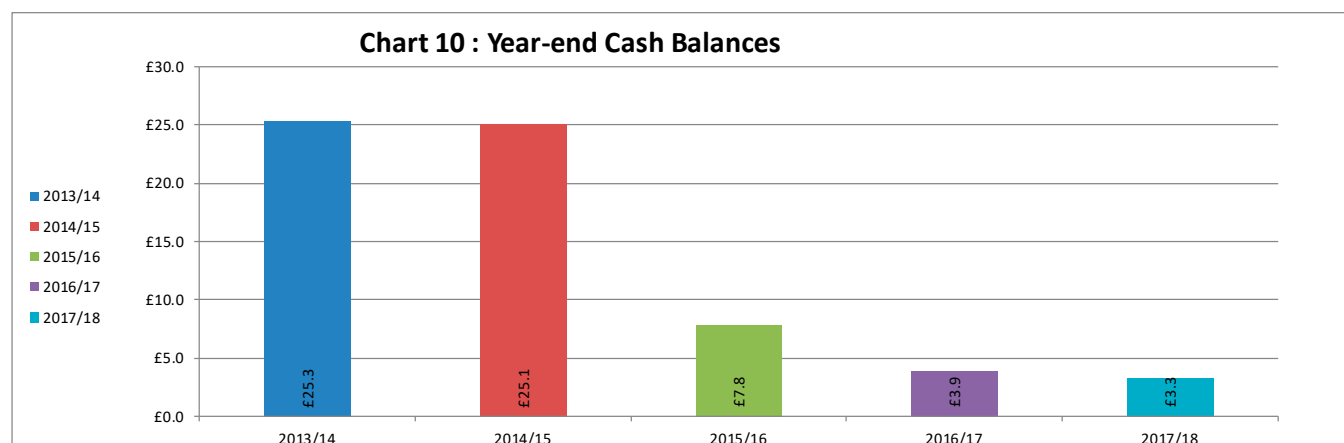
As a Foundation Trust, the Trust is required to ensure that it has enough liquidity to support its working capital requirements. During the year, the Trust has entered into a loan agreement with Blackpool Council for £9.23m to provide support for working capital and the delivery of transformation schemes. For further information on cash and liquidity expectations for 2018/19 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 2017/18.

Table 6: Better Payment Practice Code

Subject	Number 2017/18	£'000 2017/18	Number 2016/17	£'000 2016/17
Total Non-NHS trade invoices paid in the year	83,314	194,149	95,562	197,384
Total Non-NHS trade invoice within target	38,404	136,361	35,455	115,057
Percentage of Non-NHS trade invoices paid within target	46.1%	70.2%	37.1%	58.3%
Total NHS trade invoices paid in the year	3,363	53,274	3,365	27,316
Total NHS trade invoices paid within target	1,290	35,582	894	12,916
Percentage of NHS trade invoices paid within target	38.4%	66.8%	26.6%	47.3%

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 2017/18 (£0.03m: 2016/17).

The Trust invested over £8.6m in capital schemes during 2017/18 (£8.5m: 2016/17). Expenditure during the period included the following investments:

Table 7: Capital Expenditure 2017/18

	2016/17 £'m	2017/18 £'m
Medical Equipment	1.9	2.0
Electronic Information Projects	4.0	4.8
Building Infrastructure Projects	2.6	1.8

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 has been segmented 2.

Finance and Use of Resources

The finance and use of resources theme is based on the scoring of five measures from "1" to "4", where "1" reflects the strongest performance. These scores are then weighted to give an overall

score. Given that finance and use of resources is only one of the five themes feeding into the 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 2017/18

	2017/18 Plan	2017/18 Annual Performance
Liquidity ratio	-27.0 days	-24.7 days
Capital Service Cover	1.73X	2.08X
I&E Margin	0.91%	1.33%
I&E Margin variance from plan	0.00%	0.42%
Agency	-0.05%	4.13%

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 2017/18 accounts, which is outlined at Annex F.

Blackpool Teaching Hospitals NHS Foundation Trust has met the requirement for the 2017/18 Financial Year that the income from the provision of goods and services for the purposes of the health service in England is greater than its income from the provision of goods and services for any other purposes.

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

Financial Instruments

The Trust does not have any listed capital instruments and is not a financial institution. Due to the nature of the Trust's Financial Assets/ Financial Liabilities, book value also equates to fair value. All Financial Assets and Financial Liabilities are held in sterling.

Credit Risk

The Trust does not have any listed capital instruments and is not a financial institution. Due to the nature of the Trust's Financial Assets/ Financial Liabilities, book value also equates to fair value. All Financial Assets and Financial Liabilities are held in sterling.

Liquidity Risk

The Trust's net operating costs are incurred under service agreements with NHS England, local Clinical Commissioning Groups and Local Authorities, which are financed from resources voted annually by Parliament. The Trust largely finances capital expenditure through internally generated funds and from loans.

Market Risk

All of the Trust's financial liabilities carry nil or fixed rate of interest. In addition, the only element of the Trust's financial assets that is currently subject to variable rate is cash held in the Trust's main bank account and therefore the Trust is not exposed to significant interest rate risk.

Cost Allocation and Charging

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

External Contracts

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

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

External Auditors

The Council of Governors at their meeting on 31st January 2018 approved the appointment of PwC as the Trust's external auditors until 31st May 2019. PwC were paid £77,406 (including VAT) in respect of statutory audit fees of the Foundation Trust, including the independent reporting work in relation to the Independent Auditor's Report in the annual Quality Report. PwC were also paid £13,950 (excluding VAT) by BFW Management Ltd in respect of statutory audit fees relating to their Annual Accounts.

The Trust limits work undertaken by the external

auditors outside The Audit Code to ensure independence is not compromised. In 2017/18, PwC did not provide any other services to the Trust (2016/17: no other 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 recognises its responsibilities towards Sustainable Development and protecting the environment, as part of its duties as a promoter of high quality healthcare. The Trust is committed to providing high quality healthcare services to the local population whilst operating in a sustainable as possible way. During the last 12 months, the Trust has continued its efforts to reduce the carbon footprint with energy efficiency initiatives working towards the 20% reduction by 2020.

Context Examples, Foundation Plans and Stakeholder Engagement

Work continues to be undertaken to improve the efficiency of the steam distribution system on site, installation of 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 Operation TLC project has continued to reduce energy use onsite, improving the patient environment through simple actions taken by staff. Staff continue to use the training in their area on how to create a more sustainable healing environment by turning off lights and letting in natural light, switching off unnecessary electrical equipment and controlling the temperature to suit the patient's needs.

Benchmarking

Following the schemes of 2017/18, we have upgraded the energy management system to system-link, commissioned water and energy audit to establish a baseline which will help to identify future energy saving opportunities this will result in reduction of our carbon footprint (CO2) emissions with the annual out turn of CO2 being lower than 2016/17.

This year continues to see the financial benefits of the 1.2MW CHP onsite at Blackpool Victoria Hospital, the upgrading of the transformer in the main boiler house which is contributing to the supply of electricity to the main hospital overnight and thus reduces our reliance on the national grid and contributes to savings on energy costs.

Future

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

Building on the success of Operation TLC programme, the Trust has a strong and dedicated work force of 7000+ staff and by positively engaging with Board members, management, staff members, Trade Unions and the third sector will help us to become more sustainable and improve the patient environment/experience through simple actions as turning lights off and switching off unnecessary equipment. The Trust is very keen to expand Operation TLC to other sites such as, Clifton Hospital, Fleetwood Hospital and community sites previously not engaged.

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

Quantitative and Qualitative Trends - Environmental Performance in Key Areas for 2016/17 and 2017/18

Table: Environmental Performance					
		Non-Financial Data		Cost	
		2016/17	2017/18	2016/17	2017/18
Waste Minimisation	Waste Arising (Total waste from all sources)	1417 tonnes	1506.5 tonnes	£280,546	£388,142.64
	Clinical Waste (waste disposed of via high temperature incineration)	596 tonnes	565.1 tonnes	£187,150	£214,557.09
	Waste sent to landfill	92.7 tonnes	61.27 tonnes	£43,426.95	£31,051.55
	Recycled waste	296 tonnes	364 tonnes	£6,898	£40,248*
	Non Hazardous Incineration (Energy from waste)	548 tonnes	515 tonnes	£85,700	£87,670
	Electrical and Electronic waste items	4.47 tonnes	3.09 tonnes	£0.00	£898
	Percentage of Waste subject to a recycling or recovery exercise	99.58%	100% (Trust) 49% (Atlas)	n/a	n/a
Management of Finite Resources	Water	155,859 m3	167,865 m3	£477,244	£522,084
	Electricity - Imported	31,281 GJ	35,041 GJ	£1,001,147	£1,121,485
	Total Electricity – Imported + CHP generated	60,202 GJ	58,933 GJ	£1,177,160	£1,152,346
	Gas	170,804 GJ	151,794 GJ	£1,136,270	£1,009,806
	Other Energy – Heating Oil	1,577 GJ	262 GJ	£17,094	£2,980
	Fuel used in Blackpool Teaching Hospital Trust owned transport	33,469 litres	29,725 litres	£38,542	£35,750
	Fuel used in ex North Lancashire Primary Care Trust owned transport	58,920 litres	61,234 litres	£67,131	£41,587
Direct Green House Gas (GHG) Emissions	Direct emissions from the energy sources above only – excluding CHP generated electricity	12,593 tonnes	11,463 tonnes	£212,144	£205,187

	-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 2018). 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). Organisation will require to report on carbon emission its omitted and surrender carbon allowances to Environment Agency (EA). - Please note the weight sent to landfill data and costs for 2016/17 have been amended.
Explanatory notes	

Costs not available for Balers x 3, Shredder Baler Compaction Servicing Sundries

Investment into energy efficiency has continued in 2017/18 and is led by the Energy Manager supported by Atlas Estates Team.

Progress on Objectives

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

Indirect Impacts

The utility market remains volatile and is subject to change on a regular basis and this is likely to be reflected in the current climate as we procure utility services for the coming years. Our current arrangements remain in place and have achieved the targeted saving we set out to achieve. In 2018, we will be commencing with procurement of utilities for the future again looking at what benefits and savings can be obtained.

Core Reporting on Material Sections

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

Social, Community and Human Rights Performance

The Trust continues to invest in the youth of our local population, in order to attract, recruit and retain staff. The Workforce Development Team regularly attends Career Fairs and Career Events hosted by local schools and Blackpool Council and Department of Work and Pensions (DWP).

In September 2017, the Trust formed a "Health Academy" in partnership with St Mary's Catholic College. This is an exciting venture and will provide a vital pipeline for the Trust to attract locally based young people into our workforce of the future.

Our Work Experience Programme has supported 388 students from all local schools and colleges, located within the geographical footprint during the past 12 months. We received bronze accreditation from Fair Train this year, we also won Employer of the Year for our work with Blackpool & Fylde College.

The Trust continues to work in partnership with Blackpool & Fylde College (B&FC) and Blackpool Sixth Form College to support a Cadet Programme. During the past 12 months, the Trust has supported 45 cadets. Many of these cadets will go on to undertake undergraduate degrees at the local universities and return to the Trust as qualified practitioners in the future. All cadets will have guaranteed interviews with the Trust as Healthcare Assistants, making this a vital pipeline for our future workforce.

The Trust continues to work in partnership with Blackpool & Fylde College, Trafford College, UCLAN, Estio and Training 2000 to deliver various Apprenticeship programmes to new and existing staff. During the past 12 months, 108 staff members have been supported to gain a recognised qualification for the roles which they currently undertake.

The Trust is currently working in partnership with Blackpool Council with the Project Search initiative. This provides a range of structured work placements for young people with learning disabilities, to enable them to gain valuable new skills and build their confidence to get on the road to employment.

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 various other initiatives, in order to 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 will be creating a bespoke sector-based work academy in partnership with B&FC and DWP to encourage those who are receiving working age related benefits to undertake a career in the NHS and receive an accredited qualification.

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 2018

Mr Ian Johnson, the Chairman of the Trust left the organisation on the 31st March 2018 and Mrs Karen Crowshaw, Deputy Chairman acted up as Interim Chairman.

Overseas Operations

The Trust has no operations outside the United Kingdom.

Accountability Report

D i r e c t o r s '   R e p o r t

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 one non-voting Executive Director. 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 take place on the same day as Board meetings to enable assurance issues to be discussed at the Board meetings and in-depth discussions about other issues to take place at the Council of Governors meetings. The meetings are chaired by the Trust Chairman and 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.

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

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

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

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

Changes to the membership of the Board of Directors during 2017/18 were as follows:

- The resignation of Doug Garrett, Non-Executive Director, in May 2017;
- The resignation of Dr Malcolm McIllmurray, Non-Executive Director, in July 2017;
- The appointment of Keith Case and Steve Finnigan, Non-Executive Directors, in August 2017;
- The resignation of Nicky Ingham, Director of Workforce & Organisational Development, in May 2017;
- The appointment of Jacqui Bate, Interim Director of People, in October 2017;
- The appointment of Paul Renshaw, Interim Director of Workforce, in January 2018.

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

With regard to the termination of Non-Executive Directors, removal is in accordance with the procedures outlined in the Trust Constitution as follows:

- Any proposal for removal must be proposed by a Governor and seconded by no less than 10 Governors, including at least two elected Governors and two Appointed Governors;
- Written reasons for the proposal shall be provided to the Non-Executive Director in question, who shall be given the opportunity to respond to such reasons;
- In making any decision to remove a Non-Executive Director, the Council of Governors shall take into account the annual appraisal carried out by the Chairman;
- If any proposal to remove a Non-Executive Director is not approved at a meeting of the Council of Governors, no further proposal can be submitted to remove such Non-Executive Director based upon the same reasons within 12 months of the meeting.

Board of Directors' meetings have taken place in 2017/18 as follows:

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

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

The two statutory committees are as follows:

- Audit Committee;
- Remuneration Committee.

The remaining four committees are as follows:

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

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

Board Committees

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

Board Members	Board of Directors	Corporate Trustee	Audit Committee	Remuneration Committee	Strategy & Assurance Committee	Finance Committee	Quality Committee	Strategic Workforce Committee
Number of Meetings	**6**	**4**	**6**	**5**	**5**	**11**	**5**	**4**
Ian Johnson	6	4	N/A	5	5	8	4	2
Karen Crowshaw	5	4	N/A	5	5	11	N/A	N/A
Doug Garrett *(until 31.5.17)*	2	N/A	2	1	N/A	N/A	N/A	N/A
Alan Roff	5	4	1 - NED Alternate	4	5	4 *****	5	N/A
Dr Malcolm McIllmurray *(until 31.7.17)*	3	1	N/A	2	1	1 *****	N/A	2
Michael Hearty	6	4	6	5	5	4 *****	4	N/A
Mark Cullinan	5	4	1 ** 1 - NED Alternate	5	5	11	N/A	4
Mary Whyham	6	4	6	5	5	1 *****	1 ***	3 1 ***
Keith Case *(from 1.8.17)*	3	3	N/A	3	3	6	N/A	N/A
Steve Finnigan *(from 1.8.18)*	3	3	2	3	3	1 *** 2 *****	N/A	1
Wendy Swift	6	4	3 *	4	5	11	5	4
Tim Bennett	5	4	6	N/A	5	10	N/A	N/A
Nicky Ingham *(until 31.5.17)*	2	N/A	N/A	N/A	0	1 **	N/A	1
Professor Mark O'Donnell	5	4	1 **	N/A	5	6	4	1
Pat Oliver	6	2	1 **	N/A	2	7	N/A	N/A
Marie Thompson	6	3	2 **	N/A	4	6 1 **	5	3
Jacqui Bate *(until 23.11.17)*	0	0	0	N/A	1	0	0	0
Paul Renshaw *(from 26.1.18)*	1	0	0	N/A	2	0	0	0

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

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

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

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

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

The work of the Board statutory committees and Board committees is evaluated on an annual basis against agreed work plans with assurance reports provided to the Board of Directors in respect of Audit, Finance, Quality and Strategic Workforce.

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

The following were included in the review:

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

Board Composition and Profile

Ian Johnson (Chairman)

Term of Office from 16.4.12 to 15.4.15 (First Term)
and from 16.4.15 to 15.4.18 (Second Term)
(resigned with effect from 31.3.18)

Experience:
- Thirty years' experience as a Solicitor and Company Director

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

Karen Crowshaw (Non-Executive Director and Deputy Chairman)

Term of Office from 1.6.11 to 31.5.14 (First Term)
and from 1.6.14 to 31.5.17 (Second Term)
(term extended for a maximum of 12 months 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

Doug Garrett (Non-Executive Director)

Term of Office from 1.6.11 to 31.5.14 (First Term)
and from 1.6.14 to 31.5.17 (Second Term)
(resigned 31.5.17)

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

Declarations of Interests:
- Chairman – BFW Management Ltd
- Chairman – Groundwork CIC
- Trustee - Bay Housing Association
- Trustee - 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)

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

Dr Malcolm McIllmurray (Non-Executive Director)

Term of Office from 01.08.14 to 31.07.17 (First Term)
(resigned 31.7.17)

Experience:
- Retired Consultant Physician and Medical Oncologist at Morecambe Bay Acute NHS Trust
- Former Clinical Director of Medicine at Morecambe Bay Acute NHS Trust
- Founder Trustee and former Medical Director of St John's Hospice in Lancaster
- Founder and former Chairman of Cancer Care
- Former member of the Tribunal Service, Social Security Division

Declarations of Interests:
- Honorary Fellow - Lancaster University

Michael Hearty (Non-Executive Director)

Term of Office from 1.4.16 to 31.3.19 (First Term)

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

Declarations of Interests:
- 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

Mark Cullinan (Non-Executive Director)

Term of Office from 1.7.16 to 30.6.19 (First Term)

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

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
- 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 Construction 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:
- None

Steve Finnigan (Non-Executive Director)

Term of Office from 1.8.17 to 31.7.20 (First Term)

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 Police Studies and Police Leadership – Liverpool John Moores University

Wendy Swift (Chief Executive)

Appointed in June 2017

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

Nicky Ingham (Director of Workforce & Organisational Development)

Appointed in November 2013
(resigned 31.5.17)

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

Declarations of Interests:
- Director – Nicky Ingham & Associates Limited

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

Pat Oliver (Director of Operations)

Appointed in April 2011

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

Declarations of Interests:
- Stakeholder Director – BFW Management Ltd

Marie Thompson (Director of Nursing and Quality)

Appointed in February 2009

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

Declarations of Interests:
- Independent Director – Blackpool Coastal Housing

Jacqui Bate (Interim Director of People) (non-voting)

Appointed in October 2017
(resigned 23.11.17)

Experience:
- Executive Director of HR/OD at Yorkshire Integrated Care Organisation
- Executive Director of Workforce at East of England Acute Trust
- Various consultancy/interim roles at Director/Senior Consultant level

Declarations of Interests:
- None

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

Appointed in January 2018

Experience:
- 30 years' experience as a human resources professional
- Extensive public and private sector experience as a Board member
- Prior to joining Blackpool Teaching Hospitals NHS Foundation Trust, worked as Executive Director of Organisational Development and Corporate Affairs at Salford Royal NHS Foundation Trust

Declarations of Interests:
- None

All members of the Board of Directors are voting members, with the exception of the Interim Director of People and the Interim Director of Workforce.

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. The review determined that the Trust was "well-led". Since then, the Trust has implemented all the recommendations identified and has been inspected by the CQC under the "well-led" domain in November 2017 being 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 48 in 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, feedback from staff/patients surveys, information from concerns raised, peer reviews through national quality surveillance team and requirements set from national guidance or directives.

For detailed information on the above see pages 18 and 48 of the Annual Report and section 3 of the Quality Report.

Stakeholder Relations and New Services

The Trust develops services based on patient experience feedback and works closely with several external organisations within this basis. These include Healthwatch Blackpool and Healthwatch Lancashire and NVision. Partnership working with these during 2017/18 has included survey work as well as secret shopper programmes.

The Trust has good relationships with the Blackpool Learning Disability Team to improve the care and treatment provision of people that have a Learning Disability and is proud of its processes that ensure supported navigating, fast tracking and implementation of reasonable adjustments to meet the specific needs of this patient group.

The Trust's Patient Experience Team has worked closely with NHS England in the implementation of an "Always Event Programme" and can demonstrate how the "Johns Campaign" was reintroduced as part of this programme.

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 2017/18 service improvements facilitated across the organisation are shared below and further examples of Trust-wide processes implemented to support overall quality and safety improvements are noted in the Quality Account section of the Annual Report.

Haematology Collaboration

This service has been developed to improve Haematology Services across Blackpool and Preston by improving the time to be seen for patients awaiting Haematology appointments. The Tertiary Hematology Service at Blackpool has made joint appointments with Lancashire Teaching Hospitals to provide a hub and spoke model to increase capacity and subsequent access to review clinics thus enhancing patients' experience of care in a timely manner.

Rheumatology Service Development

The Rheumatology Service, in collaboration with local CCG's, General Practitioners and Consultant Connect, undertook a test of change in receiving referrals to the service. A telephone triage system was set up for all potential referrals to go through, thus ensuring patients could be sign-posted to the most appropriate clinician to meet their needs. This has subsequently developed into a structured telephone triage service through the introduction to the Trust of Consultant Connect. This development improves access times for patients requiring the Rheumatology Service and provides a more streamlined patient experience.

Stroke Service Enhancements

Stroke Service, Blackpool CCG, Fylde & Wyre CCG, Stroke Association, Allied Health Professionals. The service has been developed, with support from local CCG's, Stroke Association and Stroke Service professional team, drawing upon national target information, patient experience and staff feedback. The triangulation of the information led to improved access to the Stroke Unit through the investment into senior Stroke Nurses to assess patients, and the investment into allied health care professionals to ensure that patients had access to physiotherapy, speech and language support and occupational therapy at the most appropriate time for them.

The Stroke Sentinel Audit SNAPP is linked to Stroke Service performance and through this investment over the last 12 months a demonstrable and sustained improvement in the SNAPP scores over the last two reporting quarters has been achieved taking the score from an E to a C. This indicates an improving patient access to treatment and care with subsequent improvements in patient experience and outcomes.

Care Home Support Service in Blackpool

This service has been developed to provide chronic disease management, end of life care planning and a responsive service to care home residents who become unwell to enable improved management of patients' better health and wellbeing at home and avoid admission into hospital. Additional resource from Commissioners plus the realignment of existing care home support model into a Neighbourhood footprint has assisted this development which supports the NHS Framework for Enhanced Health in Care Homes.

Patient Activation Measure (PAM) and Health Coaching

Patient Activation is the level of knowledge, skills and confidence a person has to manage their own health and wellbeing and understanding the PAM level of a patient enables healthcare professionals to tailor their approach appropriately. Using health coaching skills to tailor this approach is shown to support people in increasing their activation level, leading to improved clinical outcomes.

The development of this programme was initiated as part of the Vanguard work within the Trust's Extensive Care Service, aligning with the NHSE national focus around activation. Training has been provided across neighbourhood teams around Health Coaching and working with PAM. Alongside this, developing the role of a PAM and Health Coaching Champion to support embedding this new way of working from a practical and cultural perspective has been implemented. Introducing PAM and Health Coaching has supported MDT working, as it has become a shared language and approach across professions.

New Care Models introduced for Children's and Families Services

Staff working within four core services have been re-organised into neighbourhoods that consist of integrated teams across services of Community Maternity, Health Visiting, School Nursing and Speech and Language Therapy. This approach is to empower families within a new way of working with a range of partners to prevent children accessing A&E unnecessarily. A multi-agency, multi-disciplinary team looks at causal factors for families presentation e.g. social needs, unmet health needs and regular meetings are facilitated between health and local authority managers to plan change and drive it forward.

Speech and language therapy are offering drop-ins in the neighbourhood at children's centres for advice and guidance and easier access to services. Speech and language are offering services in schools where there are high referral rates. Drop-in groups are being offered for children and young people for emotional health and well-being at the children's centres. Speech and language therapy offer early years practitioner training to nurseries to skill-up the workforce to recognise and manage speech and language issues in the setting. Community midwifery offer Early Bird booking sessions in the neighbourhood.

The neighbourhood development reflects the national and local strategic direction for care to be more integrated and community focused as described in the Five Year Forward View and has only been realised through a multitude of stakeholders support and high staff engagement for redesign around neighbourhoods.

Children's and Young People's Mental Health Services Developments

A number of developments have progressed during 2017/18 within this service with three key to note including:

- within the Trust's CAMHS provision a new service user group, Entwined Minds, was established in 2017;
- Youtherapy became the new name for Connect Counselling, a name chosen by young people, encompassing a new role across Domestic Abuse Services which started in 2017;
- CASHER, the out of hour's service for young people with mental ill health or emotional distress, has been expanded with the addition of two outreach clinics in Fleetwood and Central Blackpool. The Trust is very proud to share that the team were finalists at the Nursing Times Awards in 2017.

All the above teams are key partners in the Blackpool Integrated Neighbourhood's Developments working closely with Universal Health and Social Care providers and they have strong working relationships with a range of Children's wellbeing third sector groups, they promote, protect and improve our children and young people's mental health and wellbeing.

Knee Replacements as Elective Day Cases

Verbal feedback from patients has reflected a wish to reduce their length of stay in hospital following elective knee replacement with patients often expressing their interest/request for the operation to be performed as a day-case. The surgical multidisciplinary team and waiting list team have facilitated a new service development to achieve this resulting in improved patient satisfaction and safety by reducing waits, improved surgery outcome and recovery, reduced risk of hospital-acquired infection, optimisation of theatre lists and improved patient outcomes as a result of reduction in length of hospital spell.

Enhanced Recovery after Surgery (ERAS)

During 2017/18, the Trust's ERAS Team has expanded to enhance patient experience and outcomes from recovery following surgery. Patients and the ERAS nurses develop a therapeutic relationship enabling patients to feel supported and involved in their care. ERAS nurses ensure daily patient review, nurse led pathways ensure that care is driven forward in a timely manner with variances from the pathway highlighted promoting swift intervention. Patients are supported post discharge with phone appointments and have the ERAS teams contact details as a hospital point of contact. This enables patient monitoring and support to continue post discharge, monitoring of post-operative complications and early appropriate interventions, if they occur, reducing avoidable hospital interventions. Outcomes for patients include improved pain control, positive psychological impact on a patients recovery, staff satisfaction due to visible improvements in quality of care through empowered decision making and an improvement in clinical outcomes for patients.

Improvements in Patient/Carer Information

In response to the National Inpatient Survey results 2016, the Patient Experience Team identified key areas for improvement in relation to "knowledge of who key staff were" and "how can patients comment on care/experience". To support this new literature to inform patients and visitors was produced and distributed across the Organisation and initial feedback from the 2017 survey suggests that this has had an impact and an area that the Trust has improved upon.

Literature to support the Johns Campaign was produced and is being used across the Organisation to promote open access and support by relatives/carers to their loved ones whilst in hospital.

The Organisation recently changed to a single interpreter provider with an enhanced booking portal process which with improved knowledge of use has improved access and quality of the provision of interpreting services to our patients.

Following stakeholder feedback the Patient Experience Team took over production of the bedside information folder which has been updated and launched in December 2017.

Complaints

Patient Relations Team received 3,837 contacts from members of the public over the last 12 months, a decrease of 329 cases compared to the number they received last year.

The number of formal complaints received by the Trust in 2017/18 was 582 (2016/17: 534) which includes 448 (2016/17: 426) written complaints and 134 (2016/17: 108) verbal complaints made. The overall number of formal complaints shows an increase of 48 for the Trust figures.

Whilst reduction of complaints is not necessarily an indicator of improvement, the severity of complaints received has lessened in the last 12 months; of the known grading to date there are 177 graded as low and 78 as moderate. Three complaints were graded as significant compared to nine significant and one high in the previous year.

Whilst each division investigates complaints the Patient Relations Team manages the complaint process and timeline. Last year, the Trust saw an improvement in the percentage of complaints that were responded to within 25-35 days. Unfortunately, in the current year, there has been deterioration in this from 96.5% to 78% due to delays within the Divisions and the Corporate Team. There has also been a deterioration in the number of complaints acknowledged within the required three day timeframe from 84% to 57%.

Complaints and concerns continue to be a regular agenda item on the Trust Board of Directors and are also discussed at each Divisional Clinical Quality and Risk meeting, the Learning from Incidents and Risks Committee and the Trust's quarterly Complaint Review Panel.

The Patient Relations Team has seen an increase in the number of opportunities to actively engage in training to support staff in how they manage complaints and concerns. This is in addition to regular input the team have at Trust Induction.

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

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

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

Telephone: 01253 956856

Email: **judith.oates@bfwhospitals.nhs.uk**

Council of Governors Report

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

The Council has the following three main roles:

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

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

iii) **Strategic** – to advice 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 2017/18.
- To approve the appointment (by the Non-Executive Directors) of the Chief Executive;
  This duty was exercised during 2017/18.
- To decide the remuneration and allowances, and the other terms and conditions of office, of the Non-Executive Directors;
  This duty was exercised during 2017/18.
- To appoint or remove the Foundation Trust's External Auditor;
  This duty was exercised during 2017/18.
- 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 2017/18.
- 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 2017/18.
- 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 2017/18.
- To respond as appropriate when consulted by the Board of Directors in accordance with the Constitution;
  This duty was exercised during 2017/18.
- To undertake such functions as the Board of Directors shall from time to time request;
  This duty was exercised during 2017/18.
- To prepare, and from time to time review the Foundation Trust's Membership Strategy and its policy for the composition of the Council of Governors and of the Non-Executive Directors and, when appropriate, to make recommendations for the revision of the Trust's Constitution.
  This duty was not exercised during 2017/18.

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. There was a change to the SID in March 2018 from Mr Alan Roff (Non-Executive Director) to Mr Michael Hearty (Non-Executive Director).

During the year, the Council of Governors has formally approved some changes to the Trust Constitution including; an extension of the Trust's Constitutional boundary, the renaming of one of the Constituencies and the removal of one of the Governor posts within that Constituency, as well as the removal of three Appointed Partnership Organisations.

At a Council of Governors Extraordinary Meeting on 13th June 2017, the Council of Governors formally approved an extension to the Trust's constitutional boundary to include both the Cheshire & Merseyside Sustainability and Transformation Partnership (STP) ward areas and the Greater Manchester STP ward areas. This was to ensure that the Trust kept in-line with the significant changes across the whole health economy of the North West, to ensure consistency with other NHS Foundation Trusts and to ensure the Trust's boundaries reflected the areas in which it provides services, such as the Cystic Fibrosis Service.

At the formal meeting of the Council of Governors on 31st January 2018, the Council of Governors formally approved the renaming of the Lancashire & Cumbria Public Constituency to North West Counties Public Constituency and the removal of Appointed Partnership Organisations, such as, Council for Voluntary Services, Lancashire Institute of Directors and Blackpool Citizens Advice Bureau.

Following the above mentioned changes, the Council of Governors now comprises a total of 29 Governors, including 16 Public Governors (elected from the constituencies of Blackpool, Fylde, Wyre and Lancashire & Cumbria (now known as 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 (VACANT)	To represent key local non-NHS Local Health Economy partners.
Principal University – 4*: University of Central Lancashire* University of Lancaster* University of Liverpool (from 31st January 2018) University of Buckingham (from 31st January 2018)	To ensure strong teaching and research partnership and to represent other University interests.
Voluntary Sector – 1: Blackpool, Wyre & Fylde Council for Voluntary Service (until 31st January 2018)	To engage and assist the Trust in identifying the needs of the local community.
Lancashire Care Foundation Trust - 1	To engage and assist the Trust in identifying needs of local community.
Local College or School Representative – 1 (VACANT)	To engage and assist the Trust in dialogue with the younger catchment population.
Institute of Directors (Lancashire Branch) – 1 (until 31st January 2018)	To engage and assist the Trust in dialogue with the wider catchment population of Lancashire.
Citizens Advice Bureau (Blackpool Branch) – 1 (until 31st January 2018)	To engage and assist the Trust in identifying the needs of the local community.
Blackpool Carers Centre (formally known as Fylde Coast Carers Trust) – 1	To engage and assist the Trust in identifying the needs of the local community.
Total Appointed Governors – 10 (7 as from 31st January 2018)	

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	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 – Lancashire and Cumbria – 2 (until 31st January 2018)	
Area 4 - North West Counties - 1 (from 31st January 2018)	To represent patients who are resident in the wider environs of Cumbria and Lancashire.
Total Elected Public Governors – 17 (from September 2016) **16 (from 31st January 2018)**	

TOTAL MEMBERSHIP OF COUNCIL OF GOVERNORS
Appointed Governors (nominated) – 10 (until 31st January 2018) 7 (from 31st January 2018)
Staff Governors (elected) – 6
Public Governors (elected) – 17 (until 31st January 2018) 16 (from 31st January 2018)
Total membership of Council of Governors – 33 (until 31st January 2018) **29 (from 31st January 2018)**

Elections to the Council of Governors took place during 2017/18 as follows:

Public Governors:-

Blackpool Constituency
George Holden (re-elected)
Camilla Hardy (re-elected)
Patricia Roche (re-elected)
Adele DeVito (newly elected)

Fylde Constituency
Sheila Jefferson (re-elected)
Graham Stuart (newly elected)

Wyre Constituency
Betty Ray (newly elected unopposed)

Staff Governors:-

Medical and Dental
Dr Ranjit More (re-elected)

Non-Clinical Constituency
Tina Daniels (newly elected)

Nursing and Midwifery
Peter Farrington (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 are currently two Appointed Governor vacancies and one Public vacancy.

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

Membership of the Council of Governors

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

Name	Constituency/Organisation
Clifford Chivers (until September 2017)	Blackpool
George Holden	Blackpool
Adele DeVito (from September 2017)	Blackpool
Zacky Hameed*	Blackpool
Camilla Hardy	Blackpool
Patricia Roche	Blackpool
Robert Hudson*	Blackpool
Heather O'Hara	Blackpool
Beverley Clark*	Blackpool
Graham Stuart (from September 2017)	Fylde
Anthony Winter*	Fylde
Sheila Jefferson	Fylde
Peter Askew (until September 2017)	Wyre
Lynden Walthew (until September 2017)	Wyre
Sue Crouch*	Wyre
Ian Owen*	Wyre
Anthony Nixon (until September 2017)	Lancashire & Cumbria
Reverend David Crouchley*/** (until 31st January 2018)	Lancashire & Cumbria
Reverend David Crouchley*/** (from 31st January 2018)	North West Counties
Dr Ranjit More (from September 2017)	Medical and Dental
Sharon Vickers*	Nursing and Midwifery
Peter Farrington (from September 2017)	Nursing and Midwifery
Cherith Haythornthwaite (until September 2017)	Nursing and Midwifery
Paul Aspden (until September 2017)	Non-Clinical Support
Tina Daniels (from September 2017	Non-Clinical Support
Jennifer Gavin*	Clinical Support
Michael Phillips*	Community Health Services (North Lancashire)
Councillor Martin Mitchell*	Blackpool Council
County Councillor Ron Shewan (until February 2018)	Lancashire County Council
VACANT	Lancashire County Council
Steve Winterson	Lancashire Care NHS Foundation Trust
Dr Deborah Kenny*	University of Central Lancashire
VACANT	Local College/ School Representative
Philip Hargreaves (until November 2017)	Institute of Directors (Lancashire Branch)***
VACANT (until 31st January 2018)	Citizens Advice Bureau (Blackpool)***
VACANT (until 31st January 2018)	Council for Voluntary Services***
Dr Amelia Hunt*	Lancaster University
Michelle Smith*	Blackpool Carers Centre (formally known as Fylde Coast Carers Trust

* Due for re-appointment in 2018 or re-election in 2019

** Constituency name changed in 2018

*** Appointed Partnership organisations removed from the Trust Constitution as agreed by the Council of Governors at the meeting on 31st January 2018.

Meetings of the Council of Governors took place on the following dates in 2017/18:

- 26th April 2017;
- 13th June 2017 (Extraordinary Meeting);
- 26th July 2017;
- 1st November 2017 (changed from 25th October 2017);
- 31st January 2018;
- 9th March 2018 (Extraordinary Meeting);
- 20th March 2018 (Extraordinary Meeting).

The Chief Executive, Deputy Chief Executive/ Director of Finance & Performance and Director of Operations routinely attend meetings of the Council of Governors. Attendance of the remaining Executive Directors is organised on a rotational basis. The Non-Executive Directors continue to attend the Council of Governors on a rotational basis.

During 2017/18, 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 2017/18 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.

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

- Audit Committee Terms of Reference;
- Governors Declarations - Fit and Proper Persons Test, Interests, Gifts and Hospitality;
- Non-Executive Recruitment Update;
- Director of People Recruitment Update;
- Chief Executive Appointment Update;
- Finance Updates;
- Trust Strategy Updates;
- Annual Report & Accounts;
- Quality Accounts;
- Alternative Delivery Model;
- Trust Constitution Update;
- Appointment of Non-Executive Directors;
- Non-Executive Director Term of Office Extension;
- Appointment of Chief Executive;
- Financial Statements Audit & Quality Accounts Review (Pricewaterhouse Coopers) (PwC);
- Chairman's and Non-Executive Directors' Appraisals/Objectives/ Remuneration;
- Chairman's Term of Office Extension;
- Lead Governor Role Specification;
- Governor Training;
- Mortality Update;
- Revised CIP Plans:- Safety and Quality/ Improving Patient Flow/Length of Stay;
- Elections for Lead Governor and Deputy Lead Governor;
- Governor Elections;
- NHS Providers Governor Advisory Committee Election;
- Annual Members Meeting 2016/17 – Draft Minutes;
- CQC Inspection Update;
- Use of Resources Assessment;
- BFW Management Ltd Update;
- Recruitment of Successor Chairman;
- Governors Strategic Focus Group Terms of Reference;
- Information Governance Mandatory Training;
- Council of Governors' Composition.

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

- 5th July 2017;
- 3rd October 2017;
- 9th January 2018.

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 2017/18);
- 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);
- Procurement Steering Group;
- Governors Strategic Focus Group;
- Bereavement Committee;
- Voluntary Services Committee;
- Formal Patient Safety Walkabouts;
- Governor Visiting Programme;
- Governors Workforce Focus Group;
- Governors Drop-In Session;
- Celebrating Success Awards Judging Panel;
- Fylde Coast NHS Health Event and Annual Meetings;
- CQC Focus Group.

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

- NHS Providers GovernWell Events;
- North West Governors Forum;
- UK Health Show.

During 2017/18, the Council of Governors established the following four Task and Finish Groups/Working Groups:

- Trust Constitution;
- Training and Development ;
- Governor Elections;
- Chair Recruitment.

During 2017/18, an election took place internally for the role of Lead Governor and Deputy Lead Governor. All Governors were given the opportunity to express their interest in standing for election for either or both roles. A formal election process took place for the Lead Governor role and the poll took place on Wednesday 15th November 2017. A formal election process took place for the Deputy Lead Governor role and the poll took place on Monday 27th November 2017. As a result, Mrs Sue Crouch (from the Wyre Constituency) was elected to the Lead Governor role and Mr George Holden (from the Blackpool Constituency) was elected to the Deputy Lead Governor role.

The Lead Governor duties include acting as the point of contact between the Council of Governors and the Trust, playing a pivotal role in the relationship with the Chairman, the Board of Directors and External Agencies as well as the community served by the Trust, acting as the point of contact between the Council of Governors and NHS Improvement (should this be necessary), meeting routinely with the Chairman of the Board of Directors and the Council of Governors and with the Corporate Assurance Manager/Foundation Trust Secretary to plan and prepare the agenda for Council of Governors meetings. The Deputy Lead Governor role is in place to support the Lead Governor.

