

Annual Report 2017-18



Excellence | Accountability | Respect | Teamwork | Integrity | Compassion

**LANCASHIRE CARE NHS
FOUNDATION TRUST**

**ANNUAL REPORT AND
ACCOUNTS 2017/18**

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

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Chair and Chief Executive Foreword



It is our pleasure to present to you the Annual Report and Accounts for 2017/18. Nationally, the NHS continues to experience challenges and in this context, we are proud of our performance during this year and of our workforce who work really hard and continue to do a great job in spite of this.

We are fortunate to lead an organisation comprising employees who continually strive to achieve our vision - **High quality care, in the right place, at the right time, every time** - and who live our values so that the people using our services have a good experience. We do not always get it right and we continue to mature as an organisation that listens to and values the feedback from patients and employees so that we can constantly learn and improve. We know from our annual staff survey results and quarterly staff friends and family results that there are some changes that we need to make and the Trust's Board and Executive Team are totally committed to addressing this in a way that is meaningful and felt by our teams that deliver frontline services. We want to ensure that the Trust is a good place in which to work and receive care or services.

Quality improvement has continued to be a core theme this year and as a quality led organisation, this directs our entire organisational strategy, decisions and delivery from Board to ward and service level. We have made good progress in delivering year two of our quality plan, the embedding of quality improvement methodology and the use of the Life QI system to share good practice and systemically embed quality across the organisation. This additionally supports a culture of learning, development, high standards and efficiency. This is increasingly important at a time when all NHS organisations are required to make savings whilst maintaining consistently high standards. At Lancashire Care, our approach is to continuously put quality first and this has helped in some part to achieve the efficiencies required in year.

Meeting the financial target that was set by our regulator, NHS Improvement was not without challenge this year however, thanks to the hard work of our staff we achieved our Control Total of £2.1m.

There continues to be high demand for our mental health services, which is consistent with organisations nationally and has caused some financial pressure due to the cost of funding out of area placements when there is a lack of available beds within the Trust's provision. We have made significant progress in year through consistent hard work across the Trust in reducing the number of out of area placements and have invested in additional and enhanced community services to ensure that people get the right care, in the right place, at the right time. Staffing has been another pressure that many Trusts, including Lancashire Care, are experiencing and the Trust continues to work proactively to recruit substantive clinicians and develop new workforce solutions, to ensure the best quality for people using our services, whilst additionally reducing the financial impact of using temporary workforce measures.

As this year draws to a close we can be proud of what we have achieved and of what we have overcome and continue to address. Looking forward, there are some great opportunities ahead within the health economy. The Trust is a key player in the Healthier Lancashire and South Cumbria Sustainability and Transformation Partnership (STP) and is also supporting the work and transformation in the five local delivery areas across the county. Our strategy has been developed to support the aspirations of the STP

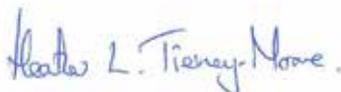
and this marks an era of health and local authority partners increasingly working together to do the right thing for local people in a way that is sustainable now and into the future.

Thank you for your on-going support and interest in our organisation, you can find more information on our website at www.lancashirecare.nhs.uk we are also active on social media, our Twitter handle is @LancashireCare and you can find us on Facebook by typing in Lancashire Care and liking our page.

With best wishes



Mr David Eva
Chair
25 May 2018



Professor Heather Tierney-Moore OBE
Chief Executive
25 May 2018

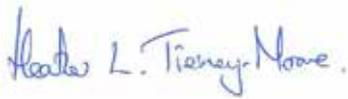
1. Performance Report

The Performance Report has been prepared under direction issued by NHS Improvement, as required by Schedule 7 paragraph 26 of the NHS Act 2006 and in accordance with:

- Sections 414A, 414C and 414D of the Companies Act 2006. Sections 414A(5) and (6) and 414D(2) do not apply to NHS Foundation Trusts; and
- The NHS Foundation Trust Annual Reporting Manual 2017/18 (FT ARM).

Further details of the areas included in this statement can be found on the Trust's website:

www.lancashirecare.nhs.uk



Professor Heather Tierney-Moore

Chief Executive

25 May 2018

1.1 Overview of Performance

This section aims to provide a short summary of the organisation, its purpose, and the key risks to the achievement of objectives and how the Trust has performed during the year.

Chief Executive's Perspective on Trust Performance 2017/18

Lancashire Care has continued to demonstrate its ability to perform and develop despite the continuous challenges both at a local level and nationally. The Trust has continued to broaden its range of services provided to the public through expansion of community and mental health specialist services offered, with an increase in the localities covered by the Trust. Further information on the new services acquired by the Trust can be found on page 47. The Trust is committed to its quality-led strategy to deliver high quality care. Additionally, the Trust has achieved all NHS Improvement (NHSI) targets for 2017/18 with the exception of the two week wait target for early intervention into psychosis; however, the Trust is back on track with performance at Q4 being reported at 50% against the target. More information on Trust performance against NHSI indicators can be found on page 31. The Trust was inspected by the CQC in January and February of 2018 and more information on this can be found on page 45.

Financially, the Trust met its control total; a financial target set by NHSI, and ended the year with a £2.8million surplus over the control total. This was a significant achievement for the Trust recognising the strain of financial challenges, largely due to the ongoing and increasing demand for mental health services throughout the year. The Trust and its staff have been working hard to provide high quality care whilst assessing, monitoring and reducing spend wherever possible. It is important to recognise that the Trust saw substantial pressures in exceeding its financial limits but through the continuous scrutiny of financial recovery through the Board, the Trust achieved the financial plan and CIP savings of £16million.

The on-going demand for mental health services resulted in pressures on the Trusts inpatient beds and has increased the number of out of area placements within year. Despite this, the Trust has worked to ensure that patients continue to receive the care required to improve their health and receive a high quality service. The Trust has worked hard to ensure that patients are treated in the appropriate environment, however in some cases out of area placements has been unavoidable. In year the Trust has improved its own internal processes and new enhanced community services have been developed so that people can receive the support they require as close to home as possible and in many cases outside of a hospital setting. This has served to improve the Trust's position and the experience of people needing to access the Trust's services.

To meet the demands and complex needs of the local population, the Trust has increased its partnerships with key stakeholders and local organisations to improve health care across its services. Some great examples of service innovation and partnership working can be seen on page 17.

The Trust has continued to increase its involvement within the Lancashire and South Cumbria Sustainability and Transformation Partnerships (STP) to ensure that it is in a strong position to improve health care within the relevant Local Delivery Plans (LDPs), influencing the strategy and delivery of improving care. The Trusts executive team and senior leaders active members and Chairs of STP groups to represent the views of the Trust and ensure that the shaping and transformation of the future health and well-being services is in line with the Trusts quality-led strategy and tailored to the needs of the relevant geographical locations. Full details on the Trusts involvement within the STP can be found on page 15 - 17.

The Trust continues to develop and embed its 'People Plan' since 2015 from its initial work with the Kings Fund. The plan aims to improve integration, culture, morale and engagement, and further establish the Trust's key leaders across the Trust, to improve both the lives of its employees, but additionally; the service delivery to the local population. This work will continue to be progressed and the Trust expects that further enhancements will be made during 2018/19. More information on the People Plan can be found on page 67 - 68.

Trust History & Statutory Background

Lancashire Care NHS Foundation Trust is a licensed provider of Health and Wellbeing services. The Trust was first established in 2002 as a specialist mental health Trust for the county, providing community, inpatient and forensic services. The Trust achieved Foundation Trust status in 2007 and in 2013 went on to become the major provider of Health and Wellbeing services for Lancashire after community services from neighbouring trusts transferred into its portfolio. This provided the Trust with the opportunity to deliver holistic, joined up care to local people that meets their physical and mental health needs. From a strategic perspective, this has also positioned the Trust as a key player in the health economy acting as an enabler to transformation and supporting the aspirations of the Lancashire and South Cumbria STP.

The Trust has an annual turnover of £345million and is a major provider of a variety of Health and Wellbeing services, including mental health and forensic care, employing approximately 6,400 people and providing approximately 1.5 million contacts with people each year. The majority of this activity is in Lancashire although the Trust does provide some core services outside of this area as previously referenced.

Within Lancashire there are eight clinical commissioning groups (CCGs) and three local authorities. The majority of the CCGs share boundaries with Lancashire County Council, with the exception of Blackpool and Blackburn with Darwen who align to their respective unitary authorities and social services. The Trust has established strong relationships with the CCGs, local authorities and wider partners in those areas outside of the county where it delivers services. The Trust works closely with GP's, with 245 practices in the county providing primary care, referring patients to the Trust's Specialist community Health and Wellbeing teams and mental health services when required.

More than half of the Trust's income is for the delivery of community and Specialist services. The lead commissioner for community services is Chorley and South Ribble CCG and for mental health it is Blackburn with Darwen CCG. Additionally, the Trust receives income from NHS England to fund specialist services such as forensic care and mental health services for children and young people and local authorities for public health services.

The Trust's services are structured into three clinical networks following an organisational reset which saw the networks reconfigured from four to three. The related consultation and appointments took place during 2016/17 with appointments to the new management structure confirmed from April 2017, aligned to the emerging health economy in Lancashire and South Cumbria. The changes occurring in the wider health economy require the Trust to do things differently in the future and the reset served to re-align the organisation to respond to this and to support transformation both within the Trust and on a broader basis across Lancashire and South Cumbria. There was a clear rationale for the reset and it has realised many benefits for the organisation and in support of the health economy.

The Trust's extensive portfolios of services are arranged into clinical networks as follows:

The [Mental Health network](#) provides services for adults aged 18 and over, including the provision of specialist secure services.

The [Community and Wellbeing network](#) provides community/specialist nursing and therapies, learning disability services, intermediate care service, rheumatology and dentistry services as well as Improving Access to Psychological Therapies (IAPT) services.

The [Children and Families Wellbeing network](#) provides mental health and wellbeing services up to the age of 25 and public health services.

The Trust's support services responded to the organisational reset by ensuring that they were aligned to the newly configured networks and able to support them in the achievement of operational delivery and strategic objectives. Support services in the Trust comprise of; governance, finance, business planning and assurance, communications and engagement, human resources, nursing, business development, risk management and clinical audit.

A full list of the services provided by the Trust can be found at <http://directory.lancashirecare.nhs.uk/index.php>

The Trust ended its contract for the provision of services at HMP Liverpool in March 2018. When the Trust took on the contract for Liverpool prison, it provided prison healthcare services in Lancashire too. This scale was a key enabler in being able to provide a service efficiently and effectively. When the Lancashire prisons came up to tender, the Board took a strategic decision not to bid due to financial and quality challenges associated with the contract and its value. This set the context for future decisions about the Trust's overall strategy and it was agreed that prison healthcare was no longer part of it.

As outlined above the Board made a strategic decision to not tender for Lancashire prisons due to financial and quality issues with the contract and this set the basis of the decision to give notice early on the service at HMP Liverpool in August 2017. The Trust inherited significant challenges when it was asked by NHS England to take on the contract as a result of the failings that had been identified within the previous provider, Liverpool Community Trust. Providing a service in a prison environment is challenging generally, HMP Liverpool specifically is one of the most challenged in the North West and it has been acknowledged by commissioners that the specification of the contract for prison health care needs reviewing in the context of this. The Trust also spent an additional significant amount of money on agency staff and this was not clinically or financially sustainable. The Trust continued to provide the service until the contract ended on 31 March 2018.

The Trust submitted a joint bid with Blackpool Teaching Hospitals (BTH), to the commissioner, Lancashire County Council, for the provision of the Universal 0 – 19 service. The bid was unsuccessful, however, both Trusts made the decision to legally challenge the outcome. Court proceedings were issued, which claimed breaches of the Public Contracts Regulations 2015. The Trial in this matter was heard at the end of April, and concluded on 1 May 2018. The judgment is awaited. Both Trusts continue to provide the service in the meantime.

The Trust has invested a significant amount of leadership time to contribute fully to the Healthier Lancashire and South Cumbria STP during 2017/18. The Trust provides services in six different LDP areas (now known as Integrated Care Partnerships, or ICPs), five of these are in Lancashire and the Trust also provides community services in Southport & Formby.

Network and service highlights

The mental health network has developed an extensive range of enhanced community services in 2017/18 to ensure that people get the right support, in the right place, at the right time. In January 2016, 94 people were in out of area placements with an annual cost of £19 million. These placements have now been reduced to less than 20 (adult mental health) and length of stay has also reduced by 20.4%. The new services have supported a 1.9% reduction in admissions in 2017/18 despite a 9.8% increase in demand.

The Acute Therapy Service (ATS) is provided in Central, East and North Lancashire to support people in mental health crisis through psychologically led, skills based programme based on the principles of Dialectical Behaviour Therapy (DBT). The service offers a safe, containing and therapeutic environment for people who present with low mood, emotional and behavioural dysregulation and who are deemed a risk of suicide or self-harm.

The Trust provides three mental health Decision Units across Lancashire. The Arkwright Unit is situated on the Royal Preston Hospital, The Towneley Unit on the Royal Blackburn site and the newest facility is located at Blackpool Victoria Hospital and is run in partnership with Richmond Fellowship. All facilities offer chairs in place of beds and are aimed at providing a short term safe therapeutic environment where people in crisis can be assessed and then referred to the appropriate service, or be discharged into the community. All units are open 24/7 and provide an alternative pathway for people requiring urgent mental health on-going assessment and suffering with mental health difficulties in crisis. These units are further developing over the coming year to form locality hubs for people in crisis.

The Trust has two mental health Assessment wards that provide a 24 hour, 365 days a year facility which actively involves service users, families and carers in the care delivered by an experienced ward multi-disciplinary team. The wards provide a therapeutic environment for service users who require a period of assessment and commencement of care and treatment as an alternative to admission to a functional treatment ward. The length of stay is 72 hours which can extend to five days where there is clinical need to do so.

The Trust works in partnership with national mental health charity Richmond Fellowship to provide a mental health crisis house support service. Willow House, an innovative service, located in Coppull in Chorley provides short term seven day placements, in a quiet place of tranquillity, where guests have the freedom to maintain their independence in a safe environment, as a preferable alternative to hospital admission for people experiencing a social crisis that is impacting on their mental health. People referred to the service work on a one to one basis with Willow House's highly trained teams to develop collaborative support plans and coping mechanisms to better manage their mental health following their stay.

Work has also progressed in year to open a second crisis house in Pennine Lancashire and this opened in April 2018.

The Trust provides a support service to young people under the age of 19 who have come into the contact with the police and have been detained under Section 136 of the Mental Health Act. The service is provided at the Rigby 136 suite located at Royal Preston Hospital, supporting young people suffering with mental health difficulties by providing a place of safety and de-escalation for a period up to 24 hours. The unit allows staff to conduct a full assessment of any mental health needs and will support signposting on to appropriate services following the assessment.

In addition to enhancing community services, work has progressed to complete a ten year programme to improve the Trust's inpatient mental health facilities, including the co-locating all of the Trust's mental health beds onto four purpose designed units in the four localities of Lancashire.

Work is progressing on the re-development of Hillview at Royal Blackburn Hospital to provide an improved inpatient service for Pennine Lancashire. Extensive refurbishment work is on-going at Chorley Hospital to provide an inpatient service for Central Lancashire including the development of a specialist perinatal unit on site to provide care and treatment for new mothers who require mental health support. Lancashire Care was one of four providers to be chosen from across the country to provide one of these new, important facilities. All of these new services will become operational during 2018.

The Trust introduced a frailty service based in early 2017 to allow for patients to be cared for in the community instead of having to go into hospital, in support of system wide pressures. The service triages patients depending on the level of support that they need with the aim of maintaining their function and independence after being discharged. There is a maximum stay of 72 hours to prevent loss of mobility and confidence; they are then supported back to their homes. This improvement has been a success and prevented many extended hospital stays, supporting cross organisational working and improved pathways. Over 500 patients have been referred to the service.

Improvements to Phlebotomy services have been made in two of the community services localities; Southport and Formby and Blackburn with Darwen. In Southport and Formby, the Trust has worked in partnership with CCG & GP colleagues to deliver a new service model, with additional drop in clinics in direct response to GP and CCG feedback. In Blackburn with Darwen there is a high level of satisfaction with the new model of Phlebotomy clinics being delivered in the locality, which has increased the number of drop in clinics, reduced the waiting list and increased the capacity of the service with over 1000 new patients seen.

In year the network has improved quality and patient safety with initiatives focusing on reducing falls and pressure ulcers. In February 2018, NHS England rated the care of diabetes in Central Lancashire, delivered jointly by the Trust and local CCGs, as outstanding.

Longridge community Hospital took part in a national audit of inpatient falls, which consisted of seven key indicators and the Trust was shown to have performed higher than the national average in five of these indicators. A campaign also ran during the winter to reduce pressure ulcers and the team at Longridge Hospital achieved 200 days pressure ulcer free. Numerous clinicians from the network have had work published this year on topics including managing pain and sepsis, and teams have also taken part in research projects in learning disabilities and chronic obstructive pulmonary disease (COPD).

As a result of the review and to improve clinical effectiveness, the Trust relocated the Child and Adolescent mental health Services (CAMHS) Tier 4 the service from The Junction in Lancaster and The Platform in Preston, which provided 16-18 year old services, into a single site at The Cove, Heysham. The move was undertaken in discussion with Commissioners due to viability of running two small services. The move has supported the delivery of enhanced clinical pathways for young people with mental health difficulties and support timely access to appropriate services. The Trust continues to be committed to providing equal access for all young people and their families across Lancashire and South Cumbria in this new location.

There has been significant work to improve access to services and treatment within the Children and Young Peoples Network. Waiting times for CAMHS, Child Psychology Services (CPS) and Early Intervention Services (EIS) have improved considerably through reviewing processes and quality improvement work, leading to better access and outcomes for service users.

Referral to treatment times for Child Psychology has significantly improved from 66% to over 90% in year. CAMHS has risen from 59.1% being seen within 18 weeks to 82.3%. Intensive work in EIS has led to an improvement of 25% of people referred in treatment to 50% meeting the national QS80 standards.

The Trust is working with Blackpool Teaching Hospitals NHS Foundation Trust, Cumbria Partnership NHS Foundation Trust, East Lancashire Hospitals NHS Trust as the four NHS Child and Adolescent Mental Health Service (CAMHS) providers across Lancashire and South Cumbria and with non-NHS providers and wider stakeholders including CCGs on a significant project to develop the future core care model for Children and Young People's Emotional Wellbeing and Mental Health (CYPEWMH) services across Lancashire and South Cumbria. Over the next 12 months the Trust will work to develop a model along the THRIVE mandate which is a whole system approach, based on the identification of the needs of young people and their families, advocates the effective use of data to inform delivery and meet and ensures CYP and their families are active decision makers. We will co-produce and consult with service users, families, staff and third sector partners through the process.

Purpose and Activities of the Trust

The Trust's primary purpose is the provision of Health and Wellbeing services working with a range of partners on prevention and providing specialist care and treatment in the community and in Inpatient settings, for both physical and mental health conditions. The Trust's extensive range of services in the community support people in managing long term conditions, recovery and the promotion of wellbeing and healthy lifestyles.

The Trust is committed to providing **high quality care, in the right place, at the right time, every time**. The Trust increasingly provides services from a range of settings and aims to care for people as close to home as possible within their local community. Caring for people outside of hospital is proven to improve outcomes and support recovery, which is a personal journey and enhanced through the input of partner organisations.

The Trust has an extensive range of partners and works alongside them to deliver services, increasingly we are working with the third sector and using their expertise to enhance core NHS services and improve patient experience and outcomes.

Development Bids

There are a number of business development bids submitted for the 2018/19 that will enhance the Trusts existing services and help to continually improve the outcomes for service users and carers. These include:

- Complex Packages of Care
- Eating Disorders (intensive home support)
- CAMHS (school health)

Celebrations in the Children and Young People's network include:

- The winning of an award at the National Positive Practice in mental health Awards for their

Psychosis & Bipolar Disorder Psychological Care Network.

Services acquired and services lost

The table below outlines the services that the Trust has acquired in year.

Contract Awarded	Value p/a	Term	Date Awarded	Effective from
Southport & Formby	£13.5m	4+1years	November 2016	May 2017
Universal Services (0-19) BwD	£4m (reduced by £.3m)	3 years	November 2016	April 2017
ODN Northwest Delivery Network Host	£100k	1 year	March 2017	April 2017
Perinatal Mental Health	£2m	5 years	April 2017	April 2017
Mental Health Liaison Services for Adults and Older Adults	£1,984,097.00	1 year	April 2017	TBC 2018/19
Perinatal Capital Funding	year 1 £2.47m year 2 £1.037m	2 years	August 2017	October 2017
iMSk	£7 - £7.2 m	5 +2 years	March 2018	June 2018

The table below outlines the services that the Trust has lost in year.

Contracts	Value p/a	Date Lost	Effective from
Childhood Immunisation	£3.5 m - £819k pa actual loss to LCFT £602,688	28 April 17	September 2017
HIV	£2.23m	1 Dec 16	August 2017
Universal Service 0-19 Public Health Nursing Services	£20.8m	27 Nov 17	April 2018– legal challenge ongoing

The table below outlines the business divested by the Trust.

Contracts	Value p/a	Effective from
Minor Oral Surgery	Central circa £51.6k East circa £118k	Central: October 2017 East: May 2017
Offender Health Lancashire Prisons	£5.6m £7.7m	April 2017
Dental Helpline	£86k	April 2017
Liverpool Prisons	Circa £6.8m	March 2018

The Trust also de-commissioned Family Nurse Partnership contract in December 2017.

Healthier Lancashire and South Cumbria Sustainability & Transformation Partnership

The reporting period 2017/18 saw the establishment of an STP Board in response to national guidance, 'Next Steps on the NHS Five Year Forward View.' The Trust has membership on this Board which reflects refreshed STP governance arrangements and serves to support, develop and facilitate increased effective, system-wide decision making and assurance.

An increasing focus for the health economy is within prevention, building resilient communities, caring for people outside of hospital and developing new and innovative services that empower people to self-care, recover well or maintain wellbeing. Technology and the use of digital solutions

in healthcare is continuing to evolve and is an area that the Trust is embracing and pro-actively working to improve to fulfil the aspirations of the STP arrangements.

Trust Executives and Non-Executives are involved as follows:

- Trust Chief Executive, Heather Tierney-Moore is the Senior Responsible Officer (SRO) for the leadership and organisational development work stream for Lancashire and South Cumbria Sustainability and Transformation Partnership. Additionally, the Trust Chief Executive is the Chair of the Joint Programme Board in Central Lancashire, Our Health Our Care
- Chief Operating Officer, Sue Moore is SRO for the Learning Disability STP work stream
- The Director of HR, Damian Gallagher is the senior responsible officer for workforce within the STP
- Medical Director, Professor Max Marshall is Chair of the STP work stream for mental health and a member of the STP Care Professionals Committee
- Non-Executive Director, Gwynne Furlong, is Chair of the Estates Board for the STP
- Non-Executive Director, Isla Wilson, is a member on the STP Board

Executives and senior managers throughout the Trust lead and contribute to a wide range of clinical and enabler work-streams across the STP, including chairing a number of Boards and Implementation Groups. This proactive engagement ensures the Trust is well placed to influence strategy and tactical delivery of work to develop both a Lancashire and South Cumbria mental health Integrated Care System and support the emerging LDPs as an integral partner.

Through being an active partner in all five Lancashire and South Cumbria LDPs Trust managers and clinicians collaborate regularly with colleagues and peers from the diverse range of organisations that make up the STP and continue to work with partners to shape the future delivery of health and wellbeing services, tailored to the needs of each geographical area.

Most of the focus of transformation takes place in the local economies, but it is recognised that each LDP cannot deliver sustainability on their own. It is acknowledged by the STP that it is vital the LDPs work in partnership. The challenges described by the STP are:

- Lancashire and South Cumbria health outcomes are poor and health inequalities are high
- The population of Lancashire and South Cumbria do not get the best outcomes because of the way services are configured and delivered
- If care is provided as it is now and demand continues to rise then by 2021 there will be a significant financial gap

Executives and management from the mental health Network have been working hard to progress the mental health work stream for the whole of Lancashire and South Cumbria, including other providers.

Senior clinicians and leaders from the Trust have been involved in leading a multitude of initiatives at LDP level, including piloting a mental health primary care model in Morecambe Bay with local GPs, improving out of hospital care in Central Lancashire through the creation of a number of Multispecialty Community Providers (MCPs) and, in Pennine Lancashire, working with GPs and Blackburn with Darwen Council to develop Primary Care Networks

The Trust will continue to participate in and supported the facilitation of a range of related engagement events, particularly in Central Lancashire and have delivered presentations relating to the Central Lancashire “Our Health Our Care Programme” during 2017/18. The pro-active support

of initiative across the STP during 2018/19 will be maintained and the Trust will continue to play a key role in other complementary programmes such as the Chorley Public Service reform, expanding this into South Ribble, particularly in regards to the work streams focusing on the integrated wellbeing service and multi-agency hub.

The Trust is a partner in two Vanguards: the “Better Care Together” vanguard, which aims to improve the way health services are working with a much more integrated out-of-hospital sector and the “Fylde Coast Local Health Economy” vanguard, which is aiming to deliver more support in the heart of the community and less in hospital.

In the two Vanguards, the Trust is a key partner in all of the place-based LDPs with a strong focus on out of hospital care and integrated physical and mental health care. The intention of the partnerships is to provide individual care tailored to the needs of the population within the area the LDP is based. Delivering care as close to home as possible is a key tenet of the Trust’s strategy; this dovetails perfectly with the Vanguards, where developing healthcare that delivers more support closer to people’s home and less in hospital is fundamental to both.

[Innovation and Hosted Organisations](#)

The Trust is host to the Innovation Agency, the Academic Health Science Network for the North West Coast. The organisation is one of many across country working as ‘the catalysts for the spread of innovation, connecting NHS, academia, local authorities, businesses and others to improve health and generate economic growth.’

The Innovation Agency supported the Trust, alongside partners to become a national test bed site, utilising technology to support people with long term physical health conditions and dementia to live well and manage their conditions in their own homes.

The Trust is the host organisation for The Lancashire and Cumbria Innovation Alliance (LCIA) Test Bed comprising the two Vanguard areas highlighted above, industry and academia (Lancaster University). The Test Bed has been live since December 2016 and aims to determine the most effective ways of supporting frail older people with long term conditions to remain well in the community using a combination of innovative health technologies and practices. By the end of 2017, over 500 patients aged over 55 across our health population had used a range of technologies over a six-month period to improve their self-management skills for their long-term condition. Going forward, the Test Bed envisages possibilities within the discharge process, working with local GP federations and GP localities to create a technology hub to support monitoring for housebound patients as well as annual reviews and remote monitoring and supporting self-care and management.

[Global Digital Exemplar](#)

The Trust is delighted to have been paired with Berkshire Healthcare NHS Foundation Trust as a fast follower in the NHS England Global Digital Exemplar (GDE) Programme. A GDE is an internationally recognised NHS provider delivering exceptional care, efficiently, through the use of world-class digital technology and information. Exemplars will share their learning and experiences to enable other trusts to follow in their footsteps as quickly and effectively as possible. NHS England is currently supporting selected digitally advanced mental health, acute trusts and ambulance trusts, who through funding and international partnership opportunities will become Exemplars over the next two to three and a half years. Fast followers are supported by NHS England funding, matched locally, and will enable GDE’s to establish proven models that can be rolled out across the NHS more broadly.

GDE plans have been developed in collaboration with Berkshire, including four initiatives: Digitally Enabled Care; EPR Acceleration and Interoperability; Enabling a Digital Ready Workforce; and Research and Intelligence. Subject to successful completion of due diligence and approval of a funding agreement with NHS England, LCFT expects to formally initiate its GDE programme in early 2018, with £3m of central funding being allocated to advancing the trust's digital agenda during 2018/19 and 2019/20.

Healthcare Support and Infrastructure Services LLP

In September 2017, the Board considered options in relation to the future of its estate and property joint venture with Red Rose Corporate Services (RRCS) and took the decision to give notice on the Property Service Management Agreement in place which formally expired on 31 March 2018. The Board approved the establishment of a wholly own subsidiary that would assume responsibility for estates and property services post 1 April 2018.

An LLP, 'Healthcare Support and Infrastructure Services' (HSIS) together with a partner 'LCFT Nominee No.1 (a limited company) were formally incorporated with Companies House at the end of January 2018. Director appointments have been formally made to the HSIS Board on an interim basis in line with those previously approved by the LCFT Board and a six-month business plan has been developed and approved by the Board. HSIS will respond to the needs of the Trust and the communities it serves and provide a new approach to the management and delivery of property assets to improve efficiency, drive down cost and improve performance and patient experience in collaboration with the Lancashire & South Cumbria STP.

All staff that worked directly for RRCS TUPE transferred over to HSIS on 1 April 2018.

Fire Safety

Following the tragic fire at Grenfell Tower last year NHSI, following a request from Secretary of State, requested that all NHS Trusts provide immediate assurance that no such type of incident could occur within any NHS building. The Property Services fire safety team provided assurance that all LCFT properties were compliant with the necessary requirements and no action was required following inspections. The investigations were undertaken in conjunction with the local fire authority and detailed reports and completed assurance documents were provided to NHSI.

Property Services has dedicated fire safety staff carrying out specific invasive Fire Risk Assessments at all units, thus ensuring full fire compartmentation exists and preventing any form of fire spread. This project is expected to be completed late August 2018 with complete documentation and photographic evidence of any issues identified. This ensures our in-patient sites are amongst the safest NHS buildings in the country.

The team have also won the contract for the training of all staff at a local Acute Trust in both Fire Warden/Marshal Procedures and adherence to their Trust fire policies. This training is expected to grow to cover all future and existing mandatory Fire Safety Awareness training within that Trust.

Land Developments and Disposals

The Trust has worked proactively to deliver a fit-for-purpose modern estate, which is fully aligned with current and future clinical needs, new models of care and the overarching STP strategy. The Trust is working actively to promote the vision set out in the Naylor Review and the delivery of the Trust's Estate Rationalisation Programme (Project Trinity) seeks to identify under-utilised land and property which is surplus to operational requirements.

In the disposal of surplus land and property the Trust will continue to collaborate with Local Partners and Government Agency's to explore opportunities for the integration of local services to support improvements in local health, community and social care services, which will be balanced against the requirement to maximise capital receipts to re-invest into improved clinical services and patient care. During 2017/18 the Trust received £4.685m in capital receipts from the disposal of surplus land and properties, which included the disposal of the former Ribbleton Hospital site to Homes England as part of the Government's Accelerated Construction programme, which seeks to secure the delivery of new homes on surplus public sector land.

In 2018/19, the Trust will continue to progress with the disposal of the pipeline of surplus sites and the scope to explore the use of surplus Trust sites to deliver accommodation solutions for Trust staff.

Trinity Project

The annual review of Trinity as has seen some challenging schemes undertaken with considerable cost savings to the Trust with a full year effect for 17/18 being £277k whilst also reducing the metrics' for the estate by 4,207m² in line with the Carter review.

The significant relocations of staff and services into existing LCFT occupied property without taking on additional space have most notably been The Innovation Centre, Blackburn into both Daisyfield Mill and Bridge House, Blackburn and the relocation of services from Saul Street Clinic, Preston to existing Clinics that are both more accessible for patients and providing and improved environment.

Over twenty smaller schemes have also been undertaken of which supports the Trusts financial recovery plan by reducing building costs rather than services.

HSIS will lead relaunched Space Efficiency Management (SEM) programme that will work closely with both the PMO office and Networks to ensure there is a clear, aligned strategy.

Research & Development

The Trust recognises the value of being very research active as a pivotal part in supporting the Trust's quality improvement aspirations and promoting best practice in patient care. There is an increasing weight of evidence suggesting that those Trusts who undertake more clinical research have better clinical outcomes. The Trust's Research & Development department is constantly looking for new opportunities for clinical services, its employees and service users to become increasingly involved in research, which is supported by 'The Research Bug' promotional campaign. The campaign, developed by Trust research Nurses, raises awareness of Trust research activity and of any opportunities for staff and service users to gain an awareness of the Trust's varied research portfolio.

In 2016/17, the Trust was number one in a National Institute for Health Research (NIHR) league table of Care Trusts for volume of research and the third highest Care Trust in number of participants recruited to research studies. In 2017/18, the number of research participants recruited has exceeded our local target and the total that were recruited in 2016/17, with 1,429 recruits in this financial year.

The Trust has participated in a large trial within 2017/18 which has clinical staff wearing anti-slip footwear with an aim of reducing slip incidents during clinical working hours, both in the community and wards. The Trust has also participated in a new portfolio of activity within Eating Disorder and Sexual Health services, with diabetes studies being undertaken for the first time. The Trust has recruited the first UK participant to a nurse led research study, looking at the use of a silver

dressings in venous leg ulcers; the study has already demonstrated an improvement in wounds for participants who have had long standing problems.

The official opening of the National Institute of Health Research (NIHR) Lancashire Clinical Research Facility (CRF); a partnership between the Trust, Lancashire Teaching Hospitals and Lancaster University, was held on 21 November 2017, providing an opportunity to engage with stakeholders about the joint commitment to guarantee that our patients have access to the latest research opportunities. The CRF was nominated as Research Site of the Year in the 2018 North West Coast Research & Innovation Awards.

The Trust has continued to work closely with its academic partners and developed grant bids to major funding streams, particularly for research into mental health interventions, including work with Lancaster University, the University of Manchester and the University of Liverpool.

Trust objectives, strategies and principal risks faced

Lancashire Care NHS Foundation Trust is the major provider of Health and Wellbeing services in the county of Lancashire, specialising but not solely within mental health care, serving approximately 1.5 million people. Our provision also extends beyond the Lancashire county boundaries and services are provided by the Trust in St Helens, Southport & Formby (community services) and South Cumbria (forensic services). In year, the Trust provided prison healthcare in HMP Liverpool, however a strategic decision was taken to give notice on the contract early and the service transitioned over to new providers on 1 April 2018, more information is available about this on page 11.

Trust Vision, Strategy & Priorities

Last year the Board of Directors refreshed the Trust's strategic plan in order to ensure it remains flexible and emergent in response to national policy as well as local changes affecting health and social care. The Trust continues to pursue its ambition to deliver high quality, sustainable services to the people it serves. The Trust's partners from other NHS providers and commissioners, local government and the voluntary sector, have united behind a common purpose of transforming services. This is driven by a shared desire to improve the quality, outcomes and experience for people who use our services, and is being delivered through the Lancashire and South Cumbria Sustainability and Transformation Partnership. The Trust's strategic ambitions, underpinned and delivered through a well-established business planning framework, continue to uphold that quality is its number one priority, with the vision articulating what the quality-led Strategy will achieve by 2022. In addition to the vision, the Trust's strategy comprises six priorities (pictured below) with quality the overarching priority.



The key achievements made against each strategic priority during 2017/18 can be seen overleaf. The Trust's vision is key to delivering on the priorities and acts as an organisational compass, directing the strategic plan.

Key Achievements against Strategic Priorities

<p>To provide high quality services</p> <ul style="list-style-type: none"> The Trust continues to influence the transformation of services across Lancashire, for example, we are leading the transformation of learning disability services We have developed our Quality Plan, which now sets out 16 key priority areas for Trust-wide improvement We have delivered improvements in the quality of our services based on feedback from the people who use them We have adopted Life QI, software that gives us increased clarity of our progress in areas of quality improvement We have established a new forum for our staff in order to support improvement in services, the sharing of good practice, and the development of clinical pathways based on expert knowledge We have invested in senior clinical staff to lead our services We have further improved safety and quality in the delivery of care by reducing our reliance on temporary staff 	<p>To deliver sustainable services that meet the needs of local people</p> <ul style="list-style-type: none"> We were successful in our bid in acquiring national funding to start delivering mental health services to people in hospitals who are experiencing both mental health and physical health problems In relation to perinatal mental health, we were one of only four organisations in the country chosen by NHS England to provide a new mother and baby unit We continue to work closely with other organisations to deliver innovative services that meet the needs of the people of Lancashire, e.g. a service in Chorley is jointly delivering mental health and social care services, and a short-term supported housing service for people with mental health problems has been established with The Home Group We have started to deliver and transform community services in Southport and Formby We have been successful in acquiring a contract to deliver a new integrated musculoskeletal service in collaboration with another Trust and a provider from the private sector 	<p>To become recognised for excellence in services that meet the needs of local people</p> <ul style="list-style-type: none"> Our Stakeholder Engagement Plan explains how we identify other organisations who we will be able to work with most effectively to deliver the best services We have dedicated staff who continue act as a single point of contact with the Trust for GPs, increasing the quality of care provided to patients We have been listed as one of the UK's Top 50 Employers for our work in demonstrating a diverse and inclusive workplace, for the second year in a row We have been recognised by a range of national bodies, including the Health Service Journal and Healthcare Financial Management Association, recognising the quality of our services, and the work we have undertaken in collaboration with partners. Examples include <ul style="list-style-type: none"> One of our Student Health Visitors won the Queen's Award for Outstanding Achievement Pharmacy Team won the International College of mental health Pharmacy award for their Virtual Learning Environment Mental health and Finance won the HFMA Innovation award The Mood on Track Programme won the Psychological Therapies in Secondary Care award with the Acute Therapy Service receiving highly commended in the same category One of the volunteers working for our CAMHS service has won the Volunteer of the Year Award Steward of the Year awarded to one of our physiotherapist by the Chartered Society of Physiotherapy. Our Diabetes Services has won NHS England's award for Diabetes Care, following introduction of a new model for diabetes care
<p>To employ the best people</p> <ul style="list-style-type: none"> We continue to deliver our People Plan, which describes how we develop and support our staff to deliver high quality care We provide strong leadership on joint work within the Sustainability and Transformation Partnership workforce work stream We have underlined our commitment to staff health and wellbeing through the appointment of a Health and Wellbeing Project Lead We have commenced international recruitment to appoint to 'hard to fill' posts We have introduced a range of initiatives to recognise staff achievements We have embedded a values based recruitment approach, which aims to ensure that prospective employee's personal values are aligned to the values we have developed as a Trust We have reduced our reliance on temporary staff We have established strong links with universities to help train people to undertake newly developing roles, as well as maintaining our recruitment to more traditional careers with the Trust We are have signalled our commitment to developing people through our Apprenticeship Programme, and this is now an important part of our overall approach to planning our staffing requirements 	<p>To provide financially sustainable services</p> <ul style="list-style-type: none"> We have substantially reduced our spending on temporary staff Progress has been made in reducing our costs in relation to clinical procurement, and the Trust has been recognised as a national leader within the mental health and community provider setting We have achieved a planned operating turnover of £339m We continue to explore even more efficient ways of working with other health and care organisations so that we can all continue to deliver those services needed by the people of Lancashire The Trust has achieved its control total of £2.1m 	<p>To innovate and exploit technology to transform care</p> <ul style="list-style-type: none"> In recognition of our efforts to use technology to improve the services we offer, we have been nominated to join the <i>Global Digital Exemplar</i> programme as a partner to Berkshire Healthcare NHS Foundation Trust, and this will allow us to increase the speed with which we can develop this work We have increased use of digital technology to support people to better care for themselves We have started to use our new Electronic Patient Record, which aims to support our staff to provide an even better service to patients We continue to trial the use of technology to support older people better manage long-term conditions We continue to partner with Lancashire Teaching Hospitals around clinical research

Principal Strategic Risks

Lancashire Care NHS Foundation Trust has continued to strengthen and sustain the integrated approach to governance and assurance which embeds risk management within systems, processes and culture of the organisation. The Trust operates in a dynamic environment which means that the governance and assurance arrangements need to ensure that there is a process in place to ensure how risks are escalated, reported and managed.

The way that assurance evidence is reported through the Trust's governance meetings has been further improved throughout 2017/18, with an assurance mapping process supporting the management of the Trust's strategic risks. This helps to provide confidence that gaps in assurance are identified where additional assurances can then be commissioned at sub-committee level. This supports the Trust's whole system approach to governance, risk and assurance.

A number of activities have taken place during the year to support the integrated approach to governance, risk and assurance. This includes:

- Integrated risk reporting framework established where strategic risks are supported by operational risk profiles with each strategic risk aligned with a strategic priority. Each strategic risk has a lead Executive Director;
- Alignment of strategic risks to sub-committee meetings within the governance framework supporting how risk is driving the agendas, ensuring the flow of assurance evidence;
- Alignment of network and support service objectives to strategic risks to support assurance against outcome measures and mitigation;
- Alignment of key programmes of work, quality priorities and the Trust's shared objectives to strategic risks to support the mitigation of strategic risks;
- Clinical and Internal Audit Programmes developed from a risk based perspective in alignment in particular with the Trust's strategic risks;
- Review of the Risk Appetite Statement and embedding use of risk appetite into strategic decision making processes;
- Implementation of a quality assurance matrix to support the identification of a rating level to assurance evidence within the corporate governance meetings, reinforcing the strength of assurance which is then reflected on the strategic risks;
- Implementation of Governance and Risk health-checks in networks and support services to assess and strengthen current working practices;
- Development and roll out of risk and assurance training;
- Development of the Risk and Assurance Toolkit to support how people in the organisation understand how their work contributes to the processes in place for risk and assurance.

During 2017/18 the Trust faced a number of strategic risks that formed the Board Assurance Framework (BAF) risk register. This included the application of two risk target scores, one in year and one to be achieved by 2022, in line with the current strategy. The 2017/18 BAF risks are provided within the Annual Governance Statement.

Any Important Events since the End of the Financial Year Affecting the Trust

The Annual Report contains information about important events since the end of the financial year. In April 2018, the Chief Executive notified the Board that she would be stepping down from her role and agreed with the Trust Chair that she would provide twelve months' notice.

Details of any Overseas Operations

The Trust does not undertake any overseas operations.

Going Concern Disclosure

After making enquiries, the Directors have a reasonable expectation that the NHS Foundation Trust has 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.

A handwritten signature in blue ink that reads "Heather L. Tierney-Moore".

Professor Heather Tierney-Moore OBE

Chief Executive

25 May 2018

1.2 Performance Analysis

This section outlines how the Trust measures performance, detailed integrated performance analysis and long term trend analysis.

How the Trust Monitors and Measures Performance

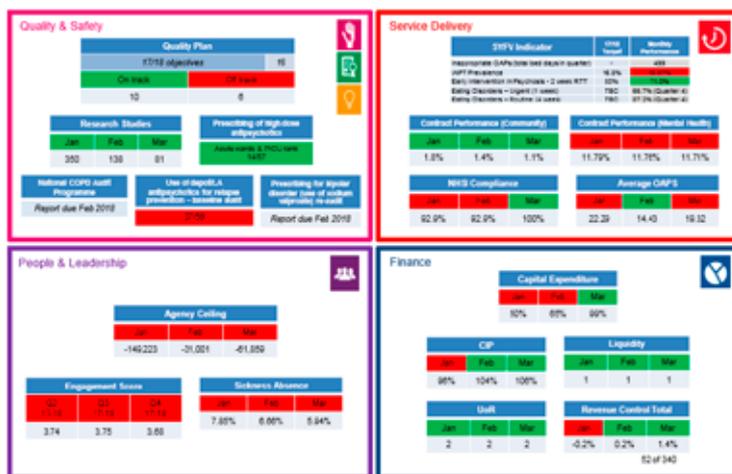
The Trust measures performance against a wide range of indicators that include all NHS Improvement (NHSI) targets as well as contractual targets, CQUIN targets, quality indicators, workforce and financial indicators. A number of internal performance metrics are also monitored.

Performance measures are collated each month into a Performance Report with exception reports included for those measures that are not performing to the required standard. The report is produced in collaboration with the Trusts Clinical Network teams and is scrutinised through the Trust's management and governance structure. The Trust Board receives the report on a monthly basis to allow it to monitor Trust performance at the required level. A covering paper provides the Board with a detailed narrative of key themes, trends and points of triangulation; further enhancing the understanding of performance across the Networks. The narrative provided is presented in the context of the CQC Key Lines of Enquiry.

In addition, a number of key lead indicators are collated into a Board Balanced Score Card (BBSC) which is presented in the introductory section of the Performance Report (the quarter four BBSC is provided below). The Board Balanced Score Card was refreshed and is now presented within the context of the Trust's strategic priorities to enhance the linking and oversight of the key risks to the achievement of those priorities. In accordance with this, the measures against each priority are being reviewed to ensure they illustrate our progress in achievement of our strategic priorities. This will be completed during 2018/19.

The Board receives a separate Quality Report that outlines the achievement of key quality standards and metrics allowing the Board to draw links between performance data, quality data and workforce information. At Network level this triangulation is done through a monthly network review which also includes key risks.

The Trust has also undertaken work to ensure that our internal plans align to national guidance in relation to mental health, principally *Implementing the Five Year Forward View for Mental Health*, as well as dementia and learning disabilities. The requirements of this guidance are aligned, in large part, either to activity in *Delivering The Strategy* programmes of work, or to tracking outcomes via the Quality and Performance Report (QPR). In respect of the QPR, we are also developing measures that will provide assurance that we are delivering against national mental health and learning disability guidance.



Developments in Data & Forecasting

The Trust has continued to embed the use of seasonal activity planning across community services during 2017/18. In addition, activity reporting has been enhanced to measure the degree of complexity and this has been used to inform its activity plans in areas such as the District Nursing service.

The Trust's ability to forecast against its activity plan has also improved through the introduction of live activity forecast reporting that extrapolates current activity to a month and year end position. Additionally, the introduction of Patient Tracking Lists for community services and operational teams now have an improved set of reports to inform effective decision making.

The Trust has been a participant in the second Lord Carter programme for mental health and community Trusts. This builds on the first programme undertaken in Acute Trusts to identify and reduce areas of unwarranted variation as a means of improving efficiency and effectivity. From the learning achieved through participation in the Carter programme, the Trust is using its data in diverse ways to identify opportunities to reduce variation and release clinical time.

Modelling Data

In 2016/17, the Trust initiated a piece of work on bed modelling and used data to better understand bed capacity and demand. In collaboration with experts in the field, the Trust produced a bed model with a number of different scenarios that were presented to Board and to Commissioners. This modelling informed the strategic plan for inpatient mental health services over the coming years and in the implementation of the plan has been initiated in 2017/18, please see section 27 for further information on Out of Area Placements.

The Trust monitors clinical performance through its quality surveillance framework. This consists of Network-level Quality Surveillance Reports produced on a monthly basis and accompanied by live dashboards. Clinical Directors provide narrative to go alongside the reports and the reports are reviewed by the Quality and Safety Sub-committee and Quality Committee. Specific subject surveillance reports and thematic reports are also provided including a mental health law surveillance report, a quarterly serious incident report and a quarterly hearing feedback report. These are all reviewed by the relevant sub-committee. During the year the Trust also introduced a new format Quality Report for the Trust Board which brings together the various surveillance reports and provides the Trust Board with key information and assurance.

Performance during 2017/18

NHS Improvement Indicators

The Trust has performed consistently well through the year and has achieved compliance against all NHSI indicators with the exception of the two week referral to treatment standard in Early Intervention in Psychosis Services. In October 2017, an issue was identified in relation to the interpretation and application of the Standard Operating Procedure for recording of clock start and clock stop dates. The Trust implemented a detailed review of reporting of the indicator and refreshed performance for the whole year resulting in non-compliance against the 50% target for the first three quarters of 2017/18. The review resulted in a series of mandatory recommendations that have now been implemented to address delays in the referral pathway and gaps in resource. In quarter four, the Trust reported achievement of the 50% standard. Further information around this can be found in the Quality Account.

The Trust's reported performance against NHSI performance indicators is shown on page 31.

In 2018/19 a number of amended NHSI performance measures will come into effect as described in the Single Oversight Framework, which are:

- Inappropriate Out of Area Placements (target is zero by 2020/21)
- Data Quality Maturity Index Score (achievement of 95%)

During Quarter four of 2017/18, the Trust has been reporting against these measures in shadow form within the Performance Report.

Contract Activity Baseline Monitoring

Each year the Trust agrees an activity plan for each service line in collaboration with the CCGs. The Trust monitors performance against this plan on a monthly basis and reports the position for each contract to the Commissioners.

For the community contract, which covers the provision of physical health services and children's service, the activity 1% below plan for 2017/18 but within the 10% agreed tolerance with CCGs. The areas where the Trust significantly exceeded its activity plan is within District Nursing and Phlebotomy services. This was offset by children's community services and treatment rooms where significant under-performance was reported.

For the mental health contract, covering the provision of Inpatient and community mental health services, the activity exceeded plan by 11.71% for 2017/18. The areas where the Trust significantly exceeded its activity plan were within Eating Disorders services and the Crisis Response Home Treatment teams; this was offset by CMHTs where under-performance was reported.

The Trust was unsuccessful this year in meeting expected income activity levels for the Sexual Health Services. Challenges with mobilisation in terms of staffing and estates, combined with ambitious income activity projections affected the Services ability to meet income levels. These projections have now been refined for the coming year.

In 2018/19, additional metrics will be reported in service lines that are under or over performing in order to demonstrate the operational impact of the position. For example, in treatment rooms where under performance has been delivered, the Trust has provided additional insight into the impact of this by closely monitoring waiting times for treatment rooms.

Core Skills Training

The Trust has continued to work hard during the year to increase the levels of compliance with staff core skills training, new training modules have been released to replace existing classroom training sessions. The reporting of core skills has seen significant investment with the development of new reports and a pilot to integrate training data within the health roster system. This was one of the areas of improvement noted by the CQC during the re-inspection.

The compliance target has continued to improve during the year and was at 92.11% at the end of March 2018, an increase of 1.6% across the organisation. Despite this progress there remain two hot spots areas which are being closely monitored both centrally and at a network level. This is a decrease from six hot spots in previous year.

More information about core skills can be found in the Quality Account.

Out of Area Placement

Out of Area Placements result when demand for inpatient care exceeds the Trusts available bed capacity and patients are admitted to privately provided placements, which can be out of area.

The Trust has maintained the controls put in place in 2016/17 which have been important in managing and minimising the number of people receiving acute treatment outside the organisation in the face of increasing demand and complexity. In 2017/18 the average number of Out of Area Placements each month was 23.97, with a total of 8,766 bed days used across the year. This is a 19.46% improvement since 2016/17.

During 2017/18, the Trust has implemented a number of initiatives as alternatives to admission, which not only reduces demand on inpatient beds but also provides care that is more closely aligned to patient need. This included the opening of three mental health decision units in Blackpool, Blackburn and Preston and a crisis house in Chorley. Additionally, the Trust has a further crisis house in Burnley, which was opened in April 2018.

An integrated discharge team was established in December 2017 to facilitate timely discharge and therefore improve patient flow. The focus on the integrated discharge team has been on long stay patients, where the discharge is complex and is dependent upon step down of care to appropriate care settings placements. The number of patients with a length of stay of greater than 180 days is monitored as a measure of success.

CQUIN

The Commissioning for Quality and Innovation (CQUIN) framework supports improvements in the quality of services and the creation of new and improved patterns of care. There has been a move from the development of local CQUIN programmes to all of the CQUIN requirements being nationally led.

The table below reflects the CQUIN programme areas:

NHS Staff Health and Wellbeing
Proactive and safe discharge
Children and Young person mental health transition
Wound Care
Physical Health for people with severe mental illness
Improving services for people with mental health needs who present to A&E
Personalised Care and support planning
Preventing ill health by risky behaviours – alcohol and tobacco

During 2017/18, the Trust achieved all but two of the programmes detailed above. The measures of success which proved a challenge this year were:

- those relating to improving staff health and wellbeing with the measure for an element of this CQUIN relating to the staff survey outcomes; and
- the outcome of the National Psychosis audit as a key measure in reflecting physical health care and treatment for people with severe mental illness.

Quality improvement initiatives will continue and be strengthened in the coming year and more information is available within the Quality Report.

Staffing

During 2017/18, a number of initiatives have been implemented to improve recruitment and retention, for example the leavers guide has been updated to include exit interviews, there has been an increase in the notice period from four to six weeks for Band five and six posts and a new Trac recruitment system has been implemented. Clinical networks have attended a number of recruitment fairs and the mental health network have jointly funded a clinical lecturer post at UCLan to increase the connection with the university and improve relationships with students and newly qualified nurses. They have further developed support for new starters with the launch of a fortnightly preceptorship support group to help newly qualified staff consolidate their practice, receive peer support and open a formal communication channel to matrons.

Since August 2017 there has been a reduction in the use of Bank and Agency however some areas continue to require significant numbers of temporary staff. The Executive Director of Nursing and Quality has held focussed sessions with the eight highest spending wards which has provided a good opportunity to develop a shared understanding of any specific issues and have also allowed a discussion around any potential/proposed solutions.

The assessment of risk, mitigation and supporting action plans has a crucial role in maintaining safety; it also strengthens support to staff and patients. Risk assessments related to staffing have been carried out both at organisational level and within the Networks.

During 2017/18, nursing leadership has been strengthened across the organisation with the introduction of an enhanced model of professional leadership. In addition to the improved monitoring and scrutiny of safer staffing that this provides, these Leaders are driving positive improvements for staff and people who use our services. As previously stated, there has been an overall reduction in Bank and Agency use and a good uptake in the use of eRostering. Safety indicators are positive and show an overall increase in harm free care.

Next year, work will be carried out to analyse the current position regarding reported risk including mitigation, action plans in place, review dates and escalation required. There is also a plan for greater triangulation between incidents, staffing issues, red flags and training to understand any action required. There will be further refinement of recruitment and retention plans to include the development of new roles such as Nursing Associates, of which 13 trainees commenced in 2017/18. This will enable the development of plans to further improve safety and quality in the delivery of care to people who use our services.

Financial Performance

2017/18 sees a year end base surplus of £3.4m, rising to £4.8m after adjusting for impairments of £1.5m achieving its financial plans and targets for the year (2016/17 £1.0m deficit including impairments of £1.3m).

The plan was undermined throughout the year by staffing pressures and out of area placements (OAPs) expenditure being in excess of the agreed funding. Additional income and network improvements when combined with recovery actions taken were sufficient to achieve the control total. This allowed the drawdown of core sustainability and transformation funding (STF) to meet plan and triggered further bonuses to improve the final year end position.

Income and Expenditure

Operating Income totalled £345.9m against a comparative of £343.9m for 2016/17. Year on year this represents an increase of c0.6% (0.3% without STF changes).

Patient care remains the Trust's main activity, generating over 92% of the Trust's income (2016/17 92%). The remainder is classed as other operating income, split between income received for the purposes of education, training, research and development 3% (2016/17 3%), and income received for non-patient care services. This other operating income compliments the Trusts overarching objective to provide goods and services for the purposes of the health service in England.

Expenditure totalled £342.6m (£331.1m after impairments), compared with £345.0m (£344.3m after impairments) for 2016/17. Year on year, after adjusting for impairments, this represents an overall decrease of £3.2m (c1%). Given the staffing and OAPs pressures contained within the respective positions this would indicate that otherwise the trust has managed to improve its position within both the imposed efficiency targets and its inflationary pressures. A summary analysis of how the Trust spent its money is included below.

Earnings before interest, tax, depreciation and amortisation (EBITDA)

EBITDA is used as an identifier of an organisation's underlying profitability. The Trust has achieved an EBITDA of £19.5m (2016/17 £14.4m) against a plan of £17.7m (2016/17 £13.3m) showing an improvement both year on year and on plan.

Efficiencies

As with previous years, expenditure was greatly influenced by the need to achieve national targets and implement efficiencies. The Board recognises the importance of delivering recurrent savings and kept the overall programme under close review throughout the year. In 2017/18 the Trust achieved productivity and efficiency savings through its cost improvement programmes (CIPs) of £16.0m exceeding the plan of £15.1m by £0.9m (2016/17 £12.3m against a plan of £12.3m).

Capital Expenditure

Capital spend in 2017/18 was £9.5m and in total broadly in line with the plan of £9.6m. In addition to estates and Infrastructure schemes of £2.8m and IT schemes of £2.6m there has been considerable focus on strategic schemes around Inpatient and Perinatal developments, accounting for £4.1m of overall expenditure, largely in the last quarter of the year. These strategic schemes are both scheduled for completion in 18/19:

- **Inpatient developments**

The inpatient programme is being completed to replace existing dormitory accommodation at Burnley with modernised single bedroom en-suite facilities at Blackburn and Chorley for a total capital cost of circa £8.6m (includes the £5.7m Sustainability and Transformation Plans (STP) funding in 2018/19). The works and service moves complete in autumn 2018.

- **Perinatal development**

The Perinatal Scheme was supported by NHS England for Department of Health capital funding of £3.5m (£2.5m in 17/18, £1.0m 2018/19) to create a new 8-bed mental health inpatient mother and baby facility to serve Lancashire and Cumbria. The works and service moves complete late summer 2018.

Revaluation

The annual revaluation of the Trust estate resulted in a significant increase in net asset value of c£21.5m, which when combined with impairments as a result its own internal reviews resulted in a net increase in the carrying value of its estate of £19.1m, a net increase in revaluation reserve of

£20.6m and an impairment charge of c£1.5m to Income and Expenditure. Together with the revaluation last year this represents an increase in value of over 20% in 2 years.

Cash and Liquidity

Strong balance sheet control is considered essential and liquidity in particular is vital to Foundation Trusts, ensuring both 'going concern' and assisting with the delivery of financial targets.

The Trust maintained a strong cash position throughout 2017/18. Capital plans to diminish this position and consequently reduce Use of Resources (UoR) liquidity from a rating of 1 to a 2 but this has been more than offset with cash generated from asset disposals and external capital funding. As a result of this and some improvements in performance, even with STF monies outstanding, the cash and liquidity position is ahead of plan by c£8.2m and at £19.2m with a UoR liquidity rating of 1 (against a plan of 2) is still considered strong and sufficient to meet planned commitments for 2018/19.

Whilst the opening cash position for next year remains strong, the Trust must still address any underlying performance issues if it is to remain sustainable and achieve its long term goals. Detailed information on the Trust's financial performance can be found in the annual accounts.

Better Payment Practice Code

The Better Payment Practice Code represents best practice and requires the Trust to aim to pay all undisputed invoices by the due date or within 30 days of receipt of goods or a valid invoice, whichever is later. The Trust has achieved the following compliance rates:

<i>BPPC</i>	<i>Non-NHS</i>	<i>NHS</i>
<i>Number</i>	95%	89%
<i>Value</i>	95%	97%

The Private Patient Income Cap (PPI Cap)

The Health and Social Care Act 2012 obliges Foundation Trusts to make sure that the income they receive from providing goods and services for the NHS (their principal purpose) is greater than their income from other sources.

The Trust had no Private Patient Income during the year to 31 March 2018.

Sustainability

The Trust has achieved its planned out-turn for 2017/18 and has a credible plan to achieve its control total in 2018/19. Sustainability will be managed through the Sustainability and Transformation Plans in line with overall 5 year forward view for the NHS and therefore the Directors have a reasonable expectation that the Trust has 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.

NHS Improvement Performance Indicators 2017/18

		Lancashire Care  NHS Foundation Trust				
Indicator	Target	Q1 17-18	Q2 17-18	Q3 17-18	Q4 17-18	YTD
MR01 - 7 Day Follow Up	95.00%	97.1%	96.7%	97.5%	97.9%	97.28%
MR02 - CPA Review within 12 Months	95.00%	96.7%	96.4%	96.9%	96.7%	96.66%
MR03 - Mental Health Delayed Transfers of Care	≤ 7.5%	3.2%	2.7%	2.2%	2.0%	2.53%
MR05 - RTT - Consultant Led (Completed Pathway)	95.00%	100.0%	100.0%	99.8%	100.0%	99.94%
MR06 - RTT - Consultant Led (Incomplete Pathway)	92.00%	100.0%	100.0%	99.5%	99.7%	99.80%
MR07 - P Access to Crisis Res. Home Treatment	95.00%	99.8%	100.0%	100.0%	99.8%	99.91%
MR08 - MH Data Completeness - Identifiers	97.00%	99.6%	99.4%	99.4%	99.4%	99.47%
MR09 - MH Data Completeness - Outcomes	50.00%	82.5%	81.4%	82.3%	83.0%	82.29%
MR13 - 2 week wait for Treatment for EIP Programme	50.00%	6.0%	12.6%	28.0%	50.0%	26.18%
MR14 - RTT - IAPT 6 Weeks	75.00%	95.4%	94.4%	94.5%	93.2%	94.43%
MR15 - RTT - IAPT 18 Weeks	95.00%	99.5%	99.4%	99.6%	99.1%	99.38%

1.3 Environmental Impact and Sustainability

The Climate Change Act 2008, sets out legally binding carbon reduction targets for the UK government to achieve, the UK government target is 34% reduction in carbon emissions by 2020 from the 1990 carbon baseline. The NHS is a significant carbon emitter and as such established the NHS Sustainable Development Unit (SDU) in 2008. The SDU is jointly funded by, and accountable to, NHS England and Public Health England. The main aim of the SDU is to support, embed and promote the three elements of sustainable development, social, economic and environmental outcomes throughout the NHS, public health and social care while each individual NHS Trust is encouraged to improve carbon management and the transition towards a low carbon economy in the UK.

The SDU provide support, guidance and standard reporting mechanisms to the NHS, public health and social care. The SDU standard voluntary reporting mechanisms request that NHS organisations report annually on a variety of data sources, allowing for the annual carbon footprint to be calculated and comparisons made. LCFT proactively participate and work in partnership with the SDU to reduce carbon emissions and improve overall sustainability of the Trust. There is a significant amount of data required to make the submission, with the regularity of availability of the data sources outside of the control of the Environmental Manager. The submission is made in arrears and the 2017/18 position on carbon emissions will be available in late 2018.

With the support and guidance from the SDU, the Trust established a baseline year of 2013/14 and a carbon reduction target of 28% by 2020. The Trust is making good progress towards the 2020 carbon reduction target as shown in the table below.

Carbon Emission Reduction progress							
	2013/14 (Baseline)	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Confirmed Figures from SDU	71'140	73'415	64'542	61'572			
Carbon Tonnes Target	71,140	67'583	64'269	61'180	57'624	54'006	51'220
% Change	0%	+ 3%	9.3%	13.5%			
% Target*		5%	10%	14%	19%	24%	28%

**Projected Carbon footprint by the end of 2017/18 reporting period*

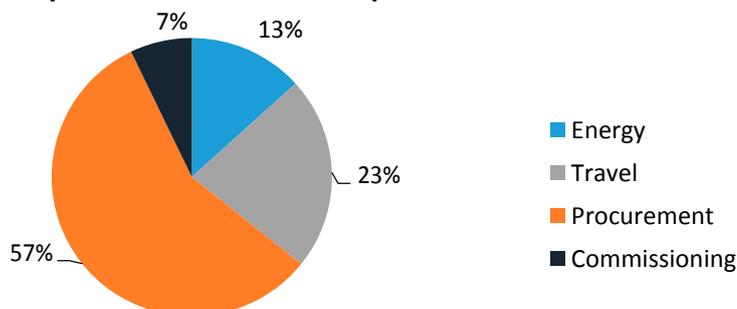
The national Sustainable Development Unit (SDU) have recognised that there have been anomalies, glitches and elements of double counting in their traditional carbon reporting system, to eliminate these errors, the SDU, have redesigned the data submission process. To insure the Trust's carbon submission had been completed without error and in consultation with the SDU the Trust has resubmitted all carbon data for all years from the baseline onwards. The Trust now has a clear accurate assessment of their carbon position. Although there was an unexpected increase in carbon emissions during 2014/15, carbon reduction actions have been taken, resulting in the Trust being on target and making good progress to reduce carbon emissions in all areas of the service. The Trust have been the first organisation in the country to utilise the new SDU reporting criteria putting the Trust in the optimal position for future sustainable reporting and in recognition of the carbon submission have been awarded a certificate of excellence in sustainable reporting.

Work completed in partnership with the SDU highlight that the Trusts overall carbon footprint main contributions derive from four key areas; energy, travel, procurement and commissioning.

Procurement and travel, including visitors travel, have increased in their proportion of Co2 emissions and are the two main key factors within the Trusts results. Importantly procurement and travel are typically high contributors in the sector the most difficult to control or reduce. The Trust is working on a series of projects to reduce carbon emissions from this key procurement area.

The proportion of energy contributing to the carbon footprint has fallen by 5% with commissioning remaining at 7%. Overall the Trust is on target to hit the 2020 carbon reduction target.

Proportions of Carbon Footprint 2017/18



Carbon and Energy Management

Energy consumption accounts for 13% of the carbon footprint; net energy consumption has been reduced from the baseline year, as shown in the table below. The reduction is due to improvements in energy efficiency, building closures and increases in on-site generation technologies such as solar panels and biomass boilers.

Energy Consumption					
Energy	2013/14	2014/15	2015/16	2016/17	2017/18
Electricity (kwh)	6,839,784	6,992,934	7,467,274	7,040,941	
Gas (kwh)	13,222,006	15,022,234	15,132,069	10,354,387	
Bio Mass (kwh)		308,000	751,267	778,886	
Solar Panels (kwh)	3,493	3,551	3,563	3,469	

Energy Efficiency Improvements

Further actions to reduce energy consumption include the installation of Automatic Meter Reading equipment, SMART meters and specific energy management software. Energy management software is intended to provide the Trust with highest level of data accuracy allowing for analysis to highlight consumption patterns and identify areas of savings. The above actions will be coupled with building energy and utility audits that will provide detailed information on where savings can be made for individual Trust buildings.

The Trust is investigating a variety projects to reduce energy consumption and carbon emission including:

- The installation of energy efficient Light Emitting Diode (LED) lighting that will reduce carbon emission and ensure significant financial savings in running and maintenance costs.
- The costs of purchasing 100% renewable energy which will have zero carbon emission and will potentially provide a significant carbon saving.
- The replacement and improvement of existing gas boilers and heating controls and;
- Where economically viable, the installation of Building Energy Management Systems (BEMS).

- Improvements to heating & ventilation of buildings which will not only make carbon and financial savings but also improve the comfort levels for employees and reduce secondary energy costs by reducing the need for additional heating and cooling.

The Trusts Environmental Manager is part of the newly established Energy Strategic Transformational Plan Lancashire Group which was developed as a function to utilise the knowledge and best practice within the group for the benefit of the Trust.

Water

Water consumption and disposal levels have fluctuated with an overall increase since the baseline year, as shown in the table below. However, during this period the costs have fallen due to the re-negotiation of the water contract. The surface water drainage area band charges will be included in the utility audits as this may result in further financial savings.

Travel					
Category	Mode	2014/15	2015/16	2016/17	2017/18
Patient and visitor Travel	miles	24,001,500	19,088,024	19,858,356	
	tCO ₂ e	8,818.85	6,902.91	7,177.02	
Business Travel and fleet	miles	9,028,574	8,795,690	7,885,147	
	tCO ₂ e	3,235.07	3,098.90	2,778.69	
Staff commute	miles	6,461,114	5,837,673	6,376,579	
	tCO ₂ e	2,374.00	2,111.11	2,304.56	

The use of IT communications to reduce travel to meetings and other sites continues to be promoted across the Trust and other projects to reduce the carbon emissions from travel have included:

- The increase in Electric Vehicle Charging Points (EVCP) locations from 7 – 12; and
- The incentives to purchase Ultra Low Emitting Vehicles via the salary sacrifice scheme.

Procurement is the largest contribution to the Trust's carbon footprint and is currently calculated from the NHS SDU modelling as: organisation type, organisation spends, against each products and services within the goods profile. Procurement is the sector most difficult to control or reduce in terms of carbon emissions. Although, the majority of the Trust's procurement comes via NHS Supply Chain who are accredited to ISO 14001 Environmental Management System. Accreditation to ISO 14001 ensures commitment to continual environmental improvements with a strong focus on sustainable procurement. The Trust's Procurement departments are members of the Chartered Institute of Procurement and Supply and part of their membership involves the completion of training focusing on sustainability within supply chains. The tendering process for the Trust's projects requests specific information on sustainability and this can be used as part of the scoring process.

Further Improvements

The projected carbon reductions from the projects listed in the table below, coupled with the actions being taken within travel and procurement, will ensure the Trust will meet their 2020 carbon reduction targets.

Future Carbon Reduction Projects		
Building	Project	Annual Carbon Saving (Tonnes)
Various	Insulate Boiler House	50
Leyland House	LED Lighting	10
Various	Install BEMS	30
Various	LED Lighting	150
Various	EV charging points	5
Various	Boiler Replacement / Reduction	70
The Harbour	Biomass Boiler	150
Sceptre Point & The Guild	PV Solar (Installed)	12
The Guild & The Harbour	PV Solar (Proposed)	50
Various	Building Refurbishments / Improvements	50
6 Sites (Commences 1 st April 2108 subject to financial review)	*100% Renewable Energy Projected to save 2'500	
Various	Building Closures	2,000
Total		2,577

1.4 Social, Community and Human Rights

Equality, Diversity & Inclusion

The Trust is passionate about providing health care and employment that meets the needs of individuals and is accessible for all. This can often mean doing things differently for different people and the Trust is committed to making supportive adjustments, celebrating diversity and challenging prejudice and discrimination when it arises.

The Trust's Equality and Diversity Statement of Intent 2015-2020 has been in place for three years and outlines the Trust's commitment and approach to diversity and inclusion. Regularly updated and fully aligned to the Trust's quality led strategy, the full statement is available on the Trust website. The Statement of Intent takes account of the Human Rights Act (1998) and the FREDA principles (fairness, respect, equality, dignity and autonomy).

Specific equality and diversity training has been provided to over 98% of employees and encourages employees to relate the key principles of the Equality Act (2010) to their own roles. Bespoke training modules are available to support teams with any learning needs they identify. A Top Tips handout is also available to help teams take accountability for becoming more inclusive.

The Trust has a small Equality and Diversity team which provides strategic and operational guidance at organisational, team and individual levels and they are supported by over 100 equality and diversity champions from a range of roles across all networks. Together, they engage with service users, patients, carers, staff and members of the public to improve access to services, reduce health inequalities and get the best from a diverse and inclusive workforce. They facilitate a wide range of activities and these have included:

- Events showcasing best practice – such as on world mental health day
- Providing expert representation and constructive challenge at steering groups
- Sitting on recruitment panels and supporting staff through disciplinary and grievance processes
- Supporting the design team to create an accessible environment for the new perinatal unit
- Telling their personal stories and delivering training and presentations to support and inform colleagues

External engagement is an important factor and the Trust is represented at many events organised by local stakeholders; key highlights including the Trusts Public Health and CAMHS teams presenting about their partnership working at a Lancashire LGBT celebration evening, attending a Hate Crime event at Blackpool Sixth Form College, invitations to One Voice Blackburn's Afternoon Tea and Annual Dinner and joining Deafway at their Annual General Meeting and awareness evening.

