Lancashire Care NHS
NHS Foundation Trust




Annual Report and Accounts 2015/16



Children and Families | Community Services | Mental Health | Secure Services | Specialist Services

Supporting Health and Wellbeing

LANCASHIRE CARE NHS FOUNDATION TRUST

ANNUAL REPORT AND ACCOUNTS 2015/16

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 Executives' Foreword

As Chair and Chief Executive of Lancashire Care NHS Foundation Trust it is our privilege to lead the organisation and to share with the public an overview of our performance for the period 2015/16.

The reporting period has seen some significant events and developments for the Trust in the context of an economic climate that continues to present challenges to all NHS organisations. We have completed year one of a five year programme which seeks to improve care through its focus on quality, elimination of waste and duplication and thereby achieve efficiency savings. Another key element is ensuring that the way services are provided is sustainable into the future and the Trust is increasingly providing services and support outside of hospital. This makes the best use of the resources within the health economy and more importantly helps us to achieve better outcomes for the people that use our services.

We also continue to look for opportunities to extend the range of services provided when this fits with our strategy and complements our existing offer. We are no longer operating in an environment whereby it is a given that we will be awarded contracts to provide services. Competitive tendering increasingly presents a challenge and an opportunity for the Trust to extend its portfolio of services within Lancashire and outside of the area. As an organisation we have made a conscious decision that quality is paramount. Our entire strategy is led by quality and it is the number one priority of our six strategic priorities, acting as the guiding principle.

In support of our quality aspirations we have re-defined our vision in order to connect with all Trust employees:

'High quality care, in the right place, at the right time, every time.'

Developed with the input of employees and the people that use our services, the vision directs the Trust's strategy, its business plans and objectives and most importantly, the actions and behaviours of all employees. The vision is underpinned by quality outcomes and commitments to enable all employees to play their own unique part in contributing to the overall achievement of the Trust's vision. Alongside this, work is on-going to ensure that the Trust is organised in a way that supports the delivery of high quality and compassionate care. This is about making sure that the way we do things and how we treat people is consistent with our values and that people have a great experience of our services.

We also aim to ensure that our almost 7,000 strong workforce feels supported and empowered to deliver an excellent service and that they have everything that they need in place to undertake their roles effectively and to a consistently high standard. Throughout the year, we receive various pieces of intelligence and feedback both formal and informal that provide insight into our performance. This keeps us sighted on our strengths and also on those areas where more development is required.

Our first major CQC inspection that took place in April 2015 was a pivotal development opportunity for the Trust. The overall rating assigned to the Trust was one of requires improvement, which was in line with our own assessment and has added to our insight in terms of where we should be focusing our attention and also where there is good practice that can be applied to the wider organisation. During the week long inspection of the Trust, the inspection team saw approximately 30% of our services and half of these received a rating of good across all domains, which is fantastic. On the whole the inspection validated our own assessment of actions and developments that need to be progressed and acknowledged the hard work, commitment and compassion of our employees. The learning from the inspection week has been captured and forms an ongoing improvement plan with the ultimate aim of being outstanding and achieving the aspiration set out in our new vision. More detailed information about the inspection can be found within the Annual Governance Statement on page 122.

During 2015/16 the Trust has extended its service provision outside of Lancashire for the first time, notably the provision of prison healthcare in Liverpool. Increasingly we are working in partnership with other providers to create opportunities to branch out into new areas such as primary care developments and looking to extend our core provision into new areas. The Trust is committed to improving the offer to local communities and delivering better services that meet patient needs. Lancashire Care aspires to provide more joined up services for local people in a range of areas by understanding the health needs of patients and working directly with primary care and GPs in their localities to offer alternative referral options with other partner providers and offer improved community services.

Establishing long term strategic partnerships with other providers will mean that the Trust has a range of partners that it can work with when new opportunities arise to extend and improve its existing core offer. A potential new area of development for the Trust is in the arena of urgent care, which would involve the Trust working with other organisations and capitalising on the opportunity to integrate physical and mental health community services as a direct part of that offer. Another on-going development is to increasingly provide care outside of hospital by creating ‘virtual wards’ in the homes of people who are unwell to prevent an admission to hospital and ‘step down’ services so that people can be discharged as soon as they are medically well enough. This results in better outcomes for people and supports wider health partners to meet the needs of their patients in the most efficient and timely way.

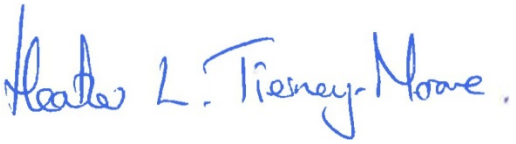
Across the health economy, new models of care are being developed and tested out to improve the quality of care for people and entire communities. Within Lancashire there are two vanguard sites, Morecambe Bay and the Fylde Coast which the Trust is supporting and we are also involved in the Healthier Lancashire & South Cumbria programme, which aims to mobilise a county-wide response to the many challenges faced by the care system in Lancashire. Within this, Lancashire Care is well placed to enable the changes that are needed to make sure that the NHS remains sustainable now and into the future and that the care and services provided to local people are fit for purpose, meet their needs and are always high quality.

We must recognise the contribution of our almost 7,000 strong workforce, without their continued hard work and efforts we would not be able to deliver a high quality service for local people. Our employees bring our values to life every day to make a difference to

people's lives by showing them compassion, dignity and respect. We are also grateful to our Council of Governors and numerous stakeholders who work closely with the Trust - thank you for your on-going support.

With best wishes

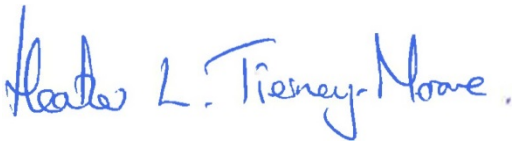
Mr Derek Brown
Chair



Professor Heather Tierney-Moore OBE
Chief Executive

Chief Executive's Message

It is with much appreciation that the Trust formally acknowledges the input of our Chair, Derek Brown who has reached the end of his term after many years working with the Trust. Derek's time as Chair has been one of significant challenges and great achievements. His leadership of the Board during this time has been impeccable and he will be missed. The process of recruiting a new Chair began during summer 2015 and we welcome David Eva who will formally take up post in June 2016.



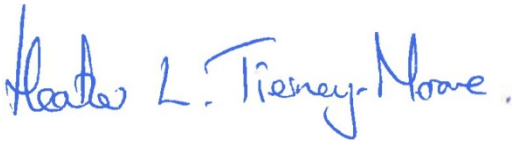
Professor Heather Tierney-Moore OBE
Chief Executive

1. Performance Report

The Performance Report has been prepared under direction issued by Monitor, the independent regulator for Foundation Trusts, as required by Schedule 7 paragraph 26 of the NHS Act 2006 and in accordance with:

- Sections 414A, 414C and 414D[7] 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 2015/16 (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 OBE
Chief Executive
26 May 2016

1.1 Overview of Performance

A Statement from the Chief Executive: Perspective on Performance of the Trust during 2015/16

Lancashire Care NHS Foundation Trust has performed consistently throughout the year in terms of performance against a number of metrics across the organisation. We have consistently achieved compliance with all Monitor Indicators with the single exception of meeting the Delayed Transfers of Care (DTOC) target in quarter two. During the reporting period, the Trust also achieved full compliance with two new additional Monitor indicators introduced for quarter three and quarter four.

We have seen a significant reduction in the number of serious incidents that have occurred and have achieved favourable results in the Friends and Family Test throughout the year.

Financially, the organisation has exceeded its cost saving plan of £11.8m and achieved a total saving of £12.2m and remains largely in line with its financial plans.

As we are all too aware, the NHS as a whole is facing a lot of pressure both financially and from increasing demand for services. As with many providers, Lancashire Care has faced some challenges in year as a result of the increasing demand and patient needs. This has resulted in a substantial rise in the number of private inpatient beds being used by the Trust in order to support the demand for mental health admissions. Whilst capacity and demand still pose significant difficulties for providers, I am proud of the dedication of our staff who have worked extremely hard during the year to reduce the number of patients placed in private beds or out of area and who continue to ensure patients receive the best possible care closer to home.

Following the CQC's major inspection visit in April 2015 the organisation received a rating of requires improvement and throughout the year we have been working hard to implement a number of continuous improvements to address the actions required by the CQC, more information on the inspection can be found within the Annual Governance Statement on page 122.

In spite of the challenges seen during the year, the Trust continues in earnest with ambitious partnership working plans and innovative redesign of services to improve the integration of both physical and mental health care for patients. The Trust has also made significant steps in our use of internal and clinical audits as well as the increasing use of benchmarking to develop how we measure and analyse our performance both across the organisation, and nationally compared to our peers.

The Trust's staff survey results this year have seen an improvement in 22 of the 60 areas and an increase in our overall staff engagement score. This is fantastic and shows the organisation is moving in the right direction in ensuring that Lancashire Care is a great place to work and this has a knock on effect on the quality of care and service provided.

The Trust is very proud to have a valuable asset of talented and dedicated staff, I am pleased to mention a snapshot of the many national recognition and achievements of teams and individuals during the year including:

- The Mindsmatter Service were nominated for a National HSJ Value in Healthcare Award
- The Junction received Quality Network for Inpatient CAMHS (QNIC) accreditation with excellence by the Royal College of Psychiatrists for providing excellent care
- The Children and Families network were runners up in NHS England's Friends and Family Test Awards 2016 in the Best FFT Accessibility Initiative Category
- Lindy Simpson won a Positive Practice Award in the 'making a difference' category for her work in Child and Adolescent Mental Health Services (CAMHS) in Lancaster
- Jo Alker, Deputy Company Secretary won the 'One to Watch' award from the Institute of Chartered Secretaries and Administrators
- Joanne Taylor and Christopher Bibby were both awarded Care Maker status for commitment to person - centred, compassionate care
- Lynne Bax and Will Sullivan were shortlisted for a Nursing Times Award in the Respiratory Nursing category
- Gail Disney-Ridge was also shortlisted for a Nursing Times Award in the Nurse Leader of the Year category for her exceptional leadership

As an organisation, the Trust has also received national recognition in a variety of areas, including been recognised as being in the top 10% nationally for being open and transparent in its approach to learning from mistakes. We take the safety and wellbeing of our employees and patients very seriously and proactively encourage the reporting of incidents or near misses and sharing the learning from such cases. Much more information on the success and achievements of the Trust can be found throughout the report.

A Brief History of the Trust & Statutory Background

Lancashire Care was first established in 2002 as a specialist mental health trust providing community, inpatient and forensic services. The Trust achieved Foundation Trust status in 2007 and then in 2013, community health and wellbeing services transferred to the Trust from neighbouring local health care organisations. This doubled the size of the Trust, extended the range of services provided and enabled the Trust to provide joined up care that meets both the physical and mental health needs of the local population and beyond.

Lancashire Care NHS Foundation Trust provides health and wellbeing services primarily to the county of Lancashire, comprising a population of approximately 1.5 million people.

With an annual turnover of £344 million, the Trust is a major provider of health and wellbeing services, including mental health and forensic care. The Trust employs approximately 6,450 people and provides around 3 million contacts with patients

each year. The majority of the Trust's activity is within Lancashire, with more than half of the Trust's income received for the delivery of community and specialist services. Increasingly the Trust is able to offer its services outside of Lancashire and during 2015/16 extended some elements of its provision beyond Lancashire. Offender healthcare is now provided in Merseyside and talking therapies are now provided by the Trust in St Helens and to military veterans in the Greater Manchester area in partnership with Pennine Care. Going forwards, part of the Trust's strategy is to look for opportunities to be the provider of care outside of Lancashire when appropriate.

The lead commissioner for community services is Chorley and South Ribble CCG and for mental health it is Blackburn with Darwen CCG. The Trust also receives income from NHS England to fund specialist services such as forensic care and mental health services for children and young people and from local authorities for public health services.

Within Lancashire there are 8 clinical commissioning groups (CCGs) and 3 local authorities. The majority of the CCGs share boundaries with Lancashire County Council, apart from Blackpool and Blackburn with Darwen who align to their respective unitary authorities and their social services. The Trust works closely with GPs and there are 245 practices in the county providing primary care, referring patients to the Trust's specialist community health and wellbeing teams and mental health services.

As a licensed provider of health and wellbeing services the Trust delivers its extensive range of clinical services through clinical networks:

Adult Community provides community services (nursing, therapy and primary prevention services) and older adult mental health services. This network support people with long term mental and physical health conditions, working closely with local hospitals and social care services.

Specialist Services comprise criminal justice services in Lancashire and South Cumbria, low and medium secure inpatient services and offender healthcare in five prisons within Lancashire and two in Liverpool.

Adult Mental Health provides inpatient and community mental health services for adults, increasingly needs-led rather than determined by age. Where possible home treatment is provided by specialist community teams and on-going improvements are being made to inpatient services to improve the standard of accommodation as part of a long term plan.

Children and Families provide physical, mental health and wellbeing services for children, young people and their families. Sexual health services are also within this network.

The Trust's Corporate Services provide support to the clinical networks and the day to day operation of the Trust through the following services; quality and nursing, governance, finance, business planning, human resources, property services, business development, risk management, research and clinical audit and

communications and engagement. A full list of the services provided by the Trust can be found at: directory.lancashirecare.nhs.uk/index.php

Purpose and Activities of the Trust

The primary purpose of the Trust is to provide health and wellbeing services, offering care and treatment to people when they are unwell, including the management of long term physical and mental health conditions and the delivery of services in the community to support people to live a healthy lifestyle and improve their overall wellbeing. As part of its activities the Trust also works in partnership with other organisations to prevent ill health for the people of Lancashire and beyond.

As a community provider the Trust is well placed to support the wider health economy by providing care outside of hospital settings. This achieves better outcomes for patients and reduces the demand for expensive hospital beds.

Increasingly the Trust is developing its partnerships in order to extend its range of services. As the major community health and wellbeing provider in Lancashire, the Trust is well placed to support the wider health economy by providing alternatives to hospital admission and supporting people in their usual place of residence. As demand for NHS services continues to grow the Trust is leading the way in finding new ways of delivering care and developing innovative solutions for the benefit of the whole system.

Innovation and research is one of the Trust's core areas of activity and the Trust recognises the vital role that a thriving research culture plays in improving the quality of healthcare services and outcomes for its patients, service users and local population. The Trust aims to develop and support research activity wherever possible in order that its patients benefit from new and better treatments, its staff gain skills and experience and the Trust can provide more cost-effective care.

The Trust's Research & Development Department manage, support and deliver a range of high quality research studies in line with the mission of National Institute for Health Research (NIHR) to provide a health research system in which the NHS supports outstanding individuals working in world-class facilities, conducting leading-edge research focused on the needs of patients and the public. Lancashire Care is part of the North West Coast region, which incorporates Lancashire, South Cumbria, Cheshire & Merseyside.