Governor Attendance at Council of Governors Meetings:

Governors	Number of Meetings (4)
Clifford Chivers*	2
George Holden	4
Adele DeVito*	2
Zacky Hameed	4
Camilla Hardy	3
Patricia Roche	3
Heather O'Hara	4
Beverley Clark	4
Robert Hudson	1
Graham Stuart*	1
Sheila Jefferson	4
Tony Winter	1
Ian Owen	3
Sue Crouch	3
Betty Ray*	1
Gillian Wood*	1
Peter Askew*	1
Lynden Walthew*	2
Reverend David Crouchley	3
Anthony Nixon*	2
Dr Ranjit More*	3
Sharon Vickers	2
Peter Farrington*	1
Cherith Haythornthwaite*	1
Paul Aspden*	2
Jenny Gavin	2
Tina Daniels*	2
Michael Phillips	4
Councillor Martin Mitchell	4
County Councillor Ron Shewan*	0
Steve Winterson	2
Phillip Hargreaves*	0
Dr Amelia Hunt	3
Michelle Smith	1
Dr Debbie Kenny	3

resigned from, or joined, the Council during 2017/18

Board of Directors Attendance at Council of Governors Meetings:

Board of Directors	Number of Meetings (4)
Mr Ian Johnson	3
Mrs Karen Crowshaw*	3
Mr Doug Garrett*/**	1
Mr Alan Roff*	2
Mr Keith Case*/**	1
Mr Steve Finnigan*/**	2
Dr Malcolm McIllmurray*	1
Mr Michael Hearty*	2
Mr Mark Cullinan*	2
Mrs Mary Whyham*	4
Mrs Wendy Swift	4
Mr Tim Bennett	3
Mrs Nicky Ingham***	0
Mrs Jacqui Bate***	0
Professor Mark O'Donnell***	0
Mrs Pat Oliver	3
Mrs Marie Thompson***	4

NEDs attend at least one meeting per year (where possible)
**resigned from, or appointed to, the Board during 2017/18*
***EDs attended as required.*

Council of Governors – Statutory Meetings

There are currently two Governor statutory committees, namely the Nominations Committee and the Membership Committee, comprising three and 11 Governors respectively, details of which are identified in the tables overleaf:

Governor Attendance at Nominations Committee Meetings:

Committee Members (4)	Number of Meetings (8)
Peter Askew – Elected Governor (Wyre Constituency) (until September 2017)	2
Steve Winterson – Appointed Governor (Lancashire Care NHS Foundation Trust)	4
Camilla Hardy – Elected Governor (Blackpool Constituency)	7
Sue Crouch – Elected Governor (Wyre Constituency) (from November 2017)	6

Governor Attendance at Membership Committee Meetings:

Committee Members (11)	Number of Meetings (4)
George Holden (Chair) (until October 2017)	2
Ian Owen (Chair) (from December 2017)	1
Peter Askew* (until September 2017)	1
Lynden Walthew* (Deputy Chair) (until September 2017)	1
Paul Aspden* (until September 2017)	0
Anthony Nixon* (until September 2017)	0
David Crouchley	0
Zacky Hameed	1
Sheila Jefferson	0
Patricia Roche	2
Sharon Vickers	4
Tina Daniels* (from September 2017)	1
Robert Hudson (from December 2017)	0
Heather O'Hara (from December 2017)	1
Michelle Smith (from December 2017)	0
Beverley Clark (from December 2017)	1

*resigned from, or joined, the Council during 2017/18

Nominations Committee Report

The Nominations Committee is a formally constituted committee of the Council of Governors and comprises the Trust Chair (Chair of the Committee) and three Governors (two Public Governors and one Appointed Governor).

Membership of the Nominations Committee:

Mr Ian Johnson – Trust Chairman (Chairman)
Mr Peter Askew - Elected Public Governor (Wyre Constituency) (until September 2017)
Mrs Sue Crouch – Elected Public Governor (Wyre Constituency) (from November 2017)
Mrs Camilla Hardy – Elected Public Governor (Blackpool Constituency)
Mr Steve Winterson – Appointed Governor (Lancashire Care NHS Foundation Trust)

There have been eight meetings of the Nominations Committee during 2017/18.

The Nominations Committee has the following responsibilities:

Recruitment and Appointment of Non-Executive Directors:

- To agree the skill mix and process for the appointment of Non-Executive Directors, in accordance with the Trust's Provider Licence and NHS Improvement's requirements;
- To develop person specifications for each of these posts to take account of general and specific requirements in terms of roles and responsibilities;
- To determine a schedule for advertising, shortlisting, interviewing and appointing candidates with requisite skills and experience. This will include identification of appropriate independent assessors for appointment panels;
- To recommend suitable candidates for appointment for ratification by the Council of Governors.

Terms and Conditions – Chair and Non-Executive Directors:

- To recommend salary arrangements and related terms and conditions for the Chairman and Non-Executive Directors for ratification by the Council of Governors.

Performance Management and Appraisal:

- To agree a process for setting objectives for Non-Executive Directors, subsequent appraisal by the Trust Chairman and feedback to the Council of Governors;
- To agree a mechanism for the evaluation of the Trust Chairman, led by the Senior Independent Director;
- To address issues related to Board development and to ensure that succession plans are in place in order that a balance of skills and experience is maintained.

Membership Report

Over the past 12 months, the Trust's membership has decreased.

Public Members

All members of the public who are aged 12 or over and who live within the boundaries of Blackpool, Fylde and Wyre Borough Councils, or the wider catchment area of Lancashire and Cumbria* 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.

*The Lancashire and Cumbria Constituency was changed to the North West Counties Constituency in January 2018.

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.

Growth of Public Members

The number of public members has decreased over the last 12 months. The Trust's public membership currently stands at 5,114 as of 31st March 2018. A total of 49 members have been recruited, with 266 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 7,177.

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 7,832 followers);
- Continuation of the Youth Health Leaders Project, which is now within 10 local schools. A second open day was held on site at Blackpool Victoria Hospital on 9th November 2017;
- One Volunteer who helps with membership;
- A dedicated Membership and Governors Officer who acts as a link between the members, Council of Governors and the Trust;
- A dedicated membership email address:- members@bfwhospitals.nhs.uk and telephone line on 01253 956673.

Retention of Members

The Trust recognises the importance of having a representative membership and has continued 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 2017 a joint formal meeting between the local CCGs and the Trust, to discuss the Trust, its developments, future services, membership, healthcare across the wider health economy and joint working partnerships;
- Members are kept 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 be concentrating 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, the Trust ensures 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.

Quality Performance Review

The Trust continues to be committed to patient safety and the delivery of high quality care and recognises the need for a robust governance framework to be in place to support staff to deliver safe and effective care. Clinical governance and patient safety is embedded within the Divisions of the Trust who have a nominated Senior Lead Nurse, supported by a Quality Manager, to oversee governance arrangements and report compliance on agreed standards both set locally and externally by the CQC and NHSI at monthly Divisional Performance Boards with Executive Directors. To facilitate the development of safety and quality initiatives, we continue to review and monitor the implementation of NICE guidance standards and National Confidential Enquiry reports and participate in National Audits to ensure ongoing learning and development is implemented to promote safe care within best practice guidelines. This is monitored, through the Trust's monthly integrated reporting mechanism, by Quality Committee and assurance is provided through this Committee to the Board on compliance with national standards and guidance.

The Quality Committee has overseen the implementation of year two 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 will be monitored by the Quality Committee and at CQC Quarterly Engagement Meetings throughout 2018/19. The regulated activity actions are also monitored through the local commissioning-led Quality Review Board.

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, feedback from staff/patients surveys, information from concerns raised and requirements set from national guidance or directives.

Partnerships and alliances with local organisations and stakeholders have supported the Trust to facilitate the delivery of improved healthcare through the development of services and care provision. Some examples of 2017/18 service improvements facilitated across the Organisation are shared below and further examples of Trust-wide processes implemented to support overall quality and safety improvements are noted in the Quality Account section of the Annual Report.

Statement as to Disclosure to Auditors

The Board of Directors is not aware of any relevant audit information that has been withheld from the Trust's Auditors. Each individual member of the Board has taken all necessary steps they ought to have taken, as a Director, in order to make themselves aware of any relevant audit information and to establish that the Trust's Auditor is aware of said information, by making such enquiries of their fellow Directors and the Trust's Auditors for said purpose and exercising reasonable care, skills and diligence.

Remuneration Committee Report

Annual Statement on Remuneration by the Chair of the Remuneration Committee

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

Senior Managers' Remuneration Policy

Future Policy Table

Element	Purpose and link to strategic objectives	Operation	Maximum opportunity	Performance metrics
Base salary	• 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 69 • 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 69	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.

In 2017/18, the national Agenda for Change (AfC) pay award was 1% with all AfC pay scales being uplifted by this amount.

During 2017/18, all Directors received a 1% pay increase to their salary. The pay scales for senior managers were uplifted by 1% in line with the approach for Agenda for Change staff. The senior managers received their incremental increase which included the 1% uplift. Senior managers at the top of their pay scale will only have received the 1% uplift.

In 2017/18, the Chief Executive and Medical Director salaries are above the £150,000 threshold. This was based upon current market rates and externally benchmarked.

During 2017/18, there have been no changes to existing components of the Directors and Senior Managers remuneration package and no new components have been introduced.

Service Contracts Obligations

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

The employment contract contains provision for payment in lieu of notice to be made at the discretion of the Trust. The employment contract also includes provision for summary dismissal

without compensation, for example following disciplinary action.

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

Policy on Payment for Loss of Office

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

Any payments for loss of office due to redundancy would be in line with the national scheme in operation at the time. There is no alternative scheme in place for the Directors or Senior Managers. Redundancy payments are currently calculated on a month's pay for every year of service up to a maximum of two years' pay and additional pension contributions are made for those staff over 50 years of age. New regulations governing public sector exit payments which were expected to be in force in Spring 2017 are yet to be implemented. 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 (AfC) or Medical and Dental.

The salary scale for Directors is based upon current market rates and externally benchmarked. The Committee has utilised the annual remuneration survey undertaken by NHS Providers. The 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 2017/18

(The following table has been subject to audit)

2017/18							
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

Single Total Figure Table 2016/17

(The following table has been subject to audit)

2016/17							
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 (Interim)	150 - 155	-	-	-	217.5 - 220	-	370 - 375
T Bennett - Deputy Chief Executive/Director of Finance and Performance	140 - 145	-	-	-	97.5 - 100	-	240 - 245
P Oliver - Director of Operations	120 - 125	-	-	-	27.5 - 30	-	145 - 150
M O'Donnell - Medical Director*	225 - 230	-	-	-	107.5 - 110	-	335 - 340
M Thompson - Director of Nursing and Quality	130 - 135	-	-	-	140 - 142.5	-	270 - 275
N Ingham - Director of Workforce & Organisational Development	105 - 110	-	-	-	-	-	105 - 110
J Edney - Non Executive (To 31st May 2016)	0 - 5	-	-	-	-	-	0 - 5
M Ibbs - Non Executive (To 30th Sept 2016)	5 - 10	-	-	-	-	-	5 - 10
D Garrett - Non Executive	10 - 15	-	-	-	-	-	10 - 15
M McillMurray - Non Executive	10 - 15	-	-	-	-	-	10 - 15
M Whyham - Non Executive (From 1st Dec 2016)	0 - 5	-	-	-	-	-	0 - 5
M Hearty - Non Executive	15 - 20	-	-	-	-	-	15 - 20
M Cullinan - Non Executive (From 1st Jul 2016)	5 - 10	-	-	-	-	-	5 - 10
K Crowshaw - Non Executive	10 - 15	-	-	-	-	-	10 - 15
A Roff - Non Executive	10 - 15	-	-	-	-	-	10 - 15

figures are inclusive of Medical Director's Consultant salary

No directors or senior managers of the Trust have received non cash benefits as part of their remuneration package in 2017/18 (2016/17: Nil). During 2017/18 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 holds a Stakeholder Director post at BFW Management Ltd, a wholly owned subsidiary company of the Trust.

Table of Salary and Pension Entitlements of Senior Managers

(The following table has been subject to audit)

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 2018 (bands of £5000) £000	Lump sum at pension age related to accrued pension at 31st March 2018 (bands of £5000) £000	Cash Equivalent Transfer Value at 1st April 2017 £000	Real Increase in Cash Equivalent Transfer Value £000	Cash Equivalent Transfer Value at 31st March 2018 £000	Employer's contribution to stakeholder pension £000
W Swift - Chief Executive	2.5 - 5	7.5 - 10	70 - 75	220 - 225	0	0	0	22
T Bennett - Deputy Chief Executive/Director of Finance and Performance	0 - 2.5	0 - 2.5	50 - 55	160 - 165	994	38	1,032	21
M O'Donnell - Medical Director	2.5 - 5	7.5 - 10	90 - 95	280 - 285	0	0	0	27
M Thompson - Director of Nursing and Quality	0 - 2.5	5 - 7.5	50 - 55	160 - 165	908	97	1,005	19
N Ingham - Director of Workforce & Organisational Development (to 31.05.17)	0 - 2.5	0 - 2.5	20 - 25	70 - 75	370	5	397	3
P Oliver - Director of Operations	0 - 2.5	5 - 7.5	45 - 50	145 - 150	867	90	957	18

figures are inclusive of Medical Director's Consultant salary

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 from 2004/05 the other pension details, include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS pension scheme. They also include any additional years of pension service in the scheme at their own cost. CETV's are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

Real increase in CETV - this reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement)

and uses common market valuation factors for the start and end of the period.

Fair Pay Multiple

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

The banded remuneration of the highest paid director in Blackpool Teaching Hospitals NHS FT in the financial year 2017/18 was £230,000-£235,000 (2016/17: £225,000-£230,000). This was 9.8 times (2016/17: 9.4) the median remuneration of the workforce, which was £23,597 (2016/17: £24,304).

In 2017/18, 1 (2016/17: 1 previously reported as 0) employee received remuneration in excess of the highest-paid director. Remuneration ranged from £275,000 - £280,000 (2016/17: £270,000-£275,000).

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.

The Remuneration Committee considers the approach that has been taken for the pay awards to these other groups of staff in determining what pay award should be awarded to Directors and Senior Managers on local pay. In 2016/17, the approach taken to replicate the national approach

in awarding a 1% non-consolidated pay award for Directors and Senior Managers. The Trust intends to continue this approach in terms of setting any pay awards, in order to act in an equitable and fair manner to all staff groups. There have been no additional payments other than salary increases which have been made in line with the process set out above.

Executive Directors' Expenses

Five of eight Directors submitted expense claims in 2017/18 (2016/17: 5/6). The total amount of expenses paid to Directors in 2017/18 was £3,332.04 (2016/17: £2,754.37).

Non-Executive Directors' Expenses

Six of ten Non-Executive Directors submitted expense claims in 2017/18 (2016/17: 7/10). The total amount of expenses paid to Non-Executive Directors in 2017/18 was £4,931.30 (2016/17: £6,659.00).

Governor Expenses

Six of 30 Governors submitted expense claims in 2017/18 (2016/17: 5/33). The total amount of expenses paid to Governors in 2017/18 was £988.55 (2016/17: £981.40).
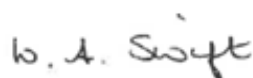
Membership of the Remuneration Committee

Mrs Karen Crowshaw (Chair of the Committee)
Mr Ian Johnson
Mr Doug Garrett (until 31.5.17)
Mr Alan Roff
Dr Malcolm McIllmurray (until 31.7.17)
Mr Michael Hearty
Mr Mark Cullinan
Mrs Mary Whyham
Mr Keith Case (from 1.8.17)
Mr Steve Finnigan (from 1.8.17)
Miss Judith Oates – Secretary to the Committee

Five meetings of the Committee took place during 2017/18 with attendance as follows:-

Committee Members (8)	Number of Meetings (5)
Mrs Karen Crowshaw (*Committee Chair*)	5
Mr Ian Johnson	5
Mr Doug Garrett (*until 31.7.17*)	1
Mr Alan Roff	4
Dr Malcolm McIllmurray (*until 31.7.17*)	2
Mr Michael Hearty	5
Mr Mark Cullinan	5
Mrs Mary Whyham	5
Mr Keith Case (*from 1.8.17*)	3
Mr Steve Finnigan (*from 1.8.17*)	3
Miss Judith Oates – Secretary to the Committee	5

Mrs Wendy Swift, Chief Executive, and Mrs Nicky Ingham, Director of Workforce and Organisational Development, provided advice/services to the Committee that materially assisted the Committee in their consideration of matters.

Signed: *b. A. Swift*

Date: 24th May 2018

Wendy Swift
CHIEF EXECUTIVE

Staff Report

Analysis of Staff Costs

Employee Benefits	Group		Foundation Trust	
	2017/18	2016/17	2017/18	2016/17
	£'000	£'000	£'000	£'000
Salaries and wages	217,925	211,721	214,562	211,721
Social security costs	20,707	18,627	20,412	18,627
Apprenticeship levy	1,083	0	1,083	0
Employer's contributions to NHS pensions	24,599	24,084	24,163	24,084
Pension cost - other	73	0	73	0
Temporary staff (including agency)	13,682	13,684	13,098	13,684
TOTAL	**278,069**	**268,116**	**273,391**	**268,116**

Analysis of Staff Numbers

Average number of persons employed	Year ended 31st March 2018	Year ended 31st March 2018	Year ended 31st March 2018	Year ended 31st March 2017
	Permanently employed	Other Staff	Total	Total
	WTE	WTE	WTE	WTE
Medical and Dental	516	68	584	546
Administration and estates	1,192	37	1,229	1,111
Healthcare assistants and other support staff	1,868	7	1,875	1,801
Nursing, midwifery and health visiting staff	2,140	13	2,153	2,103
Nursing, midwifery and health visiting learners	61	0	61	65
Scientific, therapeutic and technical staff	653	14	667	613
Healthcare science staff	187	2	189	193
TOTAL	**6,617**	**141**	**6,758**	**6,432**

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 overleaf identifies the breakdown of staff groups for April 2017 to March 2018.

Organisation	Ethnic Origin	Full Time Equivalent (FTE)	Headcount*
LF Blackpool Teaching Hospitals NHS Foundation Trust	0 White	5.42	7
	4 Indian	3.40	4
	5 Pakistani	1.00	1
	7 Chinese	6.47	7
	A White - British	4989.48	5840
	B White - Irish	32.63	38
	C White - Any other White background	87.75	99
	C2 White Northern Irish	1.80	2
	C3 White Unspecified	0.49	1
	CA White English	46.44	51
	CB White Scottish	7.88	10
	CC White Welsh	3.53	5
	CF White Greek	3.00	3
	CH White Turkish	1.00	1
	CK White Italian	16.60	17
	CN White Gypsy/Romany	1.00	1
	CP White Polish	21.99	24
	CQ White ex-USSR	1.00	1
	CR White Kosovan	1.00	1
	CX White Mixed	1.00	1
	CY White Other European	65.77	67
	D Mixed - White & Black Caribbean	16.03	17
	E Mixed - White & Black African	2.00	2
	F Mixed - White & Asian	12.03	14
	G Mixed - Any other mixed background	9.33	10
	GC Mixed - Black & White	2.63	3
	GE Mixed - Asian & Chinese	0.67	1
	GF Mixed - Other/Unspecified	2.53	3
	H Asian or Asian British - Indian	130.13	139
	J Asian or Asian British - Pakistani	44.91	50
	K Asian or Asian British - Bangladeshi	9.80	10
	L Asian or Asian British - Any other Asian background	57.49	62
	LA Asian Mixed	3.00	3
	LB Asian Punjabi	1.59	2
	LE Asian Sri Lankan	2.00	2
	LF Asian Tamil	1.00	1
	LH Asian British	4.40	5
	LK Asian Unspecified	1.00	1
	M Black or Black British - Caribbean	5.00	5
	N Black or Black British - African	22.37	24
	P Black or Black British - Any other Black background	3.53	4
	PC Black Nigerian	2.00	2
	PD Black British	1.00	1
	R Chinese	8.77	11
	S Any Other Ethnic Group	50.37	55
	SC Filipino	42.79	45
	SD Malaysian	2.00	2
	SE Other Specified	3.40	5
	Undefined	55.58	71
	Z Not Stated	343.04	422
Grand Total		**6139.04**	**7153**

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 2018		
	Male	**Female**
Directors and other senior managers*/**	9	5
Employees**	1362	5647

*Directors and senior managers comprises Executive Directors and Non-Executive Directors in post at 31st March 2018 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 4.67% for the rolling twelve month period (April to March) which is above the Trust target of 4% but is favourable when compared to the same result last year which was 4.78%.

Our Health & Wellbeing Strategy is underpinned by the Workplace Wellbeing Charter which provides a framework and demonstrates our commitment to the health and wellbeing of our workforce. The charter focuses on three key areas – leadership, culture and communication. It has eight standards which cover leadership, absence management, health & safety, mental health, smoking & tobacco, physical activity, healthy eating and alcohol & substance misuse.

We also have a health and wellbeing action plan to embed health and wellbeing initiatives to improve health and wellbeing for all staff to keep them healthy, well and in work. The healthy workplace principle is one that actively promotes health, not just prevents ill-health and reduces sickness absence.

Occupational Health Services (OHS) have a key role not only in managing health issues in the workforce, but also in proactive prevention and health promotion. With aging workforce health professionals, in line with the general population, will be more vulnerable to long term conditions associated with aging, such as, diabetes, arthritis, heart disease and declining cognitive function. Therefore our Staff Health & Wellbeing Centre's aim is to ensure our staff are healthy in work and that work helps maintain and improve their health for the benefit of patients they treat and the organisation employing them. To achieve this, our Staff Health and Wellbeing Services recognise the need to implement rigorous standards to consistently improve the quality of our services and are accredited against the standards established in Safe Effective Quality Occupational Health Services (SEQOHS).

Interventions in Place

Menopause Group
Over 61% of our staff are female and over 40 we have therefore developed a support group to raise awareness of the menopause which affects a significant amount of women. The programme which is a half day workshop was launched in November 2016 and the feedback has been excellent. We have held a number of workshops and supported over 200 staff.

Flu Campaign
We launched this year's flu campaign on 1st October 2017 to protect our staff, their families and our patients against contracting Flu.

Emotional Wellbeing Toolkit
The Emotional Wellbeing Toolkit has been embedded into the revised and updated Stress Policy. Awareness sessions have been held and we continue to roll out the toolkit across the Trust. A sub group with community staff is being set up to look at how the toolkit could be used in a community setting.

Mindfulness

Mindfulness taster sessions have been rolled out as part of the winter pressures to improve resilience and support staff to stay well and in work. Currently developing an eight week mindfulness course for staff identified as requiring additional support and coping strategies.

Slimming World

We currently have a referral pathway for staff to join Slimming World (SW) via the referral route in place, to attend any SW group of their choice, paying for the programme via salary sacrifice with subsidy by the OHS.

SLT & Dietetics

We have self-referral pathways for staff to the in-house weight management for anyone with a BMI over 40 and we have also developed self-referral pathways for staff to access services within the community such as those offered by Y-active or Active Blackpool.

Health Check Events

Health check events are held across the Trust to promote healthier lifestyles and check BMI, weight, blood pressure and cholesterol. Staff are signposted to appropriate services as required. These events have been really successful and we plan to roll more out for 2018.

Physiotherapy Service

We now have a Physiotherapist in Occupational Health Services (OHS) to support musculoskeletal (MSK) and back issues. Staff can be referred to the service to support them. We are utilising the MSK outcome tool to monitor the impact of providing physiotherapy services within OHS. We are looking at how we can link the physiotherapy service to support staff as soon as they go off with back problems or MSK issues.

Overall Trust Sickness Absence Rates	
Year	Sickness Absence Results
2012/13	3.85%
2013/14	3.92%
2014/15	4.47%
2015/16	4.25%
2016/17	4.78%
2017/18	4.67%

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 2017 calendar year.

Statistics Produced by NHS Digital*/Department of Health (**based on Jan-Dec 2017)					
National Average of 12 Months (Jan-Dec 2016)***	National Average for last quarter of 2017 (Oct-Dec)**	BTH Average FTE 2017 **	BTH FTE-Days Available *	BTH FTE-Days Lost to Sickness Absence*	BTH Average Sick Days per FTE **
4.6%	4.43%	6,071	2,215,936	104,410	10.6
*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 2017 calendar year figure until July 2018.					

Promoting Equality and Diversity

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

- Eliminating discrimination, harassment and victimisation;
- Advancing equality of opportunity;
- Fostering good relations between people who share a protected characteristic and those who do not share it.

Some of our ongoing work includes:

- Working with the local Low Vision Group to improve Trust communications;
- Working with the local Deaf Association to improve understanding and communications;
- Dementia Project to assist patients with Dementia during their stay on a ward;
- Reviewing mechanisms to support patients in hospital with a learning difficulty;
- Understanding the needs of minority/hard to reach groups to make healthcare accessible;
- Supporting In-Patients and staff who have an assistance dog;
- Improving Translation and Interpreting for patients including easy read documents;
- Disability Confident Scheme – Committed level achieved and working towards Employer 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;
- Closer partnership working with CCG's, Councils and third party organisations;
- Signed the Military Covenant to support injured ex-service men and women;
- Submitted evidence to gain the NHS Recognition Scheme Silver Award for supporting Reservist 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 due shortly to the Board for funding a new system which will allow for written communications in various formats and assist the Trust meet the requirements of the AIS. The new IT system due will further assist the Trust in meeting these standards.

The Trust's current Equality Objectives are:

- Achieve improvements in patient health, public health and patient safety for all, based on comprehensive evidence of needs and results;
- Improve accessibility and information, and deliver the right services that are targeted, useful, and useable and used in order to improve patient experience.

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 EDS2 event in March 2018. 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 2017 which covered Blackpool and Lancaster areas. The report from the consultation identified:

- Further evidence was required in relation to work carried out with community teams particularly in the Lancaster area;
- To improve service user involvement in policy development;
- Disability Awareness Training to include visual impairment training;

- Information about Link Nurses to be more readily available;
- To better understand the needs of veterans and promote the Military Covenant;
- More evidence required across all protected characteristics in service provisions and delivery of healthcare preferably via a presentation from a representative from relevant area(s);
- Improve the evidence to show complaints are handled efficiently and with respect.

Equality and Diversity (E&D) continues to be part of the Trust's induction and mandatory training programmes to maintain awareness and emphasise the importance of E&D in all aspects of employment and service provision. To support this, the Trust has a number of policies which underpin our approach to supporting equality and diversity for our staff:

- Equality, Diversity and Human Rights Strategy;
- Recruitment and Selection (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.

In accordance with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 the Trust will be including this information in the Annual Report and Accounts from 2018.

The Trust achieved "Committed" level of the new DWP scheme Disability Confident which replaces the Two Ticks scheme, whereby anyone who discloses a disability during application and meets the essential criteria of the person specification, is automatically shortlisted. The Trust is currently working towards the next level – Employer.

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) Regulation 2017, which came into force on 31st March 2017, and as such, the Trust has to publish their gender pay gap data by 30th March 2018 then annually. The data must include mean and median gender pay gaps; the mean and median gender bonus gaps; the proportion of men and women who received bonuses; and the proportions of male and female employees in each pay quartile.

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

Salaries at Blackpool Teaching Hospitals are decided through the Agenda for Change (AfC) 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 the 31st March 2017.

The Trust has a 4.9% gender pay gap which is below the national average of 18.4%.

Modern Slavery Act 2015

Since the introduction of the Modern Slavery Act 2015, the Trust has incorporated the act into organisational policies such as safeguarding, children/safeguarding adults/domestic abuse. The

act is included with level 3 mandatory training. Specific training on modern slavery/human trafficking has been provided to Sexual Health Services and has been part of the annual midwifery study days.

A multi-agency conference hosted and facilitated by the Trust on modern slavery was held in Blackpool with over 320 delegates from partner agencies from across the footprint. There were national speakers from National Crime Agency, Immigration Enforcement and Metropolitan Police.

Safeguarding from the Trust is part of the Pan-Lancashire Modern Slavery Group which is currently looking at Home Office training to enable this to be cascaded within the Organisation.

The Trust successfully hosted the first post in health to scope health contribution and health needs of the victims of modern slavery and human trafficking.

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.

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 Tower Ballroom.

Media and social media campaigns have included Takeover Day, Research and Development awareness, heart health campaigns, NHS Change Day, blood donation campaigns, an ovarian cancer campaign and an extensive campaign to encourage staff and members of the public to become Dementia Champions.

In terms of reputational communication the Trust has focused on the CQC, mortality figures, community services, ensuring balanced media coverage and minimising potential adverse publicity.

The Communications Team continues to champion the good work that goes on throughout the Trust by securing positive coverage within a wide spectrum of media and through its own publications – News Round, This Week, Health Matters, Your Health and The Pulse and an increasing use of social media with more than 7,000 followers on Twitter and a growing audience on Facebook and Instagram.

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

The team has also introduced a Lessons Learned newsletter which is distributed to all staff to highlight areas for learning in clinical settings.

There has been a growing emphasis on recognising the work of staff and rewarding them for their commitment and loyalty. A new Going the Extra Mile recognition scheme has been piloted successfully and is set to be extended across the organisation this year. 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.

One area of particular success has been a poster campaign where every day a member of staff or a team has been featured on a poster and been highlighted on our social media outlets. This has helped get the message across that every member of staff has a role to play in the strategy and has been well received.

As an organisation our Change Management Policy supports the aim of managing strategic and organisational change in a way that is both supportive to staff and enhances the provision of the highest quality patient care.

In 2017, we consulted with our staff and working together we implemented a number of changes throughout the Organisation. Some examples of these changes are as follows:

- The development of the role of Health and Wellbeing Support Workers within the Extensive Care Service;
- Introduction of extended working within Sexual Health, increasing from 5 day provision to 6 day provision;
- Introduction of extended working within Cardiac, increasing to a 7 day provision.

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, Executive Lead (who was Acting Guardian from October 2016) and Mr Michael Hearty, the Non-Executive Lead. The need to establish a national Freedom to Speak Up Service 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.

Here at Blackpool Teaching Hospitals we are using the Freedom to Speak Up Service to embed a Culture of Openness And Transparency (COAT) and we hope to have around 30 Champions trained across Blackpool Teaching Hospitals including Community Services North and South working in a variety of roles whom Terri will work closely with to help and support colleagues who have any concerns about risks, malpractice or wrongdoing. The number of concerns raised has increased each quarter totally over 40 concerns since the Service was launched in September 2017.

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 making an environment that is safe for all who access and provide our services. Health and Safety and security standards are monitored via our Health and Safety/ Security Committee. The members are both union and non-union representatives and expert advisors in health and safety, fire and security which reports into the Quality Committee a sub- committee of the Trust Board.

Under clause 24 of the NHS Standard Contract for 2016/17, all organisations providing NHS services are required to put in place appropriate security management arrangements to address security issues. The Trust has a focus on the requirement for effective leadership for security and has a nominated Security Management Director (SMD) in post, this position is held by the Director of Nursing and Quality. The SMD ensures that the Trust has a focus on key strategic security management priorities, ensuring adequate resources are allocated to meeting identified security priorities. The SMD together with the Trust's Local Security Management Specialist (LSMS) have throughout 2017/18 worked towards the Trust's security priorities outlined under the four standard areas of; Hold to Account, Inform and Involve, Prevent and Deter and Strategic Governance and the summary overall score for the Trust is a "Green" rating which will give the assurance that the Trust has dispensed a proficient, competent and capable security provision.

Wherever possible the Trust seeks to minimise any health, safety and security risk by deterrence, all related incident reports are reviewed on a daily basis and any required investigations instigated including a review of the effectiveness of the measures presently in place. Security awareness presentations continue to be implemented to all new starters at the Trust and the Trust continues to build good relationships and work closely with our local anti-crime groups.

The Trust has again invested in new CCTV equipment and 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 both the SMD and LSMS is working to reduce violence against NHS staff, and staff are encouraged to report any incident helping to deliver an environment that is safe and secure for both patients and staff. Constant development of action planning, risk assessment and incident reporting ensures there is an ongoing monitoring process that ensures all safety risks within the Trust, including property assets, staff and patient safety are protected, thereby allowing care to be delivered without fear of violence and aggression. The Trust is also undertaking a review of de-escalation and distraction training requirements to better meet the needs of patients who may present with challenging behaviour which supports improved safety of patients, staff and visitors.

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 2017 to January 2018 shows the Trust reported 55 patients, 37 staff and 1 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	2016/17	2017/18	% of Reduction
Verbal	220	294	+33.6%
Physical	226	262	+15.9%

Staff Survey Results

Engaging with our Staff - Vision and Values Strategy for 2020

Staff engagement is essential to ensure that our Workforce Strategy responds to the real issues and concerns facing our staff. To help people see how the role they undertake fits in with achievement of Trust priorities and our corporate ambitions, a new approach to appraisal training is being rolled out. This new approach to appraisals encourages managers to focus on having a performance conversation with staff whilst also providing clarity on our direction of travel, our key work streams and our values. We recognise that in order to deliver our vision we must transform our workforce so that they are involved and engaged as we develop our seven key work streams and start to see real change for the benefit of our patients.

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

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

The Trust Person is always:

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

The Trust Manager is always:

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

Through the use of the appraisal process for all staff and a specially designed questionnaire for managers known as the Leadership and Management Style Questionnaire (LMSQ) we will be able to discuss and measure the extent to which staff at all levels of the Organisation are living the values and provide support and training for identified areas of development. We have already started to embed the core values into all HR policies and processes to ensure that we describe how we expect our staff to behave. Our values and behaviours have been integrated into our new Corporate induction, appraisals and recruitment.

Summary of Performance

The results from the Staff Opinion Survey 2017 show a slight decrease in the response rate (35.5%), which is below the national average of 42%. The full census of staff were asked to complete the survey and the number of staff who completed

the survey was 2,348 which is slightly down on last year's figure of 2,547. Our Staff Engagement score has increased to 3.83, which is significantly above the national average of 3.77. We rank 11th out of 43 in overall engagement when compared with other Combined Acute and Community Trusts. We are above average for 13 of the 32 key findings. We are average for 17 of the 32 key findings and below average on 2 of the key findings which is a significant improvement on the previous year and has taken our position within our benchmark group from 18th to 11th.

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. Staff Survey dashboards have been produced to enable easier identification of areas of good practice and areas for improvement. This year, the Workforce Business Partners will use the dashboards with their Divisions/Directorates to support the development of their specific action 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 "You Said, We Did" campaign which will also be aligned to the Workforce Strategy.

Survey Questions	2016 %		2017 %		Trust Improvement/ Deterioration
Response Rate	Trust	National Average	Trust	National Average	
	38%	42%	36%	42%	2% deterioration

Survey Questions	2016 %		2017 %		Trust Improvement/ Deterioration
Top 5 Ranking Scores	**Trust**	**National Average**	**Trust**	**National Average**	
Percentage of staff appraised in last 12 months	96%	86%	95%	86%	1% deterioration
Percentage of staff working extra hours	67%	71%	69%	71%	2% improvement
Percentage of staff satisfied with the opportunities for flexible working patterns	55%	51%	55%	51%	No change
Staff satisfaction with the quality of work and patient care they are able to deliver	4.02 out of 5.00	3.92 out of 5.00	3.95 out of 5.00	3.90 out of 5.00	0.07 deterioration
Percentage of staff/ colleagues reporting most recent experience of violence	73%	67%	67%	67%	6% improvement

This year the remaining 'Top 5 Ranking Scores' are different from last year, details below:

Survey Questions	2016 %		2017 %		Trust Improvement/ Deterioration
Top 5 Ranking Scores	**Trust**	**National Average**	**Trust**	**National Average**	
Percentage of staff appraised in last 12 months	96%	86%	95%	86%	See above
Percentage of staff able to contribute towards improvements at work	72%	71%	74%	70%	2% improvement
Staff motivation at work	3.97 out of 5.00	3.94 out of 5.00	3.98 out of 5.00	3.91 out of 5.00	0.01 improvement
Staff satisfaction with level of responsibility and involvement	3.95 out of 5.00	3.92 out of 5.00	3.97 out of 5.00	3.89 out of 5.00	0.02 improvement
Effective team working	3.80 out of 5.00	3.78 out of 5.00	3.83 out of 5.00	3.74 out of 5.00	0.03 improvement

Survey Questions	Staff Survey Results 2016 %		Staff Survey Results 2017 %		Trust Improvement/ Deterioration
Bottom 5 Ranking Scores	Trust	National Average	Trust	National Average	
Quality of appraisals	2.95 out of 5.00	3.11 out of 5.00	3.02 out of 5.00	3.11 out of 5.00	0.07 improvement
Percentage of staff reporting errors, near misses or incidents witnessed in the last month	89%	91%	91%	91%	2% improvement
Percentage of staff experiencing harassment, bullying or abuse from staff in last 12 months	26%	23%	25%	27%	1% improvement
Percentage of staff believing that the Organisation provides equal opportunities for career progression or promotion	85%	87%	86%	85%	1% improvement
Quality of non-mandatory training, learning or development	4.05 out of 5.00	4.07 out of 5.00	4.07 out of 5.00	4.06 out of 5.00	0.02 improvement

This year the remaining 'Bottom 5 Ranking Scores' are different from last year, details below:

Survey Questions	Staff Survey Results 2016 %		Staff Survey Results 2017 %		Trust Improvement/ Deterioration
Bottom 5 Ranking Scores	Trust	National Average	Trust	National Average	
Quality of appraisals	2.95 out of 5.00	3.11 out of 5.00	3.02 out of 5.00	3.11 out of 5.00	See above
Percentage of staff attending work in the last 3 months despite feeling unwell because they felt pressure from their manager, colleagues or themselves	57%	55%	54%	53%	3% improvement
Percentage of staff reporting good communication between senior management and staff	31%	32%	32%	33%	1% improvement
Percentage of staff feeling unwell due to work related stress in the last 12 months	36%	36%	39%	38%	3% deterioration
Percentage of staff witnessing potentially harmful errors, near misses or incidents in last month	28%	29%	29%	29%	1% deterioration

Expenditure on Consultancy

During 2017/18, the Trust incurred £3.641m on external consultancy costs (2016/17: £2.851m).

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 2018	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 2017 and 31st March 2018, 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 2017 and 31st March 2018	0
Number of the above which include contractual clauses giving the Trust the right to request assurance in relation to income tax and National Insurance obligations	0
Number for whom assurance has been requested	0
Of which:	
Number for whom assurance has been received	0
Number for whom assurance has been not received	0
Number that have been terminated as a result of assurance not being received	0

Table 3: For any off-payroll engagements of Board members, and/or senior officials with significant financial responsibility, between 1st April 2017 and 31st March 2018.

Number of off-payroll engagements of Board members, and/or, senior officials with significant financial responsibility, during the financial year.	1
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.	8

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 2018. (2016/17 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	(2)	0	(2)
£25,001 - £50,000		0	(0)	1	(0)	1	(0)
£50,001 - £100,000		0	(0)	0	(0)	0	(0)
£100,001 - £150,000		0	(0)	0	(0)	0	(0)
Total number of packages by type		0	(0)	1	(2)	**1**	**(2)**
		£000		£000		£000	
Total resource cost - 2017/18		0		44		**44**	
Total resource cost - 2016/17		0		40		**40**	

Exit packages: Non compulsory departure payments	2017/18			2016/17		
	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**		**44**	2		40
Non-contractual payments requiring HMT approval	**0**		**0**	0		0
Total	**1**		**44**	2		40
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.

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 17th April 2018. The Audit Committee approved that the Trust self-assessment in which the Trust complied with most provisions with the exception of B 1.1 and B 7.1, further detail on the provisions is contained within the Annual Governance Statement in section 4.4. Mrs Karen Crowshaw and Mr Alan Roff have exceeded the Code of Governance best practice six years, however this is in line with Paragraph 136 of the Trust Constitution, a provision for an additional year if the Nominations Committee and Council of Governors are satisfied with independence, appraisal and performance.