The Trust has also been recognised nationally, having been invited to speak at the Global Equality and Diversity Conference on the importance of storytelling when building an inclusive culture, moving up 25 places to number 24 on the Excellence in Diversity Top 50 Inclusive Employers list, retaining Disability Confident and Mindful Employer accreditations and being shortlisted for a number of national diversity and inclusion awards.

Networking at events like these has enabled the Trust to build up strong relationships within local communities and national experts, giving the Trust an invaluable insight into ways that services can be adapted to meet the needs of people with personal characteristics protected by the Equality Act 2010.

Social Value

The Trust has many teams and services adding social value, but had not previously measured or reported the social value impact in a co-ordinated way. For year 2016/17, Social Value was reported via a narrative demonstrating the social value the Trust added to its communities to the Finance & Performance Committee. A plan commenced in 2017 to make the way LCFT demonstrates social value in the future more robust with an aim to be able to demonstrate a co-ordinated, strategic approach to recording, reporting and demonstrating social value, with a single clear vision that teams and services feel they have ownership of. Reporting will be robust, qualitative and quantitative and in 17/18 this reporting was improved through a more proactive approach to recording existing social value.

Just one example of social value provided by the Trust relates to its smoking cessation services. Smokers take 33 more hours off sick per year than a non-smoker. Between April 2016 and April 2017 the Quit Squad helped 9,000 people to stop smoking. As 73% of the adult population is in employment (ONS), the Quit Squad saved 216,810 hours lost to sickness (or 29,000 sick days) and its consequent costs and disruptions.

According to the anti-smoking charity ASH, about 10 million people in the UK smoke cigarettes. Fullfacts.org estimate the cost to the NHS of smoking is £6bn per year. This equates to £600 per smoker per year. Based on the Quit Squad helping 9,000 people to stop smoking, this equates to a saving to the NHS of £5.4m.

Recruitment

The Trust recognises that encouraging applicants from the widest possible pool enables the recruitment of the best possible talent and that a diverse workforce is proven to be more effective, flexible, creative and productive. The Trust's Employment Services team has conducted an in depth equality impact assessment of its activity and implemented a number of improvements to make recruitment and selection documentation and processes more accessible. These have included adding details about how transsexual applicants can be supported through the recruitment process, training young service users to get involved in selecting staff that will be delivering their services and implementing a new computer system to further enhance the quality of equality monitoring data. The team have also worked hard to make sure that recruitment marketing materials feature inclusive language and imagery. Additionally; work is planned to improve the experiences of deaf applicants and to make recruitment panels more diverse. More information about the work of the Employment Services team can be found on page 70.

Recognising Success

The Trust monitors success against the aims outlined in the Equality and Diversity Statement of Intent and one of the methods it uses to do that is NHS England's Equality Delivery System (EDS2). Lancashire Care prioritises one of the EDS2 goals each year and in this reporting year; the area of focus was Goal 1; Better Health Outcomes. The outcomes associated with this goal are:

- 1.1 Services are commissioned, procured, designed and delivered to meet the health needs of local communities
- 1.2 Individual people's health needs are assessed and met in appropriate and effective ways
- 1.3 Transitions from one service to another, for people on care pathways, are made smoothly with everyone well-informed
- 1.4 When people use NHS services their safety is prioritised and they are free from mistakes, mistreatment and abuse
- 1.5 Screening, vaccination and other health promotion services reach and benefit all local communities

Progress against this goal is measured through regular involvement of key stakeholders in internal and external scrutiny events, including the Trusts annual equality and diversity conference which took place in November, bringing together service users, staff, community members and partner agencies to celebrate difference and review Lancashire Care's performance in relation to diversity and inclusion.

The 2017 conference was perhaps the most inclusive ever and great care was taken to make it as accessible as possible. For the first time, British Sign Language (BSL) interpreters were provided for the full day and we were pleased to welcome a number of people from the local Deaf community who would otherwise have been excluded. As a result of a thorough equality impact assessment in advance of the event, around 100 delegates were accommodated and able to share personal experience across a wide range of areas relating to their personal diversity as well as to learn from one another and the invited speakers who were a mixture external guests and staff showcasing work and telling their individual stories.

The Trust received an overall EDS2 rating of 'achieving', with over 75% of ratings considering the Trust is 'achieving' or 'excelling' in relation to Better Health Outcomes.

All five outcomes of Goal 1 were rated as 'achieving' and above which is an improvement from the last time the Goal was reviewed in 2014 when 1.1 and 1.3 were both awarded a 'developing' rating.

[Workforce Race Equality Standards \(WRES\)](#)

The Trust recognises that improvements in race equality are likely to be replicated in other areas of diversity and inclusion and in 2017, has devoted time and energy to gaining a deeper insight into the experiences of black, Asian and minority ethnic (BAME) staff.

One of the approaches taken by the Trust has been to ask people directly to contribute to a project called Untapped Talent; this project gave staff the opportunity to share their stories through an anonymous questionnaire, 121 conversations with senior managers or the project team or in small workshop groups which took place over a variety of sites.

Learning from the project has been used to inform the WRES action plan which is published on the Trust website alongside the full 2017 WRES report and narrative analysis.

Opening up a dialogue with BAME staff has increased engagement and a race equality working group has been set up to share learning and set priorities for future activity. At the most recent equality and diversity champion's event, around a third of attendees were BAME employees and there appears to be a renewed confidence that improvements can be achieved.

In fact, in 2017, the Trust did see an improvement in its BAME staff representation with an increase to 8.12%. This can be compared with the most recent Lancashire census information which suggests that just 5.3% of the working age population is made up of BAME people. The Trust also performed highly in relation to the indicator focused on recruitment, significantly reducing the gap between BAME and white staff applicants.

Despite this positive position, the Trust realises that there is more to be done, particularly in improving the experiences of Muslim employees at work, supporting the progression of BAME staff to more senior roles in the organisation and removing inherent bias in processes.

A snapshot of other activity undertaken in this reporting year has included:

- Promotion of development opportunities such as the Trust coaching programme and Raising Concerns Advocate role to BAME staff
- Partnership working with One Voice Blackburn to provide insight into South Asian heritage communities
- Participation in, and learning from the “I’m not a Muslim but I’ll fast for one day” project
- Equality impact assessment of the Trust’s Raising Concerns process
- Producing guidance for managers on supporting staff during Ramadan
- Improvements to quality of equality monitoring data in relation to recruitment and non-mandatory training records
- Equality and Diversity Champions development sessions on challenging prejudice and discrimination

Accessible Information Standards (AIS)

The Accessible Information Standards are designed to ensure that people can understand and make informed decisions about their healthcare no matter what communication needs they may have. People should have access to information in a format they can understand and be provided with any communication support they need. The Trust has strengthened its understanding of specific communication requirements by engaging with local third sector and community groups such as Deafway and Lancashire Visually Impaired Forum. Learning from these organisations has been used to inform activity such as:

- Designing and delivering a face to face training package to increase staff understanding of the standards and how to meet them
- Improving the provision of British Sign Language (BSL) interpreters – both quality and availability
- Updating the accessible communication toolkit which provides staff with guidance and information
- Producing Top Tips for Holding Inclusive Events handout
- Promoting local support organisations to staff and patients/service users
- Reviewing process around access to Easyread imagery
- Developing a programme of work with Deafway about how to better support Deaf patients, service users and staff

Anti-Bribery

The Trust has a clear Anti-Fraud, Bribery and Corruption Policy which is available to all staff on the Trust intranet site. The policy was published in September 2015 and updated in April 2017. The policy is completed in conjunction with MIAA, the Trust’s internal auditors. No issues of have been identified as occurring at the Trust.

2. Accountability Report

The Accountability Report has been prepared under direction issued by NHS Improvement, the independent regulator for Foundation Trusts. The Accountability Report comprises the following individual reports:

- Directors' Report
- Remuneration Report
- Staff Report
- Disclosures set out in the NHS Foundation Trust Code of Governance
- NHS Improvement's Single Oversight Framework
- Modern Slavery Act 2015
- Statement of Accounting Officers Responsibilities
- Annual Governance Statement



Professor Heather Tierney-Moore

Chief Executive

25 May 2018

3. Directors' Report

The Directors' Report has been prepared under direction issued by NHS Improvement, the independent regulator for foundation trusts, as required by Schedule 7 paragraph 26 of the NHS Act 2006 and in accordance with:

- Sections 415, 416 and 418 of the Companies Act 2006 (section 415(4) and (5) and section 418(5) and (6) do not apply to NHS Foundation Trusts);
- Regulation 10 and Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 ("the Regulations");
- Additional disclosures required by the FReM;
- The NHS Foundation Trust Annual Reporting Manual 2016/17 (FT ARM); and
- Additional disclosures required by NHS Improvement

Further details of the areas included in this statement can be found on the Trust's website: www.lancashirecare.nhs.uk

Foundation Trust Directors

The names of individuals who were Directors of the Trust during the financial year can be found on page 90, alongside the name of the Trust Chair, Deputy Chairperson and Chief Executive. Further information about the Board of Directors can be found from page 90.

Register of Interests, Company Directorships & Significant Interests of Directors and Governors

The Trust has a Standards of Business Conduct Procedure in place which requires all staff, including Directors and Governors, to declare details of any company directorships or any other significant interests. Interests held by Directors or Governors which may conflict with their role responsibilities are detailed in a Register of Interests. The register is maintained by the Trust and is reviewed annually by the Corporate Governance & Compliance Sub-Committee.

The Trust has a well embedded meeting procedure requiring all attendees to declare any conflict of interest at every meeting; any interests which are raised are recorded within the meeting minutes. Depending on the nature of the interest, meeting attendees may be asked to leave the meeting for relevant agenda items.

The Trust has reviewed its procedure for declarations of interest to incorporate the new guidance on conflicts of interest introduced by NHS England and has developing an online system for declarations of interest to enhance the framework of controls in place and allow for a more robust monitoring procedure. The system that will administer the respective registers in a robust and efficient way and to both reduce the requirement for an individual to administer this service and to ensure the process for staff completing declarations is accessible and readily available online.

Statement of Income

The Trust confirms that the income it receives for the provision of goods and services for the purposes of the health service in England exceeds its income from the provision of goods and services for any other purposes.

Income from activities accounts for over 92% of the Trust's income. The remainder is classed as operating income; split between income received for the purposes of education, training, research and development and income received for non-patient care services. This other operating income compliments the Trusts overarching objective to provide goods and services for the purposes of the health service in England.

Statement of Compliance with the Cost Allocation and Charging Guidance issued by HM Treasury

The Trust remains compliant with cost allocations and charging requirements laid down by HM Treasury and the Office of Public Sector Information Guidance.

Details of Any Political Donations

During the year 2016/17 the Trust neither gave nor received any political donations.

Better Payment Practice Code Statement and Late Payment of Commercial Debts (interest) Act 1998

The Better Payment Practice Code (BBPC) requires the Trust to pay all valid non- NHS invoices by the due date or within 30 days of receipt of goods or a valid invoice, whichever is later, unless other payment terms have been agreed with a supplier. The Trust endeavours to pay all smaller non-public sector suppliers within 10 days in order to ease their cash flows.

Legislation is in force which requires Trusts to pay interest to small companies if payment is not made within 30 days (Late Payment of Commercial Debts (interest) Act 1996). Details of compliance with the above are described in note 7 to the accounts.

3.1 Quality Governance

The Trust has well established quality governance arrangements and these are regularly strengthened as part of the continuous approach to quality improvement. The Trust's approach to quality governance is to create an open culture of continuous quality improvement. The continued aspiration is for the Trust culture to be shaped by the collective actions of everyone acting together for success, delivering the Trust vision and, in doing so, providing a world class health service to the people of Lancashire.

Overview of Arrangements in Place to Govern Service Quality



The Trust has continued to embed its vision for **high quality care, in the right place, at the right time, every time**. The Trust refreshed its Strategy last year to ensure delivery of high quality, sustainable services.

The approach to assuring quality and safety in clinical settings has been further strengthened with the development of a framework which builds on initiatives; some of which have been previously tested within the organisation and adapted from other Trusts, of which the CQC have identified as 'outstanding'.

The Trust has continued its commitment to the national Sign up to Safety campaign through the delivery of safety improvement activities detailed in the Quality Plan. These safety improvements were identified through existing quality governance systems and included work on staffing for quality and safety, self-harm, pressure ulcers, violence and aggression and restrictive practices. More detail on the outcome of this work can be found in the Trusts Quality Account.

The Trust is steadfast in striving to achieve a culture of openness and transparency and has a constant desire to learn from mistakes. A rating of good awarded to the Trust in the 'Learning from Mistakes' league table published by NHS Improvement was positive recognition and consequently, work has continued to build on this success.

In particular, the creation of the Investigations and Learning team goes beyond the requirements for duty of candour by actively engaging patients and families in the investigation process and sharing completed investigation reports. Clinical teams are actively involved and supported in the investigation process to retain the focus on learning lessons.

The Trust has worked hard at creating an open culture where staff feel safe and able to raise concerns. Staff can raise concerns through a range of methods including the Speak Up Guardian and "Dear David" through which staff can share concerns directly with the Trust Chair. The outcomes from all concerns are shared across the Trust through the monthly Quality Matters newsletter. The Board level Quality Committee also receives detailed reporting on the themes of concerns and action taken to address them. In support of the 'Speak out Safely' campaign the Trust promotes the importance of 'see something, say something' and incorporates raising concerns into the Trust induction and core skills training programme.

The Trust continually monitors national reports and guidelines to inform changes in quality governance arrangements and actively participates in national consultations to help shape changes in standards.

Evaluation of the Organisations Performance against NHS Improvement Quality Governance Framework

The Trust continued to strengthen its approach to quality governance based on the quality governance guidance from NHS Improvement and in line with the joint well led guidance between NHS Improvement and the Care Quality Commission.

The quality governance framework was reviewed during the year with a new framework planned for implementation in April 2018. The Trust is continually mindful of the NHS Improvement Quality Governance Framework (QGAF) and in 2015 undertook an assessment against the QGAF to inform the commissioning of the Trust's Well Led review undertaken by Deloitte in 2016. The Well Led report itself was very positive and the Trust took the opportunity to strengthen its approach based on some key recommendations from Deloitte. The comprehensive tracking of improvement actions from the CQC and Well Led review monitored the range of activity undertaken to strengthen quality governance. Progress of the improvement and strengthening work was regularly reported to the Board and the Trust maintains an ongoing index of evidence to demonstrate compliance against the quality governance framework. The CQC acknowledged the improvements in quality governance, including those related to the well led domain was given a rating of good by the CQC following the 2016 inspection.

NHS Improvement's well-led framework

The Trust continued to strengthen its approach to quality governance based on the quality governance guidance from NHS Improvement and in line with the joint well-led guidance between NHS Improvement and the Care Quality Commission. Of particular note is the strengthening of the system for quality surveillance by extending team-level dashboards, refining Network-level quality surveillance reports and introducing a new Quality Report for the Trust Board. During the year, a new approach to quality assurance visits was developed and introduced working jointly with lead commissioners. The quality governance framework was reviewed during the year with a new framework planned for implementation during 2018. More information on this can be found within the Quality Account.

Statement of Material Inconsistencies

There are no material inconsistencies identified between the Annual Governance Statement, the annual and quarterly Board statements, the Corporate Governance Statement, the Quality Report and Annual Report, or reports arising from Care Quality Commission reviews of the Trust and subsequent action plans.

3.2 Patient Care

This section highlights key information related to patient care activity which the Trust has continued to strengthen. More detailed information can be found within the Trusts Quality Account.

Developing Services and Improving Patient Care

Fundamental to the success of the Quality Plan is the continuation of the work to ensure a culture of continuous improvement using the QIF methodology and quality improvement tools. The Quality Improvement Framework methodology reflects the Institute for Health Care Improvement's model for improvement. High performing organisations have gradually and intentionally worked towards embedding a culture of continuous improvement. The move to a set of key quality improvement priorities reflected in the quality plan have emerged from common themes emerging from the frontline projects and identifying issues of strategic importance for the Trust. This is enabling a more systematic approach to QI and creating greater readiness for system wide change.

The QIF methodology and menu of tools will be spread across every area of work in both our clinical and support services and this will be underpinned by learning programmes. During 2017/18, the Trust has built on its QI learning programme in partnership with the Advancing Quality Alliance (AQuA) developing a 'Bite Size' learning module as the foundation of the learning portfolio which is supporting people across the organisation to have appropriate levels of knowledge and skill. Teams will continue to be empowered and supported as to how they are using data and listening to feedback from people who use the Trusts services to inform continuous quality improvement. The co-designing of quality improvement initiatives involving service users, families, carers and Trust staff is the foundation of the Trusts approach to quality improvement.

Performance against Key Health Care Targets

The Quality and Safety surveillance reporting framework provides regular assurance data against quality and safety indicators and the Quality Plan for 2017/18 reflects the 16 key priority areas for Trust-wide improvement. Progress made against each of the priorities is reflected with in the Quality Improvement tool live QI, which has enabled Quality Improvement activity to be tracked and the measurement of the impact. The priorities reflected within the Quality Account have shown to have progressed well throughout the year across the domains of safety, effectiveness, experience and well-led. Additional detail surrounding this can be found in the Trusts Quality Account.

Care Quality Commission Inspection & Monitoring Improvements in Quality of Care

The Trust is registered with and regulated by the Care Quality Commission (CQC) for the provision of a range of health and care services. The Trust was inspected by the CQC three times during the last year.

The first, concerned an inspection of the healthcare service at HMP Liverpool during September 2017, whereby two Requirement Notices were issued to highlight areas for improvement. The CQC does not issue ratings for prison healthcare services. The CQC also undertook an unannounced focused inspection of mental health crisis services and health based places of safety in December 2017. The inspection specifically focused on the application of Section 136 of the mental health Act. A Requirement Notice was issued to highlight areas for improvement.

The Trust was inspected during January and February of 2018. This planned inspection was part of the rolling programme of inspections by the regulator and consisted of a focused inspection of core services and a well-led inspection.

The ratings given to the Trust following this inspection was published in May 2018 and is as follows:

	Safe	Effective	Caring	Responsive	Well-led	Overall
Community	Requires improvement →← May 2018	Good ↑ May 2018	Good →← May 2018	Good →← May 2018	Good ↑ May 2018	Good ↑ May 2018
Mental health	Requires improvement →← May 2018	Requires improvement ↓ May 2018	Good →← May 2018	Good →← May 2018	Requires improvement ↓ May 2018	Requires improvement ↓ May 2018
Overall trust	Requires improvement →← May 2018	Requires improvement ↓ May 2018	Good →← May 2018	Good →← May 2018	Requires improvement ↓ May 2018	Requires improvement ↓ May 2018

Having identified issues within services that had already been openly shared with the CQC, the reports confirm the areas that the Trust is already focusing on to make improvements and action already being taken. The Trust recognises that there are some aspects of the well-led domain that need to be addressed at an operational level. At a strategic level the inspection team were assured that Board members have good oversight and understanding of the key priorities, risks and challenges faced by the Trust and had identified actions to address them. More information can be found within the Quality Account.

Local Commissioners Targets and Quality Improvements

All 2017/18 CQUIN indicators have been nationally defined with the aim of driving further improvements in quality and outcomes for patients including reducing health inequalities, encourage collaboration across different providers and improve the working lives of NHS staff. Key priorities reflected in the local CQUIN indicators for 2016/17 for the community and mental health contracts included:

- the development and implementation of innovative models of unscheduled care provision for mental health patients across the Lancashire health economy;
- Closing the Learning Loop using feedback to deliver sustainable quality improvement and sustained learning involving staff and people who use services in creating and introducing improvements to be tested and progressed;
- a focus on Frailty in mental health through a quality improvement project for older adult mental health inpatient services initially working to recognize and target the known predictors of frailty in mental health encompassing the enhanced use of available technology with the aim of increasing and sustaining social inclusion, communication, independence and support;
- Children's Integrated Therapy and Nursing Services (CITNS) have reviewed care pathways focusing on implementing the outcomes;
- framework and the associated data collection sharing short case studies to illustrate the difference the new pathways are making for children and their families; and
- a focus on frailty in physical health and wellbeing targeting those who are at risk of or identified as frail. The programme involves the implementation of an assessment and intervention programme to support the maintenance of mobility and wellbeing measuring clinical outcomes and outcomes reported by people who use the service.

For further details on the outcomes of the targets and achievement of quality improvements, please refer to the Quality Account.

Delivering the Strategy: new or significantly revised services

The DTS programme continues to work towards linking programmes to the Five Year Sustainability and Transformation plan, in line with best practice including the findings of the Carter report as they relate to the Trust's business and Five Year Forward View 2016/17 – 2020/21, improving patient experience and outcomes whilst reducing cost.

Within 2018/19, the DTS programmes have been thoroughly reviewed and will include two new portfolios in addition to the existing network transformational programmes. The first of these new programmes aims to optimise business development opportunities and new models of care, the second uses existing internal and external information including benchmarking, SLR and builds on Carter methodology to identify productivity opportunities. The portfolios continue to focus on a smaller number of significant transformational programmes that align the organisation to the STP and LDPs and also reflect specific areas of work related to the strategy refresh.

The Business Development & Transformation Group governs the addition or removal of schemes in DTS, including approving new projects as identified through the use of resources programme. This will ensure that DTS Programmes and resources going forward, are focused on delivery or large scale transformational work and that will achieve financial, qualitative and operational benefits once complete.

In order to support the Trust's financial stability, the cost improvement challenge will be allocated across the whole DTS programme including network and corporate tactical cost improvement and cost reduction schemes.

The Trust has been awarded the contract to build and develop a new Perinatal Mental Health Mother and Baby Unit and associated Perinatal clinical services here in the North West. The unit is currently under construction and is scheduled to be complete in late summer 2018. The unit will contain eight beds which will facilitate the treatment of women suffering from postpartum psychosis and bipolar disorder in the perinatal period. The unit will also provide an outreach service into the communities in Lancashire and Cumbria to ensure timely discharge from the unit and help with admission avoidance.

The co-location of Universal Service teams and administration support into four children's centres across Blackburn with Darwen is another area in which a change of working practices has supported service redesign enabling co-location.

The Trusts My Place ecotherapy partnership established in 2017 with Lancashire Wildlife Trust has grown to include the establishing of a number of Myplace ecotherapy hubs. More information around this can be seen on page 52.

Following successful mobilisation of Southport and Formby Community Services in May 2017, significant transformation has continued with benefits to patients realised across the community service provision. Since becoming the provider the Trust has worked alongside partners to further develop and improve the offer to patients in the area.

A working partnership with the Sefton Council of Volunteer services and GPs has been established and this is improving the provision of health and wellbeing advice. An initial pilot delivered saw 38 patients benefitting from the holistic approach employed with signposting to various agencies including Social Services and Citizens Advice. This work has also allowed LCFT community staff to

employ an effective method to step down patients and free up clinical time to focus on new and more seriously ill patients.

To further embed a working model, a second cohort is currently under way with five GP practices in the locality taking part. The pilot lasted for four months over the winter period and has been able to further integrate LCFT District Nurse & Community Matrons as part of a weekly MDT conversation with the CVS.

The benefits of the partnership for LCFT are now clearly showing support of nurse caseload reduction and better integrated working with the voluntary sector. Patients who community teams could not help traditionally are now benefiting from referral to local community agencies who are able to support them with activities and contact to allow them to stay well and improve their wellbeing.

Working with Healthwatch has enabled the Trust to engage with patients in the area via older people's forums, visually impaired groups, Alzheimer's Society Memory Cafes and the Healthwatch Champions network. The model enables the Trust to meet with groups of patients and individuals and listen to the experiences that they have about our services. During 2018 this was further developed with specific services going out to meet patient groups. This allows real time updates on service provision, a faster response to feedback and is serving to improve relationships with patients.

The Integrated Discharge project works collaboratively to design and implement a collaborative model for mental health services for all ages, to better manage end to end pathways and deliver care in the least restrictive and appropriate settings. This enables the Trust to deliver financial and efficiency benefits, whilst delivering better outcomes and patient experience. The Integrated Discharge team takes responsibility for managing the whole care pathway, improving outcomes and reducing unwarranted variation; additional to this a streamlined Learning Disability and Autism, CAMHs and Secure services improve the care pathway, outcomes and experience. The model allows all referrals for rehabilitation placements to go through a single point of access and be assessed for suitability into the range of locally commissioned rehabilitation services; this is led by the Integrated Discharge team who provide the assessments to support this identified discharge pathway.

The Trust has developed a proposal to deliver a mental health care model that bridges primary and secondary care services. The Trust is seeking to improve adult care pathways and at the same time address the need for greater integration of service provision, proposing that this must be a 'locality focused' model of delivery which "meets" or matches with the concept of neighbourhoods across the wider patch.

The Trusts aim is to improve our adult care pathways and at the same time address the need for greater integration of service provision and we propose that this must be a "locality focused" model of delivery which 'meets' or matches with the concept of neighbourhoods across the wider patch. The Trust can achieve this by:

- Supporting people to receive the best services according to need at the point of entry, with service users accessing a range of secondary care mental health services within a more integrated platform in localised settings
- Providing integration that is underpinned by the development of a Primary Care locality focused model of service delivery
- Working more closely through the development of closer working relationships between

clinical staff in primary care and secondary mental health care

- Having a 'Link Practitioners' identified for each General Practice
- Adopting an 'Easy in, Easy out' culture

Benefits include:

- More integrated provision of physical and mental health support
- Closer to home care in a less stigmatised setting
- Support to GPs in managing patients with complex mental health needs
- Physical health support for people with serious mental illness and mental health support for people with physical health problems

The mental health model is due to become live in July 2018.

An exciting development which marks an evolution in how care is delivered within the community is an accommodation-based crisis service for Lancashire which is delivered by Richmond Fellowship, working closely alongside the Trust. The Trust provides two crisis houses; in Burnley and in Chorley. The service provides specialist, therapeutic support to people who are in crisis with 24/7 referral access via the Crisis Resolution & Home Treatment teams. It is available for people to stay for a maximum of seven nights with support available to people 24-hours per day, every day of the year, using a co-produced, person-centred recovery approach, working closely with clinical teams. The crisis house contributes to the Mental Health Crisis Care Concordat and offers individuals using the service a personalised programme of support that is safe and recovery-focused.

From 1 August 2018, the Trust will be delivering a new service that will help improve the health of people with rheumatic and musculoskeletal disorders in central Lancashire with a focus on prevention and early intervention. The Integrated Musculoskeletal (iMSK) Service has been commissioned by Greater Preston CCG and Chorley & South Ribble CCG. The service seeks to improve outcomes and experience, reduce variation for people who have problems with their muscles or joints using guidance, education and new technology, and includes teams that will be able to deal with community physiotherapy, rheumatology, musculoskeletal issues, chronic fatigue and persistent pain.

The Trust will deliver the service in partnership with Lancashire Teaching Hospitals NHS Trust, Ascenti, an independent provider of physiotherapy services, and Trainer Rx, an online rehabilitation and recovery program that enables people with musculoskeletal injuries to understand their condition and how to manage it.

[Service Improvements Following Feedback and Care Quality Commission Reports](#)

A key principle of the Trust's vision is to listen to feedback in order to learn and improve quality as well as celebrate success and good practice. Feedback is welcomed and there are a number of ways in which feedback is collected. The Friends & Family Test is a key function utilised by the Trust to understand how patients experience Trust services. The Trust has been collecting Friends and Family Test feedback in line with the national guidelines since January 2015. People can also provide feedback at any time via the Trust website.

The opportunity to feedback is offered to all and people are asked about their experiences in relation to involvement in care planning, courtesy and respect, access to staff, confidence in future treatment by the team, the best aspects of care and ideas for improvement. Further information

about how the Trust has used feedback to drive improvements can be found in the Trusts Quality Account.

The Trust has a robust system for the receipt of inspection reports, development of improvement plans and tracking of action delivery for all CQC inspections including Mental Health Act Monitoring Visits. The same process is applied to the Quality Assurance Visits undertaken jointly with lead commissioners and Enter and View Visits from Health watch.

Improvements in Patient/Carer Information

The Trust continues to work closely with service users, families and carers to improve experiences and to ensure that feedback is heard, people are involved in their care and that they are always well informed. This includes working with partner organisations to support carers. The Trusts external website includes a range of information about services complemented by a range of advice and information leaflets.

Following the Trusts successful Quality Improvement conference in 2017, it is hosting a second conference in May 2018. The conference will support the development of an interactive web based 'Quality Story' which will complement the Quality Account providing an easily accessible summary. The full version of the Quality Account is made available on the Trust internet site and is also presented to the Council of Governors and Trust members at the Annual Members' Meeting.

Information on Complaints Handling

The Trust continually strives to ensure that the voices of people who use services and those close to them are heard. Over the past 12 months the Trust Hearing Feedback team has piloted and tested a number of quality improvements in the way in which the Trust listens and responds to people sharing their experiences of care. These include a 'case management approach' which facilitates a person centred, timely and supportive process for people who wish to feed back about services. This development has improved compliance with timeframes and complainant satisfaction with the response.

In addition, the Trust has been looking to widen access and is currently testing a co-designed leaflet and form with people using the learning disabilities services. Further development has also been undertaken on the programme of development for staff undertaking reviews into feedback and this will be tested in the coming months.

The table below details the number of compliments, complaints and comments received during the year. There has been a slight increase in the number of complaints as a result of the engagement outlined above.

A range of reporting and assurance tools are being tested across the Trust to ensure that teams and senior leaders have insight into what is being understood from the feedback. These include weekly bulletins which are complimented by comprehensive 'Hearing Feedback for Quality Improvement' reports developed on a quarterly basis. This is allowing better informed decisions to be made based on a wider range of data. The 'Hearing Feedback for Quality Improvement' reports reflect the range of feedback received and the ways in which feedback is informing quality improvements across the Trust. The report is shared with the Hearing Feedback Steering Group, the Quality & Safety Sub-Committee and with lead commissioners as part of the quality contract.

	2017/18	2016/17
Number of Compliments	8,190	8,698
Number of Complaints	1,554	1,388
Number of Comments	65	25
Enquiries from General Practitioners	10	10
Enquiries from Members of Parliament	106	119

Top themes arising from complaints were:

- Access to treatment (377)
- Communication (270)

The roll out of case management over the next twelve months will further improve the theming of feedback so that it better informs the Trust's understanding of what matters most to people using services. Targeted work with teams is ongoing to support local issues and themes as they are becoming apparent which ensures we are seeing improvements at the point of care.

3.3 Stakeholder Relations

Relationship Management

As NHS organisations and Councils within the Lancashire and South Cumbria health economy increasingly look to work together to improve health and care across the region, building and maintaining strong, effective relationships with commissioners, stakeholders and partners is more essential than ever. Effective relationships help the Trust to drive forward the collaboration and joint working needed to improve patient care and achieve its strategic priorities and support innovative and diverse models of care to be developed for the benefit of patients.

The Trust has invested in maintaining these relationships to enable it to contribute fully to the Healthier Lancashire and South Cumbria Sustainability and Transformation Partnership (STP).

The Trust takes a strategic approach to relationship management, which is led by the Trust's Communications and Engagement team. This ensures that the Trust's programme of communications and engagement activity with stakeholders is purposeful and that engagement activity undertaken by Executives, senior managers and clinicians is aligned and co-ordinated with a focus on 'place'.

By working closely with these stakeholders, the Trust remains well-placed to enhance services for patients, deliver efficiencies and shape the health and social care landscape through which future improvements to patient care will be delivered.

Trust Partnerships to Facilitate Delivery of Improved Healthcare and Development of Services

The Trust works in partnership with a wide range of organisations to plan provide and develop services that meet the needs of patients. As the only health and wellbeing provider for the whole of Lancashire, the Trust develops services involving stakeholders at a local level and has been part of a number of partnership initiatives focusing on delivering high quality care to patients. Three of the Trust's other partnerships were shortlisted in the HSJ Partnership Awards that aim to recognise the best partnerships between the NHS and private sector companies.

MyPlace

MyPlace is an innovative partnership between Lancashire Care and Lancashire Wildlife Trust funded by the Big Lottery Fund, which encourages 1000 young people aged 13-24 years old to explore the environment by offering opportunities to participate in eco-therapy based activities. Ecotherapy is a wide range of activities which are closely aligned to the recognised '5 ways to wellbeing':

- Connect with others
- Be more active
- Take notice
- Keep learning
- Give to others

The project enables young people to develop new skills, increase their self-esteem, build resilience and improve their own self-confidence.

The service was visited by HRH Prince Harry to meet some of the young people involved and see the positive and innovative work the Trust was undertaking. MyPlace helps to contribute to a wide range of national, regional and local priorities ranging from health, economy, sustainability, education, skills, employment, youth and the environment. Just a year on, the project became

highly commended for Partnership Working at the first national, Children and Young People Mental Health (CYPMH) Awards.

Data confirms that between the dates of the 01 January 2016 and 01 March 2018, 355 young people had benefitted or were in the process of benefitting from engaging with the My Place project at the Myplace hubs. Myplace has had referrals from Lancashire Care's services, pupil referral units and local communities.

The positive impact of My Place can be demonstrated by our positive case studies and the finding of a University of Essex report, which was commissioned to:

- Study the mental wellbeing of volunteers on Wildlife Trust projects.
- Collect information from projects across the Wildlife Trusts to evaluate their impact on people's health and wellbeing.

The summary report provided evidence that engaging with nature and the environment provided positive benefits; 95% of participants with low wellbeing at the start reported an improvement in 6 weeks, which increased further over the next 6 weeks. These improvements were greatest for people new to volunteering with The Wildlife Trust and those who had low levels of wellbeing at the start.

Through empowering and encouraging 13 to 24 year olds to get involved in their local green spaces, it is estimated that Myplace activities will bring £120,000 worth of improvements to 120 urban community green spaces.

Myplace is linking with Change Talks and the NHS England Young Carer Health Champion programme to provide a 12 month programme aimed at young carers aged between 16 and 24 years old with the purpose of bringing together young carers from across the country to meet each other, build relationships and to work together. The programme consists of three residential weekends and it is proposed that one of these weekends will be at Brockholes Nature Reserve in Preston, which is one of the My Place Hubs.

[Home View](#)

Home View, an innovative partnership with Home Group, is a 24 hours a day, supported housing service providing short-term accommodation for adults aged between 18-65 with mental health problems who have recently been discharged from hospital. Home Group are working with the Trust to explore new models of community care and support that can improve health and lives, help people to remain in their communities and contribute to the avoidance of hospital admission for people with learning disabilities, autism or both

[Willow House](#)

Working in partnership with Richmond Fellowship, the Trust has established Willow House in Central Lancashire to deliver a 2 year pilot service to provide effective support to people who are in crisis through a range of occupational and social therapeutic approaches. Willow House formally opened for service in May 2017.

Benefits of this partnership include:

- Access to support before Crisis point, in the right place, at the right time providing support early to manage wellbeing and prevent deterioration
- Recovery and staying well, preventing future crisis, recovery focussed support to avoid

escalation and achieve long term sustainable outcomes

- Urgent and emergency access to crisis care, an effective alternative to in-patient admission for people experiencing crisis

Further to this, Richmond Fellowship acquired another house in East Lancashire (Burnley), again in partnership with the Trust. The Crisis House is due to opened in April 2018.

Other partnerships

Subcontract arrangements with East Lancashire Hospitals for Specialist Infant Feeding and Families Health and Wellbeing Consortium an alliance of multiple third sector partners to deliver Specialist Infant Feeding Services to the residents of BwD.

Benefits of this partnership include:

- The continued provision of accredited UNICEF Baby Friendly Initiative Specialist Infant Feeding Service
- Continued increase in number of babies being breastfed – Currently 3 out of four mums in Blackburn with Darwen begin breastfeeding their baby
- Ongoing increase in the amount of 'Welcome to Breastfeed Here' public spaces across Blackburn with Darwen

The Universal Service across Blackburn with Darwen also benefits from a subcontractor arrangement with the Families Health and Wellbeing Consortium to deliver low acuity non clinical interventions for Child Behavioural and Development issues as well as support for isolation and school readiness. Subcontracting arrangements with Queenscourt Hospice have enabled the continuation of palliative care services across Southport and Formby.

Lancashire Care has formalised agreements, supported by memorandums of understanding, with Cheshire and Wirral Partnership NHS Foundation Trust (CWPFT) and MerseyCare NHS Foundation Trust (MCFT). These partnerships have enabled joint planning and closer working relationships to develop that enhance patient care. Specifically, work with CWPFT has been undertaken to re-develop community clinical pathways for people with learning disabilities autism or both who have concurrent needs in relation to forensic, complex physical health, mental health, behaviour that challenges and autism issues. Work with MCFT has ensured that discharge pathways for patients leaving secure hospital provision are more clear and the ongoing care needs of people can be met from community teams. The agreement has also benefited work on wider issues such as workforce and joint planning for future services across the STP area.

Following the Mental Health Five Year Forward View in February 2016 and the 2015 Autumn Government Spending Review, NHS England is established a transformation fund to improve urgent and emergency liaison mental health services for adults in acute hospitals.

A key recommendation within the Five Year Forward View for Mental Health is a suicide prevention strategy. Jointly with Lancashire County Council (LCC); the Trust, in particular the Trusts Medical Director, is a key partner within the suicide prevention oversight group, established by the Lancashire and South Cumbria STP. The Trust provides Lancashire's dedicated wellbeing and mental health Helpline, providing emotional support for those experiencing low mood or distress and useful information for acquaintances.

CORE 24 aims to ensure that all mental health liaison services more effectively manage and meet demand, are fully compliant with the Core 24 standard, and will deliver NICE approved

interventions that are fully integrated into a wider system of care and support for people who use Trust services.

Benefits of this include:

- Reductions in numbers of discharges to institutional care among patients with a mental health diagnosis
- Reductions in numbers of frequent attenders at A&E
- Reductions in numbers of mental health related A&E waiting time breaches

The Core 24 mental health liaison services will act as a single point of contact for all patients (aged 16 or over) in hospital with a diagnosed or suspected mental health condition. Delivered from four sites:

- University Hospitals of Morecambe Bay, at Royal Lancaster Infirmary
- East Lancashire Teaching Hospitals, at Royal Blackburn Hospital
- Blackpool Teaching Hospitals, at Blackpool Victoria Hospital
- Lancashire Teaching Hospitals, at Royal Preston Hospital

The CORE 24 enhanced function went live in April 2018.

[Consultation with Local Groups and Organisations, including the Overview and Scrutiny Committees of Local Authorities Covering the Membership Areas](#)

The Trust maintains strong relationships with the Overview and Scrutiny Committees of Lancashire County Council, Blackpool Council and Blackburn with Darwen Council and is developing a collaborative relationship with Sefton. The Trust takes a proactive approach to managing relationships with these stakeholders and attends meetings or provides briefings as required by members. During 2017/18 Trust representatives attended meetings to discuss items including new inpatient facilities in Chorley and Blackburn and Quality Improvements in Blackpool. In addition to attendances in person, the Trust keeps members informed of developments via regular bulletins and other communication.

Effective relationships exist with local CCGs and opportunities to engage jointly are taken wherever possible. Relationships with local authorities are maintained by Executive representation on health and wellbeing boards and collaborative work on key health and social care initiatives.

Working with mothers who have experience of mental health illnesses is central to the Trust's development of the Perinatal mental health mother and baby unit which will be based in Chorley. The Trust worked closely with a number of mothers in a range of ways including being on the interview panel for the ward manager position, participating in workshops to plan the design and name of the unit and to gather ideas for a community perinatal outreach model, taking part in media interviews, and joining in with engagement events which were held across the health and care system to plan key stages in the development of the unit.

[Any Other Public and Patient Involvement Activities](#)

The Trust's Under 25s sexual health service operates across Lancashire. A comprehensive programme of engagement was delivered with stakeholder groups including GPs, Schools, Pharmacies, Employers and Health professionals. This activity included forums, conferences, events, workshops, Protected Learning Time (PLT) events, individual meetings, surveys and focus

groups. Feedback and engagement received led to improved material, targeted engagement with young people, and adapted marketing analysis.

In August 2017, the Children and Young People's Emotional Wellbeing and Mental Health Transformation Programme Board initiated a project to redesign the Community and Adult Mental Health Service (CAMHS) in Lancashire and South Cumbria in line with THRIVE. Engagement events, workshops, surveys and focus groups took place with statutory and third sector partners to develop the new model including Lancashire and South Cumbria CCGs, GPs, the Local Medical Committee, Schools, other providers, Councils, Brook, Child Action North West, Lancashire LGBT, Service Users and Carers, and Lancashire Constabulary.

Engagement with GPs was crucial to develop how the Mindsmatter service was promoted. Communication methods were adapted to ensure GPs had the correct information that they fed back they needed when referring, including pathway information, access to GP TeamNet and regular waiting list updates. In addition, engagement was also undertaken with other health sites and professionals, Chambers of Commerce and third sector providers.

ChatHealth is an award-winning school nurse messaging service for young people aged 11-19. Engagement with young people helped the Trust develop the promotional material, and engagement with schools via Head teacher Forums, meetings and focus groups with Pastoral Teams, and social media promotion resulted in increased referrals into the service and improved performance data submitted to commissioners.

Since May 2017, the Trust has been working in partnership with Healthwatch Sefton to enable the Trust to deliver patient engagement with various groups and organisations in Southport and Formby. These groups allow for access to numerous members of the public through Older Peoples Forums, Visually Impaired groups, Alzheimer's Society Memory Cafes and through the Healthwatch Champions network.

The model developed with Healthwatch Sefton enabled the Trust to meet with groups of patients and individuals and listen to the experiences that they have about its services. During the Flu clinics that took place in December 2017 in various locations, Healthwatch and the Trust were able to gather 75 separate patient stories that can be used to improve services.

3.4 Statement as to Disclosure to Auditors

Each of the individuals who are Directors at the date of approval of this report confirms that:

- They consider the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for stakeholders to assess the NHS Foundation Trust's performance, business model and strategy;
- So far as the Director is aware, there is no relevant audit information of which the NHS Foundation Trust's auditor is unaware; and
- The Director has taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the NHS Foundation Trust's auditors are aware of that information.

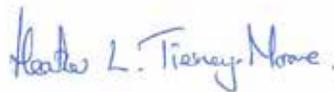
This confirmation is given and should be interpreted in accordance with the UK Corporate Governance Code 2012, para. C.1.1.

This confirmation is given and should be interpreted in accordance with the provisions of s415-s418 of the Companies Act 2006.

For and on behalf of the Board:



Mr David Eva
Chair
25 May 2018



Professor Heather Tierney-Moore OBE
Chief Executive
25 May 2018

3.5 Income Disclosures as Required by Section 43(2A) of the NHS Act 2006

The Trust confirms that the income it receives for the provision of goods and services for the purposes of the health service in England exceeds its income from the provision of goods and services for any other purposes.

Income from activities accounts for over 92% of the Trust's income. The remainder is all classed as operating income, split between income received for the purposes of education, training, research and development and income received for non-patient care services. This other operating income compliments the Trusts overarching objective to provide goods and services for the purposes of the health service in England.

3.6 Statement of Directors' Responsibility in Preparing the Financial Statements

Each of the people who are Directors at the date of approval of this report confirms that they consider the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for stakeholders to assess the NHS Foundation Trust's performance, business model and strategy.

This confirmation is given and should be interpreted in accordance with the UK Corporate Governance Code 2014, para. C.1.1.

For and on behalf of the Board:



Mr David Eva
Chair
25 May 2018



Professor Heather Tierney-Moore OBE
Chief Executive
25 May 2018

4. Remuneration Report

The Trust has prepared this report in compliance with:

- Sections 420 to 422 of the Companies Act 2006 (section 420(2) and (3), section 421(3) and (4) and section 422(2) and (3) do not apply to NHS Foundation Trusts);
- Regulation 11 and parts 3 and 5 of Schedule 8¹¹ of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410) (“the Regulations”);
- Parts 2 and 4 of Schedule 8 of the Regulations as adopted by NHS Improvement in its NHS Foundation Trust Annual Reporting Manual; and
- Elements of the NHS Foundation Trust Code of Governance.

¹¹ Schedule 8 as substituted by The Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 (SI 2013/1981)



Professor Heather Tierney-Moore OBE

Chief Executive

25 May 2018

4.1 Annual Statement on Remuneration

The Board of Directors Nomination Remuneration Committee is made up of Non-Executive Directors and is responsible for agreeing Executive Director Remuneration packages on an individual basis. During 2017/18, the Nomination Remuneration Committee considered the outcome of the appraisal process and approved the 1% salary uplift with effect from 01 April 2017. This is in line with the guidance issued by NHS Improvement in November 2017.

For 2017/18, the Nomination Remuneration Committee confirmed it was satisfied with steps taken to test that remuneration above £142,500 was reasonable. These steps are set out in the Trust’s Senior Manager Remuneration Policy and include the annual individual salary and performance review for senior managers and external benchmarking.

The Nomination Remuneration Committee also approved changes to Executive Director portfolios following review of the current arrangements and split of Executive responsibilities and considered succession planning for Executives and senior managers. There were no Executive appointments during the reporting period that required oversight of the Board of Directors Nomination Remuneration Committee.

4.2 Senior Managers Remuneration

Executive Directors

The Trust has a Senior Manager Remuneration Policy which applies to all members of the Board, including non-voting members. For the purposes of this Remuneration Report the disclosure of salary and pension entitlements of senior managers will only apply to voting directors.

Component of senior manager remuneration packages	Description of each component
Salary & Fees	<p>In addition to specific operational management responsibility amongst director portfolios, senior managers have annual objectives which are aligned to Trust strategic priorities and operational plan. Fulfilment of objectives supports the salary component of the remuneration packages.</p> <p>Monthly performance reviews are held between the Chief Executive and senior managers to formally review progress and delivery of objectives.</p> <p>The maximum remuneration which could be paid in respect of this component is the full salary as agreed by the Board of Directors Nomination Remuneration Committee.</p>
Taxable Benefits	<p>Taxable benefits paid to senior managers relate to reimbursement of travel expenses and an allowance, or contribution, to a lease car as part of the remuneration package. These benefits are optional.</p>
Annual Performance Related Bonuses	<p>The Trust does not provide Annual Performance Related Bonuses.</p>
Long Term Performance Related Bonuses	<p>The Trust does not provide Long Term Performance Related Bonuses.</p>
All pension related benefits	<p>Pensions related benefits are reported in detail on page 63.</p> <p>Appointments are superannuable under the terms of the NHS Pension Scheme as contained in the 'NHS National Handbook of Terms and Conditions'.</p> <p>Senior managers are entitled to join or continue as a member of the NHS Pension Scheme subject to its terms and rules, which may be amended</p>
Salary Threshold 'Reasonableness' Check	<p>Executive Director salary is weighted against achievement of objectives and the individual director's portfolio.</p> <p>The policy requires external salary benchmarking reviews to take place every five years in order to ascertain senior manager remuneration is reasonable and appropriate. Individual salary review takes place on an annual basis as part of the appraisal process to consider performance.</p>

Non-Executive Directors

Remuneration for Non-Executive Directors is set by the Council of Governors through their Nomination Remuneration Committee and is informed by external benchmarking data and thorough appraisals process (though this is not performance weighted). The Chair and Non-Executive Directors are not employees of the Trust, they are appointed by the Council of Governors to provide leadership, strategic direction and independent scrutiny.

Non-Executive Director remuneration consists of the allowance agreed by the Council of Governors plus travel expenses. The higher allowance paid to Trust Chair and Chair of Audit Committee recognises the additional responsibilities of these roles. There are no other fees or benefits payable to Non-Executive Directors. Full details of the remuneration paid during the year can be seen on page 64. All payments are made through the Trust's payroll arrangements.

[Service Contracts](#)

The Trust has employment contracts in place for all senior managers which include an obligatory notice period of six months. These contracts make specific provision for compliance with the Fit and Proper Persons Requirements.

The Trust can confirm there are no additional obligations contained in senior managers' service contracts that have not previously been disclosed and no obligations which could give rise to, or impact on, remuneration payments or payments for loss of office. Senior manager contracts also contain a general provision for the recovery or withholding of sums paid.

[Policy on Payment for Loss of Office](#)

The setting of notice periods for senior manager contracts is subject to discussion and approval by the Board of Directors Nomination Remuneration Committee. Discretionary payments for loss of office are considered on an individual basis by the Committee and take account of the circumstances surrounding the loss of office and the senior manager's performance. All termination payments are made strictly in accordance with contractual conditions.

Payments for loss of office do not apply to Non-Executive Directors.

[Consideration of Employment Conditions Elsewhere in the Foundation Trust](#)

The employment conditions of all other Trust employees are determined nationally through the Agenda for Change policy agreements on pay and conditions of service for NHS staff. Agenda for Change does not apply to very senior managers and medical staff; terms and conditions for medical staff are set nationally and the Nomination Remuneration Committee are responsible for senior managers remuneration packages.

The Trust does not currently consult with employees in setting the senior managers' remuneration policy but considers the scrutiny applied by independent Non-Executive Directors through the Nomination Remuneration Committee to be an appropriate approach.

4.3 Annual Report on Remuneration

Remuneration Committee

The Trust has a joint Board of Directors Nomination Remuneration Committee which also covers recruitment and appointment of Executive Directors. The membership is made up of all Non-Executive Directors. The Chief Executive, although not a formal member of the Committee, has a standing invitation to attend. The current membership of the Nomination Remuneration Committee and each member's attendance is as follows;

Board Member	Attendance (actual/max)
David Eva (Chair)	2/2
Peter Ballard	1/1
Gwynne Furlong	1/2
Louise Dickinson	2/2
David Curtis	1/2
Isla Wilson	1/2
Julia Possener	2/2

No advice or services have been provided to the Nomination Remuneration Committee during the reporting period that materially assisted the Committee in their consideration of any matter.

Service Contracts

For each senior manager who has served during the year, the date of their service contract and any unexpired term can be found within the table on page 94. The notice period for Executive Directors is six months.

4.4 Expenses and Remuneration Payments

As required by section 156 (1) of the Health and Social Care Act 2012, the following expenses were remunerated to Directors and Governors during 2017/18.

Reporting Group	2017/18			2016/17		
	Total Number in group	Number in receipt of expenses	Travel expenses	Total Number in group	Number in receipt of expenses	Travel expenses
			£'00			£'00
Executive Directors	5	5	40	5	5	34
Chair & Non-Executive Directors	7	7	113	9	7	74
Council of Governors	17	7	17	27	9	27

Salary Entitlements: Executive Directors

(The tables below have been subject to audit review)

Employee Name and Title	Period 1 April 2017 - 31 March 2018						Period 1 April 2016 - 31 March 2017					
	Salary (bands of £5,000)	All Taxable Benefits (nearest £100)	Annual Performance Related Bonus (bands of £5,000)	Long Term Performance Related Bonus (bands of £5,000)	All Pension Related Benefits Increase [^] (bands of £2,500)	Total (bands £5,000)	Salary (bands of £5,000)	All Taxable Benefits (nearest £100)	Annual Performance Related Bonus (bands of £5,000)	Long Term Performance Related bonus (bands of £5,000)	Pension Related Benefits Increase (bands of £2,500)	Total (bands £5,000)
Professor Heather Tierney-Moore Chief Executive (01/04/2017 - 31/03/2018)	205 - 210	6,600	0	0	0	210 - 215	205 - 210	3,600	0	0	0	210 - 215
Professor Max Marshall [*] Medical Director (01/04/2017 - 31/03/2018)	190 - 195	5,900	0	0	0	195 - 200	190 - 195	5,300	0	0	0	195 - 200
Mrs Denise Roach Director of Nursing & Quality (01/04/2017 - 31/03/2018)	140 - 145	200	0	0	70 - 72.5	210 - 215	140 - 145	200	0	122.5 - 125	260 - 265	
Mrs Sue Moore Chief Operating Officer (01/04/2017 - 31/03/2018)	135 - 140	4,400	0	0	87.5 - 90	225 - 230	120 - 125	5,100	0	5 - 7.5	130 - 135	
Mr William Gregory Chief Finance Officer (01/04/2017 - 31/03/2018)	155 - 160	3,400	0	0	85 - 87.5	245 - 250	145 - 150	3,100	0	35 - 37.5	185 - 190	

^{*}The element of the Medical Director's remuneration which relates to their clinical role is £135k - £140k.

[^] Pensions related benefits is a calculation of the increase to the total sum of the individuals accrued pension and lump sum entitlements taking into account an additional year of service and multiplying by a factor of 20 as per the prescribed HMRC method.

Salary Entitlements: Non-Executive Directors

(The tables below have been subject to audit review)

Appointees Name and Title	Period 1 April 2017 - 31 March 2018						Period 1 April 2016 - 31 March 2017					
	Salary (bands of £5,000)	Taxable Benefits (nearest £100)	Annual Performance Related Bonus (bands of £5,000)	Long term Performance Related Bonus (bands of £5,000)	Pension Related Benefits Increase (bands of £2,500)	Total (bands £5,000)	Salary (bands of £5,000)	Taxable Benefits (nearest £100)	Annual Performance Related Bonus (bands of £5,000)	Long Term Performance Related Bonus (bands of £5,000)	Pension Related Benefits Increase (bands of £2,500)	Total (bands £5,000)
Mr David Eva Chair (01/06/2017 – 31/03/2018)	45 - 50	2,500	0	0	0	45 - 50	35 - 40	2,400	0	0	0	40 - 45
Mr Gwynne Furlong Non-Executive Director (01/04/2017 - 31/03/2018)	15 - 20	900	0	0	0	15 - 20	15 - 20	1,100	0	0	0	15 - 20
Ms Isla Wilson Non-Executive Director (01/04/2017 – 31/03/2018)	15 - 20	700	0	0	0	15 - 20	15 - 20	1,700	0	0	0	15 - 20
Mr David Curtis MBE Non-Executive Director (01/04/2017 – 31/03/2018)	15 - 20	2,300	0	0	0	15 - 20	15 - 20	500	0	0	0	15 - 20
Ms Louise Dickinson Non-Executive Director (01/04/2017 – 31/03/2018)	20 - 25	1,000	0	0	0	20 - 25	15 - 20	1,500	0	0	0	20 - 25
Ms Julia Possener Non-Executive Director (01/02/2017 – 31/03/2018)	15 - 20	1,100	0	0	0	15 - 20	0 - 5	100	0	0	0	0 - 5
Mr Peter Ballard Non-Executive Director (01/04/2017 - 30/11/2017)	10 - 15	100	0	0	0	10 - 15	15 - 20	0	0	0	0	15 - 20

Pension Entitlements: Executive Directors

As required under the Companies Act Regulations the details of pension entitlements for Executive Directors are provided below.

Name and Title of Senior Manager	Real Increase in Pension at pension age (Bands of £2,500)	Real Increase in Pension Lump Sum at pension age (Bands of £2,500)	Total Accrued Pension at pension age at 31 March 2017 (Bands of £5,000)	Lump Sum at pension age related to accrued pension at 31 March 2017 (Bands of £5,000)	CETV at 31 March 2017 (Rounded to nearest £1,000)	Real Increase in CETV as funded by employer (Rounded to nearest £1,000)	CETV at 01 April 2016 (Rounded to nearest £1,000)	Employers contribution to stakeholder pension
Mrs Denise Roach* Director of Nursing & Quality	0 - 2.5	2.5 - 5	70 - 75	220 - 225	1,347	45	1,200	0
Mrs Sue Moore Chief Operating Officer	2.5 - 5	5 - 7.5	45 - 50	120 - 125	859	105	747	0
Mr William Gregory Chief Finance Officer	2.5 - 5	2.5 - 5	55 - 60	160 - 165	1,089	115	965	0

*Mrs Denise Roach left the NHS Pension Scheme on 31 July 2017

Professors' Heather Tierney-Moore and Max Marshall have previous years membership of the NHS Pension Scheme and as such will receive pension entitlements in the future. Non-Executive Directors do not receive pensionable remuneration therefore there are 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 accrued benefits and any 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 pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost.

CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries. 'Real Increase in CETV' 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

Reporting bodies are required to disclose the relationship between the remuneration of the highest paid director in their organisation and the median remuneration of the organisation's workforce. The calculation is based on full-time equivalent staff of the Trust at the 31 March 2018 on an annualised basis.

Other Remuneration Disclosure	2017/18 £'000	2016/17 £'000
The highest paid senior manager in the organisation is the Chief Executive, being:	213	206
The median salary of full time Trust staff is:	29	27
The ratio therefore of the highest and the median salary is:	7.3	7.6

During 2017/18 no employees received remuneration in excess of the highest paid Director (2016/17 zero individuals). Remuneration ranged from £6k to £213k (2016/17 £6k to £206k). The ratio between the highest and the median salary has decreased compared with 2016/17.

Remuneration includes salary, other allowances and benefits in kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

Payments for Loss of Office

There have been no payments to individuals who were a senior manager in the current or in a previous financial year, for loss of office during the financial year.

Payments to Past Senior Managers

There have been no payments of money or other assets to any other individual who was not a senior manager during the financial year but has previously, or who has previously been a senior manager at any time.

5. Staff Report



Staff Health & Wellbeing “Always About You”

The Trust continues to recognise that the health and wellbeing of its people is essential in supporting the delivery of high quality care. Our Health and Wellbeing programme ensures that wellbeing is integral to the employment experience, with one of the Trusts quality outcomes stating ‘People are at the heart of everything we do’.

The Trusts Quality Plan outlines the commitment of Lancashire Care NHS Foundation Trust achieving the Workplace Wellbeing Charter, good progress has been made and it is envisaged that accreditation will take place in 2018. Additionally, the People Plan recognises health and wellbeing as a golden thread and its collaborative implementation remains a key focus Trust wide.

The commitment to identify Health and Wellbeing Champions across the Trust has seen numbers increase to over 350. These Champions continue to receive monthly newsletters and promotional information, more recently the focus has been supporting mental wellbeing with mental health days and campaigns such as ‘Time to talk’ generating activity and promotion. A Statement of Intent for Healthy Eating has been developed and disseminated. Ongoing pro-active promotion to support the prevention of workplace stress; initiatives to support the prevention of musculoskeletal issues and a sustained approach to physical activity continue to support the improvement of health and wellbeing of the Trusts people. The Trusts Schwartz Rounds continue receiving consistent feedback on the value and benefit of attending and our pool of trained facilitators continues to grow.

Future ways of working will see Health and Wellbeing reflect leadership and organisational evidence and will thus progress from working at an individual level to developing strategic changes at a larger, Trust level to bring about sustained transformational for the benefit of the organisation and all those working within it.

Much more information on staff health and wellbeing is provided within the Quality Account.

Our People Plan

“Nurturing and developing a culture of high quality, continually improving, compassionate care”

The Trust initiated this work with The King’s Fund in 2015, exploring organisational culture and leadership capability. The work was predicated on an evidence base generated by Professor Michael West (West’s domains of organisational culture in health care, 2013) about the optimal

organisational culture for delivering high quality, continuously improving and compassionate health care. In 2016/17 this developed into the People Plan and was widely shared with staff and service users via 'Big Engage' sessions and an action plan was developed.

The Trust's work in 2017/18 has prioritised the development of a coaching culture which supports compassionate leadership and transformational engagement. We have currently trained three cohorts of internal coaches who will join the NHS North West Leadership Academy's coaching and mentoring hub. These coaches will offer confidential coaching to those who are accessing leadership development, recently promoted to a new role, experiencing challenges or who want to develop confidence, self-efficacy and self-compassion. This will complement other work such as Quality Improvement and team coaching and team development which seeks to empower teams at the point of care to innovate and improve quality and outcomes.

As part of the South Cumbria and Lancashire system, we have been chosen to host for the license for Mary Seacole leadership development programme and are currently engaging with a number of cross sector organisations to identify where best this fits into a wider system leadership development strategy. Aimed at emerging leaders, the Trusts position as a Lancashire wide provider means that The Trust is keen to engage widely with its system to share opportunities and develop leaders at all levels. This will complement the Trusts emerging leadership development offer, and incorporate apprenticeships as it seeks to maximise the levy.

In 2017/18 the Trust focused on network people plans and further engagement identified local support was needed to help to improve integration, culture, morale and engagement, and the Organisational Development (OD) team have provided a number of bespoke team development sessions across all networks to this end. These sessions include the establishment of purpose, team aims and objectives, team dynamics, communication, wellbeing and resilience. The OD team will work more closely with other teams involved in quality improvement, transformation and wellbeing to improve access and navigation of this offer in 2018/19. This will enable greater support service alignment to those areas with the greatest challenges.

The Trust is committed to Talent Management and the Trust has identified a Talent Management lead who is currently part of a North West Development Programme to ensure that we develop approaches for all of its people as well as for critical roles. We are working with the NHS North West Leadership Academy to pilot a Shadow Board concept in 2018/19.

In 2017/18, the Trust developed its engagement and communications plan which aims to develop social learning and social leadership which is intended to make communications and learning more open and accessible.

More information on the People Plan can also be found within the Quality Account.

Analysis of Average Staff Numbers 2017/18

Breakdown of Average Staff Numbers				
Staff Group	Permanent Number	Other Number	2017/18	2016/17
Medical & dental	294	23	317	319
Ambulance staff				
Administration & estates	1,213	61	1,273	1,322
Healthcare assistants and other support staff	967	395	1,362	1,369
Nursing, midwifery and health visiting staff	2,232	114	2,346	2,412
Nursing, midwifery and health visiting learners	17	0	17	17
Scientific, therapeutic and technical staff	977	15	991	1,007
Healthcare science staff	0	0	0	5
Social care staff	39	0	40	50
Other	87	2	89	138
Total Average Number	5,826	610	6,436	6,639

Employee Gender Breakdown

A breakdown of the average number of male and female employees is detailed in the table below.

Group	Male	Female
Executive Directors (including the Chief Executive & non-voting Directors)	3	3
Non-Executive Directors (including the Chair)	3	3
Other Senior Managers	29	67
Employees	1,268	5,269

Staff Costs

Staff Costs	2017/18		2016/17	
	Permanent	Other	Total	Total
	£000	£000	£000	£000
Salaries and wages	201,001	2,287	203,288	203,004
Social security costs	18,006	-	18,006	18,653
Apprenticeship Levy	966	-	966	-
Employer's contributions to NHS pensions	24,712	-	24,712	24,868
Pension cost - other	-	-	-	-
Other post-employment benefits	-	-	-	-
Other employment benefits	-	-	-	-
Termination benefits	-	-	-	-
Temporary staff	-	8,896	8,896	11,352
Total gross staff costs	244,685	11,183	255,868	257,877

Temporary Staffing

The Trust has responded proactively to the ongoing NHS workforce challenges such as difficulties in recruiting clinical posts and use of temporary staff. Our continued values based recruitment programme over the last 12 months has resulted in a 20% increase in the number of shifts filled with bank workers, despite a 17% increase in requests for shifts during the year. The drive to reduce agency usage has continued with a resulting agency fill rate of 8% despite the increase in requests for shifts. Controls and reporting around temporary staffing are in place which allow scrutiny of staffing 'hot spots' and support informed decision making.

The Trust continues to comply with the strengthened NHS Improvement regulations around agency staff usage and minimise breaches of the agency cap. There were no framework breaches during 2017 and minimal above rate cap usage, mostly in HMP Liverpool and West Lancs Community Services.

The Trust has been engaging with managers and bank workers through temporary staffing drop in clinics held in the inpatient units. These have been well received and there are plans to roll out this initiative to community and clerical teams.

Employment Services

The Employment Services Team is proud to have achieved a number of recognition awards for their continued work to attract and retain the best possible talent from a diverse range of applicants. The Trust is extremely proud to have been named on the Excellence in Diversity's Inclusive Top 50 UK Employers list in 2017, for the second year running.

The Team has continued to improve and enhance the recruitment process. The introduction of the Trac recruitment system has given the team a greater overview of the ongoing recruitment and increased visibility for recruiting managers. This enables the Trust to continuously monitor the status of vacancies and provide a more efficient process. The Trac system allows proactive management of the various stages of recruitment. This has successfully resulted in a further decrease in the average time taken to recruit, resulting in the average time to recruit improving from 10.15 weeks in 2016/17 to 8.78 in 2017/18.

The Trust job adverts and descriptions now reflect its values and values are now assessed as part of the selection process. Values based recruitment has been successful in attracting candidates who are able to reflect this within their roles. The Trust delivers regular training on values based recruitment and selection to all recruiting managers, and additionally, has developed its internal resources and values based tool kits that all managers can access.

In April 2017, the Apprenticeship Levy was introduced. The levy will enable the Trust to upskill its workforce in key quality and delivery areas. The Trust has appointed a dedicated project to coordinate the levy spends and maximise its use. Additionally, the Trust has successfully been assigned as an Apprentice Employer Ambassador with an aim to spearhead the drive for apprentices across Lancashire and publicise Lancashire Care as an apprentice employer. Linked to workforce planning developments, the Trusts apprenticeship programmes will continue to keep step with the system wide workforce plans aimed at developing new roles to ensure that it meets the challenges of the Five Year Forward View.

The Trust is working collaboratively with its neighbouring NHS trusts as part of a National Streamlining Programme to reduce the time to recruit from one NHS trust to another in safe and efficient process.

The Trust is committed to providing opportunities for military veterans to obtain employment within the NHS. We have successfully received the Military of Defence Bronze Employer Recognition award and also signed the official pledge for the Step into Health programme. The Trust is looking to raise awareness, share best practice and improve access to employment and is working in partnership with neighbouring trusts and local organisations that work with the armed forces including Community Transition Partnership, NHS Employers and Bay Healthcare Partners. The pledge underpins the Trust's commitment and includes insight days and work experience placements for military personnel to get an understanding of roles within the health service including apprenticeship opportunities.

The Trust continues to utilise social media to promote its vacancies and try to maximise exposure to adverts, including NHS Jobs, The Trust website, Twitter, Facebook and LinkedIn.

The Employment Services Team has created a schedule of collaborative recruitment events with universities, job centres and third sector organisations that the Trust will regularly attend. Alongside this, the Trust engages with local schools and colleges to raise awareness of careers within the NHS and is looking to develop a more formal work experience process. The Trust is now delivering a number of pre-employment programmes for local communities for individuals who are on working age benefits and young people who do not wish to enter full time further education, giving them an opportunity to have insight into NHS careers, gain employment skills and widen their experiences.

[Sickness Absence Data](#)

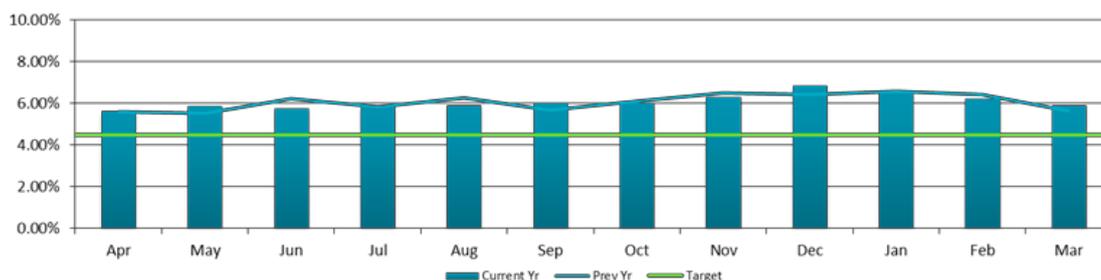
The sickness rate was 5.94% at the end of the 2017/18 operating year. The graph below

presents the monthly sickness absence rates throughout the year shown against the target rate of 4.5%. The 2017/18 sickness absence trend is provided to support comparison of performance.

It is acknowledged that the sickness absence rate for the Trust as a whole has increased and further work is underway to understand and address this trend. The Trust launched its 'Back to Basics' programme in March 2017, which is an 18-24 month programme aimed at achieving a long term sustained improvement through a combination of procedural and cultural change. As part of this programme managers are provided with detailed reports on absence rates and trends for their individual areas of responsibility. Our Human Resources Business Partners also facilitate monthly case discussions with our clinical and operational managers, from which action plans are put in place to support individuals back to work.

In 2017/18, the Trust focused on the reduction of long term cases across the organisation. At the end of the operating year the Trust has seen a significant reduction in the number of absence cases which exceeded 12 months. 2018/19 will focus on short term absence and management of these cases in line with Trust policy. The Trust recognises that a high proportion of absences are due to stress related conditions. It is therefore intended that there will be a focus in 2018/19 on preventing absences due to stress. This will take the form of a Trust wide stress audit and the development of training programmes for managers and staff to assist in recognising and coping with stress both in and out of the workplace. In addition we will strengthen our response internally to support staff who have experienced difficult situations in their clinical practice. It is intended that this work will be done in collaboration with the Trust's clinical services.

Progress against this programme and performance is monitored through the governance structure at People Sub-Committee, Quality Committee and the Board. An important part of managing staff absence is working closely with managers to support and promote health and wellbeing for the whole workforce. The Trust's Human Resources Department has strengthened its oversight of sickness absence management and the Trust's managing attendance policy has recently been through a full review to ensure that staff and line managers are supported to proactively manage attendance.



Staff Policies & Actions Applied During the Year

HR Policies continue to undergo regular reviews and are agreed through consultation with Staff Side colleagues. The process of consultation has strengthened over the last year, adding to the good Trade Union relations enjoyed by the Trust. All HR Management Training has been refreshed to ensure consistency with its policies. As part of the Organisational re-set programme during 2017, HR participated in the 'on-boarding' training sessions for managers appointed into roles.

In addition to the scheduled HR Policy reviews, additional monitoring has been established to ensure their legal compliance and this work will continue through 2018. The policies are accompanied by written guidance and fact-sheets and are easily accessible to managers on-line.

As part of the STP streamlining programme, work has commenced with neighbouring regional Trusts, which aim to bring about more commonality with each other's policies.

Supporting and Communicating with Staff

The Trust has well established methods to promote engagement and communication with staff to ensure they feel connected to the organisation and stay informed of information which is relevant to them in their role. Through 2017/18 we have strengthened our use of a variety of communication mediums including our social media presence.