The Trust also works closely with key local research partners, including Higher Education Intuitions such as Lancaster University, the University of Central Lancashire (UCLan) and the University of Manchester. The Trust is a member of the Lancaster Health Hub, a cluster of local NHS organisations and Lancaster University working collaboratively to develop business around research and innovation.

In 2015/16, the Trust recruited just over 1300 participants to take part in high quality research studies within the NIHR portfolio and increased participation in commercial trials, with new participation from community services as well as dementia. The Research & Development Department is seeking to expand the commercial research portfolio of the Trust with involvement in more industry trials utilising the new joint

Lancashire Clinical Research Facility on the Royal Preston Hospital site. This exciting partnership between Lancashire Care, Lancashire Teaching Hospitals NHS Foundation Trust and Lancaster University will allow both NHS partners to increase its capacity to conduct high quality, complex studies.

The Research & Development Department ensure that grant applications are supported and that studies are set-up in a timely and efficient manner. The Trust has performed very well in terms of meeting the Department of Health's study set-up times for most trials. The Trust has also been part of numerous grant bids, with a notable success being a large NIHR Health Technology Assessment grant to conduct a randomised controlled trial for a group psychological intervention for postnatal depression seen in mothers of south Asian origin.

At the end of 2015/16, the Trust reaffirmed its commitment to research with the Board of Directors approving a new 3 year Research & Development Plan outlining the key priorities for research activity within the Trust until 2019. The plan was developed following a lengthy process of consultation with the Trust's senior researchers and key research partners.

The plans key strategic aims include:

- To develop and deliver high quality research with direct patient benefit
- To embed research practices in Trust business
- To maximise opportunities for research collaborations with external partners
- To diversify and increase research income
- To increase capacity through development of the research workforce

The Trust's Innovation Incubator has continued to engage with a wide range of staff through quarterly 'innovation and improvement breakfasts' which are closely aligned with the Quality Improvement Framework (QIF). In collaboration with the Trust's Information Services Librarian, the Innovation Team issue daily innovation news feeds to over 600 people involved in the breakfast events.

The Trust is host to the North West Coast Innovation Agency set up as part of the Government's Innovation, Health and Wealth strategy. Their remit is to spread innovation at 'scale and pace' to achieve health and wealth benefits for individuals and communities.

The Innovation Agency supported a successful bid by the Trust and key partners that make up the Lancashire & Cumbria Innovation Alliance to successfully become an NHS test bed site. This has afforded the Trust and its partners the opportunity, and £1.6million in funding to test out new models of care for frail elderly people in the Morecambe Bay and Fylde Coast areas. Philips is the major industry partner who alongside other innovations will provide the technology to enable the elderly population to receive care and treatment at home. This involves the pioneering of the use of wearable technology and sensors in the home to monitor people who are vulnerable and providing tools such as home blood glucose testing and using social media and apps to promote good health. This will run over the next two years with a view to rolling out the developments and sharing the learning across the country.

Trust Vision & Strategy

The strategic plan for 2014-19 describes how the Trust will embrace the significant challenges faced by the sector to ensure that service users continue to receive high quality care within their communities. The continued development and delivery of the Trust's strategy remains a dynamic process, underpinned by a well established strategic and business planning framework. As part of this process, the opportunity has been taken to define a new vision to affirm a commitment to providing high quality care, which is the Trust's main strategic priority, sitting above and directing the other priority areas. More information on the new vision can be found below.

Our Vision
High quality care, in the right place, at the right time, every time

Underpinning the vision, the Trust's Strategic Plan comprises six priority areas:

- To provide high quality services
- To provide accessible services delivering commissioned outputs and outcomes
- To become recognised for excellence
- To employ the best people
- To provide excellent value for money in a financially sustainable way
- To innovate and exploit technology to transform care

Key Issues and Risks to Delivery of Objectives

With the formal launch of the refreshed governance framework in April 2015, an opportunity arose to further embed the principle of managing by risk. As governance arrangements have matured, the flow of assurance information has improved within the governance meetings, further supporting the risk processes within the Trust. This has resulted in a whole system approach to governance, compliance and assurance.

A number of key risk assurance activities have taken place during 2015/16 including:

- Enhanced systematic risk assurance reporting to governance meetings;
- Escalation of risk through the governance meeting chair reporting process upwards to Board of Directors;
- Review of Risk Appetite Statement in October 2015, aligning strategic priories to level of risk (see Annual Governance Statement for more information);
- Alignment of risk assurance and management within the annual business planning process;
- Expansion of risk assurance processes in clinical networks and support functions;
- Mapping strategic activities against Board Assurance Framework risks and the governance framework (e.g. audit programmes and Delivering the Strategy) to enhance assurance reporting;
- Fully integrated risk assurance process from Team to Board.

During 2015/16 the Trust faced a number of principal strategic risks that formed the Board Assurance Framework (BAF) risk register. These risks have been identified as the key challenges that face Lancashire Care as it progresses its five year Strategic Plan. In particular, the following risks have remained significant during the year mainly due to the impact of the external environment:

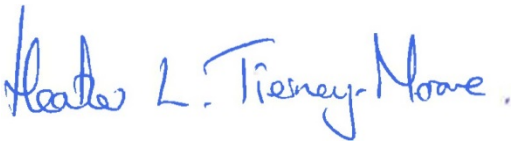
Strategic Objective	Board Assurance Framework Risk
Quality	1.1 The Trust does not protect service users from avoidable harm and fails to comply with the CQCs standards for the quality and safety of services
Outcomes	2.2 Uncertainty and inconsistency of commissioning arrangements affects the Trust's ability to address and meet service demands
Excellence	3.1 The Trust fails to deliver the benefits of being a Health and Wellbeing provider
People	4.1 The Trust is unable to attract, recruit and retain high quality staff impacting on a continued dependency on temporary staff and safe staffing levels, affecting quality of care and financial costs
Money	5.1 The Trust does not achieve financial performance sufficient to maintain resilience and sustainability
Innovation	6.1 The Trust is unable to reposition in the marketplace to become established as a provider of choice achieving excellence

The enduring nature of the risks will see 2015/16 risks transfer into 2016/17. The risk profiling against the BAF risks aligns operational risk with an area of strategic interdependency. This provides the Board with a key line of sight which is facilitated by the governance framework. The clear articulation of the risk appetite in this way ensures that the Board's expressed attitude to risks within an agreed threshold is communicated within the organisation. The review of the BAF risks register for 2016/17 will be supported by the Risk Appetite Statement.

The Assurance Programme for 2015/16 has involved the mapping of all potential threats to the organisation along with prompts for assurance and controls. This approach is further supporting the review and profiling of risks across the Trust. Moving forwards the programme will provide the ability to have confidence through the consistent provision of evidence that risks are identified and managed, increasing oversight of assurance at three levels across the organisation.

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.



Professor Heather Tierney-Moore OBE
Chief Executive
26 May 2016

1.2 Performance Analysis

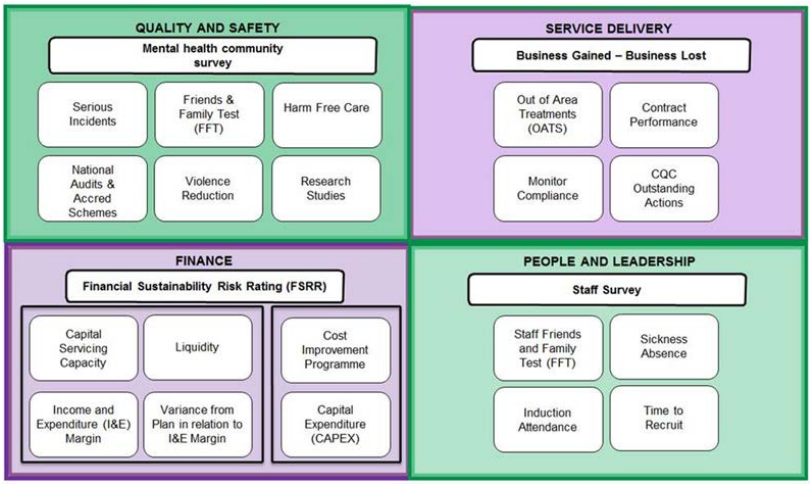
Information on How the Trust Measures Performance, What the Trust Sees as its Key Performance Measures and How it Checks Performance Against Those Measures

The Trust measures performance against a number of key performance indicators such as: Monitor performance indicators, contract targets, CQUIN targets, activity plans and internal network performance targets. A monthly performance report is monitored by the Executive Management Team and presented at formal Board of Directors meetings quarterly. The Board also receive a monthly performance report as part of the Chief Executive's Report.

During the year, the Trust has worked in partnership with Ernst and Young in strengthening its performance reporting arrangements. Performance reporting largely occurs on an exception basis where actual delivery is not in accordance with plan, if a target has particular strategic importance or where there may be new targets introduced and a period of consolidation is required. During 2015/16 Monitor introduced new compliance indicators. These were '2 week wait for treatment for Early Intervention Programme', and 'Referral to Treatment – Improving Access to Psychological Therapies' for both 6 weeks and 18 weeks.

The full Trust's performance against Monitor indicators can be seen on page 20.

The Board Balanced Scorecard is a dashboard of key performance measures that is reported through to the Trust's Board of Directors. The scorecard provides high level snapshot performance information linked to the delivery of the Trust's strategic priorities and is grouped into domains including quality & safety, service delivery, finance as well as people and leadership. An example of the scorecard can be seen below.



During 2016/17 the Trust will be developing the Integrated Quality Performance Report (IQPR) which will provide greater triangulation across an increasing range of performance measures at Trust, CCG and network level.

Monitor Performance Indicators 2015/16

Indicator	Target	Q1	Q2	Q3	Q4
MR01 - 7 Day Follow ups	95.0%	96.2%	95.8%	96.3%	98.3%
MR02 – Care Programme Approach Review within 12 Months	95.0%	96.0%	96.6%	96.5%	96.7%
MR03 - Mental Health Delayed Transfers of Care	≤ 7.5%	4.8%	8.8%*	7.4%	7.31%
MR04 – Early Intervention Service in place for New Psychosis Cases**	95.0%	130.5%	133.5%	138.8%	132.8%
MR05 – Referral To Treatment - Consultant Led (Completed Pathway)	95.0%	100%	98.5%	98.8%	98.8%
MR06 – Referral To Treatment - Consultant Led (Incomplete Pathway)	95.0%	99.7%	99.7%	99.6%	99.7%
MR07 – Inpatient Access to Crisis Resolution Home Treatment	95.0%	96.4%	98.4%	95.1%	95.8%
MR08 – Mental Health Data Completeness - Identifiers	97.0%	99.6%	99.5%	99.6%	99.6%
MR09 – Mental Health Data Completeness – Outcomes	50.0%	88.1%	86.7%	83.8%	80.5%
MR10 – Community Information Dataset Completeness - Referral Information	50.0%	99.9%	99.7%	99.7%	100%
MR11 – Community Information Dataset Completeness – Referral To Treatment Information	50.0%	99.3%	99.4%	98.6%	99.2%
MR12 – Community Information Dataset Completeness - Activity Information	50.0%	83.0%	86.6%	85.1%	90.0%
MR13 – 2 week wait for treatment for Early Intervention Programme***	50.0%	-	-	-	60.2%
MR14 – Referral to Treatment – Improving Access to Psychological Therapies 6 weeks***	75.0%	-	-	83.6%	82.6%
MR15 - Referral to Treatment – Improving Access to Psychological Therapies 18 weeks***	95.0%	-	-	95.4%	95.7%

* please refer to supporting narrative on page 21 regarding non-compliance in quarter 2.
** performance exceeds 100% target as the Trust sees more patients than the activity levels it is commissioned for.
*** part reported: new indicators introduced mid-year.

Detailed Analysis and Explanation of the Development and Performance of the Trust during the Year Utilising a Wide Range of Data including Key Financial Information from the Financial Statements Section of the Accounts.

Performance in the Trust has been consistent around the achievement of Monitor indicators in the reporting period; compliance with the indicators these are reported on both a monthly and quarterly basis to Monitor.

The Trust achieved all of its quarterly Monitor compliance targets with the exception of Delayed Transfers of Care in quarter two.

The Trust achieved all of its monthly Monitor compliance targets with the exception of the following monthly targets:

- 7 day follow-up was not achieved in April 2015
- Gatekeeping was not achieved in October 2015
- Delayed Transfers of Care was not compliant from July to October 2015 and again in February 2016

The new Monitor indicators relating to referral to treatment time for Improving Access to Psychological Therapies (IAPT) were both achieved, along with the new indicator relating to a two week waiting time for Early Intervention Programme. Full details of the Trust performance against the Monitor indicators can be found on page 20.

Out of Area Treatment (OATs) has remained a challenge for the Trust this year. The Trust's bed occupancy levels in adult and older adult mental health continued to run close to 100% and therefore when demand for inpatient beds exceeded capacity, OATs beds were commissioned. The number of OATs beds commissioned has varied throughout the year and full coverage was reported through the Board Balanced Score Card and the performance reports to the Board.

Due to a number of external factors, in January 2016 out of area treatment bed usage for patients needing specialist care peaked at 94. As a result an internal major incident was declared which lasted for a period of four weeks. 'Silver command' was established 8am – 8pm, seven days per week and managed through the Chief Operating Officer, all Network Directors, the Director of Delivery and the Director of Development, on a rotational system. In turn, the Adult Mental Health network established 'bronze command' to strengthen operational capacity to support silver command which included working seven days per week. This arrangement continues to operate as business as usual, to support seven day working and patient flow.

During the major incident, clinicians and managers across all four networks responded to rapidly improve the timeliness of patient assessments, delivery of care and treatment and manage the flow of patients through adult mental health beds. Commissioners played a significant role in supporting the Trust to reduce the number of patients placed out of area for treatment and improved the flow of patients through inpatient units. A number of longstanding changes were made to systems and processes during the major incident which remain in place, including two new assessment units and seven day clinical models of care being introduced.

The positive impact of the major incident saw a significant and sustained reduction in the number of patients placed out of area for treatment and the peak of 94 patients reduced to 31 patients by March 2016. The Board of Directors were fully sighted on the major incident and regular assurance reporting was provided to the Board about the positive management of the incident and improving situation.

This year was the first year that community contract activity baselines were in place and the Trust has been reporting actual activity delivered against the baselines all year to commissioners and to Board through the Board Balanced Score Card. For the year overall the Trust has slightly underachieved community activity targets by 2% against the plan. Analysis shows that the amount of time spent with patients during contacts/visits has been increasing steadily since 2014 due to the complexity and volume of patients increasingly being managed outside of hospital and in their own homes. In 2016/17 the Trust will focus work with commissioners to report outcome measures as a result of inputs and also review how time can be reported and linked with the value of a contact. In 2016/17 reports on mental health activity against agreed new baselines will also be reported.