Disclosure of Public Interest

The Trust has not held any public consultations between 1st April 2017 – 31st March 2018.

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 and members of the Corporate Assurance Team. Other officers have been invited to attend the Audit Committee where it was felt that to do so would assist the Committee to fulfil its responsibilities effectively. The Chief Executive also has a standing invitation to the Committee, in particular for 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 2018. Each meeting has complied with the criterion for frequency of attendance and been quorate as set out in the Audit Committee's Terms of Reference.

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

The Remit of the Internal and External Auditors

Internal Audit

KPMG has provided the Trust's internal audit service since 1st October 2012. The core members of the Internal Audit Team are; the Head of Internal Audit, Senior Manager and Assistant Manager. In addition to these core members the team will draw on other specialists within KPMG to complete reviews. These staff report to the Head of Internal Audit to ensure that their work is co-ordinated and to provide a seamless delivery. The team are a mixture of Chartered Institute of Public Finance and Accountancy (CIPFA) and Association of Chartered Accountants (ACA) 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 & 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 and the Audit Committee agreed to an extension until 30th September 2017. On 4th July 2017, the Audit Committee approved a further extension until 30th September 2018.

External Audit

PwC are currently the Trust's External Auditors and on 31st January 2018 the Council of Governors approved the extension for a further year of the contract with PwC until 31st May 2019. In 2017/18, PwC were paid £77,406 (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 £13,950 (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, (The Use of External Auditors for Non-Audit Services - CORP/POL/257). This policy was reviewed and approved by the Audit Committee and Board of Directors in November 2015. This policy requires the Executive Team to expressly seek the approval of the Council of Governors to retain the Trust's External Auditors for the supply of non-audit services with a value of more than the annual external audit fee. In 2017/18, PwC did not provide any other services to the Trust.

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

Throughout the year the Committee has received regular reports from both Internal and External Auditors in relation to the adequacy of the systems of internal control and also received regular reports from the Head of Corporate Assurance and Local

Counter Fraud Specialist on the robustness of risk management, governance and fraud arrangements throughout the Trust.

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

- Discussing and agreeing the nature and scope of the Annual Internal Audit Plan;
- Receiving and considering progress against the plan presented by the Head of Internal Audit and Internal Audit Manager;
- Receiving reports on the Core Financial Controls and Financial Management; Governance Arrangements, Risk Management and Board Assurance Framework; Information Governance; Data Quality; Compliance with Control Total; Compliance with Performance Trajectories; Prioritisation Process; National IT Strategy and IT Investment and Sustainability and Transformation Plan Governance.

The Committee also met in private with Internal Audit representatives on 18th April 2017 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 2017 to 31st March 2018 by:

In relation to 2016/17:

Considering the Trust's Annual Governance Statement for 2016/17 at the meeting held on 25th May 2017 and recommending it to the Board for approval.

In relation to 2017/18:

For completeness, and even though the discussions in relation to 2017/18 were not completed until May 2018, 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 2017/18;
- 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 23rd May 2018 which was presented to the Board of Directors at its meeting also on 23rd May 2018;
- The accounting treatment of Charitable Funds and their relationship with the Trust's accounts.

Other Matters

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

- Effectiveness of the Whistleblowing and Freedom to Speak Up arrangements;
- Review of Trust strategies (Quality, Health Informatics, Workforce and Estates);
- 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 the stroke service, implementation of an electronic document management system, implementation of the new General Data Protection Regulations, anaesthetics service, provision of mental health services within A&E and cyber security);
- Review of the Governance Framework for the Estates Alternative Delivery Model (trading as Atlas);
- Review of the Trust's compliance with the NHS Code of Governance;
- The identification and agreement of matters for consideration by the Board.

Conclusion

The Committee has continued to focus in 2017/18 on supporting the Trust's governance and assurance arrangements. At the core of its discussions there has been a determination to promote sound principles of strategy, performance management and monitoring and of reporting with the intention of bringing greater clarity to the roles and accountabilities of the Trust's executive managers vis a vis the Board of Directors and its Committees   The aim continues to be to help the Trust provide excellent services to patients and to serve the public within a robust set of risk management arrangements and with overall efficiency and effectiveness.
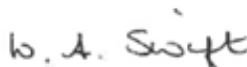
Signed:

Michael Hearty

AUDIT COMMITTEE CHAIRMAN

Date: 24th May 2018

Signed:

Wendy Swift

CHIEF EXECUTIVE

Date: 24th May 2018

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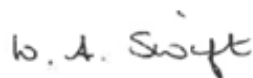
This means that patient safety and the quality of care we deliver continues to be at the heart of everything we do and we continue to increase our efforts towards driving quality and safety improvements across the Trust.

Our Quality Strategy has supported our Quality Improvement Programme and achievements during year 2 of the Strategy are shared within the Quality Accounts and reflect three key principles set out within the Strategy that care will be:

• Informed;
• Timely;
• Safe.

As 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 96.50% of patients stating that they would recommend our services to a relative or friend.

We are delighted with our achievements for 2017/18 and want to share with you our story of continuous improvement in our annual Quality Account. I hope that you will see that we care about, and are improving, the things that you would wish to see 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 2017/18 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 ninth 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: _b. A. Swift_

Date: 24th May 2018

Wendy Swift

CHIEF EXECUTIVE

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

Our Quality Strategy supports the Trust Board's 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 2017/18 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 2017/ 2018

The Quality Strategy 2016-2019 outlines a number of projects which we will be focusing on throughout year 3 of implementation. This will enable us to maintain a focus on the quality and safety agenda. Progress against year 2 of the Quality Strategy has demonstrated improvements to the health and outcomes of our local population based on the values and principles set by the Board of Directors within the Trust's Vision andValues. The Trust's priorities for 2018/19 in relation to the key elements of the quality of care for clinical effectiveness, quality of the patient experience and patient safety, and the initiatives chosen to deliver these priorities, were established as a result of consultation with patients, governors, managers and clinical staff.

The Trust has aligned its priorities for the coming year against what it set out in its Quality Strategy and as it moves into the third year of reporting against this Strategy this will assist the Trust to achieve delivery of care that is informed, timely and safe. We would like to highlight the agreed metrics within the Quality Strategy as agreed by the Trust Quality Committee as key priorities for 2017/18. These quality improvement priorities are also reinforced by the standards outlined in the NHS Outcomes Framework which set out the high-level national outcomes that the National Health Service (NHS) should be aiming to improve.

The priorities will be measured through agreed targets for specified metrics within the 3 key elements of the Quality Strategy and performance against these targets will be reported quarterly to the Quality Committee, which is a sub-committee of the Trust Board. The Non-Executive Director Chair for the Committee will provide an assurance report to the Trust Board on progress against the agreed priority areas.

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 2017/18

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	✔
Sign up to Safety	See individual scores on page 95	↓
Reducing Patient Falls	Behind plan	↓
Reduction in Pressure Ulcers	Behind Plan	↓
Care of the Deteriorating Patient	Target achieved	✔
Clinical Pathways	Behind Plan	↓
Patient Safety – Lessons Learned	Planned programme implemented & new serious incident programme in place	↓
Infection Prevention **Methicillin Resistant Staphylococcus aureus (MRSA)** **Clostridium difficile.**	Behind plan Target achieved	↓ ✔
Patient Family and Carer Experience – Friends and Family Test (FFT)	Behind Plan	↓
Patient Family and Carer Experience – 'Tell Us' Campaign	Established	✔
Patient Family and Carer Experience – Always Events	Implemented	✔
Dementia Care	Target achieved	✔
Workforce Experience	Increase in staff engagement score	✔
End of Life Care	BMJ Palliative Care Team of the Year	✔
Spiritual Care / Bereavement Care	See written information on page 109	No target
Learning Disability Services	See written information on page 110	No target
LEDER Process	On track	=

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 we continue to use a tool from the Department of Health called the 'safety thermometer to audit the care given to our patients. The safety thermometer measures harms that occur to patients on a set day each month 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.

Catheter Associated Urinary Tract Infections	57 out of 20,230 patients	0.28%
Venous thromboembolism	40 out of 20,230 patients	0.20%
Pressure ulcers	147 out of 20,230 patients	0.73%
Falls	97 out of 20,230 patients	0.48%

The Trust can report this demonstrates an improvement in year.

Individual teams review the detail of the incidents to learn how we can enhance patient care and subsequent outcomes for patients. This year the focus on pressure ulcer and falls prevention has actively supported patient and staff education and training to promote effective care to prevent these harms. The Trust has a multi-disciplinary VTE Committee in place to review harms as a result of VTE who review practise guidance/policy to ensure this is in line with the latest best practice evidence to ensure patients receive the correct treatment plan based on their risk.

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

Harm Free Care - New Harms Only 2017-18 YTD
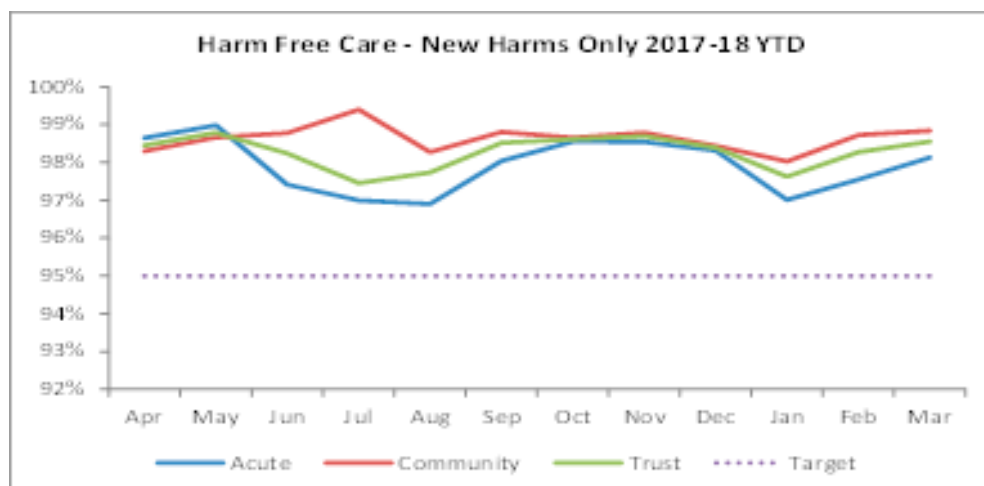
Outcome: Acute 97.92%, Community 98.58%, Trust 98.31%.	
Progress: ✔ Target Achieved.	

2. 2.2 Sign up to Safety

What: Improve the safety of our patients and reduce avoidable harms
How Much: Over 2 years, improve: Stage 2 pressure ulcers 30%, reduction. Stage 3 & 4 pressure ulcers 50% reduction. Falls 20% reduction. Failure to rescue deteriorating patients 50%. Meet pathways compliance for Sepsis & Acute Kidney Injury (AKI).

Sign up to Safety (SUTS) was a national initiative to help NHS organisations and their staff achieve their safety aspirations and care for their patients in the safest way possible. The Trust participated in this national unified programme for patient safety across the NHS in England. The aim of the programme was to reduce avoidable harm by half and save 6,000 lives over 3 years, and to sustain the improvement over the following 3 years, whilst continuing the focus and drive on safety improvements. Whilst the improvement phase of the programme completed this year, the Trust continues to focus on the identified safety topics as we recognise these are key areas where we can continue to make improvements to further reduce patient harm.

The Trust has continued to work with commissioners, Academic Health Science Network's, Health Foundation, NHS England and regulatory bodies to continue to develop and embed safety initiatives to improve patient outcome and experience.

The Trust's key focus of safety covers the following areas:
• Falls; • Pressure ulcers; • Clinical pathways (sepsis and AKI); • Care of the deteriorating patient (including maternity patients).

These areas were identified to focus on as the risk of occurrence impacts on patient safety, supports the delivery of the overall Trust Strategy and Quality Strategy, supports the delivery of our pledge to deliver the National Leading Change Adding Value 10 Commitments (A National Framework for Nursing, Midwifery and Care Staff) and supports the delivery of standards for providing care that is safe, effective, caring, well led and responsive to people's needs.

A multi-disciplinary project team which included clinical and non-clinical staff, governor representation and patient experience representation, with Board level support oversaw this safety project.

Outcome:	Progress:
• This year, falls resulting in harm increased by 6.13% although over the 2 years saw a 2.33% increase.	↓ Behind Plan.
• Over 2 years, there has been a 50% reduction of failure to rescue a deteriorating patient against the 2016/17 baseline	✔ Target Achieved.
• The cumulative compliance with pathways for Sepsis (32.52%) and Acute Kidney Injury (22.95%).	↓ Behind Plan.
• In 2017/18, for the Trust (acute and community) Stage 2 pressure ulcers increased 12.66%, Stage 3 increased by 61.90% and Stage 4 increased by 78.57% (25 in total). The overall position for each grade over 2 years was: - Stage 2 increased 10.96%, Stage 3 increased 183.33% & Stage 4 increased 14.36%.	↓ Behind Plan for stage 4

Further detail of the successes can be found on the individual topic area pages of the Quality Accounts.

2.2.3 Reduction in Falls

What: Reduce the number of patients experiencing harm as a result of a fall.
How Much: 20% reduction by March 2018.

This year, the Trust has continued to work on reducing harms caused to patients as a result of a fall. Building on the quality improvement work introduced previously, the Trust has also implemented new innitiatives and together these include:

- Staff and patient educational tools for the prevention and safe management of falls.
- Standardised patient falls alarms and developed an educational video;
- Continued close working with voluntary agencies such as Age UK, N-Vision and the Parkinson Society to raise awareness of falls prevention;
- Introduction of standardised lifting equipment and development of a comprehensive training package for staff in liaison with the clinical education department;
- Establishment of falls champions in all clinical areas;
- Pilot of a falls prevention support system in three high risk clinical areas, with positive results.

The Falls Committee also work closely with all disciplines across the health

care environment to support the safe discharge of patients who have been hospitalised following a fall, to help prevent a re-occurrence.

"Leaves are supposed to fall, people aren't." As a Trust we continue to use the falling leaf symbol to identify patients at risk of falling. These symbols are displayed on the electronic clinical ward tracker and alert staff at daily board rounds and safety briefings of the patient's risk of falling. As a multi-disciplinary ward team staff are able to visually see and consider the patient's safety needs to prevent falls when planning and delivering their care.

Outcome: This year, falls resulting in harm reduced by 6.14% but over 2 years saw a 2.33% increase. This represents 0.64% of all inpatient admissions for the year.
Progress: ↓ Behind Plan. Although falls overall have increased, falls resulting in a serious harm have decreased by 12.9% over the 2 years but decreased by 23.91% from last year. The overall increase in falls reflects the increase in patient admissions and improved reporting.
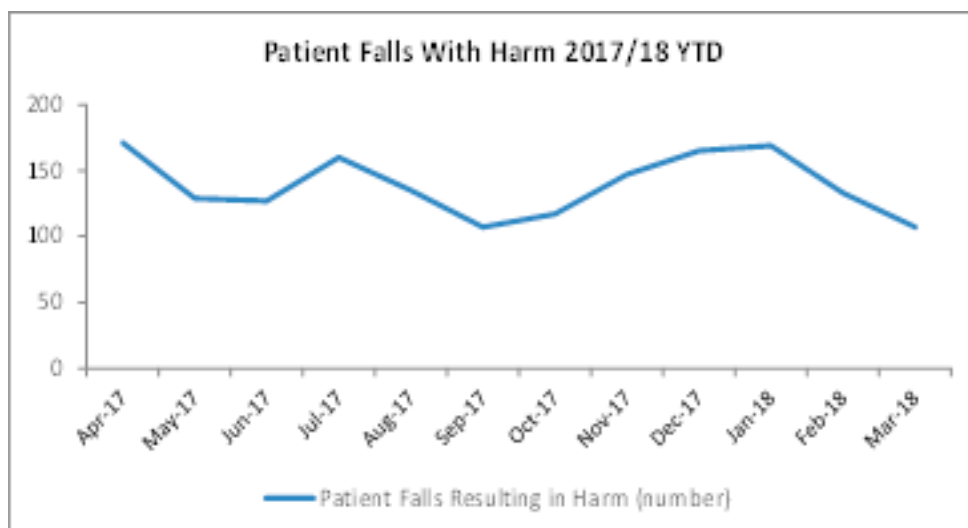
2.2.4 Reduction in Pressure Ulcers – Acute/Community

What: Reduce the number of patients experiencing a harm as a result of a pressure ulcer

How Much: Stage 2 pressure ulcers 30%
Stage 3 & 4 pressure ulcers 50% by March 2018

A pressure ulcer is sometimes known as a pressure sore or bed sore. They can develop when a large amount of pressure is applied to an area of skin over a period of time. They can happen to patients in hospital or in their own home. The risk of a pressure ulcer developing increases if the patient is ill and often immobile for a period.

By regular repositioning of patients, encouragement of mobility and ensuring good nutrition and hydration, we assist in preventing pressure ulcer formation wherever possible.

Our Tissue Viability Nurse Specialist Team continue to work with the clinical staff to implement quality improvement initiatives and support staff in the identification and correct grading of pressure ulcers and prevention of harm as a result of tissue damage.

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

Improvements we have continued/made this year:

- The team provide intensive wrap around support to wards and community localities to promote staff and patient education;
- Use of photography by the community teams so skin changes can be discussed with senior nurses who can advise on patient treatment and management;
- Use of a range of pressure redistribution mattresses and cushions;
- Implementation of a Patient Passport to support continuity of patient's skin care in different care settings;
- Ongoing review and revision of the wound care formulary to support accurate and evidence based prescribing, whilst realising financial efficiencies;
- Following a successful pilot, introduced new pressure re-distribution mattress to support quality efficiencies and improved patient outcomes in moisture lesion reduction;
- Reduced patient harm following a pilot in a Care Home through increased education and awareness of Care Home staff in improving tissue viability skills and knowledge;
- Introduction of a pressure ulcer panel every two weeks. This allows the team to review with clinical staff any patient harm identified as a result of a Stage 2 pressure ulcer and agree improvement actions. It also allows us to identify good practice to spread, or themes that can be addressed across the organisation.
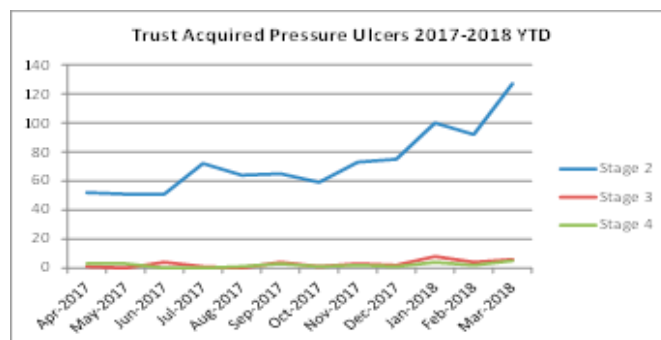
Outcome: In 2017/18, for the Trust (acute and community) Stage 2 pressure ulcers increased 12.66%, Stage 3 increased by 61.90% and Stage 4 increased by 78.57% (25 in total). The overall position for each grade over 2 years was: - Stage 2 increased 10.96%, Stage 3 increased 183.33% & Stage 4 increased 14.36%.

Progress: ↓ Behind Plan

2.2.5 Care of the Deteriorating Patient

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

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

The concept of failure to rescue captures the idea that, although not every complication of medical care is preventable, health care systems should be able to rapidly identify and treat complications when they occur.

When patients come into hospital they put their trust in the professionals caring for them. They assume they are being monitored and that any deterioration in their condition will be detected and acted on quickly. Ensuring that patients who deteriorate receive appropriate and timely care is a key safety and quality challenge. All patients should receive comprehensive care regardless of their location in the hospital or the time of day. 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 and we are able to demonstrate a reduction in emergency calls and failure to rescue events. By preventing patients deteriorating, we aim to reduce avoidable admissions to Critical Care.

Each month we identify compliance failure and review all cardiac arrest calls. We also look at all reported incidents of patients deteriorating unexpectedly and investigate through our incident investigation process all incidents of failure to rescue.

Throughout the year we have continued to:

- Use of the National Early Warning Scoring system and escalation flow chart;
- Nurse led response to a deteriorating patient with appropriate medical support;
- Daily multidisciplinary board rounds / safety huddles on ward areas to aid the early identification of the deteriorating patient;
- Documentation of patients 'ceilings of care' (patients previously expressed wishes, and/or limitations to their treatment);
- Do Not Attempt Cardio-Pulmonary Resuscitation (DNA-CPR) decisions accurately recorded in line with new Trust documentation;
- Delivery of Trust training on all aspects of timely recognition, escalation and care of deteriorating patients;
- Learning and sharing lessons from incidents through Trust lessons learnt newsletter;
- Annual monitoring of compliance against the National Institute Health and Care Excellence (NICE) standard for managing patients who are deteriorating;
- Introduction of our redesigned Intravenous (IV) Service to support a reduction in patient harm in specific patient pathways including respiratory, anaemic patients, heart failure patients, de-hydrated patients and ladies who experience excessive vomiting during pregnancy;
- Identification of patients where we have missed an opportunity for Do Not Attempt Cardio-Pulmonary Resuscitation in order to learn lessons to improve the care of patients at the end of life;
- Ongoing education of midwifery staff in relation to recognise and act training and improvement of compliance with the intrapartum NICE Guidelines and Cardiotocography (CTG) interpretation;
- Reviewed and revised the training and management of central venous access and introduced a Procedure Service to ensure higher level IV access for patients is undertaken timely;

- Reviewed the link of patients deteriorating to our pathway work to inform future enhancements within the Trusts pathway work.

Outcome: There has been no increase in year to date against the 2016/17 baseline of failure to rescue a deteriorating patient and over 2 years, a 50% reduction from the 2015/16 baseline

Progress: ✔ Target Achieved

2.2.6 Clinical Pathways

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

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

This year, the Sepsis and Acute Kidney Injury (AKI) pathways in particular have continued to be the focus of our Sign Up To Safety Campaign (SUTS).

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

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

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. All pathways developed are easily accessible via the Trust intranet site and access has been enhanced by mobile friendly access via tablet or iPhone.

Within the A&E Department, the team has implemented a combination of Rapid Assessment & Treatment and a designated person to manage the interventions that will have the most positive effect for the patient e.g. antibiotic administration. Equipment to support this process has been purchased.

The Critical Care Outreach Team support education and awareness for all professional groups in relation to recognising sepsis and AKI and required treatment and care delivery for patients. Several smaller improvement projects have also been undertaken to improve AKI compliance including fluid balance recording and monitoring and identifying the stage of AKI through blood testing.

To be fully compliant with the pathway measurement you have to meet all the criteria. Whilst this lets us identify where to focus on, it does not really reflect the standards of the care we deliver. To reflect this we also look at our opportunities to care and review this information with the overall compliance information to help us identify specific areas to focus on within key pathways.

Outcome: Acute Kidney Injury pathway compliance = 23.27% Sepsis pathway compliance = 32.66%

Progress: ↓ Behind Plan.
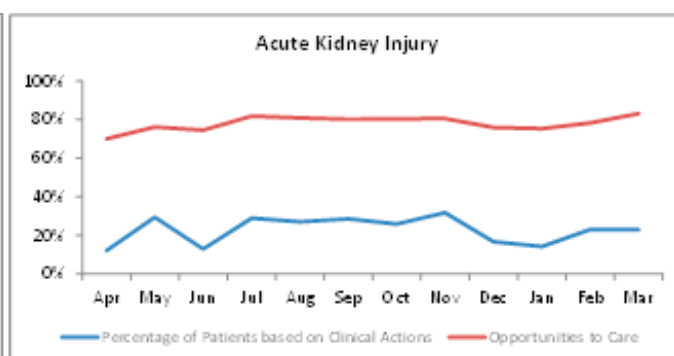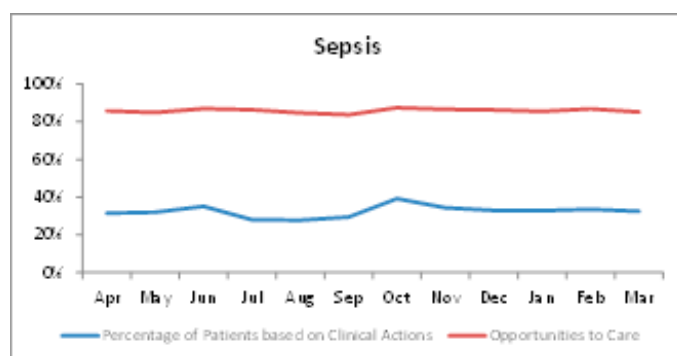
2.2.7 Patient Safety

Lessons Learned

As a large healthcare organisation, which provides both acute and community care, Blackpool Teaching Hospitals NHS Foundation Trust has developed a very positive and proactive culture of patient safety incident reporting.

In the past year, over 21,000 patient safety incidents were reported by staff ranging from near misses, low harm to moderate and severe harm incidents. Incidents are also reported which involve staff, visitors, contractors and other partnership organisations. A new Serious Incident (SI) process has been rolled out Trust wide since June 2017 and all Serious Incidents are now being managed through this process. Each serious incident is allocated an independent Case Manager and Investigation Officer (who work outside of the area of the incident and the Division) to ensure impartiality and an independent review. The newly formed Safety Panel, which includes the Executive Directors, Risk Management, the legal team and our Commissioners, monitor both the SI report and action plan prior to sign off by the Chief Executive.

Lessons learned from incidents, complaints and claims are reviewed through the Learning from Incidents Review Committee and high risk issues requiring risk assessments or additional training are identified through this process and forum.

The Risk Management Team continues to raise awareness of the importance of implementing duty of candour whenever a patient suffers moderate to serious harm under our care. Training and awareness presentations for staff are continuing in an effort to remind staff of their obligations to keep patients informed when patient safety incidents occur. All final Duty of Candour letters are reviewed and signed off by the Medical Director of the Trust, following approval by the senior teams in each Division. This process is in place in order to ensure our communications with the patient, their relative or relevant person is of an appropriate quality and high standard providing both meaningful information and ongoing support.

The Trust-wide Lessons Learned Newsletter was re-launched in January 2017 and five editions have now been published and circulated out to all staff. This new format of sharing lessons learned has been well received and includes a wide range of issues and themes that have been identified from serious incidents and general incident trends.

Seven minute briefings are now used throughout the Trust to share learning in addition to local lessons learned newsletters, safety huddles, briefings, governance and ward meetings and the use of restricted facebook sites.

2.2.8 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

Methicillin Resistant Staphylococcus aureus (MRSA) is a bacterium which can live on the skin which can be perfectly harmless. However if it gets into the blood stream it can cause a serious infection which can be difficult to treat. Some patients will be screened on admission or in preparation for planned surgery to prevent them sustaining an infection in the blood stream.

Improvements achieved:
- Compliance with hand hygiene practices to minimise infections;
- Compliance with Aseptic Non Touch Technique to minimise infections;
- Staphylococcus aureus policy developed to ensure compliance with screening as per patient group.

Further Improvements identified:
- To develop an Intravenous Therapy (IV) service to ensure best practice for placement and management of IV devices;
- To reduce blood culture contamination rates;
- Sustain compliance with hand hygiene practices;
- Sustain compliance with Aseptic Non Touch Technique to minimise infections;
- Review of central and peripheral IV lines to reduce entry points and potential introduction of infection;
- A continued focus on the management of IV lines and compliance with practice.

Blackpool Teaching Hospitals NHS Foundation Trust
Cumulative Performance MRSA Bacteraemias
1st April 2012 - 31st March 2018
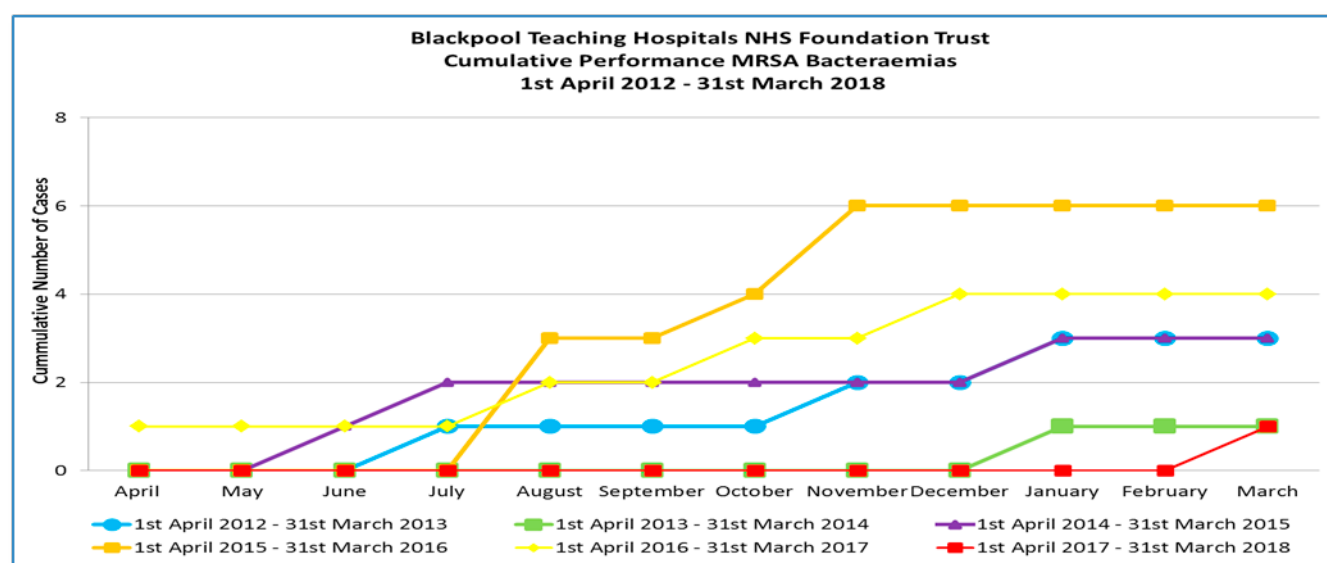
Outcome:
One case of MRSA Blood Stream Infection was attributed to BTH. However no lapses in care were identified and therefore the case was deemed unavoidable by our local commissioners at a post infection review meeting.

Progress:
↓ Behind Plan.

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

What: Reduce cases of Clostridium difficile within the Trust

How Much: No more than 40 avoidable cases of Clostridium difficile

Clostridium difficile (C Diff) is a common bacterium that lives harmlessly in the bowel of 3% of healthy adults and up to 30% of elderly patients. Antibiotics disturb the balance of bacteria in the bowel and Clostridium difficile can then multiply rapidly and produce toxins which cause diarrhoea and illness.

Improvements facilitated during the year

- All cases post reviewed by the Infection Prevention Team and each case discussed with our local commissioners to determine if any lapses in care had occurred;
- Rolling programme of deep cleaning, particularly in high risk areas / areas of high prevalence utilising UVC;
- Antimicrobial Stewardship Committee in place to address the NICE guidance on antimicrobial stewardship and process for effective antimicrobial medicine use;
- Ongoing drive of the Infection Prevention programme with staff, patients and visitors;
- Ongoing drive of cross organisational working with CCGs to review and embed joint working, and share best practice/lessons learned actions.

On-going improvements identified:

- Refresh of hand hygiene signage throughout the Trust;
- Sustain working with whole health economy to reduce incidences of Clostridium difficile and partnership review of all cases;
- Expansion of deep clean programme utilising UVC cleaning method.

**Blackpool Teaching Hospitals NHS Foundation Trust
Clostridium difficile
1st April 2012 - 31st March 2018**
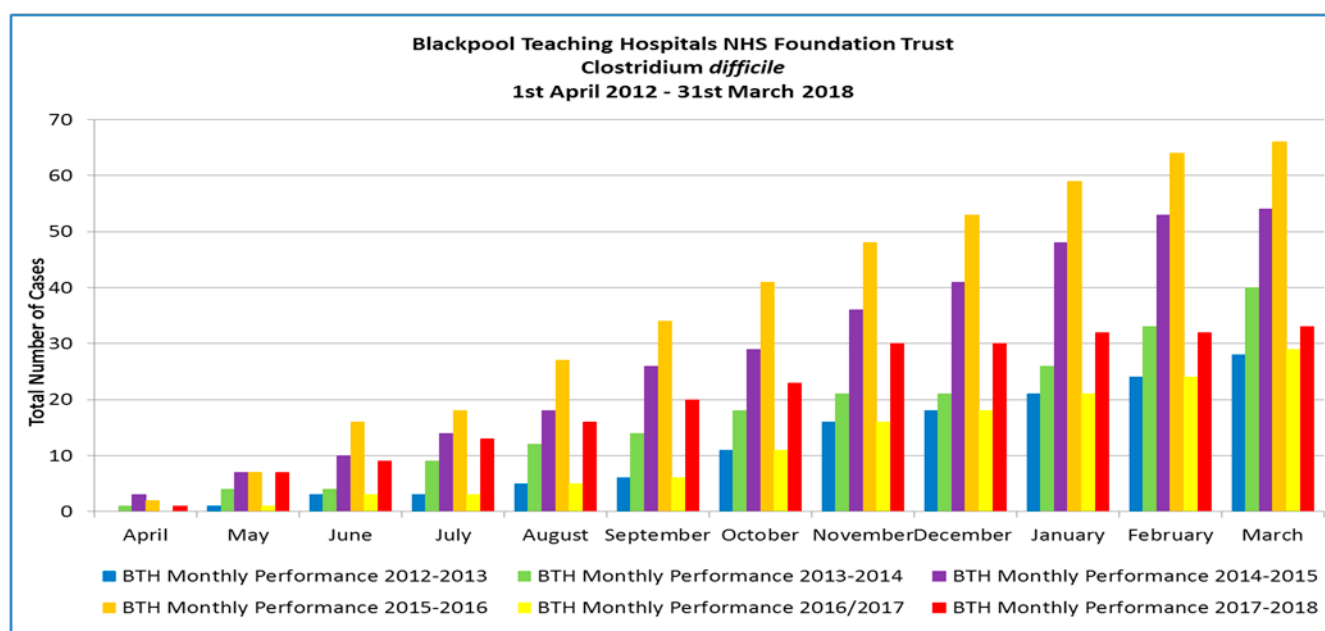
Outcome: 33 cases of Clostridium difficile. 6 avoidable cases (compared with 9 avoidable cases in 2016/17) and 27 unavoidable cases.

Progress: ✔ Target Achieved

2.2.9 Patient, Family and Carer Experience

i) NHS Friends and Family Test

> **What:** Achieve the Organisation's 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% 2017/18

Blackpool Teaching Hospitals changed their provider for the NHS Friends and Family Test (FFT) in April 2016. We are now able to access daily feedback in more progressive and user friendly ways via an online dashboard This has also enabled us to triangulate all our patient experience feedback in one system. Clinical and operational teams now have direct access to FFT feedback through this portal and use both positive and negative feedback to influence enhancements in the care and treatment they provide.

> The NHS Friends and Family Test was launched in 2013 following the publication of the Francis Report.
>
> In 2017/18, Blackpool Teaching Hospitals surveyed 52,484 patients using the NHS Friends and Family test survey.
>
> Every service user that comes into contact with our services is given the opportunity to complete the FFT form.
>
> In 2017/18, Community Services achieved 98% and Inpatients 95.95% of their respective patients were likely to recommend the service to their friends and family.

The Organisation's ambition is to achieve 98% by 2018. Displaying and sharing the positive comments received from completed FFT forms is evident within our successful clinical areas. These areas also tend to be the ones that perform better in the test and also with the number of forms submitted. Some clinical areas regularly achieve over 98%. The improved mechanisms of sharing the information gained from the NHS Friends and Family Test makes it easier for services to respond more effectively and be more responsive to the needs of our service users.

> **Outcome:** 96.50%. (Improvement on previous 2016/17 figure of 96.07%.)
>
> **Progress:**
> ↓ Behind Plan.

ii) "Tell Us" Campaign

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

How Much: To improve 71% * of patients feel involved in decisions about their care – 2016 CQC National Inpatient Survey

Local Listener Survey
- 82% of patients felt involved in decisions doctors made about your care
- 97.76% do you feel well cared for? How well were you looked after?

- Blackpool Teaching Hospitals uses the Picker Institute Europe to undertake our annual National Inpatient survey. The findings are later reported by the Care Quality Commission.
- 1,250 people who were inpatients during July 2017 were sent this survey.
- The Trust's response rate was 42%*.
- 89% of patients asked in the CQC National Inpatient Survey reported they were treated with respect and dignity.

The Patient Experience Department continues to run the "Tell Us" campaign as part of the 2015-2018 Patient and Carer Involvement Strategy. The department highlighted the strengths of the campaign and the importance of capturing patient and carer feedback across the organisation in 2017 by hosting awareness days, training sessions and sharing first person experiences via the patient stories programme and our social media platform.

During 2017/18, excellent progress has been made in capturing the views of patients during their stay and sharing this information with clinical teams to celebrate success and highlight areas that need improving. We have 12 listeners currently in post who have engaged with over 200 service users each month over the last 12 months. The Trust has commenced bi-monthly meetings where trends and themes are analysed supporting development of action plans on how we can enhance patients' experiences across the Organisation.

The Influence Panel, which has evolved during the last 12 months, now has 16 members from a variety of backgrounds. They meet with staff to discuss future projects and ensure that the patient's voice is at the heart of projects taken forward. In the last 12 months they have been pivotal to the Always Event projects with one member of the panel becoming the Always Event Patient Advocate. The Influence Panel have started to build genuine partnerships with different professional group leads across the Trust which is ensuring ongoing involvement of the patients' voice in a wide range of projects.

Outcome: 71% * of patients feel involved in decisions about their care – 2016 CQC National Inpatient Survey
(2017 data not yet available)

Progress:
= Data from 2016 shows no change against the 2015 data when looking at the same question. We are awaiting publication of the CQC National Inpatient Survey 2017 to measure any improvement against the previous year.

*CQC 2016 Survey

iii) Always Event™

The Always Event Framework is a methodology of change that is being embedded throughout the organisation, creating genuine partnerships between patients, service users and staff promoting co-design and co-production to transform care experiences & sustained improvements. The methodology has been utilised to implement Johns Campaign into the Organisation.

Carers Welcome
A Guide for all Carers

NHS Blackpool Teaching Hospitals NHS Foundation Trust

To support you in visiting this ward outside of normal hours, we have developed the Carers Guide to explain what is expected of you and what you can expect from us whilst on this ward.

How we can work together to help the patient

We will support you in doing what you would do for the patient at home.
This might include:
- Helping with eating and drinking if needed
- Helping with their daily routine such as washing and/or shaving and dressing
- Please fill in the "Paint me a Picture" leaflet to help us to get to know the patient and their likes and dislikes
- If necessary, we may be able to support you to stay overnight with the patient
- We will always include you in discussions about the patient's care

To protect the wellbeing of all our patients we will expect you to:

- Comply with the hospital's hand washing policy
- If you have diarrhoea or vomiting please do not visit for 48 hours
- Please do not visit if you have cold or fever
- Use chairs and do not sit on the bed
- Limit visitors to two at any one time
- Be aware that there may be times when you are asked to leave the room for a short while
- Keep noise to a minimum so as not to disturb other patients
- Unless there is an emergency please do not interrupt staff when they are with another patient
- If a staff member is wearing a red tabard, they are distributing medication and must not be disturbed to prevent errors

tell **US**   @BplPatient_Exp   patientexperienceteamBTH

People Centred   Positive   Together we care   Compassion   Excellence

"If my loved one is admitted to hospital they will always have the comfort and support of my presence whenever they wish."