All staff have access to the Trust's internal intranet site which provides an ever-expanding bank of information in a user friendly way. Trustnet is constantly reviewed to ensure it remains up to date and provides resources to staff such as policies, guidance, factsheets and toolkits. In particular, the e-HR portal and the Knowledge Resource Information System (KRIS) are easily accessible to staff at any time via Trustnet and contain helpful information about the organisation as well as offering specific HR advice and information to support staff.

A range of internal communication channels are in place to provide staff with information and the opportunity to provide feedback. Through the People Plan the Trust has streamlined channels of communication and reviewed the language used to ensure accessibility and understanding by all.

The Chief Executive continues to host a quarterly Engage event for the Trust's senior and aspirant leaders to consider current hot topics, review the performance and delivery of the Trust's strategic plans and cascade information through the organisation. In addition to this; Clinical Networks now host Engage events to continue the thread through to front line services.

During 2017, the Trust introduced a reward and recognition scheme 'Shining Stars' to encourage people to show appreciation which is linked to the Staff Awards. #ThankYouThursday has been introduced supported by the Executive Team to recognise staff for their hardwork.

Recruiting and Supporting Disabled People in Work

The Trust has been awarded a Lancashire LGBT Quality Mark and successfully achieved the Disability Confident Employer for another year. The scheme ensures that inclusive recruitment and workplace practices are in place, including a commitment that all disabled applicants who meet the minimum criteria for a role and who wish to be considered under the scheme are interviewed.

All applicants for job vacancies at the Trust are asked whether they need any additional support and people are encouraged to be open about their needs to help the Trust provide an inclusive experience.

Adjustments are made throughout the recruitment pathway, such as providing coloured paper for applicants with dyslexia, ensuring that those with mobility difficulties can access pre-employment checks and induction training in a location and environment which meets their needs, to adjustments to support the successful applicant to take up a post. Specialist software and equipment is made available for people with sight impairments and hearing difficulties and employees are encouraged to make use of support from Access to Work and the Trust's occupational health provider.

Trust policies and processes mandate the use of 'reasonable adjustments' and Equality Impact Assessments (EIAs) are completed for policies, service changes and other activities which impact people, so that relevant action plans are put in place when a specific need is identified. A recent

example is making technical changes to the computer provided to an employee with Autism. The Trust recognises that sometimes, adjustments are taking too long to implement and is working on producing more guidance for managers and staff about how to access help and support with making adjustments quickly.

Access audits are carried out on new buildings and refurbishments to ensure suitable access and usability for service users, carers, other visitors and staff. The Trust is currently working with Disabled Go to assess and publish information about the accessibility of around 160 Trust sites.

The Trust is an active member of the North West Dyslexia Network and continues to improve guidance for staff and managers about neurodiversity. Social media promotion has increased staff and manager awareness of how to get support with dyslexia and dyspraxia in particular and practical information about this forms part of an Accessible Communication toolkit which supports employees with a range of sensory impairments, learning difficulties and other communication needs.

The Trust works proactively to celebrate difference and participates in a number of campaigns and events designed to reduce stigma and promote the benefits of employing people with disabilities. These have included the Trust's Opportunity Knocks diversity and inclusion event, local employment fairs and participating in NHS Employers annual Disability and Diversity and Inclusion conferences.

The Trust has signed up to NHS England's Employing People with Learning Disabilities pledge and over the past twelve months, has been working towards this commitment. This has involved developing a more inclusive recruitment process for those with Learning Disabilities and actions have included:

- Producing adverts and job description templates in an easy to read format
- Proactively contacting organisations supporting individuals with Learning Disabilities to make them aware of jobs which are available
- Informal interviews with an opportunity to look at the workplace and undertake some of the role activity
- Identifying a buddy in the team to support successful candidates
- Developing a pre interview booklet with relevant information about the process and how to prepare
- Providing a successful candidate booklet with details of next steps
- Collaborative working with Employment Advisors to carve up jobs identified as potentially suitable for individuals with mental health issues who may not be able to undertake all of the advertised role

[Career Development and Promotion of Disabled Employees](#)

The Trust has limited data in relation to the progression and career development of employees with disabilities although preparatory work for the introduction of the Workforce Disability Equality Standards which will be mandated by NHS England in 2018 will help to change this.

The Trust's People Plan maintains a focus on diversity and inclusion and will continue to influence the design and delivery of talent management and career development opportunities for all staff, including those with disabilities. The organisation's new coaching programme has been promoted via Equality and Diversity champions with the aim of encouraging participants from a wide range of backgrounds.

The Quality Academy role models good practice, ensuring that disabled delegates on training courses are included appropriately and that their needs are met. They use Equality Impact Assessments to understand how best to achieve this and the outcome of these has included:

- Varying teaching resources and formats
- Selecting venues which are accessible
- Providing 1 to 1 assistance where needed
- Being flexible about delivery methods and locations

Consulting with Staff on Trust Decisions Affecting Employee Interests

The Trust has a strong ethos of engaging staff and Staff Side colleagues in organisational change. We promote engagement with staff in modelling services prior to embarking on formal consultation to implement change. Across the Trust we maintain regular dialogue with both internal and external union representatives at both a local and Trust wide level through network based partnership working and regular meetings. This gives the Trust the opportunity to listen to and address the needs, concerns and positive feedback from staff.

Our Trust Organisational Change policy in place ensures change is compliant with employment legislation, best practice and Trust values. In its duty to safeguard public monies and provide quality services, the Trust considers all alternative solutions to mitigate redundancies. Our strong partnership working with Staff Side colleagues has supported us to achieve this. Over the past 12 months, the Trust has undergone a significant number of change programmes, which vary in complexity, scale and impact all of which have been successfully undertaken. This includes a large scale organisation reset which affected 102 individuals across the Trust. The Trust collectively consulted with our trade union partners to implement the organisation reset, and through the collective consultation agreed additional measure to mitigate the number of compulsory redundancies. We undertook briefing sessions with affected staff in each locality and established dedicated communication channels with regular two way communication through questions and answers. Feedback received through the consultation was considered and changes were made to the final structure as a result. The Trust has undertaken a 'lessons learnt' process which has contributed to a number of changes to both policy and practice to strengthen our supportive approach to organisational change.

The limited number of concerns raised at our Trust Partnership Forum and through our Collective Consultation Forum is evidence that partnership working is embedded across the Trust and embraced by staff at all levels.

Information on Health & Safety Performance and Occupational Health

Incidents relating to health and safety are reported on the Trust quality governance system and have been investigated with any lessons learned used to improve safety. Serious health and safety incidents were subject to more detailed investigation using root cause analysis methodology by specialist investigators. Incident information is available for teams to explore and discuss through live dashboards in the quality governance system.

The Safety and Quality Governance Department worked with clinical services to undertake ligature risk assessments of all mental health inpatient units across the Trust and worked with clinical staff to ensure the risks from self-injury are managed.

Collaborative working with staff side trade union officials has been strengthened and the work of the Health and Safety Partnership Forum has continued, which is jointly chaired by the Associate Director of Safety and Quality Governance and Chair of Staff Side. Staff side trade union representatives undertook a number of health and safety inspections during the year with information shared with managers to improve safety.

The Trust continues to deliver health and safety induction and ongoing core skills training for all staff, alongside the Institution of Occupational Safety & Health (IOSH) 'Managing Safely' course which provides a certified qualification to managers and further enhances the training offered for staff.

Electronic display screen assessment and environmental audit tools have continued to be developed during the year. A new electronic risk assessment tool was developed and is planned for launch during quarter four of the year.

Addressing and reducing physical violence towards staff continues to be a key priority. The Trust employs a number of violence reduction specialists who along with the health and safety and security specialists have worked with clinical staff to prevent and manage violence and aggression.

During the year there were no inspections or enforcement action by the Health and Safety Executive (HSE). The Trust reported 35 incidents to the HSE and Care Quality Commission (CQC) under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) 2013.

Information on Policies and Procedures on Countering Fraud and Corruption

The Trust has an Anti-Fraud, Bribery and Corruption Policy in place and undertakes work throughout the year to promote this across the organisation as part of an annual work plan. The Trust engages the services of an Anti-Fraud Specialist who supports the Trust in raising awareness of the key messages related to creating an anti-fraud culture, deterring and preventing fraud and helping staff to recognise and report fraud appropriately. Activity during the year included:

- Anti-Fraud Awareness events undertaken in key areas (Finance/Recruitment)
- Anti-fraud content within the Trust induction programme updated to reflect the Trusts prosecution cases
- Introduction of an e-learning package for all staff
- Newsletters, anti-fraud articles and briefings covering fraud and bribery related topics such as publication of successful prosecutions locally and nationally
- Completion of proactive exercises in relation to Petty Cash Schemes and Conflicts of Interest within the Trust
- Completion of an anti-fraud staff survey
- Regular updates to the intranet fraud site for staff
- Conducting professional investigations into allegations of Fraud which have resulted in a number of successful prosecutions
- Undertaking a review of the Anti-Fraud, Bribery and Corruption Policy
- Oversight of fraud undertaken by the Audit Committee

Expenditure on Consultancy

Management consultancy services were engaged during 2017/18 which arose from the needs of the business. This assistance was required to fill gaps outside of the business as usual

environment where in-house skills were unavailable and were project specific. To try and ensure that the Trust achieve value for money when engaging consultants, officers must comply with the Trust's policy on the recruitment of interim or ad hoc support and procurement guidelines. Additionally, the Trust also complies with NHS Improvement spending controls for management consultancy projects which exceed £50k.

5.1 Staff Survey

Approach to Staff Engagement & Learning from Staff Feedback

The annual staff survey was conducted between October and November 2017 and collected views from staff about their workplace. The survey was distributed to 1250 staff by the Picker Institute on behalf of the Trust and was completed by 500 members of staff giving the Trust an overall response rate of 41.5%, an increase of 5.6% from the 2016 staff survey.

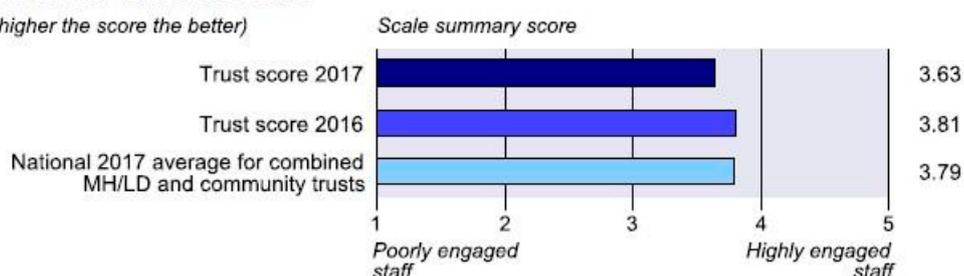
Engagement with staff at Lancashire Care is paramount to obtain their views about their workplace in order to improve experiences for staff, colleagues and patients. The staff survey results are used by the Trust to inform:

- Improvements in working conditions and practices
- To support the Department of Health assessment of the organisations' performance against the NHS constitution's staff pledges
- The Department of Health and other national bodies assessment of the effectiveness of national NHS staff policies, such as training and flexible working policies and to inform future developments in these areas.

The table below shows how the Trust compares with other combined mental health, learning disability and community trusts against the staff engagement indicator.

OVERALL STAFF ENGAGEMENT

(the higher the score the better)



The staff engagement score is considered to be the key indicator in the NHS Annual Staff Survey. Research by Aston University shows a correlation between high performing acute trusts (in terms of patient outcomes) and higher staff engagement scores, as measured in the annual staff opinion survey. For 2017 the staff engagement score has reduced to 3.63 from 3.81 in 2016.

The 2017 staff opinion survey highlighted deterioration in the results compared to 2016. The Trust Board and Senior Leadership teams are fully committed to the investment required to achieve a change in culture to ensure that staff engagement is a key priority for the Trust.

Response Rate

2016/17	2017/18		Trust Improvement/ Deterioration
Trust	Trust	Benchmarking group (trust type) average	Increase of 5.6 percentage points from the Trust's response rate in 2016/17.
35.9%	41.5%	47.9%	6.4 percentage points lower than the average for mental health & community trusts in 2017/18

Top 5 Ranking Scores

	2016/17	2017/18		Trust Improvement/ Deterioration
	Trust	Trust	Benchmarking group average	
14b Not experienced physical violence from managers	99%	99%	99%	The same as the benchmarking group average. No change in our performance from last year
KF19+ Had mandatory training in the last 12 months. Percentage of staff / colleagues reporting most recent experience of violence	98%	99%	98%	1% point better than the benchmarking group average. 1% point better than our performance last year
KF13a+ Know how to report unsafe clinical practice	96%	96%	97%	1% point worse than the benchmarking group average. No change in our performance from last year
KF14c Not experienced physical violence from other colleagues	97%	96%	98%	2% points worse than the benchmarking group average. 1% points worse than our performance last year
KF17a Not experienced discrimination from patients / service users, their relatives or other members of the public	95%	96%	98%	2% points worse than the benchmarking group average. 1% point better than our performance last year

Bottom 5 Ranking Scores

	2016/17	2017/18		Trust Improvement/ Deterioration
	Trust	Trust	Benchmarking group average	
8d Senior Managers act on staff feedback <i>(The higher the score, the better)</i>	27%	23%	37%	14% points worse than the benchmarking group average. 4% points worse than our performance last year
9a Organisation definitely takes positive action on health and well being	32%	23%	35%	12% points worse than the benchmarking group average. 9% points worse than our performance last year
20b Appraisal /review definitely helped me improve how I do my job	19%	19%	25%	6% points worse than the benchmarking group average. No change in our performance from last year
20d Appraisal / performance review: definitely left feeling work is valued	23%	19%	31%	12% worse than the benchmarking group average. 4% worse than our performance from last year
9g Not put myself under pressure to come to work when not feeling well enough	7%	7%	7%	The same as the benchmarking group average. No change in our performance from last year

Future Priorities and Targets

Staff satisfaction and engagement is inextricably linked to the desired outcome of our People Plan. All areas requiring improvement as indicated in the staff survey results have been mapped into the People Plan. The delivery of the People Plan is the main vehicle for improving staff satisfaction and improving outcomes for patients and service users in line with our desired outcomes at a team level. The Trusts target is to be in the top 20% of trusts for its engagement score and demonstrate significant improvement across the 2018/19 staff survey results. This will be managed by the People Plan Delivery Group and monitored through the People Sub-Committee (with progress being reported to Quality Committee and the Trust Board).

5.2 Reporting High Paid off-Payroll Arrangements

Arrangements and controls were in place during the year for 'highly paid' staff (as defined by the threshold used by HM Treasury). As part of these controls, the Trust has a policy for the engagement of all interim or ad hoc support including off-payroll arrangements.

Table 1

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

Number of existing engagements as of 31 March 2018	40
Of which:	
Number that have existed for less than one year at the time of reporting	8
Number that have existed for between one and two years at the time of reporting	12
Number that have existed for between two and three years at the time of reporting	8
Number that have existed for between three and four years at the time of reporting	5
Number that have existed for four or more years at the time of reporting	7

All existing off-payroll engagements have been subject to a risk based assessment as to whether assurance is required that the individual is paying the right amount of tax. During the year the Trust requested assurance from all the existing arrangements reported above.

Table 2

For all new off-payroll engagements, or those that reached six months in duration, between 1 April 2017 and 31 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 1 April 2017 and 31 March 2018	8
Of which:	
Number assessed as within the scope of IR35	3
Number assessed as not within the scope of IR35	5
Number engaged directly (via PSC contracted to trust) and are on the trust's payroll	3
Number of engagements reassessed for consistency/assurance purposes during the year	0
Number of engagements that saw a change to IR35 status following the consistency review	0

During the year the Trust requested assurance from all arising engagements reported above.

Table 3

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

Number of off-payroll engagements of Board members, and/or, senior officials with significant financial responsibility, during the financial year	0
Total number of individuals that have been deemed 'Board members and/or senior officials with significant financial responsibility' during the financial year (this figure includes both off-payroll and on-payroll engagements)	0

5.3 Exit Packages

Staff Exit Packages

Details of compulsory redundancy payments are provided for members of staff who have been compensated due to their positions being lost as a result of departmental reorganisation or clinical service transformation.

2017/18			
Exit Package Cost Band	Number of Compulsory Redundancies	Number of Other Departures Agreed	Total Number of Exit Packages by Cost Band
<£10,000	5	0	5
£10,000 - £25,000	8	0	8
£25,001 - £50,000	6	0	6
£50,001 - £100,000	1	0	1
£100,001 - £150,000	1	0	1
£150,001 - £200,000	0	0	0
Total Number of Exit Packages by Type	21	0	21
Total Resource Cost (£000)	523	0	523

2016/17			
Exit Package Cost Band	Number of Compulsory Redundancies	Number of Other Departures Agreed	Total Number of Exit Packages by
<£10,000	0	0	0
£10,000 - £25,000	6	0	6
£25,001 - £50,000	2	0	2
£50,001 - £100,000	1	0	1
£100,001 - £150,000	1	0	1
£150,001 - £200,000	1	0	1
Total Number of Exit Packages by Type	11	0	11
Total Resource Cost (£000)	563	0	563

Departure Payments	£000
Highest Value Departure Payment	116
Lowest Value Departure Payment	2
Median Value Departure Payment	19

Other Exit Packages: non-compulsory departure payments

Year to 31 March 2018	Agreements Number	Total Value of Agreements
Voluntary redundancies including early retirement contractual costs	0	0
Mutually agreed resignations (MARS) contractual costs	0	0
Early retirements in the efficiency of the service contractual costs	0	0
Contractual payments in lieu of notice	0	0
Exit payments following Employment Tribunals or court orders	0	0
Non-contractual payments requiring HMT approval*	0	0
Total	0	0

*made to individuals where the payments value was more than 12 months of their annual salary

Year to 31 March 2017	Agreements Number	Total Value of Agreements
Voluntary redundancies including early retirement contractual costs	0	0
Mutually agreed resignations (MARS) contractual costs	0	0
Early retirements in the efficiency of the service contractual costs	0	0
Contractual payments in lieu of notice	0	0
Exit payments following Employment Tribunals or court orders	0	0
Non-contractual payments requiring HMT approval*	0	0
Total	0	0

*made to individuals where the payments value was more than 12 months of their annual salary

6. NHS Foundation Trust Code of Governance

Statement of Compliance with the Code of Governance Provisions

Lancashire Care 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 Trust conducts an annual review of compliance against the provisions of the Code of Governance and provides a detailed evidence based compliance statement to Audit Committee for assurance.

For 2017/18, the Trust can declare compliance with all provisions of the Code of Governance, including the statutory provisions.

Applying the Principles of the Code of Governance

In setting its governance arrangements, the Trust has regard for the provisions of the revised UK Corporate Governance Code issued by the Financial Reporting Council, the updated Code of Governance 2014 and other relevant guidance where provisions apply to the responsibilities of the Trust. The following paragraphs together with the Annual Governance Statement and Corporate Governance Statement explain how the Trust has applied the main and supporting principles of the Code.

Lancashire Care NHS Foundation Trust is committed to maintaining the highest standards of corporate governance. It endeavours to conduct its business in accordance with NHS values and accepted standards of behaviour in public life, which includes the principles of selflessness, integrity, objectivity, accountability, openness, honesty and leadership (The Nolan Principles).

Continuous Improvement of Governance Arrangements

Last year the Board of Directors identified three key areas to focus on strengthening and continuously improving the Trusts governance practice and processes. Each of these priority areas continue was successfully addressed during the year and the outcomes and further details are reported in the relevant areas of this disclosure:

- Continuing to embed the new network governance arrangements and strengthen the flow of assurance
- Embedding the streamlined governance arrangements and supporting processes introduced for the Council of Governors
- Strengthen both the system and the end to end procedure for managing declarations of interest, gifts and hospitality in the organisation

In the spirit of continuous improvement, four further areas of development will be addressed during 2018/19:

- Continuing embed the declarations of interest process and system across the organisation
- Delivering year-two of the health-check programme (more information around this can be found on page 99).
- Ensuring sufficient governance around the monitoring of recommendations and areas for improvements which arise from the CQC Well-Led report, including identification of appropriate actions to address the recommendations and strengthening areas for improvements.

Board of Director Governance Arrangements

The Trust is led by a unitary Board of Directors comprising of five Executive Directors, one non-voting Director, five independent Non-Executive Directors plus a Non-Executive Chair. Board members each contribute to the collective skill set and wide ranging experience of the Board, gained in a variety of professions and industry. More detailed information on the individuals who make up the Board of Directors can be found from page 90 - 93.

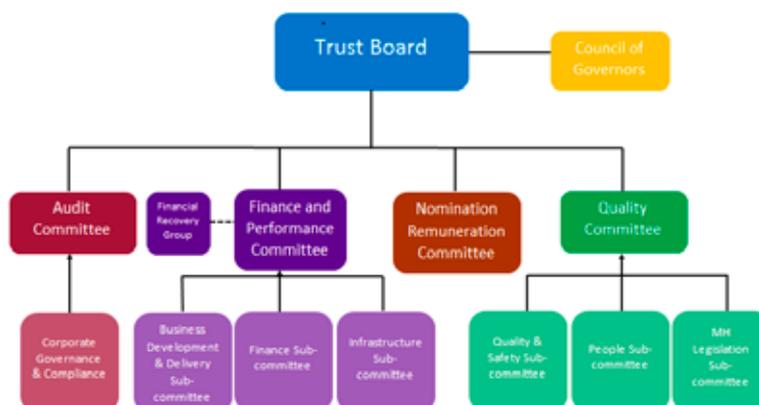
The Board of Directors is responsible for a range of matters including the operational performance of the Trust, the defining and implementation of strategy and for ensuring that its obligations to regulators and stakeholders are met.

In order to discharge its specific responsibilities, the decisions reserved for the Board and the delegation of duties are set out within the suite of governance documentation comprising; the Scheme of Delegation, Matters Reserved for the Board and the Decision Rights Framework. This forms part of the organisation's governance arrangements and ensures adequate controls are in place for the authorisation of transactions, defines financial (and other) approval limits and safeguards the assets of the Trust against loss, fraud and improper use.

Trust Governance Framework

The Board of Directors established a governance structure and has been focussed on embedding best practice governance principles within the organisation. The corporate governance arrangements have continued to mature and flex in response to the needs of the organisation. The current corporate governance structure (shown below) enables the effective flow of evidence-based assurance up to the Board of Directors.

The Trust has well established procedures for managing all meetings within the governance structure and has made good progress in embedding and maturing consistent governance practice within the networks and corporate support functions. The organisation's governance framework is supported by an interactive corporate governance handbook which contains guidance for staff and good practice governance principles. A network governance handbook was introduced in April 2017 in recognition of the new three-network structure. A bespoke training package sits alongside both handbooks as part on an ongoing package of support to staff which ensures consistent standards and ways of working are embedded.



Board Roles & Responsibilities

The Trust Board insists on comprehensive role descriptions for each of the key roles of Chair, Chief Executive, Non-Executive Director and Senior Independent Director to provide clarity of role and purpose. All of the Directors on the Board meet the 'fit and proper' persons test as described in the provider licence and the Board is committed to supporting the CQC regulations for Duty of Candour. This includes Directors declaring any potential conflicts of interest as part of the Trust's robust Declaration of Interests process. All members of the Board have the same general legal responsibilities to the Trust and have a collective responsibility to act with a view to promoting the success of the organisation to maximise the benefits for the members of the Trust and for the public.

During the year, two of the Trust's Directors were appointed Directors on the Board of Red Rose Corporate Services LLP, and have continued as Directors on the Board of the newly formed Healthcare Support and Infrastructure Services (HSIS) along with an additional Board member and the Company Secretary. More information about HSIS can be found on page 18. Another member of the Trust Board of Directors is an appointed Director to the Board of the North West Coast Innovation Agency. These posts ensure Trust representation in both ventures and are non-remunerated. More information about the Innovation Agency can be found on page 17.

In 2017/18 the Board of Directors met monthly to formally transact its business in accordance with an agreed agenda setting process and a forward plan covering the full financial year. The forward plan ensures that formal scrutiny and assurance business is appropriately scheduled and also that sufficient time is set aside to focus on quality and appropriate strategic development. Each Board meeting is opened with a patient or staff story which welcomes service users and staff to share their experiences of care, demonstrate improvements to services and ensure the highest possible standard of care is provided. Quality remains a clear focus of Board reporting and during the year, a Quality Report was developed that brings together data on a range of key quality measures and standards. This report is supported by regular Quality Committee Chair Reports and a specific quality and safety domain within the Chief Executive's Report detailing quality improvements, and impact on quality.

Trust Board meetings are held in public unless restrictions under the Freedom of Information Act 2002 require discussions to take place privately. This is detailed on the Board agendas which are published on the Trust's website one week prior to the meeting and circulated to its Council of Governors. Papers are issued to Board members seven days in advance of the meeting and are made available on the internet following each Board meeting. Unconfirmed minutes of the Board meetings are circulated to the Council of Governors as soon as practically possible following each meeting. At the request of the Chief Executive and with the consent of the Chair, members of the senior management team attend Board meetings where necessary in order to help inform debate and discussion. Governors have a standing invitation to each formal Board meeting, both public and private, and Board level Committee to observe the work of the Board of Directors. Similarly Non-Executive Directors will also attend Governor Sub-committees to further support a transparent culture and the Governor duty to hold Non-Executive Directors to account.

Regular informal briefings and presentations on specific topics or services are provided outside of the formal Board meeting structure, within development sessions, to explore complex issues in more depth in preparation for discussion at future Board meetings. As described earlier, the Board of Directors ensure that quality remains a focus of each Board agenda and as detailed earlier, patient or staff stories form part of each Board meeting. The Directors also attend a programme of good practice visits to review aspects of good practice within Trust services, this year has seen

visits undertaken to a wide range of community, inpatient and mental health services across Lancashire.

In terms of performance management, the Board of Directors collectively agrees and set the performance monitoring regime on the recommendation of the Chief Executive. Non-Executive Directors have a duty to exercise appropriate constructive challenge against the performance of the Executives in meeting agreed objectives and receive regular assurance reports, including risk, strategic, financial, operational and clinical performance and compliance, to allow them to discharge that duty. The Trust Chair also leads quarterly meetings with Non-Executive Directors outside of the Board setting to focus on key issues as required. Full details of how the Board monitors Trust performance can be found on page 24.

The Board of Directors gives clear direction in relation to its information requirements necessary to facilitate proper and robust discussions to reach informed and strategic decisions. The Board of Directors agrees and tracks actions to ensure completion and record an appropriate audit trail.

The Board of Directors reports to a range of regulatory bodies as required on relevant performance and compliance matters and in the prescribed form including the NHS Improvement Single Oversight Framework. The Board of Directors is responsible for ensuring compliance with the Trust provider licence, constitution, mandatory guidance issued by NHS Improvement and other relevant statutory requirements. There is a robust horizon scanning process in place which tracks legislative changes and changes in sector guidance as needed and reports this within the monthly Compliance Digest alongside an assessment of the potential impact on the Trust.

To support the Board's declaration of compliance with its provider licence and offer assurance against the specific BAF risk, enhanced monitoring of the evidence of compliance with each licence condition was established in 2016 and continues to be reported each year to support the declaration made by the Board.

The Board of Directors has overall responsibility for providing leadership of the Trust and endeavours to ensure that it represents a balanced and understandable view of the Trust's position and prospects in all of its communications and publications to regulators and stakeholders.

All members of the Board receive a comprehensive and tailored induction on joining the Trust which continues during their first 12 months. Board members are also encouraged to attend external training, briefing seminars and networking events relevant to their role.

The Board continually reviews the effectiveness of its systems of internal control and the embedding of the strengthened governance framework supports the provision of evidenced based assurance up to the Board. This was further enhanced this year following a detailed effectiveness review of the Audit Committee resulting in refreshed terms of reference for the Committee.

The Board of Directors is held to account by the Council of Governors, comprising of elected staff and public governors and appointed governors from partner organisations. They act as a critical friend to the Board and ensure that the views of the Trust's members are represented at a strategic level. More information about the Council of Governors can be found from page 102. All new developments that might affect the Trust's financial position or service performance or reputation are brought to the attention of the Council of Governors and NHS Improvement as needed.

During the year, the Board kept the Council of Governors fully informed of the challenges experienced in-year with remaining in line with the financial plan and control total. The financial performance information was shared with governors and regular updates were provided by the Board, this information was also made public via publication of both the Board and Council of Governor meeting papers.

Risk and Control

The Board is responsible for reviewing the effectiveness of the internal system of control, including processes and resources for managing all types of risk. The level and nature of both strategic and operational risk information that should be subject to Board scrutiny has been determined and the Board receives regular reports on the status of those risks through a revised Board Assurance Framework. The Risk Management Policy has been reviewed and agreed and operational and strategic risk management processes are embedded in the organisation at all levels within a refreshed governance framework.

6.1 The Board of Directors

Membership of the Board of Directors at 25 May 2018 was:

Trust Chair

David Eva



David joined the Trust in June 2016 from Cheshire and Wirral Partnerships (CWP) NHS Foundation Trust where he has spent the last 15 years. David has great experience of developing partnerships and has worked for many years on workforce development. He is passionate about staff engagement, service user and carer involvement and putting patients at centre of services. He brings with him a wealth of experience, having worked at Board level in the NHS as Non-Executive Director and Chair for over 20 years.

Executive Directors

Chief Executive: Heather Tierney-Moore OBE



Professor Heather Tierney-Moore OBE joined the Trust in January 2009 with a background in nursing, a distinguished track record of achievement in the NHS at board and national level in England and Scotland. She has an MSc in Managing Change and is a visiting professor at Edinburgh Napier University. Heather continues to play a key leadership role across the Trust, Lancashire and the wider North West region in supporting a number of system wide transformation programmes to deliver integrated services and contributing to HEE NW. Heather is the Senior Responsible Officer (SRO) for the Leadership and Organisational Development work stream for Healthier Lancashire and South Cumbria and the LCIA test bed.

Medical Director: Max Marshall



Max Marshall has been the Trust's Medical Director since it was established in 2002. Until 2014 he was also Professor of Community Psychiatry at the University of Manchester, with a special interest in evidence based mental health and first episode psychosis. Currently he leads the Trust Research & Development Programme, Clinical Audit Team, Benchmarking project, and Public Health Programme. He is the clinical lead for the mental health work stream of the Lancashire Sustainability and Transformation Programme. Max also works as a consultant Psychiatrist within the Mental Health Network.



Director of Nursing & Quality: Dee Roach

Dee Roach joined the Trust in January 2014 from Birmingham and Solihull Mental Health NHS Foundation Trust. She is experienced in the development and implementation of nursing strategy, the development of nursing care metrics across mental health services and strategies for service user involvement and experience. Dee has previously worked in Lancashire in a number of senior clinical and operational management roles across inpatient and community settings and was the Deputy Director of Nursing for Lancashire Care. As a mental health nurse by background, at the forefront of Dee's work is an enthusiasm for improving quality and passion for ensuring the best patient experience. Dee also has an exceptional track record of developing strong nursing leaders within organisations. In her role, Dee is responsible for professional leadership, clinical governance, patient safety and service user and carer involvement. She is passionate and committed to improving outcomes, exceeding standards and delivering compassionate care.



Chief Operating Officer: Sue Moore

Sue Moore joined the Trust in February 2014 as Chief Operating Officer and has since led on a number of key work programmes including the mobilisation and opening of The Harbour. Sue has also developed a number of innovative partnerships across the commercial, voluntary and public sector.

Sue has responsibility for operational delivery and performance, and in recent months has led a major organisational restructure, which has developed our locality focus and reduced our networks from four to three – Mental Health, 0 – 25 Children & Young People and Community Health & Wellbeing.



Chief Finance Officer: Bill Gregory

Bill joined the Trust in February 2015, as Chief Finance Officer. A Chartered Accountant with experience of working across the NHS and private sector, he has 20 years of experience as a director in healthcare for acute hospital, mental health and community service organisations.

Bill's current responsibilities include financial management, IT, estates, planning and business development.

He is a vice-president of the national Healthcare finance managers association (HFMA) and member of the finance and general purpose committee at the University of Lancaster.

Non-Executive Directors

Deputy Chair: Gwynne Furlong



Gwynne is the Deputy Chairman on the board of Lancashire Care NHS Foundation Trust.

Gwynne has over 40 years' experience as a qualified professional in business, involved primarily in the commercial property industry. He has been a partner in professional practice and has been a director and MD of both private and publically listed companies. Gwynne's last post prior to retiring in 2008 was as a director within the Asset Management division of Close Brothers Plc. Merchant Bank.

Gwynne is also a Non-Executive Director on the Board of Concert Living LTD (a subsidiary of Progress Housing Group).

Gwynne is a Trustee of the Chorley Youth Zone Project which will provide a modern youth facility for the town. He is also the CEO of the Regain Sports Charity. This is a National Charity which specialises in helping those who have become paralysed/tetraplegic through a sporting accident.

Isla Wilson: Senior Independent Director



Isla is an experienced board member, who has operated at board level in a variety of private organisations and social ventures. She is currently a non-executive Director of a Lancashire-based Housing Association and has previously served on the boards of charities and social enterprises.

Isla is an advocate of generating social impact, community development and social venturing. Alongside non-executive duties she runs her own business, specialising in organisational growth, social value and innovation.

Louise Dickinson



Louise was appointed to the board as a Non-Executive in October 2013 and became Chair of the Audit Committee in July 2014. Louise is a former regional managing partner of the accountancy firm, Grant Thornton, where she specialised in providing corporate finance advice. Since leaving Grant Thornton, Louise has held a number of board level executive and advisory roles in strategy, business planning, finance and risk management.

Louise is a Governor and Chair of the Finance Committee at a school in Manchester and was previously a Trustee and Chair of the Finance Committee of Down Syndrome Education International, a charity that works to improve educational outcomes for young people with Down syndrome through scientific research and global information and advice services. She is a Fellow of the Institute of Chartered Accountants in England & Wales.

David Curtis MBE



David Curtis MBE, was appointed as a Non-Executive Director in November 2014. David is a registered mental health and general nurse and brings a wealth of clinical and Board level experience from his 40 year career with the NHS having undertaken a range of senior clinical, teaching, community and hospital management roles. David was awarded an MBE in 2008 for his services to nursing and health care in Manchester.

David is particularly interested in meeting and working with the people who use Trust services, and supporting employees.

Julia Possener



Julia was appointed as a Non-Executive Director on 01 February 2017. Julia is a Director of Healthcare Support and Infrastructure Service and a member of the following committees, the Nomination and Remuneration Committee, a member of the Audit Committee and Quality Committee. Julia also sits on the Charitable Funds Committee.

Julia is a solicitor by training and worked as a Corporate Finance lawyer in a number of senior legal, governance, compliance and business roles both in private practice and in financial services. These include leading the Group Secretariat function and as Legal and Governance Director, International for RSA Insurance Group Plc, a multinational quoted insurance group.

Julia is also a member of the Lancaster University Management School Ethics Committee.

Attendance at Board of Director Meetings and Committees

01 April 2017 – 31 March 2018

Board Member	Term of Appointment	Trust Board	Audit Committee	Quality Committee	Finance & Performance Committee	Nomination Remuneration Committee
		Attendance (actual/max)				

Non-Executive Directors

David Eva	01/06/16 - 31/05/19	11/13				2/2
Peter Ballard	01/06/09 – 30/11/17	8/9			3/3	1/1
Gwynne Furlong	01/10/12 – 31/08/18	11/13		4/5	4/4	1/2
Louise Dickinson	29/10/13 – 31/10/19	13/13	6/6		4/4	2/2
David Curtis	20/11/14 – 30/11/20	12/13	5/6	5/5		1/2
Isla Wilson	01/10/15 – 01/01/19	11/13	3/3	4/5	1/1	1/2
Julia Possener	01/02/17 - 31/01/20	10/13	4/6	2/2		2/2

Executive Directors

Heather Tierney-Moore	(in post 05/01/09)	12/13	5/6	4/5	4/4	
Max Marshall	(in post 01/08/02)	12/13	5/6	5/5	2/4	
Dee Roach	(in post 01/02/14)	11/13	5/6	5/5		
Sue Moore	(in post 10/02/14)	12/13		3/5	4/4	
Bill Gregory	(in post 01/02/15)	13/13	6/6		4/4	
Damian Gallagher (non-voting Board member)	(in post 01/05/16)	12/13		4/5		
Steve Winterson (non-voting Board member)	(in post 01/09/16)	3/4				

The Trust Board attendance figures are a combination of formal Board meetings and informal discussions.

Appointments to the Board of Directors

Information on the Trust Board of Directors can be found on page 90. There were no Executive appointments made to the Board during the year and no Non-Executive Director appointments including the Trust Chair. All Non-Executive Directors including the Chair serve for a defined term of office of three years. If eligible, Non-Executive Directors can be re-appointed for a second term of three years subject to approval by the Council of Governors.

During the year, the full Council of Governors approved the re-appointment of Non-Executive Director, David Curtis for a second term of three years commencing on 01 December 2017. Following the departure of the Deputy Chair, Peter Ballard in November 2017, in consultation with the Council of Governors, the Board appointed Gwynne Furlong as the Deputy Chair with Isla Wilson taking the role of Senior Independent Director.

The Board of Directors alongside the Council of Governors Nomination Remuneration Committee continues to consider and monitor the skills and experience of the Board and clear succession planning is in place and is reviewed regularly. In reviewing the expertise and skills of each Director, the Board has considered and confirmed the appropriateness, completeness and balance of the Board in relation to the requirements of the Trust.

The Council of Governors Governance Handbook details the accountability framework for the discharge of Council of Governors statutory duties, the procedures for the discharge of those responsibilities and the terms of reference for all committees. The handbook includes arrangements for the appointment, evaluation and remuneration of the Chair and Non-Executive Directors and the process for appointing the Lead Governor. More information on the governance arrangements of the Council of Governors can be found on page 102.

Each member of the Board of Directors is required to undertake an annual performance review involving both peer review and self-assessment. This year's will be in the form of a 360 assessment. The outcomes of the appraisals are reported to the Nomination Remuneration Committee in line with the Senior Manager Remuneration Policy. Objectives for each Executive Director are set as part of the performance appraisal process and a personal development plan for each Director is agreed on an annual basis with mid-year reviews undertaken to monitor progress. For Non-Executive Directors, the Trust follows a formal appraisal process for the evaluation of the performance of the Chair and Non-Executive Directors and is closely aligned to the organisation's values and statutory role of the Governors holding the Non-Executive Directors to account for the performance of the Board.

The Board of Directors has established a joint Nomination Remuneration Committee to determine the pay and conditions of service for the Executive Directors including the Chief Executive. In setting the level of remuneration, consideration is given to the market position of the Trust and its ability to attract and retain the calibre of individuals needed in these key leadership roles. This is achieved by reference to a range of comparator materials including internal pay scales and awards and externally commissioned market and sector benchmarking information. More information on remuneration can be found on page 59.

[The Chair](#)

The Chair of the Board of Directors, David Eva, was appointed on 1 June 2016 and meets the independence criteria set out in the Code of Governance as well as the Fit and Proper Person requirements. David also chairs the Council of Governors and provides the link between the two bodies. The responsibilities of the Chair are set out in the Constitution and a clear role description and person specification has been agreed by the Council of Governors. In the event of a vote being necessary in a Board of Directors, Council of Governors or Annual Members Meeting, the Chair carries a casting vote. Refer to page 102 for detailed information on the Council of Governors.

The Board of Directors meets regularly with the Council of Governors to ensure they work together effectively, promote clear communication and understand the views of Foundation Trust members. The Chief Executive, Senior Independent Director and Company Secretary have particular roles in the management of the relationship between the two bodies and have a standing invitation to attend Council of Governor meetings. The Chief Executive holds informal briefing sessions with governors on a regular basis and provides monthly updates.

The Council of Governors has a duty to hold the Non-Executive Directors individually and collectively to account for the performance of the Board of Directors. This includes providing feedback as part of the annual appraisal process and requires a depth of knowledge of each Non-Executive Director's portfolio. To allow governors to provide informed and valuable feedback, the Chair invites each Non-Executive Director to present on their area of expertise and individual contribution to the work of the Board of Directors. The Non-Executive Directors are also invited by the Chair to attend informal sessions with the Council of Governors to promote networking and provide opportunity for governors to challenge the Non-Executives about the Trust's performance and other developing topics.

The Chair sets and agrees the agenda for the Board of Directors and Council of Governors on the advice of the Chief Executive and the Company Secretary. Board members and governors have the opportunity to suggest agenda items through the Chair, or Lead Governor in the case of the Council of Governors. The Chair is responsible for ensuring the production of minutes of all meetings of the Board, the Council of Governors and their sub-committees which is facilitated by the Company Secretary.

The Trust published a two year Operational Plan (2017-19) which contains details of its vision, strategy and priorities. Year two of the plan was refreshed in April 2018 in line with NHSI requirements. The Council of Governors have the opportunity to contribute to the Operational Plan and are kept informed of its progress through an ongoing process which is formally scheduled into the Annual Cycle of Business. The Trust engages with stakeholders through its governors, members and wider partnerships. Membership conferences also take place to engage members and wider stakeholders in the development of Trust plans on a consultative basis to gather community feedback and also to promote new services and initiatives.

The Trust also holds an Annual Members' Meeting which the majority of the Board of Directors attends. The Trust's Annual Report and Accounts are presented at the meeting along with the auditor's report and members are able to ask questions of the Board.

[Committees of the Board of Directors](#)

The Board of Directors has established the following committees:

- Nomination Remuneration Committee
- Quality Committee
- Finance & Performance Committee
- Audit Committee

[Nomination Remuneration Committee](#)

The Board of Directors' Nomination Remuneration Committee is constituted as a formal committee of the Board of Directors and met twice during the reporting period. The Committee is chaired by the Trust Chair, David Eva and its membership includes all Non-Executive Directors, the attendance for whom can be seen on page 105. The Committee is responsible for identifying and appointing candidates to fill Executive Director positions on the Board of Directors and for

determining their remuneration and other conditions of service. The decisions made by the Committee in relation to Executive pay can be found within the Remuneration Report.

Quality Committee

The ultimate accountability for quality rests with the Board of Directors. The Board level Quality Committee recognises the importance of applying appropriate scrutiny of quality standards, patient safety as well as people and leadership. The role of the Quality Committee is to test the robustness of the assurances provided that the organisational systems and processes in relation to quality are robust and well-embedded, and to identify and manage the risks to the quality of care which the Trust provides. The Committee is also responsible for monitoring strategic level risks associated with the effective delivery of education, training and leadership opportunities and the recruitment and retention of high quality staff.

Finance & Performance Committee

The Finance and Performance Committee is established as a formal committee of the Board and it provides high level scrutiny of financial and business performance data including the long-term sustainability of the Trust on behalf of the Board.

The specific role of the Finance and Performance Committee is to test the robustness of analysis and assurance provided by its feeder sub-committees. This supports effective and efficient decision making at Board meetings relating to the operational delivery and performance of the Trust, business growth and opportunities available to ensure the long-term sustainable development of the Trust, delivery of the Trust's Property Strategy, Capital Programme, delivery of the Trust's Health Informatics Strategy, Clinical Systems Strategy and IT infrastructure, the Trust's financial performance and the development of regulatory financial reporting.

During 2016, the Board established the Financial Recovery Group and this has continued to provide additional scrutiny into the Trust's financial position and monitor the impact and delivery of the financial recovery measures put in place to support the Board in maintaining robust financial oversight and grip. The Financial Recovery Group met eight times during the year and was chaired by the chair of Finance and Performance Committee. The responsibility to scrutinise the Trust's financial information remained with the Board throughout and the future role of the Financial Recovery Group remains under review by the Board.

Audit Committee

The Audit Committee is responsible on behalf of the Board of Directors for independently reviewing the systems of governance, control, risk management and assurance. The activity of the Committee covers the whole of the organisation's governance agenda including finance, risk and clinical audit. The Committee also has a duty to monitor the integrity of the financial statements and related reporting.

The Audit Committee membership consisted of three independent Non-Executive Directors and attendance can be seen on page 105. The Chief Executive, Chief Finance Officer, Medical Director, Director of Nursing & Quality and the Company Secretary all have a standing invitation to attend each meeting and in addition members of the senior management team, internal auditors, external auditors and anti-fraud service attend as appropriate to the agenda.

The Audit Committee is required to report annually to the Board of Directors and to the Council of Governors outlining the work it has undertaken during the year and where necessary highlight any areas of concern. The latest Annual Report of the Audit Committee can be viewed on the Trust's

website. The Audit Committee issues a Chair's Report following each meeting to the Board of Directors for assurance.

Throughout 2017/18 the Committee reported on the nature and outcomes of its work to the Board of Directors highlighting any areas that should be brought to its attention, or that of the Council of Governors. There were no significant issues raised by the Committee to the Board of Directors or the Council of Governors during the year.

Other key development themes featured at meetings were:

- An enhanced review of effectiveness to ensure the Audit Committee was discharging its duties in accordance with best practice guidance
- Oversight of the Governance and Risk Management Health-Check programme
- The further development of the Assurance programme
- The clinical audit programme and a refresh of the protocol
- Involvement in the development of the internal audit programme
- A review of effectiveness of both the internal and external auditors resulting in both contracts being extended for a further two years

The Audit Committee takes a holistic approach in discharging its accountability in relation to the Annual Report, Financial Statements and the Quality Account with its reach across the whole of the system of risk and internal control focusing on clinical systems and quality alongside the traditional domains of finance and business systems.

The Trust aims to create an environment where employees feel it is safe to raise and discuss concerns and weaknesses openly so that the appropriate action plans can be established and monitored through to implementation. The Audit Committee receives assurance against the system for raising concerns as part of its normal cycle of business.

The Audit Committee encourages frank, open and regular dialogue with the Trust's internal and external audit teams and a risk and assurance is reflected in the annual audit programmes. During the year, the review of the Committee's effectiveness identified the need to provide regular opportunities for the auditors to meet with Committee members without management present. This protected time has been scheduled prior to each meeting. The review also identified the need to improve the Committee's involvement in the production of the internal audit annual programme early in its development. Following the review, an outcome report was presented to the Committee with a plan of areas for improvement, including to the Committee's terms of reference, which were revised and approved by the Board in May 2018.

The Committee promotes the importance of creating the right environment for the consideration of emerging regulatory requirements and best practice, in order to ensure that the scope of Trust work in response is appropriate, a planned approach to considering issues is taken and the provision of support and training is made available to Committee members. Horizon scanning of regulatory requirements was identified within the Committee effectiveness review and now features within the revised terms of reference.

Throughout the year the Committee received reports from the internal audit, clinical audit, anti-fraud and the external audit teams on their audit findings, their annual plans, and updates on the implementation of actions. To fulfil the Audit Committee's remit for seeking assurance on risk management systems and processes, enhanced oversight of the Board Assurance Framework has

been included in the Committee's terms of reference. This was identified as part of the effectiveness review along with the requirement to receive assurance on the robustness of the Trust's security management system to monitor and manage cyber security threats.

Within 2017/18, a two-year programme of Governance and Risk Management Health-Checks commenced. The purpose of the health-checks was to work in collaboration with senior managers within each network and support service to review their governance and risk management arrangements and collectively identify areas for improvements. The health-checks process was developed as a combination of desktop documentation review, observation and professional discussion. The outcome of which is described in a Health-Check Report to the Corporate Governance & Compliance Sub-Committee. The Audit Committee receives assurance through the sub-committee Chair's Report. Third-line assurance will be provided by the risk management arrangements being subject to a three yearly review through internal audit.

The Audit Committee is required to demonstrate how it has tested the robustness of the annual report and financial statements. Examples of specific activity that the Audit Committee has undertaken to facilitate an informed identification, review and assessment of significant issues to the 2017/18 annual report and accounts include:

- A review of the annual financial statements focusing particularly on accounting policies and practices, and significant adjustments resulting from audit
- A review the ISA 260
- Receiving assurance on compliance with the NHS FT Code of Governance
- Receiving assurance on compliance with the policy on standards of business conduct

The Committee considered the risks to the financial statements as highlighted by external audit including the areas where the Trust has applied judgements in the treatment of asset valuation, revenues and costs to ensure the annual accounts represent a true position of Trust finances.

The Committee regularly receives assurance reports from management on the implementation of management controls. During the year the Committee also received assurance reports from the internal auditor on the Trust's financial systems, the mobilisation, demobilisation and transition of services and IT asset management.

Further information on the Audit Committee can be found on the Trust's website.

Clinical Audit

The Audit Committee continued to promote the importance of the clinical audit function as a key element of the Trust's quality improvement activity. The clinical audit protocol was refreshed during 2017/18 to enhance the Trust's support provided to shaping the national work within 2018/19. The current Trust's governance framework has helped to further strengthen the contribution that clinical audit makes to the provision of internal assurance and reliability and quality of the clinical auditing processes. The Quality Committee also has a separate and distinct role in considering clinical audit reporting alongside Audit Committee.

The Audit Committee also plays an active part in overseeing the clinical audit plan for the year through receiving regular updates.

The Medical Director has a strategic oversight role in relation to the clinical audit programme and ensures that the annual programme is aligned to the Board's strategic objectives.

Internal Audit

During the reporting period the Trust's internal audit function was provided by Mersey Internal Audit Agency (MIAA) as part of a three year contract awarded in April 2015, which the Trust then awarded an extension of a further 2 years in January 2018. Internal audit plays an important role in supporting the Chief Executive to ensure an effective control environment and has a clearly defined programme of work which includes advisory work in addition to audit.

Throughout the course of the year, the Audit Committee is assisted in its work by the internal audit function which undertakes detailed scrutiny of the Board Assurance Framework risks. The key findings of the audits are reported to Audit Committee including comments on the appropriateness of key controls in relation to the risks, the strength of the assurances provided for each risk as well as the suitability of the proposed additional risk- mitigating actions. Audit Committee members receive the outcomes of all Internal Audit reviews.

Information about the work of internal audit is detailed in the Audit Committee Annual Report which is presented to the Council of Governors by the Chair of Audit Committee.

External Audit

The Trust's external audit contract was provided by KPMG LLP during 2017/18 as part of a three year contract awarded in August 2015. On the recommendation of the Audit Committee, an extension to that contract for a further two years was approved by the Council of Governors in January 2018. A declaration of auditor independence and objectivity was accepted by the Audit Committee from KPMG LLP. This declaration allows the Trust to test how professional firms manage the independence and objectivity process internally.

There are clear policy guidelines in place around the provision of non-audit services by the external auditor. Safeguards are in place which ensure the Audit Committee is kept informed of the scope and value of additional work commissioned from the external auditors. Additional non-audit work undertaken by the External Auditors was confirmed to the Audit Committee within the year.

The external auditor attends the Council of Governors meeting following the production of the Annual Report and Financial Statements to ensure Governors are assured by the process undertaken to audit the accounts. They also attend the Annual Members' Meeting to share the audit opinion with Trust members and are available to offer advice to governors when selecting the locally chosen indicator within the Quality Account.

The Audit Committee has reviewed the work of external audit and is satisfied that the external audit service is of a sufficiently high standard and that fees are appropriate and reasonable. The external audit fee for 2017/18 was £58k plus VAT with the fee for external assurance on the quality report being £14k plus VAT.

Anti-Fraud Service

During the reporting period anti-fraud services were provided by Mersey Internal Audit Agency as part of a three year internal audit contract awarded in April 2015 to MIAA, which was extended for a further two years in January 2018.

The Trust is required to put in place and maintain appropriate anti-fraud and security management arrangements. The role of the anti-fraud service assists in creating an anti-fraud culture within the Trust to protect staff and resources from activities that would otherwise undermine their

effectiveness and their ability to meet the needs of patients and professionals. An overview of the anti-fraud awareness activity undertaken during the year can be found within the Staff Report.

The Audit Committee is required to satisfy itself that the organisation has adequate arrangements in place to counter fraud, corruption and bribery, to review the outcomes of the anti-fraud work and the performance and effectiveness of the Trust's anti-fraud service. The Audit Committee receives regular progress reports from the anti-fraud service during the course of the year and also receives an annual report.

6.2 Council of Governors

Overview

The Council of Governors (CoG) is a statutory part of an NHS Foundation Trust governance structure, whose role it is to hold the Non-Executive Directors of the Board to account for the performance of the Trust Board and to represent the interests and views of the Trust's members and partner organisations in the governance of the Trust. The Trust is accountable to members via the Council of Governors.

Members of the Trust are able to take part in governor elections and nominate themselves to stand as a governor candidate in order to be elected onto the Council. The Council of Governors also comprises of appointed representatives from key partner organisations and stakeholders from the local area. Elections during the reporting period saw ten new governors elected onto the Council.

The governor induction programme, recognising the complexity of the role, is designed to assist new governors to incrementally develop the comprehensive knowledge required over time. Further detailed information of individual governors for all constituencies can be found on the Trust website.

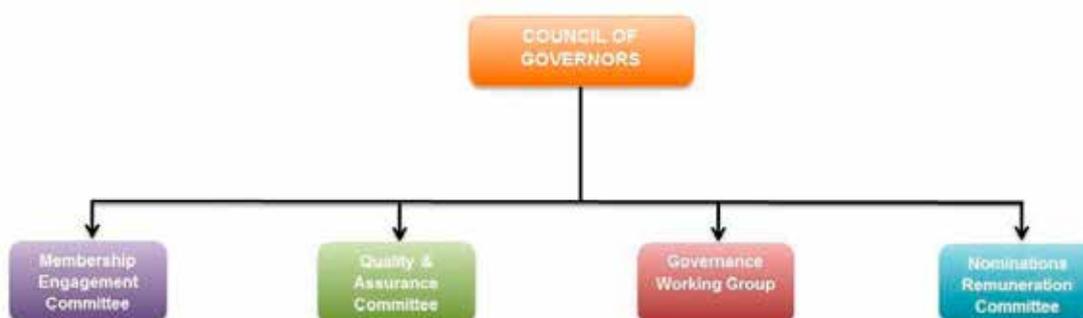
The Trust has demonstrated a long-standing commitment to supporting its governors and robust structures and processes have been put in place to good effect.

Sub-Committees of the Council of Governors

The governance structure for the Council of Governors includes three Committees and a working group that comes together to review necessary governance arrangements or documentation such as changes to the Trust's Constitution. Governors are asked to express their areas of interest and expertise and membership to the Committees is approved by the full Council. Governors periodically rotate committee membership as part of their continued development.

Committees enable the Council of Governors to delegate specific tasks to working groups of governors for more detailed review. This focused approach allows the sub-committees to receive assurance on behalf of the Council of Governors and if required, make recommendations to the full Council after more detailed consideration of specific issues.

The Committee structure for the Council of Governors is set out below:



The remit of the Quality and Assurance Committee is to retain a focus on patient experience whilst providing a more rounded view of Trust performance in terms of achieving its strategic priorities.

The remit of the Membership and Governance Committee is to concentrate on supporting the Council of Governors in fulfilling its duty to engage and represent with Trust's members, including staff and the public.

The remit of the Governance Working Group is to ensure the processes which support the Governors in discharging their duties remain robust and effective.

Each committee is made up of public, appointed and staff governors, and is chaired by either a public or appointed governor to ensure independent scrutiny of reports and information. Each sub-committee reports directly to the full Council of Governors through a Chair's Report presented by each sub-committee Chair.

Key to this structure is ensuring that there are effective and quality information flows between the sub-committees and the full Council of Governors. This will support all governors in having access to relevant and contextualised information and enhance the discharge of their statutory duties.

Council of Governors Meetings

Over the reporting period, the Council of Governors met formally in public ten times, with the attendance of the Trust's Board of Directors as required to facilitate meaningful engagement, listening and to exercise the responsibility to hold the Non-Executive Directors to account for the performance of the Trust.

A forward plan detailing the cycle of business for the Council of Governors is prepared in line with the Board of Director's business to ensure consistency in reporting. The decisions and matters undertaken by the Council of Governors include business such as the appointment of the external auditors, appointment of Non- Executive Directors and formal receipt of the Annual Report and Accounts. The Trust also maintains a formal policy for the resolution of disagreements between the Council of Governors and Board of Directors.

Members of the Board are able to attend the Council meetings to facilitate networking with the governors which supports the appraisal process for Non- Executive Directors. Executives and Non-Executives regularly attend formal meetings to present papers or provide technical sessions for governors on specialist areas such as Audit or property. The Board attendance at Council of Governors meetings can be viewed on page 106. Governors are also able to observe Non-Executive Directors at Board level committees which is particularly beneficial in helping governors hold Non-Executive Directors to account. In addition, Non-Executive Directors are invited to attend governor sub-committees to allow more focused conversation and challenge to take place outside of Council of Governor meetings.

Governor Training

Governors are supported in discharging their responsibilities through a comprehensive training programme delivered by the Trust, with opportunities for bespoke training in specialist areas such as holding to account: assurance, accountability & challenge, engagement with members and role of external audit. Opportunities for external training and networking are also provided to governors through an approved Annual Training Programme. Governors have been integral to embedding informal discussion meetings demonstrating their positive Non-Executive Director and governor relationships which focus on holding to account.

Governor Handbook and Code of Conduct

The Council of Governors are provided with a Governor Handbook which provides clear guidance and robust procedures to allow them to discharge their statutory duties. During the year, an easy-read version of the handbook was developed and supports governors through their induction programme. The Handbook also sets out the standards of conduct and behaviour expected of all governors. The Code of Conduct and Confidentiality Agreement forms part of the framework designed to promote the highest possible standards of conduct and behaviour within the Foundation Trust. The Code applies at all times when governors are representing the Trust at conferences, events and meetings and also when carrying out any Trust business.

Governor Elections

During 2017, the Council increased the number of its public governors from 12 to 16 and new constituencies were created mirroring the LDP areas of the STP. This constituency realignment was designed to maximise opportunities for the Trust's public governors to participate effectively in stakeholder and public engagement at the LDP level and to influence stakeholder opinion through that engagement activity while remaining accountable to the Trust's public members and responsive to local public opinion. The review also increased the number of nominated governors from partnership organisations on the Council of Governors as a further commitment to deepening stakeholder engagement and enhancing partnership working more generally.

The above proposals were approved at the Trust's Annual Members' Meeting in October 2017. The Annual Members Meeting was part of a wider Trust membership conference attended by both public and affiliate (stakeholder) members which had as its central theme 'Partnership Working in Practice' with a strong emphasis on showcasing outstanding collaborative projects which support practical health and wellbeing outcomes for service users. Four innovative partnership projects were highlighted via joint presentations from Trust colleagues and representatives of respective partnership stakeholder organisations – Sefton Council for Voluntary Service, The Wildlife Trust for Lancashire, Manchester and North Merseyside, Chorley Borough Council and the Richmond Fellowship.

The subsequent 2017 public governor elections held in four of the newly established LDP constituencies were all contested with up to six candidates standing in each constituency. The Trust was able to leverage from its well established affiliate (stakeholder) membership scheme to encourage a range of skilled and experienced candidates from private, public and third sector backgrounds to stand for election as a public governor. The election process included a series of well attended public meetings where Trust members interested in standing for election could find out more about the role from existing public governors. Both the percentage of contested elections and voter turnout provide strong evidence of the strength of the Trust's stakeholder relations and its wider public involvement.

In terms of staff consistencies, during the year one new class was introduced recognising the need to ensure all staff groups were represented on the Council. This was administration and clerical of Band 4 and below.

The new public consistencies can be seen on the table on page 107.

Attendance of Governors at Council of Governor and Sub-Committee Meetings
1 April 2017 and 31 March 2018

Governor	End of Term	Council of Governors	Attendance (actual/max)		
			Membership Engagement Committee	Quality & Assurance Committee	Nomination Remuneration Committee
Chair					
David Eva	31/05/2019	9/10			2/2
Pennine Lancashire					
Alan Ravenscroft	06/12/2018	8/10		3/4	1/2
Christopher Johnson	08/12/2019	8/10		4/4	1/2
Paul Graham	31/01/2021	2/2		1/1	
Pauline Walsh	08/12/2019	5/10	3/4	1/3	
Fylde Coast					
Keith Holt	06/01/2018	8/10	4/4		
Kathrine Wykes	06/12/2018	5/10	2/4		
Out of Area					
Julia Kay Horn	08/12/2019	7/10	3/4		
Central Lancashire					
Lorena Dumitrache	06/12/2018	8/10	2/4		
Bernadette Ashton	06/12/2018	3/10			
Philip Curwen	08/12/2019	9/10		2/4	2/2
Christine Cartwright	31/01/2021	2/2		1/1	
West Lancashire LDP Area					
Chris Burgess	31/01/2021	1/2		0/1	
Ken Lowe	31/01/2021	1/2		0/1	
North Lancashire and South Cumbria					
Michael Helm	31/01/2021	2/2	1/1		
Mary Jackson	31/01/2021	1/2		1/1	
John Walden	31/01/2021	2/2		1/1	
Staff Governors					
Adnan Gharib-Omar	08/12/2019	7/10	2/4		
Max Oosman	02/12/2017	2/8		0/3	
James Harper	02/12/2017	7/8		1/3	2/2
Sallyann Walker	31/01/2021	2/2	1/1		
Yvonne Guilfoyle	06/12/2018	3/10		1/4	
Helen Scott	06/12/2018	8/10		3/4	1/2
Judy Laing	31/01/2021	2/2	1/1		
Emma Allen	08/12/2019	10/10	4/4		2/2
Geraldine Gasson	31/01/2021	2/2	1/1		
Appointed Governors					
Deborah Wisby	n/a	4/10			
Pamela Beswick	n/a	4/7	1/2		
Teresa Jennings	n/a	7/10		1/4	

Attendance of the Board of Directors at Council of Governor Meetings

Board Member	Attendance
Non-Executive Directors	
Peter Ballard	1
Gwynne Furlong	8
Louise Dickinson	2
David Curtis	2
Isla Wilson	1
Julia Possener	1
Executive Directors	
Heather Tierney-Moore	4
Max Marshall	0
Dee Roach	0
Sue Moore	1
Bill Gregory	0
Damian Gallagher	2

The Trust Chair is responsible for the leadership of the Board of Directors and the Council of Governors however, the Council of Governors also have responsibility to make the arrangements work and take a lead on inviting Board members to Council meetings. As part of the wider review of the Council's governance arrangement that took place in in early 2017, the Council agreed that their preference was to attend Board meetings and Board Committees and did not expect Board members to attend Council meetings unless they were required to as part of the agreed cycle of business. The Trust Chair ensures that there are opportunities for the Board and the Council of Governors to network at various points during the year. More detail on this can be seen on page 87.

6.3 Foundation Trust Membership

The Trust's membership comprises public and staff members as well as affiliates or stakeholder groups. To become a public member of the Trust you must be at least 14 years of age. The age limit to become a governor is 16 years of age. This recognises that there would be difficulties to negotiate the time to attend day time meetings for anyone under this age limit. Staff members employed by the Trust are automatically opted into membership though this will soon change with the introduction of the General Data Protection Regulation (GDPR) on 25 May 2018. There are some exemptions from becoming a member and these can be found in the Trust Constitution.

Members are encouraged to engage with Trust activities throughout the year and each member receives a bi-annual e-magazine and invitations to events and conferences. Governors also play a role in engaging with Trust members to discharge their responsibility to represent the views and interests of members. Governors take opportunities to meet with members face-to-face during elections, conferences and in their local communities as well as attending partnership meetings to engage with the Trust's stakeholders.

Eligibility Requirements

Following a review of the Council of Governors and subsequent recommendations which were accepted at the Trust's Annual Members Meeting held in October 2017, Lancashire Care's public governor constituencies were realigned from boundaries based on Clinical Commissioning Groups (CCGs) to Local Development Plan (LDP) areas defined by the Lancashire and South Cumbria Sustainability and Transformation Partnership (STP). A new class of staff constituency aimed at ensuring that the voice of the Trust's administrative and clerical staff is represented at the Council of Governors has also been added. The new arrangements for public and staff governor constituencies are summarised in the tables below.

Public Governor Constituencies

Public Constituency	Areas covered by each Public Constituency (comprising the local government electoral wards in the following areas):	Minimum number of Members
Pennine Lancashire	Hyndburn, Ribble Valley, Burnley, Pendle and Rossendale, Blackburn with Darwen	105
Fylde Coast	Blackpool, Fylde and Wyre	30
Central Lancashire	Preston, Chorley, South Ribble	75
West Lancashire	West Lancashire, Southport and Formby, St Helen's	30
North Lancashire and South Cumbria	North Lancashire, South Cumbria	60
Out of Area	North of England	15

Staff Governor Constituencies

Staff Constituency	Population (example disciplines/roles)	Minimum Number of Members
Class 1 Medical staff	Consultants, locums, SHO's dentists, associate specialists, others	105
Class 2 Other clinical and social care professionals and clinical support staff	OTs, psychologists, pharmacists, podiatrists, speech and language therapists, physiotherapists, healthcare scientists, social care professionals, others	30
Class 3 Nursing professions and support staff	All registered and unregistered nursing staff including health visitors and midwives	75
Class 4 Corporate staff	Senior managers, clerical staff, estates and ancillary staff and non-clinical support workers	30
Class 5 Administrative and clerical staff	Administrative and clerical staff at pay bands 4 or below	60

Membership Strategy

The Trust's current membership strategy runs for the period 2014-2018. A process of annual incremental revision has been introduced to prevent any drift in the implementation of the strategy and to ensure that it is flexible and responsive to changes in the priorities of the Trust and in the wider health economy. The Board of Directors require that the membership strategy is aligned to the Trust's wider stakeholder engagement strategy and the framework for its implementation is currently set by five objectives:

- Deliver a representative body of members and governors which is aligned to Local Development Plan (LDP) areas;
- Introduce a cohort of 'gold' members segmented by Trust Clinical Network and LDP area;
- Implement a system which gives governors regular opportunities to participate in stakeholder, member and public engagement and to feedback from those opportunities;
- Reach agreement about the principles and practice of membership communication;
- Ensure that the development of the engagement aspects of the governor role is consistent with the broader re-conceptualisation of the contribution of governors to the Trust's strategic goals.

The achievement of these objectives will ensure that the profile of the Trust's membership is representative of the diversity of users of the Trust's services and that there is an increase in the proportion of the membership who are actively engaged in shaping the priorities of the Trust.

Number of Members

On average during 2017/18 the Trust had a total of 7,766 public and 6,638 staff members registered. The breakdown below indicates the number of members within each constituency eligible to vote in elections to the Council of Governors.

Area	Public Member	Staff Member
Pennine Lancashire	2304	-
Fylde Coast	1752	-
Central Lancashire	2061	-
West Lancashire	308	-
North Lancashire and South Cumbria	998	-
Out of Area	316	-
Unknown	27	-
Medical Staff	-	319
Nursing Professions & Support Staff	-	2309
Other Clinical & Social Care Professionals and Support Staff	-	2439
Corporate Staff	-	652
Administrative and Clerical Staff	-	919

Contact Procedure for Members

Members are encouraged to contact the Trust and local governors with enquiries or questions about the running of the Trust, or to request further information on how to get involved in schemes such as volunteering, membership panel surveys, conferences and events. The contact details for queries about Trust membership are publicised on the Trust website with a dedicated inbox for member questions. The electronic application form to become a Trust member can also be found online. The Trust improved its election process for the 2017 governor elections by holding a series of meetings across the region to which members interested in standing for election were invited. These meetings included question and answer sessions with existing governors talking about their role and discussing the skills, experience and commitment required to be an effective governor.

Analysis of Trust Public Membership 2017/18

Gender	Membership 2017/18	%	Membership 2016/17	%
Male	2726	35.1	2733	35.1
Female	4947	63.7	4968	63.7
Not specified	93	1.2	95	1.2
Total	7766	100	7796	100
Age	Membership 2017/18	%	Membership 2016/17	%
0 – 16	12	0.2	15	0.2
17 – 21	381	4.9	380	4.9
22+	6861	88.3	6885	88.3
Not provided	512	6.6	516	6.6
Total	7766	100	7796	100
Ethnicity	Membership 2017/18	%	Membership 2016/17	%
White	6762	87.1	6791	87.1
Mixed	48	0.6	51	0.6
Asian or Asian British	476	6.1	479	6.1
Black or Black British	86	1.1	85	1.1
Chinese	8	0.1	7	0.1
Other	23	0.3	23	0.3
Undefined	325	4.2	325	4.2
Not specified	38	0.5	35	0.5
Total	7766	100	7796	100

7. NHS Improvement's Single Oversight Framework

Single Oversight Framework

NHS Improvement's Single Oversight Framework provides the framework for overseeing providers 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, providers are segmented from 1 to 4, where '4' reflects providers receiving the most support, and '1' reflects providers with maximum autonomy. A foundation trust will only be in segments of 3 or 4 where it has been found to be in breach or suspected breach of its licence.

The Single Oversight Framework applied from Quarter 3 of 2016/17. Prior to this, Monitor's Risk Assessment Framework (RAF) was in place. Information for the prior year and first two quarters of 2016/17 relating to the RAF has not been presented as the basis of accountability was different. This is in line with NHS Improvement's guidance for annual reports.

Segmentation

Lancashire Care NHS Foundation Trust has been placed in segmentation 1 (Providers with maximum autonomy). This segmentation information is the Trust position as at March 2018.

Finance & 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 below.

Area	Metric	2017/18 scores				2016/17 scores	
		Q4	Q3	Q2	Q1	Q4	Q3
Financial Sustainability	Capital Service Capacity	2	3	4	3	3	4
	Liquidity	1	1	1	1	1	1
Financial Efficiency	I&E Margin	1	3	4	4	3	4
Financial Controls	Distance from financial plan	1	2	3	3	1	3
	Agency Spend	2	2	2	2	3	3
Overall scoring		1	2	3	3	2	3

8. Statement of Accounting Officer's Responsibilities

Statement of the Chief Executive's responsibilities as the accounting officer of Lancashire Care NHS Foundation Trust

The NHS Act 2006 states that the Chief Executive is the accounting officer of the NHS Foundation Trust. The relevant responsibilities of the accounting officer, including their responsibility for the propriety and regularity of public finances for which they are answerable, and for the keeping of proper accounts, are set out in the NHS Foundation Trust Accounting Officer Memorandum issued by NHS Improvement.