Staff are the Trust's most valuable and expensive asset and in order to provide high quality care and services, the Trust has worked hard to fill vacancies and cover shifts with its own experienced and highly skilled employees. In addition to providing better quality, this approach is also the most cost effective and sustainable long term. Using temporary staff is sometimes necessary as a responsive short-term solution however the Trust recognised the need to reduce the amount it spends on agency workers and to ensure compliance with the Monitor agency cap introduced in quarter three. The Trust's use of agency staff for non-clinical purposes has significantly reduced in year. The Trust reported on a monthly basis to NHS Improvement (formerly Monitor) to provide the number of shifts where agency staff are working at rates above the cap. Whilst there remains pressure to comply, the Trust has seen the number of shifts with agency staff rates above the cap reduce overall. The qualified nursing agency cap of 3% has not been achieved in year due to pressures in the Specialist Services network from staffing issues inherited from new prison healthcare contracts awarded to the Trust. From April 2016 there is a new agency ceiling target that will supersede the 2015/16 caps.

This year was the first year of Delivering the Strategy (DTS). The aim of DTS was to provide a sustainable way of delivering the Trust's annual operational plan involving transformational change, business development and delivery of the cost improvement plan (CIP). In 2015/16 the Trust exceeded its minimum cost savings target of £11.8m and achieved savings of £12.2m in year through the DTS programmes. There were a total of 16 programmes managed through DTS and as well as achieving greater efficiencies the programmes achieved quality improvements such as;

- the opening of a male and female assessment unit for mental health patients to improve flow and reduce the need for out of area treatment beds,
- the establishment of a street triage service to support vulnerable people in crisis and prevent hospital admissions,

- increased occupancy levels in the Beechwood Unit to support the frail elderly and the flow of patients through our neighbouring acute Trust,
- increased use of Skype to reduce travel time and increase staff productivity and the recruitment of a procurement nurse to ensure the Trust use the most effective products to treat patients.

Financial Performance

2015/16 sees a year end base deficit of -£3.0m (2014/15 -£1.3m) achieving the plan for the year (-£3.7m after impairments). While the position has been undermined throughout the year by OATs expenditure being in excess of the agreed funding, actions taken were sufficient to both limit exposure and manage the overall position.

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 £10.6m (2014/15 £9.9m) against a plan of £11.6m (2014/15 £16.2m), a shortfall of £1.0m from plan but an improvement of £0.7m on 2014/15.

Income

Income totalled £344m (2014/15 £327m). After taking in to account reductions to income deflators of £3m, year on year income growth is circa 5.2% including increased activity with prisons, additional OATs funding and a number of smaller initiatives and developments.

Patient care remains the Trust's main activity, generating over 92% of the Trust's income (2014/15 92%). The remainder is classed as operating income, split between income received for the purposes of education, training, research and development 3% (2014/15 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

Expenditure totalled £347.8m (£347.1m after impairments), compared with £339.5k in 2014/15 (£328.3k after impairments). Year on year, after adjusting for impairments, this represents an increase of circa 5.7%. This shows a slight deterioration of the underlying position but given the OATs pressures contained within the respective positions would indicate that otherwise the trust has managed to improve its position within both the imposed efficiency targets and its inflationary parameters.

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 2015/16 the Trust achieved productivity and efficiency savings through its cost improvement programmes (CIPs) of £12.3m exceeding the plan of £11.8m by £0.5m (2014/15 £9.1m against a plan of £13.8m).

Capital Additions

Capital spend in 2015/16 was £8.5m circa £1.1m behind of plan. Spend was within tolerance and in line with the position expected by Monitor. Underspends were

generated on the inpatients project and used to fund up activities in relation to patient flow and anti-ligature. Slippage of £1m was identified early on the Patient Administration System replacement scheme and carry forward agreed with Monitor.

Technical Adjustments

The Trust regularly reviewed its assets for significant changes to value, including formal impairment reviews which resulted in an impairment of £0.7m (2014/15 £11.2m).

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 started the year with a strong cash and liquidity position and a planned deficit. Cash and liquidity position remains strong at year end, exceeding plan by circa £4m. Loans were used to settle capital creditors and the final account in relation to our new hospital, The Harbour, and after adjusting for transient gains the underlying deterioration in cash reserves is broadly consistent with the deficit.

Whilst the opening cash position for next year remains strong, the Trust must address its operational performance 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.

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 2016.

Sustainability & Going Concern Statement

The Trust has achieved its planned out-turn for 2015/16 and has a credible plan to achieve its control total in 2016/17. 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.

Information about Environmental Matters, Including the Impact of the Trusts Business on the Environment.

Summary of Performance

Energy and water consumption data along with renewable energy generation data has been collated from properties where the Trust is responsible for paying invoices directly to the utility supplier. The Trust has a presence in a number of properties where energy consumption is monitored by the landlord and costs are included within rent figures. Energy consumption from these properties is excluded from the performance data below.

Energy and water consumption outlined in this annual report reflects an increase from data portrayed in the 2014/2015 annual report. The inclusion of utility data from The Harbour in the report this year is the reason for the majority of the increase

Summary of Performance	
Energy	
Electricity Consumption	8,075,456 kWh
Electricity Consumption Carbon Footprint	4,644 tCO_2e
Gas Consumption	17,650,919 kWh
Gas Consumption Carbon Footprint	3,703 tCO_2e
Water	
Water consumption	61843 m3
Water Consumption Carbon Footprint	56 tCO_2e
Renewable	
Renewable Electricity Generated (Solar PV)	3,519 kWh
Renewable Heat Consumed	751,729 kWh

Sustainability

The Trust recognises that sustainable organisations go above and beyond legislation by placing sustainable practice as a fundamental corporate responsibility. In order to deliver an effective and efficient healthcare service whilst also ensuring sustainability remains at the core of Trust activities, the Trust employs a full-time Environmental Manager as well as implementing a Sustainable Development Management Plan (SDMP) in accordance with the NHS Carbon Reduction Strategy.

The Trust's SDMP sets out the targets and actions required to not only improve overall Trust sustainability but to also achieve NHS carbon emission reduction targets. The target to achieve a 10% carbon reduction by 2015, from 2007 levels, was successfully achieved. The Trust has embarked upon further carbon reduction projects in order to continue the reduction in carbon emissions which will help achieve the 34% carbon emissions reduction by 2020 whilst also assisting in delivering the 80% carbon emissions reduction by 2050 (both reductions required from 1990 baseline carbon footprint).

Carbon and Energy Management

The Trust's approach to carbon and energy management has three key aims: to reduce energy consumption where possible, to optimise the use of energy through energy efficiency measures and to supply energy using low carbon and renewable energy sources.

Critical to the Trust's carbon and energy management is the extensive monitoring, targeting and analysis of energy usage across the estate. Automated Meter Reading (AMR) has been installed throughout the Trust estate and has facilitated the in-depth analysis of electricity and gas usage within Trust buildings. AMR has enabled the Trust to identify patterns of usage within buildings and identify inefficiencies. As a result, the Trust has been able to effectively implement energy efficiency improvements at a number of buildings and enable greater financial control of utility bills.

Complementing the AMR system, the Trust has invested in a dedicated energy monitoring and targeting (M&T) software package that enable building comparison both within the Trust portfolio and against national energy benchmarks for similar buildings in terms of size and function. Through analysing and targeting energy usage within buildings based on key data such as weather patterns, building size and function, the Trust has successfully developed energy performance league tables and targeted buildings deemed inefficient in terms of energy.

Energy Efficiency Improvements

Over the past 12 months, Property Services have identified a number of financially and environmentally viable energy efficiency improvements. Projects completed include the installation of heating and lighting controls, Building Management Systems (BMS) and heating upgrades across the Trust estate. These projects have delivered energy efficiency improvements whilst increasing the lifespan of equipment such as lighting and heating plant.

Renewable Energy

The Trust aims to supply as much energy as possible from low carbon and renewable energy sources and this can be reflected through the renewable energy systems installed across the Trust estate. Guild Park generates renewable electricity and heating. Additionally, the Trust biomass boiler at The Harbour uses woodchip fuel and has reduced carbon emissions by 126 tonnes CO2e during the period whilst also providing a valuable income stream for the Trust through the Renewable Heat Incentive (RHI).

Water

Water is a key area that the Trust aims to control in order to ensure that buildings are as efficient as possible. Water usage is analysed to identify opportunities for savings. Low-water usage technologies such as low flush WCs, reduced flow showers, sensor taps and rainwater harvesting for flushing sanitary equipment have been installed.

Waste

The Trust has implemented a Waste Management Policy in order to ensure legal compliance with waste legislation whilst also ensuring a proactive approach to maximising resource efficiency. Critical to the policy is the aim to maximise recovery, reuse and recycling rates rather than utilising typical disposal routes.

Property Services work closely with contractors to review working procedures to ensure that the Waste Management Policy is adhered to and that correct processes in relation to waste segregation and disposal are employed. The Trust has 17

different waste streams and continually looks to recycle waste in innovative ways in order to increase the amount of waste diverted from landfill each year as well as generating revenue through recycling.

Travel

Business travel and staff commuting are both significant sources of carbon emissions within the Trust. Combined with carbon emissions attributed to visitor travel to Trust buildings, a large carbon footprint can be attributed to travel related to the Trust. The Trust recognises that carbon emissions attributed to vehicle travel need to be reduced and has recently installed seven electric vehicle charging points across the Trust estate with further charging points expected to be installed in the coming years. The installation of electric vehicle charging points has facilitated a number of visitors and staff utilising electric vehicles for travel to Trust sites providing a reduction in carbon emissions and contributing to improving local air quality. Critically, the Trust is undertaking research to establish the feasibility of exchanging Trust vehicles from traditional fuel types to electric to further reduce carbon emissions.

As well as electric vehicle charging points, the Trust has implemented IT improvements in order to facilitate the widespread use of teleconferencing, reducing the need for travel and reducing the Trust's carbon footprint.

Common Ground

Common Ground continues to provide staff and service users with an environment in which to relax and enjoy the benefits from growing organic, fresh produce. The Kitchen Garden section of the project provides a therapeutic environment for participants and provides fresh produce for the kitchens at Guild Park, reducing costs and carbon emissions attributed to food growing, transportation and packaging.

Common Ground uses an innovative and successful approach and has a wide range of input from staff, service users, volunteers and local community groups. Common Ground continues to receive recognition at national level and hosted the NHS Forest Annual Conference to share best practice.

Environmental Engagement

The Trust is committed to ensuring staff are involved in delivering environmental projects and engages staff through a dedicated environmental communications programme. By delivering simple yet key environmental messages to staff, the Trust ensures that a holistic approach to environmental management is achieved. The Trust intends to develop environmental management to include staff environmental champions who will ensure environmental issues encountered at local levels are understood and addressed efficiently.

Information about Social, Community and Human Rights Issues Including Information about any Trust Policies and the Effectiveness of Those Policies

The Trust's determination to eliminate unlawful discrimination and harassment and promote equality of opportunity runs through employment, service delivery and community engagement and extends to demonstrating that commitment in a way that everyone can understand. As well as being the 'right thing to do', this approach means more targeted and effective use of resources and more easily accessible

services, which reduce health inequalities and lead to improved customer satisfaction.

Employees from all levels and networks across the Trust collaborated to develop definitions which describe the Trust's culture and provide a common understanding of equality, diversity and inclusion.

Equality

The Equality Act (2010) protects individuals and groups of individuals from discrimination so they cannot be treated less favourably, no matter what their age, disability, race, religion or belief, gender, sexual orientation or circumstances in relation to gender reassignment, marriage and civil partnership, pregnancy or maternity. Equality is about treating individuals fairly and ensuring that they have the same opportunities to fulfil their potential, even if this means doing things differently for people sometimes.

Diversity

A culture which values variety of ideas, experiences and practice where differences are respected and celebrated for the benefit of the workforce and the communities served by the Trust.

Inclusion

When individuals with diverse needs are included without prejudice or discrimination, societies can access a wider pool of talent, commitment and experiences, taking the best from all backgrounds.

For the duration of the reporting period, the Trust has invested in a project to strengthen its position in relation to equality and diversity whilst developing opportunities to learn and share best practice with other organisations. One of the outcomes of this project has been the development of a strong network of around 60 Equality and Diversity Champions who attend quarterly knowledge sharing meetings and are provided with support and information to cascade within their services and inform quality improvements which relate to equality and diversity. Sharing success stories has allowed champions to feel more engaged and motivated to make positive changes whilst at the same time, reducing duplication of effort. For example, Dental Services recently described some challenges they had faced in creating easy read materials for service users with learning disabilities. Other members of the network were able to learn from this experience to address similar problems in their own areas.

In addition, the Trust Equality and Diversity Statement of Intent has been redrafted to reflect the learning and opportunities for improvement identified from this project and now provides a strategic framework to underpin operational action plans for the next five years. This document articulates the links between equality and diversity and the Trust strategy and will be refreshed in line with any changes which impact on the Trust's direction of travel. Explicit reference to the Human Rights Act (1998) and the FREDA principles (fairness, respect, equality, dignity and autonomy) have also been added.

The topic of Human Rights is also covered as part of the Trust's mandatory training programme. This can be undertaken online at the learner's own pace or in group face to face sessions which have been redesigned to include coverage of topics such as unconscious bias and have flexibility to be adapted around relevant topical events. This allows for employees to discuss issues which have direct relevance to their daily working lives and ensures that the training can add more value than simply 'ticking a box'.

The Trust uses a number of methods to monitor success against the aims outlined in the Equality and Diversity Statement of Intent, one of which is the Department of Health's Equality Delivery System (EDS2). The EDS2 has four distinct goals which are:

- Better health outcomes for all
- Improved patient access and experience
- Empowered, engaged and well supported staff
- Inclusive leadership at all levels

Progress against the goals is assured with the regular involvement of key stakeholders in internal and external scrutiny events. One of these events is the annual Equality and Diversity conference, Opportunity Knocks! This year, the Trust has redesigned this event to meet the following aims:

- Sharing stories and experiences
- Raising awareness
- Celebrating diversity
- EDS2 scrutiny/grading
- Improving the Trust reputation
- Strengthening stakeholder networks

Opportunity Knocks! 2015 had a theme of Diversity and Community and proved to be a great success with service users, staff, community members and partner agencies which share the Trust's geographical footprint and/or serve the same community, all coming together to share learning and review the Trust's approach to equality and diversity.

The day included invited speakers with expertise in areas such as personal experience of the NHS as a person with a disability, Lesbian Gay Bisexual & Transgender (LGBT) healthcare issues, how to get support in accessing Muslim and other BME communities and a carer's viewpoint of dementia care. Staff from all networks also had the opportunity to showcase their work in relation to the EDS2 outcomes.

EDS2 focus for this reporting period has been on Goal 2, the outcomes associated with which are:

- People, Carers and Community can readily access hospital, community health or primary care services and should not be denied access on unreasonable grounds.
- People are informed and supported to be as involved as they wish in decisions about their care.

- People report positive experiences of the NHS.
- People's complaints about services are handled respectfully and efficiently.