- Piloted on wards 25, 26, 34 & 35
- Listened to what mattered to staff, patients & relatives
- Co-designed & co-produced a supportive ward pack, has been reviewed and amended following staff and relative feedback
- Carers charter designed by Volunteers who have been patients, service users or carers
- Trust-wide roll out planned

Flexible Visiting Wards 34 & 35
"I will always be supported to have my visitors throughout the day."

- Listened to what mattered to staff, patients & relatives and implemented concept Jan 2018
- Review plan has been agreed to support sustainability and roll out

2.2.10 Workforce Experience

The 2017 National Staff Survey results demonstrate our commitment to staff engagement and have confirmed our continued improvement. Our staff engagement score has increased from 3.81 in 2016 to 3.83. This is compared against a national average of 3.77.

Our results have demonstrated a significant improvement in the following areas compared to our results from 2016. We are particularly proud of the improvements relating to patient safety including how the organisation encourages the reporting of errors, takes action to ensure errors aren't repeated and then feeding back to staff about action taken. Actions taken to improve this include:

- Improvements in training offered;
- Improvements to the incident reporting system;
- Reintroduction of the lessons learnt newsletter;
- Establishment of the Freedom to Speak Up Guardian service;
- Integration of incident reporting information into training such as induction and conflict resolution;
- Introduction of 7 Minute Briefings;
- Streamlining and updated clinical policies;
- Quality Manager's monitoring and reviewing of incidents;
- Safety huddles on wards;
- 'Knowing How We are Doing' boards on wards showing incidents and actions taken.

	2016	2017	
Able to make improvements happen in my area of work	59%	62%	+
Team members have a set of shared objectives	74%	77%	+
I know who senior managers are	83%	86%	+
Organisation encourages reporting of errors	87%	89%	+
Organisation takes action to ensure errors are not repeated	68%	71%	+
Staff given feedback about changes made in response to reported errors	63%	67%	+
Not experienced physical violence from other colleagues	98%	99%	+
Had training, learning or development in the last 12 months	69%	72%	+
Had mandatory training in the last 12 months	97%	98%	+
Patient/service user feedback collected within directorate/department	92%	94%	+

There are a number of areas identified that the Trust will concentrate its efforts on to improve performance going forwards as indicated below.

	2016	2017	
Enough staff at organisation to do my job properly	35%	32%	-
Satisfied with level of pay	43%	37%	-
In last 12 months, have not experienced musculoskeletal (MSK) problems as a result of work activities	77%	75%	-
Not felt unwell due to work related stress in last 12 months	64%	61%	-
Had appraisal/KSF review in last 12 months	96%	95%	-

Relevant actions will be worked through with the Trusts Great Place to Work Group and the action plan will be reviewed and updated during 2018/19.

2.2.11 Improving Care for Patients living with Dementia

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

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

The Trust has completed its first year of projects, service improvements and process developments against the dementia strategies key action areas, each of which have 3 priority focus areas.

The seven key action areas include:

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

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

• Successful facilitation of Dementia Awareness Week across the organisation with support from key partners and ward based dementia champions;
• Pilot and implementation of new dementia training;
• Review of dementia training framework;
• Provision of dementia friendly cutlery and crockery across all in patient areas;
• Roll out of Abbey Pain Tool for assessment of pain in cognitive impairment;
• Commencement of phase 2 work of dementia garden at Clifton Hospital;
• Launch of carers hub / dementia café;
• Development of dementia buddy role concept;
• Involvement and increased partnership links with local Dementia Action Alliances;
• Attendance and subsequent action plan developed following National Dementia Audit Workshop;
• Piloting of the National Johns Campaign across a number of wards using 'Always Event' programme methodology;
• Implementation of a Health and Wellbeing Plan;
• Revision of 'paint me a picture' communication tool;
• Endorsement of Dementia Pathway and an Acute Confusion Pathway;
• Agreed minimum standards of environmental requirements used to upgrade a number of wards to achieve dementia friendly environments;
• Charity Butterfly Ball held to support Peace of Mind appeal.

Outcome: Element 1 - 90.29% Element 2 - 98.90% Element 3 - 100%
Progress: ✔ Target achieved

2.2.12 End of Life Care

We are very proud of the continued progress that has been made in the provision of our services for Palliative and End of Life Care across the Fylde Coast. We have achieved this through continued partnership working between all organisations including The Trust, Trinity Hospice, CCG's, GP's, District Nursing Teams & the communities we care for.

During 2017 we have made two new appointments to the Trust leadership team with a change to the lead Consultant for Palliative Medicine and joining the Trust a new Lead Nurse for Cancer and End of Life care.

The Trust has made excellent progress over the last 5 years with the team being recognised on a national scale for having delivered pioneering services for people at the end of their life and receiving National Patient Safety Awards, BMJ Palliative Care Team of the Year award and local recognition in the Best of Health, Gazette Awards.

The Fylde Coast End of Life Strategy was developed in partnership and after consultation with a wide range of key stakeholders, including professionals across primary, community and voluntary sector organisation and members of the public. It recognises that integral to the provision of services are an agreed care pathway, evidence-based practice, an effective local workforce, an informed local population and a change in people's attitudes to death. The End of Life Strategy Steering Group oversees the implementation and progress of the actions outlined in the strategy and the membership includes all partners across the Fylde coast health economy. The strategy and developments have progressed greatly since the initial strategy group formed in 2012 and the strategy outlines ambitions for the next five years and all partners have committed to these.

An updated consensus guidance for Lancashire and South Cumbria around managing palliative care symptoms has been launched during the year which is based around the Ambitions for Palliative Care document (2015-2020) and the North West end of life care model. This supports teams caring for people with palliative care needs ensuring that the patient and those important to them are involved in discussions on planning individualised care. The Trust supports early open and honest discussions to ensure that key individuals are aware of plans enabling individuals to be cared for in the place of their choosing. The updated guidance is available on the Trust website and on the professional's website hosted by Trinity Hospice.

A comprehensive range of education and training is available to our staff across the Fylde Coast with Trust, community and Trinity Hospice teams delivering across the variety of settings. Over 1000 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 simulation training for Do Not Resuscitate to support staff with difficult conversations about resuscitation.

The Hospital Palliative Care team consists of palliative care consultants and specialist palliative care nursing team. The team has received 1,267 referrals during the year which is an increase of 17% on the previous year, with 86% of these being seen in 24 hours. The team currently provides a Monday-Friday service including bank holidays with access to telephone advice out of hours. A project has commenced in partnership with Macmillan to ascertain the service needs to enable provision of 24/7 services.

The team provide an Electronic Palliative Care Co-ordination System (EPaCCS) which has been rolled out to all GPs across the Fylde coast in 2017 with 1,000 patients have an EPaCCS record. The system shares information, 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.

2.2.13 Spiritual and Pastoral Care/ Bereavement Care

The Chaplaincy Service at Blackpool Teaching Hospitals provides spiritual care for patients, visitors and staff. The team provides direct care within the following settings responding to patients with end of life needs:

- Blackpool Victoria Hospital;
- Clifton Hospital;
- Harbour Mental Health Hospital, Lancashire Care;
- Trinity Hospice, Brian House and associated Palliative Care Services;
- Community Chaplaincy where appropriate, particularly to link discharged patients with a supportive faith community.

is greater than ever before, and the Chaplaincy Services delivered within the Trust sensitively engages with people in an empathetic style, at times of considerable distress. The Lead Chaplain chairs the Trust Bereavement group which is held quarterly.

The last National Bereavement Survey (VOICES), run by the Office for National Statistics, was published in 2016 and a further national audit date is awaited. The Trust has had its own local survey for a number of years and continues to receive completed copies of the Bereavement Survey from relatives. A total of 164 (April 2017 to March 2018) have been logged onto the survey's database and Divisional reports are provided on a quarterly basis to share good practise and review potential actions to enhance bereavement support even further. Overall the feedback is positive with an average of 75% positive comments received.

The provision of a 24 hour/7 day service ensures that spiritual care remains a high priority, particularly when patients are in the dying phase.

Spiritual Care training continues to be delivered and is available to all staff in the local healthcare economy. This training helps staff to identify spiritual needs towards the end of life and when to appropriately involve Chaplaincy Services. Referrals for support from the Chaplaincy Team have remained positive throughout the year.

The Trust recognises the need for spiritual care

Chaplaincy Team 2017/18

2.2.14 Learning Disability Service

Learning Disability Service

What: People with learning disabilities have higher levels of ill health and are admitted to hospital much more frequently than the general population. They also have much higher rates of premature death than the population as a whole, and die on average 16 years sooner. To provide services in a way that adequately meets people with learning disabilities health needs and ensure that people with a learning disability receive care that supports their Individual needs.

How Much: Achieve Level 2 on the NHS North West – Acute Hospital – Learning Disability Self-Assessment Framework (2015 Framework revision pending).

Learning Disability Guides role has been established within the Trust who as a group of staff that have an interest or link to Learning Disabilities. All guides are expected to complete an eLearning package and act as an additional support to staff that are caring for service users with a learning disability. Matrons support this process. The Trusts electronic patient record system has an alert that indicates if a service user has a learning disability which triggers contact to the respective services Matron to ensure adequate support is provided. The aim going forward is that the learning disability guides form a register on the learning disability internal webpage where there is an excellent resource for staff to use.

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.

Partnership working with Blackpool Learning Disability Service and Lancashire Care Trust means that specialist knowledge is available, evident and used to promote Learning Disability Awareness at events including Learning Disability Week.

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 aim of the LeDeR review is to undertake reviews that are trusted and safe experiences that encourage honesty, transparency and sharing of information to obtain maximum benefit from them; and to learn lessons. The Trust actively participates in these reviews and has a robust process in place for identifying when a person with learning disabilities dies whilst in our care.

The LeDeR review complements 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 2017/18, the Trust reported 10 deaths of patients with learning difficulties to the LeDeR centre.

Outcome: Achieve Level 2 on the NHS North West – Acute Hospital – Learning Disability Self-Assessment Framework.(2015 Framework) Framework revision pending by 2018/19

Progress: On track

2.3 Our Plans for the Future

2.3.1 The Quality Improvement Strategy 2016 – 2019

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

Our Quality Strategy set out our ambitions to provide the best patient care that is informed, timely and safe and 2017/18 saw the second year of implementation of the Strategy. Achievement of our quality ambitions relies on everyone committing to continuous improvement and placing quality and safety at the heart of everything we do for our patients and their families whilst signing up to the principle that care must be "Informed, Timely and Safe - ITS how we care".

2.3.2 Quality

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

The purpose of the Quality Strategy is to support the delivery of the organisation's vision, values, quality goals and strategic objectives. Our vision is to create a culture of continuous improvement where:

"Our care will be safe, high quality and managed within available resources, provided in the most appropriate environment and to agreed pathways of care" and "Our highly skilled and motivated workforces will be patient centred, caring and compassionate, living our values every day".

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

We have set two goals for each domain to provide staff, patients and the public with a clear view of what our quality and safety priorities are and how these will be measured going forward. Achieving these goals will require us to have excellent staff, excellent record keeping and to excel at working in partnership. We call these our three 'strategic enablers'. Progress towards achieving the goals and strategic enablers has been monitored by the Trust's Quality Committee throughout 2017/18 and will continue to be reported on a quarterly basis to Quality Committee for year three implementation of the Strategy.

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 of which will be reported to Board of Directors through the Quality Committee.

2.3.2 Quality Improvement Metrics

Care Domain:	Key Goals:	Metrics:
Informed	**Enhancing the Patient experience and Promoting Patient Involvement**	• Patients rating of care as excellent / very good / good • Patients who have been treated with dignity and respect • Patients who feel involved in their care • Patients who would recommend the service to friends and family.

Informed	**Providing Evidence Based Care**	• Compliance with clinical pathways based on:
		  - Patient compliance;
		  - Opportunities to care;
		• New clinical pathways implemented will achieve agreed % targets against set of survival critical points;
		• Mortality rates for conditions with a clinical pathway as reflected in 12 month rolling SHMI
		• Opportunities for investigation & learning.

Timely	**Care in the Right Place**	• Number of 'none optimal placement' of patient to initial admitting ward • Extensive care service - % reduction in A&E & non elective attendances • Extensive care service - % reduction in new and follow up out patient attendances • % of eligible rapid discharge patients achieved.
Timely	**Care at the Right Time**	• 18 week access targets • Cancer treatment targets • A&E 4 hour standard • Cancelled operations • Non elective -strategic length of stay reduction • Delayed transfers in care.
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.

IT'S how we care

2.4 Our Quality Priorities 2017/18

Our Quality Strategy 2016 - 2019 outlines a number of projects that we will be focussing on in the coming year and these have been closely aligned to the Trusts strategic vision which is a five year strategy to help us achieve our vision for 2020:

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

This will be delivered through key work programmes with aspirations to reach the highest level of clinical quality, patient experience, operational performance and staff satisfaction. Our transformation programme has the achievement of safe, high quality care as a priority across all of its strategic work programmes. One of these work programmes is specifically named "Quality" and is focused on some of the key areas identified in the Quality Strategy. This includes the implementation of clinical pathways and plans to deliver seven day services, a national initiative of which the Trust is participating in. During 2017/18 the Medical Director has reviewed with NHS England a proposed model action plan which will be a priority for implementation through NHS England's support during 2018/19. The 7 day working agenda has featured heavily within the Trust clinical management forums and workforce strategy reviews during 2017/18 to ensure the Trust's future workforce has the capacity to support a seven day working model.

Our Quality Strategic Work Programme
During 2017/18, our "Quality" work programme has been focused on increasing the level of consistency in our care provision to deliver high quality care to all patients, and this will continue into future years of our strategy.

Through this work programme we have remained dedicated to the achievement of safe, high quality care and through our wider work programmes we have also focused on;

- "Efficiency", a focus on reducing unnecessary length of stay in hospital and reducing readmission rates;

- "Value", a focus on improving utilisation of our theatres (including reducing cancellations and increasing day case rates) and our workforce (including reducing our reliance on contingent labour);
- "Appropriate", a focus on improving patient experience and flow through our non-elective points of entry into the hospital.

Our Priorities Going Forwards
We would like to highlight within the Quality Accounts the following projects of key priorities under the quality domain:

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

Integrated Care Partnership
The Fylde coast was named in 2017/18 as one of eight sites nationally to be a forerunner in the development of an Accountable Care System (ACS). This has subsequently been re-named nationally as an Integrated Care Partnership (ICP). The Trust has signed a Memorandum of Understanding (MoU) with NHS England and NHS Improvement which outlines the national requirements associated with being a forerunner "ACS" site. The Trust has agreed its high and medium priority work programmes based upon national and local priorities and Fylde Coast work programmes for the national priority areas have been established. A number of workshops, with partners, aligned to the delivery units to further develop the scope and priority projects (particularly in relation to local priorities). There has been an establishment of the Fylde Coast ACS/ICP Steering Group with executive, clinical lay membership from Blackpool CCG, Fylde and Wyre CCG, Blackpool Teaching Hospitals NHS Foundation Trust, Blackpool

Council and Lancashire County Council. A Fylde Coast Clinical Senate has been developed and a number of organisational development sessions with the Fylde Coast senior leadership teams has been facilitated to influence the developed a localised vision which encompasses all partners quality priorities.

2.4.1 Statements of Assurance from the Board of Directors

Review of Services
During 2017/18, the Blackpool Teaching Hospitals NHS Foundation Trust provided and/or subcontracted the following relevant health services:

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

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

The income generated by the relevant Health services reviewed in 2017/18 represents 100% of the total income generated from the provision of relevant health services by the Blackpool Teaching Hospitals NHS Foundation Trust for 2017/18.

2.4.2 Participation in Clinical Audits and National Confidential Enquiries

During 2017/18, 54 national clinical audits and 4 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 93% 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 2017/18 are as follows:

2.4.3 Table 1 National Clinical Audits

	The national clinical audits and national confidential enquiries that Blackpool Teaching Hospitals NHS Foundation Trust are participating in, and for which data collection was completed during 2017/18 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	Acute coronary syndrome or Acute myocardial ischaemia (MINAP)	✔	✔	Ongoing
2	Adult Cardiac Surgery (NICOR)	✔	✔	100%
3	BAUS Urology Audits: Cystectomy	No	Not applicable to Blackpool Teaching Hospitals	
4	British Association of Urology Surgeons (BAUS) Urology Audits: Nephrectomy	✔	✔	Ongoing
5	British Association of Urology Surgeons (BAUS) Urology Audits: Percutaneous Nephrolithotomy	✔	✔	100%
6	BAUS Urology Audits: Radical prostatectomy	No	Not applicable to Blackpool Teaching Hospitals	

	National Clinical Audit Title	Eligible	Participated	Number or Percentage submitted
7	BAUS Urology Audits: Urethroplasty	No	Not applicable to Blackpool Teaching Hospitals	
8	BAUS Urology Audits: Female stress urinary incontinence	✔	Not participated 17/18	
9	Bowel cancer (NBOCAP)	✔	✔	237 *Total no of patients*
10	Cardiac Rhythm Management (CRM)	✔	✔	Ongoing
11	Case Mix Programme (CMP) ICNARC	✔	✔	100%
12	Child health clinical outcome review programme (CHR/UK) NCEPOD	✔	✔	Ongoing
13	Chronic Kidney Disease in primary care	No	Not applicable to Blackpool Teaching Hospitals	
14	Congenital Heart Disease (CHD)	✔	✔	Ongoing
15	Coronary Angioplasty/National Audit of Percutaneous Coronary Interventions (PCI)	✔	✔	Ongoing
16	Diabetes (Paediatric) (NPDA)	✔	✔	100%
17	Elective surgery (National PROMs Programme)	✔	✔	Ongoing
18	Endocrine and Thyroid National Audit	✔	Not participated 17/18	
19	Falls and Fragility Fractures Audit Programme (FFFAP)	✔	✔	100%
20	Head and Neck Cancer audit (HANA)	✔	✔	360 Total no of patients
21	Inflammatory Bowel Disease (IBD) programme	✔	✔	100%
22	Learning Disability Mortality Review Programme (LeDeR Programme)	No	Not applicable to Blackpool Teaching Hospitals	
23	Trauma Audit & Research Network (TARN) Major Trauma Audit	✔	✔	100%
24	"Maternal, infant and new-born programme (MBRRACE-UK)* Also known as Maternal, New-born and Infant Clinical Outcome Review Programme) *This programme was previously also listed as Perinatal Mortality (in 2010/11, 2011/12 quality accounts)"	✔	✔	100%
25	Medical & Surgical Clinical Outcome Review Programme. National Confidential Enquiry into Patient Outcome and Death (NCEPOD)	✔	✔	100%
26	Mental Health Clinical Review National Confidential Inquiry into Suicide and Homicide	No	Not applicable to Blackpool Teaching Hospitals	

	National Clinical Audit Title	Eligible	Participated	Number or Percentage submitted
27	National Audit of Anxiety and Depression	No	Not applicable to Blackpool Teaching Hospitals	
28	National Audit of Breast Cancer in Older patients (NABCOP)	✔	✔	100%
29	National Audit of Dementia	✔	✔	100%
30	National Audit of Intermediate Care (NAIC)	✔	✔	100%
31	National Audit of Psychosis	No	Not applicable to Blackpool Teaching Hospitals	
32	National Audit of Rheumatoid and early inflammatory arthritis	✔	✔	100%
33	National Audit of Seizures and Epilepsies in Children and Young People	✔	Not participated 17/18	
34	National Bariatric Surgery Registry (NBSR)	No	Not applicable to Blackpool Teaching Hospitals	
35	National Cardiac Arrest Audit (NCAA)	✔	Not participating replaced by MELA Resuscitation audit	
36	National COPD Audit Programme. Royal College of Physicians (RCP)	✔	✔	100%
37	National Clinical Audit of Specialist Rehabilitation for patient with Complex needs following Major injury (NCSARI)	No	Not applicable to Blackpool Teaching Hospitals	
38	National Comparative Audit of Blood Transfusion programme	✔	✔	100%
39	National Diabetes Audit – Adults	✔	✔	Ongoing
40	National Emergency Laparotomy Audit (NELA)	✔	✔	Ongoing
41	National End of Life audit	✔	✔	100%
42	National Heart Failure Audit	✔	✔	90%
43	National Joint registry (NJR)	✔	✔	100%
44	National lung cancer audit (NLCA)	✔	✔	299 *Total no of patients*
45	National Maternity and Perinatal Audit	✔	✔	100%
46	National Neonatal Audit Programme (NNAP)	✔	✔	100%
47	National Ophthalmology audit. Royal College of Ophthalmologists (RCOphth)	✔	✔	Ongoing
48	National Vascular Registry	No	Not applicable to Blackpool Teaching Hospitals	
49	Neurosurgical National Audit Programme	No	Not applicable to Blackpool Teaching Hospitals	
50	Oesophago-gastric cancer (National O-G Cancer Audit)	✔	✔	105 *Total no of patients*

	National Clinical Audit Title	Eligible	Participated	Number or Percentage submitted
51	Paediatric Intensive Care (PICANet)	No	Not applicable to Blackpool Teaching Hospitals	
52	Pain in Children Royal College of Emergency Medicine (RCEM)	✔	✔	100%
53	Prescribing Observatory for Mental Health (POMH-UK)	No	Not applicable to Blackpool Teaching Hospitals	
54	Procedural sedation in adults care in emergency departments Royal College of Emergency Medicine (RCEM)	✔	✔	100%
55	Prostate cancer audit	✔	✔	236 *Total no of patients*
56	Sentinel Stroke National Audit Programme (SSNAP)	✔	✔	95%
57	Serious Hazards of Transfusion (SHOT) UK National haemovigilance scheme	✔	✔	100%
58	UK Parkinson's Audit	✔	Not participated 17/18	
59	Fractured neck of femur Royal College of Emergency Medicine (RCEM)	✔	✔	100%
60	Getting it right first time (GIRFT)	✔	✔	100%
61	IBRA-2 (Implant Breast Reconstruction Evaluation) Study	✔	✔	Ongoing
62	Adult Bronchoscopy National Audit 2017. British Thoracic Society (BTS)	✔	✔	100%
63	National audit of the provision of imaging of the severely injured patient	✔	✔	100%
64	National Audit - Seven day services survey	✔	✔	100%
65	Cystic Fibrosis Registry	✔	✔	Ongoing
66	National Audit of Inpatient Falls	✔	✔	100%
67	NatSIPPs	✔	✔	Ongoing
68	LocSIPPs	✔	✔	Ongoing
69	National Adult Bronchiectasis Audit. British Thoracic Society (BTS)	✔	✔	Ongoing
70	Potential Donor audit	✔	✔	100%
71	Emergency use of Oxygen (BTS)	✔	✔	100%
72	MELA Resuscitation Audit	✔	✔	100%
73	Admission & Discharge to DGH for children & Young people with emotional, social, behavioural or mental health issues	✔	✔	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 17 national clinical audits were reviewed by the provider in 2017/2018 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 123 local clinical audits were

reviewed by the provider in 2017 / 18 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 2017/18

The following studies were issued or reports published in 2017/18:

Title	Eligible	Participated	% Submitted
Cerebral Palsy *(report issued March 2018)*	✔	✔	100%
Young People's Mental Health *(report publication date awaited)*	✔	✔	100%
Cancer Care in Children , Teens & Young Adults *(Report due Autumn 2018)*	✔	✔	100%
Acute Heart Failure *(Report due Summer 2018)*	✔	✔	100%
Diabetes-Peri-operative care *(Report due Winter 2018)*	✔	✔	100%
Pulmonary Embolism *(Report due Summer 2019)*	✔	✔	100%

2.4.5 Participation in Clinical Research in 2017/18

The number of patients receiving relevant health services provided or sub-contracted by Blackpool Teaching Hospitals NHS Foundation Trust in 2017/18 that were recruited during that period to participate in research approved by a Research Ethics Committee was 1,491.

Of the 1,491, 1,455 participants were recruited to National Institute of Health Research (NIHR) Portfolio Studies which exceeds our target of 1,200 for the year set by the NIHR Clinical Research Network, North West Coast. On average there were 116 different research studies/trials open at any one time during 2017/18.

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 Framework

A proportion of Blackpool Teaching Hospitals NHS Foundation Trust's income in 2017/18 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 2017/18 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 aims to support the cultural shift towards making quality the organising principle of NHS services. In particular, it aims to ensure that local quality improvement priorities are discussed and agreed at board level

within 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 2017/18 conditional upon achieving quality improvement and innovation goals is £7,347,120. The Trust achieved a monetary total value of £6,360,983 for the associated payment in 2017/18.

The Trust continues, with commissioners, to agree CQUINs each year that progress the quality agenda. There has been an increase in the number of national CQUINs in which the Trust participated over the year as we are both an Acute and Community provider. Whilst the CQUINs have been ambitious, they are constructed to encourage greater collaboration between providers spanning care pathways. CQUINs this year have again focussed on a number of quality and improvement initiatives including clinical pathways, service improvements and quality innovations.

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 2017/18.

Statements from the Care Quality Commission
The Foundation Trust is fully compliant with the registration requirements of the Care Quality Commission (CQC) 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 will be monitored during 2018/19 via the Trusts CQC action plan which reflects divisional actions identified to address 12 areas of improvement, under 4 regulated activities. The CQC action plan will be presented at the Trusts Quality Committee and also at the Quality Review Board with commissioners. Divisions will be required to present progress against divisional actions within the action plan at Divisional Performance Board meetings that are held with Executive Directors on a monthly basis.

Overall there were some real highlights in the report including the "Outstanding" rating for our Community Services. It is the first time that these services have been inspected and the Inspectors were full of praise for the way the Trust had developed integrated care across a wide range of agencies to deliver the best possible care for our patients.

Another highlight was the praise for "kind, caring and respectful" staff doing their utmost to involve patients and those close to them in their care. The Trust is extremely proud of our staff and were delighted that they had rightly been recognised for their efforts.

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 patients care, wellbeing and patient safety. Data should always be accurate, up to date and clear and Blackpool Teaching Hospitals NHS Foundation

Trust has taken the following actions to improve data quality:

Provision of external assurance on a selection of the quality data identified within the Quality Report. Local internal assurance is provided via the analysis of data following local internally led audits in relation to nursing care indicators, analysis of data following incidents, analysis of complaints and claims data 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, Strategic Transformation Group and the Quality Committee Assurance Report.

Controlled process 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 process on pathways by the Trust's Internal Data Team.

Monthly formal Divisional Boards are held 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 Trust's 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 2016/17 to the Secondary Uses Service (SUS) for inclusion in the Hospital Episode Statistics which are included in the latest published data. The percentage of records in the published data:

- which included the patient's valid NHS number was:

  - 99.7% for admitted patient care;
  - 99.9% for outpatient care, and;
  - 98.8% for accident and emergency care.

- which included the patient's valid General Medical Practice Code was:

  - 99.9% for admitted patient care;
  - 99.8% for outpatient care, and;
  - 99.9% for accident and emergency care.
    Up until Month 12

2.4.11 Information Governance Assessment Report 2016/17

Blackpool Teaching Hospitals NHS Foundation Trust's Information Governance Assessment Report overall score for 2017/18 was 83% and was graded satisfactory (Green) from Information Governance Toolkit Grading Scheme.

For 2017/18 the grading system is based on:

- Satisfactory level 2 or above achieved in all requirements;
- Not Satisfactory minimum level 2 not achieved in all requirements.

Information Governance (IG) relates to the way organisations 'process' or 'handle' information. It covers personal information, i.e. that relating to patients / service users and employees, and corporate information, e.g. financial and accounting records.

The IG Toolkit is an online system which allows the Trust to assess itself or be assessed against Information Governance policies and standards. It also allows members of the public to view participating Organisation's IG Toolkit assessments.

The purpose of the assessment is to enable the Trust to measure our compliance against the law and central guidance and to see whether information is handled correctly and protected from unauthorised access, loss, damage and destruction.

2.4.12 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.

Learning From Deaths

During April 2017 – March 2018, 1,750 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:

- 396 in the first quarter;
- 396 in the second quarter;
- 433 in the third quarter;
- 525 in the fourth quarter.

By the end of third quarter (2017/18), 687 (extrapolated figure) case record reviews and five (estimated) investigations had been carried out in relation to 56% of the deaths included in the above item. In three (estimated) 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:

- 222 in the first quarter;
- 222 in the second quarter;
- 243 in the third quarter;
- Data under analysis for the fourth quarter.

Fifteen deaths representing 1.25% of the patient deaths during the reporting period to end third quarter 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:

- 5 deaths representing 1.25% (extrapolated value) for the first quarter;
- 5 deaths representing 1.25% (extrapolated value) for the second quarter;
- 5 deaths representing 1.25% (extrapolated value) for the third quarter;
- Data is under analysis for the fourth quarter.

These numbers have been estimated using the Trust level 1 screening tool and level 2 speciality detailed case record review methods, including Royal College of Physicians avoidability gradings, applied to Quarter 3 2017/18 deaths and extrapolated to first and second quarters.

The process of retrospective review of the case records of deceased patients has generated action points for implementation and learning points for dissemination as summarised below:

- The fundamental importance of accurate writing, dating and signing of prescriptions in the avoidance of drug errors;
- The importance of meticulous tracing of records in order to guarantee the timely availability of case notes;
- The requirement for continuing education in the safe management of specific fluid and electrolyte disorders;
- The need for early establishment of ceilings of intervention in patients with known disseminated malignancy, end stage organ failure, significant co-morbidity and profound frailty;
- The importance of strict adherence to the trust policy for the monitoring of vital signs and prompt response to deviations from established early warning thresholds;
- The critical need for rapid response to deteriorating patients including the timely intervention by those with appropriate experience;
- The importance of timely review and recording of the results of key investigations undertaken in given patients;
- The fundamental importance of formulating robust management plans in case notes and the undertaking of comprehensive handover between members of staff;
- The importance of comprehensive pre-operative assessment including the explanation of perceived personalised risk to patients scheduled for major joint surgery;
- The need for pre-hospital admission establishment of preferred place of death and other aspects of End of Life Care through the preparation of individualised care plans in primary and community care;
- The importance of training in the acute management of patients with known learning difficulties;
- The importance of compliance with care pathways for high risk diagnoses such as sepsis, pneumonia and acute kidney injury;
- The need for a prompt review of the existing

draft of the vascular surgical pathway;

- The need to avoid delayed patient discharge in preventing the development of hospital acquired pneumonia;
- The importance of follow-up microbiological sampling after an appropriate interval following the initial administration of antibiotics;
- The need to include the patient and their family members in important management planning and the review of pivotal results;
- The importance of timely response to requests for consultation and input from other specialities by the primary team.

A description of the actions which the Trust has taken in the reporting period, and proposes to take following the reporting period, in consequence of what the Trust has learned during the reporting period as summarised below:

- Speciality and Trust-wide distribution of the foregoing list of action points for implementation and learning points for dissemination;
- Review and revision of the vascular surgical pathway;
- Development of a pathway for the management of massive pulmonary embolism.
- Review, revision and re-emphasis of the Bacterial Endocarditis pathway and Bacterial Endocarditis team;
- Trust pathway development steering group focus on sepsis... team visit to Liverpool for e-sepsis pathway review;
- Ongoing work through CCG quality leads and primary care to minimise the number of patients admitted to hospital with a terminal illness who might have been managed in the community with an appropriate individualised care plan.

An assessment of the impact of the actions described in the above which were taken by the Trust during the reporting period resulted in:

- Development and implementation of an enhanced vascular surgical pathway;
- Development of a massive pulmonary embolism management pathway awaiting final sign off;

- Regular and frequent cross speciality review of the clinical progress of all in hospital cases of suspected or proven bacterial endocarditis;
- Installation of sepsis trolleys and sepsis grab bags;
- Demonstration of a fall in the SHMI for sepsis over a six month period to a value of less than 100;
- Scheduled development of a project plan in conjunction with CCG quality leads for a follow-up evaluation of patients with terminal illnesses that might have been better managed in the community rather than in secondary care.

444 case record reviews and two investigations were completed after 31st March 2017 which related to deaths which took place before the start of the reporting period.

Ten deaths representing 1.25% (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 record review methods, including RCP avoidability gradings, applied to Quarter 3 2017/18 deaths and extrapolated to first and second quarters.

Data is not available for the previous reporting period. The 1.25% of the patient deaths (during the previous reporting period) are judged, by extrapolation to have been more likely than not to have been due to problems in the care provided to the patient.

3 Review of Quality Performance

3.1 The NHS Outcome Framework Indicators

The NHS Outcomes Framework sets out high level national outcomes which the NHS should be aiming to improve. The Framework provides indicators which have been chosen to measure these outcomes.

It is important to note that whilst these indicators must be included in the Quality Accounts the most recent national data available for the reporting period is not always for the most recent financial year and where this is the case these will be noted underneath the indicator description. It is also not always possible to provide the national average and best and worst performers for some indicators due to the way the data is provided.

Domain	Preventing people from dying prematurely			
Indicator	SHMI - The value and banding of the summary hospital level mortality indicator (SHMI) *(Last National Validated SHMI: 116 (September 2016 – August 2017))*			
National Average	100			
Where applicable – Best Performer	70			
Where applicable – Worst Performer	118			
Trust Statement				
The Blackpool Teaching Hospitals NHS Foundation Trust considers that this data is as described for the following reason:	• Data from national Health Care Evaluation Data (HED) system up to August 2017 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:	• Continued mortality governance programme overseen by Mortality Governance Committee. • Continued focus on pathways, out of hospital deaths and the embedding of a rigorous case record review program as per 'Learning from Deaths'(CQC Feb 2017) • Embracing the national Mortality Monitoring Dashboard Template as recommended by HNSI			
2015/16	111 (Indicative)	2016/17	116 (Indicative)	2017/18 up to August 2017	109 (up to November 2017) *(Year-end figures not due until July 2018)*

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 September 2016 – August 2017 taken from Dr Foster Mortality Comparator				
National Average	29.49%				
Where applicable – Best Performer	93.60%				
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	0.68%	2016/17	27.37% (Indicative)	2017/18	21.85% (January 2017 – December 2017) (Year-end figures not due until July 2018)

Domain	Helping people to recover from episodes of ill health or following injury	
Indicator	Patient outcome scores for groin hernia surgery April 2015 – March 2016 (most recent full year of data)	
National Average	Adjusted National Average	0.088
Where applicable – Best Performer	Adjusted average health gain – best performer	0.145
Where applicable – Worst Performer	Adjusted average health gain – worst performer	0.047

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:	• The Trust changed provider for its PROMs service provision. Since the change we have seen a rise in the number of responses to the PROMs questionnaires; we should see the full results of this in 2018/19.

• Promotion continues throughout the Trust, on the importance of completing the questionnaire and enhancing patient awareness that they will receive post-operative questionnaire.

• Participation rate information is now published within monthly and quarterly reports for reporting and monitoring purposes. Further monthly bulletins are circulated to Divisions for action and the Medical Director.

• In 2015/16, the Trust failed to achieve 30 model records for the groin hernia standard. We are confident that we will achieve this in 2016/17. A model record is a questionnaire paring which allows us to apply the case mix-adjustment calculation, creating the reported on adjusted average health gain. As the Trust did not achieve 30 model records, we do not have an adjusted average health gain to report, the Trust's unadjusted health gain score is as is below.

• On the 3rd October 2017, NHS Digital gave NHS service providers the choice to discontinue the mandatory collection for Groin Hernia. After consideration, Blackpool Teaching Hospitals chose to withdraw from the mandatory collection of PROMs for this standard. Questionnaire 2 forms will continue to be sent to patients who have participated in Questionnaire 1 prior our decision to stop collecting data for this standard. |

2015/16	-0.022	2016/17	Data not available until Aug/Nov 2018	2017/18	Data not available until Aug/Nov 2019

Domain	Helping people to recover from episodes of ill health or following injury	
Indicator	Patient outcome scores for varicose vein surgery April 2015 – March 2016 (most recent full year of data)	
National Average	Adjusted National Average	Service no longer provided at Blackpool Teaching Hospitals
Where applicable – Best Performer	Adjusted average health gain – best performer	Service no longer provided at Blackpool Teaching Hospitals
Where applicable – Worst Performer	Adjusted average health gain – worst performer	Service no longer provided at Blackpool Teaching Hospitals

Trust Statement					
The Blackpool Teaching Hospitals NHS Foundation Trust considers that this data is as described for the following reason:	• 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 Blackpool Teaching Hospitals	2016/17	Service no longer provided at Blackpool Teaching Hospitals	2017/18	Service no longer provided at Blackpool Teaching Hospitals

Domain	Helping people to recover from episodes of ill health or following injury	
Indicator	Patient outcome scores for hip replacement surgery April 2015 – March 2016 (most recent full year of data)	
National Average	Adjusted National Average	0.438
Where applicable – Best Performer	Adjusted average health gain – best performer	0.512
Where applicable – Worst Performer	Adjusted average health gain – worst performer	0.336

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:	• The Trust changed provider for its PROMs service provision. Since the change we have seen a rise in the number of responses to the PROMs questionnaires; we should see the full results of this in 2018/19. • Promotion continues throughout the Trust, on the importance of completing the questionnaire and enhancing patient awareness that they will receive post-operative questionnaire. • Participation rate information is now published within monthly and quarterly reports for reporting and monitoring purposes. Further monthly bulletins are circulated to Divisions for action and the Medical Director. • In 2015/16, the Trust failed to achieve 30 model records for the hip replacement standard. A model record is a questionnaire paring which allows us to apply the case mix-adjustment calculation, creating the reported on adjusted average health gain. As the Trust did not achieve 30 model records, we do not have an adjusted average health gain to report, the Trusts unadjusted health gain score is as is below.				
2015/16	0.476	2016/17	Data not finalised until Aug/Nov 2018	2017/18	Data not available until Aug /Nov 2019

Domain	Helping people to recover from episodes of ill health or following injury	
Indicator	Patient outcome scores for knee replacement surgery April 2015 – March 2016 (most recent full year of data)	
National Average	Adjusted National Average	0.320
Where applicable – Best Performer	Adjusted average health gain – best performer	0.398
Where applicable – Worst Performer	Adjusted average health gain – worst performer	0.227

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:	• The Trust changed provider for its PROMs service provision. Since the change we have seen a rise in the number of responses to the PROMs questionnaires; we should see the full results of this in 2018/19. • Promotion continues throughout the Trust, on the importance of completing the questionnaire and enhancing patient awareness that they will receive post-operative questionnaire. • Participation rate information is now published within monthly and quarterly reports for reporting and monitoring purposes. Further monthly bulletins are circulated to Divisions for action and the Medical Director.				
2015/16	0.292	2016/17	Data not finalised until Aug/Nov 2018	2017/18	Data not available until Aug/Nov 2019

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

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

Domain	Ensuring that people have a positive experience of care
Indicator	Responsiveness to inpatients personal needs: CQC national inpatient survey
National Average – 2017/18	Information not available until June 2018
Where applicable – Best Performer 2016 /17	Information not available until June 2018
Where applicable – Worst Performer 2016/17	Information not available until June 2018

Trust Statement	
The Blackpool Teaching Hospitals NHS Foundation Trust considers that this data is as described for the following reason:	• The Trust considers our patients feedback to be crucial in ensuring that our services develop in order for the Trust to meet (data taken from National Picker Institute data and validated by CQC and governed by standard national definitions)
The Blackpool Teaching Hospitals NHS Foundation Trust has taken the following actions to improve this (percentage/proportion/score/ rate/number) and so the quality of its services, by undertaking the following action:	• 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 via Trust wide action plan.

2015/16	70.1	2016/17	67.8	2017/18	Information not available until June 18

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	3.75
Where applicable – Best Performer	4.18
Where applicable – Worst Performer	Not available

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 2017.
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 and identify targeted areas of concern and subsequent 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.