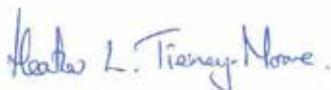
NHS Improvement, in exercise of the powers conferred by Monitor by the NHS Act 2006, has given Accounts Direction which require Lancashire Care NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis required by those Directors. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Lancashire Care 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 legislation, delegated authorities and guidance and
- Assess the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- Use the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the Trust without the transfer of its services to another public sector entity.

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. The accounting officer is also responsible for ensuring that the use of public funds complies with the relevant legislation, delegated authorities and guidance.

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



Professor Heather Tierney-Moore OBE

Chief Executive

25 May 2018

9. Annual Governance Statement

Section A: 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.

Section B: 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 Lancashire Care NHS Foundation Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Lancashire Care NHS Foundation Trust for the year ended 31 March 2018 and up to the date of approval of the annual report and accounts.

Section C

As Chief Executive, I have overall responsibility for ensuring arrangements are in place for the effective management of risk. The Board collectively and individually has a role to ensure that robust systems of internal control and management are in place. The responsibility for leading the management of risk throughout the organisation is delegated to the Executive Directors and Board Assurance Framework (BAF) risks are aligned against individuals within their portfolio of responsibility.

The Trust continues to adopt an integrated approach to governance, risk and assurance. A number of activities support this:

- Strategic priorities and strategic risks are aligned at the highest level in the organisation;
- Board Assurance Framework strategic risks are aligned to governance committees and sub-committees to support the commissioning and reporting of assurances;
- Operational risks that reach a score of 15 or above, are aligned to a BAF risk where there is an identified interdependence and are reported to corporate governance committees and sub-committees;
- Gaps in controls and assurances relating to BAF risks are used to inform the setting of sub-committee agendas to provide assurance that gaps are being managed;
- Operational objectives are aligned to BAF risks to support the management and mitigation of risks and the annual planning process takes account of any relevant risk in order to target activity;
- The remit of the Audit Committee ensure that there is oversight of risk assurance and management systems across the Trust.

The corporate governance structure that is embedded throughout the organisation supports the Trust's integrated risk management approach to ensuring that risks to the strategy are identified,

assessed, prioritised and addressed. The risk assurance process involves multifunctional leadership across Executive Directors and promotes an open dialogue and risk awareness. The Trust's strategic planning framework connects the key areas of strategic priority and associated risk and specifies the interdependencies between these areas, taking account of the board balance scorecard and cost improvement plans.

Risk assurance reporting has been embedded at sub-committee, committee and SLT meetings during 2017/18 in accordance with the refreshed BAF process. The governance meetings have authority to commission additional assurance where it is felt this is required and provides a further opportunity to draw assurance through the organisation, improving the effectiveness of the control environment. Chairs' reports feeding into the Board are reported from a risk escalation and assurance perspective.

Thirteen BAF risks have been managed during 2017/18 and three risks have been managed to its in-year target. The BAF risks have been reviewed towards the end of 2017/18 through a root and branch review to assess if the risks are still relevant. A proposal to roll forward the existing BAF risks into 2018/19 with updated target scores was approved by the Board of Directors in May 2018. The BAF risks can be seen on page 115.

The Trust's Risk Appetite statement was refreshed in April 2017 and was approved by the Board of Directors in May 2017. The refreshed statement set an adventurous risk appetite overall and is more reflective of the environment within which the Trust is currently positioned. There is an expectation that strategic level decisions relating to bid/tenders take account of the risk appetite as part of the due diligence process. The risk appetite towards regulatory standards is 'averse'. To support the implementation of the risk appetite at strategic level in the organisation, a guidance document has been produced and risk appetite has to be applied to a number of decisions made by the Business Development team.

The Risk Appetite statement is reviewed on an annual basis. A proposal to roll over the existing Risk Appetite Statement and risk appetite descriptions into 2018/19 was approved by Board of Director in May 2018. The risk appetite for 2018/19 can be reviewed on page 116.

Strategic Objective	BAF Risk 2017/18	Sub-Committee	Director Lead
SP1 Quality	<p>1.1 If we do not meet regulatory standards for quality and safety we will not be fit for purpose as a care provider.</p> <p>1.2 If we do not create a culture of learning then we will be unable to provide high quality care.</p> <p>1.3 If we do not provide integrated physical and mental health services we will lose opportunities to improve patient outcomes.</p>	<p>Quality & Safety</p> <p>Quality & Safety</p> <p>Quality & Safety</p>	<p>Director of Nursing & Quality</p> <p>Director of Nursing & Quality</p> <p>Medical Director</p>
SP2 Sustainable Services	<p>2.1 If we do not work collaboratively with partners we will not be able to influence system wide transformation.</p> <p>2.2 If we do not deliver new models of care we will cease to be a creditable lead provider.</p>	<p>Business Development & Delivery</p> <p>Business Development & Delivery</p>	<p>Chief Operating Officer</p> <p>Chief Operating Officer</p>
SP3 Excellence	<p>3.1 If we do not engage with our patients and service users we cannot achieve excellence and quality.</p> <p>3.2 If we fail to project our achievements then our reputation will not improve.</p> <p>4.1 If we do not support the health and wellbeing of staff we will struggle to attract, recruit and retain our workforce.</p> <p>4.2 If staff are not provided with extensive education, training and leadership development we will not have an organisational culture that supports high performance.</p>	<p>Quality & Safety</p> <p>Quality & Safety</p> <p>People</p> <p>People</p>	<p>Director of Nursing and Quality</p> <p>Chief Operating Officer</p> <p>Human Resource Director</p> <p>Human Resource Director</p>
SP5 money	<p>5.1 If we do not meet financial objectives we will not be able to provide sustainable services.</p> <p>5.2 If we do not work with partners to deliver system wide efficiencies this will undermine our own financial position and that of the STP.</p>	<p>Finance</p> <p>Finance</p>	<p>Chief Finance Officer</p> <p>Chief Finance Officer</p>
SP6 Innovation	<p>6.1 If we do not develop and maintain infrastructure, we will not be able to deliver safe, responsive and efficient care.</p> <p>6.2 If we do not exploit the full capabilities of the new EPR system and wider technology to redesign services we will miss important opportunities to improve care.</p>	<p>Infrastructure</p> <p>Infrastructure</p>	<p>Chief Finance Officer</p> <p>Chief Finance Officer</p>

Risk Appetite against Strategic Priorities and Blueprint Statements 2018-19

Strategic Priority		Strategic Blueprint		Risk Appetite Description		Strategic Risks	
Compassion	To provide high quality services	We will ensure that people who use our services are at the heart of everything we do, and the people who deliver and support delivery of services are motivated, engaged and proud to provide high quality, compassionate, continually improving care. We will empower people to share their stories so that we know how we are doing and we will listen to learn and to improve quality together. We will continue to strive to be the best that we can be by upholding our 8 quality commitments and the 11 statements, empowering everyone to embrace these personal pledges.	We are willing to take risk in those activities that have been identified to improve quality and clearly impact on motivating, engaging and empowering people who deliver and support delivery of services.	1.1 If we do not meet regulatory standards for quality and safety we will not be fit for purpose as care provider. 1.2 If we do not create a culture of learning then we will be unable to provide high quality care. 1.3 If we do not provide integrated physical and mental health services we will lose opportunities to improve patient outcomes.			
Integrity	To deliver sustainable services that meet the needs of local people	We will collaborate with partners to deliver system wide transformation and we will be an active partner in delivering a bespoke offer to a number of Accountable Care Systems by <ul style="list-style-type: none"> being the prime provider of specialist, acute and community mental health services, and a lead provider in delivering new models of integrated physical and mental health out of hospital services, and Realising the benefits of our geographical footprint to deliver system wide sustainable infrastructure solutions and organisational vehicles for new models of care. Whilst our principal footprint for delivery of services is Lancashire and South Cumbria, we will continue to seek opportunities across North West STP footprints.	We are willing to accept risks that will enable delivering system wide transformation and collaboration with partners. This may include new and novel business both inside and outside the principal footprint of Lancashire and South Cumbria.	2.1 If we do not work collaboratively with partners we will not be able to influence system wide transformation. 2.2 If we do not deliver new models of care we will cease to be a credible lead provider.			
Teamwork	To become recognised for excellence	Our service users and carers will tell us that our services are of high quality. Our people will recommend us to family and friends. We will be respected by our commissioners and other providers as a co-producing partner in shaping new service models that deliver our aligned strategies with an emphasis on place based care.	We are willing to accept risks or circumstances where difficult decisions are taken for the right reasons where the benefits clearly outweigh the risks. Risks are actively taken where the benefits of 'social capital' demonstrates a significant reward.	3.1 If we do not engage with our patients and service users we cannot achieve excellence and quality. 3.2 If we fail to project our achievements then our reputation will not improve.			
Respect	To employ the best people	We will develop an organisational culture and leadership team equipped to meet its strategic intent and the needs of both its workforce and the population it serves; in short, a culture of high performing, continually improving and compassionate care. Staff will be motivated, engaged, high performing and proud of the service they provide. We will proactively support staff to look after their own health and wellbeing, and to reach their full potential. We will identify and grow our future leaders. People will want to work here.	We are willing to take risks in relation to innovative approaches to development of our workforce and are prepared to take risks to ensure that our staff are of the highest quality, supported in their own health and wellbeing and in reaching their full potential.	4.1 If we do not support the health and wellbeing of staff we will struggle to attract, recruit and retain our workforce. 4.2 If staff are not provided with extensive education, training and leadership development we will not have an organisational culture that supports high performance.			
Accountable	To provide financially sustainable services	We will restore and maintain financial balance, and provide services that offer excellent value for money without compromising financial sustainability. We will work with local partners to deliver system wide efficiency measures. We will actively seek business opportunities that add value for local people.	We are willing to take risk that represents a consistent focus on the best possible return for the organisation, local partners and local people.	5.1 If we do not meet financial objectives we will not be able to provide sustainable services. 5.2 If we do not work with partners to deliver system wide efficiencies this will undermine our own financial position and that of the STP.			
Excellence	To innovate and exploit technology to transform care	We will develop and promote digital enabled care, and lead research and innovation to enhance patient experience, reduce costs and/or improve quality. We will have a culture where staff are given the time, training and resources to research and innovate. Research will validate innovations and innovations will direct research. Partnerships with third party organisations will enable rapid execution and exploitation of innovation projects.	We will accept risk where innovations are identified that will enhance patient experience, reduce costs and/or improve quality. We will actively seek higher risk/higher return projects and strive to establish pioneering partnerships that can support execution and exploitation of innovation projects.	6.1 If we do not develop and maintain infrastructure, we will not be able to deliver safe, responsive and efficient care. 6.2 If we do not exploit the full capabilities of the new EPR system and wider technology to redesign services we will miss important opportunities to improve care.			

Risk Management Training

Risk Management training has been delivered across the Trust during 2017/18 in the form of targeted and requested face to face training sessions to support staff in developing their risk and assurance knowledge and capabilities. During the year there has been 23 training sessions delivered across the Trust at various levels including, senior manager, support services, Networks and ward level. This supports the aim of providing a ward to board approach to training delivery.

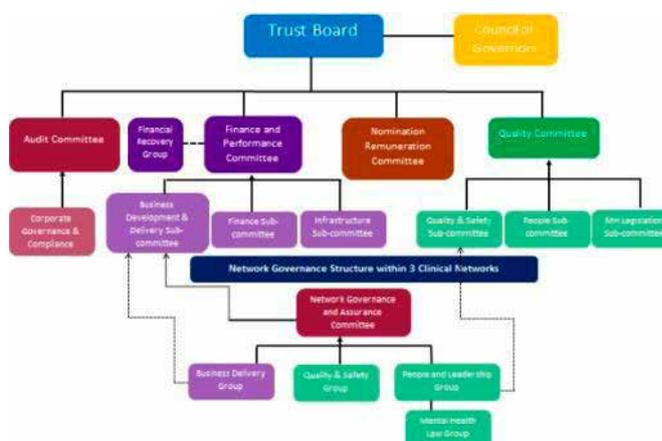
The Trust has also refreshed the content of the Risk Management Training Tracker to provide an interim IT solution to risk management training while an interactive solution using a new platform is developed. The development of a new risk management training package using an interactive IT solution is at the early stages and will continue into 2018/19 once a training provider is selected.

Section D: The risk and control framework

Effectiveness of Governance Structures

Following the establishment of the governance structure in April 2015, to support an effective flow of evidence based assurance up to the Board, the Trust has continued to review and improve its governance arrangements. The Trust has adopted an effectiveness review approach with each Committee assessing its own performance annually in line with best practice guidance, and the adequacy of its terms of reference, work plans and focus of discussion. During 2017/18 the Trust introduced an enhanced approach to the annual effectiveness review of its Board level Committees, with a strengthened approach to self-assessment by the Committee members and input from external bodies, such as the Trust's Internal Audit agency.

The Trust utilised an evidence based approach to the review of the terms of reference in line with enhancing the Trust's compliance with current legislation. In terms of the clinical network structures, 'health-checks' were introduced to facilitate a review of governance processes and arrangements in place in the networks along-side the risk management arrangements. The health-check process was a combination of desktop documentation review, observation and professional discussion, followed by preparation of a final report including improvement recommendations agreed with the networks. The first year of the programme has been embedded well and year-two will continue to be a focus during 2018/19. The current governance structure can be seen below:



Foundation Trust Governance

As a Foundation Trust we have a membership that represents the public that we serve. Annually we elect governors to ensure representation of the Trust membership. The Trust has

demonstrated a long-standing commitment to supporting its governors and robust structures and processes have been put in place to good effect. Following the introduction of a new governance structure to support the Council of Governors in the discharge of their duties, this year has been focused on ensuring information provided to Governors is in the context of their role and to provide Governors with information that is summarised but that enables a more rounded view on the delivery of the performance of the Board.

A key responsibility for Governors is to hold Non-Executive Directors to account for the performance of the Board. Governors do this through an approved appraisal process and gain evidence and information to support that through attendance at Board and Committee meetings. Non-Executives attend Council Committees on a rota basis and also attend full Council meetings as the agenda requires. The Chief Executive provides a quarterly report to the Governors which highlights any significant or emerging risks and mitigations. Governors also have access to Board papers which are made available on the Trust's website following each meeting.

As the Trust is moving towards a more collaborative place based approach within the Lancashire and South Cumbria Sustainability and Transformation Partnership, it was recognised that there was an opportunity to align the Trust's engagement and representation approach with the local delivery plan (LDP) areas. In line with this, the Governor constituencies have now been mapped against the LDP footprints. The Trust also introduced an additional constituency within North Lancashire and South Cumbria, of which there are three Governors in place. To ensure all staff groups are represented, the Trust has also introduced a new staff Governor class – administration and clerical support. More information on this can be found with the Annual Report.

Future Focus of Governance

During 2018/19, the Trust will continue to work closely with the Networks to deliver year-two of the health-check programme and embed the improvements identified. A key activity will also be a training programme focused on meeting support for administrators. This will increase understanding and will help to further embed Trust governance practices.

The Lancashire and South Cumbria STP continues to move forward with pace which creates a number of opportunities for the health economy. In order to maximise these opportunities it will be vital that the governance between organisations is properly and robustly established to avoid there being unnecessary constraints on collaborative working. Supporting the effective governance of the STP will be a key focus for the Trust moving into the next reporting period and a flexible and emergent approach will be adopted.

The new guidance on managing conflicts of interest in the NHS issued by NHS England provided the opportunity for the Trust to review its processes and systems for recording declarations of interests during 2017/18. This included the development of an electronic system to collate, monitor and report on the register of interests. Embedding the declarations of interest process and system across the organisation will be a focus for 2018/19.

Finally, ensuring there is sufficient governance around the monitoring of recommendations and areas for improvements which arise from the CQC Well-Led report will be a priority for the Trust.

Validity of Corporate Governance Statement

In making its corporate governance statement for 2017/18, the Trust will have assured itself of

the validity of the statement through identification of the information and evidence available to support each part of the statement.

The Board, through the established governance assurance processes of the organisation, maintains on-going oversight of compliance with those principles, systems and standards of good corporate governance which would be reasonably regarded as appropriate for a supplier of health care services to the NHS.

In determining ongoing compliance the Board has, through its Audit Committee, continued to review the effectiveness of its internal control systems including compliance with the Code of Governance. As a result of the controls in place, the Trust has not identified any significant risks to compliance with the NHS FT condition 4 (FT Governance).

Compliance with Legislation

To strengthen the Trust's understanding of its legislative requirements, a Compliance Framework has been developed. This provides a comprehensive list of the primary legislation with which the Trust is required to comply. Through utilising this framework, policies have been risk assessed to determine the extent to which they ensure the Trust is compliant with the relevant primary legislation. The outcome of the risk assessments was used to inform the policy development plans and the priority to which policies should be updated. This was finalised during the year.

Horizon scanning has been a key focus during 2017/18 across all Trust networks and support services to further enhance the adoption of relevant and up-to-date legislation in Trust practice. The Trust therefore introduced two key mechanisms for capturing emerging statutory legislation and relevant guidance, which is reported through to the Trusts senior leadership team for escalation in the Networks. Those mechanisms are the Compliance Digest and the LCFT Bulletin.

Quality Governance

The Trust continued to strengthen its approach to quality governance based on the quality governance guidance from NHS Improvement and in line with the joint well led guidance between NHS Improvement and the Care Quality Commission. This is detailed further in the Annual Report and Quality Account. Of particular note is the strengthening of the system for quality surveillance by extending team-level dashboards, refining Network-level quality surveillance reports and introducing a new Quality Report for the Trust Board. During the year, a new approach to quality assurance visits was developed and introduced working jointly with lead commissioners. The quality governance framework was reviewed during the year with a new framework planned for implementation in April 2018.

Compliance with the Care Quality Commission Registration

The Care Quality Commission (CQC) undertook a combined core service and well led inspection during quarter four of 2017/18. This was preceded by the annual provider information request being received and completed during quarter two.

The CQC undertook an unannounced focused inspection of mental health crisis services and health based places of safety in December 2017. The inspection specifically focused on the application of Section 136 of the Mental Health Act. A Requirement Notices was issued to highlight areas for improvement. The Trust submitted the provider action statement in response to the report findings in March 2018.

The CQC also undertook a focused inspection of the healthcare service at HMP Liverpool during September 2017. Two Requirement Notices were issued to highlight areas for improvement. The CQC does not currently rate prison healthcare services.

On the basis that not all actions relating to the Requirement Notices detailed above have been fully completed at the time of this statement, the Trust is not fully compliant with the registration requirements of the Care Quality Commission.

Patient Safety including Never Events

The Trust continued to strengthen and improve patient safety. Our approach to patient safety is detailed within the Quality Account.

The Trust has been shortlisted in the HSJ Value Awards for its Investigation and Learning Team model which was created in 2016 and was detailed in the last statement.

The Trust reported a medication incident during the year which, following discussions with commissioners and subject to the full investigation being completed, was deemed as a possible Never Event. This related to an overdose of methotrexate for non-cancer treatment. No harm was caused to the patient affected however the Trust acknowledges the seriousness of the incident and the potential for learning and quality improvement. A full investigation was commissioned and has been completed. The learning from that investigation now forms an improvement plan. The Trust is now clear, based on the investigation and the NHS Improvement national guidance, that this incident does not meet the criteria for a Never Event and we have asked our commissioners to reclassify this (a decision that will take place after publication of this report).

Raising Concerns

The Trust is committed to supporting staff speak to out about safety concerns and wrongdoing. The Trust has in place a Raising Concerns Guardian and during the year they developed a network of Raising Concerns Advocates across services and localities. The Trust has also continued its Dear David system allowing staff to raise concerns direct with the Trust Chair, anonymously if they so wish. A new system was developed to securely record all concerns raised and to enable this data to be triangulated with other quality and safety data. Additionally, a new feedback mechanism was tested at the Guild and introduced to receive feedback from staff who raise concerns.

The Raising Concerns Guardian presents a quarterly report to the Quality Committee on concerns raised and action taken along with work done to support an open culture. Additionally, the Raising Concerns Guardian presents an annual report to the Audit Committee on the systems and processes for staff to raise a concern. During the year the Raising Concerns Guardian also presented at the Council of Governors on the raising concerns process and outcomes.

The Trust Chair takes the role as non-executive director lead for raising concerns and the Executive Director of Nursing and Quality takes the executive lead role.

Hearing Feedback for Quality Improvement

The Trust continually strives to ensure that the voices of people who use services and those close to them are heard. Over the past twelve months the Hearing Feedback Team has piloted and tested a number of quality improvements in the way in which the Trust listens and responds to people sharing their experiences of care. These include a case management approach which

facilitates a person centred, timely and supportive process for people who wish to provide feedback about services. Where we have tested this approach, we have seen significant improvements in compliance with complaint timeframes and complainant satisfaction with their response. The case management approach will be implemented and embedded across the rest of the organisation during 2018/19. This development has improved compliance with complaint timeframes and complainant satisfaction with their response and will continue to be implemented and embedded across the Trust during 2018/19. Information about how feedback has been used to drive improvements can be found in the Quality Account.

Professional Leadership – Supervision Recording

To ensure compliance with CQC fundamental standards, the Trust must ensure that all staff are 'suitably qualified, competent and experienced' (CQC, 2017). In addition, 'Staff must receive the support, training, professional development, supervision and appraisals that are necessary for them to carry out their role and responsibilities' (CQC, 2017).

The Trust identified that a more robust method was needed to provide assurance that staff are receiving supervision in line with professional and Trust policy requirements. A supervision system specification has been developed and costed and software development has commenced. This system will capture clinical supervision, safeguarding supervision, AMPHs supervision as well as line management and professional leadership at an individual, professional, service and network level. It will also have a validation step where supervisors endorse that the reported session has taken place. This provides an additional level of risk control.

This will provide the opportunity for both high level reporting via Business Intelligence reports to the Quality and Safety Sub-Committee as part of the Professional Leadership assurance metrics. This provides a direct line from individual recording of supervision to Board assurance via the quality governance structure within the Trust.

An interim approach has been in place for the last quarter of 2017/18 which utilises survey methodology to self-report on supervision. While this does not have the validation step, it promotes the culture of supervision self-report and has provided an interim developmental approach to the implementation of the system as described above.

Risk Management and Assurance

The systems of internal control in relation to risk and assurance have been strengthened during 2017/18 to support the organisational approach to increasing the maturity of operational risk reporting within the Trust.

There has been a focus on working closely with the networks and support services to support risk reporting arrangements through the health-check process described earlier. Risk reporting to SLT has been strengthened through the regular reporting of risk update reports during the year. These reports provide SLT with the opportunity to review the BAF risk register position with updated 15 and above risks. Also provided is a summary of the risk surveillance and risk analysis work carried out.

Since Q2, network and support service risk registers have been reviewed as part of the operational objectives quarterly review to encourage conversations and support the connection between operational risk and planning.

The assurance mapping process has developed significantly over the last 12 months as the maturity of assurance reporting increases. The assurance mapping process uses information from corporate governance meetings to inform the quarterly review of BAF risks. The format of the mapping has been re-designed to make it more user-friendly and the development of electronic system has been scoped to further strengthen the process in 2018/19.

The use of an Assurance Quality Matrix has been embedded during the year to enable the assurances reported through governance meetings to be rated in order to identify the confidence that can be placed in the information being provided. The assurance matrix works by assigning an 'assurance rating' to the information provided at governance meetings.

A Risk and Assurance Toolkit has been developed which has been designed to enhance staff understanding of what assurance is and how it is reported through the Trust's governance structure.

An internal audit of the Trust's Risk Management Arrangements was carried out during the year and provided significant assurance that robust risk management arrangements are in place. The review also identified a number of developmental areas for improvement in relation to the risk management policy, training and risk appetite.

The flow of assurance information through the organisation has continued to improve through 2017/18 and the alignment of assurance with risk at all levels has further enhanced the risk management process and the confidence that can be placed on evidence based assurance.

An area of focus for 2018/19 will be aligning team names within Datix to the financial system.

Well-Led Assessment

The Trust continued to strengthen its approach to quality governance based on the quality governance guidance from NHS Improvement and in line with the joint well led guidance between NHS Improvement and the Care Quality Commission. Of particular note is the strengthening of the system for quality surveillance by extending team-level dashboards, refining Network-level quality surveillance reports and introducing a new Quality Report for the Trust Board. During the year, a new approach to quality assurance visits was developed and introduced working jointly with lead commissioners. The quality governance framework was reviewed during the year with a new framework planned for implementation during 2018/19.

The Single Oversight Framework says that NHS foundation Trusts should carry out an external review of their governance every three years. In accordance with this guidance, the Board commissioned a Well-led review which commenced in February 2016 with the final report received in July 2016. The final review report noted a number of areas of good practice with scope for further development and enhancement in some areas. The outcome saw the development of an action plan with key recommendations which was approved by the Board and progress monitored on a monthly basis. All recommendations were adopted and completed by the Trust. In line with NHS Improvement guidance, the next external Well-Led review is due to commence in 2019.

Following the CQC comprehensive inspection of the Trust in September 2016, the Trust received a rating of 'good' within the well-led domain. The Trust has continued to address any areas for improvement through the Quality Plan, which sets out 16 key priority areas for Trust-wide improvement. By tackling these 16 priority areas in a systematic way the Trust will improve the safety, effectiveness and experience of our services. Supporting these 16 priority areas is a

comprehensive set of quality improvement work which has been developed by Support Services in collaboration with the Trust's Networks highlighting the importance of each service truly embracing the Trust's common commitment to quality and the support provided to front line teams. For further detail on the Trusts implementation of the Quality Plan, please see section 3.2.

In January and February of 2018, the Trust was inspected as part of the rolling programme of inspections by the CQC. This consisted of an inspection of core services and a well-led inspection. The report made positive comments in relation to Board functioning which highlighted the Board members oversight and understanding of the key priorities, risks and challenges faced by the Trust. The report also states that there was a clear process for escalation of risks from networks to the Trusts risk register via the governance structures. Further details and the CQC ratings can be seen in the Annual Report and Quality Account.

Strategic Planning

The continued review and delivery of the Trust's strategy remains a dynamic process, underpinned by our well established strategic and business planning framework.

The Trust Strategic Plan 2017-22 reflects a move away from the previous commercial and competitive approach towards a collaborative place-based approach with partners across the health and social care systems in which we operate. Our strategy also articulates the delivery and governance models that underpin the strategy, and also identifies emerging capability and capacity issues that need to be considered both at an operational and strategic level in order for the Trust to deliver clinical, operational and financially sustainable services.

Our internal planning processes ensure that all parts of the organisation clearly articulate, through their operational plans, how their objectives will help achieve the Trust's vision, mitigate known strategic risks, and as a consequence, deliver our strategic priorities. This process is set within the context of the requirements of our regulators and seeks to align to the Single Oversight Framework, published by NHS Improvement, across the following five themes:

- Quality of care
- Finance and use of resources
- Operational performance
- Strategic change
- Leadership and improvement capability

The strategic change element of the framework is assessed through the strength of the Trust's engagement of working with system partners to deliver the strategic changes set out in the *Five Year Forward View*, with a particular focus on the Trust's contribution to the Lancashire and South Cumbria Sustainability and Transformation Partnership (STP) and associated Local Delivery Plans. This ensures that our health and care services are planned by place rather than around individual organisations, requiring our local health economy to deliver a sustainable, transformed health service and improve population wellbeing, the quality of care, and NHS finances.

The Trust recognises that as external changes in relation to the STP continue to gather pace, so too does the need for the Trust to respond appropriately and at pace. With this in mind, the Trust has developed a process for collecting, analysing and sharing strategic intelligence, understanding that external changes in relation to the STP continue to gather pace, and recognising the need for the Trust to respond with pace and proficiency in order to realise our strategic ambitions of delivering of high quality, safe, sustainable services to the people it serves.

Data Quality – Performance

The continuous improvement of data quality relating to performance information has remained a focus during 2017/18. The Trust has engaged with other NHS Trusts to identify areas of best practice to inform our improvement plan, particularly with regard to how we can use our data and information more effectively, and therefore drive further data quality improvements. We have also drawn on learning gained through our participation in the second cohort of the Lord Carter work which is focussed on mental health and community Trusts (ref Annual Report).

In February 2017, a 'kite-mark' was allocated to each NHSI indicator and this has been embedded into performance reporting in the Quality and Performance Report during 2017/18. The kite-mark has identified the use of manual over-ride to enable accurate reporting of a number of measures. This occurs when the quality assurance checking of electronically derived data is not completed, and source records corrected, prior to the data being locked down for reporting. This causes inconsistencies between reported data and source reports. Control measures have been put in place to provide a clear audit trail for future reference, and the QPR contains a summary of the number of manual overrides made. The summary of the kite-marking information collated for the whole year will inform further improvements into 2018/19.

There has been positive progress achieved in systems alignment throughout 2017/18. This work enables data to be triangulated between the Trust's Finance, HR, e-Rostering, Performance and Incident reporting system, which enhances performance analysis and accuracy of benchmarking information. An additional benefit of this work has been the completion of mapping of all teams to service lines to address data quality issues in relation to reporting of contracted activity reporting.

The Quality and Performance Report continues to evolve and to reflect the performance metrics relevant to our key work programmes. During the latter part of 2017/8, the Trust has introduced a mental health 5YFV dashboard which captures relevant performance metrics. Some of these are still in shadow form but work has been undertaken to define the specific data processes and constructs to assure data quality on the new performance metrics. This will be completed in advance of full reporting from April 2018.

During 2017/18, the Trust implemented a plan to transition the data warehouse reporting from the current ECR and iPM system, to the new ePR, RiO. The implementation of RiO is an opportunity for the Trust to further enhance data quality as the requirement to artificially link contact information in iPM with clinical information in ECR will be negated. Moreover, the data migration plan will ensure that the data migrated to the new system is cleansed. Data quality reporting will be developed from the new system as a means to systematically monitor key data quality indicators.

In October 2017, an issue was identified in relation to the interpretation and application of the Standard Operating Procedure for recording of clock start and clock stop dates for the NHSI Early Intervention in Psychosis for New Psychosis Cases indicator target. Further information is provided in the Quality Account.

The NHS Pension Scheme

As an employer with staff entitled to the 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, employers 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.

Compliance with Equality & Diversity and Human Rights Legislation

Control measures are in place to ensure that all the organisation's obligations under equality, diversity and human rights legislation are complied with. The Trust's approach to equality, diversity and inclusion is articulated in the Equality and Diversity Statement of Intent which provides a strategic framework with the aim of continuous improvement in this area. Progress against this is measured using NHS England's Equality Delivery System (EDS2) and the Trust's most recent rating received was Achieving for EDS2, Goal 1 – Better Health Outcomes.

An annual Workforce Race Equality Standards report and action plan are compiled and published on the Trust website to enable specific focus on closing the equality gap between white and BME staff groups. This year has seen an improvement against five of the nine standards.

Equality and Diversity is also an integral part of the Trust's Quality Led Strategy which informs all activity at Lancashire Care. In line with the Trust governance framework, equality and diversity assurances are the responsibility of the Quality Committee. Both the Quality and Safety and People Sub-Committees provide the Quality Committee with assurance and serve as escalation points for risks identified by the HR Director, equality and diversity lead and network and service line leads

Carbon Reduction Delivery

The Foundation Trust has undertaken risk assessments and Carbon Reduction Delivery Plans are in place in accordance with emergency preparedness and civil contingency requirements, as based on UKCIP 2009 weather projects, to ensure that this organisation's obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

Energy consumption accounts for 13% of the carbon footprint, net energy consumption has been reduced from the baseline year. The reduction is due to improvements in energy efficiency, building closures and increases in on-site generation technologies such as solar panels and biomass boilers, these will continue throughout 2017/18. Further actions to reduce energy consumption are the installation of SMART meters or Automatic Meter Reading equipment coupled to a new and improved energy management software. This will allow for energy monitoring and targeting to take place with minimal impact on resource while insuring the accuracy of consumption and invoices. The Environmental Manager is also part of the newly established Energy Strategic Transformational Plan Lancashire Group to utilise the knowledge and best practice within the group for the benefit of the Trust.

Transport accounts for 23% of the carbon footprint and will remain high in short to medium term. Efforts to reduce carbon emission from transportation include the increase in the number of electric vehicle charging points and the promotion of ultralow emitting vehicles via the salary sacrifice. The Trust is seeking external funding to carry out a full transport review and use the outcome of the review to provide actions to reduce carbon in this area.

Actions to increase recycling facilities and reduce waste are ongoing. The Trust is in the process of installing recycling facilities in several buildings and reviewing waste disposal and collection procedures in buildings with design restrictions for the collection and storage of waste/recycling.

Procurement is the largest contribution to the Trust's carbon footprint and is the sector most difficult to control or reduce in terms of carbon emissions. The environmental and procurement managers have been working in partnership to reduce emissions in this area and ensure procurement and sustainable issues are fully included in future projects.

External Engagement

The Trust has a Communications and Engagement business plan that underpins its external engagement activity. Relationship Managers lead and co-ordinate engagement with a range of stakeholders including GPs, third sector organisations and other NHS providers with a geographical focus, which supports the Trust's Strategic Plan to take a collaborative place-based approach with partners across the health and social care systems in which we operate. Key relationships have been strengthened with groups and individuals in Lancashire including the STP, LDP areas, CCGs, other commissioners, other NHS providers (including GP providers), Local Authorities, Health watch organisations, Health Education England, Lancashire MPs, the third sector and other emerging providers and local agencies including police and higher education institutions.

Increasingly, Service Managers and Care Group Managers are required to represent the Trust in locality meetings to influence the planning of place-based care. A training plan was created to develop the skills of this cohort of managers, starting with a bespoke training day followed up with coaching, locality briefings and further support.

A "State of the Nation" report has been developed which provides a position of developments across the STP footprint. This report served to provide assurance to the Group on activity undertaken to mitigate BAF Risks 2.1 and 3.2. An updated "State of the Nation" covering a snapshot of relationships, triangulated against soft intelligence from stakeholders, feedback from meetings via senior managers, the Quality & Performance Report, correspondence from MPs recorded on Datix and Trust Strategic feedback was prepared at year end.

The Communication and Engagement KPI report was submitted quarterly and was included in the Chief Executive's Report to Board. In addition, this report was taken to the Business Development and Delivery Committee to brief the Committee on the current situation regarding external communication and engagement and provide assurance of the activity taking place to mitigate risks to the Trust's reputation.

A heat-map illustrating the strengths of relationships across the health and social care economy and risks to the Trust's reputation from external factors was included in the Communication and Engagement Quarterly Review to assure the Executive Team on the impact of communication and engagement on external affairs.

Social Value

Adding social value has clear connections with efforts to reduce health inequalities through action on the social determinants of health – for example, by improving employment and housing, reducing local inequalities and, in the longer term, reducing the demand on health and care services and other services.

A proactive social value approach that is explicit and visible to external organisations and is part of how the Trust articulates its positioning as a good partner demonstrates that it can add value to the whole health economy through the way it provides its services.

A plan commenced in 2017 to make the way LCFT demonstrates social value in the future more robust with an aim to be able to demonstrate a co-ordinated, strategic approach to recording, reporting and demonstrating social value, with a single clear vision that teams and services feel

they have ownership of. The Finance & Performance Committee was provided with assurance in October 2017 that the Trust was taking robust steps to improve future measurement of social value and agreed next steps in relation to governance and assurance in this area.

NHS benchmarking programme

The Trust provided the following submissions to the national benchmarking programme in 2017.

Project	Status
Child and Adolescent Mental Health Services	Report published
Mental Health Inpatient and Community Services	Report published
Corporate Functions	Report published
Pharmacy and Medicines Optimisation (Provider)	Report published
Community Services	Report published
Learning Disabilities	Validation in process

The focus of strengthening the data quality for these submissions has continued, culminating in a gap analysis of all the metrics in the mental health inpatient and community Services submission. An action plan has been developed in conjunction with the mental health Network and Business Intelligence team to identify areas where reporting changes or improvements can be made to increase the number of metrics submitted for 2018. A wider working group has also been convened to increase the quality of the submission for all metrics for this project. It is planned to roll this methodology out across each of the main projects for 2018.

Accreditation Framework

A framework has been developed to standardise the decision making process for networks to propose inclusion in a national accreditation scheme. Agreement has been reached for the Children and Young People's Wellbeing network to progress with the current schemes related to Eating Disorder Services, Inpatient CAMHS and EIS, to join the Quality Network for community CAMHS once the service transformation is embedded.

Work is ongoing with the community and wellbeing and mental health networks to determine additional schemes to be included on their programme, with an expression of interest to be submitted for the Royal College of Physicians Accreditation scheme for Pulmonary Rehabilitation.

Background work is currently being completed to evaluate the Memory Assessment Service, Electroconvulsive Therapy Clinics, and Older Adult inpatient settings for mental health accreditation schemes.

The forensic service are members of the quality network for forensic mental health Services. The reporting structure against these projects is through the network Quality and Safety Groups and in turn the Trust Quality and Safety Sub-Committee. Regular progress monitoring will be via the quarterly reviews.

Section E: Review of economy, efficiency and effectiveness of the use of resources

Value for Money

The Trust has set an aim to demonstrate high performance in terms of Value for Money (VfM), in relation to efficiency and effective use of resources. In order to achieve this, a progressive and developmental approach to VfM has been adopted, with an annual plan that incorporates:

- Testing and strengthening our systems and processes to demonstrate VfM
- Exercises to improve VfM where we identify that there is room for improvement or an opportunity to strengthen controls and specific comparison
- Activities that will be undertaken and reported on to demonstrate high performance.

The VfM Strategy and Plan was approved by the Audit Committee in October 2017 following initial approval by the Finance and Performance Committee. The plan included a set of actions that help the Trust to realise its aim of being able to demonstrate overall efficiency. VfM is a key element of the Trust's internal audit programme, the outcomes of which provide assurance against the strategic financial risks that the organisation manages.

Financial Performance

A number of activities have taken place during 2017/18 to strengthen the Trust's financial performance and accountability. A Financial Recovery Group continued from the previous year as a formal scrutiny group reporting to the Finance and Performance Committee, as a result of the challenges being faced by the Trust in achieving the agreed control total for 2017/18.

The Delivering the Strategy Programme (DTS) has been developed to incorporate a new programme 'Effective Use of Resources'. This programme will use data from local and national sources including finance, activity, benchmarking, service line reporting and the findings from the Carter 2 work. An in-house developed diagnostic toolkit designed using Carter methodology will use this data to then identify productivity efficiency opportunities which will be taken forward as new projects within the DTS structure.

The Finance Department Budgetary Control was subject to an internal audit review during the year which gave an assurance rating of High whilst the Finance Department itself was assessed by the North West Skills Development Network for the Towards Excellence Finance Accreditation and received Level 3 accreditation which further demonstrates the Departments' commitment to deliver high quality governance procedures.

Agency Costs

The Trust reports weekly to NHSI with regards to agency expenditure, this was also subject to testing by the internal auditors who found that this was accurately completed and had been completed in a timely manner. A weekly Workforce Review Group was also established to scrutinise recruitment and to support alternative ways of recruiting. Any above cap placements must be approved prior to the start of the engagement by an executive level member of the Trust Board. Once it becomes apparent that the Trust cannot place a medic below the cap, the Medical and Dental HR Team would communicate with the Executive Team to gain express approval for the above cap price. Detailed reporting with regards agency spending is undertaken monthly to the Trust Board and to Network Directors.

The Finance Department Network Accountants meet with staff from the Network's each month to discuss financial performance and assist in financial planning.

An internal audit of the agency cap systems and process provided limited assurance. The recommendations made in the report have since been fully implemented to strengthen the control environment.

Cost Improvement Plans

The Cost Improvement Plan for 2017/18 was delivered largely through the Delivering the Strategy (DTS) Programme alongside local tactical savings. The DTS Programmes were aligned to Clinical Networks and Support Services having 6 programmes in total. Each programme incorporated a number of transformation and service improvement projects which enabled a greater focus on clinical pathway development, overseen by a Senior Responsible Officer for each programme.

The overall CIP target that was within the financial plan was £15.1m and plans to the value of £14.3m were developed. Full year delivery of £16 million has been achieved.

DTS Programme	Value Plan	Forecast full year delivery
	£m	£m
Community Wellbeing	2.266	1.090
Mental Health	7.896	5.941
Children & Young People	2.143	2.143
Support Services	2.802	6.844
Total:	15.106	16.017

The Trust will continue to align our DTS Programme with the wider Lancashire and South Cumbria STP. The DTS programmes and associated CIP savings are supported through the Programme Management Office (PMO) and Transformation Advisory Service (TAS). A new assurance process was introduced during 2017/18 to deliver robustness project governance and quality impact assessment and ensure financial and non-financial benefits realisation.

Procurement/Contract Register

Procurement has been involved in a review of the contract register and the principles of contract management during 2017/18. This has resulted in some gaps being highlighted in the register, with appropriate work undertaken to remedy, as well as a detailed consideration of the Trust approach to and procedures governing the approval of contracts and the ongoing performance management of them. As a result, the Trust's Decision Rights Framework is under review to ensure that controls are strengthened in relation to the sign off of orders and contracts where more than one signatory is required. The ongoing work which has included engagement with Budget Holders and Senior Managers as part of the organisational reset and on-boarding continues and is leading us towards the development of a Trust manual including best practice guidance and procedures for Performance managing contracts.

The Trust Procurement department continues to contribute significantly to wider NHS strategy and collaboration. Examples of collaborative contracting and engagement championed or led by the Trust include a Canon MFD contract collaboration inclusive of LCFT, BFW, LTH and ELHT which will result in a single shared contract for the managed printer devices across the estate of all 4 Trusts.

An additional function has been added to the contracts register in aligning both the register and the declarations of interest register. This was introduced to increase oversight of conflicts within the Trust, in particular around contracts and formal agreements.

Electronic Patient Record (EPR) Programme

The Trust is still in the early phase of ePR and had undertaken a considerable amount of due diligence with other Trusts before committing to RiO from Servelec. A full Programme Team and Structure has been set up and a considerable amount of work has been undertaken in 2017/18 to establish the correct governance and management structures required for this complicated programme.

The Programme for 2017/18 included the initial “Tranche 1 Go Live” and this resulted in the formal and contractual Go Live for the community Neuro and community Stroke teams Service on 20th February 2018 with all contractual milestones having been completed on time and signed off with Servelec. This will be followed in May 2018 by formal Go-Lives in Eating Disorders and Learning Disabilities.

Work has started on the assurance of capability and full benefits realisation which will only really be possible when service transformation has started. To this end, the Trust’s Transformation Advisory Service, EPR Programme Team, the networks, Clinicians and staff are all starting to play a large part in both the delivery and assurance of the programme. An EPR gateway milestone review is underway and has been included on the Internal Audit plan for the next 3 years (2017/18 to 2019/20).

IM&T including Risks to Data Security

During May 2017, a number of NHS organisations including GP practices were affected by a ransomware attack. The “WannaCry” Cyber Attack was the first real attack which affected a significant number of NHS (and other) organisations. The Trust’s range of measures it has in place to mitigate cyber security risks was very effective in containing the issue, with no clinical systems affected and only 0.5% of Trusts devices affected by the attack. This is in contrast to other Trusts within the region that had thousands of devices affected resulting in outages of service, cancellation of clinics and operations and disruption which continued for many weeks. The Trust’s technical expertise in cyber security was also called upon to support other NHS organisations affected in the Lancashire area.

Health Informatics rigorously monitor the risks to data security and have implemented the most appropriate controls that balance the usability and security of Trust Systems as and when these have become available. The Health Informatics Department has been seeking accreditation to the ISO 27001 Information Security Standard and undertook a “mock assessment” in December 2017 which concluded that we would pass the ISO 27001 Standard. Formal assessment and accreditation has been arranged for May 2018. The Health Informatics department also received a “Significant Assurance” from MIAA following an audit of its security practice measured against the Government adopted “10 Steps To Cyber Security” best practice guidance.

The Trust policy includes controls around the use of personal information and system security. The Information Governance Toolkit (IGT) provides evidential assurance to demonstrate legislative compliance for a range of IG related issues including cyber security.

During 2017/18, the Trust has been involved in the NHS Digital CareCERT Programme and has carried out a number of assessments which compares the organisation’s security maturity and capabilities against other healthcare organisations. The Trust is also working with NHS Digital on using the Enhanced Threat Detection (ETD) Service provided under a national agreement between NHSD and Microsoft. The challenges in continuously improving cyber security remain a

key priority for the Trust and assurance is provided to the Infrastructure Sub-Committee on a quarterly basis.

Estates

Assurance reporting provided to the Infrastructure sub-committee by Property Services has been developed during 2017/18. This has led to an increase in the level of evidence assurance that has been reported through the meetings in relation to all aspects of estates compliance, key performance indicators (KPIs) and adherence to the Property Services Agreement (PSA) which RRCS had with the Trust.

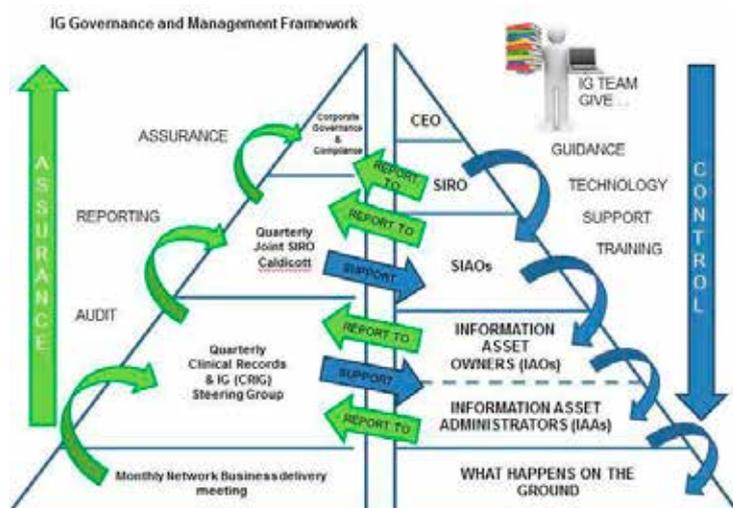
Following various incidents of service users accessing roofs of Trust buildings during 2017/18, roof access audits were conducted on all inpatient units by clinicians. The audit reports have been passed to Property Services and reviewed at the Environmental, Safety and Security group to identify solutions.

All Anti-ligature audits for 2017/18 have been completed jointly by Property Services, Nursing and Quality Safety Team and the Clinical leads for the Trust’s inpatient MH units. An annual review programme has been put in place by the Safety and Quality Governance department and joint audits are underway for 2018-19. All recommendations will be reviewed through the Environmental, Safety and Security Group meetings.

During the year the Property Services Fire Safety team undertook an inspection of Trust property in line with guidance issued by NHSI following the Grenfell Tower incident. Further details are provided in the Annual Report.

Section F: Information Governance

The Trust operates a robust Information Governance (IG) and assurance structure which is outlined in the diagram below. There are clear operational reporting lines from service locality through to senior management, giving control and assurance of IG related activity, and incorporating a formal information asset owner/administrator (IAO/IAA) structure.



An IG risk assurance report ensures that progress is documented, assurance given and issues and risks advised to the accountable Senior Information Asset Owner (SIRO) and ultimately to both the Chief Executive and Trust Audit Committee. Information Governance risks and issues are covered

each month at the Network Business Delivery Groups and discussed on a quarterly basis at the Clinical Records and IG Group, the Joint SIRO and Caldicott Guardian Meeting and the Corporate Governance and Compliance Sub Committee.

The IAO/IAA structure has evolved steadily during 2017/18 with focus on the identification and registration of Trust critical information assets and associated data flows maps. The programme of work was slowed for a period of time during 2017 to allow for a period of adjustment following the network reset. During quarter four the programme of work has been re-established and the Trust continues to make good progress. It is important that the Trust has maintained recognition of the importance of this piece of work as it provides an informed understanding of the use and movement of those critical information assets the Trust depends on to deliver high quality patient care. Furthermore it provides the knowledge required for the performance of safe information processing and the ability to remain compliant with current and future data protection law.

With regard to the Trust readiness for the General Data Protection Regulations (GDPR) 2018, Lancashire Care already has a strong compliance with the Data Protection Act (DPA). This means that the gaps between the DPA and GDPR are not hard to bridge, as much of the GDPR replicates the Data Protection Act and as such is familiar territory. The transition from DPA to the GDPR will be easier for organisations that have embraced the culture and approach advocated by the Information Commissioners Office (ICO).

The Board of Directors has received assurance that the Trust is making good progress in readiness for GDPR on 25th May 2018. The Trust has carried out a GDPR readiness assessment based on an ICO readiness tool. The assessment advised that the majority of expected activities are currently compliant. The remaining compliancy tasks have been identified in a Trust GDPR work plan. Completion of these tasks continues to be monitored and reported to the SIRO and the Corporate Governance and Compliance Sub Committee. Employment of the formal Information IAO/IAA structure is key to assisting completion of preparatory tasks and activities.

The Trust can advise an improved position on the reporting of serious IG incidents. There have been four serious IG incidents during 2017/18 which have been reported to the ICO. This is a reduction of over fifty percent on the number of serious incidents reported during 2016/17. The Trust has not been subject to any enforcement action or monetary penalty for two of these incidents. Any recommendations made have been considered and where applicable actioned. The remaining two incidents are still pending a decision from the ICO. They relate to the unlawful disclosure of third party information in a subject access request and the inclusion of personal data as part of a Freedom of Information request.

Learning from serious IG incident is now being approached in the same way that reviews of clinical incident is taken. The IG function works closely with the Networks and support services to offer assistance and guidance to daily practices and future planning.

The quality initiative of the Dare to Share programme now incorporates IG as one of the annual events, with the aim of improving compliance through shared learning. It is also an opportunity for Network services to share good practice as a way to increase risk control and assurance and reduce future incident.

The IG team continue to work with the Chief Clinical Information Officer (CCIO) who also holds the role of Deputy Caldicott Guardian. The functions meet regularly to ensure that patient related

issues and concerns are considered from an ethical and lawful basis and that any decisions required are made within this remit. This forum is included as part of the accountability framework.

The Trust exceeded the minimum 'satisfactory' attainment in 2016/17 and has achieved the same in 2017/18. The IGT submission score at the end of March 2018 was eighty percent. Network and support services have been directly involved in the identification and collation of evidence to ensure that the evidence demonstrates compliance across the organisation and reflects best practice.

This is the last year that that the IGT will be completed in its present format. The toolkit has been updated to incorporate the National Data Guardian standards and consideration of the forthcoming GDPR. Future iterations will focus more strongly on technical data security, will be known as the Data Protection and Security Toolkit (DP&S Toolkit) and will be launched around June/July 2018. Health Informatics is currently implementing the quality assurance standard ISO:27001 for the IT infrastructure. ISO:27001 accreditation will inform the evidence required for the new toolkit and act as the primary source for it.

The IGT is subject to an annual internal audit. The audit assesses a sample of fifteen requirements and this is taken as an proxy for the overall acceptability and appropriateness of the evidence provided for the submission as a whole, confirming assurance of Trust practices and data protection compliance. The audit has taken place for 2017/18 and achieved a Significant Assurance rating.

One specific requirement in the current toolkit relates to the completion of NHS mandatory IG training. The organisation achieved the required target of ninety five percent. Completion of this training is monitored on a monthly basis with monthly management reports provided to senior management. A new Data Protection and Security e-learning programme from April 2018 will be introduced. The new training is more comprehensive and comprises of four modules that take account of the National Data Guardian standards and Cyber Security in response to the National cyber-attack in 2017. It also considers the future changes of the pending GDPR.

The IG plan for 2018/2019 will be to:

- Mature the information asset register and ensure that data flow maps for critical information assets support all information processing. This will involve regular review of the collection, use, sharing and storing of Network and Corporate support service information assets.
- Expand IG resource to increase accessibility to advice, direction and guidance for data protection compliance.
- Establish a Data Protection Officer role as per the statutory requirement of the new GDPR.
- Introduce monitoring and audit of data protection law to attain greater assurance that staff have a good understanding of their responsibilities and compliance practices.
- Provide IG support to the implementation of RiO ensuring that the use of the system is consistently lawful.

Section G: Annual Quality Report

The Directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 (as amended) to prepare Quality Accounts for each financial year. NHS Improvement (in exercise of the powers conferred on Monitor) has issued guidance to NHS Foundation Trust boards on the form and content of annual Quality Reports which incorporate the

above legal requirements in the NHS Foundation Trust Annual Reporting Manual. This is led by the Executive Director of Nursing and Quality.

The Trust has effective systems, processes and mechanisms in place to produce the Quality Account and to ensure that it provides a general and balanced view and that appropriate controls are in place to ensure the accuracy of the data. The executive lead is the Director of Nursing and Quality.

Our strategic ambitions continue to uphold that quality is our number one priority with our Vision articulating what the Quality led Strategy will achieve by 2022 through the delivery of the three quality outcomes as reflected in this visual. Underpinning the strategy is a Quality Plan. The Quality Plan for 2017/18 sets out the priority areas for improvement work across the year and reflects 16 key priority areas for Trust –wide improvement. The priorities were identified through a range of sources including the findings of the CQC inspection undertaken during September 2016, our quality surveillance and learning from serious incidents and feedback shared in the form of complaints, and ideas for improvement.

Fundamental to the success of the Quality Plan is the continuation of the work to ensure a culture of continuous improvement using our Quality Improvement Framework (QIF) methodology and quality improvement tools. The Trust aspires to be a national leader in Quality Improvement (QI). During 2017/18 we have built on our QI learning programme in partnership with the Advancing Quality Alliance (AQuA) developing a 'Bite Size' learning module as the foundation of the learning portfolio which is supporting people across the organisation to have appropriate levels of knowledge and skill.

The development of the Quality Account includes input from people who use services, families and carers, staff, senior managers, senior clinicians, the Council of Governors, the Executive Directors, Non-Executive Directors and Lead Commissioners. The Quality Account is developed across the year with quarterly reports shared with the Quality and Safety Sub-Committee and lead commissioners through their Quality and Performance meetings. The content of the Quality Account is considered by the Quality Committee and the adherence to statutory requirements is reviewed by the Audit Committee and approved by the Board. Finally, Lead Commissioners, Local Authority Overview and Scrutiny Committees and local Healthwatch are requested to comment on the report. Senior members of the Trust attend relevant forums to present and discuss the account as required.

These actions will continue to be strengthened and embedded in 2018/19.

Section H: 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, the Audit Committee and the other corporate governance committees and sub-committees and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Internal Audit

The organisation has a risk based approach to planning for internal audit on an annual basis. The plan is monitored and reported through to the Audit Committee on a quarterly basis. A rigorous process is in place that records progress of the audit plan and collates evidence to demonstrate the implementation of audit recommendations. An electronic system has been under development during 2017/18 to streamline the monitoring, reporting and collation of audit evidence process. The system will be used in 2018/19 to save time spent on tracking audit activities so that more time can be spent on the audits themselves.

There are number of audits that have received limited assurance during the year. Actions have been identified to improve the system of internal control were weaknesses have been identified. The programme for 2017/18 can be seen on page 137 - 138.

The Assurance Framework review has identified that the Trust has continued to have a comprehensive and effective Assurance Framework in place during 2017/18. This is underpinned by the robust approach adopted by the Trust to review, monitor and update the Assurance Framework. As part of the detailed review all areas have been assessed as **Green**.

Opinion Statement on the Assurance Framework

The organisation's Assurance Framework is structured to meet the NHS requirements.

The Assurance Framework is visibly used by the Trust Board.

The Assurance Framework clearly reflects the risks discussed by the Trust Board.

Director of Internal Audit Opinion 2017/18

The purpose of the Director of Internal Audit Opinion is to contribute to the assurance available to the Accountable Officer and the Board which underpin the Board's own assessment of the effectiveness of the organisation's system of internal control. The Opinion supports the completion of the Annual Governance Statement.

Basis for the Head of Internal Audit Opinion

An assessment of the design and operation of the underpinning Assurance Framework and supporting processes.

An assessment of the range of individual assurances arising from our risk-based internal audit assignments that have been reported throughout the period. This assessment has taken account of the relative materiality of systems reviewed and management's progress in respect of addressing control weaknesses identified.

An assessment of the organisation's response to Internal Audit recommendations, and the extent to which they have been implemented.

Overall Opinion

Substantial Assurance can be given that that there is a good system of internal control designed to meet the organisation's objectives, and that controls are generally being applied consistently.

Clinical Audit

The Clinical Audit Policy and Standing Operating Procedure have been developed during 2017/18 to replace the Clinical Audit Protocol that was previously in place. The updated documents, which have been presented to Audit Committee, are reflective of the current function of clinical audit within the Trust and reflect the role of the Audit Committee and Quality Committee. The changes provide assurance of the structure within which the clinical audit priority programme is completed.

The 2017/18 Clinical Audit Programme is aligned the Trust's Board Assurance Framework to demonstrate how the assurances provided by the clinical audit programme support the management of the Trust's strategic risks. Progress of 2017/18 network priority clinical audit programme has been provided to Quality and Safety sub-committee and Audit Committee throughout the year.

The Trust has participated in a number of national audits from the National Clinical Audit and Patient Outcomes Programme (NCAPOP). Progress of these audits has been reported to Quality Committee and Audit Committee. Reporting arrangements now also including reporting to the Board through the Quality Report and the Board Balance Scorecard will include details of all national audits and accreditation schemes where the audit methodology provides the ability to demonstrate the relative performance of the organisation.

Conclusion

I can confirm that there have been no significant control issues in the Trust in 2017/18. Where control issues have been identified they have been addressed and effectively managed, particularly in relation to data quality and risks to data security. This statement has been developed from an evidence based assurance perspective and the evidence to support the statement being made is reviewed by our external auditors.

My review confirms that Lancashire Care NHS Foundation Trust has a generally sound system of internal control that supports the achievement of its policies, aims and objectives. The Trust continues to identify opportunities to strengthen the internal control environment and this work will continued into 2018/19



Professor Heather Tierney-Moore OBE

Chief Executive

25 May 2018

Overall objective

HIGH ASSURANCE: *Our work found some low impact control weaknesses which, if addressed would improve overall control. However, these weaknesses do not affect key controls and are unlikely to impair the achievement of the objectives of the system. Therefore we can conclude that they key controls have been adequately designed and are operating effectively to deliver the objectives of the system, function or process.*

Mobilisation, Demobilisation & Transition of Services (Prison)	To undertake a review of the systems and processes which support the Trust's due diligence relating to the mobilisation and demobilisation of services.
Combined Financial Systems (General Ledger, Income & Debtors, Budgetary Control)	A review will be conducted evaluating the core financial systems and will also review the financial reporting integrity.
Professional Registration	The overall objective of the review is to provide an assessment of the effectiveness of the Trusts systems and processes in place for professional registration checks and validation.
Payroll/Human Resources Electronic Staff Record (ESR)	To provide an opinion as to the robustness of controls within the ESR system to ensure validity, accuracy, and timeliness of payments to employees.
SIGNIFICANT ASSURANCE: <i>There are some weaknesses in the design and/or operation of controls which could impair the achievement of the objectives of the system, function or process. However, either their impact would be minimal or they would be unlikely to occur.</i>	
IT Asset Management	To provide an opinion upon the effectiveness of controls over the procurement, tracking and disposal of physical IT assets and associated software licences and identify opportunities for improvement. Effective controls in this area can streamline and simplify purchase and maintenance, reduce related expenses, improve asset utilisation, prevent regulatory breaches and facilitate risk identification and mitigation across the estate.
Fee Paying Medico Legal Work	To evaluate the systems and processes in relation to Medico Legal work and review how compliance with the policy is monitored and reported.
Risk Management Arrangements	To undertake a review of the Trust's Risk Management arrangements at both a corporate and network level. To focus upon the paper presented to the Audit Committee by the Director of Nursing, when preparing the scope/objectives.
Cyber Security	To provide an assessment of the effectiveness and coverage of the fundamental controls being operated to protect the Trust from the most common forms of Cyber Attack.
Combined Financial Systems (Non-pay Expenditure)	A review will be conducted evaluating the core financial systems and will also review the financial reporting integrity.
Assurance Framework Opinion	To assess the approach by which the organisation maintains and uses the Assurance Framework to support the overall assessment of governance, risk management and internal control.
Mobilisation, Demobilisation & Transition of Services (Southport & Formby)	To undertake a review of the systems and processes which support the Trust's due diligence relating to the mobilisation and demobilisation of services.
Information Governance	To provide an opinion on the adequacy of policies, systems and operational activities to complete, approve and submit the IG

Title	Overall objective
<p>Assurance Framework Opinion</p> <p>Serious Incidents (Control Design – significant assurance)</p>	<p>Toolkit scores. We will also comment on the validity of the score based on the evidence available</p> <p>To assess the approach by which the organisation maintains and uses the Assurance Framework to support the overall assessment of governance, risk management and internal control.</p> <p>To evaluate the robustness of the Trust's Serious Incident Investigation Process. This will include a review of the Trust's response and actions plans to SUIs and the successful implementation of lessons learnt</p>
<p>LIMITED ASSURANCE: <i>There are weaknesses in the design and / or operation of controls which could have a significant impact on the achievement of the key system, function or process objectives but should not have a significant impact on the achievement of organisational objectives.</i></p>	<p><i>There are weaknesses in the design and / or operation of controls which could have a significant impact on the achievement of the key system, function or process objectives but should not have a significant impact on the achievement of organisational objectives.</i></p>
<p>Mobilisation, Demobilisation & Transition of Services (CaSH)</p> <p>Agency Cap</p>	<p>To undertake a review of the systems and processes which support the Trust's due diligence relating to the mobilisation and demobilisation of services.</p> <p>NHS Improvement have issued rules for trusts on agency expenditure, which are collectively known as the 'agency rules'. The requirements from 1 April 2016 are to: - comply with a ceiling for trust total agency expenditure – continue to procure all agency staff at or below the price caps – use approved framework agreements to procure all agency staff.</p> <p>MIAA will undertake a review to evaluate the systems and processes in place to ensure compliance with the 'Agency Cap'. The review will focus upon locums and breaches with the cap, in particular the sign off process to declare.</p>
<p>Health & Safety</p> <p>Clinical SLA's</p> <p>Serious Incidents (Operating effectiveness – limited assurance)</p>	<p>Following the 16/17 MIAA review, this review will assess if Health & Safety systems and processes are embedded in practice.</p> <p>To review the consistency of the SLAs across the Trust and to evaluate the processes for monitoring and reporting SLA's, including the achievement of KPIs.</p> <p>To evaluate the robustness of the Trust's Serious Incident Investigation Process. This will include a review of the Trust's response and actions plans to SUIs and the successful implementation of lessons learnt</p>
<p>NO ASSURANCE: <i>There are weaknesses in the design and/or operation of controls which [in aggregate] have a significant impact on the achievement of key system, function or process objectives and may put at risk the achievement of organisational objectives.</i></p> <p>There were no reviews that received 'no assurance'</p>	<p><i>There are weaknesses in the design and/or operation of controls which [in aggregate] have a significant impact on the achievement of key system, function or process objectives and may put at risk the achievement of organisational objectives.</i></p> <p>There were no reviews that received 'no assurance'</p>

10. Modern Slavery Act 2015

Slavery & Human Trafficking Statement 2018

As an NHS organisation, Lancashire Care does not engage in profit-making activities which could trigger the reporting requirement within the Modern Slavery Act 2015. In recognition of the importance of eliminating modern slavery, the Board of Directors have prepared a voluntary statement in response to the Act;

Lancashire Care NHS Foundation Trust is committed to maintaining and improving systems, processes and policies to avoid complicity in human rights violation.

We realise that slavery and human trafficking can occur in many forms, such as forced labour, domestic servitude, sex trafficking and workplace abuse.

The Trust is fully aware of the responsibilities it bears towards patients, employees and the local community and as such, we have a strict set of values that we use as guidance with regard to our activities. We therefore would expect that all suppliers to the Trust adhere to the same principles.

The Trust already exercises due diligence and checks on suppliers in line with both our internal Standing Financial Instructions and in compliance with the Public Contract Regulations and it is a Mandatory criteria of selection and indeed exclusion if any supplier is not compliant with the reporting requirements of the Act. Indeed, as the Trust primary supplier of goods and consumables, NHS Supply Chain already uses a Supplier Code of Conduct with every supplier who is approved to sell its products via the NHS catalogue.

The Trust's Procurement Procedures and the NHS standard terms and conditions of contract have been updated to take account of the Act.

Lancashire Care NHS Foundation Trust

Annual accounts for the year ended 31 March 2018

Foreword to the accounts

Lancashire Care NHS Foundation Trust

These accounts, for the year ended 31 March 2018, have been prepared by Lancashire Care NHS Foundation Trust in accordance with paragraphs 24 & 25 of Schedule 7 within the National Health Service Act 2006.



Signed

Name **Professor Heather Tierney-Moore**

Job title **Chief Executive**

Date **25 May 2018**

Statement of Comprehensive Income

		2017/18	2016/17
	Note	£000	£000
Operating income from patient care activities	3	318,565	316,232
Other operating income	4	27,375	27,702
Operating expenses	6, 8	(336,368)	(339,037)
Operating surplus from continuing operations		9,572	4,897
Finance income	11	58	78
Finance expenses	12	(1,858)	(2,102)
PDC dividends payable		(4,676)	(4,050)
Net finance costs		(6,476)	(6,074)
Other gains	14	123	81
Share of profit of associates / joint arrangements	18	140	78
Surplus/(deficit) for the year		3,359	(1,018)
Other comprehensive income			
Will not be reclassified to income and expenditure:			
Impairments	7	(114)	(506)
Revaluations	17	20,722	19,337
Total comprehensive income for the period		23,967	17,813

Impact of Trust Asset Assurance Process

The Trusts operating surplus is declared after taking into account impairments resulting from trust asset valuation assurance processes.

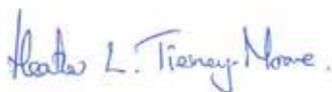
Further detail can be found in notes 7 and 16.

Statement of Financial Position

		31 March 2018 £000	31 March 2017 £000
	Note		
Non-current assets			
Intangible assets	16	3,052	3,565
Property, plant and equipment	17	223,332	208,291
Investments in associates and joint ventures	18	250	474
Total non-current assets		226,634	212,330
Current assets			
Inventories	19	52	25
Trade and other receivables	20	23,941	20,586
Non-current assets held for sale / assets in disposal groups	21	3,455	920
Cash and cash equivalents	21	19,228	13,084
Total current assets		46,676	34,615
Current liabilities			
Trade and other payables	22	(25,713)	(22,368)
Borrowings	25	(2,895)	(2,802)
Other financial liabilities	23	(129)	(132)
Provisions	27	(649)	(1,184)
Other liabilities	24	(3,900)	(3,902)
Total current liabilities		(33,286)	(30,388)
Total assets less current liabilities		240,024	216,557
Non-current liabilities			
Borrowings	25	(52,236)	(55,192)
Provisions	27	(1,656)	(1,822)
Total non-current liabilities		(53,892)	(57,014)
Total assets employed		186,131	159,543
Financed by			
Public dividend capital		105,360	102,739
Revaluation reserve		73,556	55,380
Income and expenditure reserve		7,215	1,424
Total taxpayers' equity		186,131	159,543

The notes on pages 146 to 196 form part of these accounts.

The financial statements on pages a to d and pages 146 to 196 were approved by the Board on 25 May 2018 and signed on its behalf by Professor Heather Tierney-Moore, Chief Executive:



Signed:

Date: 25 May 2018

Statement of Changes in Equity for the year ended 31 March 2018

	Public dividend capital *	Revaluation reserve **	Income and expenditure reserve ***	Total
	£000	£000	£000	£000
Taxpayers' equity at 1 April 2017 - brought forward	102,739	55,380	1,424	159,543
Surplus for the year	-	-	3,359	3,359
Impairments	-	(114)	-	(114)
Revaluations	-	20,722	-	20,722
Transfer to retained earnings on disposal of assets	-	(1,223)	1,223	-
Public dividend capital received	2,621	-	-	2,621
Other reserve movements	-	(1,209)	1,209	-
Taxpayers' equity at 31 March 2018	105,360	73,556	7,215	186,131

Statement of Changes in Equity for the year ended 31 March 2017

	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000
Taxpayers' equity at 1 April 2016 - brought forward	102,739	37,567	1,424	141,730
Prior period adjustment	-	-	-	-
Taxpayers' equity at 1 April 2016 - restated	102,739	37,567	1,424	141,730
Surplus/(deficit) for the year	-	-	(1,018)	(1,018)
Impairments	-	(506)	-	(506)
Revaluations	-	19,337	-	19,337
Transfer to retained earnings on disposal of assets	-	(200)	200	-
Public dividend capital received	-	-	-	-
Other reserve movements	-	(818)	818	-
Taxpayers' equity at 31 March 2017	102,739	55,380	1,424	159,543

* 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.

** The I&E reserve is the cumulative surplus/deficit made by the Trust since its inception. It is held in perpetuity and cannot be released to the SOCI.

*** The revaluation reserve reflects movements in the value of assets as set out in the accounting policy. The revaluation reserve balance relating to each asset is released to the I&E reserve on disposal of that asset. It should be noted that none of the revaluation reserve balance relates to intangible assets as these are carried at fair value in the accounts and there has been no change to their value in the financial year.

Statement of Cash Flows

	2017/18	2016/17
Note	£000	£000
Cash flows from operating activities		
Operating surplus	9,572	4,897
Non-cash income and expense:		
Depreciation and amortisation	6.1 8,442	8,185
Net impairments	7 1,484	1,335
(Increase) / decrease in receivables and other assets	(3,615)	(2,639)
(Increase) / decrease in inventories	(27)	101
Increase / (decrease) in payables and other liabilities	2,082	(4,603)
Increase / (decrease) in provisions	(738)	(923)
Tax (paid) / received	-	495
Other movements in operating cash flows	(6)	7
Net cash generated from operating activities	17,194	6,856
Cash flows from investing activities		
Interest received	58	78
Purchase of intangible assets	(1,015)	(333)
Purchase of property, plant, equipment and investment property	(7,260)	(6,500)
Sales of property, plant, equipment and investment property	3,273	656
Cash movement from acquisitions/disposals of subsidiaries	364	1
Net cash generated used in investing activities	(4,580)	(6,098)
Cash flows from financing activities		
Public dividend capital received	2,621	-
Movement on loans from the Department of Health and Social Care	(2,572)	(2,571)
Capital element of PFI, LIFT and other service concession payments	(290)	(234)
Interest paid on PFI, LIFT and other service concession obligations	(180)	(352)
Other interest paid	(1,658)	(1,746)
PDC dividend (paid) / refunded	(4,416)	(4,434)
Cash flows from (used in) other financing activities	26	-
Net cash generated used in financing activities	(6,469)	(9,337)
Increase / (decrease) in cash and cash equivalents	6,145	(8,579)
Cash and cash equivalents at 1 April - brought forward	13,084	21,663
Cash and cash equivalents at 31 March	19,228	13,084

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 and Social Care. The accounting policies contained in the GAM follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to accounts.