Grading of the EDS2 evidence presented by the Trust was undertaken in a more detailed way than in previous years with each protected characteristic covered under the Equality Act 2010 considered alongside each outcome for Goal 2. This allowed increased scrutiny of performance in each area. The overall grading was one of 'developing' but there were protected characteristics rated as both 'excellent' and 'underperforming', demonstrating some great practice across the Trust but a lack of consistency of experience which suggests the need for some continued work, specifically in how we share successes and spread good practice. Although the overall rating is lower than for the goals considered last year, this is likely to be due in part to the much more robust approach taken to the scrutiny, the significantly greater numbers of external reviewers and the honest and safe environment created, rather than directly attributable to poor performance in relation to this goal. Both outcomes 2.2 and 2.3 were graded as 'achieving' with around a third recording 'excellent' ratings. This gives an indication that people report positive experiences of our services and that they feel they have an opportunity to influence the care they receive.

Equality Impact Assessments (EIA) are carried out to ensure that all Trust activity is inclusive. New and reviewed policies, procedures and functions are only ratified with an accompanying EIA. This process allows services to highlight areas where development is needed and informs the setting of equality targets and operational action plans leading to a positive improvement in health outcomes for everyone.

An area which feedback has suggested is worthy of targeted work on a Trust wide level is that of delivering care to transgender patients and service users. Employees lack confidence when communicating with transgender individuals. Transgender people have indicated that their experiences with healthcare providers have sometimes been difficult and confidence in NHS professionals is often low. The Trust has developed a strong working relationship with LGBT Lancashire and will be working with them on a quality improvement project focused on this area over the coming year.

LGBT Lancashire is also providing general LGBT awareness training to enable 'in house' training. Areas of skill have been identified in the Sexual Health Service which has already achieved the first level of the LGBT Lancashire Quality Chartermark and it is important that this best practice approach is shared across the whole Trust.

2015 brought with it a national imperative for the NHS to publish a report on Workforce Race Equality Standards and our report can be found in the equality and diversity section on the Trust website.

The equality and diversity project undertaken during the reporting period, highlighted the potential for equality and diversity to be considered alongside the broader topic of Social Value. As a result, the Trust has chosen to invest in an exciting new role of Social Value and Diversity Strategic Lead. This will ensure that the economic, environmental and social wellbeing of our local area will be given a unique focus at a

senior level and synergies can be exploited across a number of departments and workstreams.

The Trust takes a partnership approach to engagement with service users and carers, staff and communities across Lancashire. This shared approach to work and learning has helped the Trust to inform activity, identify gaps and carry out innovative projects and initiatives to reduce any identified inequalities with the aim of ensuring all the Trust's services meet the diverse health needs of the population of Lancashire.

Some further examples of the work launched in this reporting period include:

- The Quit Squad has developed a range of marketing tools to promote their service to Muslim communities, pregnant smokers and people from different age groups. They have also improved their monitoring information so they can record data about the diversity of their service users in a respectful and meaningful way.
- A Quality led project to review questionnaires used across the Trust and develop some principles for ensuring that they are accessible. This has included understanding how data can best be recorded to allow for valuable reporting, how to avoid repetition, using volunteers to solicit feedback in a manner which makes service users feel safe and comfortable enough to be honest and providing feedback mechanisms such as the Friends and Family Test, in a range of formats. The Trust recognises that the same question may need to be presented in different ways to children, service users with learning disabilities or where language barriers exist for example.
- 'Activities are Everybody's Business' event which encouraged members of staff to identify their own skills which could contribute to activities within clinical settings to help support service users with their recovery and care. Interactive sessions included:

    - Common Ground Project
    - Creative/art activities
    - Cooking and healthy eating
    - Multi Faith Forum
    - Life skills group including reading and creative writing
    - Sports workshops

Equality & Diversity in the CQC Reports

The Trust received favourable feedback within the CQC inspection reports around its approach to equality and diversity which reinforced the positive work happening across the organisation. The inspection reports detailed that staff delivered care in a responsive, caring manner and strived to ensure patients' cultural and diverse needs were met and cited some specific, excellent examples of how staff engaged with Muslim and Hindu communities, which included regular contact taking place in mosques, community centres, schools and health melas (fairs).

The CQC recommendations have included reference to ensuring that patients' religious needs are met in a timely and responsive manner, in particular in regard to providing access to special diets (such as halal) whilst maintaining choice and variety; the need for the Trust to ensure all clinics used by adult community health

services have wheelchair access and a requirement for improvement in relation to some elements of same sex accommodation and the environments used for provision of services to young people. The Trust has recently developed a tool to audit the accessibility of sites in which services are provided and will continue to involve service users in site visits to gain feedback to inform improvements as part of its overall response to the CQC.

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

There are no material events after the reporting period, this is consistent with note 27 of the accounts.

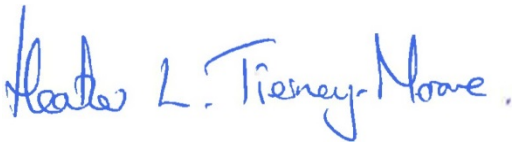
Details of any Overseas Operations

The Trust does not undertake any overseas operations.

2. Accountability Report

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

- Directors' Report
- Remuneration Report
- Staff Report
- The Disclosures set out in the NHS Foundation Trust Code of Governance
- Regulatory Ratings
- Statement of Accounting Officers Responsibilities
- Annual Governance Statement



Professor Heather Tierney-Moore OBE
Chief Executive (Accountable Officer)
26 May 2016

3. Directors' Report

The Directors' Report has been prepared under direction issued by Monitor, 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 2015/16 (FT ARM); and
- Additional disclosures required by Monitor.

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

Director Information

The names of individuals who were Directors of the Trust during the financial year can be found on page 94 alongside the names of the Trust Chair, Deputy Chair and the Chief Executive. Further detailed information about the Board of Directors can be found on page 90.

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

The Trust has an embedded 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 interests. Company directorships and other significant interests held by Directors or Governors which may conflict with their management responsibilities are detailed in a Register of Interests maintained by the Trust. Access to the information in the register can be obtained by written request to the Trust's Director of Governance & Compliance (Company Secretary).

The Declaration of Interest Register is reviewed annually by the Corporate Governance & Compliance Sub-Committee.

The Trust has a robust meeting management procedure requiring all attendees to declare any conflict of interest at each governance meeting. Any interests which are raised are recorded within the meeting minutes for longevity. Depending on the nature of the interest, meeting attendees may be asked to vacate the meeting for affected agenda items.

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 2015/16 the Trust neither gave nor received any political donations.

A Statement Describing the Better Payment Practice Code, or any other Policy Adopted on Payment of Suppliers, and Performance Achieved Together with Disclosure on any Interest Paid under Late Payment of Commercial Debts (interest) Act 1998

The Better Payment Practice Code (BBPC) requires the Trust to pay all valid non-NHS invoice 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.

We also endeavour 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 Enhanced Quality Governance Reporting

Overview of Arrangements in Place to Govern Service Quality

During 2015/16 Lancashire Care NHS Foundation Trust has collaboratively developed 'Our Vision and Quality Plan' with the involvement of over 1000 people. The organisation's aspiration is that culture is shaped by the collective actions of everyone acting together for organisational success, delivering the vision and, in doing so, providing a world class health service to the people of Lancashire.

'Shaping the Future' published in 2015 by the Health Foundation describes the need for a strategy in which quality is the primary consideration for change, recognising that improving the quality of care is what unites all staff working in the NHS frontline and support services. The Board demonstrates commitment to quality by supporting a Quality led strategy for the Trust. This means that quality, as the leading strategic priority, is at the core and involves people being at the heart of everything to ensure the people who use our services have the best possible experiences of safe and effective care. The Vision and the Quality Plan was formally launched by the Chief Executive in January 2016.

The Trust's refreshed vision "*High quality care, in the right place, at the right time, every time*" forms the basis of the quality plan which aims to put service users at the heart of everything. The three quality outcomes will ensure the delivery of the vision:

People who use our services are at the heart of everything we do
People who deliver and support the delivery of services are motivated, engaged and proud of the service they provide
A quality focused culture is embedded across the organisation (we are all working together to always be the best we can be)

The Trust's co-produced quality plan has been developed with reference to the recommendations and actions reflected in a number of key recent reports including: the *Freedom to Speak Up Review* actions and recommendations, *Learning Not Blaming*, the Public Administration Select Committee report *Investigating Clinical Incidents in the NHS*, the *Morecambe Bay Investigation* and the *Southern Health NHS Foundation Trust Report*. The Quality Plan strengthens quality assurance and governance systems and reflects a drive for continuous sustainable quality improvement.

The Vision and Quality Plan priorities have informed the content of the 2015/16 Quality Account. The Standards and Assurance Committee (SAC), a sub-committee of the Council of Governors reviews samples of evidence against each quality priority during the year and receive drafts of the Quality Account during its production prior to formally receiving the Annual Report, Accounts and Quality Account following year end.

The Quality Plan encompasses a specific focus on maintaining and enhancing the Quality SEEL (Safe Effective Experience Leadership) assessment in relation to the Care Quality Commission (CQC) 'Fundamental Standards for Quality and Safety.' The fundamental standards are intended to describe the basic requirements that providers should always meet and set the standard of care that service users should always expect to receive. Enhancement of the Quality SEEL has combined the self-assessment approach with a more objective assessment utilising existing sources of team level data to afford increased assurance. The programme of internal 'CQC style' quality visits continues to support learning and the sharing of good practice.

Lancashire Care complements quality assurance with a drive for quality improvement (QI). The QI approach embraces the Health Foundation and the Institute for Healthcare Improvement model for improvement using systematic techniques to improve quality. The QI programme is led by our central team and involves building improvement capability in partnership with AQUA resulting in the creation of Quality Pioneers within both clinical and support service areas. The focus of the Quality Improvement agenda ensures that it is driven by feedback from people who use services including complaints and by serious incident investigation findings with the recognition that a focus on traditional action plans is failing to deliver sustainable change. As part of the quality improvement agenda a safety improvement plan has been developed and implemented to support the Trust pledges towards the national '*Sign Up To Safety*' campaign. The plan draws together a range of programmes across mental health and community health services including the reducing restrictive practices programme, work to reduce violence and aggression, pressure ulcers and self-harm as well are larger programmes including safer staffing.

The Trust is committed to achieving a culture of openness and transparency reflected by a constant desire to learn from mistakes, not to conceal them. The organisation's 'Being Open' policy has been updated to include the formal process to comply with the statutory Duty of Candour and sets out the approach taken to being open with people who use services, their relatives and carers when things go wrong based on the principles of openness, transparency, honesty and genuine communication.

The Datix integrated risk management system has been updated to capture compliance with the Duty of Candour and compliance is monitored and reported to the Quality and Safety Sub-Committee as well as commissioners. The engagement with people who use services, their relatives and carers during the serious incident process is also documented within investigation reports.

The Trust supports the Royal College of Nursing's '*Speak Out Safely*' campaign and has promoted the key messages within the organisation. During 2016 accessible training will be available to all employees with those key messages included as part of staff induction processes to embed the importance of raising and addressing concerns.

Methods for raising concerns include the 'Dear Derek' system, introduced in 2014 to enable all employees to raise concerns with the Trust Chair (anonymously if they so wish). Concerns raised through Dear Derek are reviewed weekly and allocated to the

appropriate person to action, or upgraded to a serious concern and subject to investigation. In 2015, Dear Derek was expanded to enable employees to report good practice as well as concerns. The outcomes from Dear Derek are a standing section in the monthly Quality Matters eBulletin from the Director of Nursing & Quality.

Other methods for raising concerns include a postal address, an email, and a nominated Raising Concerns Guardian. The postal address and email has been in place for some time, whilst the guardian role was created in 2015 as part of the Trust's response to the Government report, '*Learning not Blaming*'. The Associate Director of Safety and Quality Governance has been appointed as Freedom to Speak Up Guardian and oversees the raising concerns process.

In December 2015 NHS England published an independent report into the deaths of people with a learning disability or mental health problem at Southern Health NHS Foundation Trust and highlighted the expectation of a sector-wide response. In response to the findings at Southern Health, Lancashire Care NHS Foundation Trust has:

- Reviewed the Incident Policy and the Being Open Policy to reflect the learning from this report and the CQC inspection findings
- Participated in the national mortality review of learning disability deaths
- Progressed the development of a centralised investigations team

Lancashire Care NHS Foundation Trust has received a rating of good in a new '*Learning from Mistakes'* league table collated and published by NHS Improvement in March 2015. Drawing on a range of data, the league table identifies the level of openness and transparency within NHS provider organisations for the first time and further detail can be found in of the Quality Account.

More information about quality governance can also be found in the Quality Account.

How the Trust Has Had Regard to Monitor's Quality Governance Framework in Arriving at the Overall Evaluation of the Organisations Performance, Internal Control and Board Assurance Framework and a Summary of Action Plans to Improve the Governance of Quality.

All NHS Foundation Trusts are required to carry out an external review of their governance arrangements every three years. There are a number of reasons for this including:

- Good governance is essential in addressing the challenges the sector faces
- Oversight of governance systems is the responsibility of NHS Foundation Trust Boards
- Governance issues are increasing across the sector
- Regular reviews can provide assurance that governance systems are fit for purpose

Deloitte were appointed to review the Trust's governance arrangements, in accordance with the guidance set out in Monitor's Risk Assessment Framework, and, specifically, Monitor's Well Led Framework for Governance Reviews and Code of Governance. More information about the Well Led Review can be found on page 89.

The Quality Governance Assurance Framework (QGAF) represents a 'core' reference for the Trust to structure a review of its governance. The framework has four domains, ten high level questions and a body of 'good practice' outcomes and evidence base that organisations and reviewers can use to assess governance. Delivered effectively, assessment against this framework should provide the Board with assurance over the effective oversight of the care provided through the Trust. During 2015 the Trust reviewed this framework to inform the commissioning of the Well Led Review and to inform the development of improvement work within the Well Led domain of the action plan following the Care Quality Commission Inspection.

Further information regarding the Board Assurance Framework can be found on page 104. The Annual Governance Statement provides additional information about quality governance.

Material Inconsistencies (if any) between; The Annual Governance Statement, the Annual and Quarterly Board Statements required by the Risk Assessment Framework, the Corporate Governance Statement Submitted with the Annual Plans, the Quality Report and Annual Report, or Reports Arising from Care Quality Commission Planned and Responsive Reviews of the Trust and Any Consequent Action Plans Developed by the Trust

There were no 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 consequent action plans.

3.2 Patient Care

Descriptions of How the Trust is Using its Foundation Trust Status to Develop its Services and Improve Patient Care

The Trust continues to use its Foundation Trust status to develop its services and improve patient care. The joint venture with Ryhurst, Red Rose Corporate Services (RRCS) continues to be productive and support the Trust with the development of its estate to ensure the optimal use of accommodation. There are several new developments in the pipeline and business cases are being progressed for these in line with the Trust's plans to increasingly provide care within the community facilitated by the creation of neighbourhood teams.