2015/16	66%	2016/17	65%	2017/18	66%

Domain	Ensuring that people have a positive experience of care
Indicator	Percentage of <u>patients</u> who would recommend the provider to friends or family needing care. Inpatients.
National Average	Information not available until June 2018
Where applicable – Best Performer	Information not available until June 2018
Where applicable – Worst Performer	Information not available until June 2018

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:	• Increasing the response rate to give a true reflection on how our patients rate our inpatient service. • Review written feedback to develop themes which will inform improvement plans • Monitor and review performance at Commissioning Quality Review Board.

2015/16	95% Average of patients likely to recommend the service	2016/17	94.70%	2017/18	95.95%

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	Information not available until June 2018
Where applicable – Best Performer	Information not available until June 2018
Where applicable – Worst Performer	Information not available until June 2018

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:	• Increasing the response rate to give a true reflection on how our patients rate our inpatient service. • Review written feedback to develop themes which will inform improvement plans. • Monitor and review performance at Commissioning Quality Review Board.

2015/16	87% Average of patients likely to recommend the service	2016/17	93.27%	2017/18	93.41%

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	Information not yet available until June 2018
Where applicable – Best Performer	Information not yet available until June 2018
Where applicable – Worst Performer	Information not yet available until June 2018

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:	• Increasing 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. • Conducting a number of presentations with staff of all levels about the importance of real time feedback i.e. ward mangers meetings, band 6 development programmes, weekly induction sessions etc. • 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.

2015/16	Not previously reported in Quality Accounts	2016/17	98%	2017/18	96.22%

Domain	Ensuring that people have a positive experience of care –
Indicator	The number of Mixed Sex Accommodation Breaches
National Average	No national definition set
Where applicable – Best Performer	No national bench marking information
Where applicable – Worst Performer	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 Organisation records a breach as any patient that is not transferred out of a critical care area within a specified time period if the area within critical care they are situated in is mixed sex (data taken from local system and governed by agreed definition set with local Commissioners).
The Blackpool Teaching Hospitals NHS Foundation Trust has taken the following actions to improve this (percentage/proportion/score/ rate/number) and so the quality of its services, by undertaking the following action:	• The Patient Experience Team and the clinical teams have developed agreed escalation flow chart which details actions to be taken to prevent breaches occurring within critical care. • The Patient Experience Team works alongside the clinical teams and the commissioners to understand and learn lessons from occurred breaches.

2015/16	18	2016/17	6	2017/18	13

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 2018
Where applicable – Best Performer	Not available until 1st June 2018
Where applicable – Worst Performer	Not available until 1st June 2018

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%

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 (2017/18)
National Average	12.39%
Where applicable – Best Performer	0%
Where applicable – Worst Performer	84.55%

Trust Statement	
The Blackpool Teaching Hospitals NHS Foundation Trust considers that this data is as described for the following reason:	• *The trajectory set for the Trust was 40 incidences of CDiff defined as being lapse in care. Of the 33 incidences 6 have been defined as due to a lapse in care. 27 incidences have been agreed as no lapse in care (data pulled from Public Health England and governed by standard national definition).
The Blackpool Teaching Hospitals NHS Foundation Trust has taken the following actions to improve this (percentage/proportion/score/ rate/number) and so the quality of its services, by undertaking the following action:	• Enhanced availability of Antibiotic formulary. • RCA process redefined and improved. • Increased environmental cleaning. • Enhanced Education and training programme.

2015/16	66 cases 21.8	2016/17	*29 cases 11.02	2017/18	33 cases 12.54

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 2017 – March 2018)
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 a culture of open and honest reporting. Data from the Local Safeguard electronic incident reporting system and governed by standard national definition for levels of incident reporting.
The Blackpool Teaching Hospitals NHS Foundation Trust has taken the following actions to improve this (percentage/proportion/score/ rate/number) and so the quality of its services, by undertaking the following action:	• Encouraging a culture of voluntary reporting. • Implementing a monitoring system on the number and management of incidents. • Implementation of lessons learned processes. • Complying with duty of candour requirements.

2015/16	0.01% (18) (12 months data)	2016/17	0.01% (10) (12 months data)	2017/18	0.00% (4) (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 sections are individually reviewed and monitored at Divisional and Trust Board.

2015/16	12.2%	2016/17	14.3%	2017/18	13.33%

Domain: Preventing people from dying prematurely

The standardised Hospital Level Mortality Indicator (SHMI) is a measure of mortality developed by the Department of Health, which compares our actual number of deaths with our predicted number of deaths. The Trust has continued to implement its mortality governance programme concentrating on pathways of care and fulfilling its commitment to a clinical review of all deaths. The Trust is part of an established Fylde Coast Mortality Committee which oversees all work related to mortality and mortality reduction. The latest nationally published SHMI rate for the Trust is 115.99 for the period October 2016 to September 2017, this compares to 115.39 for the period April 2016 to March 2017.

Domain: Helping people to recover from episodes of ill health or following injury.

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 groin hernia, 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. Over the last two years we have seen the uptake increase hugely and look forward to seeing the results of our hard work once the 2016/17 data is finalised towards November 2018.

During 2015/16, it is important to note that sample size for all patient reported outcome scores was very small which may impact upon the meaningfulness of the data.

Domain: Ensuring that people have a positive experience of care

This indicator provides a measure of quality, based on the Care Quality Commission's National Inpatient Survey. The score is calculated by averaging the answers to five questions in the inpatient survey. The highest score achievable is 100%.

The Trust is proud of its "Tell Us" campaign which is part of our Patient Experience 2015-2018 Strategy which provides the structure to increase the feedback we obtain from patients and relatives which we use to influence and evolve service developments.

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

Risk assessing inpatients for venous thromboembolism (VTE) is important in reducing hospital acquired VTE and the Trust has worked hard to ensure our patients are risk assessed properly and appropriate treatment timely commenced. The 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.

Sign up to Safety (SUTS) national campaign is a unified programme for patient safety across the NHS in England and the trust has proudly been involved in this programme aimed at reducing avoidable harm by half and saving 6000 lives over a three year period. Further information can be found on Page 95.

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 11.12% for the year 2017/18, compared to 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.

3.2 An Overview of Quality of Care

The measures in the table below provide performance in 2017/18 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 except for the addition of one metric within the Quality Strategy. This is reflected in the priority tables below and includes the addition of opportunities to care for heart failure as this is one of the Trust's speciality mortality reduction and care pathway priorities.

The below are areas that feature in the Trust's Strategy for quality improvement, feature within the new Trust's Quality Strategy or fit into the work-streams underpinning the Trust's future strategic direction. The Trust wishes to highlight them in the Quality Accounts.

	Indicators	2017/18	2016/17	2015/16	2014/15	2013/14
Patient safety Outcomes	Hospital Standardised Mortality Rate (Summary Hospital Mortality Indicator)	109 (up to November 2017) (Year-end figures not due until July 2018)	115 (Indicative)	115 (Indicative)	119	119
	Stroke Mortality Rate Data Source HED:	130 (up to November 2017) (Year-end figures not due until July 2018)	119 (Indicative)	135	133	124
	Sign Up to Safety Pressure Ulcer harm reduction	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	2.33% increase overall	7.23% increase overall	6% reduction	Not in place	Not in place

	Indicators	2017/18	2016/17	2015/16	2014/15	2013/14
Clinical Effectiveness	Compliance with implementation of NICE guidance	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- 140/142 99%	CG – 98/102 96%	CG – 64/95 67%	60/96 63%	46/79 58%
	Opportunities to care within clinical pathways - sepsis	86%	84%	91%	93%	N/A Not in place
	Opportunities to care within clinical pathways – AKI	79%	75%	74%	82%	N/A Not in place
	Opportunities to care within clinical pathways - pneumonia	97%	95%	93%	91%	N/A Not in place
	Opportunities to care within clinical pathways - Stroke	96%	93%	87%	92%	N/A Not in place
	Opportunities to care within clinical pathways – Fractured Neck of Femur (#NOF)	75%	75%	** 76%	88.73%	N/A Not in place
	Opportunities to care within clinical pathways – Cardiac Chest Pain	98%	97%	96%	98%	N/A Not in place
	Opportunities to care within clinical pathways – Chronic Obstructive Pulmonary Disease (COPD)	95%	94%	* 94%	97.82%	N/A Not in place
	Opportunities to care within clinical pathways – Abdo Chest Pain	86%	88%	86%	93%	N/A Not in place
	Opportunities to care within clinical pathways – Heart Failure	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	(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	(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	(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)

3.3 The Risk Assessment Framework

Blackpool Teaching Hospitals aims to meet all national targets and priorities and we have provided an overview of the national targets and minimum standards including those set out within Monitor's Risk Assessment Framework 2015.

National Targets and Minimum Standards	Target	Target 2017/18	2017/18	2016/17	2015/16	2014/15	2013/14	2012/13
Access to Cancer Services - All Cancers: one month diagnosis to treatment	First Treatment	>= 96%	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%	Achieved Q1 99.3%, Q2 99.4%, Q3 98.5%, Q4 98.9%
	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 99.2% Q2 100% Q3 100% Q4 100%	Achieved Q1 100%, Q2 100%, Q3 99.2%, Q4 98.6%
	Subsequent Treatment – Surgery	>=94%	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%	Achieved Q1 100%, Q2 95.8%, Q3 96.7%, Q4 100%
Access to Cancer Services - All Cancers: two month GP urgent referral to treatment:	62 day general	>=85%	Under Achieved: Q1 82.9% Q2 80% Q3 83% 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%	Achieved Q1 85.1%, Q2 89.5%, Q3 85.5%, Q4 83%
	62 day general (Including Rare Cancers)	No performance Standard	Not applicable	Not applicable	Not applicable	Not applicable	Achieved: Q1 86.8% Q2 89.4% Q3 85.4% Q4 86.7% Annual % 87.1%	Not applicable
	62 day screening	>=90%	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%	Achieved Q1 94%, Q2 91.3%, Q3 98%, Q4 96.6%
	62 day upgrade	90%	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%	Q2 94.9% Q3 93.0% Under achieved: Q1 89.4% Q4 89.4%	Achieved: Q1 93.3%, Q3 92.3% Q4 95.8% Under achieved: Q2 86.5%	Achieved: Q1 85.4% Q2 95.9% Q3 93.6% Q4 92.6%	Achieved Q1 91.4%, Q2 90.9%, Q3 92.2%, Q4 95.6%

National Targets and Minimum Standards	Target	Target 2017/18	2017/18	2016/17	2015/16	2014/15	2013/14	2012/13
	Breast Symptoms – 2wk wait	93%	Achieved: Q1 98.4% Q3 99.6% Under achieved: Q2 91.3% 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%	Achieved Q1 93.8%, Q2 96.5%, Q3 97.2%, Q4 93.4%
	Maximum 6 week wait for diagnostic procedures	99%	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			

National Targets and Minimum Standards	Target	Target 2017/18	2017/18	2016/17	2015/16	2014/15	2013/14
Cancelled Operations	Percentage of Operations Cancelled	0.8%	Under Achieved 2.1%	1.01%	Achieved 0.7%	Under Achieved 1.7%	Under Achieved 0.9%
	Percentage of Operations not treated within 28 days	0%	0%	0%	0%	Achieved 0%	Achieved 0%
Access to Treatment	18 week Referral to Treatment (Admitted Pathway)	>=90%	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 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 89.8%	Under Achieved 93.6%	Achieved 95.4%	Achieved 95.2%	Achieved 96.7%
Infection Control	Incidence of MRSA	0	1 Not Achieved	4 Not Achieved	5 Not Achieved	3 (Target 0)	1 (target 0)
	Incidence of Clostridium difficile	40	33 Achieved	29 Achieved	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 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	No longer a national target	No longer a national target	Achieved	Achieved	Achieved
Where needed the criteria for the above indicators has been included in the Glossary of Terms							

Data comes from the NHS Information Centre Portal

NB. For all indicator figures where the Trust are providing limited assurance, they are clearly referenced with (A)

3.4 Statements from Local Clinical Commissioning Groups (CCGs), Local Healthwatch Organisations and Overview and Scrutiny Committees (OSCs)

3.4.1 Statement from Blackpool Clinical Commissioning Group - dated 17/05/2018

As with 2016/17 the Quality Account provides an overall picture of varying levels of achievement and underachievement against agreed specified targets, it is well written and easy for the reader to follow with a balanced combination of data and narrative.

Blackpool CCG as Commissioner for Blackpool Teaching Hospitals NHS Foundation Trust's services welcomes the opportunity to comment on the Quality Account for 2017/18.

Blackpool Teaching Hospitals NHS Foundation Trusts Quality Strategy 2015/18 is in its third and final year and continues to provide the framework to underpin the Trust's focus on key areas for improved patient quality and safety for 2018/19.

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

It is disappointing to note the underachievement of some of the Sign up to Safety measures; particularly in relation to the reported overall increase in: Stage 2, 3 and 4 pressure ulcers, particularly Stage 3 which has seen a large increase of 183.33% over 2 years, which would seem to demonstrate a lack of sustainability from the significant reduction of 21% for Stage 3 and 4 pressure ulcers reported for 2015/2016 and falls. However, the increased focus within the Trust in relation to the reporting and management of falls may well have resulted in improved reporting leading to the increase in numbers. It is, however, encouraging and important to note that there has been a significant decrease of 23.9% in falls resulting in serious harm 2017/18.

As with 2016/17 the Trust continues to actively lead in a health-economy approach to undertaking post infection reviews of each incidence of Health Care Acquired Infection (HCAI) during 2017/18 in order to continue to actively promote a reduction in HCAI using a lessons learned approach. The increased focus and dedication in this respect has resulted in the Trust achieving the trajectory for C Difficile. We recognise the continued effort and sustained focus the Trust has placed on achieving this reduction and associated improvement in the quality and safety of patient care.

Blackpool and Fylde and Wyre CCGs work in partnership to support the Trust with regards to mortality, however, the Trust continues to be an outlier in this respect Blackpool Teaching Hospitals NHS Foundation Trust needs to maintain its focus on mortality in order to see the Hospital Mortality Rates reduce.

It is disappointing to note that increased focus on the Sepsis and Acute Kidney Injury (AKI) pathways which have for the last two years been a particular focus of the Trust's Sign up to Safety Campaign have failed to achieve their targets. It is however, encouraging to note the specific focus on education, training and awareness training being undertaken by the Critical Care Outreach team in addition to the other initiatives introduced aimed at improving the position.

Blackpool Teaching Hospitals NHS Foundation Trust continues to be a high reporter of patient safety incidents together with an associated decrease in reported levels of harm. The CCG view is that this is a positive indicator which clearly demonstrates an organisation with an open transparent culture, and clear and accessible reporting mechanisms.

The CCG welcomes the new Serious Incident process including the Safety Panel as it allows open discussion and objective scrutiny of Serious Incidents by a multi-disciplinary panel including representation from Blackpool and Fylde and Wyre CCGs as well as improved transparency and multi-disciplinary agreement of lessons to be learned.

The CCG recognises and congratulates the Palliative Care and End of Life teams on the excellent work,

progress and achievements in relation to End of Life Care and partnership working across the Fylde Coast.

We note that the Quality accounts do not mention the under achievements in relation to 4-hour waits as well as the recent issues with regards to 12 hour trolley breaches. Given the national issues and media attention regarding pressures within A&E and patient flow, it may have helped the reader if the account had provided some information regarding their plans to address this.

In summary the Quality Accounts are well written and easy to follow. Blackpool CCG is satisfied that on the whole this is an accurate quality account of progress in what has been an extremely challenging year.

Statement from Fylde & Wyre Clinical Commissioning Group – dated 16/05/2018

The Quality Account presents information in a readable format. A mixed picture of improvement in some areas and underachievement against target in others is described. The CCG recognises the continuous effort and leadership required to sustain progress across many domains of quality and safety within a large workforce and across many settings.

As in 2016/17 whilst the Harm Free Care target of 95% has been exceeded in both community and acute services, the targets set within the Sign Up to Safety commitment have not been fully met. It is noted that falls resulting in a serious harm have decreased by 23.91% from last year and that the overall increase in falls is believed to reflect the increase in patient admissions and improved reporting.

It is disappointing that in 2017/18 Stage 2 pressure ulcers increased 12.66%, stage 3 increased by 61.90% and stage 4 increased by 78.57% (25 in total), which has failed to meet the targets in reducing such incidents.

The newly formed Safety Panel, which includes the Executive Directors, Risk Management and Commissioners, monitors both the Serious Incident reports and action plans prior to sign off by the Chief Executive. This is providing an additional level of assurance and evidence for the CCG regarding lessons learned being embedded in practice. In addition, the modest increase in the scores of relevant sections of the staff survey would suggest that the improvements made to the serious incident reporting and monitoring arrangements have had a positive effect. It is particularly pleasing to see that a significant percentage of staff feel empowered to make improvements happen in their area of work.

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 target for Clostridium difficile has been achieved. The CCG will continue to work with the Trust and the wider Lancashire health economies to support this progress.

We are heartened to see that through the Critical Care Outreach service, in collaboration with other key personnel, the Trust has developed a robust strategy for identifying the deteriorating patient and has demonstrated a reduction in emergency calls and failure to rescue events, which improves patient care and outcomes.

Fylde and Wyre CCG continues to closely monitor and work with the Trust to address the on-going concerns about mortality, however, as in 2016/17 and despite this, the Trust continues to be an outlier as regards mortality. The two pathways on which compliance has been reported that were cause for concern in the 2015/16 and 2016/17 Quality Accounts i.e. sepsis and acute kidney injury remain a cause for concern. Following the under achievement of the 2016/17 targets, it is disappointing to note that the pathways compliance for sepsis and acute kidney injury are continuing to underachieve, despite the introduction of a number of controls and that patients are not receiving the opportunities to receive care as a result. The CCG will continue to monitor and work with the Trust on this concern in 2018/19.

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. 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 2018/19.

Regarding the CQC inspection in November/December 17 it is encouraging to observe that some services were noted as providing outstanding practice: community services for adults, community health services for children and young people, sexual health services, surgery.

It is disappointing to note the rating for the Trust is 'Requires Improvement'. The challenges for emergency and urgent care services, including in meeting the Accident and Emergency 12 hour standard ('trolley waits') are acknowledged; require and are receiving a high level of focus in 2018/19.

We look forward to supporting the Trust to deliver its priorities for 2018/19 in relation to the key elements of the quality of care ie clinical effectiveness, quality of the patient experience and patient safety.

3.4.2   Statement from Governors dated 11/05/2018

The governors of Blackpool Teaching Hospital's NHS Foundation Trust continue to play an important advisory and strategic role, acting as 'critical friend' to the Trust Board. Governor observers welcome the opportunity to attend all of the main strategic Board Committees, feeding back key issues and concerns to the Council of Governors.
This has been a busy year for governors, with public elections during the summer of 2017, followed by internal Lead and Deputy Lead Governor elections. Early in 2018, we commenced the organisation of a recruitment campaign to appoint a new Trust Chair, following Ian Johnson's departure to take up a role as Chair of another Trust. Governors gratefully acknowledge Ian's significant contribution in supporting and encouraging the Council of Governors in the proper exercise of its responsibilities and we fully intend to continue to move forward in this regard, through a planned programme of governor training. Governors have also expressed a wish to strengthen the focus of its own Council on the experience of patients

and carers, with a view to promoting potential evidence-based improvements.
In line with the experience of many other Trusts, 2017/18 brought significant challenges for this Trust. We are particularly pleased therefore to note that patient satisfaction, as measured by the Friends and Family test, continues to be high. Governors are also pleased that the CQC inspection, although culminating in a ***requires improvement*** judgement overall, recognised the considerable improvements already made and acknowledged the outstanding contribution of a number of Trust services, including some of those located within the community. This is testament to the dedication of our workforce and concerns raised within the staff survey this year regarding levels of staffing need to be closely monitored. Given the local demand on emergency care, the challenge to ensure suitable care at the right time and in the right place is now at the forefront of the Trust's priorities and is fully endorsed by the governing body.

3.4.4   Statement from Lancashire Healthwatch dated 11/05/2018

Not providing comments for 2017/18 accounts

3.4.5   Statement from Lancashire Health Scrutiny Committee dated 15/05/2018

Not providing comments for 2017/18 accounts

3.4.6   Statement from Blackpool Heath Scrutiny Committee dated 14/05/2018

Blackpool Adult Social Care and Health Scrutiny Committee welcome the opportunity to comment on Blackpool Teaching Hospitals' Quality Accounts (QA) which Members found interesting to read. However, whilst recognising that the Trust has to provide a prescriptive supply of information, it would be innovative and helpful if a short executive summary could be included.

The Committee recognises the importance of involving the public and other stakeholders in helping promote health improvement through delivering safe, quality clinical services which involve patients. Members

also recognise that acute services are a challenging environment and BTH covers a vast array of services and supports an impressive number of patients.

Members have limited specific comments on the QA content in terms of quality, progress etc as such performance issues are considered in-year.

1. The suggested executive summary would be welcome:
   - Listing key priorities, exceptional performance highlights and proposed major improvements / plans.
   - How the public/patients have been involved throughout the year.

2. There is concern over the reference to '50% reduction in failure to rescue patients' in respect of whether the number of failures is still too high and there is also a lack of information pertaining to the consequences to patients of the failures.

Members believe the key principles of the Quality Strategy should be expanded to focus on quality and how the Trust can genuinely involve patients in their care plan where possible.

3. The Trust deserves to be commended on the value it attaches to patient experience feedback and securing a positive score of over 96%.

4. The table charting progress against priorities (section 2.2, page 6) is a good visual aid.
   - Of the areas at risk of not meeting targets, Members feel reduction in falls requires more focus.
     - o Other simple, low cost measures could be used, e.g. North West Ambulance Service offer elderly people comfortable slippers with very good grip. This type of value for money investment could help offset the costs of treating someone who has fallen and free up some resource, e.g. bed space
   - Whilst there are good initiatives to tackle pressure ulcers, the figures indicate increasing numbers at each progressive stage of pressure ulcers, i.e. could more resource could be focused on preventative action at the earliest stages.

- Compliance with Acute Kidney Injury (AKI) pathways is 50% short of target so resource/monitoring should continue to be a focus.

5. The approach to learning from, and preventing further, serious incidents is commended particularly the use of the smart 'seven minute briefing' aid for busy staff.

6. It is good that staff are a valued asset and (from the survey) feel confident enough to report errors and learn lessons from those. However, there is concern that less of them feel confident that there is sufficient capacity. It is the Committee's view that sufficient resources and support are required to avoid human error due to workload.

7. The evolving range of dementia work is impressive as is innovative work on palliative care. The Learning Disabilities Mortality Review recognised that people with learning disabilities are far more likely to die significantly younger than those without. Whilst the Trust is committed to working effectively here, there were still ten deaths so any learning needs to be embedded. It is also noted that the overall number of (all) deaths rose significantly in the fourth quarter. No explanation has been given.

8. It is good that the Trust has quality of care at the heart of its priorities going forward underpinned by 'informed/timely/safe' and targets.

9. There appears to be little reference to headline (national and local) target challenges such as A&E pressures, ambulance handover times, shortages of beds due to delayed transfers of care and delayed discharges due to relatively simple issues such as waiting for prescriptions. Members have raised these issues when Blackpool Clinical Commissioning Group (BCGG) representatives have attended Scrutiny meetings.

10. There is little reference in the QA to the CCG (their role and views aside from a 'statement' to be added in) and any other commissioners of the Trust's services.

11. There could be more on whether neighbourhood based initiatives, e.g. New Models of Care are helping to reduce unnecessary A&E admissions. More details of the Trust's partnership working would be good, e.g. for tackling delayed transfers of care and handover times.

12. It is noted that although the Trust is good at reporting patient safety incidents, in the 'ratings' section only the community health service did not 'require improvement' under the key 'safe' domain, given that this is also a priority area of the Trust. Acute and mental health services and all three hospital sites (and for the Trust as a whole) were rated as 'requires improvement' so it is hoped that focus is on securing sustainable long-term improvement.

13. The language used in the document was generally understandable for the public.
    • Short explanations of some common definitions, e.g. 'duty of candour', 'specified metrics' and some of the lesser known medical conditions could be helpful.

Members have welcomed the opportunities for regular in-year engagement with BTH. Finally, the Committee wishes to thank the Trust's staff, management and volunteers for their efforts and looks forward to continuing to work constructively with BTH for the benefit of patients.

3.5 Head of Internal Audit's Annual Opinion – 23/05/2018

2017/18 Head of Internal Audit Opinion to Blackpool Teaching Hospitals NHS Foundation Trust

Basis of opinion for the period 1st April 2017 to 31st March 2018

Our Internal Audit Service has been performed in accordance with KPMG's internal audit methodology which conforms to Public Sector Internal Audit Standards. As a result, our work and deliverables are not designed or intended to comply with the International Auditing and Assurance Standards Board (IAASB), International Framework for Assurance Engagements (IFAE) or International Standard on Assurance Engagements (ISAE) 3000. PSIAS require that we comply with applicable ethical requirements, including independence requirements, and that we plan and perform our work to obtain sufficient, appropriate evidence on which to base our conclusion.

Roles and responsibilities

The Board is collectively accountable for maintaining a sound system of internal control and is responsible for putting in place arrangements for gaining assurance about the effectiveness of that overall system.

The Annual Governance Statement (AGS) is an annual statement by the Accountable Officer, on behalf of the Board, setting out:

• how the individual responsibilities of the Accountable Officer are discharged with regard to maintaining a sound system of internal control that supports the achievement of policies, aims and objectives;
• the purpose of the system of internal control as evidenced by a description of the risk management and review processes, including the Assurance Framework process; and
• the conduct and results of the review of the effectiveness of the system of internal control including any disclosures of significant control failures together with assurances that actions are or will be taken where appropriate to address issues arising.

The Assurance Framework should bring together all of the evidence required to support the AGS.

The Head of Internal Audit (HoIA) is required to provide an annual opinion in accordance with Public Sector Internal Audit Standards, based upon and limited to the work performed, on the overall adequacy and effectiveness of the organisation's risk management, control and governance processes (i.e. the system of internal control). This is achieved through a risk-based programme of work, agreed with Management and approved by the Audit Committee, which can provide assurance, subject to the inherent limitations described below.

The purpose of our HoIA Opinion is to contribute to the assurances available to the Accountable Officer and the Board which underpin the Board's own assessment of the effectiveness of the system of internal control. This Opinion will in turn assist the Board in the completion of its AGS, and may also be taken into account by other regulators to inform their own conclusions.

The opinion does not imply that the HoIA has covered all risks and assurances relating to the organisation. The opinion is substantially derived from the conduct of risk-based plans generated from a robust and Management-led Assurance Framework. As such it is one component that the Board takes into account in making its AGS.

Opinion
Our opinion is set out as follows:

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

The basis for forming our opinion is as follows:

- An assessment, of the design and operation of the underpinning Assurance Framework and supporting processes; and;

- An assessment of the range of individual assurances arising from our risk-based internal audit assignments that have been reported throughout the period. This assessment has taken account of the relative materiality of these areas, and;

- An assessment of the process by which the organisation has assurance over its registration requirements of its regulators. Our overall opinion for the period to 31st March 2018 is that: "Significant with minor improvements" assurance can be given on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.

Commentary
The commentary below provides the context for our opinion and together with the opinion should be read in its entirety.

Our opinion covers the period to 31st March 2018 inclusive, and is based on the audits that we completed in this period.
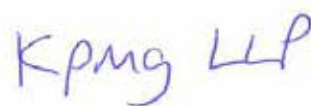
The design and operation of the Assurance Framework and associated processes

Overall our review found that the Assurance framework in place is founded on a systematic risk management process and does provide appropriate assurance to the Board. The Assurance Framework does reflect the organisation's key objectives and risks and is reviewed on at least an annual basis by the Board.

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

We issued five 'partial' assurance opinions from our work finalised to date in relation to the implementation elements of our Prioritisation Process audit, the EPR and IT Strategy Delivery review, the Bed Stock Management and Replacement review, the Identity Management review and the strategic elements of our Risk Management and BAF review. We raised eight high risk recommendations in respect of our 2017-18 assignments.

None of our 2017-18 assignments prevent us from issuing "significant with minor improvements" assurance. This is because the assignments that received 'partial' assurance ratings relate to strategic rather than core mandated reviews (this includes our Risk Management and BAF report as our conclusion in relation to operational risk management within this report was "significant assurance with minor improvement opportunities" and the "partial assurance with improvement required" solely related to strategic areas we reviewed). The issues noted in these assignments also relate to specific areas and processes within the Trust rather than being generally reflective of the internal control environment we have observed in the course of our work in 2017-18.

KPMG LLP

KPMGLLP

Chartered Accountants Manchester
23 May 2018

4 Appendices to Annex A

Appendix A

Title	Actions taken following issue of National Report
Moderate or severe asthma in children (care provided in Emergency Departments)	Vital signs obtained immediately on admission to unit. Observations recorded electronically A+E triage. Peak flow undertaken in unit to include in nurses training. Beta agonist prescribing review by A+E Pharmacist. Pharmacy interventions audited by Pharmacy. Observation and recording of vital signs repeated as per condition and EWS recorded on triage and ALERT. Established discharge and advice documentation. Discharge letters to GPs and patient information. Accuracy and detail of medical records currently audited on a regular basis and reported to Board (Record Keeping Audit)
National Audit - initial Management of the fitting child	Observation paperwork re-designed to include BM's. Paediatric observation paperwork re-designed to make GCS / AVPU easier to record. Combine project with paediatrics for discharge paperwork.
Consultant sign off	The adoption and reliability of a subsequent case note review appears incomplete. Departments are encouraged to examine this process and consider dedicated consultant time for this. RCEM notes the difficulty gathering data and the small proportion of departments with automated clinical systems. Evidencing senior reviews is important for a number of reasons including the need for clear documentation and communication and for medicolegal reasons. Departments are encouraged to review how a senior review is documented, whether in a clinical system or in paper case notes.
Severe Sepsis and Septic Shock – care in emergency departments	Observations to be documented at triage and evidence that abnormal observation are re-checked. O2 to be prescribed if given. Intravenous fluids and antibiotics to be prescribed at triage. Venous blood gas to be done at triage and signed by clinician before being placed in patient notes. All severe sepsis/septic shock patients to be on a fluid balance chart. To consider catheterisation in all patients with septic shock/severe sepsis and to document why if not done.
Moderate & Acute Severe asthma – adult and paediatric	O2 to be prescribed if given. Observations to be documented at triage and evidence that abnormal observation are re-checked. 2 agonist nebulisers to be prescribed and given at triage. On discharge, all moderate-severe asthmatic patients should have a written management plan in place which includes assessment of inhaler type, technique, steroids and follow-up. Mental health teams complete comprehensive documentation. Patients with mental health conditions should be supported in overcoming / managing alcohol and/or substance abuse. Mental healthcare should be routinely included in step up and step-down documentation to critical care, with appropriate involvement from liaison psychiatry
National audit of Clinical variation in practice of Laparoscopic Cholecystectomy and surgical outcomes	No actions required

Title	Actions taken following issue of National Report
National audit of small bowel obstruction	Early use of scanning introduced. Gastrograffin contrast to be used in additional SBO.
National audit of the accuracy of interpretation of emergency abdominal CT in adult patients who present with non-traumatic abdominal pain	No actions required
Neonatal Intensive and Special Care (NNAP)	Magnesium sulphate in labour - review missing cases. Steroids for pre-term deliveries - review missing cases. Missing microbiology results - develop system to ensure all results available. Follow up neurodevelopmental pathway
Diabetes (Paediatric) (NPDA)	Improve data collection by inputting data into Nexus during or after every patient consultation. Improve Albuminuria recordings by checking urine sample in clinic. Intensify insulin regime by offering more patients insulin pump therapy improve monitoring for thyroid and coeliac screening by offering screening in annual diabetes clinic appointments. Improve HbA1c by providing more structured education, Transitional clinic, improving clinic attendance by virtual clinic.
National Audit - Mortality report for babies born 1.1.13 -31.12.14 at <31+6 weeks gestation	No actions required
National BTS Paediatric Asthma Audit	Document the provision of written asthma plan at the time of discharge. Training for junior doctors at the time of induction. Reminding nurses to document at the time of discharge. Mention in e- discharge, about the plan to see GP within 2 days of discharge. Educate and remind junior doctors about CxR in asthma - induction teaching. Documentation of exposure to smoking to be completed by junior doctors in the history.
Admission & Discharge to DGH for children & Young people with emotional, social, behavioural or mental health issues	No actions required
National pregnancy in diabetes audit	Specialist midwife to continue to attend diabetes young persons & transition clinics to promote pregnancy advice.Pre concept clinics for women with diabetes are required in the community setting HCP to routinely discuss pregnancy with women with diabetes at every contact. Continue to promote the specialist services in secondary care for pregnant women with diabetes by speaking to practice nurses/ GPs and liaising with pharmacists and family planning services.
National Heavy Menstrual Bleeding	No actions/recommendations required as we were within the normal range

Title	Actions taken following issue of National Report
National Audit of Inpatient Falls	The Trust has a hospital wide patient safety group, which includes falls prevention in its remit and reports to the board. This group should regularly review their trust's data on falls and moderate harm, severe harm and deaths per 1,000 occupied bed days (OBDs) and assess the success of their practice against trends in these figures. These groups should be overseen by a member of the executive and non executive team, and outcomes should be discussed at board level. Working with colleagues locally, including pharmacy, to review the approach to relevant documentation, ensuring that the reasons for changes are clearly recorded and communicated to the GP on hospital discharge. Regular audits undertaken to assess whether the policy is working and whether mobility aids are within the patient's reach, if they are needed. Patients with lower urinary tract symptoms such as frequency, urgency, nocturia or incontinence, the implication for falls risk is considered and reflected in the care plan. Patients have easy access to the call bell
National Audit of Dementia	Dementia champion available to support staff 24 hrs per day, 7 days per week. Ensure that carers for people with dementia can communicate with clinicians in order to share and receive information. Carers should be given the opportunity to speak to staff privately, ensuring that their privacy and that of patients is respected. Ensure that there is an activity program which provides opportunities for social interaction for people with dementia.

Appendix B

Title	Actions taken as a result of local clinical audit
Unscheduled Care	
Vital signs in children local audit	Vital signs if abnormal needs to be repeated within 60 minutes as set out by RCEM
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. Continue to educate staff of patient benefits by delivering best practice care. Increase awareness amongst nursing staff of the importance of recording systolic blood pressure for all patients, and peak flow in children aged 5years and older. Monitor compliance of the asthma care bundle within this patient group
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 re-audit	Work with Respiratory Nurse Specialists and other stakeholders to identify an improved means of capture and recording. Continue to deliver training to nursing and medical staff & reinforce the use of NEWS, the Graded Response Strategy (GRS)and the use of use of appropriate documentation. Embed safe oxygen prescribing and target setting in CC1601 - all education opportunities with medical personnel. Ensure awareness of audit findings by medical director and Deanery Lead. Tie education in with safe oxygen prescribing policy due for completion early 2017. Ensure AKI is embedded within R&A. Link to ongoing strategic pathway work. Establish a network of fluid balance champions within the divisions. Seek access to teaching and training opportunities. Continue to review all adult 2222 calls (excluding A&E).Inform Medical Director and other key stakeholders; establish discussion against other performance assessments
Management of out of hospital cardiac arrest during the first 24hrs of intensive care	Introduce Out Of Hospital Cardiac arrest care Bundle
30 day mortality and 8 day complications	Software modified to make it mandatory to enter dysphagia score on ADAMs report when SEMS inserted. Protocol drafted for prophylactic NSAIDs to prevent post ERCP pancreatitis. All endoscopists update ADAMs report following complications. Coding of readmissions.
Re-audit of community hospital transfers	All medical staff to fully complete referral documentation prior to transfer. Further development of the online referral pro-forma to include mobility assessments and goal setting. Educational and induction sessions cover transfer and discharge of patients
To assess the current practices of chest drain insertion and removal	New patient information leaflet for chest drain insertion. New chest drain chart. Education of junior Drs of how to collect and send of samples of effusions. Encouraging the use of consent forms for the procedure. Checklist pro-forma. Placing stickers from chest drain packs onto notes.
Percutaneous Endoscopic Gastrostomy (PEG) re-audit	Actions from 2016/17 All PEG referrals to be passed onto the Nutrition Nurse and Adam reports to be left for Nutrition Nurse when not on duty. Two operators for the PEG procedure and document all parties in the procedure room

Title	Actions taken as a result of local clinical audit
Audit of peri-operative management of diabetes in patients undergoing elective surgery	Pre-op checklist should mention HBA1C check. Patient counselling regarding management of anti-diabetes medications before the surgery. Management of hypo / hyperglycaemia should be explained to patient while they are fasting for surgery. Appropriate documentation in notes by the hospital staff. Better post op management of blood glucose levels
Clinical antibiotic prescribing on Wards 11 and Ward C	Abx card to be introduced to all junior doctors. Teaching junior doctors and emphasizing on using the trust Abx guidelines and good documentation in patient records
Endoscopy referral audit	Revise the indications including family history. Use the return to GP box
GI bleed re-audit	E-referral system for Gastroscopies Advantage (Know the exact time of referral, GBS documentation mandatory field). Registrar to contact GI on call and a plan of medical management agreed and documented. ADAM mandatory field for patients with GI bleed-Rockall score and Re-bleed plan. All endoscopists to increase the percentage of acute GI bleeds undergoing endoscopy within 24 hours to 100%. Endoscopists to increase the number of unstable patients scoped within 2 hours of resuscitation to 75%.
Colonic Stent Audit 2010-2015 re-audit	All patients considered for C-SEMS should have CT scan prior to procedure. C-SEMS indicated only if CT confirms bowel obstruction. C-SEMS can be inserted for right-sided & low rectal lesions, following discussion with patient regarding poor outcomes. DNACPR should be discussed in patients for palliative C-SEMS. Ryles tube should be inserted prior to C-SEMS if presence of open-loop obstruction. In acute bowel obstruction, patients on anti-platelet/anti-coagulant may proceed with C-SEMS. 2. Changes to hospital guidelines re colonic SEMS to incorporate recommendations from audit.
Compliance with NICE CG 100 Alcohol Disorders and CORP/PROC/487	All staff to continue to utilise the skills of the Alcohol Liaison Nurse Service to ensure appropriate care is maintained. Alcohol Liaison Nurse Service to work with A&E and AMU staff, at all levels, to ensure initial management plans for alcohol withdrawal syndrome are appropriate and in place. Continue to provide access to training in identification of patients with increasing alcohol use. Encourage Medical and Allied Health Professions to engage with training.
Re-audit quality of care of patients with decompensated liver cirrhosis in first 24 hrs	Creating a flag on the CAT tracker to remind doctors to use the Cirrhosis care bundle for patients with decompensated cirrhosis. Develop a phone app version of the Cirrhosis care bundle. Organise training sessions on ascitic taps at the nurse led large volume paracentesis clinic in the Gastro unit.
Upper GI follow up for Gastric Ulcers re-audit	Management plan of inpatients, if follow up endoscopy required. Update on Adams for newer endoscopists when reporting polyps to allow for the data to be collected accurately. Ensure accurate reporting on Adams to allow for accurate results.
Regional audit of the diagnosis and treatment of Giant Cell Arteritis (GCA) against BSR Guidelines	GCA pathway to be introduced
Tackling Acute Kidney Injury (AKI)	Inventing new AKI pathway "SAVING AKI" with very positive forma feedback regarding it. Automatic AKI staging in cyberlab. Introducing the AKI alert and the new pathway to the tracker system in AMU. Education and training for health professionals. Bed-side laminated fluid chart signs

Title	Actions taken as a result of local clinical audit
Quality Improvement audit on minimum mean Colonoscopy withdrawal times	Awareness to input data correctly including the new Colonoscopy Withdrawal Time. Check and correct glitch in endoscopy system. Make it mandatory to input CWT in the system. Inform the endoscopist with low ADR and CWT about his/her results and monitor appropriately
Diabetes control of patients admitted to hospital/prescribing and drug management error	Ongoing education Junior doctors and nursing staff. New e-prescribing system currently being developed
Check listing and monitoring patients receiving Anti-Thymocyte Globulin treatment	Checks during treatment and monitoring to be more clearly documented and evidenced in the clinical notes. Implementation of ATG check listing and monitoring bedside form
Scheduled Care	
Management of obstetric accidental dural punctures in the North West	All patients to have follow up appointment. Guideline updated.
Pregnancy checking before non-obstetric surgery in 12-16 year olds	Standardise pregnancy assessment procedure in paediatric patients over 12 years of age implemented
Epidural analgesia in labour re-audit	10 point pain scale to be changed to 3 point scale. Use of Ultrasound in siting epidurals to be recorded.
Assessing compliance with trust guidelines regarding which medications to omit pre-operatively	Training for ward staff undertaken regarding which medications to omit pre-operatively
Obstetric intubation in BVH re-audit	to start simulation as an induction tool for obstetric anaesthesia when new maternity theatre has been completed
Unplanned hospital admission after day surgery re-audit	Complex patients to be scheduled before 11.00.
Pre-op fasting for fluids in adults re-audit	Patient advice leaflet changed to encourage patients to have a drink before leaving home. Posters in relevant wards and theatres advising to give patients a glass of water on arrival in pre-op
Peep value on ICU	Introduction of PEEP table onto the unit
Anaesthesia and peri-operative analgesia for hip fracture patients re-audit	Laminated best practice guidelines for hip fractures to be created and kept in the anaesthetic room in theatre 9
Consent & documentation of Epidural analgesia for labour	Production and implementation of a consent sticker to place in the notes to document the consent issues pertinent obstetric history and key procedural steps performed

Title	Actions taken as a result of local clinical audit
Post-operative analgesia satisfaction following breast mastectomies	Improvement from the data of the 2015 audit.
Multiple changes to list order - an error waiting to happen	Lists will now be in ascending age order, List reviewed prior to being printed to ensure surgical procedures (e.g. tonsillectomies) are scheduled first on the list
Consent & documentation of Epidural analgesia for labour	Epidural Sticker rolled out in maternity to reflect trainees' additions to the consent process. Audit submitted as an abstract at national level
Average admission to coronary angiography time for patients with non ST elevation acute coronary syndrome	Instant listing for angiogram will now take place after confirmation of a diagnosis of NSTE-ACS and if delays then the prioritization should be done using GRACE score.
Secondary prevention of primary PCI patients re-audit	Advice sheet to be provided and filled in by discharge doctor at discharge
Chest Pain of recent onset	No actions required standards met
Effective delivery of prognastically beneficial medical therapy in LV systolic dysfunction following hospital admission	Copy of pro-forma containing the doses and required uptitration will now be kept in the notes of the patients with heart failure. Advice to be given to GP regarding continued uptitration of medication on discharge summary.
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.
Open and Laparoscopic Inguinal Hernia Repair: North West Consenting Practices	Introduction of standardised pre-printed consent forms for open and laparoscopic inguinal hernia repair. Standardised information leaflets for open and laparoscopic inguinal hernia repair, in particular detailing procedure risks and benefits. QI project to be undertaken
Malignant polyp	Continue to submit histopathological outcomes for malignant colorectal polyps to the regional colorectal cancer network.
Outcomes in patients over 65 years in Emergency General Surgery	Discussion taken place with Haematologists re. reversal of NOACs. Trust to register in ELF study (national study) looking at outcomes in over 65s
Evaluation of self-administered eye drops in general surgery	Ongoing education of staff on surgical wards

Title	Actions taken as a result of local clinical audit
Operative note documentation in ENT surgery	Poster in ENT theatres
Assessment of the accuracy of MRI's in direct free circumferential resection margin in staging of rectal cancer	Proforma report with all the required information will be included in MRI reports designed and introduced.
Radio frequency tissue reduction for turbinate hypertrophy re-audit	Pre-made bundles containing pre and post op SNOT22 and NOSE questionnaires devised. Printed stickers available in clinic for clinicians to tick that they have explained options and potential failure of op. Recommended follow up to be at least 2 months later to allow time for symptoms to resolve.
Assessment of performance status in Urology patients	No actions required standards met
Assessing management of gallstones in acute emergency admissions with acute cholecystitis and acute pancreatitis	Consultants agreed to attempt to do gallbladders more proactively on the emergency list.
Re-audit of the evaluation of self-administered eye drops in surgical wards	No actions required standards met
Management in Osteoporosis	Patient surveillance pro-forma to be given to every patient >50 years old to assess whether high or low risk, a fracture liaison service
Audit of cauda equina syndrome	Improvement of examination of documentation. Examine record neuro findings X2 per day, Changes to the current guidance, need for cauda equina syndrome pathway, allow SHO / SpR to sign MRI to avoid delay, referring doctor to get the details of the accepting neuro surgeon
Assessment of the documentation of fluid balance charts on orthopaedic patients	Fluid balance sheets to be edited so that shaded boxes are at times that nurses do observations. Posters notifying staff about the importance of fluid balance monitoring to be placed in kitchen and nursing area in ward 14, 34 and 35. 'Fluid balance' to be written on patient board to notify HCA's/ catering to fill out fluid balance for appropriate patients. Weighing scales for the ward – to accurately measure amount of urine passed for patients using commodes. Fluid balance charts to be placed at the front of folders for ease of access. Weekly spot checks of fluid balance charts for patients requiring them. Challenging staff that aren't filling in the charts by checking against rota
The effectiveness of twinblock functional appliance treatment in Primary and Secondary Care	TBA functional appliances will be used for suitable patients to and including 17 yrs. old. Clear verbal and written instructions to be given to the patient at time of fitting the device. Best TBA design will be used which has minimal breakages.