Note 1.1.1 Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets, inventories and certain financial assets and financial liabilities.

Note 1.1.2 Going concern

The Trust has achieved its planned out-turn for 2017/18 and has a credible plan to achieve its control total in 2018/19. Sustainability will be managed through the Sustainability and Transformation Plans in line with overall 5 year forward view for the NHS and therefore the Directors have a reasonable expectation that the Trust has 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.

Note 1.2 Critical management judgements made when preparing these accounts

In the application of the Trust's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates and the estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

- Leases

The Trust followed IFRS guidance to decide on the most appropriate method of disclosing its leases. It decided that all current leases fall to be treated as operating leases.

- PFI asset recognition

The Trust followed IFRS guidance to assess how to disclose its PFI assets. It decided that on-SOFP disclosure was the most appropriate method of disclosure and are presented as such in these accounts.

- Accruals

As with previous years the Trust prepares these accounts using the accruals accounting concept.

- Provisions

The Trust has provided for expected liabilities in line with accounting guidance. Details of the provisions can be found in note 27 of these accounts.

- Impairments

Carrying values of assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable. Decreases in asset values and impairments 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.

- Asset valuations

In compliance with IFRS guidance the Trust has embedded an Estate Valuation Assurance process. This includes :

- quarterly internal reviews of the estate, and
- a regular independent professional valuation of the estate

The internal reviews identified changes that should be transacted through our financial statements. These may be disposals, transfers, or impairments of the estate.

The annual professional valuation of the estate ensures the appropriateness of our asset carrying values taking into consideration including: asset lives, decisions around future use an extant market conditions.

During 2017/18 the results of both processes have been transacted through the asset register and manifest themselves in our financial statements.

Note 1.3 Interests in other entities

Joint ventures

Joint ventures are arrangements in which the trust has joint control with one or more other parties, and where it has the rights to the net assets of the arrangement. Joint ventures are accounted for using the equity method.

Limited Liability Partnership

These are arrangements in which the trust has joint control with one or more other parties and has the rights to the assets, and obligations for the liabilities, relating to the arrangement. The trust consolidates its share of the assets, liabilities, income and expenses within its financial statements.

Further details surrounding interest in other entities can be found in note 35.4 to these accounts.

Note 1.4 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 health care services. At the year end, the trust accrues income relating to activity delivered in that year, where a patient care spell is incomplete.

Where income is received for a specific activity which is to be delivered in a subsequent financial year, that income is deferred.

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

Note 1.5 Expenditure on employee benefits

Short-term employee benefits

Salaries, wages and employment-related payments such as social security costs and the apprenticeship levy are recognised in the period in which the service is received from employees. The cost of annual leave entitlement earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry-forward leave into the following period.

Pension costs*NHS Pension Scheme*

Past and present employees are covered by the provisions of the 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 is 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.

Employer's 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 scheme except where the retirement is due to ill-health. The full amount of the liability for the additional costs is charged to the operating expenses at the time the trust commits itself to the retirement, regardless of the method of payment.

The NHS Pension Scheme (England and Wales) Resource Account is published annually and can be found on the Business Service Authority - Pensions Division website at www.nhspa.gov.uk.

Note 1.6 Expenditure on other goods and services

Expenditure on goods and services is recognised when, and to the extent that they have been received, and is measured at 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 1.7 Property, plant and equipment

Note 1.7.1 Recognition

Property, plant and equipment is capitalised where:

- it is held for use in delivering services or for administrative purposes
- it is probable that future economic benefits will flow to, or service potential be provided to, the trust
- it is expected to be used for more than one financial year
- the cost of the item can be measured reliably
- the item has cost of at least £5,000, or
- collectively, a number of items have a cost of at least £5,000 and individually have cost of more than £250, where the assets are functionally interdependent, had broadly simultaneous purchase dates, are anticipated to have similar disposal dates and are under single managerial control.
- 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.

Where a large asset, for example a building, includes a number of components with significantly different asset lives, eg, plant and equipment, then these components are treated as separate assets and depreciated over their own useful economic lives.

Note 1.7.2 Measurement

Valuation

All property, plant and equipment assets are measured initially at cost, representing the costs directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management. All assets are measured subsequently at fair value. Valuations are carried out primarily on the basis of depreciated replacement cost for specialised operational property and existing use value for non-specialised operational property. The value of land for existing use purposes is assessed at existing use value. For non-operational properties including surplus land, the valuations are carried out at open market value. The costs arising from financing the construction of the asset are not capitalised but are charged to the income and expenditure account in the year to which they relate.

All land and buildings are revalued using professional valuations in accordance with IFRS every five years with the most recent one being carried out as at 31 March 2015. Interim desktop valuations are also carried out in all other years of the valuation cycle to ensure that carrying values are not materially different from those that would be recognised at the statement of financial position date.

IFRS guidance is followed in valuing its assets.

Land

Status

Operational

Non-operational

Valuation methodology

Existing use value

Open market/fair value

Buildings

Status

Operational

Non-operational but retained for future operational purposes

Surplus

Valuation methodology

Depreciated Replacement Cost (including Modern Equivalent Asset consideration)

Depreciated Replacement Cost (including Modern Equivalent Asset consideration)

Open market/fair value

Assets under construction

Are valued at cost and are assessed by professional valuers as part of the annual valuation or when they are brought into use.

Equipment

Operational equipment is valued at net current replacement cost. Equipment surplus to requirements is valued at net recoverable amount.

As part of their valuation of our buildings the valuers assign useful economic lives to individual properties. Non property assets are valued using the following asset lives:

	<u>Years</u>
Medical equipment and engineering plant and equipment	5 - 15
Furniture	5 - 10
Mainframe information technology installations	5 - 8
Soft furnishings	7
Office and information technology equipment	5
Set-up costs in new buildings	10
Vehicles	7

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.

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 and residual interests in off-Statement of Financial Position PFI contract assets are not depreciated until the asset is brought into use or reverts to the trust, respectively. Buildings, installations and fittings are depreciated on their current value over the estimated remaining life of the asset as assessed by the NHS foundation trust's professional valuers. Leaseholds are depreciated over the primary lease term. Equipment is depreciated on current cost evenly over the estimated life.

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 income.

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'.

Carrying values are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Impairments

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

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

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

Where an impairment loss does not result from a clear consumption of economic benefit or reduction of service potential, for instance due to a change in market price, then the standard treatment in IAS 36 applies. The impairment must be taken to the revaluation reserve to the extent that the impairment does not exceed the amount in the revaluation reserve for the asset in question, and thereafter to income and expenditure.

Note 1.7.3 Derecognition

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 ie:
 - 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. Assets are de-recognised when all material sale contract conditions have been met.

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

Note 1.7.4 Private Finance Initiative (PFI) transactions

PFI transactions which meet the IFRIC 12 definition of a service concession, as interpreted in HM Treasury's FReM, are accounted for as 'on-Statement of Financial Position' by the trust. In accordance with IAS 17, the underlying assets are recognised as property, plant and equipment, together with an equivalent finance lease liability. Subsequently, the assets are accounted for as property, plant and equipment and/or intangible assets as appropriate.

The annual contract payments are apportioned between the repayment of the liability, a finance cost and the charges for services.

The service charge is recognised in operating expenses and the finance cost is charged to finance costs in the Statement of Comprehensive Income.

The annual unitary payment is separated into the following component parts, using appropriate estimation techniques where necessary:

- a) Payment for the fair value of services received;
- b) Payment for the PFI asset, including finance costs; and
- c) Payment for the replacement of components of the asset during the contract 'lifecycle replacement'.

The fair value of services received in the year is recorded under the relevant expenditure headings within 'operating expenses'.

PFI Asset

The PFI assets are recognised as property, plant and equipment, when they come into use. The assets are measured initially at fair value in accordance with the principles of IAS 17. Subsequently, the assets are measured at fair value, which is kept up to date in accordance with the Trust's approach for each relevant class of asset.

PFI liability

A PFI liability is recognised at the same time as the PFI assets are recognised. It is measured initially at the same amount as the fair value of the PFI assets and is subsequently measured as a finance lease liability in accordance with IAS 17.

An annual finance cost is calculated by applying the implicit interest rate in the lease to the opening lease liability for the period, and is charged to 'Finance Costs' within the Statement of Comprehensive Income.

The element of the annual unitary payment that is allocated as a finance lease rental is applied to meet the annual finance cost and to repay the lease liability over the contract term.

An element of the annual unitary payment increase due to cumulative indexation is allocated to the finance lease. In accordance with IAS 17, this amount is not included in the minimum lease payments, but is instead treated as contingent rent and is expensed as incurred. In substance, this amount is a finance cost in respect of the liability and the expense is presented as a contingent finance cost in the Statement of Comprehensive Income.

Lifecycle replacement

Components of the asset replaced by the operator during the contract ('lifecycle replacement') are capitalised where they meet the Trust's criteria for capital expenditure. They are capitalised at the time they are provided by the operator and are measured initially at their fair value.

The element of the annual unitary payment allocated to lifecycle replacement is pre-determined for each year of the contract from the operator's planned programme of lifecycle replacement. Where the lifecycle component is provided earlier or later than expected, a short-term finance lease liability or prepayment is recognised respectively.

Where the fair value of the lifecycle component is less than the amount determined in the contract, the difference is recognised as an expense when the replacement is provided. If the fair value is greater than the amount determined in the contract, the difference is treated as a 'free' asset and a deferred income balance is recognised. The deferred income is released to the operating income over the shorter of the remaining contract period or the useful economic life of the replacement component.

Assets contributed by the Trust to the operator

Assets contributed (e.g. cash payments, surplus property) by the Trust to the operator before the asset is brought into use, which are intended to defray the operator's capital costs, are recognised initially as prepayments during the construction phase of the contract. Subsequently, when the asset is made available to the Trust, the prepayment is treated as an initial payment towards the finance lease liability and is set against the carrying value of the liability.

Note 1.8 Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is measured using the weighted average cost method.

Note 1.9 Cash and cash equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and that form an integral part of the trust's cash management. Cash, bank and overdraft balances are recorded at current values.

Note 1.10 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, ie, when receipt or delivery of the goods or services is made.

Financial assets or financial liabilities in respect of assets acquired or disposed of through finance leases are recognised and measured in accordance with the accounting policy for leases described below.

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 "fair value through income and expenditure", loans and receivables or "available-for-sale financial assets".

Financial liabilities are classified as "fair value through income and expenditure" or as "other financial liabilities".

Financial assets and financial liabilities at "fair value through income and expenditure"

Financial assets and financial liabilities at "fair value through income and expenditure" are financial assets or financial liabilities held for trading. A financial asset or financial liability is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are also categorised as held for trading unless they are designated as hedges. Derivatives which are embedded in other contracts but which are not "closely-related" to those contracts are separated-out from those contracts and measured in this category. Assets and liabilities in this category are classified as current assets and current liabilities.

These financial assets and financial liabilities are recognised initially at fair value, with transaction costs expensed in the income and expenditure account. Subsequent movements in the fair value are recognised as gains or losses in the Statement of Comprehensive Income.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market.

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.

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

All 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.

Determination of fair value

For financial assets and financial liabilities carried at fair value, the carrying amounts where material are determined using discounted cash flow.

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 a bad debt provision.

The carrying amount of individual debts is written down directly where it is certain that the debt cannot be recovered. Where there is a level of uncertainty as to the recoverability of individual debts, an appropriate provision is made.

Note 1.11 Leases

Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

Note 1.11.1 The trust as lessee***Finance leases***

Where substantially all risks and rewards of ownership of a leased asset are borne by the trust, the asset is recorded as property, plant and equipment and a corresponding liability is recorded. The value at which both are recognised is the lower of the fair value of the asset or the present value of the minimum lease payments, discounted using the interest rate implicit in the lease.

The 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

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially as a liability and subsequently as a reduction of rentals on a straight-line basis over the lease term.

Contingent rentals are recognised as an expense in the period in which they are incurred.

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 1.11.2 The trust as lessor***Finance leases***

Amounts due from lessees under finance leases are recorded as receivables at the amount of the trust net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the trusts' net investment outstanding in respect of the leases.

Operating leases

Rental income from operating leases is recognised on a straight-line basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

Note 1.12 Provisions

The trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using the discount rates published and mandated by HM Treasury.

Clinical negligence costs

NHS Resolution (formerly National Health Service Litigation Authority - NHSLA) operates a risk pooling scheme under which the trust pays an annual contribution to NHS Resolution, which, in return, settles all clinical negligence claims. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the trust. The total value of clinical negligence provisions carried by NHS resolution on behalf of the trust is disclosed at note 27.1 but is not recognised in the trust's accounts.

Non-clinical risk pooling

The trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the trust pays an annual contribution to NHS Resolution and in return receives assistance with the costs of claims arising. The annual membership contributions, and any "excesses" payable in respect of particular claims are charged to operating expenses when the liability arises.

Note 1.13 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 28 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 28, unless the probability of a transfer of economic benefits is remote.

Contingent liabilities are defined as:

- possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or
- present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

Note 1.14 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 organisation. HM Treasury has determined that PDC is not a financial instrument within the meaning of IAS 32.

At any time, the Secretary of State can issue new PDC to, and require repayments of PDC from, the trust. PDC is recorded at the value received.

A charge, reflecting the cost of capital utilised by the trust, is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, 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 and Social Care (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the "pre-audit" version of the annual accounts. The dividend 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 (VAT)

Most of the activities of the trust are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

Note 1.16 Corporation tax

The Trust is a Health Service Body within the meaning of s519A ICTA 1988 and accordingly is exempt from taxation in respect of income and capital gains within categories covered by this. There is a power for the Treasury to disapply the exemption in relation to specified activities of a Foundation Trust (s519A (3) to (8) ICTA 1988). Accordingly the Trust is within the scope of corporation tax in respect of activities that are not related to, or ancillary to, the provision of healthcare, and where the profits therefrom exceed £50,000 per annum.

However the Trust has determined that it has no corporation tax liability as all activities are either ancillary to healthcare or below the de minimus level of profit at which tax is payable.

Note 1.17 Foreign exchange

The functional and presentational currency of the trust is sterling.

A transaction which is denominated in a foreign currency is translated into the functional currency at the spot exchange rate on the date of the transaction.

Where the trust has assets or liabilities denominated in a foreign currency at the Statement of Financial Position date:

- monetary items (other than financial instruments measured at “fair value through income and expenditure”) are translated at the spot exchange rate on 31 March 2018
- non-monetary assets and liabilities measured at historical cost are translated using the spot exchange rate at the date of the transaction and
- non-monetary assets and liabilities measured at fair value are translated using the spot exchange rate at the date the fair value was determined.

Exchange gains or losses on monetary items (arising on settlement of the transaction or on re-translation at the Statement of Financial Position date) are recognised in income or expense in the period in which they arise.

Exchange gains or losses on non-monetary assets and liabilities are recognised in the same manner as other gains and losses on these items.

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 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 1.19 Losses and special payments

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled. Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis, including losses which would have been made good through insurance cover had the trust not been bearing 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 1.20 Accounting standards issued but not yet required to be adopted

The Trust has considered the below new standards, interpretations and amendments to published standards that are not yet effective and concluded that they are either not relevant to the Trust or that they would not have a significant impact on the Trust’s financial statements, apart from some additional disclosures.

IFRS 9 *Financial Instruments*

IFRS 14 *Regulatory Deferral Accounts*

IFRS 15 *Revenue from Contracts with Customers*

IFRS 16 *Leases*

IFRS 17 *Insurance Contracts*

IFRIC 22 *Foreign Currency Transactions and Advance Consideration*

IFRIC 23 *Uncertainty over Income Tax Treatments*

Note 1.21 Research and development

Research and development expenditure is charged against income in the year in which it is incurred, except insofar as development expenditure relates to a clearly defined project and the benefits of it can reasonably be regarded as assured. Expenditure so deferred is limited to the value of future benefits expected and is amortised through the Statement of Comprehensive Income on a systematic basis over the period expected to benefit from the project. It should be revalued on the basis of current cost. The amortisation is calculated on the same basis as depreciation, on a quarterly basis.

Note 2 Operating Segments

The Trust's Chief Operating Decision Maker as defined by IFRS 8 Operating Segments is the board. It has determined that the Trust operates only one material business segment, that being the provision of healthcare services. The operating results of this segment are regularly reviewed by the board.

Note 3 to the accounts analyses income from healthcare activities by type and also by source with the majority of our income coming from CCG and NHS England commissioners.

Note 4 to the accounts analyses other operating income the Trust received during the year. This is largely in relation to non-patient care services to other bodies, medical education and training monies and healthcare research and development funding.

Note 3 Operating income from patient care activities

Note, some of the 2016/17 figures have been restated to be consistent with current year guidance.

Note 3.1 Income from patient care activities (by nature)	2017/18	2016/17
	£000	£000
Mental health services		
Block contract income	197,302	193,411
Community services		
Community services income from CCGs and NHS England	88,663	86,392
Income from other sources (e.g. local authorities)	32,600	36,429
Total income from activities	318,565	316,232

Note 3.2 Income from patient care activities (by source)

Income from patient care activities received from:	2017/18	2016/17
	£000	£000
NHS England	52,743	68,498
Clinical commissioning groups	232,273	142,807
Other NHS providers	949	-
Local authorities	32,600	36,429
Total income from activities	318,565	247,734
Of which:		
Related to continuing operations	318,565	316,232
Related to discontinued operations	-	-

Note 4 Other operating income

	2017/18	2016/17
	£000	£000
Research and development	1,123	640
Education and training	9,350	9,104
Non-patient care services to other bodies	8,002	9,123
Sustainability and transformation fund income	4,538	3,477
Rental revenue from operating leases	556	540
Other income	3,806	4,818
Total other operating income	<u>27,375</u>	<u>27,702</u>
Of which:		
Related to continuing operations	27,375	27,702
Related to discontinued operations	-	-

Note 5 Fees and charges

	2017/18	2016/17
	£000	£000
Income	-	-
Full cost	-	-
Surplus / (deficit)	<u>-</u>	<u>-</u>

Note 6.1 Operating expenses

	2017/18	2016/17
	£000	£000
Purchase of healthcare from NHS and DHSC bodies	3,606	3,355
Purchase of healthcare from non-NHS and non-DHSC bodies	10,232	10,774
Staff and executive directors costs	255,345	257,877
Remuneration of non-executive directors	146	144
Supplies and services - clinical (excluding drugs costs)	3,724	4,270
Supplies and services - general	918	1,025
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	7,018	9,501
Professional support, consultancy and advice	2,682	2,467
Establishment	6,893	7,018
Premises	17,913	17,210
Transport (including patient travel)	690	770
Depreciation on property, plant and equipment	6,914	6,775
Amortisation on intangible assets	1,528	1,410
Net impairments	1,484	1,335
Increase/(decrease) in provision for impairment of receivables	654	365
Increase/(decrease) in other provisions	152	-
Change in provisions discount rate(s)	21	165
Audit fees payable to the external auditor		
audit services- statutory audit	70	69
other auditor remuneration (external auditor only)	28	16
Internal audit costs	110	93
Clinical negligence	658	513
Legal fees	551	344
Insurance	505	730
Education and training	1,590	996
Rentals under operating leases	7,502	6,961
Early retirements	85	70
Redundancy	523	531
Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI / LIFT) on IFRS basis	974	705
Losses, ex gratia & special payments	18	15
Other	3,834	3,533
Total	336,368	339,037
Of which:		
Related to continuing operations	336,368	339,037

Note, some of the 2016/17 figures above have been restated to be consistent with current year guidance.

Note 6.2 Other auditor remuneration

	2017/18 £000	2016/17 £000
Other auditor remuneration paid to the external auditor:		
1. Audit of accounts of any associate of the trust	-	-
2. Audit-related assurance services	28	16
3. Taxation compliance services	-	-
4. All taxation advisory services not falling within item 3 above	-	-
5. Internal audit services	-	-
6. All assurance services not falling within items 1 to 5	-	-
7. Corporate finance transaction services not falling within items 1 to 6 above	-	-
8. Other non-audit services not falling within items 2 to 7 above	-	-
Total	28	16

Note 6.3 Limitation on auditor's liability

The limitation on auditor's liability for external audit work is £1m (2016/17: £1m).

Note 7 Impairment of assets

	2017/18 £000	2016/17 £000
Net impairments charged to operating surplus / deficit resulting from:		
Changes in market price	1,484	591
Other	-	744
Total net impairments charged to operating surplus / deficit	1,484	1,335
Impairments charged to the revaluation reserve	114	506
Total net impairments	1,598	1,841

The Trust conducts regular reviews of its estate to ensure the appropriate carrying value of its land and building assets.

Impairments recognised in 2017/18 as a result of our asset valuation assurance process:

	£000
Annual valuation exercise	129
Write down of assets	1,355
Total	1,484

Note 8 Employee benefits

	2017/18	2016/17
	Total	Total
	£000	£000
Salaries and wages	203,288	203,004
Social security costs	18,006	18,653
Apprenticeship levy	966	-
Employer's contributions to NHS pensions	24,712	24,868
Temporary staff (including agency)	8,896	11,352
Total staff costs	255,868	257,877

Note 8.1 Retirements due to ill-health

During 2017/18 there were 11 early retirements from the trust agreed on the grounds of ill-health (6 in the year ended 31 March 2017). The estimated additional pension liabilities of these ill-health retirements is £719k (£416k in 2016/17).

The cost of these ill-health retirements will be borne by the NHS Business Services Authority - Pensions Division.

Note 9 Pension costs

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. 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.

Note 9.1 Workforce Pensions Reform

In line with government driven Workforce Pensions Reform the Trust has established its own auto enrollment pension scheme for staff who do not qualify for the normal NHS pension scheme. This was done following option appraisal with the result that the trust opted to use the National Employment Savings Trust (NEST) scheme.

Note 10 Operating leases**Note 10.1 Lancashire Care NHS Foundation Trust as a lessor**

This note discloses income generated in operating lease agreements where Lancashire Care NHS Foundation Trust is the lessor.

	2017/18 £000	2016/17 £000
Operating lease revenue		
Minimum lease receipts	556	540
Total	556	540
	31 March 2018 £000	31 March 2017 £000
Future minimum lease receipts due:		
- not later than one year;	556	540
- later than one year and not later than five years;	2,224	2,160
- later than five years.	-	1,006
Total	2,780	3,706

Note 10.2 Lancashire Care NHS Foundation Trust as a lessee

This note discloses costs and commitments incurred in operating lease arrangements where Lancashire Care NHS Foundation Trust is the lessee.

	2017/18 £000	2016/17 £000
Operating lease expense		
Minimum lease payments	8,058	7,501
Less sublease payments received	(556)	(540)
Total	7,502	6,961
	31 March 2018 £000	31 March 2017 £000
Future minimum lease payments due:		
- not later than one year;	7,892	6,617
- later than one year and not later than five years;	8,562	10,218
- later than five years.	6,230	7,088
Total	22,684	23,923
Future minimum sublease payments to be received	-	-

The 31 March 2017 figures have been restated.

The Trust has 25 operating lease arrangements in place. All of which are arrangements for accommodation. These arrangements do not have an option to purchase or to transfer title to the trust at the end of the lease term, nor are any of them for the majority of the asset life. None of the leases on an individual basis are deemed to be significant, however, 10 of the properties when aggregated account for £3.6m of the minimum lease payments.

The lease terms expire as follows:	Years	Number of Leases
	0 - 1	8
	1 - 5	9
	Over 5	8

Note 11 Finance income

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

	2017/18	2016/17
	£000	£000
Interest on bank accounts	58	78
Total	58	78

Note 12.1 Finance expenditure

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

	2017/18	2016/17
	£000	£000
Interest expense:		
Loans from the Department of Health and Social Care	1,655	1,746
Main finance costs on PFI and LIFT schemes obligations	180	352
Total interest expense	1,835	2,098
Unwinding of discount on provisions	2	4
Other finance costs	21	-
Total finance costs	1,858	2,102

Note 12.2 The late payment of commercial debts (interest) Act 1998 / Public Contract Regulations 2015

	2017/18	2016/17
	£000	£000
Total liability accruing in year under this legislation as a result of late payments	-	-
Amounts included within interest payable arising from claims made under this legislation	-	-
Compensation paid to cover debt recovery costs under this legislation	-	-

Note 13 Better Payment Practice Code - measurement of compliance

Non-NHS Trade	2017/18	2016/17
	£000	£000
Total Non-NHS trade invoices paid in the year	73,747	73,407
Total Non NHS trade invoices paid within 30 day target	69,848	69,879
Percentage of Non-NHS trade invoices paid within 30 day target	95%	95%
	Number	Number
Total Non-NHS trade invoices paid in the year	40,767	56,549
Total Non NHS trade invoices paid within 30 day target	38,737	54,497
Percentage of Non-NHS trade invoices paid within 30 day target	95%	96%
NHS Trade	2017/18	2016/17
	£000	£000
Total NHS trade invoices paid in the year	76,214	78,982
Total NHS trade invoices paid within 30 day target	74,117	76,418
Percentage of NHS trade invoices paid within 30 day target	97%	97%
	Number	Number
Total NHS trade invoices paid in the year	1,976	2,681
Total NHS trade invoices paid within 30 day target	1,753	2,409
Percentage of NHS trade invoices paid within 30 day target	89%	90%

The Better Payment Practice Code represents best practice and requires the Trust to aim to pay all undisputed invoices by the due date or within 30 days of receipt of goods or a valid invoice, whichever is later.

Note 14 Other gains / (losses)

	2017/18	2016/17
	£000	£000
Gains on disposal of assets	123	81
Total other gains	123	81

In year disposals included the sale of a former hospital site previously identified as being surplus to requirements. Its carrying value at disposal was £2.55m.

Note 15 Discontinued operations

There were no discontinued operations.

Note 16.1 Intangible assets - 2017/18

	Software licences £000	Other £000	Total £000
Valuation / gross cost at 1 April 2017 - brought forward	7,710	170	7,880
Transfers by absorption	-	-	-
Additions	886	129	1,015
Impairments	-	-	-
Reversals of impairments	-	-	-
Revaluations	-	-	-
Reclassifications	-	-	-
Transfers to/ from assets held for sale	-	-	-
Disposals / derecognition	-	-	-
Gross cost at 31 March 2018	8,596	299	8,895
Amortisation at 1 April 2017 - brought forward	4,315	-	4,315
Transfers by absorption	-	-	-
Provided during the year	1,528	-	1,528
Impairments	-	-	-
Reversals of impairments	-	-	-
Revaluations	-	-	-
Reclassifications	-	-	-
Transfers to / from assets held for sale	-	-	-
Disposals / derecognition	-	-	-
Amortisation at 31 March 2018	5,843	-	5,843
Net book value at 31 March 2018	2,753	299	3,052
Net book value at 1 April 2017	3,395	170	3,565

Note 16.2 Intangible assets - 2016/17

	Software licences £000	Other £000	Total £000
Valuation / gross cost at 1 April 2016 - as previously stated	7,547	-	7,547
Prior period adjustments	-	-	-
Valuation / gross cost at 1 April 2016 - restated	7,547	-	7,547
Transfers by absorption	-	-	-
Additions	163	170	333
Revaluations	-	-	-
Reclassifications	-	-	-
Transfers to/ from assets held for sale	-	-	-
Disposals / derecognition	-	-	-
Valuation / gross cost at 31 March 2017	7,710	170	7,880
Amortisation at 1 April 2016 - as previously stated	2,905	-	2,905
Prior period adjustments	-	-	-
Amortisation at 1 April 2016 - restated	2,905	-	2,905
Transfers by absorption	-	-	-
Provided during the year	1,410	-	1,410
Revaluations	-	-	-
Reclassifications	-	-	-
Transfers to/ from assets held for sale	-	-	-
Disposals / derecognition	-	-	-
Amortisation at 31 March 2017	4,315	-	4,315
Net book value at 31 March 2017	3,395	170	3,565
Net book value at 1 April 2016	4,642	-	4,642

Other includes expenditure on developing in-house electronic patient record (RiO) software. This remains in development so no amortisation was applied.

Note 17.1 Property, plant and equipment - 2017/18

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Valuation/gross cost at 1 April 2017 - brought forward	19,762	190,109	-	1,580	827	40	16,916	954	230,188
Removal of written down asset cost	-	-	-	-	-	-	(9,828)	-	(9,828)
Subtotal	19,762	190,109	-	1,580	827	40	7,088	954	220,360
Transfers by absorption	-	-	-	-	-	-	-	-	-
Additions	-	2,628	-	4,205	-	-	1,691	-	8,524
Impairments	-	(114)	-	-	-	-	-	-	(114)
Reversals of impairments	-	-	-	-	-	-	-	-	-
Revaluations	-	19,527	-	-	-	-	-	-	19,527
Reclassifications	-	-	-	-	-	-	-	-	-
Transfers to/ from assets held for sale	(2,395)	(740)	-	-	-	-	-	-	(3,135)
Disposals / derecognition	(2,550)	-	-	-	-	-	-	-	(2,550)
Valuation/gross cost at 31 March 2018	14,817	211,410	-	5,785	827	40	8,779	954	242,612
Accumulated depreciation at 1 April 2017 - brought forward	-	6,762	-	-	816	40	13,339	940	21,897
Removal of written down asset depreciation	-	-	-	-	-	-	(9,828)	-	(9,828)
Subtotal	-	6,762	-	-	816	40	3,511	940	12,069
Transfers by absorption	-	-	-	-	-	-	-	-	-
Provided during the year	-	5,671	-	-	-	-	1,243	-	6,914
Impairments	-	1,484	-	-	-	-	-	-	1,484
Reversals of impairments	-	-	-	-	-	-	-	-	-
Revaluations	-	(1,187)	-	-	-	-	-	-	(1,187)
Reclassifications	-	-	-	-	-	-	-	-	-
Transfers to / from assets held for sale	-	-	-	-	-	-	-	-	-
Disposals / derecognition	-	-	-	-	-	-	-	-	-
Accumulated depreciation at 31 March 2018	-	12,730	-	-	816	40	4,754	940	19,280
Net book value at 31 March 2018	14,817	198,680	-	5,785	11	-	4,025	14	223,332
Net book value at 1 April 2017	19,762	183,347	-	1,580	11	-	3,577	14	208,291

Note 17.2 Property, plant and equipment - 2016/17

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Valuation / gross cost at 1 April 2016 - as previously stated	20,038	176,794	-	1,579	827	40	15,415	954	215,647
Prior period adjustments	-	-	-	-	-	-	-	-	-
Valuation / gross cost at 1 April 2016 - restated	20,038	176,794	-	1,579	827	40	15,415	954	215,647
Transfers by absorption	-	-	-	-	-	-	-	-	-
Additions	-	5,470	-	1	-	-	1,501	-	6,972
Impairments	-	(506)	-	-	-	-	-	-	(506)
Reversals of impairments	-	-	-	-	-	-	-	-	-
Revaluations	264	9,329	-	-	-	-	-	-	9,593
Reclassifications	-	-	-	-	-	-	-	-	-
Transfers to / from assets held for sale	(230)	(690)	-	-	-	-	-	-	(920)
Disposals / derecognition	(150)	(448)	-	-	-	-	-	-	(598)
Valuation/gross cost at 31 March 2017	19,922	189,949	-	1,580	827	40	16,916	954	230,188
Accumulated depreciation at 1 April 2016 - as previously stated	-	9,950	-	-	799	40	11,910	855	23,554
Prior period adjustments	-	-	-	-	-	-	-	-	-
Accumulated depreciation at 1 April 2016 - restated	-	9,950	-	-	799	40	11,910	855	23,554
Transfers by absorption	-	-	-	-	-	-	-	-	-
Provided during the year	-	5,244	-	-	17	-	1,429	85	6,775
Impairments	160	1,175	-	-	-	-	-	-	1,335
Reversals of impairments	-	-	-	-	-	-	-	-	-
Revaluations	-	(9,744)	-	-	-	-	-	-	(9,744)
Reclassifications	-	-	-	-	-	-	-	-	-
Transfers to/ from assets held for sale	-	-	-	-	-	-	-	-	-
Disposals/ derecognition	-	(23)	-	-	-	-	-	-	(23)
Accumulated depreciation at 31 March 2017	160	6,602	-	-	816	40	13,339	940	21,897
Net book value at 31 March 2017	19,762	183,347	-	1,580	11	-	3,577	14	208,291
Net book value at 1 April 2016	20,038	166,844	-	1,579	28	-	3,505	99	192,093

Asset Assurance Valuation Process

The Trust conducts regular reviews of its estate to ensure the appropriate carrying value of its land and building assets. Internal reviews are supplemented by valuations carried out by professionally qualified valuers in accordance with the Royal Institution of Chartered Surveyors (RICS) Appraisal and Valuation Manual. These are conducted on a regular basis, being a full valuation exercise every 5 years with an interim valuation of the estate in all other years of the valuation cycle.

Results of the 2017/18 Assurance Process

Increase in asset value	£19.1m
Increase in revaluation reserve	-£20.6m
Impairments charged to SOCI	£1.5m

Note 17.3 Property, plant and equipment financing - 2017/18

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Net book value at 31 March 2018									
Owned - purchased	14,817	196,894	-	5,785	11	-	4,025	14	221,546
On-SoFP PFI contracts and other service concession arrangements	-	1,786	-	-	-	-	-	-	1,786
NBV total at 31 March 2018	14,817	198,680	-	5,785	11	-	4,025	14	223,332

Note 17.4 Property, plant and equipment financing - 2016/17

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Net book value at 31 March 2017									
Owned - purchased	19,762	181,262	-	1,580	11	-	3,577	14	206,206
On-SoFP PFI contracts and other service concession arrangements	-	2,085	-	-	-	-	-	-	2,085
NBV total at 31 March 2017	19,762	183,347	-	1,580	11	-	3,577	14	208,291

Note 18 Investments in associates and joint ventures

	2017/18	2016/17
	£000	£000
Carrying value at 1 April - brought forward	474	396
Share of profit	140	78
Disposals	(364)	-
Carrying value at 31 March	250	474

Note 19 Inventories

	31 March 2018 £000	31 March 2017 £000
Drugs	-	-
Work In progress	-	-
Consumables	27	19
Energy	3	3
Other	22	3
Total inventories	<u>52</u>	<u>25</u>

Note 20.1 Trade receivables and other receivables

	31 March 2018 £000	31 March 2017 £000
Current		
Trade receivables	18,580	15,113
Provision for impaired receivables	(1,717)	(1,074)
Prepayments (non-PFI)	2,275	2,180
PDC dividend receivable	124	384
Other receivables	4,679	3,983
Total current trade and other receivables	23,941	20,586
Of which receivables from NHS and DHSC group bodies:		
Current	17,341	13,261

Note 20.2 Provision for impairment of receivables

	2017/18	2016/17
	£000	£000
At 1 April as previously stated	1,074	960
Increase in provision	1,033	1,061
Amounts utilised	(11)	(251)
Unused amounts reversed	(379)	(696)
At 31 March	1,717	1,074

The provision consists of items identified by review of outstanding debt, including items of a unique nature. The increase in provision largely relates to intra-NHS disputed debt now being provided for.

Note 20.3 Credit quality of financial assets

	31 March 2018		31 March 2017	
	Trade and other receivables	Investments & Other financial assets	Trade and other receivables	Investments & Other financial assets
	£000	£000	£000	£000
Ageing of impaired financial assets				
0 - 30 days	-	-	57	-
30-60 Days	2	-	4	-
60-90 days	2	-	9	-
90- 180 days	47	-	51	-
Over 180 days	1,666	-	953	-
Total	1,717	-	1,074	-
Ageing of non-impaired financial assets past their due date				
0 - 30 days	1,837	-	2,371	-
30-60 Days	780	-	516	-
60-90 days	612	-	405	-
90- 180 days	958	-	1,099	-
Over 180 days	1,977	-	656	-
Total	6,164	-	5,047	-

The Trust does not normally provide for NHS receivables past their due date but only provides for non-NHS receivables past their due date where it is thought appropriate. This is due to the reasoning that NHS receivables will eventually be settled at some point in the future.

Note 21 Non-current assets held for sale and assets in disposal groups

	2017/18	2016/17
	£000	£000
NBV of non-current assets for sale and assets in disposal groups at 1 April	920	-
Prior period adjustment		-
NBV of non-current assets for sale and assets in disposal groups at 1 April - restated	920	-
Transfers by absorption	-	-
Assets classified as available for sale in the year	3,135	920
Assets sold in year	(600)	-
NBV of non-current assets for sale and assets in disposal groups at 31 March	3,455	920

This balance represents a number of assets that were identified as being surplus to Trust requirements during the year and satisfy the criteria for recognition as assets held for sale at the balance sheet date.

Note 21.1 Cash and cash equivalents movements

Cash and cash equivalents comprise cash at bank, in hand and cash equivalents. Cash equivalents are readily convertible investments of known value which are subject to an insignificant risk of change in value.

	2017/18	2016/17
	£000	£000
At 1 April	13,084	21,663
Net change in year	6,144	(8,579)
At 31 March	19,228	13,084
Broken down into:		
Cash at commercial banks and in hand	22	25
Cash with the Government Banking Service	19,206	13,059
Total cash and cash equivalents as in SoFP	19,228	13,084
Bank overdrafts (GBS and commercial banks)	-	-
Drawdown in committed facility	-	-
Total cash and cash equivalents as in SoCF	19,228	13,084

Note 21.2 Third party assets held by the trust

The trust held cash and cash equivalents which relate to monies held by the the foundation trust on behalf of patients or other parties. This has been excluded from the cash and cash equivalents figure reported in the accounts.

	31 March	31 March
	2018	2017
	£000	£000
Bank balances	268	249
Total third party assets	268	249

Note 22 Trade and other payables

	31 March 2018 £000	31 March 2017 £000
Current		
Trade payables	4,229	5,942
Capital payables	2,460	1,196
Accruals	6,354	6,910
Social security costs	2,756	2,732
Other taxes payable	1,896	1,953
Accrued interest on loans	129	132
Other payables	7,889	3,503
Total current trade and other payables	<u>25,713</u>	<u>22,368</u>
Of which payables from NHS and DHSC group bodies:		
Current	4,347	2,937

Other payables include £3,263k outstanding superannuation and pensions provision contributions as at 31 March 2018 (£3,310k 31 March 2017) that were paid in April 2018.

Note 23 Other financial liabilities

	31 March 2018 £000	31 March 2017 £000
Current		
Derivatives held at fair value through income and expenditure	-	-
Other financial liabilities	129	132
Total	<u>129</u>	<u>132</u>
Non-current		
Derivatives held at fair value through income and expenditure	-	-
Other financial liabilities	-	-
Total	<u>-</u>	<u>-</u>

Note 24 Other liabilities

	31 March 2018 £000	31 March 2017 £000
Current		
Deferred income	3,900	3,902
Total other current liabilities	<u>3,900</u>	<u>3,902</u>

Note 25 Borrowings

	31 March 2018 £000	31 March 2017 £000
Current		
Loans from the Department of Health and Social Care	2,571	2,571
Obligations under PFI, LIFT or other service concession contracts (excl. lifecycle)	324	231
Total current borrowings	<u>2,895</u>	<u>2,802</u>
Non-current		
Loans from the Department of Health and Social Care	50,086	52,659
Obligations under PFI, LIFT or other service concession contracts	2,150	2,533
Total non-current borrowings	<u>52,236</u>	<u>55,192</u>

Note 26 Finance leases

The trust has not entered into any finance lease arrangements.

Note 27 Provisions for liabilities and charges analysis

	31 March 2018	31 March 2017
	£000	£000
Pensions - early departure costs	113	140
Legal Claims	320	236
Redundancy	109	687
Other	107	121
Provisions falling within one year	649	1,184
Pensions - early departure costs	1,656	1718
Other	0	104
Provisions falling after one year	1,656	1,822
Total	2,305	3,006

	Pensions - early departure costs £000	Legal claims £000	Redundancy £000	Other £000	Total £000
As at 1 April 2016	1793	207	1403	522	3925
Transfers by absorption	0	0	0	0	0
Change in the discount rate	165	0	0	0	165
Arising during the year	83	186	588	0	857
Utilised during the year	-140	-95	-1082	0	-1317
Reversed unused	-47	-62	-222	-297	-628
Unwinding of discount	4	0	0	0	4
At 1 April 2017	1,858	236	687	225	3,006
Transfers by absorption	-	-	-	-	-
Change in the discount rate	21	-	-	-	21
Arising during the year	137	189	50	-	376
Utilised during the year	(135)	(54)	(569)	(118)	(876)
Reversed unused	(114)	(51)	(59)	-	(224)
Unwinding of discount	2	-	-	-	2
At 31 March 2018	1,769	320	109	107	2,305
Expected timing of cash flows:					
- not later than one year;	113	320	109	107	649
- later than one year and not later than five years;	540	-	-	-	540
- later than five years.	1,116	-	-	-	1,116
Total	1,769	320	109	107	2,305

The pensions provisions are ongoing provisions which are regularly reviewed and revalued.

Other provisions relates to a staff excess travel.

Note 27.1 Clinical negligence liabilities

At 31 March 2018, £9,581k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of Lancashire Care NHS Foundation Trust (31 March 2017: £8,641k).

Note 28 Contingent assets and liabilities

	31 March 2018 £000	31 March 2017 £000
Value of contingent liabilities		
Other	(194)	(137)
Gross value of contingent liabilities	(194)	(137)
Amounts recoverable against liabilities	-	-
Net value of contingent liabilities	(194)	(137)
Net value of contingent assets	-	-

The Trust had £194k (2016/17 £137k) of contingent liabilities being in relation to the Risk Pooling Schemes for Trust's.

Note 29 Contractual capital commitments

	31 March 2018 £000	31 March 2017 £000
Property, plant and equipment	6,800	251
Total	6,800	251

Capital commitments disclosed relate to mental health inpatient and perinatal developments that are due to complete in 2018/19.

Note 30 Other financial commitments

The trust is committed to making payments under non-cancellable contracts (which are not leases, PFI contracts or other service concession arrangement), analysed by the period during which the payment is made:

Note 31 On-SoFP PFI, LIFT or other service concession arrangements

Note 31.1 Imputed finance lease obligations

Lancashire Care NHS Foundation Trust has the following obligations in respect of the finance lease element of on-Statement of Financial Position PFI and LIFT schemes:

	31 March 2018 £000	31 March 2017 £000
Gross PFI, LIFT or other service concession liabilities	3,465	3,983
Of which liabilities are due		
- not later than one year;	595	578
- later than one year and not later than five years;	2,381	2,312
- later than five years.	489	1,093
Finance charges allocated to future periods	(991)	(1,219)
Net PFI, LIFT or other service concession arrangement obligation	2,474	2,764
- not later than one year;	324	231
- later than one year and not later than five years;	1,638	1,083
- later than five years.	512	1,450

Note 31.2 Total on-SoFP PFI, LIFT and other service concession arrangement commitments

Total future obligations under these on-SoFP schemes are as follows:

	31 March 2018 £000	31 March 2017 £000
Total future payments committed in respect of the PFI, LIFT or other service concession arrangements	8,550	10,734
Of which liabilities are due:		
- not later than one year;	1,444	1,564
- later than one year and not later than five years;	5,777	6,256
- later than five years.	1,329	2,914

Note 31.3 Analysis of amounts payable to service concession operator

This note provides an analysis of the trust's payments in 2017/18:

	2017/18 £000	2016/17 £000
Unitary payment payable to service concession operator	1,444	1,265
Consisting of:		
- Interest charge	180	352
- Repayment of finance lease liability	290	208
- Service element and other charges to operating expenditure	709	649
- Revenue lifecycle maintenance	265	56
Total amount paid to service concession operator	1,444	1,265

Note 32 Off-SoFP PFI, LIFT and other service concession arrangements

The trust has not entered any of this type of arrangements .

Note 33 Financial instruments

Note 33.1 Financial risk management

The Trust does not have any listed capital instruments and is not a financial institution.

Credit Risk

Credit risk is the possibility that other parties might fail to pay amounts due to the Foundation Trust. Credit risk arises from deposits with banks as well as credit exposures to the Foundation Trust's commissioners and other debtors. The bulk of the Trusts commissioners are NHS, which minimises the credit risk from these customers. Non-NHS customers do not represent a large proportion of income and the majority of these relate to bodies which are considered low risk - e.g. universities, local councils, insurance companies, etc...

An analysis of the ageing of debtors and provision for impairment can be found at Note 17 "Debtors".

Surplus operating cash is only invested with the Government Banking System.

Liquidity Risk

The Trust's net operating costs are incurred under service agreements with commissioners of healthcare, which are financed from resources voted annually by Parliament. The Trust largely finances capital expenditure through internally generated funds and from loans that can be taken out up to an agreed borrowing limit. The borrowing is based upon a risk rating determined by Monitor, the Independent Regulator for Foundation Trusts and takes account of the Trust's liquidity. The Trust is therefore not exposed to significant liquidity risk.

Market Risk

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

Treasury Management Risk

The Trust's treasury management operations are carried out by the finance department, within parameters defined formally within the Trust's policies agreed by the board of directors. Trust treasury activity is subject to review by the Trust's internal auditors.

Note 33.2 Carrying values of financial assets

	Loans and receivables £000	Assets at fair value through the I&E £000	Held to maturity at £000	Available- for-sale £000	Total book value £000
Assets as per SoFP as at 31 March 2018					
Trade and other receivables excluding non financial assets	21,666	-	-	-	21,666
Other investments / financial assets	250	-	-	-	250
Cash and cash equivalents at bank and in hand	19,228	-	-	-	19,228
Total at 31 March 2018	41,144	-	-	-	41,144

	Loans and receivables £000	Assets at fair value through the I&E £000	Held to maturity £000	Available- for-sale £000	Total book value £000
Assets as per SoFP as at 31 March 2017					
Trade and other receivables excluding non financial assets	20,112	-	-	-	20,112
Other investments / financial assets	474	-	-	-	474
Cash and cash equivalents at bank and in hand	13,084	-	-	-	13,084
Total at 31 March 2017	33,670	-	-	-	33,670

Note 33.3 Carrying value of financial liabilities

	Other financial liabilities	Liabilities at fair value through the I&E	Total book value
	£000	£000	£000
Liabilities as per SoFP as at 31 March 2018			
Borrowings excluding finance lease and PFI liabilities	52,657	-	52,657
Obligations under PFI, LIFT and other service concession contracts	2,474	-	2,474
Trade and other payables excluding non financial liabilities	25,713	-	25,713
Other financial liabilities	129	-	129
Provisions under contract	2,305	-	2,305
Total at 31 March 2018	83,279	-	83,279

	Other financial liabilities £000	Liabilities at fair value through the I&E £000	Total book value £000
Liabilities as per SoFP as at 31 March 2017			
Borrowings excluding finance lease and PFI liabilities	55,230	-	55,230
Obligations under PFI, LIFT and other service concession contracts	2,764	-	2,764
Trade and other payables excluding non financial liabilities	22,236	-	22,236
Other financial liabilities	132	-	132
Provisions under contract	3,006	-	3,006
Total at 31 March 2017	83,368	-	83,368

Note 33.4 Maturity of financial liabilities

	31 March 2018 £000	31 March 2017 £000
In one year or less	26,686	24,941
In more than one year but not more than two years	491	-
In more than two years but not more than five years	1,546	1,747
In more than five years	54,556	56,680
Total	83,279	83,368

Note 33.5 Carrying denomination

All assets and liabilities are denominated in sterling.

Note 34 Losses and special payments

	2017/18		2016/17	
	Total number of cases Number	Total value of cases £000	Total number of cases Number	Total value of cases £000
Losses				
Cash losses	15	3	17	19
Fruitless payments	-	-	4	2
Bad debts and claims abandoned	5	3	18	8
Stores losses and damage to property	-	-	-	-
Total losses	20	6	39	29
Special payments				
Compensation under court order or legally binding arbitration award	-	-	1	7
Extra-contractual payments	-	-	-	-
Ex-gratia payments	35	18	49	8
Special severance payments	-	-	-	-
Extra-statutory and extra-regulatory payments	-	-	-	-
Total special payments	35	18	50	15
Total losses and special payments	55	24	89	44
Compensation payments received		-		-

Note 35 Related parties

Lancashire Care NHS Foundation Trust is a body corporate established by order of the Secretary of State for Health.

During the year none of the board members or parties related to them has undertaken any material transactions with the Trust

Note 35.1 Department of Health and Social

The Trust has had a significant number of material transactions with entities for which the Department of Health is regarded as the parent Department. These entities are:

	2017/18	2017/18	2017/18	2017/18
	Debtor	Creditor	Income	Expenditure
	£000	£000	£000	£000
NHS Blackburn With Darwen CCG	929	0	31,991	0
NHS Blackpool CCG	705	0	17,652	0
NHS Chorley And South Ribble CCG	967	0	34,624	0
NHS East Lancashire CCG	1,643	0	46,275	0
NHS Fylde & Wyre CCG	296	0	18,135	0
NHS Greater Preston CCG	910	0	39,566	0
NHS Morecambe Bay CCG	365	0	18,182	0
NHS Southport and Formby CCG	1,092	0	10,734	0
NHS West Lancashire CCG	854	0	12,521	0
NHS England	6,245	0	59,152	9
Health Education England	26	0	10,490	8
Lancashire Teaching Hospitals NHS FT	738	739	1,159	4,153
East Lancashire Hospitals NHS FT	552	1,006	254	2,668
NHS Property Services	106	295	62	2,561
Community Health Partnerships	0	337	0	3,587
Other DoH bodies *	1,789	1,841	6,029	4,938
Sub-total	17,217	4,218	306,826	17,924

* represents transactions with a number of healthcare commissioners

Note 35.2 Other Healthcare Commissioners

The Trust has also had a significant number of material transactions with other entities who have commissioned our

	2017/18	2017/18	2017/18	2017/18
	Debtor	Creditor	Income	Expenditure
	£000	£000	£000	£000
Lancashire County Council	1,193	11	29,649	2,157
Blackpool Borough Council	-	-	9	501
Blackburn with Darwen Borough Council	54	-	5,221	603
Burnley Borough Council	-	-	-	290
Lancaster City Council	-	-	-	204
Preston City Council	-	-	-	272
South Ribble Borough Council	-	-	-	202
Other commissioners *	68	-	268	290
Sub-total	1,315	11	35,147	4,519

* represents immaterial transactions with a number of healthcare commissioners

All income was received as income to commission healthcare services, and all expenditure relates to the associated operating expenses.

All transactions were conducted during the normal course of business in delivering healthcare.

Note 35.3 Other Central Government

	2017/18 £000	2017/18 £000	2017/18 £000	2017/18 £000
	Debtor	Creditor	Income	Expenditure
NHS Pension Scheme	-	3,263	-	24,712
National Insurance Fund	-	2,756	-	18,972
Other Central Government*	48	1,896	328	403
Sub-total	48	7,915	328	44,087

* represents immaterial transactions with a number of Central Government bodies

Note 35.4 Other Related Parties

	2017/18 £000	2017/18 £000	2017/18 £000	2017/18 £000
	Debtor	Creditor	Income	Expenditure
UCLAN	19	0	33	321
Alzheimer's Society	0	0	0	48
Sub-total	19	0	33	369

	2017/18 £000	2017/18 £000	2017/18 £000	2017/18 £000
	Debtor	Creditor	Income	Expenditure
Harvey House Social Enterprises Ltd	268	0	0	0
Sub-total	268	0	0	0

No income or expenditure was recognised in 2017/18. Payments continue to be received.

	2017/18 £000	2017/18 £000	2017/18 £000	2017/18 £000
	Debtor	Creditor	Income	Expenditure
Red Rose Corporate Services LLP	7	23	15	2,061
Sub-total	7	23	15	2,061
Total	18,874	12,167	342,349	68,960

In 2010/11 the Trust entered into a joint venture registered as Red Rose Corporate Services (RRCS). It was established as a Limited Liability Partnership (LLP) between Lancashire Care NHS Foundation Trust (LCFT) and Ryhurst Ltd.

The joint venture has one active subsidiary, Red Rose Corporate Services (Estate Management) LLP, that supports the Trust in streamlining and identifying savings on the Trust's estate management services requirements.

The trust has now terminated its contract with RRCS for estate management services. RRCS remains active although the partners remain undecided on what future direction the JV may take.

Delivery of estate management services to the trust will be provided by the trust's new Limited Liability Partnership, Healthcare Support and Infrastructure Services LLP (HSIS). No transactions were made with HSIS during 2017/18.

Note 36 Charity

The Trust is a corporate trustee of the Lancashire Care NHS Foundation Trust Charity and Other Related Charities. The Trust has received monies from the charity in respect of its management of the charity to the value of £17k (£15k to 31 March 2017). The charity is registered with the charities commission (Charity Number 1099568) and produces its own annual report and accounts.

Under IFRS 10 NHS bodies are required to consolidate their charitable funds with their own statements where they are considered to be under common control, however, consideration is given to the materiality of the funds held. As with prior year the Trust's charitable funds are not considered material and so their results have not been consolidated. The statements of the Trust's charitable fund are available upon request.

Note 37 Events after the reporting date

There are no material events after the reporting period.

34. Intra-Government and Other Balances

Intra Govt Balances

2017/18 Balances

	NHS Trusts	Department, Health England	Public Health England	Health Education England	C N Special Hea E Authorities	NDPBs	Other DH bodies	Other WGA	Local Authorities	Bodies external to government			
Current NHS Receivables	698	0	0	26	2	0	48	1.3	0	0			
Current Other receivables with related parties	0	0	0	0	0	0	0	0	0	0			
Current Prepayments	0	0	0	0	0	0	0	0	2,275	0			
Current Accrued income	0	0	0	0	0	0	0	0	0	0			
Current Other receivables	3,086	0	0	0	0	0	0	0	3,086	0			
Current VAT, SS and other taxes receivable, Current	0	0	0	0	0	0	0	0	0	0			
Non-Current NHS Receivables	0	0	0	0	0	0	0	0	0	0			
Non-Current Other receivables with related parties	0	0	0	0	0	0	0	0	0	0			
Non-Current Prepayments	0	0	0	0	0	0	0	0	0	0			
Non-Current Accrued income	0	0	0	0	0	0	0	0	0	0			
Non-Current Other receivables	0	0	0	0	0	0	0	0	0	0			
Balance as at 31 March 2018	23,941	1,066	698	3	0	26	15,316	0	2	106	48	1,315	5,361

Payables

	FTs	NHS Trusts	Department of Health	Public Health England	Health Education England	CCGs and NHS England	Special Health Authorities	NDPBs	Other DH bodies	Other WGA	Local Authorities	Bodies external to government
Current NHS payables	4,229	2,139	1,430	0	0	17	0	0	632	0	11	0
Current Amounts due to other related parties	0	0	0	0	0	0	0	0	0	0	0	0
Current Other trade payables	0	0	0	0	0	0	0	0	0	0	0	0
Current Accruals	6,354	0	0	0	0	0	0	0	0	0	0	6,354
Current Other payables	12,374	0	0	0	0	0	0	0	0	5,159	0	7,215
Current VAT, SS and other taxes payable, Current	2,756	0	0	0	0	0	0	0	0	2,756	0	0
Current PDC dividend payable	0	0	0	0	0	0	0	0	0	0	0	0
Non-Current NHS payables	0	0	0	0	0	0	0	0	0	0	0	0
Non-Current Amounts due to other related parties	0	0	0	0	0	0	0	0	0	0	0	0
Non-Current Accruals	0	0	0	0	0	0	0	0	0	0	0	0
Non-Current Other payables	0	0	0	0	0	0	0	0	0	0	0	0
Balance as at 31 March 2018	25,713	2,139	1,430	0	0	17	0	0	632	7,915	11	13,569

2016/17 Balances

Receivables

	Total	FTs	NHS Trusts	Department of Health	Public Health England	Health Education England	CCGs and NHS England	Special Health Authorities	NDPBs	Other DH bodies	Other WGA	Local Authorities	Bodies external to government
Current NHS Receivables	12,877	601	396	0	5	325	11,517	0	0	33	0	0	0
Current Other receivables with related parties	2,236	0	0	0	0	0	0	0	0	0	11	2,225	0
Current Prepayments	2,180	0	0	0	0	0	0	0	0	0	0	0	2,180
Current Accrued income	0	0	0	0	0	0	0	0	0	0	0	0	0
Current Other receivables	3,293	0	0	0	0	0	0	0	0	0	0	0	3,293
Current VAT, SS and other taxes receivable, Current	0	0	0	0	0	0	0	0	0	0	0	0	0
Non-Current NHS Receivables	0	0	0	0	0	0	0	0	0	0	0	0	0
Non-Current Other receivables with related parties	0	0	0	0	0	0	0	0	0	0	0	0	0
Non-Current Prepayments	0	0	0	0	0	0	0	0	0	0	0	0	0
Non-Current Accrued income	0	0	0	0	0	0	0	0	0	0	0	0	0
Non-Current Other receivables	0	0	0	0	0	0	0	0	0	0	0	0	0
Balance as at 31 March 2017	20,586	601	396	0	5	325	11,517	0	0	33	11	2,225	5,473

Payables

	Total	FTs	NHS Trusts	Department of Health	Public Health England	Health Education England	CCGs and NHS England	Special Health Authorities	NDPBs	Other DH bodies	Other WGA	Local Authorities	Bodies external to government
Current NHS payables	3,460	2,068	1,024	0	0	0	223	0	0	145	0	0	0
Current Amounts due to other related parties	0	0	0	0	0	0	0	0	0	0	0	0	0
Current Other trade payables	3,260	0	0	0	0	0	0	0	0	0	0	0	3,260
Current Accruals	12,268	0	0	0	0	0	0	0	0	0	0	0	12,268
Current Other payables	3,347	0	0	2	0	0	0	0	0	0	0	0	3,345
Current VAT, SS and other taxes payable, Current	4,190	0	0	0	0	0	0	0	0	0	4,190	0	0
Current PDC dividend payable	0	0	0	0	0	0	0	0	0	0	0	0	0
Non-Current NHS payables	0	0	0	0	0	0	0	0	0	0	0	0	0
Non-Current Amounts due to other related parties	0	0	0	0	0	0	0	0	0	0	0	0	0
Non-Current Accruals	0	0	0	0	0	0	0	0	0	0	0	0	0
Non-Current Other payables	0	0	0	0	0	0	0	0	0	0	0	0	0
Balance as at 31 March 2017	26,525	2,068	1,024	2	0	0	223	0	0	145	4,190	0	18,873

**Lancashire
Care NHS
Foundation
Trust**

Quality Account 2017/18





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Part 1: Statement on Quality from the Chief Executive of the Organisation

Lancashire Care NHS Foundation Trust is a health and wellbeing organisation providing a holistic service that is able to meet a wide range of health needs. The Quality Account is our annual report about the quality of services we delivered for the period April 2017 to March 2018 and in addition to this, we set out our priorities for improving quality over the coming year from April 2018 to March 2019.

We have a duty to publish a Quality Account and we welcome this as a valuable opportunity to help raise awareness of our work. In conjunction with our Annual Report, this Quality Account will give you an overview of the work we do, the range of our activities and current performance. Following our successful Quality Improvement conference in 2017 we are hosting a second conference in May 2018. The conference will support the development of an interactive web based 'Quality Story' which will complement the Quality Account providing an easily accessible summary.



Following a refresh of the Trust Strategy last year, we continue to pursue our ambition to deliver high quality, sustainable services to the people we serve. Our partners from other NHS providers and commissioners, local government and the voluntary sector, have united behind a common purpose of transforming services. This is driven by a shared desire to improve the quality, outcomes and experience for people who use our services, and is being delivered through the Lancashire and South Cumbria Sustainability and Transformation Partnership. Our strategic ambitions continue to uphold that quality is our number one priority with our Vision articulating what the Quality led Strategy will achieve by 2022 through the delivery of the three quality outcomes as reflected in this visual.

I am disappointed with the findings of the CQC inspection which reflects a deterioration in ratings primarily relating to mental health services and aggregates to the wider organisation. The findings reflect issues that we had already identified through our own internal processes and escalated to the CQC. A contributory factor is the significant pressure and challenges that exist at a system level-by which is having an impact on the operational delivery of our mental health services. This resulted in the Trust initiating a major incident in March and as a result we have secured the support of our health economy partners to progress a joint action plan to address some of the root causes.

The CQC acknowledged that the Board "had good oversight and understanding of the key priorities, risks and challenges faced by the organisation and had identified actions to mitigate these" and that "all staff demonstrated a positive culture of being open and honest." The CQC also saw evidence that we are a caring and responsive organisation and assigned a rating of good for these domains. Improvement plans are already in place across the areas identified. I will continue, together with the Board, to drive further improvements underpinned by the quality improvement methodology with the continuing aspiration of being recognised as a national leader in Quality Improvement. We are proactively managing the financial and staffing pressures faced by many NHS organisations. We want our Quality Account to be part of our evolving conversation with the people we serve about what quality means and about how we must work together to deliver quality across the organisation. In offering you an overview of our approach to quality, we invite your scrutiny, debate, reflection and feedback.

The Council of Governors and Lancashire Care NHS Foundation Trust Board have approved this Quality Account which covers the full range of services we provide. To the best of our knowledge the information contained in this account is accurate. We hope that this Quality Account gives you a clear picture of how important quality improvement, safety and the experiences of the people who use our services together with the experiences of our staff are to us at Lancashire Care NHS Foundation Trust.

Professor Heather Tierney-Moore OBE
Chief Executive
25 May 2018





Part 2: Priorities for Improvement and Statements of Assurance from the Board

2.1) Priorities for Improvement - Forward Looking 2018/19

This section of the Quality Account is the 'forward looking' section. It describes the quality improvements that Lancashire Care NHS Foundation Trust plans to make over the next year. This section explains why the Trust priorities have been chosen, how they will be implemented, monitored and reported.

Quality is about giving people treatments that work (effectiveness), making sure that they have a good experience of care (caring and responsive), protecting them from harm (safety), with services that are well led.

Lancashire Care NHS Foundation Trust's quality priorities are consistent with the aims of the Lancashire and South Cumbria Sustainability and Transformation Plan.

The priorities build on those from last year and take into account feedback from:

- The national staff survey telling us about the experiences of staff
- National messages about the importance of co-designing quality improvements with people who use services, families, carers and staff.
- Internal reporting known as quality surveillance including people telling us about not feeling safe, concerns about incidents of violence, an increase in reporting of occurrences of pressure ulcers, a continuing need to focus on falls management and prevention and in response to the World Health Organisations global medication safety challenge.
- Organisations who are rated as outstanding and their message that quality improvement is everyone's business and that building improvement skills is key.



We will:

- Support staff to enjoy their work
- Continue to co-design improvements with people who use our services, carers and families truly understanding what matters to them.
- Continue to strengthen and build on a range of quality improvements to ensure that the care we deliver keeps people safe from harm.
- Build quality improvement skills across the organisation.



Following a refresh of the Trust Strategy last year, we continue to pursue our ambition to deliver high quality, sustainable services to the people we serve. Our partners from other NHS providers and commissioners, local government and the voluntary sector, have united behind a common purpose of transforming

services. This is driven by a shared desire to improve the quality, outcomes and experience for people who use our services, and is being delivered through the Lancashire and South Cumbria Sustainability and Transformation Partnership. Our strategic ambitions continue to uphold that quality is our number one priority with our Vision articulating what the Quality led Strategy will achieve by 2022 through the delivery of the three quality outcomes as reflected in this visual.

Underpinning the strategy is a Quality Plan. The Quality Plan for 2017/18 set out the priority areas for improvement work across the year with 16 key priority areas for Trust wide improvement. The priorities were identified through a range of sources including the findings of the CQC inspection undertaken during September 2016, our quality surveillance and learning from serious incidents and feedback shared in the form of complaints, and ideas for improvement. Progress in respect of the priorities is reflected in the quality improvement tool Life QI enabling quality improvement activity to be tracked and the impact measured. The Quality Plan is being refreshed for 2018/19 to further strengthen a focus on supporting and tackling particularly important issues and will reflect the priorities highlighted here in the Quality Account.

Fundamental to the success of the Quality Plan is the continuation and embedding of the work to ensure a culture of continuous improvement using our Quality Improvement methodology and quality improvement tools. The Quality Improvement methodology reflects the Institute for Health Care Improvement’s model for improvement. High performing organizations have gradually and intentionally worked towards embedding a culture of continuous improvement. The move to a set of key quality improvement priorities reflected in the quality plan have emerged from common themes emerging from the frontline projects and identifying issues of strategic importance for the Trust. This is enabling a more systematic approach to QI and creating greater readiness for system wide change

Quality Improvement: The Quality Improvement methodology and menu of tools will be spread across every area of work in both our clinical and support services and this will be underpinned by learning programmes. During 2017/18 we have built on our learning programme in partnership with the Advancing Quality Alliance (AQuA) developing a ‘Bite Size’ learning module as the foundation of the learning portfolio which is supporting people across the organisation to have appropriate levels of knowledge and skill. Not everyone needs to be expert in this approach, but everyone should understand the principles with QI leads driving, coaching and working to sustain improvement work. Teams will continue to be empowered and supported to be curious about how they are doing, using data and listening to feedback from people who use our services, their families, carers and staff to inform continuous quality improvement. The principle of co-designing quality improvement initiatives involving people who use services, families and carers together with our staff is the foundation of our approach to quality improvement.



To ensure that the voices of people who use services and those close to them are heard a number quality improvements about the ways in which we listen and respond to people sharing their experiences of care with us.

Over the past twelve months the Hearing Feedback Team has piloted and tested a 'case management approach' which facilitates a person centred, timely and supportive process for people who wish to feed back about services. This development has improved compliance with timeframes and complainant satisfaction with their response and will continue to be implemented and embedded across the organisation during 2018/19.

Having reviewed the real time feedback returns it was evident that feedback from children and young people was lacking. In response a new survey has been developed involving children and young people and is aligned with global developments in harnessing human rights to improve quality of care. The survey is called 'We Hear You'. There are two versions, one for primary school age children and another for older young people. The new surveys will be launched early in 2018/19. The feedback received will be used to identify things that are done well, and those requiring further exploration and improvement. Information about how feedback has been used to drive improvements can be found in section 3.

Engaged and content employees are directly linked to the quality of care and compassion, so it is really important that we get this right to ensure that joy is fostered at work to avoid burnout. The 'People Plan' developed during 2016/17 continues to promote and strengthen this with further detail about the work across 2017/18 at page 266. The fact that the recent national staff survey results from the survey undertaken in Autumn 2017 and published in March 2018 were so disappointing has resulted in a review of each aspect of the plan with many improvement initiatives informed during 2017/18 to be strengthened and embedded in 2018/19.

Engaged employees feel more motivated, have a greater sense of purpose and meaning in their work, report higher levels of involvement, are more likely to recommend the Trust as a place to work and receive care and, enjoy better health and wellbeing. Levels of engagement are directly linked to the quality of care and compassion, with engagement levels impacting on sickness absence and agency usage. It remains hugely important that we focus on transformational engagement, to ensure that joy is fostered at work to avoid burnout (Ham, Berwick and Dixon 2016)

http://www.kingsfund.org.uk/sites/files/kf/field/field_publication_file/Improving-quality-Kings-Fund-February-2016.pdf.

To support this key enabler of quality, Lancashire Care NHS Foundation Trust developed a 'People Plan' in 2016/17 following large scale engagement. Whilst the foundations were laid in 2017/18, work to develop more momentum at a team level remains the focus in a social age. The resultant plan demonstrates a renewed commitment to do what we say we will through demonstrating our shared values, developing leaders at all levels and by engaging and activating teams.

'The People Plan Delivery Group's aim is explore, develop and share ways we can create the conditions for people to be able to give their best, find joy and meaning in their work and look after their health and wellbeing.'



Across the organisation there are examples of quality improvement which is supporting staff to be the best they can be, for example:

- Universal services for Children and Young People have undertaken a quality initiative to introduce a new model of supervision which has been implemented across teams, receiving positive feedback around the level of support and scrutiny provided.
- Mental Health inpatient areas have introduced a daily safety huddle to monitor clinical pressures and allocate staff to ensure a balance on safety and quality of care can be maintained. It also allows staff an opportunity to predict and escalate any areas of need as well as supporting peer review.

Lancashire Care NHS Foundation Trust is committed to developing a skilled and resilient workforce. During 2017/18 a number of initiatives have been implemented to improve recruitment and retention, for example:

- A new recruitment software system, known as Trac, has been implemented which streamlines the process shortening the time taken to recruit the right people.
- Clinical networks have attended a number of recruitment fairs and the Mental Health network have jointly funded a clinical lecturer post at the University of Central Lancashire to increase the connection with the university and improve relationships with students and newly qualified nurses.
- Support for new starters has been strengthened with the launch of a fortnightly preceptorship group to help newly qualified staff consolidate their practice, receive peer support and open a formal communication channel to the matrons.
- Nursing leadership has been strengthened across the organisation with the introduction of an enhanced model of professional leadership. In addition to the improved monitoring and scrutiny of safer staffing that this provides, these leaders are driving positive improvements for staff and people who use our services.

Since August 2017 there has been a reduction in the use of Bank and Agency staff however some areas continue to require significant numbers of temporary staff. The Executive Director of Nursing and Quality has held focussed sessions with these teams which has provided an opportunity to develop a shared understanding of any specific issues and the sharing of potential solutions.