Collaborative partnership working between the Trust and healthcare providers Midland Heart and Healthcare at Home continues to deliver innovative new services to patients enabling the provision of Intensive Home Support, offering a multidisciplinary clinical and therapy service for patients in their own home and a care hotel step down facility relieving pressure on acute trust beds.

The operating environment is increasingly competitive and the Trust continues to progress the areas of service provision which it intends to protect, grow and expand. The four clinical networks, supported by the Transformational Advisory Service, have robust processes in place for securing contracts and responding to bids. Details of contracts secured in year are provided below and include new business as well as existing business that the Trust has retained;

- Infant Feeding Co-ordination Service for Lancashire
- Smoking Cessation Service for Central, North and East Lancashire
- School Nursing 5-19 for Central and East Lancashire
- School Nursing 5-19 for Blackburn with Darwen
- Sexual Health for Blackburn with Darwen
- Sexual Health Under 25s for Lancashire

Foundation Trust status also allows opportunity to engage widely with the local population. The Trust takes the opportunity to engage with its cohort of public and affiliate members in the development of Trust plans and programmes of work. Members are kept informed of the Trust's progress and are able to use their views to influence service development via newsletters, panel surveys and electing governors to represent the interest of the public and hold the Trust's Non-Executive Directors to account. More information about governors can be found on page 104.

Performance against Key Health Care Targets

The quality priorities for 2015/16 which are part of the Quality Account within the domains of Safety, Effectiveness and Experience have been achieved and more detail about this can be found in Part 3 of the Quality Account. An additional priority relating to the Well Led quality domain has been added to the 2016/17 quality priorities, further detail can be found in Part 2 of the Quality Account.

Arrangements for Monitoring Improvements in Quality of Healthcare and Progress towards Meeting any National and Local Targets, Incorporating Care Quality Commission Assessments and Reviews and the NHS Foundation Trust Response to Any Recommendations Made

The Care Quality Commission (CQC) undertook its first major inspection of the Trust's services in April 2015 under its new inspection format and assigned an overall rating of requires improvement. The CQC spent one week within the organisation and due to its size and scale saw approximately 30% of services and spoke to around 300 people. The inspection also involved significant data collection and analysis by the CQC before and after the visit. The inspection reports consist of 16 service type reports and ratings, with one overall organisational level report and rating. The final reports were presented to commissioners, regulators and stakeholders at the Quality Summit on 22 October 2015 and published on the CQC web site on 4 November 2015. The inspection reports represent a snapshot in time at April 2015 with significant quality improvements made immediately following the inspection, which have continued since.

The Trust used this first major inspection under the new format as a learning opportunity and the outcome is helpful in that it will provide a clear focus for the necessary improvements, with the support from commissioners and stakeholders. The findings of the CQC reports are welcomed and will be used as a key driver to further improve the quality of services. Further detail can be found in Part 2 of the Quality Account.

The CQC have notified the Trust of their plans for re-inspection in September 2016.

Progress Towards Targets as Agreed with Local Commissioners, Together with Details of Other Key Quality Improvements

As part of the contractual arrangements for community and mental health services, including those services defined as specialist; the Trust has a number of targets to meet relating to CQUIN (Commissioning through Quality and Innovation) and the Quality Schedule of contracts. The objective for the indicators under the CQUIN scheme is to incentivise quality improvement within priority service delivery areas.

These targets are service specific, locally agreed and based on quality initiatives. The performance for these indicators is reported to commissioners on a quarterly basis and additional income is secured should the quality of services improve through demonstrable achievement of these challenging targets. All respective targets have been achieved and detail about the associated quality improvements and the impact on the experiences of people who use the Trust's services is described further in the Quality Account.

Key priorities reflected in the CQUIN indicators for 2015/16 for the community and mental health contracts included:

- Implementation of the Mental Health Harm Free Care Programme across inpatient mental health services

- Implementation of the reducing restrictive practices programme in line with the Trust's plan
- Clinical teams use information feedback from people who use their services to inform quality improvements and will share feedback in the form of 'you said we did' messages
- 'Always events' to be implemented in line with the 'always events plan' across the organisation
- Implementation of the Quality Improvement Framework by all teams reflecting the use of quality improvement methodologies and enablers

The 2016/17 CQUIN indicators for both the community and mental health contracts are developed by the Trust's quality leads and Clinical Commissioning Group representatives and approved by the Director of Nursing & Quality.

Any new or significantly revised services

Delivering the Strategy (DTS) is a five year internal programme aimed at closing the financial gap between the cost of running our services and the funding currently provided, whilst at the same time maintaining and improving quality. To this end, 16 programmes have been developed largely from ideas generated by staff. The purpose of the programme is to release the required savings in a controlled and measured way.

The underlying principle is that efficiently run services are better for patient care, providing clear care pathways which reduce handovers and avoid duplication, and reducing unnecessary expenditure to maximise financial support for clinical services.

DTS has six clinical programmes, covering inpatient services, Community Mental Health Redesign, Unscheduled Care, Children and Young Peoples' Emotional Health and Wellbeing, Out of Hospital Care and Specialist Rehabilitation Services. The remaining ten programmes focus on corporate areas such as Pharmacy, Workforce, Procurement, Estates and Information Technology.

Further detail, including the successful outcomes of the DTS programmes can be found in *Part 3: Well Led* of the Quality Account.

Adult Mental Health

This year has seen changes to wards in East Lancashire as part of an ongoing piece of work to care for people as close to home as possible and improve mental health services. Three new units providing crisis support have opened in East Lancashire: the Towneley Unit and two mental health assessment wards.

The Towneley Unit is a 24 hour, 7 day facility which provides an alternative pathway for people accessing emergency departments in crisis. The unit provides an assessment area in a calm and welcoming environment with places for six patients. With the support of staff, the person accessing the Towneley Unit is supported to both manage their immediate crisis and ensure they are placed on a pathway leading to ongoing recovery, which usually will help them to remain in the community.

The Mental Health Assessment Wards: Ribble Ward (male) and Edisford Ward (female) offer an inpatient service providing 24 hour, 7 day multi-disciplinary psychosocial assessment with an optimal length of stay at three days with a maximum stay of five days. The outcome of the assessment recommends the best way of treating the person following discharge from the mental health assessment ward whether this may be under the care of a mental health community team or within an inpatient care setting.

The Acute Therapy Service (ATS) established during the year supports service users during a mental health crisis between the hours of 9am to 5pm Monday to Friday which offers an alternative to hospital admission and facilitates early discharge from hospital by providing brief structured psychological input and occupational therapy, nursing and social support. The therapy service provides a relaxing environment for service users who are in a mental health crisis to attend for short term intervention. Further detail can be found in *Part 3: Well Led* of the Quality Account.

The Hornby Road service opened in November 2015 providing a mental health step down service for people who are being discharged from acute mental health inpatient wards and who have a local connection to Blackpool. The 12 place unit provides short term accommodation, for between 6 and 13 weeks. 24 hour support is provided to people who have no continuing clinical need for hospital based care but whose discharge is delayed because they are homeless, or their usual place of residence is unsettled, unsuitable or unsafe, or they have underlying social care or support needs which would prevent successful resettlement into independent living.

Initial feedback from users of the service has been positive, and more information on service user experience for this service can be found in the Quality Account.

Adult Community

In Adult Community Services, 2015/16 has seen a significant re-design of Intensive Home Support Services in Blackburn with Darwen. The re-design has focused on enabling frail older people and people with chronic respiratory disease to be treated and cared for at home whenever possible.

Community services are working collaboratively with health and care providers across Pennine Lancashire to deliver a 7 day, extended hours out of hospital service. To support self-care/management for people with chronic respiratory disease, an app has been developed entitled ‘How are you today?’ with 1600 people now using this app on their mobile phones.

During the year there has been an expansion of self-care/management services enabling people with long term conditions to better manage their health and wellbeing. Such as the development of education programmes for people with Type 1 and Type 2 diabetes and the ‘Steady On’ falls prevention programme. More information is available in *Part 3: Effectiveness* of the Quality Account

Specialist Services

Throughout 2015/16 the Trust successfully rolled out Criminal Justice Liaison and Diversion Services across Lancashire, following which, the pilot sites were granted Wave 2 status and funding for 2016/17. Criminal Justice Liaison Services now operate in all Police Custody Suites and Magistrates courts and have matured to provide an all age service for users encompassing all vulnerabilities, with provision now covering mental health, learning disabilities, social care need and substance misuse needs. The service is delivered over 7 days, and additionally, the team have progressed a unique model of Interim Case Management which assists vulnerable offenders to live healthy lives following contact with the Criminal Justice System. More detail about this service is included in *Part 3: Effectiveness* of the Quality Account.

This additional support allows meaningful and person centred recovery that maximises engagement with services. The service also provides Service User forums in each locality to ensure that the views of users are heard and are instrumental in the ongoing development of this care pathway. More detail about these forums is included in *Part 3: Experience* section of the Quality Account.

Children & Families

In April 2015 Children & Families Network saw the launch of the Family Nurse Partnership (FNP) service across Blackburn with Darwen, Burnley and Central Preston Areas. FNP is a licensed, evidenced-based, intensive, nurse-led prevention and early intervention programme for vulnerable first-time young parents and their children. It is the first part of the preventive pathway for the 2-5% of most disadvantaged children.

FNP is a voluntary programme offered to young mothers having their first baby; it begins in early pregnancy and is orientated to the future health and wellbeing of the child. The programme consists of frequent structured home visits until the child is two years old. The Family Nurses who deliver the programme are drawn mainly from health visiting and midwifery and they receive additional training to equip them for the new role. The FNP is based on the theories of human ecology, attachment and self-efficacy and has three overarching goals:

- To improve antenatal health
- To improve child health and development
- To improve economic self-sufficiency

More detail about this service is included in *Part 3: Experience* section of the Quality Account.

The Early Intervention in Psychosis (EIP) Service has been working to improve the procedures for assessment of those referred with suspected first episode psychosis or at risk of developing psychosis. The focus on the referral to treatment pathway was to ensure increased speed of access in line with the new statutory access and quality standards for first episode psychosis, which comes into effect on 1 April 2016.

These standards are described in Achieving Better Access to Mental Health Services by 2020 (Department of Health & NHS England, 2014) and the NICE Quality Standard 80 – Psychosis and schizophrenia in adults (NICE, 2015).

From August 2015, the EIP service has reviewed current approaches and analysed improvements resulting in a pilot between October and December 2015. From the pilot, a new assessment pathway has been established which includes specialist EIP assessment leads being put in place. These specialist EIP assessment leads are assessing service users that are referred within two weeks, and in many cases within a few days. Following the assessment, a decision is made about suitability for treatment. This is often a complex decision and requires consideration by the multi-disciplinary team including the medical team. From December 2015, over 50% of those accepted for treatment have been brought into treatment within two weeks.

This significant improvement in performance has resulted in those suitable for EIP services accessing treatment rapidly therefore improving their recovery and future wellbeing. The research evidence is that this also impacts on a reduced need for future acute mental health services.

Service Improvements Following Staff or Patient Surveys/Comments and Care Quality Commission Reports

The Trust welcomes and actively encourages feedback from people who use services and their carers and shares this information with the clinical teams to support quality improvement. A key principle of 'Our Vision' is that peoples stories are told and heard, in order to listen and learning to improve quality together. The Trust is looking at a range of ways to collect feedback. This work has resulted in the development of Hearing Feedback principles which will guide future developments. Further information about this work can be found in *Part 3: Experience* of the Quality Account.

In collaboration with Professor Michael West and the Kings Fund, the Trust has been developing its People Plan during 2015/16 focussing on the principle that having engaged and content employees results in improved quality of care and compassion. The work will change systems and processes, develop leaders and managers, and ensure that staff are motivated and engaged. The ultimate aim is create the best environment for high quality with people at the heart of everything we do. The plan will build on previous work using an appreciative enquiry approach, and the positive impact that this has on the organisational culture. There has been significant engagement undertaken as part of developing the People Plan with staff and stakeholders. More information on the Plan and the Staff Survey can be found within the Staff Report on page 65.

Improvements in Patient/Carer Information

The Trust continues to work closely with service users, families and carers to improve their experiences of services and ensure that they are involved and well-informed, and continues to work collaboratively with partner organisations to support carers. A portfolio of patient information leaflets is available and involves service users and

carers in reviewing and updating the leaflets. A service user and carer newsletter, Voice News is produced on a quarterly basis with service users and carers being part of the editorial team and contributing to the publication.

An easy read summary of the Quality Account 2014/15 was published in the summer edition of Voice News having been informed by and developed with people who use Trust services. The full version of the Quality Account was made available on the Trust internet site alongside the Annual Report and Accounts. It was also presented to the Council of Governors and members at the Annual Members' Meeting.

Information on Complaints Handling

The Trust listens and responds openly to complaints to seek resolution wherever possible. There is a positive attitude to complaints as opportunities to review how things may have gone wrong, enable the chance to put things right, learn lessons and improve services for the people who use services, their carers and families. The Trust see every complaint as an opportunity to learn.

After a successful pilot the Trust is extending our customer care survey. The purpose of the survey is to improve the experience of people who make complaints. The outcomes of the survey are informing a quality improvement programme which has begun improving the way in which the Trust acknowledges feedback by ensuring it is timely and flexible to meet individual needs.

A training programme to support complaint investigations has been evaluated in the Adult Mental Health network. 95% of delegates rating the training as excellent.

A 'Hearing Feedback' report has been developed and is shared quarterly with the Quality and Safety Sub-Committee and lead commissioners. The report contains information about: complaints, compliments and the Friends and Family Test, 'you said we did' reporting, and progress of the Always Event programme. Further information can be found in the Quality Account.

During the reporting period the Trust received 1101 formal complaints, 43 comments and 6584 compliments. There were 14 enquiries from General Practitioners and 95 from Members of Parliament.

Regular assurance was provided to the Trust Board via the Quality & Safety Sub-Committee on the achievement of targets, main themes from complaints, lessons learned and improvements as a result of complaints.

The top themes arising from complaints were:

- Communications (173)
- Access to treatment or drugs (150)
- Appointments including delays and cancellations (135)

Parliamentary and Health Service Ombudsman (PHSO) Summary

Number	Current Status
0	The PHSO declined to investigate
1	Referred back to the Trust for a further attempt at resolution
1	PHSO investigated and now closed
0	PHSO investigated and partially upheld
5	Currently with the PHSO

3.3 Stakeholder Relations

Relationship Management

Relationship management supports the Trust in strengthening bonds with key partners. Throughout the organisation, strong relationships with stakeholders exist at many levels and these are strengthened by open communications and a collaborative approach.

A strategic approach to relationship management is led by the Engagement Team to ensure that the engagement activity undertaken by Executives, senior managers and clinicians is aligned and co-ordinated with specific geographical localities and stakeholders.

Three Relationship Managers, focussed on geographical areas, lead or support appropriate engagement with internal and external stakeholders. A key part of the Relationship Manager role is the development of relationships with GPs and other commissioners. This involves co-ordinating visits to GP Practices and supporting them with operational queries, ensuring the Trust's clinical representatives are appropriately supported, feeding back intelligence in a robust and meaningful way and sharing intelligence with relevant networks and services.