Title	Actions taken as a result of local clinical audit
Clinical Support	
Is the use of acute hepatitis serology profile compliant with National SOP	PA1402 - Trigger level for biochemical tests that activate acute hepatitis investigations with Gastroenterology reviewed and added to order comms. Order comms profile adjusted to aid clinical teams in selecting appropriate serology bundles for viruses which derange LFTs.
Audit of testicular cancer reporting	Addition of dataset lists to templates on reporting system implemented.
Audit of effectiveness of patient information 'Receiving a blood transfusion' re-audit	Staff leaflet available and to be given to all patients who may require a transfusion as part of their ongoing treatment
Blood transfusion consent/clinical indication/recorded benefit audit re-audit	Increase awareness amongst medical staff around the need for consent to transfusion. Notification of transfusion status added to the electronic discharge.
Audit of the outcome of transperineal template biopsies of the prostate	use of prostate template biopsies to be discussed with clinicians at BVH, RPH and RBH in order to improve compliance.
Cancer thyroid resection histopathology reports	New local pro-forma that reflects the cancer dataset to include all core data and staging items to be completed when reporting every case of cancer.
Non-small cell lung carcinoma (not otherwise specified) diagnosis rates	No actions required standards met
Compliance to the RCPATH dataset for colorectal cancer	No actions required standards met
Compliance with Standards for non-invasive polyps	No actions required standards met
Prescribing medicines	The policy was reviewed to reflect changes in practice or procedure. Ongoing education and training into good prescribing principles
Audit compliance with the hip and knee replacement enhanced recovery programme pre-printed prescription chart with regards to post-operative care	ERP prescription chart to be re-designed/re-written
Safe and Secure handling of medicines - ordering, receipt, storage and distribution on wards and departments	Training sessions to be planned for all members of Pharmacy staff to raise awareness within the department. A clear information poster developed for issue Ato and display within Clinical areas

Title	Actions taken as a result of local clinical audit
Omission and delay of medicines audit	Omissions to be included into preceptorship. Continuation of spot checks on low performing wards.
Self-Administration of medicines Audit	Omissions to be included into preceptorship. Continuation of spot checks on low performing wards.
Quality of trauma pelvic radiographs undertaken in A&E re-audit	No actions required standards met
Adequate contrast enhancement of CT Pulmonary Angiograms	No actions required standards met
Families	
Audit of small for gestational age (SGA) fetal growth restriction (FGR) detection and management	Women who deliver <10th centile baby need serial growth scans in future pregnancies ongoing training at mandatory training days. Antenatal care guideline to be updated to show women who deliver <3rd centile baby should receive 75mg of aspirin from booking in any future pregnancy
Audit of acute gynaecology admissions and re-admissions	Optimise post op pain control, senior review of post op readmissions
Investigation and management of suspected thromboembolic disease in pregnancy and the puerperium	Education: present data to VTE group, weekly briefing, add to teaching programme. Blood test bundle. Add management summary to guideline.
Management of women with Hyperemesis in pregnancy	Use of local policy in the use of PUQE scoring to assess severity of symptoms. Prochlorperazine to be used 1st line & metoclopramide as 2nd line. Ensure a regular antiemetic is prescribed in all patients. Ensure all patients are weighed on admission and documented on the drug chart.
Intrapartum Care for healthy women and babies	Reminder to staff of the importance of recording length, strength and frequency of contractions. Reminder to midwives of the importance of recording BP on admission. Reminder to midwives of the importance of recording urinalysis on admission.
Emergency and elective LSCS re-audit	Pathway for maternal request in new LSCS guideline. Objective studies for Oasis to guide decision. Update LSCS guideline. Reminder to medical staff: correct classification of LSCS good practice.
Outpatient hysteroscopy and management of endometrial hyperplasia re-audit	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 a woman 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 need repeat biopsy 3/12 interval (see RCOG)

Title	Actions taken as a result of local clinical audit
Induction of Labour re-audit	Changed IOL pro-forma-up to date Increase awareness of the importance of completing the IOL pro-forma. Discuss with coding to make sure coding is correct for IOL and accelerations
Multiple pregnancy antenatal care	Standards were satisfactorily measured against; no new actions to be undertaken continue current service.
Management of severe pre-eclampsia re-audit	Ensure all core midwives performing reflexes and retrain any not performing, ensure aspirin commenced in community / distribute information and educate community midwives
Termination of pregnancy	No actions required standards met
Adherence to trust policies for blood transfusion in pregnancy	Improve awareness training. Use a bedside checklist as standard care. Optimisation of HB antenatally PO/IV Iron. Intraoperative cell salvage where possible.
Management of 2nd stage caesarean section	Weekly brief to include fetal pillow use. Improve documentation of consultant involvement and examination findings.
Bladder care in labour	Targeted training on bladder care at handover in delivery suite implemented
Domestic abuse information adherence to policy	Staff reminder for asking question. Discuss results in safeguarding study day
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 to be developed to assist investigating childhood obesity
Management of periorbital and orbital cellulitis in children	4hr exceptions to be addressed with ophthalmology, record keeping to be improved
Audit of Management of babies born at 35-37 weeks gestation	Education checking babies temperature. Review of admission criteria protocol/ guideline. All babies 35+0 - 35+6 gestation to be admitted to neonatal unit.
Audit on the paediatric diabetic with elevated HbA1c > 75	No actions required standards met
Diabetic control after switching to pump from MDI	No actions required standards met
Documentation of x-ray results in the notes re-audit	Include the reporting of x-ray in induction booklet for junior doctors.
Management of feverish illness in children < 5 years	Discuss awareness of NICE guideline on feverish children <5 yrs at junior doctors induction meeting. Discuss plan to follow trust antibiotic guideline at junior doctors induction meeting
Audit of recording care plans in CAMHS	Clear criteria with clinician expectation to complete and update care plans, Update care plan template, update of choice, partnership, risk assessment documents, update appointment cards, strategic organisational discussion regarding capacity and demand, administrative support and electronic patient records.

Title	Actions taken as a result of local clinical audit
Paediatric High Dependency Review	Complete training for obtaining manual blood pressures PD Team to continue HDU teaching sessions HDU Group to produce care plan for HDU care. In the interim prompt sheet to be placed in HDU.
Clinical Handover - Transfer Audit	Remind staff to complete transfer documentation for all transfers. Ensure documentation available for staff to complete NWTS referral documentation for any critically ill children transferred by NWTS team
Diagnosis and Management of Children with DKA	Ensure doctors aware of web address of online calculator for fluid management. Ensure that a web link to BSPED is available on local guidelines. DKA management to be discussed in induction of junior doctors
Paediatric diabetic with elevated HbA1c>75mmol/mol	Encourage dieticians to document their presence in clinics. Provide children and adolescents with advice re the effects of alcohol on diabetes irrespective of current alcohol status. Produce section on the nexus review forms for DKA education
ALTC	
Medicines Management audit of ALTC Community health centres and clinics	All medicine cupboards should have a spare key available which should be secured. Lost key action plan. All windows in rooms where medicines are stored should be secured when appropriate i.e. ground floor rooms. Room temperature should be monitoring in all areas where medicines are stored. Review stock lists. All staff to complete medicines management training. Medicines must be kept in their original dispensing pack. Secure cupboards to wall/floor. All medicines issued to patients must be suitably labelled. Lock fridges. Store external medicines separately
Medical Device Audit	Medical Devices Nurse reviewed policy and make necessary amendments to embed and clarify changes required. Improve medical devices training SharePoint pages with the addition of educational materials and resources for device training. Survey key devices and locate instruction manuals and assessments for each for inclusion on the competency assessment database. Introduction of a key agreement document formalising the roles for managers and staff to sign. Assess education for HCA and use of medical devices training record. Review and produce electronic copies of device inventories for each area from the e-Quip asset management database. Categorisation of medical devices to allow agreement on frequency and depth of training. Implement a self-verification form and agreed matrix for low, medium and high risk devices. Conduct one to one meetings with sample areas and advise on improvement of compliance. Brochure and presentation for local and .or Trust induction detailing roles/responsibilities and information about medical device management and training.
Uptake of insertion of intra uterine devices as emergency contraception following administration of emergency oral contraception following unprotected sex	Training and education updated on best practice and the need to offer all patients requesting Emergency Contraception an IUD as the most effective form of EC. Development of clearer templates on the electronic patient record system to ensure all data needed is captured
BAPEN nutritional care tool	Training programme to be developed in MUST for all nurses and health care professional on all wards at the trust.

Title	Actions taken as a result of local clinical audit
Feed provision on intensive care	Introduced low calorie, high protein supplements for use in intensive care to improve protein provision. Protocols for stopping feeding for tracheostomy, sedation holds, decannulation reviewed.
STI/HIV screening and risk assessment	Adopt a policy of universal risk assessment to include alcohol/drugs/chemsex/ recreational drugs for all MSM and other relevant groups. Agreed clinic policy on management patients declining HIV testing including recording reasons for test refusal/offering POC test as an alternative
Preventing falls in older people	All patients have a full falls risk bundle completed. Falling leaves to be placed at high risk patients bedsides. Ensure all staff have completed falls workbook to be knowledgeable in clinical practice
Partial/total nail avulsion with local anaesthetic documentation audit	Policy Updated ALTC/GUID/002 side of surgery should be clearly stated without using abbreviations, It should be clearly documented which equipment has been used. Members of the surgical team should be identifiable from the documentation, if an assistant is completing this they must ensure it is clearly stated who the surgery was performed by. Whilst conducting the audit an episode of wrong side injection was found. This has demonstrated a need for an update to the current policy.
Clifton Hospital Mortality	Pathways to be review. Implementation plan in place and referral/acceptance process under review by the implementation group. Bed management team to be added to UIR system as a location to enable inappropriate transfers made upon decision making of Bed Managers to be reported and investigated.
Sui action plan compliance	Ongoing education on the importance of support and advice taking place for every visit and ensure it is documented on EMIS and the importance of every patient having an End User Form with all patient records to be checked at the next visit.
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. Monitor Utilisation of Back Fitness Program since revamp
MUST Audit	Training programme to be developed in MUST for all nurses and health care professional on all wards at the trust.
Notes audit of Podiatry against NICE guidelines	EMIS template reviewed to ensure relevant sections are covered and applied
Corporate	
Saving Lives Audit	Improvements in peripheral line insertion and ongoing care in line with education of staff re correct procedure and policy adherence. Improvements in Peri-operative care bundle delivery through improved recording of observations and implementation of subsequent actions. Improved ventilation associated pneumonia bundle delivery through improved oral and respiratory care and implementation of subsequent actions. Improved ongoing care of urinary catheters via care bundle through improved catheter care. Improved decontamination of clinical equipment through education of staff re requirements of implementing Trust policies and procedures relating to decontamination of equipment.
Moisture lesions (prevalence) & Continence management audit	Further education and support. Audit findings to be cascaded at next forum meeting and engagement gained. Policy for continence management and protection of skin integrity in incontinent patients to be formulated.

Title	Actions taken as a result of local clinical audit
Pressure Redistribution Equipment Prevalence Audit	Further education and support. Audit findings and progress to be cascaded at next forum meeting and engagement gained.
Tracing case notes - Annual audit	Raising awareness of the findings of the audit via the Pulse Newsletter. Discussed as a regular agenda item in the Health Record Committee meetings.
VTE - Reducing the risk. Implementing NICE guidance	Training and education on best practice- Further medical and nursing training. A formal record must be made of all verbal or written information given to patients before commencing VTE prophylaxis at and at discharge re the continuation of therapy or the prevention and identification of risk at discharge to be reiterated as part of the dissemination of results. Incorporate. "Preventing VTE" into "How to keep yourself safe
Best Practice - Management of NCEPOD	Ownership and completion of studies by Senior Clinicians as required by NCEPOD. Completion and monitoring of action plans following publication of reports by Divisional Leads and NCEPOD Ambassador / Reporter. Completion and submission of Risk Assessments where recommendations are not implemented as per policy. Ambassador and Reporter to meet monthly with Leads
Pressure Ulcer Prevention - compliance with NICE CG179 re-audit	New wound chart to be designed and ratified for use in the nursing documentation. Training to be implemented on completion of the new wound chart prior to launch
Best Practice Undertaking clinical audit	New audit proposals to be reviewed every week. The question relating to agreed recommendations and action plans being minuted will be changed on the pro-forma in CORP/PROC/561 as these meetings are no longer minuted. The timescale of audit leads returning a completed clinical audit completion form to the Clinical Audit Department within one week needs to be amended. Team to check if standards/guidelines attached/linked when submitting proposal form. Audit priorities to be added to proposal form for guidance on correct use.
Resuscitation trolley audit	Reduce the checking of the resus trolley from 3 times within 24 hour period to once within 24 hour period. Empowerment of the centralised resuscitation store managed by the resuscitation department. Emphasise during training to all ward managers the responsibilities at ward level regarding ward manager counter signature. Support local action plans to improve compliance at clinical departmental level and offer training from the resuscitation team to support training needs when required
Do not attempt cardio pulmonary resuscitation	Encourage staff to attend a training session on DNACPR (Simulation Sessions run by Dr Preston, dates are advertised on the OneHR website under the Resuscitation Department). Tailor the training to highlight the importance of correctly completing all areas of the DNACPR form. To consider dedicating one senior professional lead for the organisation on DNACPR matters looking at completion of form, family and patient support, community engagement to reduce complaints and empowered experience supporting the patients journey.

Title	Actions taken as a result of local clinical audit
Isolation audit	Patients' barrier nursed in a side-room. Documentation for barrier nursed patients with the side-room door left open. Ward managers to disseminate to all staff that it must be clearly documented in the notes the reason why a patient is being barrier nursed in the bay. Ward managers to disseminate to all staff that appropriate signage must be clearly displayed for patients being barrier nursed
60 Death audit 2016	Ongoing education regarding care of the dying including encouraging the use of nursing care plans. DNACPR simulation training for senior doctors. To support the role out of EPaCCs to enhance identification of patients with advance care plans. Provide feedback to clinical staff. Encourage identification of patients suitable for Amber Care Bundle via patient tracker. To support ward-based board rounds to help identify patient suitable for the ACB or Individualised Plan of Care. To enhance communication between primary and secondary care
Annual Mattress audit and Pressure ulcer prevalence in conjunction with Medstrom	Medstrom to be involved with ward based training on mattress selection and correct usage. Tissue Viability to provide ward based training on risk assessments, pressure ulcer prevention and care planning. Cascading of key issues and audit findings to TV Link Nurses
Best Practice - Management of NICE	The escalation process to be reinforced at Directorate level. The Clinical Improvement shared point site will be updated to provide current and relevant information to assist clinical teams in the implementation of NICE guidance and embed in practice.

Appendix C

Table i: Glossary of Abbreviations	
Abbreviation	**Meaning**
SUTS	Sign up to Safety
NICE	National Institute Health and Care Excellence
CAUTI	Catheter Associated Urinary Tract Infection
NHS	National Health Service
AKI	Acute Kidney Injury
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
HQIP	Healthcare Quality Improvement Partnership

Abbreviation	Meaning
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
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
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/

Term	Meaning
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
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).

Term	Meaning
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; 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.

Term	Meaning
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/digitalassset/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"* 2017/18 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 2017 to April 2018;
  o Papers relating to quality report reported to the Board over the period April 2017 to April 2018;
  o Feedback from the Commissioners, Blackpool Clinical Commissioning Group dated 17/05/2018; and Fylde & Wyre Clinical Commissioning Group dated 16/05/2018
  o Feedback from Governors dated 11/05/2018;
  o Feedback from the Blackpool Council's Health Scrutiny Committee dated 14/05/2018;
  o The Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, published April 2017 – March 2018;
  o The 2016 national patient survey published March 2017;
  o The 2017 national staff survey published March 2018;
  o Head of Internal Audit's annual opinion over the Trust's control environment dated 23/05/2018, and;
  o Care Quality Commission inspection Report dated 22/03/2018
- 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.
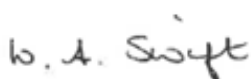
By order of the Board:

Signed: *Karen Crowshaw*

Date: 24th May 2018

Karen Crowshaw
INTERIM CHAIRMAN

Signed: *b. A. Swift*

Date: 24th May 2018

Wendy Swift
CHIEF EXECUTIVE

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

Independent Auditors' Limited Assurance Report to the Council of Governors of Blackpool Teaching Hospitals NHS Foundation Trust on the Annual Quality Account

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 Account for the year ended 31 March 2018 (the 'Quality Report') and specified performance indicators contained therein.

Scope and subject matter

The indicators for the year ended 31 March 2018 subject to limited assurance (the "specified indicators") marked with the symbol (A) in the Quality Report, consist of the following national priority indicators as mandated by Monitor:

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 of discharge	In line with the definition included within NHS Improvement's "Detailed requirements for external assurance for quality reports for foundation trusts 2017/18" Annex C (page 24)
Percentage of incomplete pathways within 18 weeks for patients on incomplete pathways at the end of the reporting period	In line with the definition included within NHS Improvement's "Detailed requirements for external assurance for quality reports for foundation trusts 2017/18" Annex C (page 23)

Respective responsibilities of the Directors and auditors

The Directors are responsible for the content and the preparation of the Quality Report in accordance with the specified indicators criteria referred to on pages of the Quality Report as listed above (the "Criteria"). The Directors are also responsible for the conformity of their Criteria with the assessment criteria set out in the NHS Foundation Trust Annual Reporting Manual ("FT ARM") and the "Detailed requirements for quality reports for foundation trusts 2017/18" issued by Monitor (operating as NHS Improvement) ("NHSI").

Our responsibility is to form a conclusion, based on limited assurance procedures, on whether anything has come to our attention that causes us to believe that:

- The Quality Report does not incorporate the matters required to be reported on as specified in the FT ARM and the "Detailed requirements for quality reports for foundation trusts 2017/18";
- The Quality Report is not consistent in all material respects with the sources specified below; and
- The specified indicators have not been prepared in all material respects in accordance with the Criteria set out in the FT ARM and the "Detailed requirements for external assurance for quality reports for foundation trusts 2017/18".

We read the Quality Report and consider whether it addresses the content requirements of the FT ARM and the "Detailed requirements for quality reports for foundation trusts 2017/18"; and consider the implications for our report if we become aware of any material omissions.

We read the other information contained in the Quality Report and consider whether it is materially inconsistent with the following documents:

- Board minutes for the period, April 2017 to April 2018;
- Papers relating to quality report reported to the Board over the period April 2017 to April 2018;
- Feedback from the Commissioners, Blackpool Clinical Commissioning Group dated 17/05/2018; and Fylde & Wyre Clinical Commissioning Group dated 16/05/2018
- Feedback from Governors dated 11/05/2018;
- Feedback from the Blackpool Council's Health Scrutiny Committee dated 14/05/2018;
- The Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, published April 2017 – March 2018;
- The 2016 national patient survey published March 2017;
- The 2017 national staff survey published March 2018;
- Head of Internal Audit's annual opinion over the Trust's control environment dated 23/05/2018; and
- Care Quality Commission inspection Report dated 22/03/2018.

We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with those documents (collectively, the "documents"). Our responsibilities do not extend to any other information.

Our Independence and Quality Control

We applied the Institute of Chartered Accountants in England and Wales (ICAEW) Code of Ethics, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. We apply International Standard on Quality Control (UK) 1 and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Use and distribution of the report

This report, including the conclusion, has been prepared solely for the Council of Governors of Blackpool Teaching Hospitals NHS Foundation Trust as a body, to assist the Council of Governors in reporting Blackpool Teaching Hospitals NHS Foundation Trust's quality agenda, performance and activities. We permit the disclosure of this report within the Annual Report for the year ended 31 March 2018, 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 any one other than the Council of Governors as a body and Blackpool Teaching Hospitals NHS Foundation Trust for our work or this report save where terms are expressly agreed and with our prior consent in writing.

Assurance work performed

We conducted this limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) 'Assurance Engagements other than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board ('ISAE 3000 (Revised)'). Our limited assurance procedures included:

- reviewing the content of the Quality Report against the requirements of the FT ARM and the "Detailed requirements for quality reports for foundation trusts 2017/18";
- reviewing the Quality Report for consistency against the documents specified above;
- obtaining an understanding of the design and operation of the controls in place in relation to the collation and reporting of the specified indicators, including controls over third party information (if applicable) and performing walkthroughs to confirm our understanding;
- based on our understanding, assessing the risks that the performance against the specified indicators may be materially misstated and determining the nature, timing and extent of further procedures;
- making enquiries of relevant management, personnel and, where relevant, third parties;

- considering significant judgements made by the NHS Foundation Trust in preparation of the specified indicators;
- performing limited testing, on a selective basis of evidence supporting the reported performance indicators, and assessing the related disclosures; and
- reading the documents.

A limited assurance engagement is less in scope than a reasonable assurance engagement. The nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement.

Limitations

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information.

The absence of a significant body of established practice on which to draw allows for the selection of different but acceptable measurement techniques which can result in materially different measurements and can impact comparability. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision thereof, may change over time. It is important to read the Quality Report in the context of the assessment criteria set out in the FT ARM and "Detailed requirements for quality reports for foundation trusts 2017/18" and the Criteria referred to above.

The nature, form and content required of Quality Reports are determined by NHSI. This may result in the omission of information relevant to other users, for example for the purpose of comparing the results of different NHS Foundation Trusts.

In addition, the scope of our assurance work has not included governance over quality or non-mandated indicators in the Quality Report, which have been determined locally by Blackpool Teaching Hospitals NHS Foundation Trust.

Conclusion

Based on the results of our procedures, nothing has come to our attention that causes us to believe that for the year ended 31 March 2018:
- The Quality Report does not incorporate the matters required to be reported on as specified in the FT ARM and the "Detailed requirements for quality reports for foundation trusts 2017/18";
- The Quality Report is not consistent in all material respects with the documents specified above; and
- The specified indicators have not been prepared in all material respects in accordance with the Criteria set out in the FT ARM and the "Detailed requirements for external assurance for quality reports for foundation trusts 2017/18".

Pricewaterhouse Coopers LLP

PricewaterhouseCoopers LLP
Manchester
25 May 2018

The maintenance and integrity of the Blackpool Teaching Hospitals NHS Foundation Trust's website is the responsibility of the directors; the work carried out by the assurance providers does not involve consideration of these matters and, accordingly, the assurance providers accept no responsibility for any changes that may have occurred to the reported performance indicators or criteria since they were initially presented on the website.

Annex D: A Statement of the Chief Executive's responsibilities as the Accounting Officer

A Statement of the Chief Executive's responsibilities as the Accounting Officer of Blackpool Teaching Hospitals NHS Foundation Trust

The National Health Service Act 2006 states that the Chief Executive is the Accounting Officer of the NHS Foundation Trust. The relevant responsibilities of Accounting Officer, including their responsibility for the propriety and regularity of the public finances for which they are answerable, and for the keeping of proper accounts, are set out in the NHS Foundation Trust Accounting Officer Memorandum issued by NHS Improvement.

NHS Improvement, in exercise of the powers conferred on Monitor by the NHS Act 2006, has given Accounts Directions which require Blackpool Teaching Hospitals NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis required by those Directions. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Blackpool Teaching Hospitals NHS Foundation Trust and of its income and expenditure, total recognised gains and losses and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the *"Department of Health Group Accounting Manual"* and in particular to:

- observe the Accounts Direction issued by NHS Improvement, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the *"NHS Foundation Trust Annual Reporting Manual"* (and the *"Department of Health Group Accounting Manual"*) have been followed, and disclose and explain any material departures in the financial statements,
- ensure that the use of public funds complies with the relevant legislations, delegated authorities and guidance, and
- Prepare the financial statements on a going concern basis.
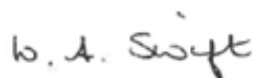
The Accounting Officer is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the NHS Foundation Trust and to enable him/her to ensure that the accounts comply with requirements outlined in the above mentioned Act. The Accounting Officer is also responsible for safeguarding the assets of the NHS Foundation Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Signed: W. A. Swift

Date: 24th May 2018

Wendy Swift

CHIEF EXECUTIVE

Annex E: Annual Governance Statement 2017/18

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 2018 and up to the date of approval of the Annual Report and Accounts.

3. Capacity to Handle Risk

3.1 Leadership

As Accounting Officer, I have overall accountability and responsibility for ensuring that there are effective risk management and integrated governance systems in place within the Trust, and for meeting all statutory requirements and adhering to guidance issued by NHS Improvement. I lead the risk management process as Chief Executive and the Executive Directors Meeting meets on a bi-monthly basis to review the risk management processes. The Executive Directors Meeting oversees all risk management activity and ensures the correct process is adopted for managing risk; controls are present and effective; and action plans are robust for those risks which remain. The Audit Committee monitors and reports to the Board of Directors on the assurances against the Risk Management Policy and Board Assurance Framework which contains the key risks against the 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 then to the Board of Directors. Some aspects of risk are delegated to the senior managers;
- The Chief Executive is responsible for reporting to the Board of Directors on the overall risk management policy and for ensuring that the policy is implemented and evaluated effectively;
- The Chief Information Officer is the nominated Senior Information Risk Owner (SIRO) for the Trust and has responsibility for information and cyber security risk including the annual review of the information risk assessment to support the statement of internal control;
- The 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 is also responsible for estate management including fire safety and facilities management;
- The Director of Nursing and Quality and Medical Director have shared responsibility for clinical risk management;
- The Medical Director is the professional lead for all doctors;
- The Medical Director has additional specific responsibilities as the Caldicott Guardian, Director of Infection Prevention Control and the nominated Director for Health and Safety Management;
- The Director of Operations is responsible for developing risk based operational key performance indicators and for monitoring performance and reporting to the Board of Directors on a monthly basis;
- The Director of Workforce and Organisational Development is responsible for workforce planning, staffing issues, education and training.

All 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, Chief Executive and Committee Chairs as well as at meetings of the Council of Governors.

3.2 Training

Staff are trained or equipped to manage risk in a way appropriate to their authority and duties. The Trust has in place an induction programme for new employees, which includes awareness of risk management. Each Division and Corporate Directorate has a responsibility to develop specific departmental local induction programmes, which includes awareness of the Division/Directorate risk management arrangements.

The Trust has in place a mandatory training programme and the Board of Directors has set out the minimum requirements for staff training

required to control key risks and includes risk management processes such as health and safety, moving and handling, resuscitation, infection prevention, safeguarding patients, 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 at Corporate Induction, New Consultant Induction, Junior and Trainee Doctors' Induction, Mandatory Training, e-learning and ad-hoc sessions for clinical and AHP staff. Specific training on incident reporting and managing incidents and RCAs is undertaken through a rolling programme of presentations available to all staff. Local training sessions are also arranged for individuals or groups upon request. Specific Duty of Candour awareness training has also been rolled out through presentations to Divisions across the organisation and is ongoing.

The following results from the 2017 National Staff Survey show a significant improvement since 2016 in staff's perception of how the Organisation encourages staff to report incidents; that actions are taken to ensure errors are not repeated and staff receive feedback on any action taken and that incidents are dealt with:-

Significant improvements since 2016	2016	2017
Organisation encourages reporting of errors	87%	89%
Organisation takes action to ensure errors are not repeated	68%	71%
Staff given feedback about changes made in response to reported errors	63%	67%

The Trust uses an integrated electronic risk management system, known as Ulysses which is used to record and manage incidents. The Corporate and Divisional Risk Registers and Board Assurance Framework are managed electronically

and updated bi-monthly. The risk management leads within each division and corporate directorate are responsible for coordinating the ongoing review and management of risks identified, collated, reported and reviewed locally through the Trust governance structures.

Employees, contractors and agency staff are required to report all adverse incidents and concerns. The Trust supports a learning culture, ensuring that an objective investigation or review is carried out to continually learn from incidents.

Through the above training, staff are provided with examples highlighting the importance of taking responsibility for risk management and how we share learning from incident reporting, risk assessments and identifying areas, to improve our services and ultimately patient and staff safety.

The Learning from Incidents and Risks Committee meets on a bi-monthly basis to ensure concerns identified from incidents, complaints and claims are reviewed with lessons learnt being used as a method of improvement and sharing of good practice. Learning from incident trends and themes and serious incident investigations is shared across the Organisation through data reports, articles published in Trust newsletters and magazines, Safety Notices and organisational and divisional Lessons Learned posters. All finalised Serious Incident Investigation reports are available for staff to access through the Risk Management intranet site to use as a learning tool.

In addition to the Trust reviewing all internally driven investigation reports, the Trust also adopts an open approach to the learning derived from third party investigations and audits, and/or external reports. During 2015/16, the Trust has taken on board recommendations from a number of external reports including the report from the Trusts CQC re-inspection that took place in September 2015.

The Trust actively seeks to share learning points with other health organisations, and pays regard to external guidance issued. Accordingly, the Trust reviews any gaps against new guidance and adjusts systems and processes as appropriate in line with best practice.

The Governors are offered NHS Providers

Governwell training to assist them in their duties the courses consist of; a core skills module and specialist skills modules (Accountability, Effective Questioning and Challenge, NHS Finance and Business Skills, the Governor Role in Non-Executive Appointments and Member and Public Engagement).

4. The Risk and Control Framework

4.1 Key Elements of the Risk Management Strategy

The Risk Management Policy is validated by the Quality Committee and ratified by the Board of Directors. The Risk Management Policy assigns responsibility for the ownership, identification and management of risks to all individuals at all levels in order to ensure that risks which cannot be managed locally are escalated through the Trust. The process populates the Board Assurance Framework and Corporate Risk Register, to form a systematic record of all identified risks. Risks are identified from operational pressures, strategic planning and from the analysis of untoward incidents. The control measures, designed to mitigate and minimise identified risks, are recorded within the Board Assurance Framework, Corporate Risk Register and Divisional Risk Registers.

The Trust's vision and values identify the expected culture for the Trust; these are linked to the strategic objectives, from which the Board Assurance Framework has been developed therefore supporting the risk management framework.

4.2 Key Elements of the Quality Governance Arrangements

The Trust Board has adopted six strategic measures which reflect the priorities of the Board for 2017/18 (taking into account the needs of the Trust and its patients as well as the requirements of NHSI and Commissioners). These measures are used to monitor and assess the performance of the Trust and are measured and reported to the Board on a quarterly basis. The Quality Committee, as a subcommittee to the Board, monitors two of the six strategic measures and also quarterly receives a report on the metrics aligned to the quality goals set within the Trust's Quality Strategy. Wider quality measures are also included within the 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 2017/18; failure to maintain a reduction in the Trust Mortality rates, compliance with CQC standards and maintaining a high patient experience, have been monitored by the Quality Committee.

The Foundation Trust is fully compliant with the registration requirements of the CQC and was 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; 1 "Maintaining an overall requires improvement" rating, 14 achieving

an overall "Good" rating and 1 achieving an overall "Outstanding" rating.

The inspection report notes areas of outstanding practice across the Community services and Acute services.

Twelve areas of action, the Trust must take to improve and these equate to four breaches of the CQC regulations. The Trust is required to provide a report to the CQC on the actions it plans to take to meet the regulatory actions and this will be monitored by the Quality Committee and by the commissioners led Fylde Coast Advisory Board/ Quality Review Contract Board during 2018/19. Action plans will also be regularly reviewed by NHSi and quarterly with the CQC at the Trust's quarterly CQC Engagement Meeting.

Internal processes, via a CQC hub, were set up to support the Trust in its preparation for the CQC inspection which included mock assessment processes. 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 in readiness for ongoing annual inspections going forward.

Data Security

Information Governance (IG) relates to the way organisations process or handle information. It covers personal information, i.e. relating to patients/service users and employees, and corporate information, e.g. financial and accounting records.

The IG Toolkit is an online system which allows organisations to assess themselves or be assessed against Information Governance policies and standards. It also allows members of the public to view participating organisations' IG Toolkit assessments.

The purpose of the assessment is to enable organisations to measure their compliance against the law and central guidance and to see whether information is handled correctly and protected from unauthorised access, loss, damage and destruction.

The Health Informatics Committee (HIC) is responsible for all aspects of Information

Management, Information Governance and Information Communications Technology throughout the Trust known collectively as Information Management; this includes the identification and management of information and data security risks. The HIC is chaired by the 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 an "Information Governance Serious Incidents Requiring Investigation" (IG SIRIs). As a guide this includes any incident which involves actual or potential failure to meet the requirements of the Data Protection Act 1998 and/ or the Common Law of Confidentiality.

The IG SIRI category is determined by the context, scale and sensitivity:

- Level 0 or 1 confirmed IG SIRI but no need to report to Information Commissioner's Office (ICO), Department of Health (DoH) and other central bodies/regulators;
- Level 2 confirmed IG SIRI that are reported to ICO, DH and other central bodies/regulators.

A further category of IG SIRI is also possible and is used in incident closure where it is determined that it was a near miss or the incident is found to have been mistakenly reported:

- Level 0 Near miss/non-event - used where an IG SIRI has been found not to have occurred or severity reduced due to fortunate events which were not part of pre-planned controls this is recorded as a "near miss" to enable lessons learned activities to take place and appropriate recording of the event.

Cyber Incidents

A Cyber-related incident is anything that could (or has) compromised information assets within Cyberspace. "Cyberspace is an interactive domain made up of digital networks that is used to store, modify and communicate information. It includes

the internet, but also the other information systems that support our businesses, infrastructure and services."
Source: UK Cyber Security Strategy, 2011

All Organisations processing Health, Public Health and Adult Social Care personal data are also expected to use the IG Toolkit to report level 2 Cyber SIRI's to contribute to health and social response to the UK's Cyber Security Strategy. Level 2 Cyber Incidents will be notified to the Department of Health and HSCIC only.

The Cyber SIRI category is determined by the context, scale and sensitivity. Every incident can be categorised as level:

- Level 0 or 1 confirmed Cyber SIRI but no alerting to HSCIC & DH;
- Level 2 confirmed Cyber SIRI alerting to HSCIC & DH.