New and different opportunities are emerging for staff and people who use services in the coming year:

- The Myplace ecotherapy partnership established in 2017 with Lancashire wildlife Trust has grown to include the establishing of a number of Myplace ecotherapy hubs in Preston, Chorley, Nelson, Blackburn, Rossendale and Hyndburn. The hubs are chosen for their accessibility for young people with good transport links. This means that the young people are able to undertake Myplace ecotherapy activities which benefit themselves and their local communities. Myplace ecotherapy will be 'piloted' at our CAMHS tier 4 inpatient unit at The Cove in Heysham in 2018/19.
- Lancashire Care Foundation Trust is working with the Implementing recovery through organisational change programme (ImROC) to create a culture and context



in which people can recover: to provide interventions that enable people to take back control of their lives, to believe in the potential of everyone we work with so that they too can feel hopeful about their futures. We are looking at facilitating access to opportunities so that people really can live the lives they want to lead. We have developed initially a number of key work streams focusing on:

- Changing relationships: Changing the nature of day to day interactions and the quality of experience of people using the service and those who are close to them.
- Ensuring organisational commitment and changing culture: moving from traditional 'user involvement' to co-production
- Establishing a Recovery College with partners

A three year plan is being developed to support a focus on recovery focused services including peer support workers, developing our Recovery college offer with partners, people who use services, family members and friends aiming to enable people to live more fulfilling, inclusive and independent lives

- Lancashire Care NHS Foundation Trust will be working with partners to deliver a new service that will help improve the health of people with rheumatic and musculoskeletal disorders in central Lancashire with a focus on prevention and early intervention. The Integrated Musculoskeletal (IMSK) Service has been commissioned by Greater Preston Clinical Commissioning Group and Chorley & South Ribble Clinical Commissioning Group. The service seeks to improve outcomes and experience, reduce variation for people who have problems with their muscles or joints using guidance, education and new technology, and includes teams that will be able to deal with community physiotherapy, rheumatology, musculoskeletal issues, chronic fatigue and persistent pain. We will deliver the service in partnership with Lancashire Teaching Hospitals NHS Trust, Ascenti, an independent provider of physiotherapy services, and Trainer Rx, an online rehabilitation and recovery program that enables people with musculoskeletal injuries to understand their condition and how to manage it.
- Lancashire Care NHS Foundation Trust has been successful in securing additional funding for continuation of the Test Bed programme for a further 12 months. The initial Test Bed programme was a combination of innovative technologies and practices aimed at supporting people aged 55 and over living with long term conditions such as heart failure and chronic obstructive pulmonary disease (COPD) and/or people with a mild to moderate dementia diagnosis to remain well in the community and avoid unnecessary hospital admissions. This new way of providing care is designed to help older people to monitor their own health conditions at home using technology and with the support of local care teams. We have hosted one of the most successful programmes nationally. The additional funding allows us to further evaluate and widen and extend the programme to support technology within the discharge process, working with the local GP federations and GP localities creating a technology hub to support monitoring for housebound people. Also it will allow remote monitoring and supporting self-care and management



- Lancashire Care NHS Foundation Trust has been successful in a tender to provide a new Mother and Baby Units for Lancashire and Cumbria which will allow women to stay with their babies while receiving the specialist care they need. It is planned to open in August 2018 and is an 8 bedded facility which will be based in Chorley. The unit will provide in-patient support for women and their babies with the most complex and severe needs who require hospital care, who are experiencing severe mental health crisis including very serious conditions like post-partum psychosis. We have also commissioned Action on Postpartum Psychosis (APP) the only NHS organisation nationally to commission Peer Support as part of our service offer connecting women and families throughout the UK to recovered volunteers, via: an online peer support forum; one to one email support; meeting a volunteer programme (Skype and in person); social groups and creative workshops. They have also supported us in developing information for women who have experienced PP and their families, co-produced by women, families, specialist clinicians and leading academic experts. They will also provide training to our frontline health professionals in PP and Managing SMI in pregnancy, co-produced and co-delivered by academics, clinicians and women with lived experience.
- We have established a network of mums with lived experience who have been key in designing the service and the unit and held several successful events for staff and service users across Lancashire and Cumbria.
- In addition to this LCFT have been successful and have received full funding for a specialist community perinatal mental health teams across Lancashire and South Cumbria which will provide psychiatric and psychological assessments and care for women with complex or severe mental health problems during the perinatal period. They can also provide pre-conception advice for women with a current or past severe mental illness who are planning a pregnancy. The teams will be made up of doctors, nurses, social workers, psychologists, psychiatrists, occupational therapists, nursery nurses and administrative staff, who all work together to provide a comprehensive service to mums, depending on what their individual needs are.
- A Service Development Improvement Plan was shared by commissioners in 2015 asking the Tier 4 service to explore the opportunity to bring together the in-patient services for children and young people with mental health needs that were operating from two separate sites known as The Platform and the Junction. The services were brought together in May 2017 at the Cove in Heysham. The move involved two teams with differing cultures coming together as well as changes to the model of care. A quality improvement plan has been developed this year which will continue into 2018/19 encompassing changes to the environment to support it being better fit for purpose and a number of quality improvement initiatives which are being co-designed with young people, families, carers and staff.
- The Rigby Suite is located at Royal Preston Hospital. The facility supports young people under the age of 19, who come in to contact with the police and have been detained under Section 136 of the Mental Health Act. It supports young people suffering with mental health difficulties by providing a place of safety and de-escalation for a period up to 24 hours.



The unit allows staff to conduct a full assessment of any mental health needs and will support signposting on to appropriate services following the assessment including an inpatient admission or community mental health services where required. The Rigby Suite includes a variety of different professionals including Approved Mental Health Professionals, Clinicians and the Police.

- Lancashire Care Foundation Trust is working with commissioners and primary care to deliver a mental health care model that bridges primary and secondary care services working with local GP practices seeking to improve adult care pathways through integration and implementation of a locality focussed model. This work includes partners in the Local Authority and voluntary and charitable organisations. A key objective of this work that commenced in January 2018 is to support people needing mental health support to receive the best service to meet their needs.
- Lancashire Care NHS Foundation Trust have developed Mental Health Decision Units (MHDU) across three acute sites: Blackburn, Blackpool and Preston to support people in getting the right care in the right place. The units offer a more suitable environment for a person with a mental health condition who had previously presented at A&E. In addition further work is underway to enable the units to link effectively with Home Treatment Teams and Acute Therapy Services for people with mental health challenges and to offer support to staff and people using the services and to work to ensure that people using in-patient services have more robust support packages in place before returning home.
- National guidance for mental health rehabilitation is clear about the pathway requirements for an effective system. A key element of this is having an Integrated Discharge Team who take responsibility for managing the whole care pathway, improving experiences and outcomes for people. The model will allow all referrals for rehabilitation placements to go through a single point of access and be assessed for suitability into a range of locally commissioned rehabilitation services; this is led by the Integrated Discharge team who will provide the assessments to support this identified discharge pathway. The initial pilot project has been extended and a business case is in development.
- Lancashire Care NHS Foundation Trust has commissioned the National mental health charity Richmond Fellowship, part of Recovery Focus, to provide two crisis houses in Lancashire to provide support to people experiencing a mental health crisis. This will provide short term placements for people experiencing a mental health crisis as an alternative to hospital admission. The crisis service provides short term placements of up to seven days with referrals coming through our home treatment team. The crisis houses give a quiet place of tranquillity within the community where people have the freedom to manage their own schedule, cook for themselves and access the community as they would were they in their own home.



People are supported by staff to co-design support plans mechanisms to manage their mental health following their stay.

- Following the Mental Health 5 Year Forward View in February 2016 NHS England established a transformation fund to improve urgent & emergency liaison Mental Health services for adults in acute hospitals. The aim is to have a core 24 (24 hours, 7 days a week) service by 2021 which provides accessible and timely care for all, people experiencing a mental health crisis that meets their needs. The Core 24 Mental Health liaison services act as a single point of contact for people (aged 16 or over) in hospital with a diagnosed or suspected mental health condition. The liaison services are delivered from four acute sites:
 - University Hospitals of Morecambe Bay, at Royal Lancaster Infirmary
 - East Lancashire Teaching Hospitals, at Royal Blackburn Hospital
 - Blackpool Teaching Hospitals, at Blackpool Victoria Hospital
 - Lancashire Teaching Hospitals, at Royal Preston Hospital
- The Mental Health Access Line supports the NHS111/999 services by providing mental health triage, advice and onward referral. The MHAL hub is based at NWAS, Broughton. The call centre diverts callers to appropriate services as well as providing advice to professionals who are in contact with people presenting with a possible mental health crisis. An Integrated virtual mental health hub (MHAL) has been developed and offers;
 - A virtual environment of mental health practitioners providing enhanced clinical triage to patients and advice/guidance to Service users and/or Clinicians, Paramedics and Police when appropriate
 - Integrated direct booking to enable access to appropriate services in an effective and efficient way
 - Close organisational partnerships to manage effective outcomes.
 - An improved experience for people
 - Parity of esteem for NHS111/999 for Service Users with Mental Health which parallels support offered to those with physical illness.
- Lancashire County Council (LCC) recently led a successful submitted a bid to strengthen local government delivery of the Armed Covenant in partnership with Lancashire Care NHS Foundation Trust, other Lancashire NHS organisations and the College for Military Veterans and Emergency Services at UCLan. Delivery of the Covenant at a local level is expected to encourage local communities to support the armed forces community in their area, promote understanding and awareness among the public and work to uphold the promise set out in the Covenant to give them a fair deal. Work is now underway to develop a core infrastructure across Lancashire to coordinate existing provision, identify and share best practice to embed delivery of the Covenant into everyday activity and ensure, at a minimum, a standard offer across every council area in Lancashire.
- In addition to enhancing community services, work has also progressed in year to complete a 10 year programme to improve inpatient mental health facilities. This has



involved co-locating all mental health beds onto 4 purpose designed units in the 4 localities of Lancashire. Work is currently progressing on the re-development of Hillview at Royal Blackburn Hospital to provide an improved inpatient service for Pennine Lancashire. Extensive refurbishment work is also on-going at Chorley Hospital to provide an inpatient service for Central Lancashire. A specialist perinatal unit is also being developed on the site to provide care and treatment for new mums who require mental health support. Lancashire Care was one of four providers to be chosen from across the country to provide one of these new, important facilities. All of these new services will become operational during 2018.

- Following successful mobilisation of Southport and Formby Community Services in May 2017 significant transformation has continued with benefits for people across the community service provision. Subcontracting arrangements with Queenscourt Hospice have enabled the continuation of palliative care services across Southport and Formby. Lancashire Care NHS Foundation Trust continues to work in partnership with Healthwatch Sefton to enable the engagement with people who use services and with various groups and organisations in Southport and Formby to listen to the stories that they have about services. For example: during the Flu clinics, which took place in December 2017 in various locations, staff and Healthwatch colleagues were able to gather stories from a number of people and provide answers and solutions via service managers on issues relating to podiatry, continence and wheelchair services.
- A partnership with Sefton Community Voluntary Services/ Brighter Living Partnership has been developed. Two cohorts of a care coordination pilot have been completed and have worked in partnership with six GP practices in Southport. A number of people have benefited from the holistic approach employed with signposting given to various agencies including Social Services and Citizens Advice. Strategies employed by the CVS navigators has provided people with strategies to improve general Health and Wellbeing and increased social interaction. As part of the pilot Community Matrons, District Nurses and Falls Team have also referred people from their caseloads into the CVS. Employing an effective way of continuing to support people whilst enabling the teams to focus on people who need their expertise.
- Learning from previous experiences of transferring services a robust standard operating procedure based on the recommendations and areas of good practice has been developed. The healthcare service at HMP Liverpool transfers to a new provider on 01 April 2018. Supporting staff is of particular importance in period of change and having this procedure helped in supporting the smooth transfer of staff and a comprehensive and effective handover.
- Lancashire Care NHS Foundation Trust have engaged the services of Disabled Go, a not for profit organisation who have produced detailed access guides for all the Trust's core properties. The access guides look at access and disability from lots of different perspectives, not just mobility impairment but also learning disability, sensory impairment, dementia and mental health. Guides are published on www.disabledgo.com but also integrated into the Trust's website making it easy for



staff and patients and their families to access the information and enable them to plan their visit, lowering the anxiety and challenges of visiting somewhere. The guides include lots of information on, for example, public transport to the building, accessible car parking, whether a hearing loop is available and the type of accessible toilets. In conjunction with the access guides, Disabled Go also provide the Trust with a recommendations matrix of any improvements which could be made in the building to improve the accessibility. This informs the Trust's capital plan and where funds should be prioritised. Disabled Go's services are retained for 5 years which guarantees they are available for advice during any refurbishments of existing buildings or new buildings and developments, ensuring accessibility requirements are incorporated. Guides are going live in April and their usage and impact will be evaluated in 2018/19.

Being open and honest with people when things go wrong: Lancashire Care NHS Foundation Trust is committed to being open and honest with people when things go wrong. This includes people who use services, their families and carers, staff, our commissioners, regulators and stakeholders and all other people directly affected by incidents. A Being Open Policy has been in place for several years and has been updated to reflect the introduction of the investigations and learning team. This policy sets out the approach taken to being open with people who use services, their relatives and carers when things go wrong and includes the formal process to comply with the Duty of Candour. Examples of fulfilling the Duty of Candour are shared with commissioners on a monthly basis.

Lancashire Care NHS Foundation Trusts dedicated Investigations and Learning Team continues to undertake all serious incident investigations. There has been a notable increase in the quality of serious incident investigations from 2016 to date. This includes improved engagement with people who use services, families, carers, staff and others affected by serious incidents. As reflected in the effectiveness quality improvement priority for the coming year the organisation aims to strengthen the application of the quality improvement methodology to support the achievement of measurable and sustainable improvements in relation to serious incident themes including: carers being involved as key partners in care, staff working in and people receiving services in our inpatient settings feeling safe and there being consistency in seclusion practice. The outcome of the quality improvements will be shared at the annual Quality Improvement conference and in year through the Dare to Share, Time to Shine model.

The way in which deaths recorded by the organisation reflects the recommendations made and resulting framework from the Mazars Report which looked into the deaths of people with a learning disability or mental health problem at Southern Health NHS Foundation Trust.

Four categories are used:

- a) Expected death from natural causes
- b) Unexpected death from natural causes
- c) Expected death from unnatural causes
- d) Unexpected death from unnatural causes



These classification help inform the decision whether or not to investigate a death.

Where it is decided no investigation is required beyond the initial 72 Hour Investigation Report the rationale is recorded.

From April 2017 Serious Incident Learning Review Panel has been in place chaired by a Non-Executive Director and attended by the Medical Director, the Director of Nursing and Quality, the Associate Director of Safety and Quality Governance, the Head of Investigations and Learning and representatives from the Lead Commissioners. The purpose of the Serious Incident Learning Panel (SILP) is to receive and scrutinise completed serious incident investigation reports and to receive and scrutinise improvement plans developed by Networks and Support Services in response to investigation findings. As noted above work will continue across the coming year to strengthen the application of the quality improvement methodology to support the achievement of measureable and sustainable improvements.

Lancashire Care NHS Foundation Trust reported a medication incident during the year which, following discussions with commissioners and subject to the full investigation being completed, was deemed as a possible Never Event. This related to an overdose of methotrexate for non-cancer treatment. No harm was caused to the patient affected however the Trust acknowledges the seriousness of the incident and the potential for learning and quality improvement. A full investigation was commissioned and has been completed. The learning from that investigation now forms an improvement plan. The Trust is now clear, based on the investigation and the NHS Improvement national guidance, that this incident does not meet the criteria for a Never Event and we have asked our commissioners to reclassify this (a decision that will take place after publication of this report).

Care Quality Commission inspections:

Lancashire Care NHS Foundation Trust is registered and regulated by the Care Quality Commission (CQC) for a range of health and care services. The Responsible Individual registered with the CQC is the Executive Director of Nursing and Quality.

The CQC have undertaken three inspections during the last year:

- The first concerned an inspection of health and justice services delivered at HMP Liverpool in September 2017. This inspection was conducted jointly with HM Inspectorate of Prisons who concurrently inspected the prison establishment. The CQC do not issue ratings for prison healthcare services. Two requirement notices were issued to identify improvements to quality including complaints handling, prison engagement, supervision and appraisals. The Trust was already aware of these issues and improvements plans were in place, details of which were provided to the CQC.
- The CQC undertook an unannounced focused inspection of mental health crisis services and health based places of safety in December 2017. The inspection specifically focused on the application of Section 136 of the Mental Health Act. A Requirement notice was issued to highlight areas for improvement. The Trust was already aware of the issues which related to lapses of Section 136, and was working with commissioners and stakeholders to improve capacity and flow through acute



mental health services. The Trust submitted a provider action statement in response to the report findings.

- The Trust was inspected during January and February of 2018. This planned inspection was part of the rolling programme of inspections by the regulator and consisted of a focused inspection of core services and a well-led inspection. Five of our 15 core services were inspected:
 - Community inpatient services
 - Child and adolescent mental health wards
 - Forensic/secure wards
 - Acute mental health wards and psychiatric intensive care units for adults
 - Mental health crisis services and health based places of safety

The rating assigned to the Trust is requires improvement:

Ratings for a combined trust

	Safe	Effective	Caring	Responsive	Well-led	Overall
Community	Requires improvement →← May 2018	Good ↑ May 2018	Good →← May 2018	Good →← May 2018	Good ↑ May 2018	Good ↑ May 2018
Mental health	Requires improvement →← May 2018	Requires improvement ↓ May 2018	Good →← May 2018	Good →← May 2018	Requires improvement ↓ May 2018	Requires improvement ↓ May 2018
Overall trust	Requires improvement →← May 2018	Requires improvement ↓ May 2018	Good →← May 2018	Good →← May 2018	Requires improvement ↓ May 2018	Requires improvement ↓ May 2018

The full ratings for each core service, and the latest inspection report, can be viewed on the CQC web site at: <http://www.cqc.org.uk/provider/RW5>. The CQC’s new process means that they do not re-visit all services that were previously inspected. Of Lancashire Care NHS Foundation Trusts fifteen core services four are rated as requires improvement which includes the ratings from the last visit when all services were inspected.

Lancashire Care NHS Foundation Trust is disappointed at the deterioration in ratings, which primarily relates to mental health services and aggregates to the wider Trust, and considers that this reflects the significant pressure and challenges encountered by those services. All issues identified by the CQC were known to the Trust and improvement plans are in place. We understand the overall ratings at Trust level reflect an aggregation of service ratings but acknowledge the CQC findings from the well led inspection that the Board “had good oversight and understanding of the key priorities, risks and challenges faced by the trust and had identified actions to mitigate these” and that “all staff demonstrated a positive culture of being open and honest.”

The Trust is clear on its commitment to quality and will use the findings of the inspection to make the required improvements in line with the quality plan and our quality led strategy.

Key quality work streams: Lancashire Care NHS Foundation Trust has a number of key quality work streams focused on providing quality assurance and evidence of continuous quality improvement. Four of these quality priorities are reflected below. The selection of



these has been informed by themes from serious incidents and complaints, feedback from staff, engagement with people who use services and stakeholders. These priorities both build upon the work undertaken in 2017/18 and strengthen the focus on staff experience and wellbeing. Progress against the priorities for 2017/18 is included in part 3.0.

Priority 1	People who deliver and support the delivery of services are motivated, engaged and proud of the service they provide
Domain	Effectiveness
Rationale	Feedback from staff through different avenues, including the annual staff survey, has highlighted the need to improve the experience of staff working across Lancashire Care NHS Foundation Trust. There is a wave of interest internationally in ensuring joy in work. Perlo J, Balik B, Swensen S, Kabcenell A, Landsman J, Feeley D. <i>IHI Framework for Improving Joy in Work</i> . IHI White Paper. Cambridge, Massachusetts: Institute for Healthcare Improvement; 2017.
Target	Staff will enjoy working in LCFT. Five teams from across the organisation will work to address the issue of staff satisfaction and morale by running improvement projects. The five teams will represent some of the different type of work environments in the organisation supported by an OD lead and a QI lead We will: <ul style="list-style-type: none"> • Ask staff what matters to you? • What gets in the way of what matters? What gets in the way of a good day? • Co-design improvement ideas • Identify linked initiatives • Test the ideas • Measure the impact using the QI approach
How progress will be monitored	Improvement aims and quality improvement tools to be applied will be reflected in the associated QI plans in the Life QI system
How progress will be reported	To be reported to the Quality and Safety subcommittee on a quarterly basis.
Priority 2	People who use our services are at the heart of everything we do: all teams will seek the views of service users and carers to inform quality improvements
Domain	Experience of care (caring and responsive)
Rationale	Department of Health - The NHS Friends and Family Test (FFT) implementation The Always Events® Toolkit - Institute for Health Improvement and NHS England 2016 '
Target	We will co-design improvements with people who use our services, carers and families truly understanding what matters to them. <ul style="list-style-type: none"> • The Always Event © quality improvement tool will continue to be used. We will: Demonstrate spread and sustainability of the Always Events co-designed in 18/19. Introduce a



	<p>further five always events programmes</p> <ul style="list-style-type: none"> • Complete registration with the Triangle of Care and the required self-assessment on inpatient ward and with Crisis teams within 12 months. With clear team level quality improvement plans in place • Complete a minimum of ten care and compassion observations
How progress will be monitored	<p>Evidence of Always Event plans, measures and outcomes Registration with Triangle of Care and self-assessments informing team level quality improvement plans Evidence of care and compassion observation reports. Improvement aims and quality improvement tools to be applied will be reflected in the associated QI plans in the Life QI system</p>
How progress will be reported	<p>To be reported through to the Quality and Safety subcommittee on a quarterly basis.</p>
Priority 3	People who use our services are at the heart of everything we do: care will be safe and harm free
Domain	Safety
Rationale	<p>Harm Free Care (HFC) quality initiatives Commissioning for Quality and Innovation (CQUIN) Quality plan Goals Department of Health - Positive and Proactive Care: reducing the need for restrictive interventions</p>
Target	<p>The implementation of quality improvement projects to strengthen and support:</p> <ul style="list-style-type: none"> • reducing the level of violence by March 2019 so that all patients feel safe on our wards and all staff feel safe at work by implementing the new Trust wide violence reduction programme • pressure ulcer management and prevention to ensure that people using our services are safe from pressure ulcer damage • falls management and prevention to ensure that people using our services are safe from falling • keeping people safe from suicide in our mental health inpatient settings • staff understanding and enquiring about the presence of domestic abuse in day to day practice with risks appropriately responded to. • improving the standards of medication safety for people in our care
How progress will be monitored	<p>Improvement aims and quality improvement tools to be applied will be reflected in the associated QI plans</p>
How progress will be reported	<p>To be reported through to the Quality and Safety subcommittee on a quarterly basis.</p>



Priority 4	A quality focused culture is embedded across the organisation: services are well led and we are all working together to always be the best we can be
Domain	Well-led
Rationale	Good Governance Handbook 2015 Monitor Well-led framework for governance reviews: 2015 Building a Culture of Improvement at East London NHS Foundation Trust: Institute of Healthcare Improvement (IHI) 2016 Improving Quality in the English NHS: A strategy for action: The King's Fund, 2016
Target	To build capability and capacity for quality improvement from team to Board: <ul style="list-style-type: none"> • To work with AQuA to develop and implement a quality improvement development programme for the Board • 750 people to have undertaken “bitesize QI” training • Establishment of “QI clinics” to support and embed the quality improvement methodology with all teams • To showcase the quality improvement activity within the organization we will hold an Annual Quality Improvement Conference. • To maintain a rating of good at each annual well led review by the CQC
How progress will be monitored	Evidence of a Board development programme Evidence of 750 people having undertaken the 'bitesize' learning option A programme of QI clinics delivered across the year Evidence QI conference development plans and conference outcome.
How progress will be reported	To be reported through the Quality and Safety subcommittee on a quarterly basis.

2.2) Statements of Assurance from the Board

This section of the Quality Account is governed by regulations which require the content to include statements in a specified format; this allows the reader to compare statements for different Trusts. These statements serve to offer assurance to the public that Lancashire Care NHS Foundation Trust is performing to essential standards, providing high quality care, measuring clinical processes and involved in initiatives to improve quality.

Review of Services

During 2017/18 Lancashire Care NHS Foundation Trust provided three types of NHS services (mental health and learning disability services, community services and specialist services). Lancashire Care NHS Foundation Trust has reviewed all the data available to them on the quality of care in these three NHS services via the quality schedule of the NHS standard contract and through the reconciliation of Commissioning for Quality and Innovation scheme (CQUIN).

The income generated by the NHS services reviewed in 2017/18 represents 90% of the total income generated from the provision of NHS services by Lancashire Care NHS Foundation Trust for 2017/18, with a loss of £593,625.



Participation in Clinical Audits Clinical Audit Priority Programme

Lancashire Care NHS Foundation Trust is committed to ensuring that each network has a robust network priority programme as described below:

- Network priority audits are identified through each Network's Quality and Safety Sub Committee and in discussion with the Clinical Audit Team and Medical Director
- Progress in respect of the clinical audit programme is reported to the Quality and Safety subcommittee on a quarterly basis
- Each Network has included at least one audit focussed on the Mental Health Act or Mental Capacity Act in its programme where appropriate
- Other audits may be selected based on new services/clinical practices or areas identified as requiring improvement, risk or serious incidents may also trigger inclusion within the priority audit programme
- Each Network identifies 8 Network priority clinical audits
- Lancashire Care NHS Foundation Trust supports the view that whilst clinical audit plays an important role in providing assurances about the quality of services, the prime responsibility for auditing clinical care lies with the clinicians who provide that care
- The Clinical Audit team is committed to supporting clinicians who carry out clinical audit by providing advice and assistance from appropriately trained and experienced clinical audit staff, and advice and training in clinical audit processes and practice
- The Clinical Audit Team share audit findings with the Quality Improvement Team to inform the need for quality improvement projects to be progressed

Clinical Audit within Lancashire Care

Prior to the start of each financial year, the Trust agrees an appropriate Clinical Audit Priority Programme and associated project teams. Each network is responsible for ensuring that their audit programme takes account of non-adherence to clinical standards and potential gaps in compliance. This programme should meet the Trust's corporate requirements for assurance, but owned by clinical services.

Assurance matrix for Clinical Audit 2017/18

Compliant	80%-100%	Local action plan to be developed if required by the network
Partially Compliant	45%-79%	Action plan to be developed and tracked through Audit Committee. To include a re-audit of standards of partial and non-compliance
Non-Compliant	0%-44%	

Methodology of Clinical Audit within Lancashire Care:

Network Priority Clinical Audit Programme

There are three stages of clinical audit for the network audit programme. Once the networks have agreed their new programme for the forthcoming financial year, a baseline clinical audit is undertaken looking at the most critical, evidence-based standards for the topic. Where the baseline audit does not reach 80% a re-audit of those standards is undertaken to ensure that appropriate action has been taken following the baseline. Where the re-audit has not



demonstrated a significant improvement, a deep dive is initiated. This is a more intense piece of work is undertaken by the Medical Director, Head of Clinical Audit and the Associate Director of Quality Improvement and Experience. This is to ensure the correct support is given to the services to improve the quality of care delivered. Actions from this are tracked through the Quality & Safety Sub Committee.

Examples of network priority clinical audits:

In quarter one the Mental Health Network audited compliance with the Mental Health Act, Consent to Treatment within Guild Lodge. The audit compliance was 32%. Following significant work within the service and re-education of staff the re-audit demonstrated a compliance of 94%.

Within the Community & Wellbeing Network an audit was undertaken reviewing compliance relating to pressure damage. This took place within Southport and Formby and demonstrated that there was a need to streamline documentation across all teams and a new care plan template was needed. Following the re-audit a compliance of 72% has been achieved. Although this audit did not achieve full compliance (80%) the network acknowledge that further work is needed during 2018/19. A quality improvement programme has been developed looking at pressure ulcers which is being led by the Head of Nursing for the network.

National Clinical Audit Programme

The reports of five national clinical audits were reviewed by the provider in 2017/18 and Lancashire Care NHS Foundation Trust intends to take appropriate actions to improve quality and healthcare provided.

Participation in mandatory national audits is a priority for the Trust, followed by appropriate National audits

Currently participation is selected through a number of means including Horizon Scanning and intelligence around predictable audit cycles by professional and specialist groups (i.e. Royal College of Psychiatrists).

Methodologies are preset for national audits. Therefore the robust methodology the organisation attributes to each network priority audit cannot always apply.

The reports of the national confidential enquiry that Lancashire Care NHS Foundation Trust participated in in 2017/18 will be reviewed and acted upon when published

During that period Lancashire Care NHS Foundation Trust participated in 100% 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 Lancashire Care NHS Foundation Trust was eligible to participate in during 2017/18 are:



- National Audit of Stroke
- National Chronic Obstructive Pulmonary Disease (COPD) audit
- National Audit of Inpatients Falls
- National Diabetes Audit, Foot care Audit
- National Diabetic Audit (Secondary Care and Insulin pump clinics)
- UK Parkinson's Audit
- National Audit of Anxiety & depression
- National Audit of Psychosis
- National Audit of Inpatient Falls
- POMH UK Audit programme

The national clinical audits and national confidential enquiries that Lancashire Care NHS Foundation Trust participated 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.

National Audit Programme 2017/18

National Audit	Participation	% of cases submitted/update
National Audit of Stroke	Yes	2017/18 audit completed. Audit ongoing
National Chronic Obstructive Pulmonary Disease (COPD) audit	Yes	2017/18 audit completed. Awaiting report
National Audit of Inpatients Falls	Yes	2017/18 complete and internal report presented to Audit Committee in April 2018
National Diabetes Audit, Foot care Audit	Yes	2017/18 audit completed. Audit ongoing
National Diabetic Audit (Secondary Care and Insulin pump clinics)	Yes	2017/18 audit completed. Awaiting report
UK Parkinson's Audit	Yes	2017/18 audit completed. Audit ongoing
National Audit of Anxiety & Depression	Yes	Audit ongoing
National Audit of Psychosis	Yes	2017/18 audit completed. Awaiting report
National Audit of Inpatient Falls	Yes	2017/18 audit completed. Awaiting report
POMH UK Audit programme	Yes	Audit programme ongoing

Examples of national clinical audit

National Audit of Inpatient Falls

This audit was undertaken in Longridge Community Hospital as prescribed by the methodology. There were seven key standards within the audit and LCFT performed higher than the national average in five of these indicators. Four of these standards achieved a compliance of 100%. The overall compliance of 69% reflects the two standards that did not perform as well. A quality improvement project is underway and reported in the Life QI system with the impact of the falls prevention and management initiatives will be shared at the Quality Improvement conference in May 2018.



Name of National Confidential Enquiry	Participation	% Cases Submitted
National Confidential Inquiry into Suicide and Homicide for people with Mental Illness (NCISH)	Yes	Suicide 100% Homicide 100%

Participation in Clinical Research

The number of patients receiving relevant health services provided or subcontracted by Lancashire Care NHS Foundation Trust in 2017/18 that were recruited during that period to participate in research approved by a research ethics committee was 1654. Additional information about Research & Development in Lancashire Care NHS Foundation Trust can be found in the Effectiveness section of part 3 (see page 247 more details)

Goals Agreed with Commissioners

Use of the CQUIN Payment Framework

A proportion of Lancashire Care NHS Foundation Trust income in 2017/18 was conditional on achieving quality improvement and innovation goals agreed between Lancashire Care NHS Foundation Trust, CCG and NHS England commissioners through the Commissioning for Quality and Innovation payment framework. The amount of income in 2017/18 conditional upon achieving quality improvement and innovation goals in Lancashire Care NHS Foundation Trust is expected to be £3.9m with an additional £1m linked to full provider engagement & commitment to the STP process and another £1m linked to achieving 2016/17 contract total set by NHS Improvement. In 2016/17 the total CQUIN scheme value was £6m.

CQUINs are quality improvement and innovation goals. NHS England published a two year CQUIN for 2017 – 2019. There has been a move from the development of local CQUIN programmes to all of the CQUIN requirements being nationally led. National schemes will equate to 1.5% of the total 2.5% CQUIN funding available with 0.5% linked to the Trust achieving its' agreed financial position with NHS improvement and 0.5% linked to participation with STP plans.

The table below reflects the CQUIN programme areas:

NHS Staff Health and Wellbeing
Proactive and safe discharge
Children and Young person mental health transition
Wound Care
Physical Health for people with severe mental illness
Improving services for people with mental health needs who present to A&E
Personalised Care and support planning
Preventing ill health by risky behaviours – alcohol and tobacco

At the time of reporting the Trust was on track to achieve all but two of the programmes for 2017/18. The measures of success which proved a challenge this year were:



- Those relating to improving staff health and wellbeing with the measure for an element of this CQUIN relating to the staff survey outcomes.
- The outcome of the National Psychosis audit as a key measure in reflecting physical health care and treatment for people with severe mental illness.

Quality improvement initiatives will continue and be strengthened in the coming year. Further details of the agreed goals for 2017 – 2019 is available at:

<https://www.england.nhs.uk/nhs-standard-contract/cquin/cquin-17-19>

For 2018/19 the CQUIN schemes represent 1.5% of the contract value and are worth in the region of £4m, with an additional 1% which is linked to full provider engagement & commitment to the STP process. The total CQUIN available for 2018/19 is £6.2m.

Statements from the Care Quality Commission (CQC)

Lancashire Care NHS Foundation Trust is required to register with the Care Quality Commission (CQC) and its current status is registered. Lancashire Care NHS Foundation Trust does not have any conditions placed on its registration. The CQC has taken enforcement action against Lancashire Care NHS Foundation Trust during 2017/18. This enforcement action is in the form of Requirement Notices that were issued following inspection visits. A Requirement Notice is used by the CQC when a provider is in breach of a regulation, but people using the service are not at immediate risk of harm, and requires the provider to develop an action plan.

Lancashire Care NHS Foundation Trust has not participated in any special reviews or investigations by the Care Quality Commission during 2017/2018. The Trust monitors the issue of national guidance by the CQC through a process known as the Quality and Safety Digest which ensures the relevant lead receives the information and updates on the actions then intend to take, which is overseen by the relevant governance sub-committee.

Statement on Relevance of Data Quality and Actions to Improve Data Quality

Lancashire Care NHS Foundation Trust has taken the following actions to improve data quality during 2017/18

- A 2-year systems alignment project is near completion, which has mapped clinical, finance, Human Resources and risk source systems. This work will allow data to be triangulated and enhance Lancashire Care NHS Foundation Trusts ability analyse its services.
- A web application for data submission has been developed in 17/18 and is due for launch early in 2018/19. The web application replaces an intensive manual process whereby raw data is sent out to clinical networks for validation, collated, and published in multiple reports. This web application will help improve the timeliness of the existing process by alerting staff of validation tasks they must complete, and provide a clear electronic audit trail of changes made to raw data and manual overrides.
- Completion of data migration and implementation plan for Lancashire Care NHS Foundation Trust's new Electronic Patient Record System (EPR). This will ensure data transitioned to the new EPR system has been cleansed, and improve the quality of reporting.



- Data quality issues and causes that have affected the Early Intervention in Psychosis (EIS) indicator have been identified. Learning will be applied as Lancashire Care NHS Foundation Trust reviews other standard operating procedures over the course of 2018/19.
- Enhancements have been made to Lancashire Care NHS Trust's Quality and Performance Report. New measures have been added in particular a data quality maturity index. This has been taken from the 5 Year Forward View for mental health and although no target has yet been set Lancashire Care NHS Foundation Trust.

These actions continue to be strengthened and embedded as reflected in the actions associated with the core indicators in section 2.3.

NHS Number and General Medical Practice Code Validity

Lancashire Care NHS Foundation Trust submitted records during 2017/18 to the Secondary Uses Service (SUS) for inclusion in the Hospital Episode Statistics (HES)

It should be noted that NHS digital have recently migrated the SUS data quality dashboard to a new website and Lancashire Care NHS Foundation Trust is unable to access the end of year position. This is a national issue and resolution is awaited.

Record Type	Area	Target	16/17 Outcome	17/18 Q3	17/18 Outcome	17/18 National average	Targets Achieved (at the end of Q3)
Patients Valid NHS Number	Admitted Patient Care	50%	99.6%	99.8%	No data available as yet	99.4%	Yes
	Outpatient Care	50%	99.9%	100%	No data available as yet	99.9%	Yes
Patients Valid General Practitioner	Admitted Patient Care	50%	100%	100%	No data available as yet	99.5%	Yes
Registration Code	Outpatient Care	95%	100%	100%	No data available as yet	99.8%	Yes

This data includes all Lancashire Care NHS Foundation Trust inpatient facilities (e.g. mental health wards, Longridge Community Hospital) and outpatient clinics (e.g. Rheumatology). Lancashire Care NHS Foundation Trust continues to perform well against these metrics.



Lancashire Care NHS Foundation Trust considers that this data is as described for the following reasons:

- This data has been taken from the NHS Digital website, SUS Data Quality Dashboard
- Lancashire Care NHS Foundation Trust was not identified as one of the top twenty-five performing Trusts.
- Lancashire Care NHS Foundation Trust was not identified as one of the Trusts with a lower performance than the National Average.
- Lancashire Care NHS Foundation Trust falls within the upper-range when compared with other similar NHS Trusts.

Information Governance Toolkit Attainment Levels

Lancashire Care NHS Foundation Trust Information Governance Assessment Report score overall score for 2017/18 was 80% and was graded **green** (satisfactory).

Clinical Coding Error Rate:

Lancashire Care NHS Foundation Trust was not subject to the Payment by Results clinical coding audit during 2017/18 by the Audit Commission. Lancashire Care NHS Foundation Trust did participate in the Information Governance Toolkit Audit in January 2018. The Audit was undertaken by Mersey Internal Audit Agency (MIAA) and looked at the accuracy of diagnosis and procedure coding recording for all inpatient episodes. The results are very high and as such a level of HIGH assurance has been given. The results should not be extrapolated further than the actual sample audited.

CODING FIELD	Information Governance Requirement 514 Level 2 Target	Information Governance Requirement 514 Level 3 Target	Level Achieved 2016-2017	Level Achieved 2017-2018 Not finalised
Primary diagnosis	>=85%	>=90%	92%	100%
Secondary diagnosis	>=75%	>=80%	93.2%	90.11%
Primary procedure	>=85%	>=90%	0*	100%
Secondary procedure	>=75%	>=80%	0*	100%

Source: SUS Data Quality Dashboard National Definitions Data is governed by Standard

Lancashire Care NHS Foundation Trust considers that this data is as described for the following reasons:



- The audit was completed by Mersey Internal Audit Agency, an agency that are approved by NHS Digital
- Lancashire Care NHS Foundation Trust information reflects Electroconvulsive therapy (ECT) procedures and other minor procedures which are limited in number

The overall accuracy of clinical coding is achieving level 3 in the Information Governance Toolkit (Requirement 514). As a result of these findings the assurance level provided in respect of clinical coding and underlying processes was:

High Assurance

Lancashire Care NHS Foundation Trust is taking the following actions to further improve the percentage and so the quality of its services in relation to Clinical Coding:

- Continuing to support teams to record clinical coding accurately to support the continued high standard of the coding function.
- Deployment of a new ePR and standardised clinical record keeping processes will continue to support the clinical coding function.

Learning from deaths:

The following deaths are reported on the Datix integrated quality governance management system:

- All deaths of mental health service patients, or those discharged in the previous six months. These will be STEIS reported as a Serious Incident if there is an actual or potential failure or omission in healthcare services. The exception to this is deaths in the Memory Assessment Service which are recorded as routine until the first medication review, and thereafter only if there is an actual or potential failure or omission in healthcare services.
- All deaths of learning disability service patients, or those discharged in the previous six months. These will be STEIS reported as a Serious Incident if there is an actual or potential failure or omission in healthcare services.
- All deaths of offender health service patients. These are STEIS reported as a Serious Incident regardless of circumstance.
- All child deaths in universal services. These will be STEIS reported as a Serious Incident if there is an actual or potential failure or omission in healthcare services.
- Deaths of community health service patients if there is an actual or potential failure or omission in healthcare services or any death that occurs in a community health hospital. These are STEIS reported as a Serious Incident if there is an actual or potential failure or omission in healthcare services.

Deaths are reviewed through two processes: the serious incident (SI) process and the structured case judgement (SCJ) process. The SI process determines whether a death was predictable and/or preventable. The SCJ process determines whether a death was due to a problem in care. Neither of these terms are legal terms or formal causes of death.



In addition to internal structured case judgement reviews, Lancashire Care NHS Foundation Trust is engaged in the externally led LeDeR (Learning Disability Mortality Review) programme and the Child Death Overview Panel mortality review process.

Lancashire Care NHS Foundation Trust published its Learning from Deaths Procedure ahead of the nationally-set deadlines. This is available online at:

www.lancashirecare.nhs.uk/learning-from-deaths.

Lancashire Care NHS Foundation Trust publishes mortality data in the Quality Report to the Board (produced monthly and available on the web site at:

<https://www.lancashirecare.nhs.uk/Board-Meetings>).

During 2017/18 690 of patients died, based on the reporting criteria above. This comprised the following number of deaths which occurred in each quarter of that reporting period:

- 147 in the first quarter
- 151 in the second quarter
- 196 in the third quarter
- 196 in the fourth quarter

9 case record reviews and 70 investigations have been carried out in relation to the deaths included above. The number of deaths in each quarter for which a case record review or an investigation was carried out was:

- 25 in the first quarter
- 22 in the second quarter
- 16 in the third quarter
- 16 in the fourth quarter

There is no nationally agreed definition for mental health services or community health services of which deaths were due to a problem in care. National guidance in this area is awaited.

Lancashire Care NHS Foundation Trust produces a quarterly serious incident and mortality report which is reviewed by both the Quality Committee and Quality and Safety Subcommittee, as well as being shared with lead commissioners. This, alongside the monthly Serious Incident Learning Panel, allows the trust to identify themes or trends which inform quality improvement plans.

2.3) Reporting against core indicators

This section of the document contains the mandatory indicators as set by the Department of Health and NHS Improvement. A detailed definition of the mandated indicators in line with Quality Accounts Data Dictionary 2015/16 can be found in Appendix 1. For Lancashire Care NHS Foundation Trust this includes indicators relevant to all trusts, all trusts providing mental health services and all trusts providing community services.

Lancashire Care NHS Foundation Trust includes the national average for each of the mandated indicators where available and if Lancashire Care NHS Foundation Trust is in the highest and lowest range this is declared.

The indicators are linked to the five domains of the NHS Outcomes Framework and the quality domains of safety, experience and effectiveness.



NHS Outcomes Framework and Quality Domains

The following new indicators have been added following publication of guidance in January 2018:

- Ensure that cardio-metabolic assessment and treatment for people with psychosis is delivered routinely in the following service areas:
 - a) Inpatient wards
 - b) Early intervention in psychosis services
 - c) Community mental health services (people on care programme approach)
- Admissions to adult facilities of patients under 16 years old
- Inappropriate out-of-area placements for adult mental health services

Effectiveness

Domain 1
Preventing people from dying prematurely

Domain 2
Enhancing quality of life for people with long-term conditions

Domain 3 Helping people to recover from episodes of ill health or following injury

Patient Experience

Domain 4
Ensuring that people have a positive experience of care

Safety

Domain 5 Treating and caring for people in a safe environment and protecting them from avoidable harm



Domain 1: Preventing people from dying prematurely					
Domain 2: Enhancing quality of life for people with long conditions					
Indicator	Target	16/17 Outcome	17/18 Outcome	17/18 England average	17/18 Targets Achieved
Patients on Care Programme Approach who are followed up within seven days of discharge from psychiatric inpatient care (MR01)	95%	97.09% Reported	97.2%	Not available at time of publication	Yes
		95.49% Refreshed			
Admissions to inpatients services for which the Crisis Resolution Home Treatment Team acted as a gatekeeper (MR07)	95%	98.45%	99.9%	Not available at time of publication	Yes

Data source: LCFT internal information system (eCPA and IPM).
Data is governed by NHSI standard definitions

Care Programme Approach Seven Day Follow Up

Lancashire Care NHS Foundation Trust achieved compliance in 2017/18. The target for this measure is 95% and the Trust achieved 97.2% for 2017/18.

Lancashire Care NHS Foundation Trust considers that this data is as described for the following reasons:

- The data is reported from our local system to the Health and Social Care Information Centre.
- Robust Standard Operating Procedures are in place for this measure.
- Processes and procedures relating to the delivery of this indicator are agreed, reported and monitored for this measure via the Business Development and Delivery Subcommittee
- Data is validated prior to submission.
- All data submissions use a single data source.

Lancashire Care NHS Foundation Trust is taking the following actions to maintain the percentage and so the quality of its services in relation to people using our services on the Care Programme Approach who are followed up within seven days of discharge from psychiatric inpatient care by:

- Undertaking regular data quality reviews – These are undertaken using the validation process locally, Network and function wide, to ensure data quality at all levels.



- Continuing the enhancements of internal Standard Operating Procedures - which include a flow diagram for managing discharges, end to end process and prioritisation processes.
- Ensuring all people about to be discharged have a confirmed follow up appointment with date, time, venue and name of the practitioner who will see them.
- Ensuring that where a person is thought to be unlikely to engage, Lancashire Care NHS Foundation Trust will negotiate a telephone follow-up and record this as part of the follow up plan
- Ensuring if a person is arrested, Lancashire Care NHS Foundation Trust will liaise with the Criminal Justice Liaison service and try to secure information to support follow up. If the person is in custody Lancashire Care NHS Foundation Trust will request follow up by the Prison Mental Health In-reach team.
- Facilitating a pre discharge meeting with people to secure better engagement and higher potential for attendance at scheduled meetings.
- Ensuring robust reporting of whether a person is on the Care Programme Approach or not, which enables validation within the Networks.
- Daily monitoring - Access to Monitor Dashboard allows teams to monitor all people due for 7 day Follow up.
- Continuing the monthly QPR QA with Head of Business Intelligence, Deputy Network Heads of Operations and Head of Performance to ensure high level focus on 7 day follow up.

Crisis Resolution

The Trust was compliant for 2017/18. The target for the measure is 95% and the Trust achieved 99.9% for 2017/18.

Lancashire Care NHS Foundation Trust considers that this data is as described for the following reasons:

- The data is reported from our local system to the Health and Social Care Information Centre.
- Robust Standard Operating Procedures (SOP's) are in place for this measure.
- Processes and procedures relating to the delivery of this indicator are agreed, reported and monitored for this measure via the Business Development and Delivery Subcommittee
- Data is validated prior to submission.
- All data submissions use a single data source.

Lancashire Care NHS Foundation Trust is undertaking the following actions to maintain the percentage and so the quality of its services in relation to Admissions to inpatients services for which the Crisis Resolution Home Treatment Team act as a gatekeeper:

- Undertaking regular data quality reviews to be undertaken using the validation process locally, Network and function wide, to ensure data quality at all levels.
- Undertaking regular audits of Standard Operating Procedures in particular whenever National Guidance is updated.



- Ensuring that this data is available in Lancashire Care NHS Foundation Trust's performance systems and is regularly monitored, both at service and executive level, enabling ownership, self-monitoring and improvement.
- Ensuring that crisis teams are to be reminded on the correct procedure to follow to accurately record gatekeeping on Lancashire Care's clinical systems.

Domain 1: Preventing people from dying prematurely				
Domain 2: Enhancing quality of life for people with long conditions				
Indicator	Target	16/17 Outcome	17/18 Outcome	17/18 Targets achieved
Patients on Care Programme Approach who have a formal follow-up within 12 months (MR02) Data source: LCFT internal information system (eCPA and IPM). Data is governed by standard definitions No national average percentage benchmark is published for this indicator by NHS England	95%	97.2%	96.7%	Yes

Patients on Care Programme Approach who have a formal follow-up within 12 months

The Trust was compliant for 2017/18. The target for this measure is 95% and the Trust achieved 96.7% for 2017/18.

Lancashire Care NHS Foundation Trust considers that this data is as described for the following reasons:

- The data is reported from our local system to the Health and Social Care Information Centre.
- Robust Standard Operating Procedures are in place for this measure.
- Processes and procedures relating to the delivery of this indicator are agreed, reported and monitored for this measure via the Business Development and Delivery Subcommittee
- Data is validated prior to submission.
- All data submissions use a single data source.

Lancashire Care NHS Foundation Trust is undertaking the following actions to maintain this percentage and so the quality of its services by:

- Undertaking regular data quality reviews to be undertaken using the validation process locally, Network and function wide, to ensure data quality at all levels.
- Continuing the development of internal Standard Operating Procedures which include a flow diagram for managing discharges, end to end process and prioritisation processes.
- Ensuring that this data is available in Lancashire Care NHS Foundation Trust's performance systems and is regularly monitored, both at service and executive level, enabling ownership, self-monitoring and improvement.
- Ensuring robust reporting of whether a person is on the Care Programme Approach or not, which enables validation within the Networks.



- Ensuring access to the Monitor Dashboard allowing teams to monitor and validate all people due for 12 month follow up.
- Holding weekly meetings to allow all people coming up for their Care Programme Approach review to be appointed within timescales.

Domain 2: Enhancing quality of life for people with long conditions				
Indicator	Target	16/17 Outcome	17/18 Outcome	17/18 Targets Achieved
Minimising mental health delayed transfers of care (MR03)	<=7.5%	3.47%	2.53%	Yes
2 week wait for Treatment for Early intervention in Psychosis Programme (MR13)	50.00%	76.43%	26.2%	No
Data source: LCFT internal information system (eCPA and IPM). Data is governed by standard definitions				

Minimising mental health delayed transfers of care:

The Trust was compliant for 2017/18. The target for this measure is <7.5% and the Trust achieved 2.53% for 2017/18.

Lancashire Care NHS Foundation Trust considers that this data is as described for the following reasons:

- The data is reported from our local system to the Health and Social Care Information Centre.
- Robust Standard Operating Procedures are in place for this measure.
- Processes and procedures relating to the delivery of this indicator are agreed, reported and monitored for this measure via the Business Development and Delivery Subcommittee
- Data is validated prior to submission.
- All data submissions use a single data source.
- In relation to minimising mental health delayed transfers of care through the year, coding of “medically fit” on the case note as well as on the patient information system has resulted in more accurate reporting as well as increases in reports of delayed discharges, including those people receiving inpatient care outside of Lancashire Care NHS Foundation Trust.

Lancashire Care NHS Foundation Trust is undertaking the following actions to minimise mental health delayed transfers of care by:

- Continuing the development of internal Standard Operating Procedures which include a flow diagram for managing discharges, end to end process and prioritisation processes.
- Ensuring consistency in recording of data.



- Ensuring Ward Managers and Modern Matrons correctly input the “medically fit” date based on the Monitor definitions. Focus includes both current delays, and better/earlier planning for complex delays.
- Developing better information on current delays and performance tracking for operational staff.
- Continuing the monthly QPR QA with Head of Business Intelligence, Deputy Network Heads of Operations and Head of Performance to ensure high level focus on Delayed Transfers of Care.
- Undertaking weekly telephone conference calls with commissioners to discuss people whose transfer of care is delayed to facilitate discharge. The impact of people’s transfer of care being delayed is shared with commissioners in the form of the number of additional bed days involved.
- Continuing the development of key performance indicators to support discharge co-ordinators. Internal; key performance indicators have been developed supporting actions to expedite discharges. These key performance indicators are discussed weekly and shared with managers to enable proactive interventions.

2 week wait for Treatment for Early intervention in Psychosis Programme:

Lancashire Care NHS Foundation Trust was not compliant for 2017/18. The target for this measure is 50% and the Trust achieved 26.2% for 2017/18.

Lancashire Care NHS Foundation Trust considers that this data is as described for the following reasons:

- The data has been revalidated and systems and processes aligned to new reporting logic
- The Standard Operating Procedure has been updated and validated with clear instruction on how data should be recorded and reported
- Daily SITREPs discuss and validate patients on the pathway to ensure accurate recording and reporting of data.
- Data is validated prior to any submissions

Lancashire Care NHS Foundation Trust is undertaking the following actions to improve this percentage, and so the quality of its services, by:

- Ensuring consistency in recording of data through daily SITREPs
- Clinical reference group meet weekly to discuss complex patients to ensure accuracy of data
- Service to accept direct referrals, in addition to receiving from Single Point of Access (SPA), speeding up the assessment and possible treatment time.
- Waiting list coordinator appointed to support the service with through put of patients
- Standardisation of practice across teams



It is encouraging to note that the 50% target was achieved in the final quarter of the year.

Lancashire Care have validated the 17-18 outturn in line with the refresh of the trusts interpretation of the national guidance for the indicator. The 16-17 outturn of 76% is based on the previous data collection method and the Trust is currently completing refresh of the 16-17 outturn based on the new guidance.

Domain 2: Enhancing quality of life for people with long term conditions Increasing Access to Psychological Therapies (IAPT)							
The % of people who are moving to recovery as a proportion of those who have completed a course of psychological treatment	Target	16/17 Outcome	Variance between 16/17 and Target	17/18 Outcome	Variance between 17/18 and Target		
NHS Blackburn with Darwen CCG	50.0%	51.47%	↑	+1.47%	54.1%	↑	+4.1%
NHS East Lancashire CCG	50.0%	53.72%	↑	+3.72%	54.8%	↑	+4.8%
NHS Chorley and South Ribble CCG	50.0%	56.98%	↑	+6.98%	59%	↑	+9%
NHS Greater Preston CCG	50.0%	46.29%	↓	-3.71%	50.4%	↑	+04%
NHS West Lancashire CCG	50.0%	51.70%	↑	+1.70%	56.3%	↑	+6.3%
NHS Fylde & Wyre CCG	50.0%	58.89%	↑	+8.89%	52.9%	↑	+2.9%
NHS Morecambe Bay CCG	50.0%	47.64%	↓	-2.36%	52.6%	↑	+2.6%
NHS St Helen's CCG	50.0%	47.48%	↓	-2.52%	50.6%	↑	+0.6%

Data source: LCFT Information Systems using standard definitions

This indicator identifies the percentage of people who are moving to recovery as a proportion of those who have completed a course of psychological treatment.

Lancashire Care NHS Foundation Trust considers that this data is as described for the following reasons:

- The data is reported from our local system to the Health and Social Care Information Centre.
- Data is validated prior to submission.
- All data submissions use a single data source.



Lancashire Care NHS Foundation Trust is undertaking the following actions to improve this percentage, and so the quality of its services, by:

- Developing service led plans on reducing waits
- Embedding clinical supervision focusing on ensuring that:
 - Step up care happens when required
 - The most appropriate treatment path is taken
 - The number of treatments is extended if indicated
- Continuing staff training and development focused on improving recovery
- Continuing to share clear written guidance with staff around reporting.
- Monitoring dropout rates to identify are there patterns which can be influenced.
- Checking data quality combined with feedback to staff where errors have been made requiring correction.
- Monthly meetings with CCG's to review performance data
- Ensuring robustness of current data systems

Domain 2: Enhancing quality of life for people with long conditions Domain 3: Helping people to recover from episodes of ill health or following injury Percentage of incomplete pathways within 18 weeks for patients on incomplete pathways					
Indicator	Target	16/17 Targets Achieved	16/17 Outcome	17/18 Outcome	17/18 Targets Achieved
MR05 – Referral to treatment time (RTT) - Consultant Led (Completed Pathway)	95.0%	Yes	96.56%	99.9%	Yes
MR06 - RTT - Consultant Led (Incomplete Pathway)	92.0%	Yes	97.10%	99.8%	Yes
MR14 – RTT – IAPT 6 Weeks	75.0%	Yes	91.36%	94.4%	Yes
MR15 – RTT – IAPT 18 Weeks	95.0%	Yes	99.15%	99.4%	Yes

Data source: LCFT Information Systems using standard definitions
This measure only applies to the Lancashire Care NHS Foundation Trust provided consultant led rheumatology service. The national benchmarks included here cover all acute consultant led activity. For this reason it is felt the average does not provide a good benchmark for the organisation.

Referral to treatment time – Completed:

The Trust was compliant for 2017/18. The target for this measure is 95% and the Trust achieved 99.9% for 2017/18.

Referral to treatment time – Incomplete:

The Trust was compliant for 2017/18. The target for this measure is 92% and the Trust achieved 99.8% for 2017/18.



Referral to treatment time – IAPT 6 Weeks

The Trust was compliant for 2017/18. The target for this measure is 75% and the Trust achieved 94.4% for 2017/18.

Referral to treatment time – IAPT 18 Weeks

The Trust was compliant for 2017/18. The target for this measure is 95% and the Trust achieved 99.4% for 2017/18.

Lancashire Care NHS Foundation Trust considers that this data is as described for the following reasons:

- The data is reported from our local system to the Health and Social Care Information Centre.
- Robust Standard Operating Procedures are in place for this measure.
- Processes and procedures relating to the delivery of this indicator are agreed, reported and monitored for this measure via the Business Development and Delivery Subcommittee
- Data is validated prior to submission.
- All data submissions use a single data source.

Lancashire Care NHS Foundation Trust is undertaking the following actions to maintain this percentage, and so the quality of its services, by:

- Undertaking regular data quality reviews undertaken using the validation process locally, Network and function wide, to ensure data quality at all levels.
- Continuing the development of internal Standard Operating Procedures which include a flow diagram for managing discharges, end to end process and prioritisation processes.
- Ensuring that this data is available in Lancashire Care NHS Foundation Trust's performance systems and is regularly monitored, both at service and executive level, enabling ownership, self-monitoring and improvement.
- Continuing to adhere to the Standard Operating Procedures for both complete and incomplete RTT pathways to maintain and improve access to services ensuring a reduction in clinical risk and improvement in people's experiences.
- Continuing the monthly QPR QA with Head of Business Intelligence, Deputy Network Heads of Operations and Head of Performance to ensure high level of focus on 18 week RTT.



28 day readmission rate

Indicator	Target	16/17 Outcome	16/17 Targets Achieved	17/18 Outcome		17/18 Targets Achieved
28 day re-admission rate	<8.7%	7.7%	Yes	0 - 15	0%	Yes
				Over 16	7.7%	
				Total	7.7%	

The Trust was compliant for 2017/18. The target for this measure is less than 8.7% and the Trust achieved 7.7% 2017/18.

Lancashire Care NHS Foundation Trust considers that this data is as described for the following reasons:

- The data is reported from our local system to the Health and Social Care Information Centre.
- Robust Standard Operating Procedures are in place for this measure.
- Processes and procedures relating to the delivery of this indicator are agreed, reported and monitored for this measure via the Business Development and Delivery Subcommittee
- Data is validated prior to submission.
- All data submissions use a single data source.

Lancashire Care NHS Foundation Trust is undertaking the following actions:

- Undertaking regular data quality reviews undertaken using the validation process locally, Network and function wide, to ensure data quality at all levels.
- Ensuring that this data is available in Lancashire Care NHS Foundation Trust's performance systems and is regularly monitored, both at service and executive level, enabling ownership, self-monitoring and improvement.

The 28 day indicator is included above as required by the Quality Accounts requirements. Lancashire Care report internally and nationally on the 30 day readmissions indicator in line with national guidance.

Indicator	Target	16/17 Outcome	16/17 Targets Achieved	17/18 Outcome		17/18 Targets Achieved
30 day re-admission rate	<8.7%	7.7%	Yes	0 - 15	0%	No
				Over 16	9.24%	
				Total	9.24%	



Risk Assessment Framework / Single Oversight Framework

Risk Assessment				
Indicator	Target	16/17 Outcome	17/18 Outcome	17/18 Targets Achieve
Data completeness: Identifiers (MR08)	97.0%	99.61%	99.47%	Yes
Data completeness: Outcomes (MR09)	50.0%	81.63%	82.29%	Yes
Data source: LCFT internal Monitor compliance dashboard				

Data completeness: Identifiers:

The Trust was compliant for 2017/18. The target for this measure is 97% and the Trust achieved 99.47% for 2017/18.

Data completeness: Outcomes:

The Trust was compliant for 2017/18. The target for this measure is 50% and the Trust achieved 82.290% for 2017/18.

Admissions to adult facilities of patients under 16 years old

	17/18 Outcome
Admissions to adult facilities of patients under 16 years old	0

Lancashire Care NHS Foundation Trust is undertaking the following actions to improve this percentage, and so the quality of its services, by:

- The data is reported from our local system to the Health and Social Care Information Centre.
- Data is validated prior to submission.
- All data submissions use a single data source.

Inappropriate out of area placements (OAP) for adult mental health services:

Trust Total	Jan-18	Feb-18	Mar-18
Total no of Inappropriate OAPs OBDs	617	397	499



Lancashire Care NHS Foundation Trust considers that this data is as described for the following reasons:

- Undertaking regular data quality reviews undertaken using the validation process locally, Network and function wide, to ensure data quality at all levels.
- Robust Standard Operating Procedures are in place for this measure.
- Performance and data derived from National OAPs data set submission

Lancashire Care has reported the submitted outturn for quarter 4 2017/18 in line with the Quality Accounts requirements. As this is a new indicator, it was reported for collection purposes only for 2017/18, and targets for 18/19 are not set until the 2018/19 financial year.

Ensure that cardio-metabolic assessment and treatment for people with psychosis is delivered routinely in the following service areas:

- a) Inpatient wards
- b) Early intervention in psychosis services
- c) Community mental health services (people on care programme approach)

Reporting for this indicator relates to The National Audit of Psychosis (NCAP) which is one of the largest national audit programmes in Mental Health. It is the second round of the National audit of Schizophrenia which was undertaken in 2011. It has been confirmed that LCFT submitted 100% of all required data, of which only 27% of participating trusts were able to do so. The organisation has not received the national report. Once the national report has been published an internal report will be drafted and shared accordingly.

Patient Experience

Domain 4: Ensuring that people have a positive experience of care					
Indicator	2016 Outcome	2017 Outcome	National Average 2017	Comparison to National Average	Comparison to organisational average
Patients experience of community mental health services with regard to a patients experience of contact with a health or social care worker during the reporting period	7.5	6.9	n/a	Performing about the same as other trusts =	-0.6 
Date Source: National Community Mental Health Survey CQC website Data is governed by standard definitions http://www.cqc.org.uk/provider/RW5/survey/6#undefined					

Lancashire Care NHS Foundation Trust considers that the Community Mental Health survey data is as described for the following reasons:



- This data has been taken from the national survey data published by the CQC in November 2017 relating to people's experience of care between September – December 2016
- Lancashire Care NHS Foundation Trust falls within the mid-range when compared with other similar NHS Trusts.
- The Community Mental Health Survey rated Lancashire Care NHS Foundation Trust as "The same as other Trusts" for the 10 sections (health and social care workers, organising care, planning care, reviewing care, changes in who people see, crisis care, treatments, support and wellbeing, overall views of care and services and overall experience)
- Lancashire Care NHS Foundation Trust performed about the same as other Trusts in all questions

Lancashire Care NHS Foundation Trust is taking the following actions to continue the programme of improvement:

- Using the results to inform network Quality Improvement Framework (QIF) plans. A Quality Improvement thinking space was facilitated in October 2017. Two themes were identified as QIF opportunities:
 - Care Planning – a quality improvement using the Always Event® approach has begun and vision statement written: "My care plan is always about me and what matters to me, is timely / up to date and promotes my recovery and health and well-being
 - Communication - a quality improvement using the Always Event® approach has begun with a thinking space session involving staff and people who use services.

More information about these quality improvement initiatives can be found from page 201.



Domain 4: Ensuring that people have a positive experience of care

Indicator	2016 Outcome	2017 Outcome	National 2017 average for combined mental health/ learning disabilities and community Trusts	Comparison to National Average for combined mental health/ learning disabilities and community Trusts
% of staff employed by Lancashire Care NHS Foundation Trust, who: ' if a friend or relative needed treatment, I would be happy with the standard of care provided by Lancashire Care NHS Foundation Trust'	63%	59%	69%	
Percentage of staff experiencing harassment, bullying or abuse from staff in the last 12 months	17%	16%	15%	
Percentage believing that trust provides equal opportunities for career progression or promotion	88%	80%	85%	
<i>Date Source: National NHS Staff Survey Co-ordination Centre</i>		<i>Data is governed by standard definitions</i>		
http://www.nhsstaffsurveys.com/Caches/Files/NHS_staff_survey_2017_RW5_full.pdf				

Lancashire Care NHS Foundation Trust considers that this data is as described for the following reasons:

- The data has been taken from the 2017 national staff survey;
- Overall workforce key performance data demonstrates that progress to address the staff survey action plan (which is part of the overall People Plan) has disappointingly not led to sustained improvements in staff engagement scores and needs to be explored to understand why this is the case;
- Sickness absence, temporary staff usage, medical recruitment challenges and recruitment and retention hotspots are linked to reported levels of engagement and there have been particular pressures in year;
- Organisational change including the organisational reset, new nursing and quality structures take time to bed in and require additional leadership development support.



Lancashire Care NHS Foundation Trust is taking the following actions to improve this percentage, and so the quality of its services, by:

- Supporting the ongoing work of the revised People Plan e.g.:
 - Engaging more broadly with our workforce at a network level;
 - Developing leadership at all levels;
 - Coaching culture – coaching skills, coaching and mentoring offer;
 - Greater emphasis on teams, team development and plans;
 - Greater visibility of leaders including wider ‘Back to the Floor’;

- Continuing to develop initiatives to support equal opportunities for career progression or promotion, these include:
 - Untapped Talent project designed to gain insight into the lived experiences of black, Asian and minority ethnic (BAME) employees and understand their needs in relation to progression and development
 - Improved reporting around training and development opportunities which enables accurate publication of figures about staff uptake by demographic group – for example, this shows that BAME employees are proportionally more likely to access non-mandatory training and continuous professional development than white colleagues
 - Proactive review of recruitment and organisational change activity which has resulted in more representative imagery and language in marketing materials, recruitment advertising and documentation
 - Promotion of Raising Concerns processes and Health and Wellbeing initiatives via Trust Equality and Diversity Champions, in order to help develop a culture in which all employees can thrive
 - Programmes of support targeted at staff with Dyslexia and other neurodiversity or learning difficulties have potential to improve the equality of opportunity for career advancement

Certification against requirements regarding access to healthcare for people with a learning disability

This is reported on a twice yearly basis to Quality and Safety subcommittee, to ensure compliance with the six criteria reflected in the Monitor Risk Assessment Framework. Reports have noted compliance against the requirements and improvement actions designed to exceed these minimum standards. The Quality and Safety subcommittee will continue to oversee Trust wide service improvements where opportunities for development have been identified.



Safety Incidents:

Indicator	Domain 5: Treating and caring for people in a safe environment and protecting them from avoidable harm								
	01 October 2015 – 31 March 2016			01 April 2016 – 30 September 2016			01 October 2016 – 31 March 2017		
	LCFT	National Average	Comparison to National Average (median)	LCFT	National Average	Comparison to National Average (median)	LCFT	National Average	Comparison to National Average (median)
Rate of patient safety incident	57.42	37.54	↑	59.18	42.45	↑	53.72	44.33	↑
Percentage resulting in severe harm	0.4	0.3	↑	0.6	0.3	↑	1.5	0.3	↑
Percentage resulting in death	0.1	0.8	↓	0.1	0.8	↓	0.7	0.8	↓
<i>Data Source: National Reporting and Learning System</i>						<i>Data is governed by standard definitions</i>			

Lancashire Care NHS Foundation Trust considers that this data is as described for the following reasons:

- The data has been taken from the National Reporting and Learning System (NRLS)
- The latest data available from the NRLS reports is for 01 October 2016 to 31 March 2017
- Data reports are made available six months in arrears
- NRLS¹ encourage high reporting of safety incidents. “Scrupulous reporting and analysis of safety related incidents, particularly incidents resulting in no or low harm, provides an opportunity to reduce the risk of future incidents. Research shows that organisations which report more usually have a stronger learning culture where patient safety is a high priority. Through high reporting the whole of the NHS can learn from the experiences of individual organisations”
- The reporting rate is higher than average which represents a maturing safety culture. The incident reporting data is reviewed alongside a quarterly report of serious incidents and a quarterly report of all incidents both of which are shared with commissioners
- Due to the judgemental nature of this indicator it is difficult to be certain that all incidents are identified and reported and that all incidents are classified consistently within the organisation and nationally. One individual’s view of what constitutes severe harm can differ from another’s substantially. Lancashire Care NHS Foundation Trust aims to ensure all our staff are aware of and comply with internal policies on incident reporting and standardisation in clinical judgements
- Variation across national reporting makes comparisons unreliable and the Trust has engaged with the work of the national patient safety team leading on the replacement of the NRLS and STEIS

¹ NRLS Frequently asked questions (FAQs) about the data <https://report.nrls.nhs.uk/nrlsreporting/>



- Further details of patient safety incidents and reporting of serious incidents can be found in the Safety section of this document.

Lancashire Care NHS Foundation Trust is taking the following actions to improve its incident reporting and management framework:

- New quality surveillance dashboards were rolled out to all teams enabling access to live information with drill down and reporting functionality
- Introduction of a new Serious Incident Learning Panel to scrutinise and challenge improvement plans following serious incidents, chaired by a non-executive director and attended by senior leaders, clinical directors and lead commissioners
- Continued implementation and embedding of a dedicated serious incident investigation and learning team whose team members are completing postgraduate qualifications in investigation skills

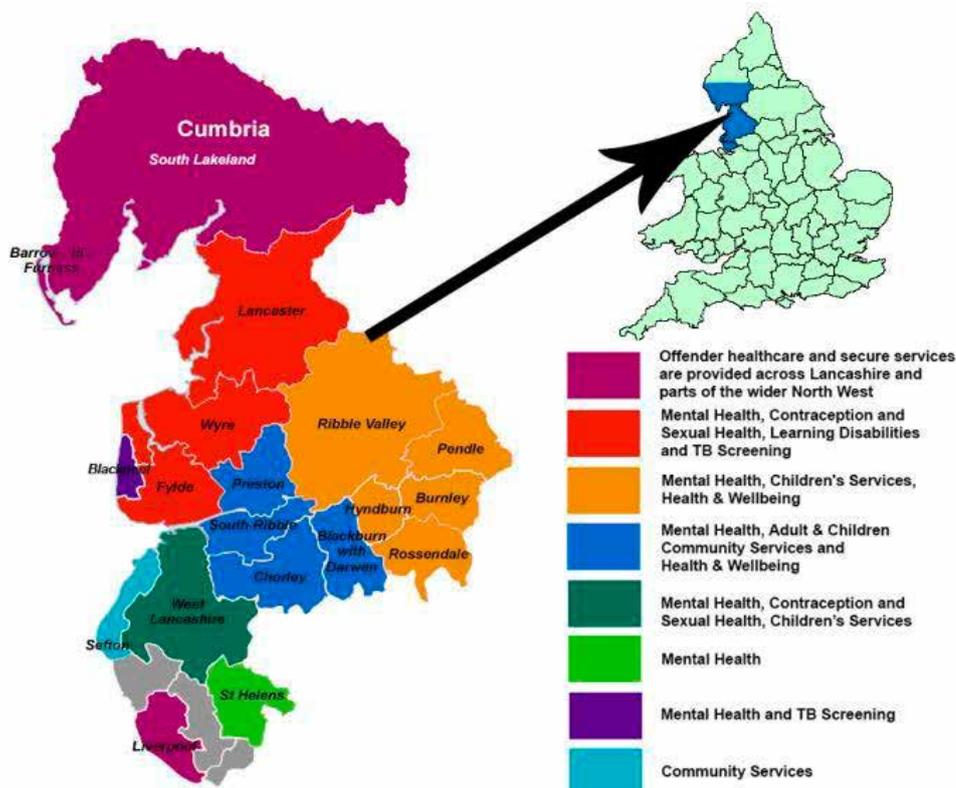
Part 3: Review of Quality Performance 2017/18

This section of the document reports on the quality performance across Lancashire Care NHS Foundation Trust in the past year. Quality is reported using a combination of measurable indicators and best practice examples from our services.