The Trust continues to develop its relationships with groups in Lancashire including:

- Clinical Commissioning Groups (CCG)
- Other Commissioners
- Other NHS providers
- Local authorities
- The Third Sector and other emerging providers
- Other local agencies including police and prisons

By working closely with these organisations the Trust is well placed to develop enhanced services for patients and deliver efficiencies.

Creating a dialogue with stakeholders is key to strengthening relationships. The Trust has a variety of communication mechanisms to support this with activity tailored to specific audiences and localities. A Customer Relationship Management system is used to manage and co-ordinate stakeholder communications. It allows the Trust to monitor and manage stakeholder engagement more effectively and identify key themes and issues. Relationship Managers use this intelligence to inform meetings with CCG operational leads to discuss key themes from queries and to develop solutions and improve working practice.

Descriptions of Significant Partnerships and Alliances Entered into by the NHS Trust to Facilitate the Delivery of Improved Healthcare and Development of Services involving other Local Services/Agencies and Involvement of Local Initiatives

The Trust works in partnership with numerous organisations across Lancashire 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 local stakeholders at a locality level and has been part of a number of initiatives focussing on delivering high quality care to patients.

Achieving the right support, in the right place, at the right time, with the right outcome at the right price is essential. Developing care outside of hospital is a priority area for the Trust and this year we have developed Intensive Home Support in Blackburn with Darwen and Central Lancashire with Healthcare at Home. A re-ablement unit, Beechwood is provided in Central Lancashire in collaboration with Midland Heart.

The aims of the Trust's approach to stakeholder relations are to: support the business objectives of the Trust by strengthening relationships with key stakeholders, and engaging them in working in partnership to address the challenges faced in the health economy.

The Trust's overarching Communication and Engagement framework provides a structure to support the forging of relationships with key partners and supporting the clinical networks to identify their key stakeholders and engage with them in an effective way. The framework for this approach is provided by key principles which include a commitment to ensuring that stakeholder engagement is clinically led where possible and aligned to the service user and carer involvement work of clinical networks.

From 1 June 2015, the Trust's Specialist Services network has been providing the physical, mental health, social care and substances misuse services at both HMP Liverpool and HMP Kennet. The Trust has worked alongside expert subcontractor Lifeline Project (Lifeline) who is delivering the non-clinical substance misuse services and psycho-social support. Service provision includes a transformation programme based on the 'Gold Standard Offender Health Care Pathway'.

'Riding the Wave', held at the Headquarters of Lancashire Constabulary, was the second annual conference hosted by the network's Criminal Justice Liaison Team. The conference brought together over 70 delegates drawn from Trust colleagues, service users, Lancashire Constabulary and other stakeholders in the local criminal justice system as well as commissioners, notably NHS England. The conference used stakeholder presentations and film clips featuring service users to highlight changes in the Criminal Justice Liaison and Diversion service from April 2015 when the service was awarded second wave funding from NHS England to inform and develop a national model of liaison and diversion services.

The Specialist Services network annual recovery conference focused on technology and brought together over 100 partners and colleagues from the statutory, third and private sectors including contributions from international speakers. A working group chaired by the Specialist Services network's Clinical Director has been established to ensure that the proceedings of the conference are translated into outcomes built on the design and implementation of a progressive policy governing the use of technology for service users and staff in the network's secure settings.

The Trust is working with a range of external partners (statutory and voluntary) and commissioners to deliver a fundamental transformation of the care given to people in

mental health crisis as part of the Lancashire wide unscheduled care mental health pathway.

The Trust is a key player in the Healthier Lancashire & South Cumbria Programme and supports its aim to lead the way in an unprecedented collaboration between people and organisations to define a new and better future for health and care in Lancashire. The Trust's Communications and Engagement Service makes a significant contribution through its membership of the Communications and Engagement Partners Steering Group. As a pan-Lancashire health and wellbeing provider, it is anticipated that the Trust will be represented on several of the Area Sounding Boards and Summits through which much of the Healthier Lancashire & South Cumbria Programme will be co-ordinated.

The Trust is an active partner in the Better Care Together vanguard (which aims to improve health services with more integrated out-of-hospital sector) and the Fylde Coast Local Health Economy vanguard (which aims to deliver more support in the community).

Trust Executives sit on the Lancashire County Council, Blackpool, and Blackburn with Darwen Health and Wellbeing Boards. The Boards are hosted by local authorities and bring together the NHS, public health, adult social care and children's services for their local populations. Tackling health inequalities, increasing life expectancy and improving health outcomes are amongst the shared goals of the Boards that the Trust supports.

Relationships with the third sector were developed by supporting a number of significant events such as Health Melas in Central Preston, Leyland and Lytham. Around 1,500 members of the public attended the Health Mela events in 2015, which provided an excellent opportunity for Trust teams to showcase their work to the local communities. Events during the year were supported by teams from the Trust including: Mindsmatter, Tuberculosis (TB), Fit Squad / Quit Squad, Desmond Diabetes and Memory Assessment. These events also provided opportunities for enhancing the Trust's reputation with key stakeholders, including borough councils and local Clinical Commissioning Groups.

The Trust supported the Open Mind Festival, which took place in October 2015, in partnership with Preston City Council, Lancashire County Council, Greater Preston, Chorley and South Ribble CCGs, the University of Central Lancashire (UCLan) and Music and the Mind. The Festival is a service user led annual public engagement event which uses music as a medium to challenge discrimination and promote anti-stigma messages about members of communities living with a mental health problem.

The Trust is currently working with partners to develop 'Whittingham Lives', a long term public and service user engagement project that will explore the 150 year history and legacy of the asylum based at Whittingham on the outskirts of Preston.

The Trust hosted a membership conference focusing on safeguarding in October 2015 attended by around 100 delegates from a range of health and social care

providers including GPs, commissioners and third sector organisations. The purpose was to inform the revision of the Trust's strategic approach to safeguarding

The Adult Mental Health network continued to work with key advocacy providers including Advocacy Focus, NCompass and Empowerment to ensure service users receive the right advice and support at the new flagship facility, The Harbour. The Richmond Fellowship was engaged as the provider for Sparky's café and shop at The Harbour.

A street triage service in Chorley was made possible through partnership working between Adult Mental Health Services, Chorley and South Ribble CCG and the Police. This service enables police to access mental health workers when they identify issues with members of the public. A researcher is now in post and will be reporting on the intended outcomes and what benefits the service has delivered.'

The Trust has worked in partnership with General Practice across Lancashire and the Lancashire Local Medical Committee (LMC) to deliver its annual GP survey which provided helpful feedback on Trust services. The Trust worked with Central and West Lancashire LMC to produce an improved single referral form for many of the Trust's community services. This is now in use across both localities and has improved efficiency for services and GPs alike.

The Trust was successful in winning the bid to deliver Mindsmatter services in St. Helens in partnership with 5 Boroughs NHS Foundation Trust.

Since 1 July 2015, in partnership with Pennine Care NHS Foundation Trust, the Trust has delivered a Military Veterans' Service across Lancashire and Greater Manchester. Awareness of the service has been raised through a joint communications and engagement campaign.

Restart services have continued to work with partners such as Richmond Fellowship and Making Space, supporting a wide range of local initiatives and service user-led groups from music to sports and ecology. The Trust continues to work in partnership with Burnley Football Club and the 'It's a Goal!' Foundation to use football to help men in the community deal with depressive problems in a different way.

Following the publication of 'Access and Waiting Time Standard for Children and Young People with an Eating Disorder' in July 2015, the Trust has worked with commissioners on an Eating Disorder pilot to deliver the recommendations from the new standards. This exciting opportunity has allowed the Trust to build on current practice within CAMHs in Lancaster, Morecambe and Fylde and Wyre by developing standardised procedures, training and educational materials. This will improve the early detection of young people who are at risk of developing an eating disorder.

Consultation with Local Groups and Organisations, including the Overview and Scrutiny Committees of Local Authorities Covering the Membership Areas

The Trust maintains good relationships with the local Healthwatch and Overview and Scrutiny Committees, attending meetings on invitation and keeping local organisations informed of developments via regular bulletins and other communications.

Relationships with local authorities are maintained by Executive representation on Health and Wellbeing Boards and collaborative work on initiatives such as the Chorley Public Service Review and the Blackburn with Darwen 'New Relationship with Local People'. Strong relationships exist with local Clinical Commissioning Groups and opportunities to engage jointly are taken wherever possible.

Any Other Public and Patient Involvement Activities

Service users contributed to the redevelopment of the Trust's website in particular the areas relating to Involvement and Experience. Service users and carers have generated ideas on how to make the most of social media for engaging with the public and local communities.

An access review at all of the Trust's inpatient sites was undertaken to establish if the Trust is providing enough support for visiting families and carers. The Lancaster District Pensioners' Campaign Group provided rich intelligence to inform proposals to improve the experience of visitors.

The CAMHS Tier 4 service set up the 'The Crew' several years ago, a group of young people and carers who have previously used the services and are now involved in every aspect of service planning and improvement. An employee of the Trust who was integral in setting up 'The Crew' has been awarded a prestigious National Positive Practice in Mental Health 2015 Award in the Making a Difference category. This award recognises and celebrates all that is good in mental health services.

As part of the Children and Families network 'Children and Young People's Emotional Health and Wellbeing Transformation' project a CAMHS workshop was held to engage and involve key stakeholders including service users and parents to create a joint vision about the ideal out of hours, crisis and unscheduled care services for young people. The collaborative vision agreed was 'A service that provides non-judgmental timely support for young people and their families, so they can build confidence enabling them to live their lives'. Work to create a model to support this vision is underway and the Trust is looking at ways to make this vision a reality.

In response to a query from a Preston MP's office about how the Trust can better support constituents who come to talk to their MPs about mental health, Relationship Managers explored a number of proposals including:

- actively working with the office to promote stress/anxiety courses run by the Trust and to continue to highlight self-referral into Mindsmatter
- making a link with the new Lancashire Wellbeing Service
- ensuring the MP office has access to a greater range of befriending and peer led services
- developing a wellbeing surgery at the monthly constituent surgery where Mindsmatter and the Wellbeing service would be represented

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:

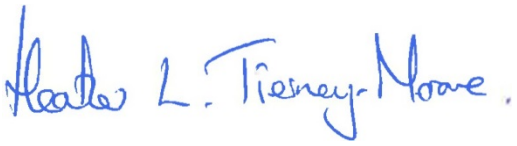
- They consider the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for stakeholders to assess the NHS Foundation Trust's performance, business model and strategy;
- So far as the Director is aware, there is no relevant audit information 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 Derek Brown,
Chair
26 May 2016



Professor Heather Tierney-Moore OBE
Chief Executive
26 May 2016

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.

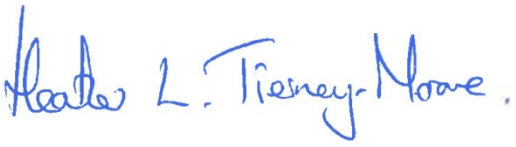
3.6 Statement of Directors' Responsibility in Preparing the Financial Statements

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 Derek Brown
Chair
26 May 2016



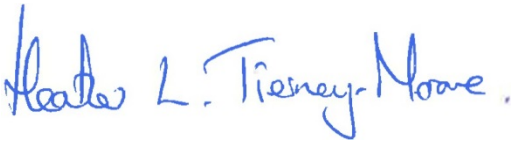
Professor Heather Tierney-Moore OBE
Chief Executive
26 May 2016

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 Schedule 8[9] of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410) ("the Regulations") and;
- Parts 2 and 4 of Schedule 8 of the Regulations as adopted by Monitor in its NHS Foundation Trust Annual Reporting Manual and;
- Elements of the NHS Foundation Trust Code of Governance.

[9] 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
26 May 2016

4.1 Annual Statement on Remuneration

During 2015/16 the Nomination Remuneration Committee considered the outcome of the Executive Director appraisal process and approved a recommendation to uplift the salary of the Executive Director of Nursing & Quality. Details of the uplift are reflected in the table of Salary and Pension Entitlements of Senior Managers on page 61. There were no other uplifts made to any other Director's salary during the year.

The Nomination Remuneration Committee also agreed the remuneration policy for senior managers and the supporting procedures which apply 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.

Further activity involving the Nomination Remuneration Committee members outside of the formal meetings was undertaken in relation to responding to enquiries regarding Executive Directors paid more than the Prime Minister's current salary which equates to £142,500. The Nomination Remuneration Committee has ensured the Trust has taken steps to satisfy itself that Executive Director remuneration which is above this threshold is been subject to a reasonableness check as set out in the Trust's Senior Manager Remuneration Policy.

4.2 Senior Managers Remuneration

Future Policy Table

The Board of Directors Nomination Remuneration Committee approved the Senior Manager Remuneration Policy during the financial year.

Component of senior manager remuneration packages	Description of each component
Salary & Fees	Annual objectives are set for senior managers at the start of the year that are aligned to Trust strategic priorities and five year plan. The Delivering the Strategy programme which set out the mechanisms of transformational change each has an Executive sponsor. Fulfilment of objectives supports the salary component of the remuneration packages. Quarterly performance reviews are held between senior managers and the Chief Executive to formally review the progress and delivery of objectives. The maximum that could be paid in respect of this component is the full salary as agreed by the Board of Directors Nomination Remuneration Committee.
Taxable Benefits	Senior managers receive taxable benefits on an optional basis in relation to reimbursement of mileage, and of either an allowance or contribution to lease cars as part of the remuneration package.
Annual Performance Related Bonuses	The Trust does not operate Annual Performance Related Bonuses.
Long Term Performance Related Bonuses	The Trust does not provide any Long Term Performance Related Bonuses
All pension related benefits	Pensions related benefits are reported on page 61. Appointments are superannuable under the terms of the NHS Pension Scheme as contained in the 'NHS National Handbook of Terms and Conditions'. Senior managers are entitled to become/continue as a member of the NHS Pension Scheme subject to its terms and rules, which may be amended from time to time.
Salary Threshold 'Reasonableness' Check	Executive Director salary is weighted against performance against objectives and consideration of portfolio content. External salary review and benchmarking takes place in order to satisfy itself that remuneration for senior managers is reasonable, the policy states an interval of 5 years for external review. Individual salary review takes place on an annual basis as part of the appraisal process to consider performance.

The Trust is required to disclose the provision for the recovery, or withholding of sums paid to senior managers. Senior manager contracts contain a general provision for the recovery, or withholding of sums paid.

There have been no new components introduced to the remuneration package.

The Trust has a policy for the remuneration of Board members. Senior manager remuneration packages are agreed on an individual basis by the Board of Directors Nomination Remuneration Committee. The remuneration of employees is determined nationally through Agenda for Change national guidance.