4.3 Organisations Key Risks

The key organisational risks for the year were identified from the strategic objectives for 2017/18, forming the Board Assurance Framework and operational risks collated for the Corporate Risk Register, these included the following:

In-Year Risks 2017/18	Future Major and Significant Clinical Risks 2018/19
National Compliance Requirements - Single Operating Framework and Care Quality Commission Regulations	
- Inability to achieve the agreed performance targets within the Single Oversight Framework throughout 2017/18 risks the Trust being in breach of its Provider Licence. - The inability of the Health and Social Care system to manage emergency admissions and flow risks safe patient care, performance targets and delivering a balanced budget. - Failure to comply with the Care Quality Commission Standards throughout 2017/18 risks Regulatory action.	- 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.
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.	
Failure to deliver a high quality and safe patient care risks the achievement of a SHMI of 100 by 2019.	The Trust has a higher than expected SHMI which may indicate suboptimal standards of care and may incur reputational damage.
Strategic Ambition 2: QUALITY: Patient Experience: Friends and Family Test We aim to achieve our highest levels of patient satisfaction; 98% by 2019.	
Failure to deliver a positive patient experience risks the achievement of a Patient Family and Friends Test score of 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.

In-Year Risks 2017/18	Future Major and Significant Clinical Risks 2018/19
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.	
• Inability to achieve the top quartile performance for both non-elective and elective lengths of stay risks delivery of the £3m length of stay CIP, achievement of the performance targets within the Single Oversight Framework and reducing avoidable harms.	• 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.
Strategic Ambition 4: WORKFORCE: Vacancy rate We aim to significantly reduce our clinical vacancy rate, based on future workforce numbers; 2.5% by 2021.	
• Failure to attract, recruit and retain appropriately skilled staff risks the achievement of a 2.5% clinical vacancy rate by 2021.	• The Trust has inadequate staffing levels to deliver optimal care services due to national shortages in nursing, medical and support staff.
Strategic Ambition 5: WORKFORCE: Staff Satisfaction: Friends & Family Test We aim to achieve our highest levels of staff satisfaction; 85% by 2021.	
• Failure to engage and motivate staff risks the achievement of a Staff Satisfaction Family and Friends Test score of 85% by 2021.	• The Trust has poor retention levels and low levels of productivity due to a lack of support and engagement.
Strategic Ambition 6: FINANCE: Finance We aim to achieve a Use of Resource Rating of 3; 3 by 2019.	
• Inability to achieve the income and expenditure position and deliver the planned £21m CIP and a minimum cash balance of £6.2m by March 2018 risks achieving a break even position, the planned financial risk rating and the ability for the Trust to operate effectively.	• 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.
Enablers Putting in place enablers such as improved use of information technology, making good use of our estate and enhancing our communications	
• Failure to implement an electronic patient record (EPR) by 2018 risks the ability for the Trust to achieve the strategic plan and integrated data systems. • The failure to agree and establish a model for an Accountable Care System/ Organisation risks the ability of the health economy and Trust to deliver the Fylde Coast strategy and financial sustainability	• 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.

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 2017/18;

- The top up ambulance contract.
  - o Mitigation: The contract was extended for a year whilst the Trust explored option to achieve the most effective compliant procurement route to market.
- Decontamination equipment in the Gastroenterology Department Endoscopy Unit.
  - o Mitigation: A new Decontamination Unit opened was opened on 31st May 2017.
- Patient accommodation for ADAS service.
  - o Mitigation: Work has been completed to improve the accommodation.
- Door to needle times for oncology patients suffering from suspected Neutropeunic Sepsis.
  - o Mitigation: Increased specialist medical and nursing staff.
- Labcaire Automatic Endoscope Re-processing (AER) machines in use in Cardiac Theatres.
  - o Mitigation: New equipment is now in used on the unit.
- Hemodynamic equipment is reaching the end of its useful working life.
  - o Mitigation: This equipment was replaced in July 2017.

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 (Operational Risk Management) as part of the Internal Audit Annual Plan which was agreed by the Chief Executive and the Audit Committee, the outcome of which was "significant assurance with minor improvement opportunities".

The 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 2018, the Trust has undertaken a self-assessment against the Trust's Provider Licence which identified the Trust has good reporting systems to NHS Improvement for governance and finance, with some areas for further review regarding patient choice. 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 B 1.1 and B 7.1, these have been reported to the Audit Committee and Board of Directors.

B.1.1 - The Board of Directors should identify in the annual report each NED it considers to be independent. The board should determine whether the director is independent in character and judgement and whether there are relationships or circumstances which are likely to affect, or could appear to affect the director's judgement. The Board of Directors should state its reasons if it determines that a Director is independent despite the existence of relationships or circumstances which may appear relevant to its determination.

B.7.1 - In the case of re-appointment of non-executive directors, the chairman should confirm to governors that, following formal performance evaluation, the performance of the individual proposed for re-election continues to be effective and to demonstrate commitment to the role. Any term beyond six years (e.g. two three year terms) for a non-executive director should be subject to particularly rigorous review, and should take into account the need for progressive refreshing of the

board. Non-executive directors may, in exceptional circumstances, serve longer than six years (e.g. two three-year terms following authorisation of the NHS foundation trust), but subject to annual re-appointment. Serving more than six years could be relevant to the determination of a non-executive director's independence.

Mrs Karen Crowshaw and Mr Alan Roff have exceeded the Code of Governance best practice six years, however this is in line with Paragraph 136 of the Trust Constitution, a provision for an additional year if the Nominations Committee and Council of Governors are satisfied with independence, appraisal and performance.

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

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 put Carbon Reduction Delivery Plans in place in accordance with emergency preparedness and civil contingency requirements, as based on UKCIP 2009 weather projects, to ensure that the organisation's obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

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

The Trust achieved its planned delivery of a Use of Resource Rating (UOR) of 3 (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 submitted a two-year plan to NHSI in December 2016 stating the Trusts arrangements, objectives and targets on a strategic and annual basis for 2017/18 and 2018/19. A revised plan for 2018/19 will be submitted to NHSI at the end of April 2018 and will be carried out in alignment with the two Fylde Coast CCGs as part of the Integrated Partnership approach. The Trust continues to develop systems and processes to help deliver an improvement in the financial performance which includes the following:

- Approval of the one year plan submission by the Board of Directors;
- Approval of the annual budgets by the Board of Directors;
- The production of an integrated long term plan, based upon the Trust's Five Year Strategy, and will include financial, activity, workforce and risk rating information;
- Monthly Finance Committee to ensure Directors meet their respective financial targets reporting to the Board;
- Monthly Divisional Performance Meetings attended by the Executive Team to ensure that Divisions meet the required level of performance for key areas;
- Monthly Cash Committee with measures to further improve cash balances which reports to the Finance Committee. The Cash Committee has minimised the risk of the Trust using the Working Capital Facility;
- The Trust has continued to utilise a Transformation Team (formerly Programme Management Office) to support robust planning and delivery of the Trusts strategic transformation plan, including the programme management of the two-year 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, a Turnaround Board (chaired by the Chief Executive), and a set of turnaround actions (including "Grip and Control").

- The Divisions play an active part in ongoing review of financial performance including Cost Improvement requirements/Quality, Innovation, Productivity and Prevention (QIPP) delivery;
- Monthly reporting to the Board of Directors on key performance indicators covering Finance and activity; Quality and Safety; and Human Resource targets through the Integrated Performance Report (IPR);
- Weekly reporting to the Executive Team on key influences on the Trust's financial position including activity on quality and safety performance and workforce indicators, with further enhancements to include the reporting of cash, orders raised, and goods receipted to be introduced for 2016/17. During 2018/19, an activity/performance dashboard will be introduced for Executive and senior team review.

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. Significant changes are required in years two (2017/18) and three (2018/19) in order to meet the most immediate issue of financial sustainability resulting from the 'base case' financial forecast. However, the strategic vision must also deliver improvements in clinical quality and safety and ensure increased levels of efficiency, whilst meeting the needs of the local population.

6. Information Governance

During 2017/18, the Trust achieved an Information Governance Toolkit (IGT) internal assessment compliance score of 83% and was graded Satisfactory (Green). The IGT submission is subject to independent audit. The Trusts' auditors, KPMG have reviewed the evidence provided as part of the Version 14.1 submission and provided an overall rating opinion of "Significant Assurance" in respect of our process of self-assessment.

During this period the Trust has incurred 66 incidents classified as IG SIRI severity level 1 (see Table 1) along with 1 Cyber SIRI and 1 IG SIRI both severity level 2 (see Table 2).

Table 1

Summary of other Personal Data Related Incidents in 2017-18 (1st April 2017 – 31st March 2018) (SIRI 1's)		
Category	Breach Type	Total
A	Corruption or inability to recover electronic data	0
B	Disclosed in error	38
C	Lost in Transit	2
D	Lost or stolen hardware	0
E	Lost or stolen paperwork	14
F	Non-secure disposal- hardware	0
G	Non-secure disposal-paperwork	2
H	Uploaded to website in error	0
I	Technical security failing (including hacking)	0
J	Unauthorised access/disclosure	9
K	Other	1
	Total	66

Table 2

Summary of Serious Incident Requiring Investigations Involving Personal Data as Reported to the Information Commissioner's Office in April 2017 – March 2018				
Number and date of incident	Nature of incident	Nature of data involved	Number of data subjects potentially affected	Notification steps
171678 12/05/17 Cyber SIRI	Denial of service	Personal and sensitive.	N/A	IGT & ICO
185987 17/11/17 IG SIRI	Lost or stolen paperwork	Personal and sensitive.	70+	IGT & ICO

7. Annual Quality Report

The Trust Directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 (as amended) to prepare Quality Accounts for each financial year. NHS Improvement has issued guidance to NHS Foundation Trust Boards on the form and content of Annual Quality Accounts which incorporate the above legal requirements and the *"NHS Foundation Trust Annual Reporting Manual"*.

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. In the preparation of the Quality Accounts, the Trust appointed a Quality Accounts Project Lead to develop the Quality Accounts who reported directly to the Director of Nursing and Quality.

A formal review process of the Accounts is established, involving the submission of our draft Quality Accounts to our external stakeholders (Commissioners, Overview and Scrutiny Committees and Healthwatch) all of whom are invited to provide formal comment on the Accounts. The Quality Accounts drafts were 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 Trust set 2017/18 priorities for improvement to align with the Trusts 3 year Quality Strategy 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 through the Trust's Integrated Performance Reporting monitoring process. The Quality Committee is a subcommittee of the Board and leads the quality improvement strategy and reviews quarterly quality performance against an agreed set of indicators on a quarterly basis.

• Policies
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, is monitored via the Trust's Integrated Performance Report and the Quality Strategy metrics monitoring process. 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 Trust 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 four sub committees who monitor performance against regulatory requirements, the Board Assurance Framework, the 6 strategic measures and all associated approved plans and objectives.

• People and Skills
The Trust's Workforce Strategy 2014-19 is a key document that brings together 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.

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, Strategic Transformation Group and 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 Trust's Internal Data Team;
• Monthly formal Divisional Boards held with Executive Directors to overall monitor financial, operational, governance and quality key performance indicators.

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 Board.

The Trust has a fully controlled process for the provision of external information with control checks throughout the process. Formal sign off processes of key performance indicators on data are submitted through the Information Management Department and in terms of quality data signed off within the Clinical Governance Departments management processes.

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 2017/18. 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, Finance Committee, Quality Committee, Strategic Workforce Committee and Strategy and Assurance Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

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

- The Board of Directors receiving Assurance Reports from the Chairs of the Audit, Quality, Finance and Strategic Workforce Committees;
- The Audit Committee challenging the Chairs of the Quality, Finance and Strategic Workforce

Committees and giving assurance on their performance to the Board of Directors;
- The Audit Committees review of the Clinical Audit Plan, findings from the Security and Fraud Self Review Tools;
- The Audit Committees findings from 'deep dives' on the;
  i.   Trusts approach to compliance with the General Data Protection Regulations;
  ii.   Management of Cyber Security (in response to Wannacry);
  iii.   Medical Staffing Levels in Anaesthetics;
  iv.   Management of Medical Records;
  v.   Management of mental health patients within the Trust;
  vi.   Service provisions for Stroke within the Trust.
- The Internal Audit Reviews on;
  i.   Financial Reporting NHSI Returns concluded 'significant assurance';
  ii.   Core Financial Controls (incorporating elements of Data Quality) concluded 'significant assurance with minor improvement opportunities';
  iii.   Risk Management and the Board Assurance Framework (Operational Risk Management based of the Head of Internal Audit Opinion) concluded 'significant assurance with minor improvement opportunities';
  iv.   Risk Management and the Board Assurance Framework (Strategic Risk Management) concluded 'partial assurance with improvements required';
  v.   Governance Arrangements concluded 'significant assurance with minor improvement opportunities';
  vi.   Information Governance Toolkit concluded 'significant assurance';
  vii.   Compliance with Control Total concluded 'significant assurance with minor improvement opportunities';
  viii. Compliance with Performance Trajectories (incorporating elements of Data Quality) concluded 'significant assurance with minor improvement opportunities'.
- The outcome of the CQC Well-led Review concluded the Trust is 'Good'.

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: *b. A. Swift*

Date: **24th May 2018**

Wendy Swift
CHIEF EXECUTIVE

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

Independent auditors' report to the Council of Governors of Blackpool Teaching Hospitals NHS Foundation Trust

Report on the audit of the financial statements

Opinion

In our opinion, Blackpool Teaching Hospitals NHS Foundation Trust's Group and Trust financial statements:

- give a true and fair view of the state of the Group and Trust's affairs as at 31 March 2018 and of the Group and Trust's income and expenditure and cash flows for the year then ended 31 March 2018;

- have been properly prepared in accordance with the Department of Health and Social Care Group Accounting Manual 2017/18.

We have audited the financial statements, included within the Annual Report and Accounts (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 March 2018; the Statement of Comprehensive Income for the year then ended; the Statement of Cash Flows for the year then ended; the 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

In forming our opinion on the Group's and Trust's 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 Group and Trust are forecasting a deficit and cash shortfall for 2018/19 and anticipates that it will receive external financial support to enable it to meet its liabilities as they fall due and provide ongoing healthcare services. However, the nature of any financial support, including whether such support will be forthcoming or sufficient is not yet known.

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 Group and Trust face a significant financial challenge and are forecasting a deficit of £14m, as well as a £10m cash deficit during 2018/19. These forecasts however do not include any Sustainability and Transformation Funding as the Trust has not agreed its control total with NHS Improvement. As a result, they are not eligible to claim any payments during the 2018/19 financial year. The Trust is in the process of requesting short term funding to ensure it is able to maintain positive cash balances, however, the availability of such support is not yet known.

What audit work we performed

In considering the financial performance, we:

- understood the FY18/19 Annual Plan and cash flow forecasts, including the key assumptions within, for example, underperformance against CIPs over the key assumptions on the Group's and Trust's forecasts;
- assessed the Group's and Trust's ability to achieve its CIP/ efficiencies target through consideration of historical delivery of CIP/efficiencies and, the sensitivity of the FY18/19 Annual Plan to underperformance in this area; and
- assessed the potential need for additional financial support to enable the Group and Trust to meet its liabilities as they fall due.

Our audit approach

Context

Our audit for the year ended 31 March 2018 was planned and executed having regard to the fact that for the first time, the Trust consolidated results with its subsidiary, BFW Management Limited, to produce Group annual accounts. This did not significantly affect the overall annual audit approach as the operations and financial stability are largely similar. In light of this, our approach to the audit in terms of scoping and areas of focus was largely unchanged.

Overview

Materiality

Audit scope

Key audit matters

- Overall materiality: £8.6m which represents 2% of total revenue.

- 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;
- Financial sustainability and going concern; and
- Valuation of Property, Plant and Equipment.

The scope of our audit

The audit performed for the year ended 31 March 2018 relates to the audit of the Trust and its subsidiary company, BFW Management Limited (together called 'Group'). Prior year balances only relate to Trust, as the subsidiary was immaterial to the Group in the prior year and therefore consolidated accounts were not prepared.

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. 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.* We focused on this area because there is a heightened risk due to the Group and Trust being under increasing financial pressure. Whilst the Group and Trust are looking at ways to maximise revenue and reduce costs, there is significant pressure to report results in line with its annual plan to attain set key performance indicators, which attracts bonuses and incentives. As all Trusts are under pressure to achieve their control totals, there is a risk that the Group and Trust could adopt accounting policies, make accounting judgements or estimates or treat income and expenditure transactions in such a way as to lead to material misstatement in the reported surplus position. Given these incentives, we considered the risk of management manipulation in each of the key areas of focus, which are: • Recognition of revenue; • The inherent complexities in a number of contractual arrangements entered into by the Group, for example intra-NHS transactions; • Manipulation through journal postings; and • Management estimates.	*Revenue* For income/receivable transactions, we tested on a sample basis that the transactions and the associated income had been posted to the correct financial year by tracing them to invoices or other documentary evidence. Our testing did not identify any items incorrectly recorded. We tested a sample of items of contract revenue from Clinical Commissioning Groups ("CCG") and NHS England, traced them to the contract and to correspondence between the Group and the CCG regarding over/under performance. We tested income back to invoices and cash receipts. Our testing did not identify any items incorrectly recorded. We tested a sample of income to invoices and subsequent cash received (for NHS and non-NHS income) to check whether it had been correctly recorded, and this did not identify any items requiring amendment in the financial statements. *Intra- NHS balances* We obtained the Group's mismatch reports received from NHS Improvement ("NHSI"), which identified balances (debtor, creditor, income or expenditure balances) that were different from those recognised by the counterparty. We checked that management had investigated disputed amounts above £300,000 (based on the National Audit Office's reporting criteria), then discussed with them the results of their investigation and the resolution, which we traced to correspondence with the counterparty. We then considered the impact, if any, these disputes would have on the value of income and expenditure recognised in 2017/18 and determined that there was no material impact. *Manipulation through journal postings* We selected 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 these journal entries to supporting documentation to check that the transaction had a business case and was accounted for appropriately within the financial statements. Our testing identified no issues that required further investigation. *Management estimates* We evaluated and tested management's accounting estimates, focusing on: • accruals; • provisions; • accrued income; • deferred income; and • Property, Plant and Equipment Valuation (see specific key audit matter below). We tested reasonableness of the key accounting estimates on which management's estimates were based and the basis of their calculation on a sample basis by comparing the assumptions used by management in the calculation of their estimate with independent assumptions and investigating any differences. Our testing identified no matters that required amendment within the financial statements.

Valuation of Property, Plant and Equipment - 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 2018 is £167.2m.

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.

In 2017/18, management have undertaken a desktop valuation of the Trust's estate, which resulted in an overall decrease of £0.2m, an impairment charged to the revaluation reserve of £0.3m, a charge to the Income Statement of £0.5m.

As part of our work around valuation of property, plant and equipment we:

- Engaged our in-house valuation experts to consider the assumptions and estimates applied by management's expert during the course of the valuation. This exercise considered whether key assumptions, and the valuation methodology used was reasonable and appropriate;

- Tested a sample of the assets by verifying that the input data used by the valuer was consistent with the underlying estates and property asset information held by the Trust;

- Recalculated the revaluation/impairment arising from the valuation exercise for a sample of assets and checked that these had been appropriately reflected in the financial statements; and

- Physically inspected a sample of assets across land, buildings to check existence and to confirm they were in use.

Our testing identified no matters that required amendment within the financial statements.

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 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	£8,630,000 (2017: N/A)	£8,630,000 (2017: £8,214,000)
How we determined it	2% of revenue (2017: N/A)	2% of revenue (2017: 2% of 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.	Consistent with last year, we have applied this benchmark, a generally accepted auditing practice, in the absence of indicators that an alternative benchmark would be appropriate.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £300,000 (Group audit) (2017: N/A) and £300,000 (Trust audit) (2017: £250,000) 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. We have nothing to report based on these responsibilities.

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 2017/18 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.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Accountability Report, the directors are responsible for the preparation of the financial statements in accordance with the Department of Health and Social Care Group Accounting Manual 2017/18, 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 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 or to cease operations, or have no realistic alternative but to do so.

The Group 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.

We will prepare an annual audit letter which will cover the Trust's key risks in securing economy, efficiency and effectiveness in its use of resources, how these have been discharged by the Trust, and our actions to review these. The Trust is responsible for publishing this annual audit letter, and ensuring that it is available to the public.

Use of this report

This report, including the opinions, has been prepared for and only for the Council of Governors of Blackpool Teaching Hospital 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

Opinions on other matters prescribed by the Code of Audit Practice

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 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Trust and its 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 2017/18.

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 2018. We have nothing to report as a result of this requirement.

Other matters on which we report by exception

We are required to report to you if:

- information in the Annual Report is:
  - materially inconsistent with the information in the audited financial statements; or
  - apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Group and Trust acquired in the course of performing our audit; or
  - otherwise misleading.

- the statement given by the directors in the Statement of the 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 members to assess the Group and Trust's performance, business model and strategy is materially inconsistent with our knowledge of the Trust acquired in the course of performing our audit.

- the section of the Annual Report in the Accountability 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 2017/18 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
25 May 2018

Annex G: Accounts for the Period 1st April 2017 to 31st March 2018

FOREWORD TO THE ACCOUNTS

BLACKPOOL TEACHING HOSPITALS NHS FOUNDATION TRUST

These accounts for the year ended 31st March 2018 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: *b. A. Swift*   **Date: 24th May 2018**

Wendy Swift
CHIEF EXECUTIVE

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Blackpool Teaching Hospitals
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Statement of Comprehensive Income for the year ended 31 March 2018

		Group		Trust	
		2017/18	2016/17	**2017/18**	2016/17
	Note	**£000**	£000	**£000**	£000
Operating income from patient care activities	3.1	**391,821**	368,188	**391,821**	368,188
Other operating income	3.4	**40,301**	42,547	**39,809**	42,547
Operating expenses	4	**(423,007)**	(411,450)	**(422,737)**	(411,450)
Operating surplus/(deficit)		**9,115**	(715)	**8,893**	(715)
Finance income	5	**61**	40	**57**	40
Finance expenses	6	**(1,239)**	(1,207)	**(1,239)**	(1,207)
PDC Dividends payable		**(2,645)**	(2,839)	**(2,645)**	(2,839)
Net finance costs		**(3,823)**	(4,006)	**(3,827)**	(4,006)
(Losses) / gains on disposal of assets	8	**(8)**	20	**(8)**	20
Corporation tax expense	9	**(44)**	0	**0**	0
Surplus / (deficit) for the year		**5,240**	(4,701)	**5,058**	(4,701)
Other comprehensive income					
Revaluation losses on property, plant and equipment	12	**(262)**	(9,445)	**(262)**	(9,445)
Revaluation gains on property, plant and equipment	12	**79**	338	**79**	338
Total comprehensive income / (expense) for the year		**5,057**	(13,808)	**4,875**	(13,808)

The notes on pages A5 to A39 form part of these accounts.
All revenue and expenditure is derived from continuing operations.

Statement of Financial Position as at 31 March 2018

Blackpool Teaching Hospitals
NHS Foundation Trust

		Group		Trust	
		31 March 2018	31 March 2017	**31 March 2018**	31 March 2017
	Note	**£000**	£000	**£000**	£000
Non-current assets					
Intangible assets	10	**4,052**	3,281	**3,929**	3,281
Property, plant and equipment	11	**167,195**	166,455	**167,184**	166,455
Trade and other receivables	15	**560**	411	**560**	411
Total non-current assets		**171,807**	170,147	**171,673**	170,147
Current assets					
Inventories	14	**7,101**	4,116	**5,226**	4,116
Trade and other receivables	15	**32,097**	28,410	**34,474**	28,410
Cash and cash equivalents	17	**3,314**	3,871	**1,916**	3,871
Total current assets		**42,512**	36,397	**41,616**	36,397
Current liabilities					
Trade and other payables	19	**(48,126)**	(51,174)	**(47,280)**	(51,174)
Borrowings	21	**(4,206)**	(3,342)	**(4,206)**	(3,342)
Provisions	22	**(606)**	(2,244)	**(606)**	(2,244)
Other liabilities	20	**(10,642)**	(9,840)	**(10,642)**	(9,840)
Total current liabilities		**(63,580)**	(66,600)	**(62,734)**	(66,600)
Total assets less current liabilities		**150,739**	139,944	**150,555**	139,944
Non-current liabilities					
Trade and other payables	19	**(2)**	0	**0**	0
Borrowings	21	**(40,523)**	(35,961)	**(40,523)**	(35,961)
Provisions	22	**(1,315)**	(1,388)	**(1,315)**	(1,388)
Other liabilities	20	**(1,500)**	(1,500)	**(1,500)**	(1,500)
Total non-current liabilities		**(43,340)**	(38,849)	**(43,338)**	(38,849)
Total assets employed		**107,399**	101,095	**107,217**	101,095
Financed by taxpayers' equity					
Public dividend capital		**146,026**	144,779	**146,026**	144,779
Revaluation reserve		**10,852**	12,481	**10,852**	12,481
Income and expenditure reserve		**(49,479)**	(56,165)	**(49,661)**	(56,165)
Total taxpayers' equity		**107,399**	101,095	**107,217**	101,095

The accounts on pages A5 to A39 were approved by the NHS Foundation Trust Board on 23rd May 2018 and are signed on its behalf by:

W. A. Swift

Signed: Wendy Swift, Chief Executive

Date: 24th May 2018

NHS

Blackpool Teaching Hospitals
NHS Foundation Trust

Statement of Changes in Equity for the year ended 31 March 2018

	Group				Trust			
	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2017 - brought forward	144,779	12,481	(56,165)	101,095	144,779	12,481	(56,165)	101,095
Surplus for the year	0	0	5,240	**5,240**	0	0	5,058	**5,058**
Other transfers between reserves	0	(1,446)	1,446	**0**	0	(1,446)	1,446	**0**
Impairments of property, plant and equipment	0	(262)	0	**(262)**	0	(262)	0	**(262)**
Revaluation gains on property, plant and equipment	0	79	0	**79**	0	79	0	**79**
Public dividend capital received	1,247	0	0	**1,247**	1,247	0	0	**1,247**
Taxpayers' and others' equity at 31 March 2018	**146,026**	**10,852**	**(49,479)**	**107,399**	**146,026**	**10,852**	**(49,661)**	**107,217**

	Group				Trust			
	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2016 - brought forward	144,779	21,588	(51,464)	114,903	144,779	21,588	(51,464)	114,903
Deficit for the year	0	0	(4,701)	**(4,701)**	0	0	(4,701)	**(4,701)**
Impairments of property, plant and equipment	0	(9,445)	0	**(9,445)**	0	(9,445)	0	**(9,445)**
Revaluation gains on property, plant and equipment	0	338	0	**338**	0	338	0	**338**
Taxpayers' and others' equity at 31 March 2017	**144,779**	**12,481**	**(56,165)**	**101,095**	**144,779**	**12,481**	**(56,165)**	**101,095**

The notes on pages A5 to A39 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.

Income and expenditure reserve
The balance of this reserve is the accumulated surpluses and deficits of the NHS Foundation Trust.

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Blackpool Teaching Hospitals
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Statement of Cash Flows for the year ended 31 March 2018

		Group		Trust	
		2017/18	**2016/17**	**2017/18**	**2016/17**
	Note	**£000**	**£000**	**£000**	**£000**
Cash flows from operating activities					
Operating surplus / (deficit)		**9,115**	(715)	**8,893**	(715)
Non-cash income and expense:					
Depreciation and amortisation	4	**6,545**	5,966	**6,539**	5,966
Net impairments	4	**484**	8,044	**484**	8,044
Income recognised in respect of capital donations	3.4	**(179)**	(475)	**(179)**	(475)
Increase in trade and other receivables		**(4,281)**	(10,347)	**(6,657)**	(10,347)
Increase in inventories		**(2,985)**	(1,669)	**(1,110)**	(1,669)
(Decrease)/increase in trade and other payables		**(2,719)**	4,240	**(3,525)**	4,240
Increase in other liabilities		**802**	5,017	**802**	5,017
Decrease in provisions		**(1,715)**	(1,887)	**(1,715)**	(1,887)
Net cash flows from operating activities		**5,067**	**8,174**	**3,532**	**8,174**
Cash flows from investing activities					
Interest received		**57**	43	**52**	43
Purchase of intangible assets		**(1,777)**	(1,608)	**(1,647)**	(1,608)
Purchase of property, plant and equipment		**(7,299)**	(4,390)	**(7,288)**	(4,390)
Sales of property, plant and equipment		**50**	1,520	**51**	1,520
Net cash flows used in investing activities		**(8,969)**	**(4,435)**	**(8,832)**	**(4,435)**
Cash flows from financing activities					
Public dividend capital received		**1,247**	0	**1,247**	0
Loans repaid to the Department of Health and Social Security		**(3,224)**	(3,223)	**(3,224)**	(3,223)
Other loans repaid		**8,649**	(119)	**8,649**	(119)
Interest paid		**(1,131)**	(1,188)	**(1,131)**	(1,188)
Public Dividend Capital dividends paid		**(2,196)**	(3,101)	**(2,196)**	(3,101)
Net cash flows from / (used in) financing activities		**3,345**	**(7,631)**	**3,345**	**(7,631)**
Decrease in cash and cash equivalents		**(557)**	**(3,892)**	**(1,955)**	**(3,892)**
Cash and cash equivalents at 1 April - b/f		**3,871**	**7,763**	**3,871**	**7,763**
Cash and cash equivalents at 31 March	17	**3,314**	**3,871**	**1,916**	**3,871**

The notes on pages A5 to A39 form part of these accounts.

All revenue and expenditure is derived from continuing operations.

NHS

Blackpool Teaching Hospitals
NHS Foundation Trust

Notes to the Accounts

Note 1 Accounting policies and other information

Note 1.1 Basis of preparation

NHS Improvement, in exercising the statutory functions conferred on Monitor, has directed that the financial statements of the trust shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (GAM), which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the GAM 2017/18 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.

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.

Going concern

These accounts have been prepared on a going concern basis.

The Trust has submitted its 2018/19 annual plan to NHS Improvement to deliver a £14m I&E deficit (including £1.1m exceptional items and impairments) and year end cash deficit of £10m.

Financial Priorities for 2018/19

The Trust has not agreed its control total with NHSI and therefore is not eligible to claim any Provider Sustainability Fund (PSF) payments for 2018/19.

The challenges for the Trust in 2018/19 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 Turnaround Board, Grip and Control, and other cost control processes;

• A Cost Improvement Programme (CIP) of £17.4m is met in 2018/19 with a large recurrent element;

• Pay costs are contained within planned resource levels;

• Expenditure costs are monitored and controlled, and where adverse variances occur, rectification actions are taken to cover shortfalls;

• Activity contracts are aligned with commissioner plans, and the demand and capacity planning and actions, are sufficient resilient and reliable to ensure resource levels are within planned levels;

• Continuation of the proactive cash management approach, consider alternative funding methods for capital purchases, and review of existing loan terms and repayment structures to see if more preferable options are available; and

• In the event that the Trust does not mitigate the cash deficit position at year end, then it will approach NHSI and request short term funding to ensure it maintains positive cash balances.

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.

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Blackpool Teaching Hospitals
NHS Foundation Trust

Notes to the Accounts

Note 1.2 Consolidation

NHS Charitable Fund

The NHS Foundation Trust is the corporate trustee to Blackpool Teavhing 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.

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 amounts consolidated are drawn from the published financial statements of BFW Management Limited for the year ended 31 March 2018.

Where subsidiaries' accounting policies are not aligned with those of the trust (including where they report under UK GAAP) then amounts are adjusted during consolidation where the differences are material.

All intragroup balances and transactions, including unrealised profits arising from the intragroup transactions, have been eliminated in full.

Note 1.3 Income

Income in respect of services provided is recognised when, and to the extent that, performance occurs and is measured at the fair value of the consideration receivable. The main source of income for the Trust is contracts with commissioners in respect of healthcare services.

Where income is received for a specific activity which is to be delivered in the following financial year, that income is deferred.

Blackpool Teaching Hospitals FT estimates the month 12 patient related income based on an average cost for the activity delivered in the month for each speciality, as fully coded Healthcare Resource Group (HRG) data is not available in time for the closure of the annual accounts.

The NHS Foundation Trust receives income under the NHS Injury Cost Recovery Scheme, designed to reclaim the cost of treating injured individuals to whom personal injury compensation has subsequently been paid e.g. by an insurer. The NHS Foundation Trust recognises the income when it receives notification from the Department of Work and Pension's Compensation Recovery Unit (CRU) that the individual has lodged a compensation claim. The income is measured at the agreed tariff for the treatments provided to the injured individual, less a provision for unsuccessful compensation claims and doubtful debts.

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

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

Notes to the Accounts

Note 1.4 Expenditure on employee benefits

Shot-term employee benefits

Salaries, wages and employment-related payments are recognised in the period in which the service is received from employees. The cost of annual leave entitlements earned by employees but not taken before the year end which employees can carry forward into the next financial year, has not been recognised in the financial statements as it is not considered to be material.

Pension costs

NHS Pension Scheme

Past and present employees are covered by the provisions of the 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 1.5 Expenditure on other goods and services

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

Note 1.6 Property, plant and equipment

Recognition

Property, plant and equipment is capitalised where:
- it is held for use in delivering services or for administrative purposes
- it is probable that future economic benefits will flow to, or service potential be provided to, the trust
- it is expected to be used for more than one financial year
- the cost of the item can be measured reliably
- the item has cost of at least £5,000, or
- collectively, a number of items have a cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control.
- form part of the initial setting-up cost of a new building or refurbishment of a ward or unit, irrespective of their individual or collective cost.

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.

Blackpool Teaching Hospitals
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Notes to the Accounts

Note 1.6 Property, plant and equipment continued

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.

Subsequent expenditure

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

Revaluation gains and losses

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

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

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

Impairments

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

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

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

De-recognition

Assets intended for disposal are reclassified as 'held for sale' once all of the following criteria are met:
- the asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales;
- the sale must be highly probable i.e. management are committed to a plan to sell the asset;
- an active programme has begun to find a buyer and complete the sale;
- the asset is being actively marketed at a reasonable price;
- the sale is expected to be completed within 12 months of the date of classification as 'held for sale'; and
- the actions needed to complete the plan indicate it is unlikely that the plan will be dropped or significant changes made to it.

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

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

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Notes to the Accounts

Note 1.6 Property, plant and equipment continued

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.

Useful Economic 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

Note 1.7 Intangible assets

Recognition

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the NHS Foundation Trust's business or which arise from contractual or other legal rights. They are recognised only where it is probable that future economic benefits will flow to, or service potential be provided to, the Trust and where the cost of an asset can be measured reliably, and where the cost is at least £5,000, or form a group of assets which collectively have a cost of at least £5,000, where the assets are functionally interdependent, had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control.

Internally generated intangible assets

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

Expenditure on research is not capitalised.

Expenditure on development is capitalised only where all of the following can be demonstrated:
- the project is technically feasible to the point of completion and will result in an intangible asset for sale or 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, eg an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software which is not integral to the operation of hardware, eg application software, is capitalised as an intangible asset.

Notes to the Accounts

Note 1.7 Intangible assets continued

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 as follows:

	Min life	Max life
Intangible assets - purchased	**Years**	**Years**
Software	5	15
Licences & trademarks	5	15
Other (purchased)	15	15

Note 1.8 Revenue government and other grants

Government grants are grants from government bodies other than income from commissioners or NHS 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.

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 period that the economic benefit is consumed.

Note 1.10 Financial instruments and financial liabilities

Recognition

Financial assets and financial liabilities which arise from contracts for the purchase or sale of non-financial items (such as goods or services), which are entered into in accordance with the trust's normal purchase, sale or usage requirements, are recognised when, and to the extent which, performance occurs, i.e. when receipt or delivery of the goods or services is made.

Financial assets or liabilities in respect of assets acquired or disposed of through finance leases are recognised and measured in accordance with the accounting policy for leases described at note 1.11.

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

De-recognition

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

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

Classification and measurement

Financial assets are categorised as "Loans and receivables".
Financial liabilities are classified as "Other financial liabilities".

Notes to the Accounts

Note 1.10 Financial instruments and financial liabilities continued

Financial assets and financial liabilities at "fair value through income and expenditure"
Financial assets and financial liabilities at 'Fair Value through Income or Expenditure' are financial assets or financial liabilities held for trading. The NHS Foundation Trust does not have financial assets or liabilities classified in this category.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. They are included in current assets.

The trust's loans and receivables comprise: cash and cash equivalents, NHS receivables, accrued income and "other receivables".

Loans and receivables are recognised initially at fair value, net of transactions costs, and are measured subsequently at amortised cost, using the effective interest method. The effective interest rate is the rate that discounts exactly estimated future cash receipts through the expected life of the financial asset or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

At each year end, the NHS Foundation Trust reviews trade receivables for recoverability and makes provisions to the extent that recovery of specific debts is considered to be doubtful.

Interest on loans and receivables is calculated using the effective interest method and credited to the Statement of Comprehensive Income.

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

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

Other financial liabilities
Other financial liabilities are recognised initially at fair value, net of transaction costs incurred, and measured subsequently at amortised cost using the effective interest method. The effective interest rate is the rate that discounts exactly estimated future cash payments through the expected life of the financial liability or, when appropriate, a shorter period, to the net carrying amount of the financial liability.

They are included in current liabilities except for amounts payable more than 12 months after the Statement of Financial Position date, which are classified as long-term liabilities.

Interest on financial liabilities carried at amortised cost is calculated using the effective interest method and charged to finance costs. Interest on financial liabilities taken out to finance property, plant and equipment or intangible assets is not capitalised as part of the cost of those assets.

Impairment of financial assets
At the Statement of Financial Position date, the trust assesses whether any financial assets, other than those held at "fair value through income and expenditure" are impaired. Financial assets are impaired and impairment losses are recognised if, and only if, there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cash flows of the asset.

For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. The loss is recognised in the Statement of Comprehensive Income and the carrying amount of the asset is reduced through the use of an allowance account/bad debt provision.

Notes to the Accounts

Note 1.11 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 an item of property plant and equipment.

The annual rental is split between the repayment of the liability and a finance cost so as to achieve a constant rate of finance over the life of the lease. The annual finance cost is charged to Finance Costs in the Statement of Comprehensive Income. The lease liability is de-recognised when the liability is discharged, cancelled or expires.

Operating leases
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 1.12 Provisions

The NHS Foundation Trust provides for legal or constructive obligations that are of uncertain timing or amount at the reporting date on the basis of the best estimate of the expenditure required to settle the obligation. Provisions are recognised where it is probable that there will be a future outflow of cash or other resources and a reliable estimate can be made of the amount. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using HM Treasury's discount rate of minus 1.56% in real terms (2016/17: minus 0.80%), except for early retirement provisions and injury benefit provisions which both use the HM Treasury's pension discount rate of 0.10% in real terms (2016/17: 0.24%).

Clinical negligence costs
NHS Resolution (formerly the NHS Litigation Authority) operates a risk pooling scheme under which the NHS foundation 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 NHS foundation trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the NHS foundation trust is disclosed at note 23 but is not recognised in the NHS foundation trust's accounts.

Non-clinical risk pooling
The NHS foundation 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 1.13 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 23 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 24, unless the probability of a transfer of economic benefits is remote.

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

Notes to the Accounts

Note 1.14 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.

Note 1.15 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.

Note 1.16 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 period 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 period, 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.

Blackpool Teaching Hospitals
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Notes to the Accounts

Note 1.17 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 period in which they arise.

Note 1.18 Third party assets

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

Note 1.18 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 1.19 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 1.20 Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2017/18.

Note 1.21 Standards, amendments and interpretations in issue but not yet effective or adopted

The Department of Health and Social Care Group Accounting Manual does not require the following Standards and Interpretations to be applied in 2017-18. These standards are still subject to HM Treasury FReM adoption, with IFRS 9 and IFRS 15 being for implementation in 2018-19, and the government implementation date for IFRS 16 and IFRS 17 still subject to HM Treasury consideration.