Overview of Services Provided

Lancashire Care NHS Foundation Trust provides health and wellbeing services for a population of around 1.4 million people. The organisation covers the whole of the county and employs around 7,000 members of staff across more than 400 sites. Lancashire Care NHS Foundation Trust also has some provision outside of the county.

Lancashire Care NHS Foundation Trust geographical map of service provision as @ August 2017





Lancashire Care NHS Foundation Trust geographical footprint map

During the year three new Networks have been established: Community and Well-being, Mental Health and Children and Young Peoples Wellbeing with services aligned appropriately. This reset was informed by the views of staff and people who use services collated during 'Big Engage' sessions, utilising the findings from our work with Professor West at the King's Fund, and feedback from stakeholders, including commissioners and the CQC. The reset is enabling us to work in a place based way, to better respond to the needs of the population and work collaboratively with partners to achieve the best outcomes for people. The redesign of the organisation gave an opportunity to strengthen professional leadership across Nursing, Psychology and the Allied Health Professions which has been implemented and will continue to be embedded across 2018/19.

A range of clinical services are currently delivered through three Networks as in the table below. This is not an exhaustive list but gives a flavour of the services provided. A comprehensive list can be found at <http://www.lancashirecare.nhs.uk/services>

Mental Health	Children & Young People's	Community and Wellbeing
<ul style="list-style-type: none"> • Criminal Justice liaison Service • Forensic Community Mental Health Team • Forensic Outreach Service • Low Secure Inpatient Units • Medium Secure Inpatient Units • Step Down • Health and Justice services including physical health, mental health and substance misuse services within prisons • Community Mental Health Teams (CMHT) • Access and Treatment Teams (ATT) • Clinical Treatment Team • Personality Disorder Managed Clinical Network (PDMCN) • Acute Therapy Service (ATS) • Lancashire Traumatic Stress Service (LTSS) • Mental Health Response Service (MHRS) • Mental Health Decision Unit • Adult Mental Health Inpatient Care • Mental Health Liaison Teams • Restart Social Inclusion and Day 	<ul style="list-style-type: none"> • Psychoses and Bipolar Psychological Care Network (PBPCN) • Eating Disorder Services • Children and Family Psychological Services • Children's Integrated Therapy and Nursing Services • Complex Packages of Care • Early Intervention for Psychosis Service • Health Visiting and School Nursing • Sexual Health Services • Parenting Team – New Team Added • Infant Feeding Team – New Team Added • Immunisation and Vaccination Service now with another provider 	<ul style="list-style-type: none"> • Child and Adolescent Mental Health Services (includes inpatient, community and learning disability services for children) • Mindsmatters • District Nursing • Treatment Rooms • Longridge Hospital • Rapid Assessment • Occupational Therapy • Physiotherapy • Speech and Language Therapy • Podiatry • Rheumatology • Health Improvement • Stop Smoking Services • Diabetes • DESMOND (Diabetes Education programme) • Stroke and Rehabilitation • Cardiorespiratory Services • Adult Learning Disabilities • Dental Services • Dietetics • IV therapy (BwD) • CHESS-Care Home Effective Support Services • Community Matrons



Mental Health	Children & Young People's	Community and Wellbeing
Services <ul style="list-style-type: none"> • Specialist Psychological Interventions • Supported accommodation and group homes • Veterans Mental Health • Community Older Adult Mental Health Teams • Older Adult Mental Health Wards • Memory Assessment Services • Inpatient Dementia beds • Community Living Skills Mental Health Team 	<ul style="list-style-type: none"> • Family Nurse Partnership now decommissioned 	<ul style="list-style-type: none"> • Complex case management • Tissue Viability • Pain Management (Southport) • Blue badge and Wheelchair Services (Southport)
Support Services includes the following functions: Nursing and Quality, Human Resources, Finance, Performance, Medicines Management, Transformation and Innovation Research and Development, Clinical Audit, Communication and Engagement		

In part 3 we will report against the quality priorities for 2017/18.

Several of the quality improvement updates below include driver diagrams. A driver diagram gives a visual description and illustration of how and why a desired change is needed. It gives a way of systematically setting out aspects of an improvement project so they can be discussed and agreed on collaboratively by the project team. The Life QI quality improvement reporting system enables teams to create their driver diagrams online.

Effectiveness

This section of the document explains the effectiveness of treatment or care provided by services. This is demonstrated using clinical measures or people's feedback, this may also include people's wellbeing and ability to live independent lives.

Other quality indicators relating to the domain of effectiveness have been reported in section 2.3 and include:

- Patients on Care Programme Approach (CPA) who are followed up within seven days of discharge from psychiatric inpatient care
- Admissions to inpatient services for which the Crisis Resolution Home Treatment Team acted as a gatekeeper
- Patients on Care Programme Approach (CPA) who have a formal review within 12 months
- Minimising mental health delayed transfers of care
- Meeting commitment to serve new psychosis cases by early intervention teams (reported until the end of quarter 1)
- Two week wait for Treatment for Early intervention in Psychosis Programme
- Increasing access to psychological therapies – the percentage of people who are moving to recovery as a proportion of those who have completed a course of psychological treatment



- Percentage of incomplete pathways within 18 weeks for patients on incomplete pathways
- Risk assessment framework and Single Oversight Framework

New indicators have been added following publication of guidance in January 2018:

- Ensure that cardio-metabolic assessment and treatment for people with psychosis is delivered routinely in the following service areas:
 - a) Inpatient wards
 - b) Early intervention in psychosis services
 - c) Community mental health services (people on care programme approach)
 - Admissions to adult facilities of patients under 16 years old
 - Inappropriate out-of-area placements for adult mental health services

Quality Priority 1 - People who deliver and support the delivery of services are motivated, engaged and proud of the service they provide	
Target	Progress
We will use the learning from serious incidents and feedback to improve care taking a quality improvement approach to driving this learning. We will demonstrate the impact of this approach through: seclusion and end of life care, focused quality improvements	

The Quality Plan 2017/18 reflects priority areas to ensure that there is a focus on delivering quality improvements using the Quality Improvement Framework methodology. The quality improvements below are all part of the Quality Plan and reported through the Life QI system.

End of Life Care:

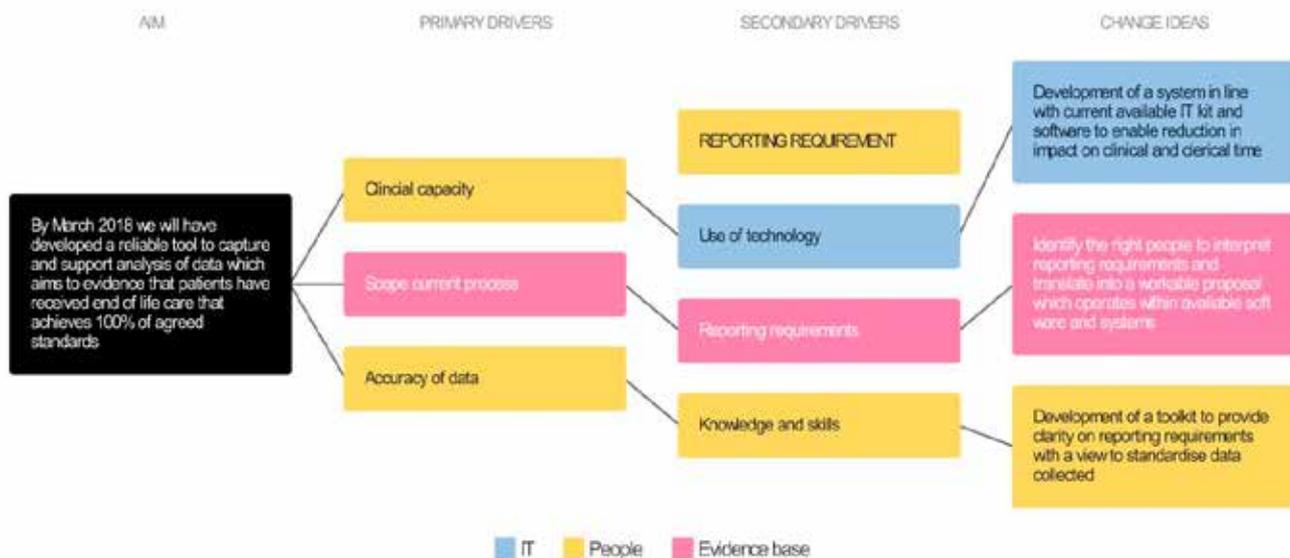
Feedback received in the form of complaints and from the CQC regulatory inspection in 2016 in relation to end of life care has informed this quality improvement initiative with the overarching aim being that:

100% of people who have chosen a preferred place of death will have end of life care in their preferred place where this practically possible and safe having a care plan developed with the person their family/ carers which includes pain relief and comfort measures. Progress towards this aim is monitored by the end of life steering group.

Two associated quality improvement projects have begun this year and will continue into 2018/19 these are:

People receive end of life care that meets best practice standards:

The driver diagram below translates the high level aim into a set of underpinning goals enabling the team to reflect and understand the changes to be tested.



Driver Descriptions

Reporting requirements : Community teams are required to submit quarterly quality account to the CCG to evidence standards and service/ intervention delivered to patients at end of life

Use of technology : Clinical staff do not have access to appropriate resources to develop a suitable data collection system

Knowledge and skills : Current knowledge and skills level in navigating a manual process leads to inaccuracy in data provided and is an inefficient use of time

Accuracy of data : confidence in data quality and accuracy is low due to historical process to collect information

Clinical capacity : Current process is time consuming and dependant on monitoring and prompting by one individual

Scope current process : Current process is manual, time consuming and developed in house in response to reporting requirements

Generated by CureSci

Update of the impact of this initiative will be presented at the Quality Improvement conference in May 2018.

We only get one chance – hearing from family and friends

End of life care is an integral element of care delivered by our community teams and also within in patient units.

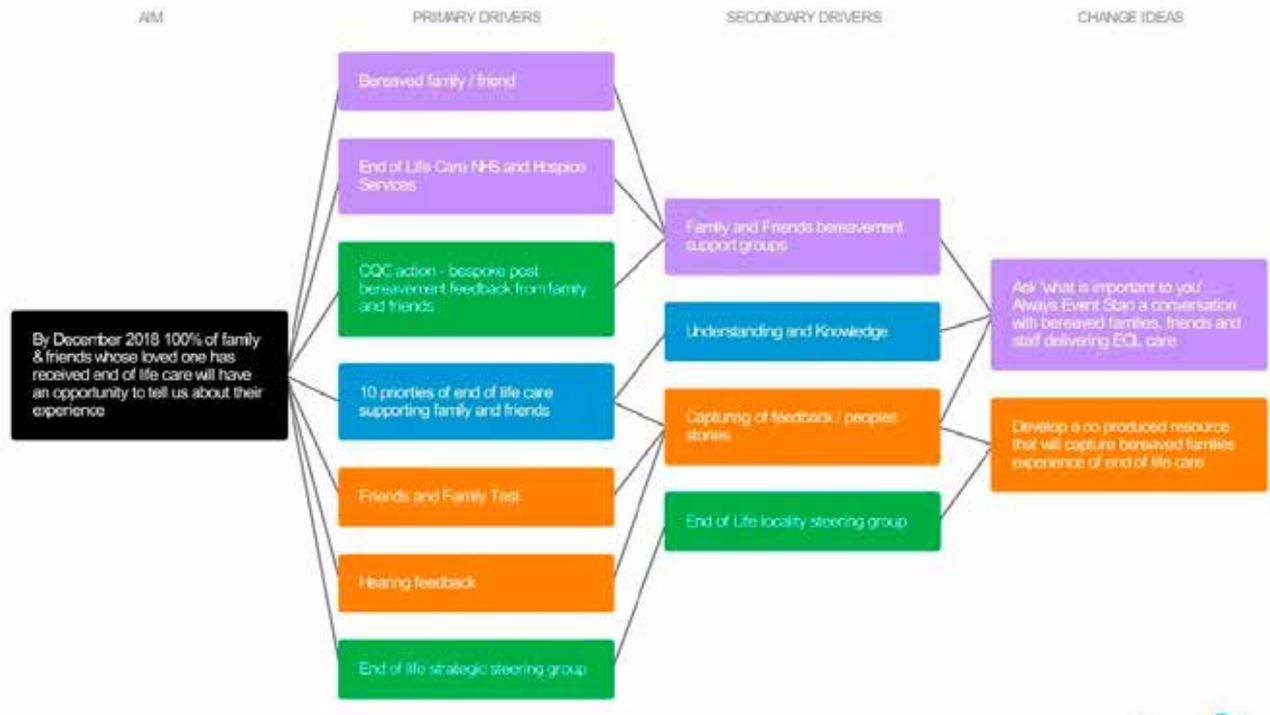
'We only get once chance, help us get it right first time, giving you memories you and your family can treasure'

This quality improvement project supports our overarching end of life care and regulatory requirements through introducing and developing a reliable communication and engagement tool that will support analysis of data, aims to evidence what people say when they experience a close death and raise the quality of care at end of life for others.

To Date we do collect Friends and Family feedback however we do not evidence this specifically for End of Life Care. The project will deliver a bespoke 'Always Event' that will start a conversation to explore appropriate questions to develop a co-produced resource that will capture bereaved families experience of End of Life Care. Meetings have taken place with End of Life nursing and therapy staff, hospice care partners and family /friend members and a co design group is now in place. A pilot site is being identified within one of our End of

Life services to test out the co-produced questionnaire and recording and reporting process through the Meridian data system.

The quality improvement project will continue into 2018/19.



Seclusion:

Recommendations from Serious incident investigations, feedback and received in the form of complaints and from the CQC regulatory inspection in 2016 in relation to seclusion practice have informed this quality improvement initiative with the overarching aim being that:

“We will drive improvement and consistency in seclusion practice across all mental health services, ensuring compliance with the Mental Health Act Code of Practice by March 2019”.

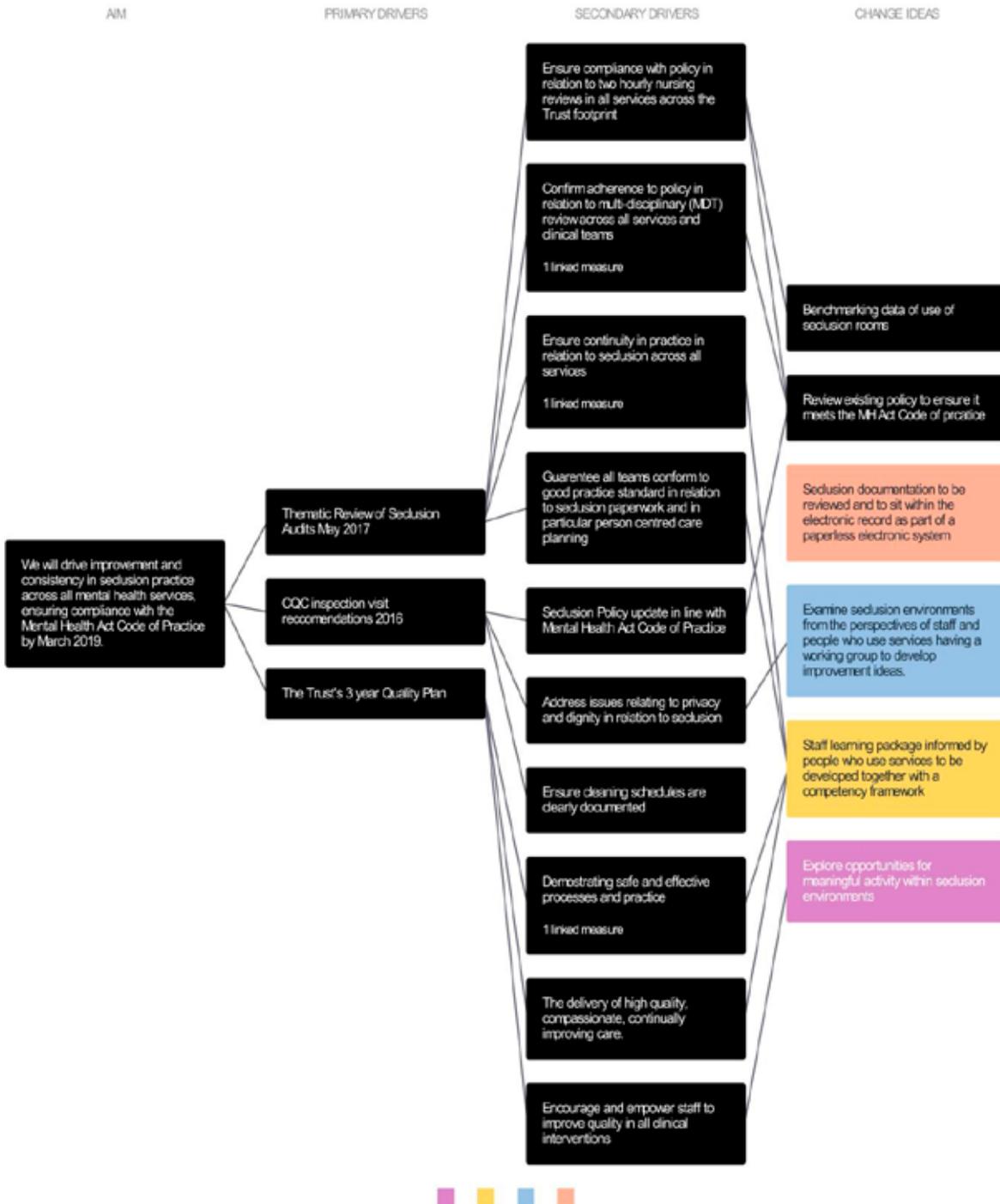
The Seclusion steering group and associated working groups involve people who have lived experiences of seclusion, families and carers who have lived experiences and multi-professional stakeholders from clinical settings within the Trust.

The driver diagram below translates the high level aim into a set of underpinning goals enabling the team to reflect and understand the changes to be tested.

Four work streams have commenced which will continue across 2018/19:

- Improving seclusion documentation and supporting readiness for the new electronic system
- Therapeutic engagement in seclusion
- Improving seclusion environments – involving capturing examples of the current range of environments on film to inform and support changes needed

- Review of the staff learning programme - involving the co-design and implementation of a questionnaire for staff in relation to their understanding of seclusion.



Research and Development

Lancashire Care NHS Foundation Trust is dedicated to improving the health of people who use our services, their carers and stakeholders by providing its staff with the most current research findings in the country and by continuing to actively take part and lead high quality research. Lancashire Care NHS Foundation Trust supports the Research & Development Department to work closely with clinicians along with internal and external researchers to develop and deliver a range of research studies. The department ensures that all regulatory requirements are met in relation to NHS research governance and the conduct of clinical trials.

A number of collaborative projects with local Universities have facilitated researchers at different stages of their research careers (from novice to post doctorate study) to develop their research skills further. The Trust has also continued to participate in industry clinical trials, delivered within NIHR Lancashire Clinical Research Facility (CRF). The CRF is a partnership facility between Lancashire Care, Lancashire Teaching Hospital and Lancaster University. It had its official opening ceremony in November 2017.

Outcomes:

- Participation in clinical research demonstrates that Lancashire Care NHS Foundation Trust is committed to improving the quality of care offered and to contributing to wider health improvement
- Clinical staff are informed and aware of the latest treatment possibilities and active participation in research supports successful outcomes for people
- Lancashire Care NHS Foundation Trust was confirmed as the Care Trust with the highest volume of research in this year's National Institute for Health Research league tables.
- More participants have again been recruited to interventional studies, i.e. those having a direct impact upon the types of treatment they receive.
- Lancashire Care was the highest recruiting NHS site for the REACT study, developed with partners at Lancaster University, trialling an online toolkit for relatives (or close friends) of people with psychosis or bipolar disorder

Patient Experience

This section of the document aims to demonstrate the experience of people who are using or have used our services.

Lancashire Care NHS Foundation Trust utilises a number of ways in which to receive feedback and welcomes it in all forms. These include the Community Mental Health Survey and real time data collection including the Friends and Family test and hearing feedback from complaints and compliments.

Other quality indicators relating to the domain of experience have been reported in section 2.3 and include:

- Community Mental Health Service National Survey Results.

- The percentage of staff employed by Lancashire Care NHS Foundation Trust, who would recommend Lancashire Care NHS Foundation Trust as a provider of care to their family or friends
- Percentage of staff experiencing harassment, bullying or abuse from staff in the last 12 months
- Percentage believing that trust provides equal opportunities for career progression or promotion

Lancashire Care NHS Foundation Trust values the contribution of people who use our services to inform continuous quality improvements at an individual service level and at a strategic level and this is reflected in Our Vision, Quality Plan and People Plan with “people at the heart of everything we do”

Quality Priority 2 - People who use our services are at the heart of everything we do: all teams will seek the views of service users and carers to inform quality improvements	
Target	Progress
<p>We will co-design improvements with people who use our services, carers and families truly understanding what matters to them.</p> <ul style="list-style-type: none"> • Demonstrate spread and sustainability of the Always Events co-designed in 17/18. • Introduce five always events programmes • Complete a minimum of ten Sit and See© observations 	<p> To build upon this work in 2017/18</p> <p> 6 Always Events are in progress and will continue into 2018/19</p> <p> 6 Sit and See observations undertaken in 2017/18 in ward environments</p>

Involving people in co-designing ‘Always Events’

Always Events (AEs) are defined as those aspects of the care experience that should always occur when people and family members interact with healthcare professionals and the health care delivery system. IHI’s Always Events framework provides a strategy to help health care providers identify, develop, and achieve reliability in a person- and family-centred approach to improve individual’s experiences of care. An Always Event is a clear, action-oriented, and pervasive practice or set of behaviours that:

- Provides a foundation for partnering with people and their families
- Ensures optimal experience and improved outcomes
- Provides a common platform for all that demonstrates a continuing commitment to person and family centred care

Lancashire Care continues to participate in the national Always Event pilot with NHS England, Institute for Health Care Improvement and Picker Europe. In addition the Head of Quality Improvement and Experience is working with NHS England and the IHI as a faculty member to support the national roll out.

The initial Always Event quality improvement work involving the learning Disability Team in Blackburn with the vision being 'I will always be supported in moving on in care'. The outcomes of this Always Event are now embedded into day to day practice within the team. The learning is being spread to teams in Lancaster:

1. Lancaster Learning disability team Trigger = Experience Based Co-design and spread of the Always Event in Blackburn with Darwen resulting from feedback from people who use services.

The team wanted to develop an evaluation method which would capture the diversity of the population the service works with in an inclusive and meaningful way and listen to the first hand experiences of those who use and deliver the service. To do this the service used an Experience-based Co-design (EBCD) approach which enables staff and service users to collaboratively design and evaluate services. The team engaged with roughly 40-50 people with Learning disabilities / their carers over the course of the work, with people meeting together to share experiences / co-design solutions. The Always Event Vision Statement: "We will always let you know about us and how we can support you". Following launch of the Always Event statement the service has implemented the use of contact cards and an information sheet. Improvements have continued to be made to both of these initiatives across the year and embedding will continue in 2018/19

2. Children's Integrated Therapy and Nursing (CITNS) Team. Trigger = feedback from families

Families of young children with complex needs are often asked to attend lots of appointments and feedback that this is not co-ordinated as well as it could be. It has been found that children who have had long stays in hospital are often offered the most appointments due to their complex needs. Some of the local NHS teams want to work in partnership with families to improve how appointments are offered.

The CITNS team are working with the Community Paediatricians in Preston to review how they work together particularly looking at times when children can be seen by more than one professional either at the same time or in appointments at the same venue one after the other. They also want to support families in feeling that they have an increased voice in getting their child's needs met in a way that is manageable for their family.

Interviews with families and attendance at parent forums identified the following themes about what matters to families:

- Being listened to and heard
- Being included and involve
- Being taken seriously
- Child centred goals
- Following through on what you say you will do

Always Event vision statement: We will always be included, involved and communicated with, in partnership with the Child Development Team on our journey through services, to meet our child's needs.

Change ideas to being tested include:

- Re-designed discharge planning meeting
- Support worker identified for families to meet with them before the discharge planning meeting, prepare them and support them in the meeting to voice what matters to them as a family.
- Joint appointments

Achievements to date include:

- The Early Years meeting has been reviewed and restructured and is much more effective
 - There is a planned schedule of feedback meetings where families are given a diagnosis for their child. This now happens with the paediatrician and the appropriate therapist
 - Clinical Room availability to accommodate coordinated clinic appointments has been identified at Ashton Health Centre
 - After Diagnosis Leaflet redesigned – we are in the process of obtaining family feedback and it has been identified that families would like this information earlier. A leaflet is being designed that can be given to families at the start of the assessment process
 - Effective ongoing engagement with people who use services
 - One child has attended a joint appointment with the Paediatrician and Occupational Therapist with a successful outcome for the family and professionals
 - Two further joint appointments have been scheduled for a child with physical disabilities and a child with autistic spectrum disorder
3. Preston Community Mental Health Team (CMHT) Trigger = community mental health survey findings

Over the last few months the Preston West CMHT have invited Experts by Experience to regular meetings to develop a Care Plan which they would identify a person's needs and goals, which is written in a user friendly way. Practitioners have also been asked about their experiences regarding what a Care Plan needs to include for services. With this information a new Care Plan has been co-designed and is being tested with a small number of people. The reason why this Care Plan has been so well received is because it is goal orientated. It is a fluid document that will constantly change as goals are achieved, and it recognises the hard work people have put in towards their recovery pathway. It allows individuals and the team to determine who is responsible for each action and identifies longer term goals. It promotes a culture of change, transparency and highlights that the service is time limited but that people's goals can continue even when they are discharged from the CMHT. The Always Event Vision statement is: "My care plan is always about me and what matters to me, is timely/up to date and promotes my recovery and health and well-being". Feedback from two people who use services said they've found the new care plan more person centred and their goals were achievable. Staff feedback that the new care plan took longer to complete but very productive and puts people users in control of their own recovery.

Preston CHMT has now circulated the new care plan to other community teams for feedback. A person with lived experience is to attend a team meeting to talk to staff about how the new care plan made him feel more in control. The Co-design team will meet in April to design a feedback survey to gain feedback from people who use services and staff.

4. Burnley and Pendle CMHT Trigger = community mental health survey findings Communication was identified as a quality improvement after the 2016 Community Mental Health Survey. A thinking space in February 2018 explored what is important to people who use services and those close to them regarding communication, to define specific aspects of the care experience that should always occur, through co-design. At the thinking space people were positive about the care and support received from the team but identified some areas for improvement including the challenge of people having to share their story with various clinicians, a lack of information regarding the available services and support, and how to contact these. Change ideas included the development of an information leaflet, a 'credit card' with contact numbers and working with the CRISIS team to identify the best way to support people out of hours. Further co-design meetings are planned to develop the vision statement, aim and change ideas to test.

5. Guild - "My voice always matters". Trigger = quality surveillance data reflecting limited feedback for people using the services at Guild and low number of complaints.

Post boxes enabling feedback to be shared in confidence directly with the Hearing Feedback Team within the secure environment are now in place and being tested. The team are currently exploring the use of iPads for surveying people about their experiences, to develop pathways, designed by people using services. Further stickers have been developed to promote access to hearing feedback. There has been the introduction of a dedicated case officer who is working with people who use services to develop effective pathways. Plans are now in place to develop volunteer roles to support people where they might otherwise be heard. Excellent relationships are developing between the case officer and the staff evidenced by 100% of cases being responded to within agreed timeframes. The co-design team presented their progress to NHS England when they visited the service 30th Nov. The co-designed team showcased their achievements and how they were making a difference through "My Voice Always Matters".

6. Hearing Feedback:

The Trust continually strives to ensure that the voices of people who use services and those close to them are heard. Over the past twelve months the Trust Hearing Feedback Team has piloted and tested a number of quality improvements in the way in which we listen and respond to people sharing their experiences of care with us. These include a 'case management approach' which facilitates a person centred, timely and supportive process for people who wish to feed back about services. This development has improved compliance with timeframes and complainant satisfaction with the response. In addition we have been looking to widen access and are currently testing a co-designed leaflet / form with people using the learning disabilities services. Further development has also been undertaken on the programme of development for staff undertaking reviews into feedback and this will be tested in the coming months.

A range of reporting and assurance tools are being tested across the Trust to ensure that teams and senior leaders have insight into what is being understood from the feedback. These include weekly bulletins and comprehensive 'Hearing Feedback for Quality Improvement' report is developed on a quarterly basis providing a wide range of information on people's views about the Trust. This is allowing better informed decisions to be made based on a wider range of data. The report is shared with the Hearing Feedback Steering Group which includes senior network representation, Quality & Safety Sub-Committee and with lead commissioners as part of contract performance discussions.

The Sit and See programme / Care and Compassion in practice

During 2017/18 Sit and See observations were undertaken in 6 ward environments and this was presented to the commissioning Joint mental Health and Community Performance and Quality meeting in December 2017. A review of the tool and its use in Lancashire Care NHS Foundation Trust's varied environments has been undertaken and a decision made to develop a simple observation tool which aligns with the organisations vision, quality commitments and values, and the principle of '15 steps'. An observation using this new approach was undertaken in February 2018, as the first Plan- Do-Study-Act test of change. The next test of change is planned with people from support services receiving the revised training and observing care using the new paperwork and reporting this back to the team.

Mixed-sex Accommodation Breaches

Lancashire Care NHS Foundation Trust is compliant with the Government's requirement to eliminate mixed sex accommodation, except when it is in the person's overall best interest, or reflects their personal choice. If Lancashire Care NHS Foundation Trust should fall short of the required standard it will report it to the Department of Health and Commissioners. Lancashire Care NHS Foundation Trust's declaration of compliance is located on the website: <http://www.lancashirecare.nhs.uk/privacy-and-dignity-single-sex-accomodation>. The Trust continually improves its estate and all new build estate works ensure that patients have access to single en-suite rooms.

Safety

This section of the document shows the measures Lancashire Care NHS Foundation Trust is taking to reduce harm to people who use services and staff.

Other quality indicators relating to the domain of safety have been reported in section 2.3 and include:

- Rate of patient safety incidents
- Percentage resulting in severe harm
- Percentage resulting in death



Quality Priority 3 - People who use our services are at the heart of everything we do: care will be safe and harm free

Target	Progress
<ul style="list-style-type: none"> No avoidable pressure ulcers will be acquired in our care 	 Ongoing to build upon this work in 2018/19
<ul style="list-style-type: none"> React to red will be in place 	
<ul style="list-style-type: none"> Harm from violence will reduce by 10% each year 	 Ongoing to build upon this work in 2018/19
<ul style="list-style-type: none"> Daily safety huddles will be embedded in inpatient settings 	 Ongoing to build upon this work in 2018/19

Harm Free Care

Lancashire Care NHS Foundation Trust's aspiration is to achieve harm free care. To support this agenda a new interactive forum has been tested in 2017/18 to:

- Collectively explore the story the data is telling using a range of data presentations.
- Enable clinical teams in person or via skype to share any quality improvement initiatives and any challenges

The table below demonstrates the number of people surveyed as part of the physical health safety thermometer during 2017/18 across Lancashire Care NHS Foundation Trust and the percentage of people who are measured as harm free.

Monthly Harm Free Care Data for 2017/18												
Month	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18
Number of teams submitting	39	44	44	44	43	45	47	47	47	49	53	53
Number of patients surveyed	1,159	1,332	1,459	1,410	1,409	1,296	1,323	1,324	1,398	1,366	1,307	1381
%Harm Free reported on BSC	94%	96%	94%	94%	95%	96%	96%	97%	95%	94%	98%	96%
<i>Data Source: LCFT Master Safety Thermometer Dashboard Report</i>												



The Harm Free Care^[1] initiative focuses on thinking about complications for people using services, aiming as far as is possible for the absence of all four harms for each and every person. The initiative supports best practice and quality improvement across physical health care focused community services, Longridge community hospitals, physical and mental healthcare services in secure settings, mental health inpatient and community services for people over 65 and learning disability community services for people over 65. The Harm Free Care programme relates to all applicable clinical teams whether these harm factors are a key part of the teams role or form part of an increased awareness / holistic assessment of factors which may be impacting on a person’s health and well-being and as such their clinical presentation.

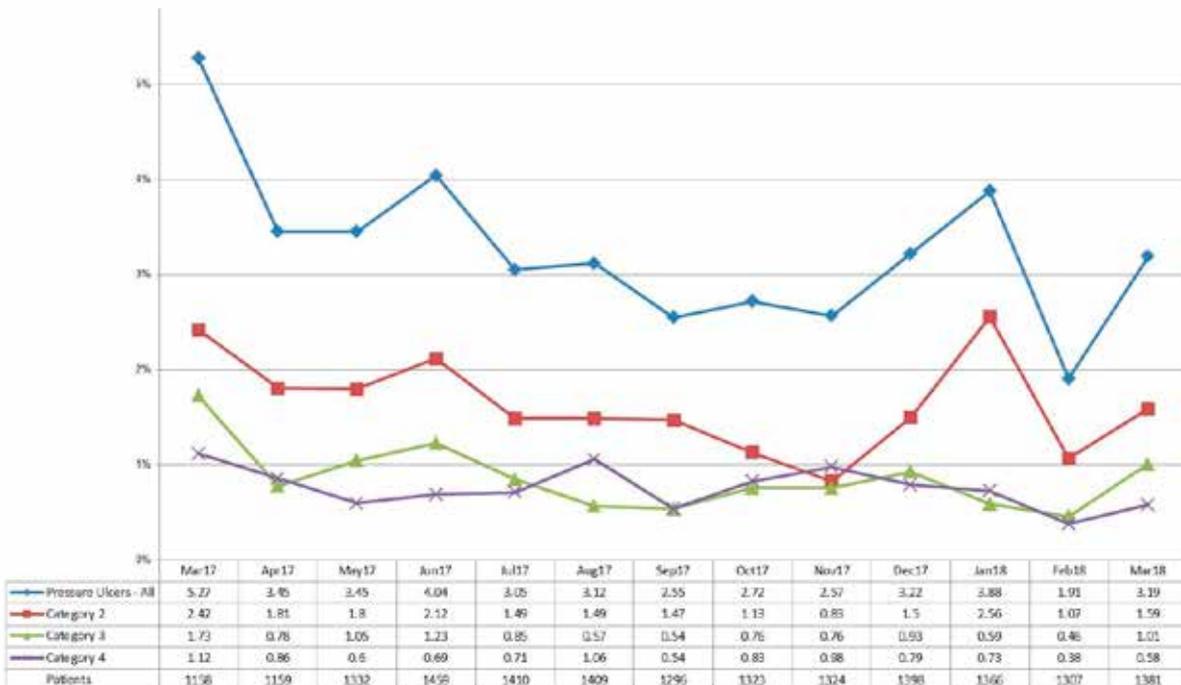
Fluctuations in the number of teams submitting data reflects the closure and opening of some wards, amalgamations of teams and that some teams provide nil returns some months. As can be seen from the data the 95% harm free care aspirational national target has been achieved on 8 of the 12 months reported.

Between April–September 2013 baseline data for pressure ulcers was established and an improvement target has been agreed with commissioners. This relates to the median position of 5% and the maintenance of this position across five consecutive months in subsequent years. Lancashire Care Foundation Trust has achieved this for 12 consecutive months from April 2017– March 2018.

The chart below reflects the point prevalence of all pressure ulceration as monitored by the Safety Thermometer

Pressure Ulcers - All: patients with an old or new pressure ulcer

LANCASHIRE CARE NHS FOUNDATION TRUST, All Wards, All Settings, All Services, All Ages, All Sexes



[1] <http://harmfreecare.org/>



Pressure Ulcers are often a harm that is acquired in care that is avoidable. Lancashire Care NHS Foundation Trust continues to investigate all incidents where pressure ulcers are acquired in our care and lessons learnt are shared widely within the organisation. Quality improvement work continues with case studies relating to people who have developed pressure ulcers that could potentially have been avoided even though all care was in place being presented to inform learning. A number of quality improvement projects have progressed this year and will continue into 2018/19. The associated overarching quality improvement aim is: 'We will continue the significant improvement in the prevention of avoidable pressure ulcers and the delivery of high quality skin care. This priority supports our 3-year Quality Plan and the aim of zero preventable pressure ulcers in our care by 2020'. A number of projects are supporting the achievement of this aim, examples include:

The Safety Cross

The safety cross is a simple data collection tool. It is basically a one-month colour-coded calendar that notes daily safety measure incidents. Each number on the cross represents the day and date for that month to enable staff to differentiate safety incidents – coloured in red, from incident-free days – coloured in green. This means the team can focus on timely solutions that are within their sphere of influence.



Monthly data is plotted and displayed for patients, staff and visitors to view. Regular multidisciplinary team meetings review the data trends and discuss and agree on solutions for improvement.

All community teams have a safety cross in place and the use of the safety cross reporting system is promoting awareness of the importance of preventing harms due to pressure ulcers.

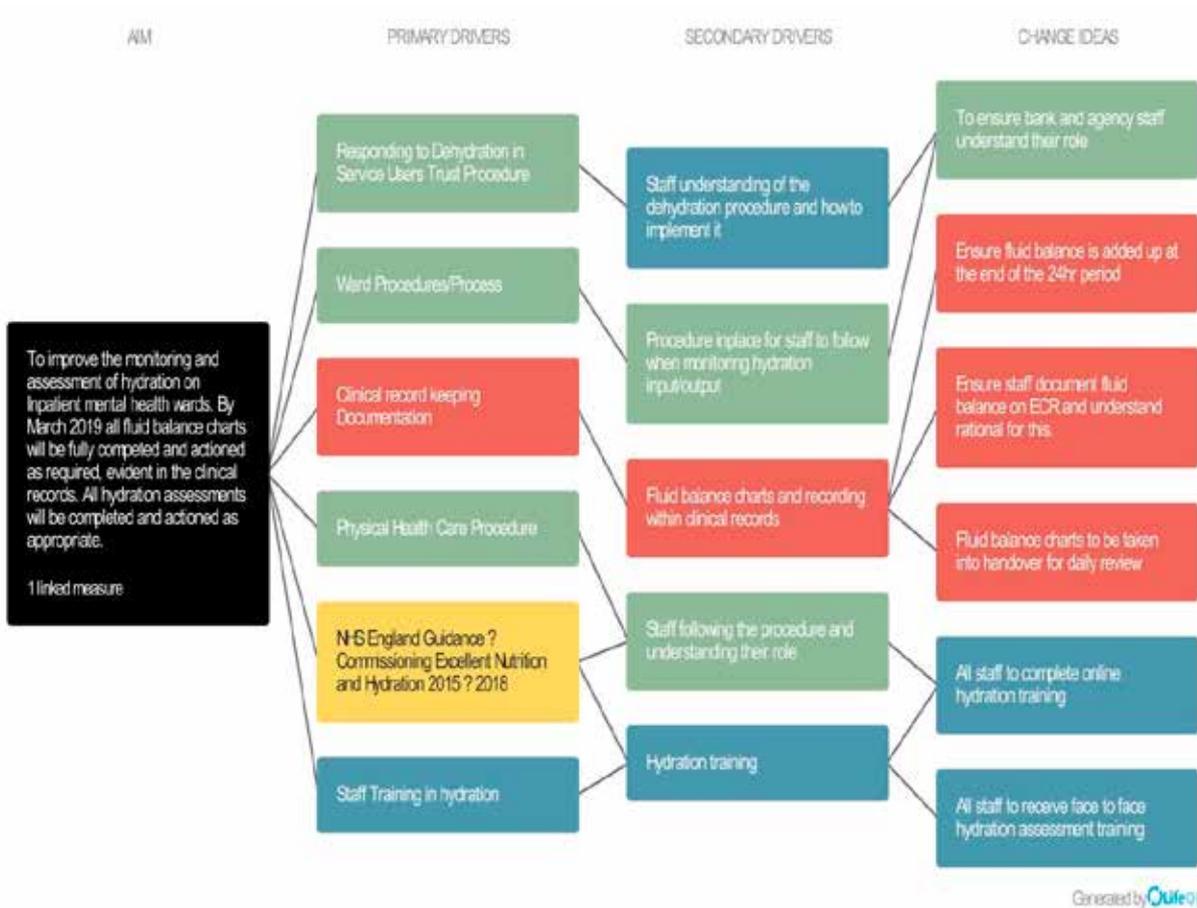
The importance of hydration:

We need to maintain a healthy level of body water content by regularly drinking enough to replace the natural water loss filtered by the kidneys, in the form of essential healthy urine production to remove waste products. Insufficient water leads to dehydration, which is the underlying cause of many common conditions including pressure ulcers. The quality improvement aims is:

To improve the monitoring and assessment of hydration on Inpatient mental health wards. By March 2019 all fluid balance charts will be fully completed and actioned as required, evident in the clinical records. All hydration assessments will be completed and actioned as appropriate.



The driver diagram below reflects colour coded change ideas all of which have begun this year and will continue to be rolled out into 2018/19 with improvement impact measures in place.



A safety senate model:

This approach aims to ensure that 100% grade 3 and grade 4 pressure ulcers will be reviewed by a panel of experts to determine whether a pressure ulcer acquired by a person in our care was avoidable or unavoidable. The driver diagram below translates this aim into a set of underpinning goals enabling the team to reflect and understand the changes to be tested. The model has been tested with team in the Pennine locality and will be rolled out in 22018/19.

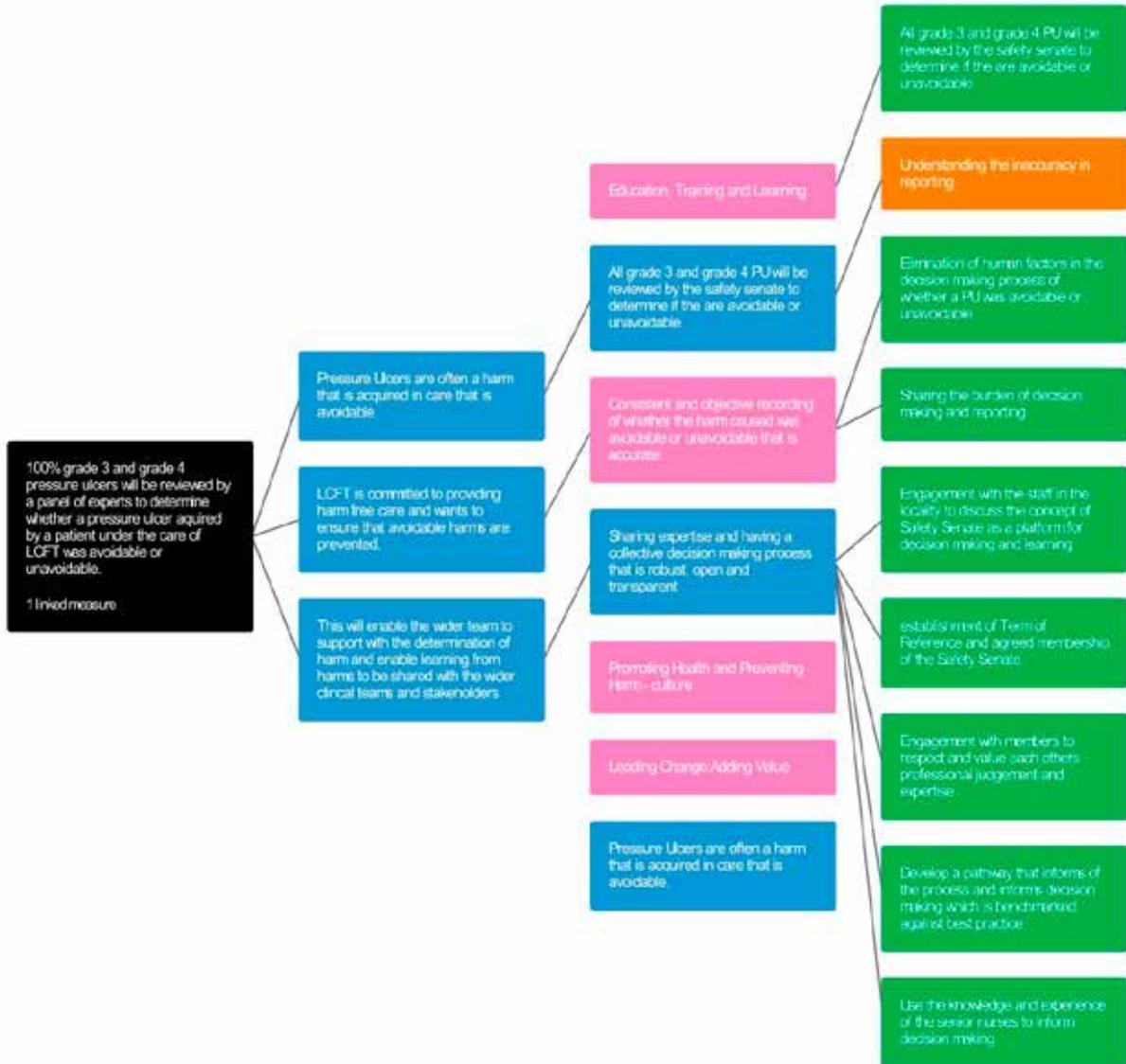


AIM

PRIMARY DRIVERS

SECONDARY DRIVERS

CHANGE IDEAS



■ Outstanding
 ■ Complete
 ■ In progress
 ■ Long term ambition
 ■ Not achieved
 ■ Statement of fact

Driver Descriptions

Consistent and objective recording of whether the harm caused was avoidable or unavoidable that is accurate: This will enable transparency of recording and enable thematic analysis of learning to take place

All grade 3 and grade 4 PU will be reviewed by the safety senate to determine if the are avoidable or unavoidable: This will be a panel of nursing experts including a Lead Nurse, DN Team Leader and TVN.

Leading Change: Adding Value: This work addresses the key areas identified in the CNO report: 1. Health and Wellbeing - enabling a greater focus on pressure ulcer prevention. 2. Care and Quality - the health needs of our patients will be unmet unless re focus on harm free care, addressing variations in the delivery of quality of care. 3. Gearing and efficiency - if there is a focus on preventative care rather than restorative the use of resources can be refocussed on those patients needing it the most

Promoting Health and Preventing Harm - culture: To embed a zero tolerance to avoidable harms to patients under the care of LCFT

Education, Training and Learning: Through the development of the safety senate model this will enable thematic analysis of cause of harms patients which will subsequently enable any training or development requires to be target dependant on the themes identified.

Generated by Quintiq

React to Red

The **React to Red** programme is progressing well with quality improvement measures in place. This programme is currently supported by the lead community commissioner

A daily safety huddle

The daily safety huddle improves communication between team members to ensure all priority patients are reviewed and discussed and key messages are shared. Matrons across the inpatient setting are supporting ward managers to embed the daily Huddles and this will continue into 2018/19

Update of the impact of these initiatives will be presented at the Quality Improvement conference in May 2018.

Mental health harm free care programme

The Mental Health Safety Thermometer is a national tool that has been designed to measure commonly occurring harms in people that engage with mental health services. It is a point of care survey that is carried out on one day per month which supports improvements in care and experience, prompts actions by healthcare staff and integrates measurement for improvement into daily routines.

It enables teams to measure harm and the proportion of people that are 'harm free' from self-harm, psychological safety, violence and aggression, omissions of medication and restraint. The aspirational target is '*Organisationally Lancashire Care will achieve 90% Harm Free Care for inpatient mental health wards by March 2017*'. This target has not been achieved however, Lancashire Care NHS Foundation Trust is committed to promoting health and preventing harm and as such has set a challenging aspirational target and quality improvement work will continue to ensure successful achievement. In addition to the Quality Improvement work outlined below in relation to reducing violence and reducing restrictive practices individual wards are being supported to identify their local quality improvement aims to support the achievement of harm free care and these will be further developed in 2018/19 as reflected in the priorities from page 211.

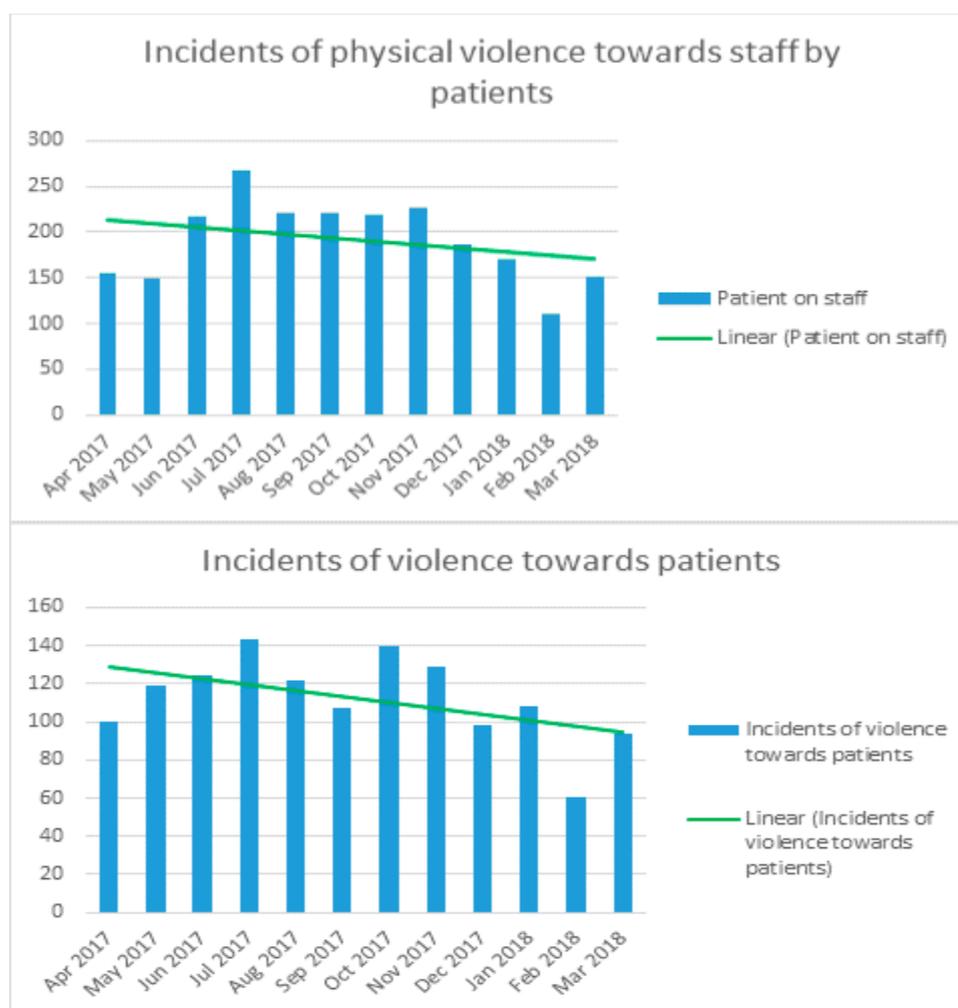
The Mental Health Harm Free Care percentages for 2017/18 can be seen below:

Monthly Harm Free Care Data for 2017/18												
Month	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18
Number of teams submitting	39	38	38	38	38	38	38	389	38	38	38	38
Number of patients surveyed	478	479	480	481	475	458	473	474	469	451	465	454
% Harm Free as per HSCIC definition (without medicines omissions)	83%	83%	84%	81%	80%	84%	80%	83%	81%	79%	84%	83%
Reported on Balance Score Card / Quality Tile	83%	83%	84%	81%	80%	84%	80%	83%	81%	79%	84%	83%

https://www.safetythermometer.nhs.uk/index.php?option=com_content&view=article&id=4&Itemid=109 and LCFT Balance Score Card

Violence Reduction:

The number of reported incidents of violence towards staff and patients are starting to reduce.



Reducing violence is one of Lancashire Care NHS Foundation Trust's priorities in the Quality Plan. The associated overarching aim statement with this Quality Priority is agreed as: To reduce the levels of violence by March 2019 so that all patients feel safe on our wards and all staff feel safe at work.

The driver diagram for this project reflects seven different change ideas including:

- Exploring with ward staff, nursing professional leads and the violence reduction team different approaches to personal care on the older adult wards which appears to be a hotspot in violence related to personal care.

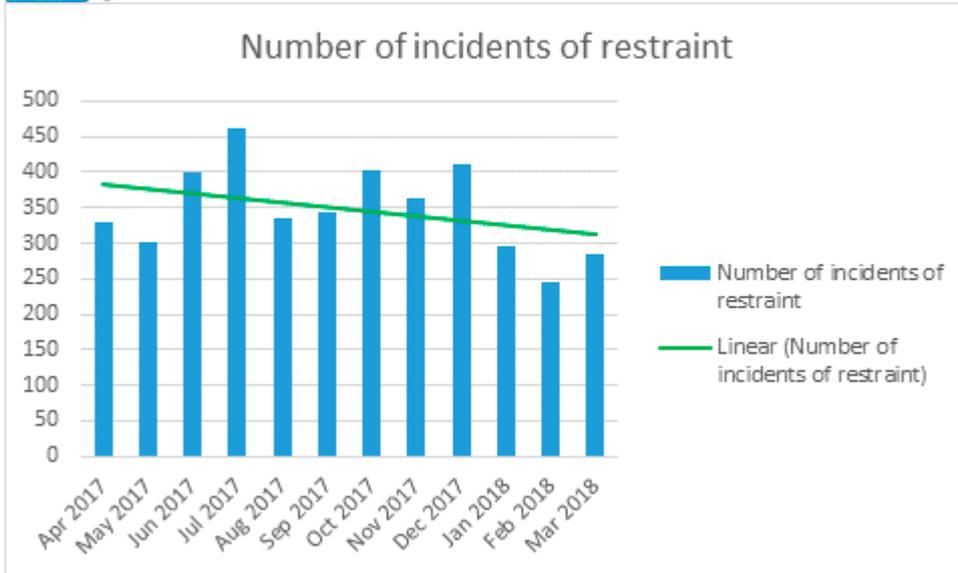
- A new model of violence reduction training has been developed and is being tested at the Cove. Very positive feedback received from the team
“Enjoyable and excellent way to develop new skills as a group, I feel invigorated with passion. It’s really changed attitudes”
We have also been testing out the approach with staff and service users and received positive feedback.
- A trauma informed model using a debriefing and demobilisation has been developed by a Consultant Psychologist and tested in East Lancashire inpatient and community teams with positive results e.g. staff reporting this approach has reduced sickness/absence and supported them to remain in work. An organisation wide implementation plan is being developed.

Reducing Restrictive Practices

Lancashire Care NHS Foundation Trust has continued its reducing restrictive practices programme and this was transitioned into everyday clinical practice in 2017/18. The monitoring and assurance of continued improvements is through the Clinical Risk and Restrictive Practice Steering Group. The programme had delivered a number of improvements over the two year period including:

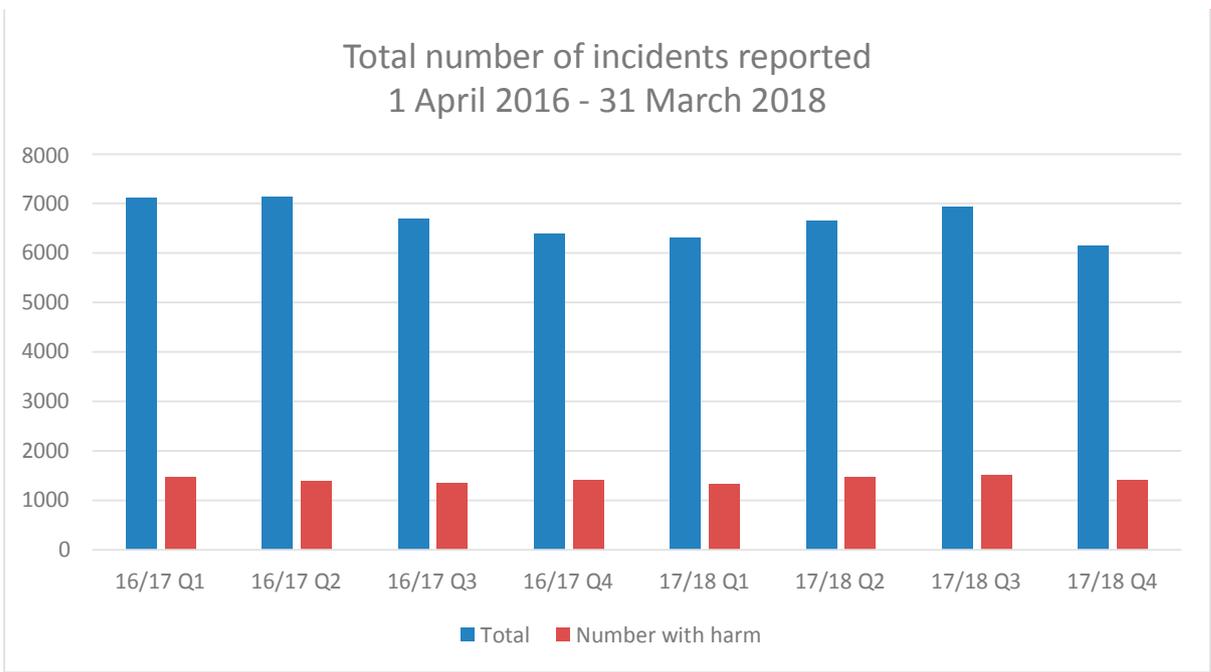
- Improvements in the content and approach to violence reduction and restraint training.
- Completion of risk assessments for all restraint techniques used and consultation about the approach completed
- Enhancements to seclusion rooms and extra care areas.
- Testing of zonal observations on the older adult mental health wards. This has also led to a reduction in incidents of violence.
- Training for Dental staff about using least restrictive practices and revision of techniques used

The overall number of reported incidents of restraint is showing an overall downward trend for the year consistent with the trend for incidents of violence.



Reporting of Incidents

The chart below shows the number of incidents throughout 2016/17 and 2017/18. The number of incidents reported with harm includes all incidents where the result reported included allergic reaction, ill-health, injury or death.

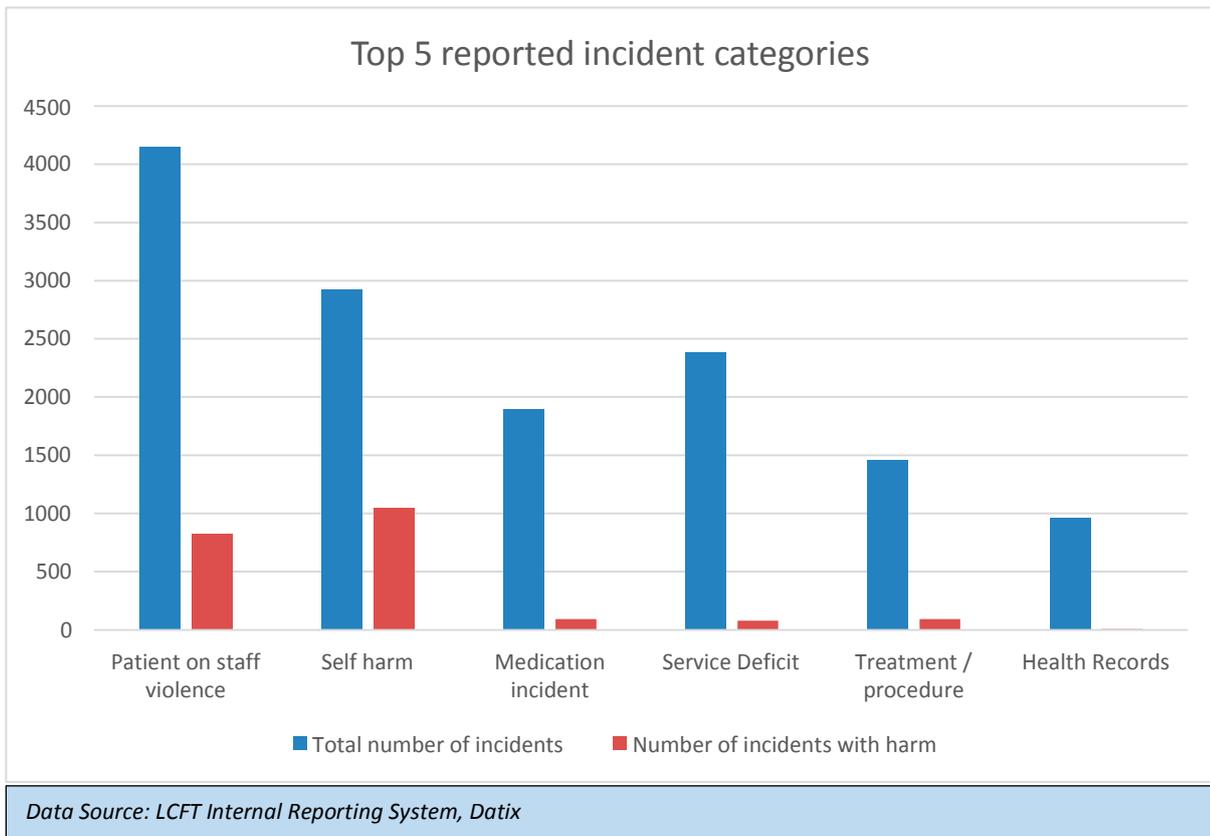


Data Source: LCFT Internal Reporting System, Datix

The chart above shows a consistent pattern of incident reporting which demonstrates the continued positive reporting culture.

Top 5 Reported Safety Incidents (Patient Safety and Staff Safety)

The top 5 reported patient safety incidents are shown in the table below:



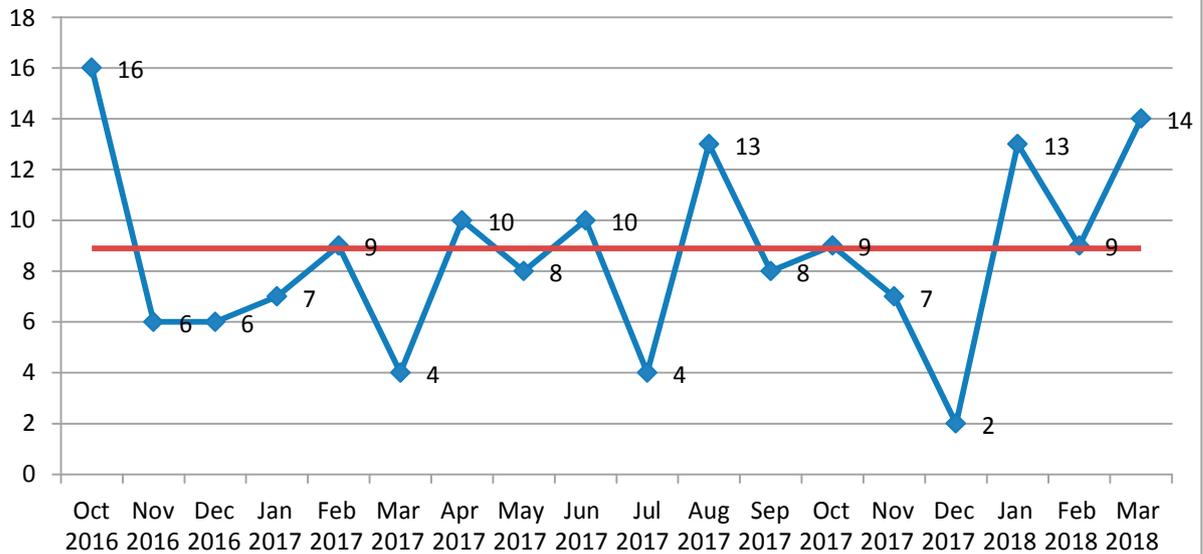
The categories of incident identified are actively monitored through various thematic analysis and reports. Within the context of being a mental health provider, the categories of self-harm, medication and violence are expected and remain as key quality priorities. Improvement work is ongoing in all areas. The category of service deficit includes a variety of sub-categories including staffing related incidents. The category of treatment/procedure is also broad and includes a range of sub-categories including cancellations and access delays.

Serious Incidents

Serious incidents describe incidents which relate to NHS services or care provided resulting in serious harm or unexpected death of people who use services, staff, visitors or members of the public; situations which prevent the organisations ability to deliver a service; allegations of abuse; adverse media coverage or public concern. All serious incidents are subject to a serious incident investigation which includes the development of recommendations and quality improvements.



All Reported Serious Incidents (Oct 2016 to Mar 2018)



Data Source: LCFT Internal Reporting System, Datix

Mandatory Training

Mandatory Training						
Indicator	2016/17 Target	2016/17 Outcome	2016/17 Target Achievement	2017/18 Target	2017/18	2017/18 Target Achievement
Staff Mandatory Training	85%	90.68%	√	85%	92.11%	√

Data Source: LCFT Internal System (Quality Academy)

Lancashire Care NHS Foundation Trust has taken the following actions to achieve and maintain this percentage, and so the quality of its services, by;

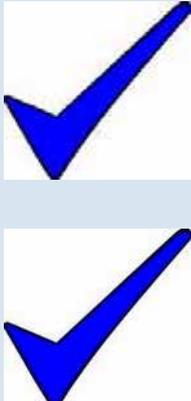
- New training modules have been released to replace existing classroom training sessions.
- The reporting of core skills has seen significant investment with the development of new reports and a pilot to integrate training data within the health roster system. This was one of the areas of improvement noted by the CQC during the re-inspection.



Well – Led

This section of the document aims to demonstrate how we know our care is well-led proving assurance of the delivery of high-quality care for people, supporting learning and innovation whilst promoting an open and fair culture.

Quality Priority 4 - A quality focused culture is embedded across the organisation: services are well led and we are all working together to always be the best we can be

Target	Progress
<ul style="list-style-type: none"> We will support and enable quality improvement everyday using our model for improvement. We will design and implement a ‘bite-size’ quality improvement learning option in partnership with AQUA and we will demonstrate implementation during the year. To showcase the quality improvement activity within the organization we will hold an Annual Quality Improvement Conference. 	

Bite-Size’ quality improvement learning option

The Quality Improvement team is working in partnership with AQUA to develop a ‘Bite-Size’ quality improvement learning option. The Bite Size option is foundation of quality improvement learning as part of a tiered model:

Level of QI expertise
Strategic/ Expert (Q member or equivalent)
Advanced – QI coach and mentor (AQUA Advanced Practitioner or equivalent)
Intermediate – QI enabler (AQUA Introduction to QI / online programme)
Basic – QI supporter (Bitesize QI podcast)

Testing of the Bite Size learning programme has been completed. Feedback demonstrated an increased awareness and understanding of the underpinning principals of Quality Improvement, and how these can be applied in practice. The ‘Bite size’ programme will be launched in March 2018.



Quality Improvement Conference

Lancashire Care NHS Foundation Trust's first Quality Improvement Conference held on 12 May 2017 of our QI journey and offered a fantastic opportunity for teams to showcase their improvement work. We were joined on the day by colleagues from NHS England, AQUA, N-Compass NW and lead Commissioners. Vanessa Randle also joined us capturing an overview of the whole day with a live visual graphic (see below). This will be hosted as a story board on the new Quality Improvement internet page which is in development.

The programme for the conference was developed to ensure that all colleagues across the Trust had an opportunity to bring to life their QI initiatives in a variety of formats through presentations, posters and/or table top displays. 160 delegates attended the day, including LCFT staff, commissioners, and other partners, with 23 teams sharing their quality improvements through presentations and 40 posters and displays. Feedback from the day was very positive, with people valuing the opportunity to hear about other people's quality improvements and network with colleagues.

The quality improvements shared at the conference informed the development of 'Our Quality Story' which is available via the link below:



Our Quality Story - an overview of Quality Improvement in LCFT 2017

<http://www.itfx-dev.co.uk/lancashirecare/pageslide/>



Comments from the event:

Having the opportunity to see what quality improvements are taking place in other areas in LCFT, sharing good practice, I have already seen something that would be of value to my area of work and this is now one of my PDR objectives

The high standard of presentations, the clear focus on quality and improvement. Synergies between work within networks and opportunities for skill sharing / knowledge transfer

The ideas we received from our poster and how to move things forward. We also were inspired to look at how we can formalise the data we do collect and have invited research team members to our next meeting



As a representative of a commissioning organisation we are often focused on areas of under-performance and it was great to be able to spend time focusing on some of the great work

The People Plan



At Lancashire Care NHS Foundation Trust we work hard to embed our values of Teamwork, Compassion, Integrity, Respect, Excellence and Accountability to ensure the delivery of high quality care.

These values are the foundation stones for everything Lancashire Care NHS Foundation Trust does and are reflected in the behaviours of each and every member of staff.

Lancashire Care NHS Foundation Trust recognises the relationship between positive staff experience and the positive impact this has for people using services. In particular we have embraced the research by Borrill and West et al which demonstrates that well led, highly engaged, appropriately trained and developed staff working in effective teams reduces both mortality and morbidity.

During 2016, Lancashire Care NHS Foundation developed a comprehensive 'People Plan' (Organisational Development Plan). The plan was finalised at the end of the summer 2016 and the 'foundation year' activity of the plan was delivered in 2016 and early 2017. From April 2017 to March 2018 (year one of the plan) the plan sets out an ambitious set of actions in each of the six areas of the plan.

The plan has the following high level 'domains' of focus and activity:



We continue to build on the work done in the foundation year of The People Plan and have placed 'wellbeing' at the heart. We have secured executive sponsorship for each domain of the People Plan and are in the process of initially scoping out what this means in terms of



what is possible, what is a high impact priority etc.. The delivery group is refocused on a number of priorities that have been crowdsourced. The 'Tricider' is now closed and the top 5 choices have been agreed with Task and Finish groups forming to drive them forward. We have sharpened the focus of each domain and our activity over the past twelve months is as follows:

1. Shared vision and values

This domain is about the development of a values based behaviour framework; alignment of objectives and motivations at an individual, team and organisational level; and, communicating in ways that really develop connections and meaning.