The policy on setting the components of Non-Executive Director remuneration is to set and agree remuneration at the Council of Governors Nomination & Remuneration Committee. The level of remuneration is benchmarked. An appraisals process is in place however this is not performance weighted. The remuneration package set by the Council of Governors Nomination Remuneration Committee recognises the additional responsibilities of the Chair of Audit Committee and Chair and these are already included within the remuneration package of those Non-Executive Directors. There are no other fees due or benefits payable to Non-Executive Directors in addition to standard remuneration. The remuneration payable to Non-Executive Directors can be seen on page 62.

All remuneration payments are paid through payroll.

Senior Managers Remuneration: Service Contracts Obligations

The obligatory notice period for senior managers is six months as set out within the senior manager contract.

The Health and Social Care Act 2008 (Regulated Activities) Regulations 2014 placed a requirement on NHS provider organisations to ensure that director-level appointments meet the Fit and Proper Persons Requirement (FPPR). The Trust is responsible for the appointment, management and dismissal of its directors and to ensure the Fit and Proper Persons Requirements are met. Senior management contracts have been reviewed to ensure compliance with the Fit and Proper Persons Requirements.

The Trust can declare there are no additional obligations contained in senior managers' service contracts that have not previously been disclosed. There are no obligations which could give rise to, or impact on, remuneration payments or payments for loss of office.

The Trust does not propose to set any new obligations within service contracts.

Senior Managers Remuneration: Policy on Payment for Loss of Office

The policy on the setting of notice periods under senior managers' service contracts and the principles on which the determination of payments for loss of office will be approached, including how each component will be calculated and whether the

circumstances of the loss of office and the senior manager's performance are relevant to any exercise of discretion are subject to discussion and approval by the Board of Directors Nomination Remuneration Committee. All termination payments are made strictly in accordance with contractual conditions.

Payments for Loss of Office do not apply to Non-Executive Directors.

Statement of Consideration of Employment Conditions Elsewhere in the Foundation Trust

The pay and conditions of employees (including any other group entities) are determined nationally by Agenda for Change national policy. Senior managers remuneration packages are determined by the Board of Director Nomination Remuneration Committee.

The Trust does not currently consult with employees in preparing the senior managers' remuneration policy.

Anonymous benchmarking data from an external network was considered in the preparation of agreed remuneration packages of senior managers.

4.3 Annual Report on Remuneration

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.

Remuneration Committee

As stated on page 97 the Trust has a joint Nomination Remuneration Committee however for the purpose of this report will focus on the remuneration activity.

The details of the membership of the Nomination Remuneration Committee, including the names of the chair and members of the committee is referred to on page 94.

The number of meetings and individuals' attendance at each is referred to on page 94.

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.

4.4 Disclosures Required by Health and Social Care Act

Information required by section 156 (1) of the Health and Social Care Act 2012, which amended paragraph 26 of Schedule 7 to the NHS Act 2006, and is not subject to audit:

- information on the corporation's policy on pay and on the work of the committee established under paragraph 18(2) of Schedule 7 to the NHS Act 2006, and such other procedures as the corporation has on pay; and
- information on the remuneration of the Directors and on the expenses of the governors and the Directors.

Expenses

As required by section 156 (1) of the Health and Social Care Act 2012, the following expenses were remunerated.

Reporting Group	2015/16			2014/15		
	Total Number in group	Number in receipt of expenses	Travel expenses £'00	Total Number in group	Number in receipt of expenses	Travel expenses £'00
Executive Directors	6	6	61	8	6	71
Appointees (Chair and Non-Executive Directors)	7	5	39	8	4	34
Council of Governors	30	10	24	25	12	50

Further information and definitions can be found in guidance previously issued by HM Treasury through the following websites;

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/220745/tax_pay_appointees_review_230512.pdf

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/62099/PPN-0712-Tax-Arrangements-of-Public-Appointees.pdf

Board of Directors' Nomination and Remuneration Overview

The Board directs the operations of the Trust and is appointed as follows; the Chair and the Non-Executive Directors are appointed by the Council of Governors' Nomination Remuneration Committee. Remuneration, allowances and terms and conditions of office of the Chair and Non-Executive Directors is directed by the Council of Governors Nomination Remuneration Committee. The Chair and Executive Directors appoint the Chief Executive. The Chair, Non-Executive Directors, Executive Directors and the Chief Executive appoint the other Executive Directors. Executive Directors are on substantive contracts. Remuneration, allowances and terms and conditions of all Executive Directors, including the Chief Executive, is

directed by the Board of Directors Nomination Remuneration Committee. Posts are advertised in relevant media and interviews are undertaken by a panel comprising members of the Board of Directors Nomination Remuneration Committee and external assessors. Non-Executive Directors positions, including the Chair, are terminable by the Council of Governors Nomination Remuneration Committee. Executive Director positions are terminable by the Board of Directors Nomination Remuneration Committee. In the case of Executive Directors other than the Chief Executive, the Chief Executive would also take part in the decision.

Details of the Board Nomination & Remuneration Committee can be found on page 97.

Benefits in kind relate to the provision of a lease car or taxable mileage benefits.

Salary and Pension Entitlements of Senior Managers

(The tables below have been subject to audit review)

Remuneration: Executive

Employee Name and Title	Period 1 April 2015 - 31 March 2016						Period 1 April 2014 - 31 March 2015					
	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 OBE Chief Executive (01/04/2015 - 31/03/2016)	205 - 210	300	0	0	0	205 - 210	205-210	400	10-15	0	0	215-220
Professor Max Marshall*** Medical Director (01/04/2015 - 31/03/2016)	190 - 195	4600	0	0	90 - 92.5	285 - 290	190-195	2700	0	0	575-577.5	770-775
Mr Craig Barratt* Director of Strategy & Transformation (01/04/2015 – 24/08/2015)	50 - 55	0	0	0	0	50 - 55	145-150	100	0-5	0	47.5-50	195-200
Mrs Denise Roach Director of Nursing & Quality (01/04/2015 – 31/03/2016)	130 - 135	300	0	0	107.5-110	240 - 245	125-130	200	0	0	430-432.5	555-560
Mrs Sue Moore Chief Operating Officer (01/04/2015 – 31/03/2016)	125 - 130	6300	0	0	0	130 - 135	135-140	3100	0	0	117.5-120	260-265
Mr William Gregory Chief Finance Officer (01/04/2015 – 31/03/2016)	150 - 155	2200	0	0	40 - 42.5	195 - 200	25-30	0	0	0	47.5-50	75-80

*served notice period which expired on 24/08/2015

** 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.

***the element of the individual's remuneration that relates to their clinical role is £135k - £140k.

Remuneration: Non-Executive

Appointees Name and Title *	Period 1 April 2015 - 31 March 2016						Period 1 April 2014 - 31 March 2015					
	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 Derek Brown Chair (01/04/2015 – 31/03/2016)	45 - 50	0	0	0	0	45 - 50	45-50	0	0	0	0	45-50
Mr Peter Ballard Non-Executive Director (01/04/2015 - 31/03/2016)	15 - 20	2000	0	0	0	15 - 20	15-20	0	0	0	0	15-20
Mr Gwynne Furlong Non-Executive Director (01/04/2015 - 31/03/2016)	15 - 20	1000	0	0	0	15 - 20	15-20	300	0	0	0	15-20
Ms Naseem Malik Non-Executive Director (01/04/2015 – 31/03/2016)	15 - 20	0	0	0	0	15 - 20	15-20	0	0	0	0	15-20
Mr David Curtis MBE Non-Executive Director (01/04/2015 – 31/03/2016)	15 - 20	400	0	0	0	15 - 20	5-10	0	0	0	0	5-10
Ms Louise Dickinson Non-Executive Director (01/04/2015 – 31/03/2016)	15 - 20	1600	0	0	0	15 - 20	15-20	200	0	0	0	15-20
Ms Isla Wilson Non-Executive Director (01/10/2015 – 31/03/2016)	5 - 10	700	0	0	0	5 - 10	-	-	-	-	-	-

*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. In this context, ‘salary’ relates to the amounts paid as remuneration for this position.

Pension

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 2016 (Bands of £5,000)	Lump Sum at pension age related to accrued pension at 31 March 2016 (Bands of £5,000)	CETV at 31 March 2016 (Rounded to nearest £1,000)	Real Increase in CETV as funded by employer (Rounded to nearest £1,000)	CETV at 01 April 2015 (Rounded to nearest £1,000)	Employers contribution to stakeholder pension
Professor Max Marshall Medical Director (01/04/2015 - 31/03/2016)	2.5 - 5	10 - 12.5	90 - 95	280 - 285	1,929	95	1,813	0
Mr Craig Barratt* Director of Strategy & Transformation (01/04/2015 – 24/08/2015)	0	0	0	0	0	0	51	0
Mrs Denise Roach Director of Nursing & Quality (01/04/2015 – 31/03/2016)	2.5 - 5	12.5 - 15	60 - 65	190 - 195	1,076	89	976	0
Mrs Sue Moore Chief Operating Officer (01/04/2015 – 31/03/2016)	0	0	40 - 45	120 - 125	733	0	756	0
Mr William Gregory Chief Finance Officer (01/04/2015 – 31/03/2016)	0 - 2.5	5 - 7.5	50 - 55	150 - 155	910	38	861	0

* served notice period which expired on 24/08/2015

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

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's 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.

On 16 March 2016, the Chancellor of the Exchequer announced a change in the Superannuation Contributions Adjusted for Past Experience (SCAPE) discount rate from 3.0% to 2.8%. This rate affects the calculation of CETV figures in this report.

Due to the lead time required to perform calculations and prepare annual reports, the CETV figures quoted in this report for members of the NHS Pension scheme are based on the previous discount rate and have not been recalculated.

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 2016 on an annualised basis.

Other Remuneration Disclosure	2015/16 £'000	2014/15 £'000
The highest paid senior manager in the organisation is the Chief Executive, being:	209	218
The median salary of full time Trust staff is:	26	27
The ratio therefore of the highest and the median salary is:	8.0	8.1

During 2015/16 no employees received remuneration in excess of the highest paid Director (2014/15 zero individuals). Remuneration ranged from £6k to £209k (2014/15 £5k to £218k).

The ratio between the highest and the median salary has decreased from 2014/15. This is because a final payment of performance related pay was made to the Chief Executive in 2014/15 which increased the total remuneration in that year. The Trust's performance related pay scheme was discontinued in 2014/15 and the payment made to the Chief Executive was performance related pay from 2013/14.

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

The Trust has prepared this report in compliance with the Monitor NHS Foundation Trust Annual Reporting Manual 2015/16.

Overview of Human Resources

The Human Resources (HR) Directorate exists to support the strategic objectives of the Trust by enabling excellent people management and therefore excellent patient care. The strategic objective to position the Trust as an employer of choice is important in enabling the organisation to attract and recruit the best people, and thereby positioning the Trust as a prime provider for health and wellbeing services.

The transactional element of the HR service is provided by teams whose purpose is to deliver and manage the processing elements of the HR employee lifecycle targeted to deliver a fit for purpose service to employees and managers on behalf of the HR function. These services include recruitment, temporary staffing (bank and agency), Registration Authority (ID badges and Smartcards), Workforce Information (workforce information and intelligence reports for Trust Board and management, ESR workforce data) and medical and dental workforce.

The business partnering service is a team of strategically focussed HR generalists working in partnership with networks and corporate services to support employee relations activity, management development training, HR policy development, managing and facilitating change and delivery of specific projects i.e. Occupational Health Contract.

Analysis of Average Staff Numbers 2015/16

The Trust's headcount as at 31 March 2016 was 6648. Over the past 12 months there has been an increase in the number of substantive posts in the Trust which is as a result of successful tenders achieved across the Trust.

The breakdown of average staff numbers and groups is a provided below.

Staff Group	Headcount 2015/16	Headcount 2014/15
Medical & dental	318	331
Ambulance staff	0	0
Administration & estates	1276	1249
Healthcare assistants and other support staff	946	850
Nursing, midwifery and health visiting staff	2264	2232
Nursing, midwifery and health visiting learners	15	7
Scientific , therapeutic and technical staff	996	998
Healthcare Science Staff	0	0
Social Care	51	56
Agency and contract staff	231	266
Bank staff	415	380
Other	136	98
Total Average Number	**6648**	**6467**

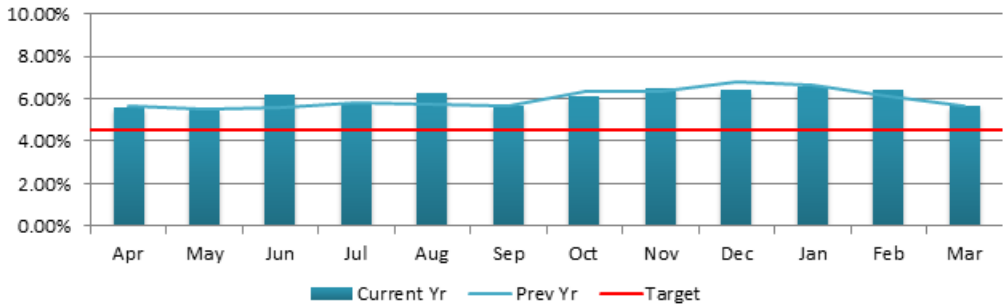
Employee Gender Breakdown

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	4
Non-Executive Directors (including the Chair)	4	3
Other Senior Managers	43	89
Employees	1277	5225

Sickness Absence Data

The graph on page 67 presents the monthly sickness absence rate for the operating year 2015/16. The current year data is provided alongside the absence rate target for the Trust set at 4.5%. The prior year sickness absence trend for 2014/15 is also provided for comparison. The Trust ended the reporting period with an average sickness absence rate of 6.07%.



Staff Policies & Actions Applied During the Year

Fair Consideration of Applications for Employment by Disabled Persons

The Recruitment and Selection policy makes specific reference to reasonable adjustments and accommodations for people with disabilities. Job advertisements invite applicants to contact us about their requirements and in the reporting period, adjustments have been made to support applicants with a range of disabilities including sight and hearing impairments, dyslexia and dyspraxia and Asperger's syndrome. These adjustments have taken the form of increased time to complete tasks, support from a companion and providing specialist software. These kind of adjustments have also been made for successful applicants once in post and the Trust is considering how it can better support employees with disabilities in the future.

The Trust works closely with Job Centre Plus and is proud to have been awarded the Two Ticks – Positive About Disability accreditation for another year. This symbol is displayed prominently and all disabled applicants who meet the minimum criteria for a role and who wish to be considered under the scheme are interviewed. As a result of this relationship, the Trust has also been asked to attend a Disability Confident event in partnership with the Department of Work and Pensions.

Continuing Employment of, and Arranging Appropriate Training for Employees who have Become Disabled Persons during 2015/16

The Trust uses the Department of Health's Equality Delivery System (EDS2) to demonstrate inclusion, equity of access and engagement for all diverse groups covered by the Equality Act 2010, including service users and staff with disabilities. In relation to disability, Trust policies and processes mandate the use of 'reasonable adjustments' and the Trust is committed to ensuring Equality Impact Assessments (EIAs) are carried out on all policies, service changes and other activities to ensure that action plans are put in place when a requirement for adjustment is identified. Access audits are carried out on all new buildings and refurbishments to address access and usability for service users, carers, other visitors and staff.