- IFRS 9 Financial Instruments – Application required for accounting periods beginning on or after 1 January 2018, but not yet adopted by the FReM: early adoption is not therefore permitted
- IFRS 15 Revenue from Contracts with Customers – Application required for accounting periods beginning on or after 1 January 2018, but not yet adopted by the FReM: early adoption is not therefore permitted
- IFRS 16 Leases – Application required for accounting periods beginning on or after 1 January 2019, but not yet adopted by the FReM: early adoption is not therefore permitted.
- 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 22 Foreign Currency Transactions and Advance Consideration – Application required for accounting periods beginning on or after 1 January 2018.
- IFRIC 23 Uncertainty over Income Tax Treatments – Application required for accounting periods beginning on or after 1 January 2019.

Notes to the Accounts

Note 1.22 Critical accounting estimates and judgements

In accordance with IAS 1, Blackpool Teaching Hospital FT should disclose details of critical accounting judgements and key sources of estimation and uncertainty in these accounts.

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

Component Depreciation
IAS 16 (Property, Plant and Equipment) requires that "each part of an item of property, plant and equipment with a cost which is significant in relation to the total cost of the item, shall be depreciated separately". The standard also states, "A significant part of an item of PPE may have a useful life and a depreciation method that are the same as the useful life and depreciation method of another significant part of the same item. Such parts may be grouped in determining the depreciation charge".

The NHS Foundation Trust has elected to depreciate each building and its constituent elements as a single component on the basis that this more fairly reflects the way that the NHS Foundation Trust is managed and maintained. The appropriateness of this treatment will be reviewed annually.

Revaluation of land, buildings and dwellings
At 31st March 2018 the NHS Foundation Trust's valuers carried out a desktop revaluation of the land, buildings and dwellings. This has resulted in an downward valuation of these non-current assets by £667k, split between a charge to the revaluation reserve of £183k, and an impairment charge to operating expenditure of £484k.

Selection of asset lives
Property, plant & equipment assets are allocated an asset life when acquired by the Trust, as stated in note 1.6. The useful economic lives of assets are reviewed and amended annually by management where significantly different. Individual asset lives are adjusted where these are materially different to their remaining life.

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.

The finance report considered monthly by the Trust Board provides summary figures for the whole Trust together with graphical and bar charts relating to different total income activity levels and directorate expense budgets with their cost improvement positions. Likewise only the financial position and cashflow forecasts are considered for the whole Foundation Trust. The Board, as Chief Operating Decision Maker, therefore only considers one segment of healthcare in its decision making process.

Blackpool Teaching Hospitals
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Notes to the Accounts

Note 3 Operating income from patient care activities

Note 3.1 Income from patient care activities (by nature)

	Group		Foundation Trust	
	2017/18	**2016/17**	**2017/18**	**2016/17**
	£000	**£000**	**£000**	**£000**
Acute services				
Elective income	**56,457**	54,396	**56,457**	54,396
Non elective income	**98,722**	84,325	**98,722**	84,325
First outpatient income	**13,766**	12,712	**13,766**	12,712
Follow up outpatient income	**22,341**	27,719	**22,341**	27,719
A & E income	**10,356**	10,401	**10,356**	10,401
High cost drugs income from commissioners (excluding pass-through costs)	**7,031**	7,633	**7,031**	7,633
Other NHS clinical income	**99,249**	89,665	**99,249**	89,665
Community services				
Community services income from CCGs and NHS England	**61,874**	61,867	**61,874**	61,867
Income from other sources (e.g. local authorities)	**15,113**	15,204	**15,113**	15,204
All services				
Private patient income	**1,815**	1,431	**1,815**	1,431
Other clinical income	**5,097**	2,835	**5,097**	2,835
Total income from activities	**391,821**	368,188	**391,821**	368,188

Note 3.2 Income from patient care activities (by source)

	Group		Foundation Trust	
	2017/18	**2016/17**	**2017/18**	**2016/17**
Income from patient care activities received from:	**£000**	**£000**	**£000**	**£000**
NHS England	**92,796**	83,475	**92,796**	83,475
Clinical commissioning groups	**276,905**	261,874	**276,905**	261,874
Other NHS providers	**2,239**	2,636	**2,239**	2,636
NHS other	**479**	667	**479**	667
Local authorities	**15,294**	16,300	**15,294**	16,300
Non-NHS: private patients	**1,815**	1,431	**1,815**	1,431
Non-NHS: overseas patients (chargeable to patient)	**203**	316	**203**	316
NHS injury scheme	**1,001**	722	**1,001**	722
Non NHS: other	**1,089**	767	**1,089**	767
Total income from activities	**391,821**	368,188	**391,821**	368,188

Notes to the Accounts

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

	Group		Foundation Trust	
	2017/18	2016/17	**2017/18**	2016/17
	£000	£000	**£000**	£000
Income recognised this year	**203**	316	**203**	316
Cash payments received in-year	**77**	137	**77**	137
Amounts added to provision for impairment of receivables	**0**	31	**0**	31
Amounts written off in-year	**0**	0	**0**	0

Note 3.4 Other operating income

	2017/18	2016/17	**2017/18**	2016/17
	£000	£000	**£000**	£000
Research and development	**1,430**	1,528	**1,430**	1,528
Education and training (1)	**12,730**	11,740	**12,730**	11,740
Donations and grants of physical assets from NHS charities	**179**	475	**179**	475
Charitable and other contributions to expenditure	**3**	0	**3**	0
Non-patient care services to other bodies (2)	**6,182**	4,218	**6,145**	4,218
Sustainability and transformation fund income	**11,323**	12,350	**11,323**	12,350
Estates and Technology Transformation Fund (3)	**0**	3,056	**0**	3,056
Income in respect of staff costs where accounted on gross basis	**2,946**	1,700	**2,946**	1,700
Other income (4)	**5,508**	7,480	**5,053**	7,480
Total other operating income	**40,301**	42,547	**39,809**	42,547

Other notes:

(1) Education and training income comprises income relating the North West Leadership Academy for which the NHS Foundation Trust is the host organisation, and funding received from NHS Northwest for junior doctors training.

(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.

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

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

Note 3.5 Income from activities arising from commissioner requested services

Under the terms of its provider licence, the trust is required to analyse the level of income from activities that has arisen from commissioner requested and non-commissioner requested services. Commissioner requested services are defined in the provider licence and are services that commissioners believe would need to be protected in the event of provider failure. This information is provided in the table below:

	Group		Foundation Trust	
	2017/18	2016/17	**2017/18**	2016/17
	£000	£000	**£000**	£000
Commissioner requested services	**369,796**	348,165	**369,796**	348,165
Non-commissioner requested services	**22,025**	20,023	**22,025**	20,023
Total	**391,821**	368,188	**391,821**	368,188

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Notes to the Accounts

Note 4 Operating expenses

	Group		Foundation Trust	
Note 4.1 Operating expenses comprise	**2017/18**	2016/17	**2017/18**	2016/17
	£000	£000	**£000**	£000
Purchase of healthcare from NHS and DHSC bodies	**2,450**	1,527	**2,450**	1,527
Purchase of healthcare from non-NHS and non-DHSC bodies	**832**	0	**832**	0
Staff and executive directors costs	**278,101**	268,116	**273,423**	268,116
Remuneration of non-executive directors	**204**	156	**184**	156
Supplies and services - clinical (excluding drugs costs)	**43,640**	44,333	**40,108**	44,333
Supplies and services - general	**7,740**	6,431	**7,504**	6,431
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	**34,702**	30,407	**34,702**	30,407
Consultancy costs	**3,609**	2,851	**3,566**	2,851
Establishment	**4,338**	2,501	**4,154**	2,501
Premises	**18,304**	21,879	**6,813**	21,879
Transport (including patient travel)	**2,664**	2,654	**2,503**	2,654
Depreciation on property, plant and equipment	**5,617**	5,309	**5,617**	5,309
Amortisation on intangible assets	**928**	657	**922**	657
Net impairments of property, plant and equipment	**484**	8,044	**484**	8,044
Increase/(decrease) in provision for impairment of receivables	**130**	(23)	**(51)**	(23)
Increase/(decrease) in other provisions	**(1,622)**	(1,690)	**(1,622)**	(1,690)
Change in provisions discount rate(s)	**17**	142	**17**	142
Audit fees payable to the external auditor	**91**	71	**77**	71
Internal audit costs	**83**	88	**83**	88
Clinical negligence	**13,871**	11,262	**13,871**	11,262
Legal fees	**93**	158	**81**	158
Insurance	**246**	182	**167**	182
Education and training	**2,064**	1,773	**2,034**	1,773
Rentals under operating leases	**1,447**	1,383	**1,447**	1,383
Redundancy	**0**	64	**0**	64
Car parking & security	**253**	469	**210**	469
Hospitality	**36**	23	**36**	23
Losses, ex gratia & special payments	**60**	15	**60**	15
Other services, e.g. external payroll 1	**0**	0	**20,372**	0
Other	**2,625**	2,668	**2,693**	2,668
Total	**423,007**	411,450	**422,737**	411,450

Note:

Other services reported in Foundation Trust operating expenditure relate to the contract with BFW Management Ltd which is eliminated on consolidation in Group operating expenditure.

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Notes to the Accounts

Note 4.2 Other auditor 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 £10,382 in 2017/18 (2016/17: £10,080)

PricewaterhouseCoopers LLP did not provide any other services to the NHS Foundation Trust in 2017/18 (2016/17: Nil) other than for statutory audit.

Note 4.3 Limitation on auditor's 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 4.4 Employee benefits

	Group		Foundation Trust	
	2017/18	2016/17	**2017/18**	2016/17
	Total	Total	**Total**	Total
	£000	£000	**£000**	£000
Salaries and wages	**217,925**	211,721	**214,562**	211,721
Social security costs	**20,707**	18,627	**20,412**	18,627
Apprenticeship levy	**1,083**	0	**1,083**	0
Employer's contributions to NHS pensions	**24,599**	24,084	**24,163**	24,084
Pension cost - other	**73**	0	**73**	0
Temporary staff (including agency)	**13,714**	13,684	**13,130**	13,684
Total staff costs	**278,101**	268,116	**273,423**	268,116

Employee costs above reconciles to the total of Executive Directors' costs and Employee costs on Note 4.1 Operating expenses.

Note 4.5 Average number of employees (WTE basis)

		Group		
			2017/18	2016/17
	Permanent	**Other**	**Total**	Total
	Number	**Number**	**Number**	Number
Medical and dental	516	68	**584**	546
Administration and estates	1,192	37	**1,229**	1,111
Healthcare assistants and other support staff	1,868	7	**1,875**	1,801
Nursing, midwifery and health visiting staff	2,140	13	**2,153**	2,103
Nursing, midwifery and health visiting learners	61	0	**61**	65
Scientific, therapeutic and technical staff	653	14	**667**	613
Healthcare science staff	187	2	**189**	193
Other	2	0	**2**	0
Total average numbers	**6,619**	**141**	**6,760**	6,432

Additional information on staff and pension costs have been included within the Remuneration Report.

Notes to the Accounts

Note 4.6 Retirements due to ill-health (Group)

During 2017/18 there were 3 early retirements from the Trust agreed on the grounds of ill-health (10 in the year ended 31 March 2017). The estimated additional pension liabilities of these ill-health retirements is £233k (£487k in 2016/17).

The cost of these ill-health retirements will be borne by the NHS Business Services Authority - Pensions Division.

Note 4.7 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 period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years". An outline of these follows:

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2018, is based on valuation data as 31 March 2017, updated to 31 March 2018 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 last published actuarial valuation undertaken for the NHS Pension Scheme was completed for the year ending 31 March 2012. The Scheme Regulations allow for the level of contribution rates to be changed by the Secretary of State for Health, with the consent of HM Treasury, and consideration of the advice of the Scheme Actuary and employee and employer representatives as deemed appropriate.

The next actuarial valuation is to be carried out as at 31 March 2016 and is currently being prepared. The direction assumptions are published by HM Treasury which are used to complete the valuation calculations, from which the final valuation report can be signed off by the scheme actuary. This will set the employer contribution rate payable from April 2019 and will consider the cost of the Scheme relative to the employer cost cap. There are provisions in the Public Service Pension Act 2013 to adjust member benefits or contribution rates if the cost of the Scheme changes by more than 2% of pay. Subject to this 'employer cost cap' assessment, any required revisions to member benefits or contribution rates will be determined by the Secretary of State for Health and Social Care after consultation with the relevant stakeholders.

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Notes to the Accounts

Note 4.8 Operating leases

Note 4.8.1 Blackpool Teaching Hospitals NHS Foundation Trust as a lessee
This note discloses costs and commitments incurred in operating lease arrangements where Blackpool Teaching Hospitals NHS Foundation Trust is the lessee.

	Group		**Foundation Trust**	
	2017/18	2016/17	**2017/18**	2016/17
	£000	£000	**£000**	£000
Operating lease expense				
Minimum lease payments	**1,447**	1,383	**1,447**	1,383
Total	**1,447**	1,383	**1,447**	1,383
	31 March 2018	31 March 2017	**31 March 2018**	31 March 2017
	£000	£000	**£000**	£000
Future minimum lease payments due:				
- not later than one year;	**1,362**	961	**1,362**	961
- later than one year and not later than five years;	**2,276**	2,138	**2,276**	2,138
- later than five years.	**35**	0	**35**	0
Total	**3,673**	3,099	**3,673**	3,099
Future minimum sublease payments to be received	**0**	0	**0**	0

4.8.2 Significant leasing arrangements

The significant operating lease arrangements held by the NHS Foundation Trust relate to medical equipment and buildings and are subject to the following terms:

- No transfer of ownership at the end of the lease term.
- No option to purchase at a price significantly below fair value at the end of the lease term.
- Leases are non-cancellable or must be paid in full.
- Lease payments are fixed for the contracted lease term.

Significant operating lease arrangements held by the NHS Foundation Trust relate to:	Annual commitment £000	Lease term Years
- IT Equipment	282	5
- Endoscopy equipment	263	7
- Infusion pumps	184	5
- Decontamination Equipment	125	5

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Notes to the Accounts

Note 5 Finance income

Finance income represents interest received on assets and investments for the year.

	Group		Foundation Trust	
	2017/18	2016/17	**2017/18**	2016/17
	£000	£000	**£000**	£000
Interest on bank accounts	**61**	40	**57**	40
Total	**61**	40	**57**	40

Note 6 Finance expenses

	Group		Foundation Trust	
	2017/18	2016/17	**2017/18**	2016/17
	£000	£000	**£000**	£000
Interest expense:				
Loans from the Department of Health and Social Care	**1,046**	1,120	**1,046**	1,120
Other loans	**189**	59	**189**	59
Interest on late payment of commercial debt	**0**	3	**0**	3
Total interest expense	**1,235**	1,182	**1,235**	1,182
Unwinding of discount on provisions	4	25	**4**	25
Other finance costs	**0**	0	**0**	0
Total finance costs	**1,239**	1,207	**1,239**	1,207

Note 7 The late payment of commercial debts (interest) Act 1998 / Public Contract Regulations 2015

	Group		Foundation Trust	
	2017/18	2016/17	**2017/18**	2016/17
	£000	£000	**£000**	£000
Amounts included within interest payable arising from claims made under this legislation	**0**	3	**0**	3

Note 8 Other (losses) / gains (Group)

	Group		Foundation Trust	
	2017/18	2016/17	**2017/18**	2016/17
	£000	£000	**£000**	£000
Gains on disposal of assets	**50**	32	**50**	32
Losses on disposal of assets	**(58)**	(12)	**(58)**	(12)
Total other (losses) / gains	**(8)**	20	**(8)**	20

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.

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Notes to the Accounts

Note 9 Tax on profit on ordinary activities

This note discloses the UK corporation tax charge applicable on the ordinary activities of BFW Management Limited (trading as Atlas).

	Group 2017/18 £000
UK Corporation Tax	
Total current tax charge for the period	42
Deferred Tax	
Origination and reversal of timing differences	2
Tax on profit on ordinary activities	**44**

Factors affecting the tax charge for the current year

The tax charge is higher (2016/17: N/A) than the standard rate of corporation tax in the UK of 19% (2016/17: N/A), the differences are explained below.

	Group 2017/18 £000
Current tax reconciliation	
Profit on ordinary activities before taxation	225
Tax on profit at standard UK tax rate of 19%	43
Effects of:	
Expenses not deductible for tax purposes	1
Tax charge for the period	**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.

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Notes to the Accounts

Note 10 Intangible assets

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 1 April 2017	**1,393**	**1,888**	**0**	**3,281**

Group - 2016/17	Software licences £000	Licences & trademarks £000	Other (purchased) £000	Total £000
Valuation / gross cost at 1 April 2016 - brought forward	**3,737**	**2,483**	**0**	**6,220**
Additions	737	1,021	0	1,758
Valuation / gross cost at 31 March 2017	**4,474**	**3,504**	**0**	**7,978**
Amortisation at 1 April 2016 - brought forward	**2,797**	**1,243**	**0**	**4,040**
Provided during the year	284	373	0	657
Amortisation at 31 March 2017	**3,081**	**1,616**	**0**	**4,697**
Net book value at 31 March 2017	**1,393**	**1,888**	**0**	**3,281**
Net book value at 1 April 2016	**940**	**1,240**	**0**	**2,180**

The Trust has 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.

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Notes to the Accounts

Note 10 Intangible assets continued

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 1 April 2017	**1,393**	**1,888**	**0**	**3,281**

Foundation Trust - 2016/17	Software licences £000	Licences & trademarks £000	Other (purchased) £000	Total £000
Valuation / gross cost at 1 April 2016 - brought forward	**3,737**	**2,483**	**0**	**6,220**
Additions	737	1,021	0	1,758
Valuation / gross cost at 31 March 2017	**4,474**	**3,504**	**0**	**7,978**
Amortisation at 1 April 2016 - brought forward	**2,797**	**1,243**	**0**	**4,040**
Provided during the year	284	373	0	657
Amortisation at 31 March 2017	**3,081**	**1,616**	**0**	**4,697**
Net book value at 31 March 2017	**1,393**	**1,888**	**0**	**3,281**
Net book value at 1 April 2016	**940**	**1,240**	**0**	**2,180**

The Trust has 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.

Notes to the Accounts

Note 11 Property, plant and equipment

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)
Revaluations	10	54	15	0	0	0	0	79
Transfer of depreciation to gross book value following revaluation	0	(2,871)	(56)	0	0	0	0	(2,927)
Disposals / derecognition	0	0	0	(5,763)	(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 1 April 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 11 Property, plant and equipment continued

Group - 2016/17

	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 2016 - brought forward	**7,605**	**156,933**	**3,389**	**34,521**	**93**	**10,313**	**43**	**212,897**
Additions	0	2,752	0	2,083	0	2,264	0	7,099
Impairments	0	(23,242)	(402)	0	0	0	0	(23,644)
Reversals of impairments	0	6,155	0	0	0	0	0	6,155
Revaluations	0	301	37	0	0	0	0	338
Transfer of depreciation to gross book value following revaluation	0	(2,701)	(72)	0	0	0	0	(2,773)
Reclassifications	0	0	0	(2,375)	0	0	0	(2,375)
Valuation/gross cost at 31 March 2017	**7,605**	**140,198**	**2,952**	**34,229**	**93**	**12,577**	**43**	**197,697**
Accumulated depreciation at 1 April 2016 - brought forward	**0**	**0**	**0**	**24,044**	**93**	**6,917**	**27**	**31,081**
Provided during the year	0	2,701	72	1,546	0	986	4	5,309
Transfer of depreciation to gross book value following revaluation	0	(2,701)	(72)	0	0	0	0	(2,773)
Reclassifications	0	0	0	(2,375)	0	0	0	(2,375)
Accumulated depreciation at 31 March 2017	**0**	**0**	**0**	**23,215**	**93**	**7,903**	**31**	**31,242**
Net book value at 31 March 2017	**7,605**	**140,198**	**2,952**	**11,014**	**0**	**4,674**	**12**	**166,455**
Net book value at 1 April 2016	**7,605**	**156,933**	**3,389**	**10,477**	**0**	**3,396**	**16**	**181,816**

Property, plant and equipment financing - 2016/17

	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 2017								
Owned - purchased	7,605	137,480	2,952	10,362	0	4,577	12	162,988
Owned - donated	0	2,718	0	652	0	97	0	3,467
NBV total at 31 March 2017	**7,605**	**140,198**	**2,952**	**11,014**	**0**	**4,674**	**12**	**166,455**

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Notes to the Accounts

Note 11 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 1 April 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	10,710	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 11 Property, plant and equipment continued

Foundation Trust - 2016/17

	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 2016 - brought forward	7,605	156,933	3,389	34,521	93	10,313	43	212,897
Transfers by absorption								0
Additions	0	2,752	0	2,083	0	2,264	0	7,099
Impairments	0	(17,087)	(402)	0	0	0	0	(17,489)
Revaluations	0	301	37	0	0	0	0	338
Reclassifications	0	0	0	(2,375)	0	0	0	(2,375)
Transfer of depreciation to gross book value following revaluation	0	(2,701)	(72)	0	0	0	0	(2,773)
Valuation/gross cost at 31 March 2017	**7,605**	**140,198**	**2,952**	**34,229**	**93**	**12,577**	**43**	**197,697**
Accumulated depreciation at 1 April 2016 - brought forward	0	0	0	24,044	93	6,917	27	31,081
Provided during the year	0	2,701	72	1,546	0	986	4	5,309
Reclassifications	0	0	0	(2,375)	0	0	0	(2,375)
Transfer of depreciation to gross book value following revaluation	0	(2,701)	(72)	0	0	0	0	(2,773)
Accumulated depreciation at 31 March 2017	**0**	**0**	**0**	**23,215**	**93**	**7,903**	**31**	**31,242**
Net book value at 31 March 2017	7,605	140,198	2,952	11,014	0	4,674	12	166,455
Net book value at 1 April 2016	7,605	156,933	3,389	10,477	0	3,396	16	181,816

Property, plant and equipment financing - 2016/17

	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 2017								
Owned - purchased	7,605	137,480	2,952	10,362	0	4,577	12	162,988
Owned - donated	0	2,718	0	652	0	97	0	3,467
NBV total at 31 March 2017	**7,605**	**140,198**	**2,952**	**11,014**	**0**	**4,674**	**12**	**166,455**

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Notes to the Accounts

Note 12 Revaluation and impairment of property, plant and equipment

Land and buildings (including dwellings) valuations are carried out by professionally qualified valuers in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual. A desktop revaluation took place on 31st March 2018 based on modern replacement cost and was undertaken by Cushman & Wakefield.

The revaluation of some assets has resulted in market value revaluation gains that reverse market value impairments charged to operating expenses in previous years. Gains up to the value of any previous impairment on the same asset have been recognised in operating expenses with any excess being recognised in the revaluation reserve.

On 20th March 2017, BFW Management Ltd, a wholly owned subsidiary of the Trust, commenced trading to provide a fully managed facilities management service to the Trust (see note 1.22 for further details). This contractual relationship enabled the Trust to exclude VAT from the valuation of building asset values. This resulted in an impairment charge in 2016/17 being recognised in operating expenses and the revaluation reserve.

The impact of the revaluation on charges to operati`ng expenses and reserves is as follows (Group and Foundation Trust):

	2017/18	2016/17
	£000	£000
Revaluation gains recognised in the revaluation reserve	**(79)**	(338)
Impairments charged to the revaluation reserve	**262**	9,445
Net impairments recognised in operating expenses	**484**	8,044
	667	17,151

Note 13 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 14 Inventories

	Group		Foundation Trust	
	31 March 2018	31 March 2017	**31 March 2018**	31 March 2017
	£000	£000	**£000**	£000
Drugs	**602**	563	**602**	563
Consumables	**3,999**	3,553	**2,124**	3,553
Other	**2,500**	0	**2,500**	0
Total inventories	**7,101**	4,116	**5,226**	4,116

In February 2018, BFW Management Limited (trading as Atlas) was contracted to provide the supply of consumables used in conjunction with the Electro-Biomedical Equipment (EBME). The Trust held inventories of these consumables, which were sold to Atlas, and the value of these inventories at 31 March 2018 (£1,874k) which are reported in the Atlas accounts.
Inventories recognised in expenses for the year were £30,268k (2016/17: £27,274k). Write-down of inventories recognised as expenses for the year were £0k (2016/17: £0k).

In 2017/18 the Trust has accounted for theatre tray inventory of £2,500k which has not previously been recognised within inventories. The Trust is continuing to review inventory levels to ensure that costs are accounted for in the period that the economic benefit is consumed.

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Notes to the Accounts

Note 15 Trade receivables and other receivables

Note 15.1 Trade receivables and other receivables	Group		Foundation Trust	
	31 March 2018	31 March 2017	**31 March 2018**	31 March 2017
	£000	£000	**£000**	£000
Current				
Trade receivables	**11,818**	11,151	**12,226**	11,151
Accrued income	**14,716**	11,742	**17,331**	11,742
Provision for impaired receivables	**(655)**	(616)	**(474)**	(616)
Prepayments (non-PFI)	**1,943**	1,947	**904**	1,947
Interest receivable	**6**	2	**7**	2
PDC dividend receivable	**139**	588	**139**	588
VAT receivable	**1,839**	953	**2,044**	953
Other receivables	**2,291**	2,643	**2,297**	2,643
Total current trade and other receivables	**32,097**	28,410	**34,474**	28,410
Non-current				
Provision for impaired receivables	**(536)**	(495)	**(536)**	(495)
Other receivables	**1,096**	906	**1,096**	906
Total non-current trade and other receivables	**560**	411	**560**	411
Of which receivables from NHS and DHSC group bodies:				
Current	**24,522**	21,680	**24,314**	21,680
Non-current	**0**	0	**0**	0

Accrued income an amount due from the Sustainability and Transformation Fund of £6,857 (2016/17 £5,163k).

The NHS Foundation Trust has declared an amount receivable of £2,346k (2016/17 £2,156k) 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 and included in other receivables.

Note 15.2 Provision for impairment of receivables

	Group		Foundation Trust	
	2017/18	2016/17	**2017/18**	2016/17
	£000	£000	**£000**	£000
At 1 April	**1,111**	1,134	**1,111**	1,134
Increase in provision recognised in operating expenses	**253**	325	**72**	325
Amounts written off during the year as uncollectable	**(50)**	0	**(50)**	0
Unused amounts reversed during the year	**(123)**	(348)	**(123)**	(348)
At 31 March	**1,191**	1,111	**1,010**	1,111

Notes to the Accounts

Note 15 Trade receivables and other receivables continued

Note 15.3 Ageing of impaired receivables past their due date

Trade and other receivables	Group		Foundation Trust	
	31 March 2018	31 March 2017	**31 March 2018**	31 March 2017
	£000	£000	**£000**	£000
0 - 30 days	**0**	0	**0**	0
30-60 Days	**46**	2	**40**	2
60-90 days	**0**	10	**0**	10
90- 180 days	**140**	12	**4**	12
Over 180 days	**1,005**	1,087	**966**	1,087
Total	**1,191**	1,111	**1,010**	1,111

Note 15.4 Ageing of non-impaired financial assets past their due date

Trade and other receivables	Group		Foundation Trust	
	31 March 2018	31 March 2017	**31 March 2018**	31 March 2017
	£000	£000	**£000**	£000
0 - 30 days	**2,626**	970	**2,689**	970
30-60 Days	**1,836**	21	**1,697**	21
60-90 days	**860**	1,114	**859**	1,114
90- 180 days	**2,373**	1,561	**2,349**	1,561
Over 180 days	**772**	952	**1,241**	952
Total	**8,467**	4,618	**8,835**	4,618

Note 16 Non-current assets held for sale and assets in disposal groups

	Group		Foundation Trust	
	2017/18	2016/17	**2017/18**	2016/17
	£000	£000	**£000**	£000
NBV of non-current assets for sale and assets in disposal groups at 1 April	**0**	1,500	**0**	1,500
Assets sold in year	**0**	(1,500)	**0**	(1,500)
NBV of non-current assets for sale and assets in disposal groups at 31 March	**0**	0	**0**	0

At 31st March 2016 the Trust included Bispham Hospital as an asset held for sale valued at £1,500k. Completion of the sale took place on 3rd August 2016 with proceeds received of £1,525k. The additional income received in 2016/17 is reported within the gain on the disposal of asset reported in note 8.

Notes to the Accounts

Note 17 Cash and cash equivalents movements

Cash and cash equivalents comprise cash at bank, in hand and cash equivalents. Cash equivalents are readily convertible investments of known value which are subject to an insignificant risk of change in value.

	Group		Foundation Trust	
	2017/18	2016/17	**2017/18**	2016/17
	£000	£000	**£000**	£000
At 1 April	**3,871**	7,763	**3,871**	7,763
Net change in year	**(557)**	(3,892)	**(1,955)**	(3,892)
At 31 March	**3,314**	3,871	**1,916**	3,871
Broken down into:				
Cash in transit and in hand	**79**	83	**79**	83
Cash with the Government Banking Service	**3,235**	3,788	**1,837**	3,788
Total cash and cash equivalents as in SoFP	**3,314**	3,871	**1,916**	3,871

Note 18 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 2018	31 March 2017
	£000	£000
Patients' monies	1	1
Blackpool Teaching Hospitals Charitable Fund	1,447	1,626
Total third party assets	1,448	1,627

Note 19 Trade and other payables

Note 19.1 Trade and other payables

	Group		Foundation Trust	
	31 March 2018	31 March 2017	**31 March 2018**	31 March 2017
	£000	£000	**£000**	£000
Current				
Trade payables	**29,772**	34,312	**31,289**	34,312
Capital payables	**3,419**	3,893	**3,419**	3,893
Accruals	**9,025**	7,698	**6,771**	7,698
Social security costs	**5,680**	5,186	**5,612**	5,186
Corporation tax payable	**42**	0	**0**	0
Accrued interest on loans	**188**	85	**189**	85
Total current trade and other payables	**48,126**	51,174	**47,280**	51,174
Non-current				
Deferred tax	**2**	0	**0**	0
Total non-current trade and other payables	**2**	0	**0**	0
Of which payables from NHS and DHSC group bodies:				
Current	**6,101**	9,973	**5,679**	9,973
Non-current	**2**	0	**0**	0

Notes to the Accounts

Note 19 Trade and other payables continued

Note 19.2 Movement in deferred tax liability

	Group		Foundation Trust	
	31 March 2018	31 March 2017	**31 March 2018**	31 March 2017
	£000	£000	**£000**	£000
Deferred tax liability at beginning of period	**0**	0	**0**	0
Charge to the statement of comprehensive income in the year	**2**	0	**0**	0
Deferred tax liability at end of period	**2**	0	**0**	0
The deferred tax liability consists of:				
Accelerated capital allowances	**2**	0	**0**	0

Note 20 Other liabilities

	Group		Foundation Trust	
	31 March 2018	31 March 2017	**31 March 2018**	31 March 2017
	£000	£000	**£000**	£000
Deferred income - Current	**10,642**	9,840	**10,642**	9,840
Deferred income - Non Current	**1,500**	1,500	**1,500**	1,500
Total other liabilities	**12,142**	11,340	**12,142**	11,340

Note 21 Borrowings

	Group		Foundation Trust	
	31 March 2018	31 March 2017	**31 March 2018**	31 March 2017
	£000	£000	**£000**	£000
Current				
Loans from DHSC	**3,223**	3,223	**3,223**	3,223
Other loans	**983**	119	**983**	119
Total current borrowings	**4,206**	3,342	**4,206**	3,342
Non-current				
Loans from DHSC	**32,678**	35,901	**32,678**	35,901
Other loans	**7,845**	60	**7,845**	60
Total non-current borrowings	**40,523**	35,961	**40,523**	35,961

DHSC Loan 1: £25,000k expiring on 30 March 2034 and attracts interest at a fixed rate of 3.7%. The NHS Foundation Trust is committed to repaying 2.17% of the balance in each September and March with effect from 30 September 2011.

DHSC Loan 2: £16,500k expiring on 18 June 2037 and attracts interest at a fixed rate of 2.06%. The NHS Foundation Trust is committed to repaying 2.08% of the balance in each September and March with effect from 18 December 2013.

DHSC Loan 3: £9,250k expiring on 18 September 2021 and attracts interest at a fixed rate of 1.42%. The NHS Foundation Trust is committed to repaying 7.69% of the balance in each September and March with effect from 18 September 2015.

Other Loan 1: £477k from Salix Finance Ltd under the Energy Efficiency Loans Programme on an interest free basis. The NHS Foundation Trust is committed to repaying 12.5% in each September and March with effect from 1 March 2015.

Other Loan 2: £9,230k from Blackpool Council expiring on 31 March 2027 and attracts an interest rate of 2.15%. The NHS Foundation Trust is committed to repaying £461.5k in each April and October with effect from 1st October 2017. The loan is secured against the main entrance multi storey car park.

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Notes to the Accounts

Note 22 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 2017	**109**	**1,373**	**130**	**2,020**	**3,632**
Change in the discount rate	0	17	0	0	**17**
Arising during the year	0	2	40	311	**353**
Utilised during the year	(15)	(81)	(43)	0	**(139)**
Reversed unused	0	0	0	(1,946)	**(1,946)**
Unwinding of discount	0	4	0	0	**4**
At 31 March 2018	**94**	**1,315**	**127**	**385**	**1,921**
Expected timing of cash flows:					
- not later than one year;	15	79	127	385	**606**
- later than one year and not later than five years;	59	314	0	0	**373**
- later than five years.	20	922	0	0	**942**
Total	**94**	**1,315**	**127**	**385**	**1,921**

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.

Provisions in the other category relate to the potential return of £385k non-recurrent funding conditional on completion of development initiatives in 2018/19.

Note 23 Clinical negligence liabilities

At 31 March 2018, £224,482k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of Blackpool Teaching Hospitals NHS Foundation Trust (31 March 2017: £179,364k).

Note 24 Contingent assets and liabilities

	Group		Foundation Trust	
	31 March 2018	31 March 2017	**31 March 2018**	31 March 2017
	£000	£000	**£000**	£000
Value of contingent liabilities				
NHS Resolution legal claims	(98)	(53)	(98)	53
Gross value of contingent liabilities	**(98)**	**(53)**	**(98)**	53
Amounts recoverable against liabilities	0	0	0	0
Net value of contingent liabilities	**(98)**	**(53)**	**(98)**	53

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.

Blackpool Teaching Hospitals
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Notes to the Accounts

Note 25 Contractual capital commitments

	Group		Foundation Trust	
	31 March 2018	31 March 2017	**31 March 2018**	31 March 2017
	£000	£000	**£000**	£000
Property, plant and equipment	938	2,004	938	2,004
Total contractual capital commitments	**938**	2,004	**938**	2,004

Note 26 Financial Instruments

The NHS Foundation Trust does not have any listed capital instruments and is not a financial institution. Due to the nature of the NHS Foundation Trust's current financial assets/liabilities and non current financial liabilities, book value equates to fair value.

All financial assets and liabilities are held in sterling.

The NHS Foundation Trust's treasury management operations are carried out by the finance department, within parameters defined formally within the NHS Foundation Trust's standing financial instructions and policies agreed by the board of directors. NHS Foundation Trust treasury activity is subject to review by the NHS Foundation Trust's internal auditors.

Credit Risk

The majority of the NHS Foundation Trust's income is due from NHS commissioners and is subject to legally binding contracts which limits credit risk. Non-NHS customers do not represent a large proportion of total income and the majority of these customers are organisations that are unlikely to cease trading in the short term or default on payments - e.g. universities, local councils, insurance companies, etc.

Liquidity Risk

The NHS Foundation Trust's net operating costs are incurred under service agreements with Clinical Commissioning Groups, which are financed from resources voted annually by Parliament. The NHS Foundation Trust largely finances capital expenditure through internally generated funds and from loans.

Market Risk

All of the NHS Foundation Trust's financial liabilities carry nil or fixed rate of interest. In addition the only element of the NHS Foundation Trust's financial assets that is currently subject to variable rate is cash held in the NHS Foundation Trust's main bank account and therefore the NHS Foundation Trust is not exposed to significant interest rate risk.

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Blackpool Teaching Hospitals
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Notes to the Accounts

Note 26 Financial Instruments continued

Note 26.1 Carrying values of financial assets

	Group		Foundation Trust	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	Loans and receivables	Loans and receivables	Loans and receivables	Loans and receivables
	£000	£000	£000	£000
Assets as per SoFP as at 31 March 2018				
Trade and other receivables excluding non financial assets	26,920	23,702	30,142	23,702
Cash and cash equivalents	3,314	3,871	1,916	3,871
Total Financial Assets	30,234	27,573	32,058	27,573

Note 26.2 Carrying values of other financial liabilities

	Group		Foundation Trust	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	£000	£000	£000	£000
Borrowings	44,729	39,303	44,729	39,303
Trade and other payables	42,405	45,988	41,668	45,988
Total at 31 March 2018	87,134	85,291	86,397	85,291

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 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.

Note 26.3 Maturity of financial liabilities

	Group		Foundation Trust	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	£000	£000	£000	£000
In one year or less	46,611	49,330	45,874	49,330
In more than one year but not more than two years	4,146	3,283	4,146	3,283
In more than two years but not more than five years	9,577	8,261	9,577	8,261
In more than five years	26,800	24,417	26,800	24,417
Total	87,134	85,291	86,397	85,291

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Notes to the Accounts

Note 27 Losses and special payments

Group and Foundation Trust	2017/18		2016/17	
	Total number of cases	Total value of cases	Total number of cases	Total value of cases
	Number	£000	Number	£000
Losses				
Bad debts and claims abandoned	1	50	0	0
Total losses	1	50	0	0
Special payments				
Ex-gratia payments	50	60	58	56
Total special payments	50	60	58	56
Total losses and special payments	51	110	58	56

Note 28 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.

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	
	2017/18	2016/17	31 March 2018	31 March 2017
	£000	£000	£000	£000
University of Central Lancashire	86	116	70	26
St Johns Hospice	35	67	0	5
Buckingham University	49	63	0	0
Lancaster University	4	0	2	0
The Institute of Cancer Research	0	1	0	0
University of Liverpool	8	4	2	1
	182	251	74	32

	Expenditure		Payables	
	2017/18	2016/17	31 March 2018	31 March 2017
	£000	£000	£000	£000
Age UK	0	17	0	1
University of Central Lancashire	616	565	148	26
Liverpool John Moores University	16	0	0	0
University of Salford	10	0	0	0
Lancaster University	65	44	30	9
NHS Shared Business Services	57	56	11	11
Fylde Coast Womens Aid	13	26	0	0
Ormerod Home Trust Ltd	1	4	0	0
	778	712	189	47

Notes to the Accounts

Note 28 Related parties continued

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 Blackpool Teaching Hospitals NHS Foundation Trust. 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:

	2017/18 £000	2016/17 £000
Donations received from the charitable fund, recognised as income	178	475
Amounts receivable from the fund as at 31st March	65	181

The amount receivable at 31st March is not secured and is not subject to particular terms and conditions.

Note 29 Events after the reporting date

There are no events after the end of the reporting year.

Further copies of the Annual Report and Accounts for the period 1st April 2017 to 31st March 2018 can be obtained by writing to:

Miss Judith Oates
Corporate Assurance Manager/Foundation Trust Secretary
Blackpool Teaching Hospitals NHS Foundation Trust
Trust Headquarters
Blackpool Victoria Hospital
Whinney Heys Road
Blackpool
FY3 8NR

Alternatively the document can be downloaded from our website **www.bfwhospitals.nhs.uk**

If you would like to comment on our Annual Report or would like any further information, please write to:

Mrs Wendy Swift
Chief Executive
Blackpool Teaching Hospitals NHS Foundation Trust
Trust Headquarters
Blackpool Victoria Hospital
Whinney Heys Road
Blackpool
FY3 8NR