- A coaching programme has been developed and cohort 2 is well underway with a formal launch planned utilising a digital platform.
- Coaching offer launched with a Twitter Chat and a Sharepoint site
- The Organisational Development (OD) Team has refreshed the corporate induction element to ensure the content is based around quality as our number one priority and the values Each director has a video slot on the session discussing their remit and the OD Team then facilitates a conversation around that content, bringing in quality and the values The team has also weaved the vision and values into all of their programmes to help bring them to life for teams
- All teams are supported to organise an away day for their teams and the OD Team facilitate these and create an overall vision, action plans and agreed behaviours for the teams based on what they have heard about the work that the team does throughout the day
- An induction took place recently for teams joining us from Southport and Formby and this was underpinned by the values as a way of introducing the team to our approach at Lancashire Care NHS Foundation Trust.
- The Mental Health Network has introduced 'Ask Leon and Lisa' as a channel for staff to ask questions about something they may be worried about or something they want to find out more about and their own engagement survey.
- The Community Wellbeing (CWB) Network has introduced a certificate of appreciation (in addition to Shining Star of the Quarter) which is given out each month with some chocolates to individuals who have gone the extra mile
- The CWB Network Newsletter now includes people's stories as a focal point for what the network is all about

2. Planning for success

This domain represents a commitment to accelerating QI through greater engagement and team development; targeted support and alignment of support services; and, creating the conditions for greater innovation, collaboration and resilience.

- 79% of staff have had their Performance Development Review (PDR) conversations and the system is designed to facilitate conversations around the shared objectives (Staff Survey 2017.)



- The Life QI system is now available for all of the Trust's Quality Improvement Projects to be saved and managed; it will play a key part in our journey to embed Quality Improvement across the organisation and in achieving our quality outcomes, in particular 'Always being the best that we can be'
- The OD Team often looks at roles within teams to help bring clarity and understanding They also formulate high level objectives and an action plan using a 4D (Discover, Dream, Design, Destiny) approach to help teams achieve them
- HR data is used to focus on development and improvements such as staff sickness, PDRs and a full workforce report is provided to support the networks to understand this for their teams
- The OD Team works with teams specifically to look at the work they do to help them be clear about their role, responsibilities and accountability

3. Enabling and supporting wellbeing

This domain focuses on promoting physical health and mental wellbeing; strong partnership working and supporting staff through change; and, developing people-centred processes built on trust and a just and learning culture.

- Shining Stars has been introduced to recognise staff who go the extra distance to make a difference and as a way of thanking your colleagues People who have been recognised are now selected as Employees of the Quarter
- Guild Lodge have been focussing on health and wellbeing and have established a group of staff who champion this approach and encourage others There is a group table tennis competition, sunflower growers, season fayres for summer and Christmas
- Health and Wellbeing now features at induction so that staff know how important it is and resilience sessions are on offer for staff (OD)
- The Mindsmatter Service has been delivering sessions to help teams manage and deal with stress
- The untapped talent project was launched to understand the experiences of BAME staff in the Trust An action plan has since been shared with the Exec Team and Staff Side and will be implemented soon
- A Health and Safety Risk Assessment site has been developed on Trustnet to help staff to undertake regular and consistent assessments
- Coaching sessions have been taking place for managers on sickness absence and how to manage this effectively and support staff
- Care Group Managers have been doing a piece of work to recognise wards with low bank workers and sickness

4. Inclusive learning and development

This domain is concerned with access to lifelong learning as individuals, teams and citizens; promote a culture of self and team development and sharing learning from successes and failure; and, inclusive career pathways and talent management.



- The Trust offers apprenticeships to support the development needs of existing staff and to support new staff to learn whilst gaining employment skills and as a route into a career path at the Trust (Accrington graduates)
- Improved preceptorships in secure mental health services
- Through our occupational therapy teams, service users have been supported to gain new skills by working in the café at The Harbour, manning the shop and taking part in recognised training courses
- Health Informatics launched a training portal called 'traineasy' for all staff to access for their training needs
- The OD Team coordinated a programme of onboarding sessions for all senior managers in the clinical networks following the organisations reset
- The OD Team has lead on introducing a coaching culture into the organisation A cohort has been recruited and the team is currently organising training and supporting their development ready for the programme launch in 2018
- The Quality Academy has launched a Quality Improvement programme to address the system for reporting training compliance against a competency based training needs analysis for the whole of the organisation

5. Developing leaders at all levels

This domain focuses on the development of compassionate and inclusive leadership; strengthening connections and collaboration via communities of practice; and, the measurement and review of leadership style and impact.

- The OD Team delivers Leading For High Performance 2 day workshops supporting people leaders and people managers
- The CWB Network SMT have been visiting teams to increase visibility and help staff feel connected to the network and organisation
- The OD Team is leading the localisation of the Mary Seacole Programme for South Cumbria and Lancashire which will launch in 2018 and will support new managers or people who aspire to be in a leadership position at the Trust
- A programme for clinical leaders will be launched in early 2018 aimed at those with line management of wards/ community teams with a focus on self-reflection, action learning and peer support
- Coaching and mentoring will be formally launched and coaches will be upskilled as trainers to deliver coaching skills courses for leaders and managers
- Leadership: 'Our People' was the focus for the most recent Engage session with exercises to get people to think about the behaviours they admired in their own leaders and how their own behaviours impacted others. We will use the intelligence we got from the session to frame the work we will do on, for example, the Leadership Behaviour Framework
- Leadership: We have commissioned an external provider (Impact Consulting) to work with our Board who will undertake a 360 development review. This is linked to the



feedback from staff survey and the need for values based leadership to be role modelled and led from the top

- Leadership: The North West Leadership Academy has sent out further Comms around Mary Seacole localisation for our STP footprint. We have lots of interest internally however there has not been as much from other organisations. Some have their own internal training already, but we now have the requisite number of facilitators pledged to be able to do this so are pushing on all fronts to try and make this happen. There continues to be good levels of interest internally and there is growing interest in the Pennine Lancashire footprint

6. Unleashing the power of teams

This domain is aimed at the development of team based #PeoplePlans reflecting on team priorities for wellbeing and quality; team coaching to ensure we develop 'real teams' that can self-organise; and, the development of team resilience so we can adapt, collaborate and use teams as assets as we drive collectively for wellbeing.

- Team development sessions have taken place across the networks as well as a programme of 'Leading for High Performance' for team leaders using evidence based tools and positive psychology to build engagement and increased agency for change
- The OD Team worked with staff and Chorley Council to ensure that the teams were integrated and worked well together as part of one new wellbeing service for the area
- Lots of teams have implemented creative meetings such as 'lunch and learns' to share skills and knowledge across their team in an informal setting and breakfast or walking meetings
- Guidance to support staff to build a more inclusive team has been developed
- Teams are supported to hold huddles and take part in weekly leadership Skype calls

We have also looked into an alternative provider for the Staff Survey and are awaiting a decision on which provider to use next year so that we can be far more responsive and also provide 'pulse checks' throughout the year which our commissioners are very keen on. An Action Plan has been agreed to achieve an increased response rate in staff survey.

7. Shared vision and values

This domain is about the development of a values based behaviour framework; alignment of objectives and motivations at an individual, team and organisational level; and, communicating in ways that really develop connections and meaning.

- A coaching programme has been developed and cohort 2 is well underway with a formal launch planned utilising a digital platform.
- The Organisational Development (OD) Team has refreshed the Trust's corporate induction element to ensure the content is based around quality as our number one priority and the Trust values Each director has a video slot on the session discussing their remit and the OD Team then facilitates a conversation around that content, bringing in quality and the values The team has also weaved the vision and values into all of their programmes to help bring them to life for teams



- All teams are supported to organise an away day for their teams and the OD Team facilitate these and create an overall vision, action plans and agreed behaviours for the teams based on what they have heard about the work that the team does throughout the day
- An induction took place recently for teams joining us from Southport and Formby and this was underpinned by the Trust values as a way of introducing the team to our approach at Lancashire Care
- The Mental Health Network has introduced 'Ask Leon and Lisa' as a channel for staff to ask questions about something they may be worried about or something they want to find out more about and their own engagement survey.
- The Community Wellbeing (CWB) Network has introduced a certificate of appreciation (in addition to Shining Star of the Quarter) which is given out each month with some chocolates to individuals who have gone the extra mile
- The CWB Network Newsletter now includes patient stories as a focal point for what the network is all about

8. Planning for success

This domain represents a commitment to accelerating QI through greater engagement and team development; targeted support and alignment of support services; and, creating the conditions for greater innovation, collaboration and resilience.

- 79% of staff have had their Performance Development Review (PDR) conversations and the system is designed to facilitate conversations around the shared objectives
- The Life QI system is now available for all of the Trust's Quality Improvement Projects to be saved and managed; it will play a key part in our journey to embed Quality Improvement across the organisation and in achieving our quality outcomes, in particular 'Always being the best that we can be'
- The OD Team often looks at roles within teams to help bring clarity and understanding They also formulate high level objectives and an action plan using a 4D (Discover, Dream, Design, Destiny) approach to help teams achieve them
- HR data is used to focus on development and improvements such as staff sickness, PDRs and a full workforce report is provided to support the networks to understand this for their teams
- The OD Team works with teams specifically to look at the work they do to help them be clear about their role, responsibilities and accountability

9. Enabling and supporting wellbeing

This domain focuses on promoting physical health and mental wellbeing; strong partnership working and supporting staff through change; and, developing people-centred processes built on trust and a just and learning culture.

- Shining Stars has been introduced to recognise staff who go the extra distance to make a difference and as a way of thanking your colleagues People who have been recognised are now selected as Employees of the Quarter



measurement and review of leadership style and impact.

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- The OD Team is leading the localisation of the Mary Seacole Programme for South Cumbria and Lancashire which will launch in 2018 and will support new managers or people who aspire to be in a leadership position at the Trust
- A programme for clinical leaders will be launched in early 2018 aimed at those with line management of wards/ community teams with a focus on self-reflection, action learning and peer support
- Coaching and mentoring will be formally launched and coaches will be upskilled as trainers to deliver coaching skills courses for leaders and managers

12. Unleashing the power of teams

This domain is aimed at the development of team based #PeoplePlans reflecting on team priorities for wellbeing and quality; team coaching to ensure we develop 'real teams' that can self-organise; and, the development of team resilience so we can adapt, collaborate and use teams as assets as we drive collectively for wellbeing.

- Team development sessions have taken place across the networks as well as a programme of 'Leading for High Performance' for team leaders using evidence based tools and positive psychology to build engagement and increased agency for change
- The OD Team worked with staff and Chorley Council to ensure that the teams were integrated and worked well together as part of one new wellbeing service for the area
- Lots of teams have implemented creative meetings such as 'lunch and learns' to share skills and knowledge across their team in an informal setting and breakfast or walking meetings
- Guidance to support staff to build a more inclusive team has been developed
- Teams are supported to hold huddles and take part in weekly leadership Skype calls

Staff Engagement

Engage Events

The Chief Executive's engage events take place each quarter for existing leaders and aspirant leaders are invited to join the event on a bi-annual basis. The forum provides an update on the current priorities, progress against them and it also serves to enable attendees to feedback their thoughts to the Executive team. The events are led by the Chief Executive with input from the wider Executive Team and time for networking and questions from the floor are built into each event. The theme for each event is directed by the organisation's strategy and includes an update from the wider health economy in relation to involvement in the Sustainability and Transformation Partnership for Lancashire & South Cumbria.



Health and Wellbeing

Lancashire Care NHS Foundation Trust continues to recognise that the health and wellbeing of its people is essential in supporting the delivery of high quality care. Our Health and Wellbeing programme ensure that wellbeing is integral to the employment experience, with one of our quality outcomes stating 'People are at the heart of everything we do'.

Our Quality Plan outlines the commitment of Lancashire Care NHS Foundation Trust achieving the Workplace Wellbeing Charter, good progress has been made and it is envisaged that accreditation will take place in 2018. Additionally, the People Plan recognises health and wellbeing as a golden thread and its collaborative implementation remains a key focus.

The commitment to identify Health and Wellbeing Champions in our Networks and across Support Services has seen numbers increase to over 350. These Champions continue to receive monthly newsletters and promotional information, more recently the focus has been supporting mental wellbeing with mental health days and campaigns such as 'Time to talk' generating activity and promotion. A Statement of Intent for Healthy Eating has been developed and disseminated; a Champions Forum focusing on this is planned.

Engagement and input to Network People and Leadership meetings continues to raise the importance of health and wellbeing, generate activity and assurance reporting. Work to achieve the National Staff Health and Wellbeing CQUIN 2017/18 is supported by a plan of activity with progress and impact reported quarterly. Our annual Trust Health and Wellbeing Survey was completed by 1333 participants (over 20% of the workforce). Findings were similar to previous years and respondents made helpful suggestions around improvements that could be made. These are currently being analysed further and where feasible will be incorporated into future planning. The first Lancashire 'Time to Talk about Wellbeing at Work' conference took place on 8th February 2018. This partnership event with Lancashire MIND celebrated best practice and provided opportunities for networking. Feedback was very positive. Finally, links with the Central University of Lancashire will support a photography student project considering 'A good day at work' with images featuring in our NHS70 celebrations.

Awards/Achievements

Lancashire Care NHS Foundation Trust is proud of the awards received and achievements made over the last year, below are examples:

Children and Young People

A member of the Crew won the Volunteer of the Year award at the National Positive Practice in Mental Awards ceremony in December 2017.



The volunteer has been heavily involved in supporting the work of recruiting and selecting the best staff to work with young people and families. She is an asset to The Crew and has continued to support this work,



whilst at the same time at College training to be an actor.

"She shows such dedication and commitment as a volunteer with The Crew and is passionate about the standards of care we all aim to achieve, especially around improving the quality of food provision in inpatient CAMHS"

Community Health and Well Being

The Diabetes specialist nurses (DSN), diabetes specialist dietitian and diabetes consultant have worked with CCG, Primary care staff and LCFT staff to develop an integrated diabetes model. This was nominated at the 2017 NHS England - CCG

The introduction of a new model for diabetes care was introduced by the Diabetes Service in partnership with Lancashire Teaching Hospitals NHS Foundation Trust, Greater Preston CCG, Chorley and South Ribble CCG and primary care colleagues



The model has consisted of reducing the numbers of hospital consultant appointments by upskilling practice nurses and GPs in primary care to enable them to monitor for more complex Type 2 diabetes patients. The model also sees the specialist team further develop services such as increasing the insulin pump service, transitional and young person clinics and antenatal and diabetes foot clinics.



An Adult Community Physiotherapist won the CSP Annual Representative Conference CSP Steward of the Year 2017. The Award ceremony took place in March 2018 and the Physiotherapist who is a CSP steward at Lancashire Care was recognised for supporting a member of the society through a particularly challenging time.

Mental Health



The Trust's Mental Health Network and Finance Department won the Innovation Award at the HFMA National Healthcare Finance Awards in December 2017.

They were recognised for their engagement between departments and system partners to grow an understanding of a complex problem. The alternative





models to bed admissions were extremely successful from a financial and non-financial (best for patients) perspective. These alternatives saved the Trust £8.9m on OAP costs. The panel noted the significant financial benefits achieved in collaboration with stakeholders and excellent support throughout from the finance team.

Support Services

The Risk and Assurance team were finalists at both the HSJ awards and the iNetwork – Connected Procurement and Commissioning Award with their Knowledge Legal and Advice Centre (KnowLA) work.



Following the Carter review the Trust looked at ways to reduce costs and increase efficiency in legal expenditure. The introduction of KnowLA aims to reduce unnecessary repetition of spend on legal advice. The ambition of sharing knowledge and best practice speeding up solutions to legal issues, freeing clinicians' and managers' time, as access to information and advice needed is at the touch of a button.



An in-house virtual learning community for Mental Health Pharmacists have been nominated in March this year for the HSJ Value Awards in Education and Training.

The in-house pharmacy education program will share the wealth of knowledge accrued by senior mental health pharmacists with a geographically disparate group of junior pharmacists. This online virtual learning environment (VLE) promotes an online resource repository with the main aim of this project to drive continued improvements in patient experience and care, through the exchange of knowledge and ideas between clinical mental health pharmacists.



Lancashire Clinical Research Facility was nominated at the North West Coast Research and Innovation Awards in March this year for its outstanding achievement in

offering the population of Lancashire greater access to research opportunities. The partnership facility has gained NIHR funding and expanded its portfolio of complex clinical trials in a variety of conditions.



The WRaPT (Workforce Repository and Planning Tool) team were highly commended at the HSJ Partnership Awards in March 2018 for their partnership working with GE Healthcare to deliver workforce planning solutions across health and social care. The WRaPT team is commissioned by Health



Education England and currently hosted by Lancashire Care NHS Foundation Trust to primarily work across the North West, however our reach is broad and we are involved in several projects across the country. The team brings together expertise from multiple backgrounds i.e. clinical, analytical, project management and workforce planning to deliver effective solutions based on each organisation's needs / requirements.

STAFF AWARDS 2018

Around 300 members of staff attended this year's Staff Awards Ceremony which took place on Friday 23 March at the Village Hotel in Blackpool to celebrate the past year's successes and achievements.

Congratulations to all of the teams and individuals who received an award and well done to everyone who received a nomination!

Awards were presented in the following categories with congratulations to all winners and highly commended entrants:

- Compassion Quality Improvement Award
- Compassionate Care and Kindness Award
- Teamwork Frontline Team of the Year
- Teamwork Support Team of the Year
- Accountability Partnership Working Award
- Respect Improving Patient Experience Award
- Living the Values Award
- Excellence Research and Innovation Award
- Integrity Emerging Leader Award
- Amazing Care Award
- Shining Star of the Year
- Overall Award for Excellence



Annex: Statements from Healthwatch, Overview and Scrutiny Committees and Clinical Commissioning Groups

Healthwatch (Lancashire)

Although we are unable to comment on this year's Quality Account we are keen to engage and maintain an ongoing dialogue throughout 2018/19.

Healthwatch Sefton

Healthwatch Sefton would like to thank the Trust for the opportunity to comment on the draft Quality Account 2017 – 18 (early draft 1b). As per the regulations, Healthwatch Sefton was not sent a copy of the draft account direct. Consequently, we have not had the full 30 days to review the account and draft this commentary. We attended a session (25/04/18) with members from the Sefton MBC Overview & Scrutiny Committee (Adult Social Care & Health) where we had a presentation of key points within the account and were able to share comments and questions. Although not within the Quality Account, within the presentation it was cited that 'a partnership with the Sefton CVS has been developed. Two cohorts of a care coordination pilot have been completed and have worked in partnership with six practices in Southport. In checking this locally with Sefton CVS, if included within the final version of the account we would like to see it worded as 'A partnership with Sefton CVS/ Brighter Living Partnership has been developed. Two cohorts of a care coordination pilot have been completed and have worked in partnership with six GP practices in Southport.'

We have worked with the trust from May 2017 when they took over the provision of community services for Southport and Formby and we welcomed the acknowledgement of this on page 208 of the account. It was disappointing however to see no examples or references to the work we have undertaken with the Trust. For example, supporting engagement with local residents to gather feedback on the Podiatry service. We have also been able to share contact details of local groups to support the trust's wider engagement across Southport & Formby.

We also have regular attendance from the Trust at our Southport & Formby Community Champion Network meetings. In addition, we were able to promote the vacancies of public governors and it was great to see that two of our community members were voted in as governors.

It was pleasing to see that the Trust invest in a public friendly version of the account, publishing a 'Quality Story', and we would welcome an invitation to the conference which is being planned.

In reviewing the information relating to the outcomes from clinical audits the need to ensure there is a consistent approach to the correct diagnosis of pressure ulcers within podiatry (71% compliance) was noted. It is great to see that the trust considers this as a key quality priority and that it will remain a priority for 2018/19.

A key focus of our work is to capture and share patient feedback and therefore domain 4: Ensuring that people have a positive experience of care is important for us to consider. We note that this was not fully achieved but acknowledge the plan for the next 12 months to



improve this area. We would welcome work in this domain to also include plans for Southport and Formby community services.

We are aware that the Trust provides a wide range of services and in reviewing the account felt that more information could have been included on the mobilisation of community services. We have asked if the priorities for 2017/18 could indicate which services the priorities will cover. This will help the reader in knowing what priorities have been set for Southport & Formby services.

It would have been great to have read about the outcomes of Patient Led Assessments of the Care Environment (PLACE) within the account.

In terms of readability, although there will be a summary version, the account which is a public document could improve to help lay readers understand the content. For example the use of symbols for more than '>' and less than '<' are used throughout the document and percentages are provided without any reference to the number this relates to. A review of readability from a lay perspective would help to improve this document.

In working with the Trust over the next 12 months, we have a draft report which will be shared with the Trust on the continence service which is delivered across Sefton and we will look to review services at Ainsdale Centre for Health & Well Being as we have reviews on our feedback centre which have showed an emerging trend which relates to problems in contacting community services within the centre.

Healthwatch Sefton will continue to work in partnership with the Trust to support the ongoing work to improve the overall care and services provided.

Diane Blair
Healthwatch Manager

Overview and Scrutiny Committees

Blackburn with Darwen Borough Council

Although we are unable to comment on this year's Quality Account we are keen to engage and maintain an ongoing dialogue throughout 2018/19.

Blackpool Council

Blackpool Adult Social Care and Health Scrutiny Committee

Blackpool Adult Social Care and Health Scrutiny Committee welcomed the opportunity to comment on the Lancashire Care Foundation Trust's (LCFT) Quality Accounts (QA) which Members found interesting to read albeit quite long and wordy. This point was made last year so whilst recognising that the Trust has to follow a somewhat prescriptive supply of information, it would be innovative and helpful if a short executive summary could be included. Members did note that the Trust is proposing to involve people in developing an



interactive web-based 'Quality Story' which may equate to an executive summary. Whilst this is welcomed an 'ordinary' executive summary may still prove useful.

The Committee recognises the importance of involving the public and other stakeholders in helping promote health improvement through delivering safe and quality clinical services which involve patients ('patient experience').

Members have limited specific comments on the QA content in terms of quality, progress etc. as such performance issues are considered in-year rather than waiting for the QA so general comments are provided on report format (readability etc).

However, Members were pleased that LCFT had secured an overall improved 'good' rating from the Care Quality Commission albeit improvement was still needed in some key areas such as 'safety' so it is hoped effective progress has been made with your Quality Plan. Members understand that the Trust is planning to develop a long-term improvement plan for sustained improvements which go beyond the Commission's recommendations which is welcomed. Members also noted that national and local funding, dependent on making improvements, has been secured.

Please find below a summary of key points Members would like to raise:

1. LCFT works with patients, who have complex difficulties, so a QA with pictures and language that patients can easily follow would be welcome, e.g. 'you said, we did'. Members did welcome the new initiatives to encourage and capture people's feedback including younger people, including the 'we hear you' survey and team, and also the work with voluntary sector disability representatives to produce disability and accessibility guides. The addition of a services structure chart outlining key service areas may be useful.

2. LCFT covers a wide county. The QA needs to be easy to follow and relevant to Scrutiny Committees and the public so making them as concise as possible is necessary. Furthermore the QA needs to be structured so that it covers localised services.

There is limited explanatory reference to clinical commissioning groups and any other commissioners of the Trust's services. This would be helpful also as service users should be involved in the planning and commissioning of services.

Members have welcomed the opportunities for regular in-year engagement with the LCFT which Scrutiny has appreciated as a more effective real-time approach to assurance and health improvement than an annual report.

The Committee also hopes to make use of the QA information to help inform future meetings concerning The Harbour and/or other relevant LCFT services.

On a general point, Members hope staff are fully supported in their roles including good networks to turn to. This is important in terms of staff being fully able to support vulnerable people and keep staff illness and turnover to a minimum. It is understood that there are recruitment issues at LCFT but Members hope that any impact on services for patients has been mitigated against.

Members are aware that some countywide services provided by the Trust may be, or are now being, delivered by other providers so it is important that the Trust plans effectively for



any potential change to ensure that sustainable services are maintained and any handover/transition is smooth not impacting on service users.

Members welcome the Trust's offer to meet and discuss progress with priorities for the current year, 2018-2019, and will consider whether there is scope to include this within the Committee's work programme. An opportunity to visit The Harbour and better understand the working/care environment has also been expressed as of interest to Members.

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 LCFT for the benefit of patients.

Councillor Jim Hobson (Chairman), on behalf of the Blackpool Adult Social Care and Health Scrutiny Committee

Lancashire County Council

Although we are unable to comment on this year's Quality Account we are keen to engage and maintain an ongoing dialogue throughout 2018/19.

Sefton Council

Members of the Committee met informally on 25 April 2018 to consider your draft Quality Account, together with representatives from Healthwatch Sefton and from the local Sefton CCGs. We welcomed the opportunity to comment on your Quality Account and I have outlined the main comments raised in the paragraphs below.

The following representatives attended from your Trust to provide a presentation on the Quality Account and to respond to our questions on it:-

- Anne Allison, Associate Director of Quality and Experience; and
- Carmel Jones, Lead Nurse for Southport and Formby Locality.

We had chosen to comment on the Trust's draft Quality Account, insofar as it relates to community health services in the north of the Borough, as we were aware that the Trust took over as the Provider comparatively recently.

We received a presentation from the Trust representatives outlining the following:-

- Explanation of the Quality Account;
- What it must contain;
- "Our quality story";
- Quality improvement priorities 2017/18;
- Priorities for improvement 2018/19; and
- Specific information on Southport and Formby community services.

We asked questions and commented on "react to red"; the 5 always events; harm from violence; levels of reporting from staff and any over-riding issues; safeguarding; training of staff; learning from deaths; serious incidents; the importance of compliments to staff; learning from complaints; feedback from users; audit results and baseline figures; and percentages regarding the effectiveness of patient safety.



I reported that Aintree University Hospital NHS Foundation Trust requests feedback from patients after a month of discharge as some users are fearful of complaining when they are within the system.

We discussed the experience of staff previously employed by Southport and Ormskirk Hospital NHS Trust, who had been transferred to your Trust when it took over as the Provider. We raised the importance of gaining their trust and of bringing teams together, in order to create a feeling of “belonging” within them.

The representative from the Sefton CCGs considered that the Quality Account was light in terms of illustrating activity for patients in Southport and Formby.

On a similar point, the Healthwatch Manager raised issues in relation to illustrating the impact on Southport and Formby services and felt that more was required within “Priorities for 2018/19” on reviewing services in Southport and Formby, in order to illustrate to the reader which services affected Southport and Formby residents. We were advised that narrative could be added to reflect this.

Healthwatch drew attention to the “Priorities for Improvement – Looking Forward 2018/19” and to the five teams from across the organisation that will work to address the issue of staff satisfaction and morale by running improvements projects. It was considered that it would be useful to include a breakdown of the teams, and suggestions in relation to this aspect were made.

We also considered that some of the percentages, symbols and information yet to be included within the document did not really contribute to making it user-friendly for the reader, although we do appreciate that much of the information required is mandatory content.

The CCG representative considered that the Quality Account appeared to be still focussed primarily on Lancashire and drew attention to the fact that Southport and Formby Community Services fits within the wider services provided by Cheshire and Merseyside and that the footprint should be strengthened. He considered that it was important to set the context as the focus has now shifted.

We discussed the Formby Clinic in Phillips Lane and our concerns regarding the possible removal of the treatment room, reminding Trust representatives that any potential closure could be deemed to be a substantive change. We were advised that there were no plans to withdraw services from Formby Clinic, rather that consideration is being given to the treatment rooms in terms of best practice. I advised that the Trust should communicate better the positive work being undertaken there and I provided a leaflet outlining some of the services there.

We very much appreciated the opportunity to scrutinise your draft Quality Account for 2017/18 and were grateful for attendance at our meeting by Trust representatives. I hope you find these comments, together with the suggestions raised at the meeting, useful.



Councillor Catie Page

Chair of Sefton Council's Overview and Scrutiny Committee (Adult Social Care and Health)

Clinical Commissioning Groups (CCG)

NHS Blackburn with Darwen Clinical Commissioning Group

Blackburn with Darwen and East Lancashire Clinical Commissioning Groups (CCGs) welcome the opportunity to comment on the draft 2017/18 Quality Account for Lancashire Care Foundation Trust (LCFT).

At the time of writing, the most recent inspection rating by the Care Quality Commission (CQC) was published in January 2017, where LCFT received an overall rating of 'Good'. The CCGs are aware that the CQC has recently inspected services at LCFT and the inspection report is currently with the Trust for factual accuracy.

On 4th and 5th December 2017, the CQC visited the Mental Health Crisis Services and health based places of safety (136 suites) and an inspection report was published on 20th February 2018. LCFT have shared detail on the findings of the report which identified that patients admitted to the 136 suites were unlawfully detained beyond the legal timeframe for their detention and mental capacity assessments were not always formally recorded. Patients were not always given their rights under the Mental Health Act in line with the code of practice guidance. An action plan has been submitted to the CQC and shared with the CCGs who are committed to working with the Trust to address any outstanding areas for improvement highlighted by the CQC. However, it is the expectation of the CCGs that this is a key action in the overall CQC plan going forward

Quality Priorities for 2017/18

Within the 2016/17 Quality Account the Trust identified four quality improvement priorities for 2017/18.

1. People who deliver and support the delivery of services are motivated, engaged and proud of the service they provide
2. People who use our services are at the heart of everything we do: all teams will seek the views of service users and carers to inform quality improvements
3. People who use our services are at the heart of everything we do: care will be safe and harm free
4. A quality focused culture is embedded across the organisation: services are well-led and we are all working together to always be the best we can be

It is acknowledged that the Trust has undertaken a number of initiatives and strategy developments to further support these priorities throughout 2017/18, and will continue to develop these quality improvement initiatives into 2018/19. These include learning from serious incidents and feedback, to improve care and drive quality improvement. The CCGs welcome the invitation to sit on the monthly LCFT Serious Incident Learning Panel (SILP) and support its on-going development to ensure lessons are learned from incidents within the Trust.



The CCGs support the introduction of the Life QI system, a quality improvement tool, which is available for all LCFT staff members to propose, plan, monitor and review areas of quality improvement. The Trust's development of its Always Events programme is commended and the CCGs are keen to support the advancement of these initiatives in 2018/19.

The CCGs recognise the hard work and commitment of staff and congratulate them on their HSJ award nominations and recognition of staff achievements through the LCFT Staff awards, which is well deserved.

Mental Health Harm Free Care data has been presented in the draft Quality Account which demonstrates non-achievement of the aspirational target set by LCFT to achieve 90% harm free care. Achievement is reported as 83% and the CCGs would welcome narrative to support areas of non-compliance and actions being taken to improve this position.

The CCGs are pleased to see a decrease in violence related incidents reported from November 2017 but note the increase on this position for March 2018. The CCGs are committed to working with the Trust in reviewing hotspot areas and levels of harm and welcome review of the outcomes relating to the impact of the new model violence reduction training, currently being piloted at the Cove.

Ongoing improvements in reducing restrictive practice is acknowledged by the CCGs and we look forward to working with the Trust to analyse outcomes as a result of quality improvement initiatives.

Indicators and CQUIN 2017/18

At the time of receiving the 2017/18 Quality Account, the Month 12 Quality and Quarter 4 CQUIN information was not documented in the account, however, the CCGs understand, following review of Quarter 4 requirements submitted directly to the CCGs, that LCFT have achieved 7 of the 9 national quality indicators mandated in the NHS Standard Contract. Duty of Candour requirements and the Early Intervention Psychosis (EIP) indicator have seen challenges in delivery and the CCGs continue to support LCFT in achieving compliance of these indicators.

The CCGs commend LCFT on the work undertaken which focuses on the Early Intervention in Psychosis (EIP) programmes following identification of underperformance and reporting issues during the 2017/18 contract year. The CCGs were delighted to note that recovery of the EIP indicator was achieved at Trust level in March 2018, and anticipates that through the hard work of the team, this position will be sustained.

LCFT have reported a number of challenges with data collection throughout the 2017/18 contract year which has impacted on review and reconciliation of quality indicators and performance data. The CCGs are pleased to note that a number of these challenges have been rectified, however due to data collection mechanisms, challenges remain in some areas; in particular, the unscheduled care data where collation is a manual collection, and in areas where interrogation and reporting templates are not standardised in the IT software. The CCGs welcome the roll out of the new IT system, which commenced in February 2018, and a programme for implementation across services is planned.



Core Quality Account indicators have been reported in the draft Quality Account and the CCGs are pleased to note that LCFT are on track to achieve compliance with the following indicators;

- 95% of patients on Care Programme Approach who are followed up within seven days of discharge from psychiatric inpatient care
- 95% of admissions to inpatient services for which the Crisis Resolution Home Treatment Team acted as a gatekeeper.

The CCGs note the deterioration in the score with regard to 'patient's experience of community mental health services' in 2017. Although this performance score of 6.9 is in line with the national average, it is disappointing to note the deterioration from the 2016 score of 7.5 and the CCGs are pleased to see this being addressed through the Always Event approach.

The most recent patient safety incident data taken from the National Reporting and Learning System (NRLS), for the period 1st October 2016 – 31st March 2017, demonstrates a reduction in the rate of patient safety incidents at LCFT following a steady increase over the previous 18 months. However, this remains above the national average rate, which LCFT advise is due to a maturing safety culture where staff are encouraged to report incidents when they arise. The CCGs support the openness of incident reporting and would expect to see an increase in reported incidents of no or low level harm.

The CCGs are concerned to note the percentage of patient safety incidents resulting in severe harm has increased consistently during the last 18 months of published NRLS data to 1.5%, from 0.2% during the 1st April 2015 – 30th September 2015 period. This is compared against a national average of 0.3%. LCFT also report that the percentage of patient safety incidents resulting in death has increased from a maintained position of 0.1%, to 0.7% during the most recently published data period. This remains slightly below the national average of 0.8%. The CCGs will work with the Trust to understand and address the underlying factors contributing to this increase.

The CCGs note the partial update provided in the draft Quality Account in relation to the mandatory disclosure requirements relating to 'Learning from Deaths'. Therefore the CCGs are unable to comment on the entirety of this element of the Quality Account but will continue to support LCFT with this requirement.

At the time of writing, progress against the cardio-metabolic assessment and treatment for people with psychosis has been submitted to the National Audit of Psychosis and the national report is awaited. Information has been submitted to CCGs in relation to the national CQUIN indicators. And performance has been submitted for a cohort of service users, however does not cover the early intervention in psychosis services cohort. The requirements of the CQUIN were partially met in relation to the inpatient wards cohort but are being fully met for the community mental health services cohort.

Inappropriate Out of Area Placements data has been included for January – March 2018, of 1513 occupied bed days. The CCGs note the target of 1395 occupied bed days for Quarter 1



2018/19 and will continue to support LCFT in implementing schemes to reduce out of area placements.

The CCGs would welcome an update on performance relating to 'admissions to adult facilities of patient under 16 years old'. As this indicator was not available for review in the draft report, the CCGs are not able to comment on this indicator.

The CCG is pleased to note achievement of the percentage of people moving to recovery as a proportion of those who have completed a course of psychological treatment for Pennine Lancashire CCGs at Quarter 3, and supports the actions taken to improve the recovery rates. Referral to treatment targets for service users entering treatment within 6 weeks and 18 weeks have also been achieved.

LCFT have advised of an error in the draft Quality Account regulations relating to readmissions within 28 days of discharge. Patient split was documented as ages 0-14 and 15+; this has been amended to ages 0-15 and 16+. The CCG are unable to comment on this data as LCFT are currently updating this to reflect the changes.

The CCGs are aware that LCFT continues to encourage the receipt of patient feedback via national surveys, the Trust's real time feedback system, the Friends and Family Test (FFT), and complaints and compliments via the Hearing Feedback Team. The CCG commends the introduction of the Sit and See programme during 2017/18 and has invited LCFT to share updates on the programme through the monthly Quality and Performance Meetings.

LCFT has participated in 100% of National Clinical Audits and 100% of National Confidential Enquiries.

Priorities for 2018/19

The CCGs support the priorities set out for 2018/19 within the Quality Account and welcomes the continued development of quality improvements, with particular reference to supporting staff to feel motivated, engaged and proud of the service they provide, addressing a number of issues highlighted in the 2017 NHS Staff Survey.

The CCGs look forward to continuing to work with LCFT over the coming year to ensure that the services commissioned are of a high quality standard and provide safe, patient centred care.

Dr Malcolm Ridgway

Clinical Director for Quality and Effectiveness Deputy Chief Officer Blackburn with Darwen CCG

Mrs Jackie Hanson Chief Nurse and Director of Quality

NHS Chorley and South Ribble Clinical Commissioning Group

Chorley and South Ribble Clinical Commissioning Group (CCG) welcomes the opportunity to review the community contract element of the Quality Account for Lancashire Care NHS Foundation Trust (LCFT) for 2017/18.



Following the Care Quality Commission (CQC) inspection in September 2016, the CCG and LCFT recognised that improvements were still required, specifically in relation to the provision of safe and effective community health services. Throughout 2017/18 the CCG has worked in partnership with LCFT in order to ensure the delivery of the CQC recommendations. The 'well led' CQC inspection took place in January and February 2018 and the release of the published report is expected at the end of May 2018.

The CCG has worked with LCFT to develop a collaborative and systematic approach when undertaking contractual quality assurance visits to ensure the alignment of priorities and reduce the burden on services. In 2017/18 there have been three quality assurance visits to the Care Home Effective Support Service (CHESS), the Children's Integrated Therapy and Nursing Services (CITNS) and the Treatment Room at Blackburn with Darwen. These visits have identified many areas of good practice, but have also identified the challenges faced by staff along with some areas for improvement.

Unfortunately, a Never Event has been reported in 2017-18 which involved a medication incident. The CCG recognise that LCFT implemented immediate actions in response to this event in order to ensure patient safety. The CCG looks forward to receiving the final report in response to this event.

It is positive to note a number of quality initiatives which the Trust has implemented throughout 2017/18, including improvements that have been instigated as a result of the Serious Incident Learning Panel. This has enabled a collaborative and proactive approach to enhance learning from serious incidents.

Furthermore, the CCG is pleased to note the continuation and further development of quality initiatives such as Good Practice Visits, Schwartz Rounds, Dare to Share, Time to shine and Always events.

Delivery of the Harm Free Care agenda is at the heart of quality service provision for LCFT. Although they have not met their aspirational reduction targets for both grade 3 and grade 4 pressure ulcers, the CCG recognise that reducing the prevalence of pressure ulcers remains a priority for LCFT. Their focus on continuous improvement has resulted in the development of the Safety Senate and the continued roll out of the React to Red initiative in partnership with key stakeholders across the health economy. The CCG would like to thank LCFT for their outstanding contribution and support with this initiative.

Workforce issues remain a significant challenge. Of particular concern is the impact of this on the smaller services. The CCG acknowledges the plans LCFT has put in place to try to address these challenges and continues to work with, and support, the Trust in identifying services which may be affected in the future. This will ensure that support is in place for staff and that patient safety maintains a priority.



Mandatory and statutory training compliance remains an area of concern. However, the CCG recognises the significant improvements that have been made in this area and look forward to further improvements in 2018-19 to ensure the sustainability of this improving position.

The CCG and LCFT were disappointed that the results of the NHS Staff Survey indicated a deteriorating position and that there are many areas for improvement. However, the CCG has been informed that the community element of the staff survey has not deteriorated as much as the overall survey would indicate. The CCG also acknowledges that LCFT recognises the importance of staff experience in the provision of high quality care and that a People Plan has been developed in order to improve staff engagement, development and satisfaction.

Despite these challenges the CCG is pleased to note that services and individual staff have received and / or been nominated for a number of local and national awards. These awards are evidence of an organisation that continues to be proactive in seeking to put quality and innovation at the heart of service provision.

During 17/18 LCFT participated in 5 national CQUIN schemes:-

- Staff Health and Wellbeing.
- Preventing ill health by risky behaviours (alcohol and tobacco).
- Improving the assessment of wounds.
- Personalised care and support planning.
- Supporting proactive and safe discharge.

The CCG acknowledges the national schemes have been challenging, however, it is positive to note the work that has been undertaken. At quarter 3 reconciliation LCFT had fully achieved 4 out of the 5 schemes, with a partial achievement of the remaining scheme.

During 18/19, LCFT will continue to participate in the national schemes. It is positive to note that LCFT wish to continue to support safe discharge for local patients and have agreed a local CQUIN scheme to continue this work.

The CCG welcomes the continued efforts by LCFT to improve patient experience through obtaining feedback and responding accordingly. The CCG recognises that a key priority for LCFT is to co-design improvements with people who use their services, their carers and families in order to understand what matters to them.

The CCG looks forward to working with the Trust during 2018-19 in order to achieve the requirements of the nationally mandated Integrated Care Partnership. The CCG remains committed to working together to realise the planned quality outcomes and continuous improvement in care for the local population.

Denis Gizzi
Chief Officer



Amendments Made to Initial Draft Quality Account Following Feedback from Stakeholders

Lancashire Care NHS Foundation Trust welcomes the positive feedback and ideas for improvement we have received on the format and content of the Quality Account this year. All comments received have been reviewed with, where possible, immediate additions and updates to the narrative made. Examples include:

The narrative section which support the quality improvements associated with the Harm Free Care goals has been reordered to more clearly illustrate the improvements underway.

The performance relating to 'admissions to adult facilities of patient under 16 years old' is now included. In addition the data relating to readmissions of children and young people within 30 days has been reviewed, updated and validated.

Additional narrative has been added in part 2 to acknowledge the examples of partnership work in Southport and Formby.

Providing clarification that in conjunction with our Annual Report, the Quality Account gives an overview of the work we do, the range of our activities and current performance and that in addition we are hosting our second Quality Improvement conference in May 2018 which will inform the development of "Our Quality Story". This will be shared in a variety of public friendly styles and will complement the Quality Account.

The remaining comments will be considered as part of the review process in 2018/19. Lancashire Care NHS Foundation Trust welcomes the invitations to work collaboratively with stakeholders to provide feedback on the quality priorities and the development of the 2018/2019 Quality Account.



External Audit Statement

Independent Auditor's Report to the Council of Governors of Lancashire Care NHS Foundation Trust on the Quality Report

Statement of Directors' Responsibilities in Respect of the Quality Report

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 the 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:
 - Board minutes and papers for the period April 2017 to 25/05/18
 - papers relating to Quality reported to the board over the period April 2017 to 25/05/18
 - feedback from commissioners dated 02/05/18 and 03/05/18
 - feedback from local Healthwatch organisations dated 30/04/18
 - feedback from Overview and Scrutiny Committee dated 30/04/18 and 02/05/18
 - feedback from governors dated 13/02/18
 - the Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, date May 2018
 - the 2017 national community mental health patient survey
 - the 2017 national staff survey
 - the Head of Internal Audit's annual opinion over the trust's control environment dated 25/05/2018
 - CQC Inspection Report dated May 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 NHS Improvement's annual reporting manual and supporting guidance (which incorporates the Quality Accounts regulations as well as the standards to support data quality for the preparation of the Quality Report).

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

.....25 May 2018.....Date..........Chair

.....25 May 2018.....Date..........Chief Executive



Appendix 1: Mandated Indicator Definitions in accordance with the Quality Accounts Data Dictionary 2015/16.

7 day follow-ups

Aim:	
To reduce the overall rate of death by suicide through effective support arrangements for all those with mental ill health.	
Definition:	
Numerator	The number of people under adult mental illness specialties on CPA who were followed up (either by face-to-face contact or by phone discussion) within seven days of discharge from psychiatric inpatient care
Denominator	The total number of people under adult mental illness specialties on CPA, who were discharged from psychiatric inpatient care.

CPA review within 12 months

Aim:	
To ensure that the CPA review takes place at least once a year.	
Definition:	
Numerator	The number of adults in the denominator who have had at least one formal review in the last 12 months.
Denominator	The total number of adults who have received secondary mental health services and who had been on CPA for at least 12 months at the end of the reporting period.

Mental Health Delayed Transfer of Care

Aim:	
To ensure patients are not delayed when they are medically fit. Delayed discharges are a significant factor with negative consequences for the effectiveness and quality of care received by service users in psychiatric inpatient wards. They also contribute to significant additional direct and indirect costs of inpatient care.	
Definition:	
Numerator	The number of non-acute patients (aged 18 and over on admission) per day under consultant and non-consultant-led care whose transfer of care was delayed during the quarter. For example, one patient delayed for five days counts as five.
Denominator	The total number of occupied bed days (consultant-led and non-consultant-led) during the quarter. Delayed transfers of care attributable to social care services are included.



EIS in place for New Psychosis Cases

Aim:	
Meeting the commitment to support the identification of new psychosis cases in young people by early intervention teams.	
Definition:	
Numerator	At the census date all those who have been diagnosed and been accepted into the Psychosis group since the start of the year.
Denominator	At the census date the number that should have been accepted into the Psychosis group according to the plan.

RTT – Consultant-led (Completed Pathway)

Aim:	
To ensure that people who need it are able to access services quickly reducing clinical risk and improve patient experience.	
Definition:	
Numerator	Number of patients on a consultant-led pathway (admitted and non-admitted) waiting under 18 weeks where the clock has been stopped.
Denominator	Total number of patients on a consultant-led pathway (admitted and non-admitted) waiting where the clock has been stopped.

RTT – Consultant-led (Incomplete Pathway)

Aim:	
To ensure that people who need it are able to access services quickly reducing clinical risk and improve patient experience.	
Definition:	
Numerator	Number of patients (admitted and non-admitted) waiting under 18 weeks where the clock is still ticking.
Denominator	Total number of patients (admitted and non-admitted) waiting where the clock is still ticking.

IP Access to Crisis Resolution Home Treatment

Aim:	
To admit people to hospital only when they need to be.	
Definition:	
Numerator	The number of admissions to the Trust's acute wards that were gate kept by the crisis resolution home treatment teams.
Denominator	The number of admissions to the Trust's acute wards.



MH Data Completeness – Identifiers

Aim:	
To ensure that demographic identification data recorded about a patient within the electronic record system is complete.	
Definition:	
Numerator	Count of valid entries for each data item: <ul style="list-style-type: none"> •NHS number •Date of birth •Postcode (normal residence) •Current gender •Registered General Medical Practice Org. code •Commissioner Org. code)
Denominator	Total number of (all) entries.

MH Data Completeness – Outcomes

Definition for Employment Status:	
Numerator	The number of adults in the denominator whose employment status is known at the time of their most recent assessment, formal review or other multi-disciplinary care planning meeting, in a financial year.
Definition for Accommodation Status:	
Numerator	The number of adults in the denominator whose accommodation status (i.e., settled or non-settled accommodation) is known at the time of their most recent assessment, formal review or other multi-disciplinary care planning meeting.
Definition for HoNOS Assessment:	
Numerator	The number of adults in the denominator who have had at least one HoNOS assessment in the past 12 months.
Denominator for all:	The total number of adults (aged 18-69) who have received secondary mental health services and who were on the CPA at any point during the reported quarter.



Admissions to adult facilities of patients under 16 years old

Aim:	
Increase in the number of young people accessing children's mental health services by 35% compared to 16/17 baseline	
Definition:	
Numerator	Total number of individual children and young people aged under 18 receiving treatment by NHS funded community services in the reporting period.
Denominator	Estimated total number of individual children and young people aged under 18 with a diagnosable mental health condition.

Inappropriate out-of-area placements for adult mental health services

Aim:	
Achievement of trajectory which reduces Inappropriate OAPs to 0 by April 2021	
Definition:	
The total number of inappropriate mental health OAPS (OBDs) in the reporting month	



Appendix 2: Glossary Abbreviations

AQuA	Advancing Quality Alliance – NHS health and care quality improvement organisation
CCG	Clinical Commissioning Group – play a major role in achieving good health outcomes for the communities they serve
CQC	Care Quality Commission – An independent regulator of all health and social care services in England
CYP IAPT	Children & Young People Increasing Access to Psychological Therapies Programme – primary function to improve the psychological wellbeing of children and young people
FFT	Friends and Family Test – introduced to help service providers and commissioners understand whether their patients are happy with the service provided.
GP	General Practitioner
GPV	Good Practice Visit – a visit to a team/service to celebrate the good practice and quality improvements guided by a conversation around the content of their team information board
HES	Hospital Episode Statistics - a data warehouse containing details of all admissions, outpatient appointments and A&E attendances at NHS hospitals in England.
HMP	Her Majesty's Prison
HSCIC	NHS Digital – the national provider of information, data and IT systems for commissioners, analysts and clinicians in health and social care
IAPT	Increasing Access to Psychological Therapies
IHI	Institute for Healthcare Improvement (IHI) – IHI works with health systems to improve quality, safety and value in healthcare
KPMG	Management Consultants – a team of expert practitioners supporting Lancashire Care NHS Foundation Trust in the development of this year's Quality Account
NCISH	National Confidential Inquiry into Suicide and Homicide – the Inquiry produces a wide range of national reports, projects and papers providing health professionals evidence and practical suggestions to effectively implement change
NICE	National Institute for Health and Care Excellence (NICE) – provides national guidance and advice to improve health and social care
NRLS	National Reporting and Learning System National – a central database of patient safety incident reports
PDSA	Plan-Do-Study-Act methodology – is a systematic series of steps for gaining valuable learning and knowledge for the continual improvement of a process
PICU	Psychiatric Intensive Care Unit – a ward that creates a safe and controlled environment to look after acutely disturbed psychiatric patients
QA	Quality Assurance (visit programme) – provides assurance that particular actions have been completed following external inspection and a means by which commissioners could seek assurance that services were compliant with CQC regulations/standards
QI	Quality Improvement - systematic and continuous actions that lead to measurable improvements
QIA	Quality Impact Assessment – a tool used to identify a potential impact of our policies, services and functions on our patients and staff
QIF	Quality Improvement Framework – a framework for delivery of initiatives that will ultimately result in quality improvements for our patients and staff
RAG	Red Amber Green rating – a simple colour coding of the status of an action or step in a process.
RTT	Referral to Treatment – your waiting time starts from the point the hospital or service receives your referral letter
R & D	Research and Development



SPOA	Single Point of Access – provides a first point of contact for people wishing to access Lancashire Care NHS Foundation Trust services
SOP	Standard Operating Procedure – is a documented process in place to ensure services are delivered consistently every time
SUS	Secondary Uses Service – supplies accurate and consistent data to enable the NHS to plan, analyse and enhance performance
TIB	Team Information Board (TIB) – provides the facility for teams to support their conversations about quality, identifying areas of good practice and quality improvements which can be built on
UCLAN	University of Central Lancashire
VTE	Venous Thromboembolism – a blood clot that forms within a vein



Key Terms

A Being Open Policy	To promote an open culture of communication between staff, and people who use services and/or their relatives or carers.
Accreditation	A recognised scheme of approval for services
Always Events	Are defined as “those aspects of the patient and family experience that should always occur when patients interact with healthcare professionals and the delivery system.” Lancashire Care are developing Always Events across all services.
Commissioners	The people who buy or fund our services to meet the needs of patients.
CQUIN	CQUIN means Commissioning for Quality and Innovation. A proportion of the income we receive from commissioners depends on achieving agreed quality improvement and innovation goals.
Dare to Share Event	The Dare to Share is a reflection of lessons learnt and how the service, team or individual have and continue to implement improvements in practice
Datix	Software package used to record incidents, complaints and risks.
Dear David	A system introduced in 2014 to enable all employees to raise concerns and good practice with the Chair of Lancashire Care NHS Foundation Trust (anonymously if they so wish)
Domains	The scope or areas which are included within a subject area.
Driver diagram	A driver diagram gives a visual description and illustration of how and why a desired change is needed. It gives a way of systematically setting out aspects of an improvement project so they can be discussed and agreed on collaboratively by the project team. The Life QI quality improvement reporting system enables teams to create their driver diagrams online.
Duty of Candour	Being honest and truthful when telling people if something goes wrong with their care and why, apologising and explaining what will be done to stop this happening again.
Engage Events	To provide an update on Trust’s current priorities, progress against these priorities and enable attendees to feedback their thoughts.
Freedom to Speak Up	An independent review into creating an open and honest reporting culture in the NHS.
Good Practice Visit	An opportunity for clinical teams to talk with Executives, Non-Executive Directors and Governors about how they utilise their team information board within their clinical setting and to share how the information contained provides a picture of quality, continuous improvement and potential risks.
Harm Free Care	A national programme which measures “harms” to a patient whilst in the care of NHS services. The harms include: pressure ulcers, falls and urinary infections (in patients with a catheter).
“Huddle”	Informal team meeting held around a team information board.
Health and Social Care Information Centre	England’s national source of health and social care information. They collect data, analyse it and convert it into useful information. This helps providers improve their services and supports academics, researchers, regulators and policy makers in their work.
King’s Fund	The King’s Fund is an English health charity that shapes health and social care policy and practice, providing NHS leadership development.
NHS Family and Friends Test (FFT)	The FFT is one of the ways we collect feedback from people who use our services. The FFT question asks how likely someone is to recommend the team / service / ward. This question is then followed by some follow up questions which will give the clinical team an indication of the reason for someone’s response to the FFT question which they can then use to inform quality improvements. From January 2015 data has to be reported nationally.
NHS improvement	NHS Improvement brings together Monitor and NHS Trust



	Development Authority as the combined regulator of NHS Trusts
People Plan	A plan to increase staff engagement and improve staff experience.
Our Vision & Quality plan 2015-2019	Is the central plan for Lancashire Care NHS Foundation Trust which puts the experiences who use services at the heart of everything the organisation does, striving to provide “ <i>High quality care, in the right place, at the right time, every time</i> ”.
Quality	Quality is about giving people treatments that work (effectiveness), making sure that they have a good experience of care (patient experience), protecting them from harm (safety) with services that are well led (well-led)
Quality Academy	Supports the development of a highly skilled competent workforce, who appreciate and understand how and what they do in their everyday role contributes to the provision of a quality service and strive for excellence.
Quality Improvement Board	A Board, led by NHS England, where Lancashire Care NHS Foundation trust will report assurance on progress of actions following CQC inspection in April 2015. Lancashire Care NHS Foundation Trust will work through the Quality Improvement Board to drive and influence system wide quality improvement.
Quality Improvement Framework	A systematic approach to capturing and evidencing quality improvements.
Quality Pioneers	Staff/teams leading on progressive quality improvements to achieve ‘excellence’ in clinical areas.
Raising Concerns Guardian	Guardians have a key role in helping to raise the profile of raising concerns, providing confidential advice and support to staff in relation to concerns they have about patient safety and/or the way their concern has been handled.
Risk Register	A document that records risk to achievement of an objective, service or project and identifies the actions in place to reduce the likelihood of the risk.
SharePoint	Microsoft SharePoint is the web application used to manage the intranet site. This allows staff across the Trust to access documents and information.
Sign up to Safety Campaign	Sign up to Safety is a national initiative to help NHS organisations and their staff achieve their safety aspirations and care for people in the safest way possible.
Trac Systems?	Trac Systems provide online software, Trac that can facilitate your recruitment process. From posting a new vacancy, all the way to booking an applicant's induction courses and start date.. You can manage your adverts, candidates, pre-employment checks and workload more efficiently helping you to achieve your targets
Team Information Board	Team information boards support conversations by teams about the quality of care delivered. Teams meet around the board regularly to review quality and performance and agree actions to deliver improvements.
Well-led Framework	Supports Lancashire Care NHS Foundation Trust internal governance processes.



Independent auditor's report

to the Council of Governors of Lancashire Care NHS Foundation Trust only

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

1. Our opinion is unmodified

We have audited the financial statements of Lancashire Care NHS Foundation Trust ("the Trust") for the year ended 31 March 2018 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, the Cash Flow Statement, and the related notes, including the accounting policies in note [1].

In our opinion:

- the financial statements give a true and fair view of the state of the Trust's affairs as at 31 March 2018 and of its income and expenditure for the year then ended; and
- the Trust's financial statements have been properly prepared in accordance with the Accounts Direction issued under paragraphs 24 and 25 of Schedule 7 of the National Health Service Act 2006, the NHS Foundation Trust Annual Reporting Manual 2017/18 and the Department of Health Group Accounting Manual 2017/18.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Trust in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Overview

Materiality:	£6m (2016/17: £5.9m)
financial statements as a whole	1.73% (2016/17: 1.72%) of total income from operations

Risks of material misstatement vs 2016/17

Event driven	Valuation of land and buildings	◀▶
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2. Key audit matters: our assessment of risks of material misstatement

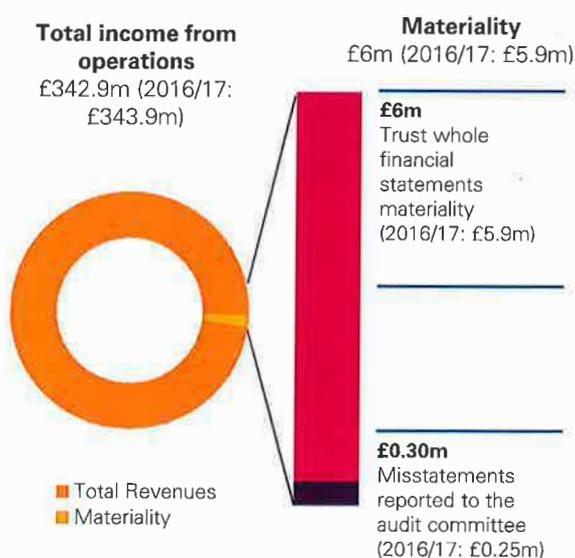
Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In arriving at our audit opinion above, the key audit matter was as follows (unchanged from 2016/17):

Account captions	The risk	Our response
<p>Valuation of Land and Buildings (£223 million; 2016/17: £208m)</p>	<p>Subjective Valuation:</p> <p>Land and buildings are required to be maintained at up to date estimates of year-end market value in existing use (EUV) for non-specialised property assets in operational use, and, for specialised assets where no market value is readily ascertainable, the depreciated replacement cost (DRC) of a modern equivalent asset that has the same service potential as the existing property (MEAV).</p> <p>It is also necessary to consider whether there is any indication of impairment. Impairment could occur as a result of loss of market value due to conditions in the market or due to deterioration in the value in use of the asset, either because of its condition or because of obsolescence</p> <p>Valuation is completed by the District Valuer, an external expert engaged by the Trust, using construction indices and so accurate records of the current estate are required. Full valuations are completed every five years, with desktop valuations completed in interim periods.</p> <p>Valuations are inherently judgmental, therefore our work focused on whether the valuer's methodology, assumptions and underlying data, were appropriate and correctly applied.</p> <p>The Trust had a full valuation undertaken in 2016/17, and a desktop valuation performed as at the 31 December 2017. Calculation of potential movements in values up to 31 March 2018 was carried out using Royal Institution of Chartered Surveyors (RICS) indices data provided by the District Valuer.</p> <p>The Trust complete a formal review of impairment indicators across the Trust's estate covering the period up to year-end.</p>	<ul style="list-style-type: none"> — Assessing valuers credentials: We assessed the competence, capability, objectivity and independence of the Trust's external valuer. — Test of detail: We tested the accuracy of the estate base data provided to the valuer to complete the desktop valuation to ensure it accurately reflected the Trust's estate. — Methodology choice: We critically assessed the assumptions, including indices, used by the independent valuer in preparing the valuation of the Trust's land and buildings to ensure they were appropriate. We tested that the valuation methodology for a sample of assets was consistent with our understanding of the nature of the asset and compared the indices used in preparing the valuation to RICS valuation indices. — Test of detail: We considered how the Trust and the valuers had assessed the indications of impairment and surplus assets within its estate, either due to a loss of value or reduction in future service potential, and — Accounting analysis and transparency: We critically assessed the basis upon which any movements in the valuation of land and buildings had been classified and treated in the financial statements, by testing that the results of the valuation report are reflected in the financial statements and assessing the disclosure of judgements made in relation to the valuation. We determined whether the accounting for the valuation had complied with the requirements of the Department of Health Group Accounting Manual 2017/18.

3. Our application of materiality

Materiality for the Trust financial statements as a whole was set at £6 million (2016/17: £5.9 million), determined with reference to a benchmark of total revenues (of which it represents approximately 1.73% (2016/17: 1.72%)). We consider operating income to be more stable than a surplus- or deficit-related benchmark.

We agreed to report to the Audit Committee any corrected and uncorrected identified misstatements exceeding £300,000 (2016/17: £250,000), in addition to other identified misstatements that warranted reporting on qualitative grounds.



4. We have nothing to report on going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

5. We have nothing to report on the other information in the Annual Report

The directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

In our opinion the other information included in the Annual Report for the financial year is consistent with the financial statements

Remuneration report

In our opinion the part of the remuneration report to be audited has been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2017/18.

Corporate governance disclosures

We are required to report to you if:

- we have identified material inconsistencies between the knowledge we acquired during our financial statements audit and the directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for stakeholders to assess the Trust's position and performance, business model and strategy; or
- the section of the annual report describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee; or
- the Annual Governance Statement does not reflect the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual 2017/18, is misleading or is not consistent with our knowledge of the Trust and other information of which we are aware from our audit of the financial statements.

We have nothing to report in these respects.

6. Respective responsibilities

Accounting Officer's responsibilities

As explained more fully in the statement set out on page 111 the Accounting Officer is responsible for: the preparation of financial statements that give a true and fair view; 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; assessing the Trust's ability to continue as a going concern; disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the Trust without the transfer of its services to another public sector entity

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities

REPORT ON OTHER LEGAL AND REGULATORY MATTERS

We have nothing to report on the statutory reporting matters

We are required by Schedule 2 to the Code of Audit Practice issued by the Comptroller and Auditor General ('the Code of Audit Practice') to report to you if:

- any reports to the regulator have been made under Schedule 10(6) of the National Health Service Act 2006.
- any matters have been reported in the public interest under Schedule 10(3) of the National Health Service Act 2006 in the course of, or at the end of the audit.

We have nothing to report in these respects.

We have nothing to report in respect of our work on the Trust's arrangements for securing economy, efficiency and effectiveness in the use of resources

Under the Code of Audit Practice we are required to report to you if the Trust has not made proper arrangement for securing economy, efficiency and effectiveness in the use of resources.

We have nothing to report in this respect.

Respective responsibilities in respect of our review of arrangements for securing economy, efficiency and effectiveness in the use of resources

The Trust is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in the use of resources

Under Section 62(1) and Schedule 10 paragraph 1(d), of the National Health Service Act 2006 we have a duty to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in the use of resources

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 the use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the specified criterion issued by the Comptroller and Auditor General (C&AG) in November 2017, as to whether the Trust had 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 and related guidance. Based on our risk assessment, we undertook such work as we considered necessary.

Report on our review of the adequacy of arrangements for securing economy, efficiency and effectiveness in the use of resources

We are required by guidance issued by the C&AG under Paragraph 9 of Schedule 6 to the Local Audit and Accountability Act 2014 to report on how our work addressed any identified significant risks to our conclusion on the adequacy of the Trust's arrangements for securing economy, efficiency and effectiveness in the use of resources. The 'risk' in this case is the risk that we could come to an incorrect conclusion in respect of the Trust's arrangements, rather than the risk of the arrangements themselves being inadequate.

We carry out a risk assessment to determine the nature and extent of further work that may be required. Our risk assessment includes consideration of the significance of business and operational risks facing the Trust, insofar as they relate to 'proper arrangements'. This includes sector and organisation level risks and draws on relevant cost and performance information as appropriate, as well as the results of reviews by inspectorates, review agencies and other relevant bodies.

The significant risk identified during our risk assessment is set out overleaf together with the findings from the work we carried out.

Criteria	The risk	Our procedures and conclusion:
<p>Sustainable Resource Deployment - Financial Sustainability</p>	<p>At month 6 the Trust reported that a year-end control total of £2.1m surplus, including resource from the Sustainability and Transformation Fund (STF) of £2.1m, would be achieved. The actual outturn at month 6 was 1.4% behind plan. The Trust reported that this would be corrected through an increased pace of Cost Improvement Plan (CIP) delivery, cost control and alternative sources of income.</p> <p>The Trust continued to recognise pressure from Out of Area Placements (OAPS) which were impacting the Trust's ability to meet financial targets.</p> <p>CIPs have been achieved in prior years, although not fully through planned means. Current and future year targets remain highly challenging in both scale and complexity to deliver.</p> <p>Agency costs are also an area of severe pressure for the Trust,</p>	<p>Our work included;</p> <p>2017/18 Budgeting: We critically assessed the assumptions made in setting the 2017/18 financial plan to determine whether realistic plans were set;</p> <p>2017/18 Financial Monitoring: We assessed the processes for monitoring financial performance during the year to confirm there were appropriate mechanisms in place to manage performance against budget and mitigate risks. The Trust have also agreed to the proposed control total for 2018/19;</p> <p>2017/18 Savings Programme: We critically assessed arrangements to develop and monitor 2017/18 savings programme to determine whether achievable plans were set to achieve the Trust's efficiency target and monitored to ensure they were implemented as planned;</p> <p>2018/19 financial planning: We reviewed the arrangements in place to submit the operational plan to the regulator, NHSI, for 2018/19. We critically assessed financial forecasts, including cash flows, and the arrangements in place to deliver forecast positions. We critically assessed the cash flow monitoring information made available to identify needs for liquidity support during the year.</p> <p>Our findings on this risk area:</p> <p>We did not find any indication that the Trust has not had regard to its responsibility to secure economy, efficiency and effectiveness in its use of resources.</p>

THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

This report is made solely to the Council of Governors of the Trust, as a body, in accordance with Schedule 10 of the National Health Service Act 2006 and the terms of our engagement by the Trust. Our audit work has been undertaken so that we might state to the Council of Governors of the Trust, as a body, those matters we are required to state to them in an auditor's report, and the further matters we are required to state to them in accordance with the terms agreed with the Trust, and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors of the Trust, as a body, for our audit work, for this report, or for the opinions we have formed.

CERTIFICATE OF COMPLETION OF THE AUDIT

We certify that we have completed the audit of the accounts of Lancashire Care NHS Foundation Trust in accordance with the requirements of Schedule 10 of the National Health Service Act 2006 and the Code of Audit Practice issued by the National Audit Office.



Robert Jones, for and on behalf of KPMG LLP for and on behalf of KPMG LLP (Statutory Auditor)

Chartered Accountants

1 St Peter's Square, Manchester, M2 3AE

25 May 2018

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF GOVERNORS OF LANCASHIRE CARE NHS FOUNDATION TRUST ON THE QUALITY REPORT

We have been engaged by the Council of Governors of Lancashire Care NHS Foundation Trust to perform an independent assurance engagement in respect of Lancashire Care NHS Foundation Trust's Quality Report for the year ended 31 March 2018 (the 'Quality Report') and certain performance indicators contained therein.

Scope and subject matter

The indicators for the year ended 31 March 2018 subject to limited assurance consist of the following two national priority indicators (the indicators):

- early intervention in psychosis (EIP): people experiencing a first episode of psychosis treated with a National Institute for Health and Care Excellence (NICE)-approved care package within two weeks of referral
- inappropriate out-of-area placements for adult mental health services

We refer to these national priority indicators collectively as the 'indicators'.

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 criteria set out in the *NHS Foundation Trust Annual Reporting Manual* issued by NHS Improvement.

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 is not prepared in all material respects in line with the criteria set out in the *NHS Foundation Trust Annual Reporting Manual* and supporting guidance;
- the Quality Report is not consistent in all material respects with the sources specified in the *Detailed requirements for quality reports for foundation trusts 2017/18* ('the Guidance'); and
- the indicators in the Quality Report identified as having been the subject of limited assurance in the Quality Report are not reasonably stated in all material respects in accordance with the NHS Foundation Trust Annual Reporting Manual and the six dimensions of data quality set out in 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 NHS Foundation Trust Annual Reporting Manual 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:

- Board minutes and papers for the period April 2017 to May 2018;
- papers relating to quality reported to the board over the period April 2017 to May 2018;
- feedback from commissioners, dated 2 May 2018 and 3 May 2018;
- feedback from governors, dated 30 April 2018;
- feedback from local Healthwatch organisations, dated 20 April 2018;
- feedback from Overview and Scrutiny Committee, dated 30 April 2018 and 2 May 2018;
- the trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009 (named the Hearing Feedback for Quality Improvement report by the Trust), dated May 2018;
- the latest national patient survey, dated 2017;

- the latest national staff survey, dated 06 March 2018;
- Care Quality Commission Inspection, dated 23 May 2018;
- the 2017/18 Head of Internal Audit's annual opinion over the trust's control environment, dated 25 May 2018; and
- any other information included in our review.

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.

We are in compliance with the applicable independence and competency requirements of the Institute of Chartered Accountants in England and Wales (ICAEW) Code of Ethics. Our team comprised assurance practitioners and relevant subject matter experts.

This report, including the conclusion, has been prepared solely for the Council of Governors of Lancashire Care NHS Foundation Trust as a body, to assist the Council of Governors in reporting the 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 indicator. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors as a body and Lancashire Care NHS Foundation Trust for our work or this report, except 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'). Our limited assurance procedures included:

- evaluating the design and implementation of the key processes and controls for managing and reporting the indicator;
- making enquiries of management;
- testing key management controls;
- limited testing, on a selective basis, of the data used to calculate the indicator back to supporting documentation;
- comparing the content requirements of the NHS Foundation Trust Annual Reporting Manual to the categories reported in the Quality Report; and
- reading the documents.

A limited assurance engagement is smaller 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 affect 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 of these criteria, may change

over time. It is important to read the quality report in the context of the criteria set out in the *NHS Foundation Trust Annual Reporting Manual* and supporting guidance.

The scope of our assurance work has not included governance over quality or the non-mandated indicator, which was determined locally by Lancashire Care 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 is not prepared in all material respects in line with the criteria set out in the *NHS Foundation Trust Annual Reporting Manual* and supporting guidance;
- the Quality Report is not consistent in all material respects with the sources specified in the Guidance; and
- the indicators in the Quality Report subject to limited assurance have not been reasonably stated in all material respects in accordance with the *NHS Foundation Trust Annual Reporting Manual* and the six dimensions of data quality set out in the Guidance.



KPMG LLP
Chartered Accountants
Manchester

25 May 2018