Disability is a challenging equality area to analyse as many people with a disability, as defined under the Equality Act 2010, may not regard themselves as having a disability, for example those who are deaf or those with blood borne viruses. Just over 4% of the workforce is recorded as having a disability. The Trust continued to improve data on disability through awareness sessions with teams and communication across the Trust. One of the invited speakers to the Trust's equality

and diversity conference, Opportunity Knocks! spoke about her life as a person with a disability, both as a patient and as an employee of the NHS. This session helped staff to understand changing attitudes to physical disability and the previous experiences which can impact on the present day behaviours and concerns of disabled service users and colleagues.

The Trust's Learning Disability Services are keen to share their knowledge and skills more widely with their professional colleagues and have worked hard to make their services accessible, engaging and supportive. A working group was established to increase employment opportunities for people with learning disabilities and look at ways of creating development pathways such as volunteering placements, apprenticeships and permanent posts in the Trust. The group will also seek to support job applicants with learning disabilities and helping utilise their skills.

Feedback highlighted that sometimes information developed and circulated by the Trust is difficult to understand for some people. The Trust worked with service users and their advocates and made improvements including the purchase of photosymbol software to create easy read documents and the establishment of an accessible information panel to ensure that new service user communications are fit for purpose. This work continues and amendments such as those made to the compliments and complaints documents have been very positively received. Any work which improves the Trust's reputation as a place which engages with people with disabilities and which increases staff understanding of disability, is likely to attract staff from these groups to apply for roles within the Trust and ensure that they can be properly supported when they arrive.

Career Development & Promotion of Disabled Employees

The Trust has a Mandatory Training Policy in place and ensures that everyone has equal access to Mandatory Training courses appropriate to their role. Should staff choose not to declare a disability the Trust makes every effort to manage individual needs and aims to try and remove any negative impact for staff to support them with mandatory training and development. Reasonable adjustments appropriate for the individual are made as far as possible. The Trust ensures that a consistent approach to mandatory training is applied for all staff employed by the Trust, regardless of gender, age, disability, ethnicity, gender identity, marital or relationship status, parental status, race, religion or belief or sexual orientation or any other criteria that could be deemed discriminatory.

The Quality Academy role models good practice principles, ensuring inclusion of all delegates and catering for any specific needs as dictated by the Equality Impact Assessment.

- Variety of teaching resources and formats
- Appropriate venues with accessible facilities
- 1-1 assistance for delegates with learning difficulties

Providing Employees Systematically with Information on Matters of Concern for Employees:

Communication

There are numerous methods of communication for employees. The Trust's intranet site provides all employees with a platform of information and is updated on a regular basis. A range of internal communication channels provide staff with information and the opportunity to feedback on key issues. These include the quarterly staff newsletter Insight, the Chief Executive's monthly Team Talk, and e-bulletins The Pulse, Quality Matters and Delivery the Strategy. In addition, network newsletters communicate network specific information, highlight achievements and share best practice.

Events

The Trust hosts events throughout the year to communicate and engage directly with staff. This includes the quarterly Engage event which is attended by senior leaders and aspiring leaders across the Trust to discuss and share the Trust's strategic plans. The Trust embarked on a new initiative 'Big Engage' events to reach out to all staff across the organisation to have a conversation to share, develop and refine the Trust's People Plan. This supports the work undertaken with Professor Michael West and the Kings Fund over the last year on developing its leadership and Organisational Development approach. These sessions have taken place during 2015/16 and will continue into the next financial year.

InTouch

InTouch sessions were launched to encourage staff engagement across the Trust and are linked to the Trust's five year plan to support staff to understand and contribute to the achievement of the six priority areas. The format of the sessions comprises a presentation to teams with time set aside for discussions and questions in an open forum. Outcomes of these sessions are being evaluated to ensure they meet the needs of employees going forwards.

Knowledge Resource and Information System (KRIS)

The new Knowledge Resource and Information System (KRIS) was launched in January 2016 for staff. KRIS is an information gateway which is hosted on the Trust's SharePoint site and helps staff easily access a whole resource of information. The system is a 'one stop shop' for staff and managers to obtain information about the Trust and its processes. The system will also support the Trust Induction Process as the information within the system will be particularly helpful in supporting new staff joining the organisation.

Trustnet (Staff Intranet)

Staff are encouraged to access information either through the intranet and online help services. This includes the e-HR portal which allows access to a range of HR information and resources and self-service for the majority of HR queries. Information is also accessible to employees regarding corporate and clinical policies and procedures.

Teams & Managers

Along with the formal communication channels, staff receive information through their line managers, team meetings, team information boards and cascades from their senior leadership teams.

Raising Concerns

The Trust has in place a Raising Concerns Policy which sets out a process for staff to raise their concerns directly with the Trust Executive. The policy makes it clear the Trust actively supports the raising of concerns and has signed up to the Nursing Times 'Speak out Safely' campaign to show this commitment. A Raising Concerns Guardian has been appointed in line with the recommendations of the Freedom to Speak Up Review led by Sir Robert Francis. Staff can raise concerns by post, email, to the Raising Concerns Guardian or through the Dear Derek system which allows staff to report concerns to the Trust Chair (any of these options can be anonymous.) Activity is reported to the Quality Committee of the Board on a six monthly basis, and shared with commissioners.

Consultation with Employees Taken into Account in Decision Making which is likely to Affect Employee Interests

There are a number of initiatives across the Trust that are promoted to staff on matters that affect their interests. The Trust continues to work closely with staff side and develop positive, successful relationships. The Partnership Forum meets bi-monthly to discuss all matters affecting employees including operational, business and strategic developments. This excludes medical staff who are represented through the Joint Local Negotiating Committee (JLNC) and a standing invitation to attend is extended to the JLNC representative to attend the Partnership Forum. Both committees have a partnership agreement in place.

Collective consultation meetings take place between staff side and HR. The Collective Consultation Forum (CCF) purpose is to enable management to consult with recognised Trade Unions (staff side) including medical representatives in respect of proposed organisational changes within the Trust, where the collective consultation requirement has been triggered. During 2015/16 there have been 56 consultations with staff side.

The Policy Development Group continues to take place on a monthly basis and the purpose of this meeting is to discuss HR related policies both new and existing. This is the forum where policy changes or amendments are negotiated and consulted on which could affect employees. As part of this process a virtual management group has been developed whereby nominated managers across the Trust have the opportunity to comment on policy developments.

Regular meetings take place between HR and staff side to develop relationships and discuss matters of concern regarding employees for example employee relations cases and new and improved ways of working.

Encouraging Involvement of Employees in the Trust's Performance

The Trust undertakes a wide range of engagement activities at Trust wide level to involve staff in the performance, operational activity of the Trust and involve staff in the delivery of quality led strategic priorities, more detail on staff engagement can be found on page 69. The four clinical networks also replicate the most popular forms of engagement activities with staff and tailor these to the network requirements, such as mini-engage events and network newsletters from the Network Directors targeted at staff delivering care in those networks.

Information on Health & Safety Performance and Occupational Health

The health and safety of patients, staff and the public is a key priority for the Trust. The health and safety team have undertaken a full ligature audit of all mental health inpatient units across the Trust and actively worked with clinical staff to ensure the safety of patients is maintained. They have also undertaken compliance audits of several areas, including all new developments, to review standards and assist managers to carry out risk assessments and develop action plans to address concerns raised. Incidents relating to health and safety are reported on our Datix integrated risk management system and have been investigated with any lessons learned used to improve safety in those areas for patients and staff. Security incidents have also been reviewed by the security team to ensure staff have been supported.

The health and safety and security teams work collaboratively and during the year and formed a joint Health, Safety & Security Steering Group which has received assurance on the Trust's work to ensure compliance with legislation and standards such as the NHS Protect Security Management Standards. The steering group is chaired by an associate director and includes representation of a non-executive director and staff side trade union officials.

The Trust has delivered two sessions of the Institution of Occupational Safety & Health (IOSH) 'Managing Safely' course which is providing a recognised and certificated qualification to managers and further enhancing the training provision for staff within the Trust.

A key priority for the Trust during the year was addressing and reducing physical violence towards staff. The Trust employs a number of violence reduction nurse specialists, who along with the health and safety and security teams, worked with clinical staff to prevent and manage violence and aggression. More detail on this is contained within the Quality Account.

During the year no inspections or enforcement action were carried out by the Health and Safety Executive (HSE). The Trust reported 36 incidents to the HSE under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) 2013.

The Trust appointed new providers for occupational health and employee assistance in July 2015. The occupational health provider is 'Well Being Partners', a joint

venture between Wigan, Bolton and Preston NHS Foundation Trusts. The employee assistance programme is provided by Health Assured.

The occupational health service includes both physiotherapy and counselling services. Physiomed provide the physiotherapy service which includes a triage service and face to face physio where necessary. Information is also available on a dedicated website for staff to access. Counselling services are provided in-house by 'Well Being Partners' and also via an outsourced provider for more specialised support.

Employees have access to a full range of services via the employee assistance programme which includes up to six telephone helpline sessions with a counsellor. This service is a free, confidential helpline service for staff offering them a range of life management and personal support. This is available 24/7, 365 days a year. Health Assured provide monthly newsletters to the Trust which are circulated to staff.

Employees are also able to access a range of support for their physical and mental health and wellbeing via the e-HR portal to enable staff to access information and resources 24/7. This includes information on occupational health and the employee assistance programme.

The Trust is committed to working together to support people to enjoy a healthy, happier and longer life. Over 100 wellbeing champions are now part of the Staff Health and Wellbeing Programme which provides a range of support for staff to make working life safe and healthy:

- Free Nicotine Replacement Therapy
- Workplace walks to help people 'sit less'
- Schwartz Rounds offering a safe space to talk about personal mental health
- Programmes to combat workplace stress
- Range of Mindsmatter services and workshops with self-referral process with options of out of working hours support.

Information on Policies and Procedures on Countering Fraud and Corruption

The Trust has an Anti-Fraud, Bribery and Corruption Policy in place and as part of this an annual work plan is agreed by the Chief Finance Officer. This covers areas such as creating an anti-fraud culture, deterring fraud and preventing fraud. The Trust engages the services of a Local Counter Fraud Specialist who attends the Audit Committee to provide updates on the progress of the annual work plan.

Expenditure on Consultancy

A variety of management consultancy services were engaged during 2015/16 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 the spending controls introduced by Monitor during the year whereby contracts for management consultancy projects exceeding £50k require advance approval from Monitor (this includes extensions to existing arrangements).

5.1 Staff Survey

Approach to Staff Engagement & Learning from Staff Feedback

The Picker Institute was commissioned to undertake the 2015 Employee Staff Survey for the Trust. A total of 850 employees from the Trust were sent a postal questionnaire to complete giving a response rate of 29%.

The National Staff Survey took place between September and November 2015 to collect the views of staff about their workplace. At Lancashire Care it is important that as many of our staff as possible have their voices heard. Staff thoughts, experiences and opinions are vital to improving the workplace for individuals, colleagues and patients.

The survey results are used by the Trust to inform:

1. Improvements in working conditions and practices
2. The Department of Health to assess organisations' performance in terms of the NHS constitution's staff pledges
3. The Department of Health and other national bodies to assess the effectiveness of national NHS staff policies, such as training and flexible working policies, to inform future development in these areas.

The Care Quality Commission benchmark the survey based upon key findings grouped according to the NHS Constitution's four staff pledges:

1. To provide all staff with clear roles, responsibilities and rewarding jobs
2. To provide all staff with personal development, access to appropriate education and training for their jobs and line management support to enable them to fulfil their potential
3. To provide support and opportunities for staff to maintain their health, wellbeing and safety
4. To engage staff in decisions that affect them, the services they provide and empower them to put forward ways to deliver better and safer services.

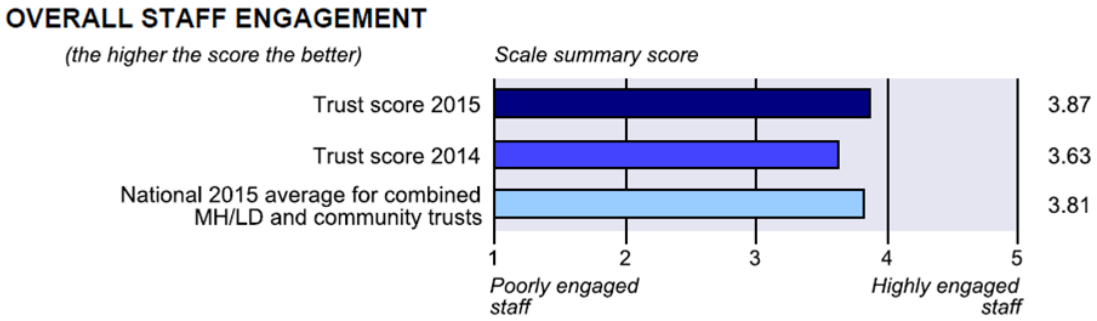
Summary of Performance – NHS Staff Survey

The graphs on page 75 show how the Trust compares with other combined mental health, learning disability and community trusts on an overall indicator of staff engagement. The Trust's score of 3.87 was above (better than) average when compared with trusts of a similar type. This overall indicator of staff engagement has been calculated using the questions that make up Key Findings 1, 4 and 7.

These key findings relate to the following aspects of staff engagement:

- Staff members perceived ability to contribute to improvements at work (KF7)

- Their willingness to recommend the trust as a place to work or receive treatment (KF1)
- And the extent to which they feel motivated and engaged with their work (KF4)



National Average and Comparison against 2014/15 Rates

	2015/16		2014/15		Trust Improvement/ Deterioration
Response Rate	Trust	National Average	Trust	National Average	
	29%	45%	27%	41%	2% point increase in response rate this year. 16% point decrease against national average

There was a small increase in the response rate this year, however overall the response rate is below the national average for 2015/16. A total of 60 questions were used in both the 2014 and 2015 Employee Staff Surveys. Compared to the 2014 staff survey, the Trust scored significantly better on 22 of these questions, significantly worse on 1 question with 37 questions showing no significant difference in the scores.

Key Highlights

The Trust is particularly pleased to see an improvement in the percentage of staff who feel their line manager takes a positive interest in their health and wellbeing. The Trust's overall indicator of staff engagement is above average this year at 3.87 compared with the national average of 3.78 and the average for other mental health and community trusts of 3.81. Very positive feedback also showed that 99% of staff feel that their role makes a positive difference to the lives of patients and service users and 98% of staff are clear on how to report unsafe clinical practice.

Top Ranking Scores

The top ranking scores are detailed in the following table.

	2015		2014		Trust Improvement/ Deterioration in Percentage Points
Top 4 Ranking Scores	Trust	National Average	Trust	National Average	
Percentage of staff reporting errors, near misses or incidents witnessed in the last month	97%	92%	92%	92%	5% points better than national average and 5% points better than last year.
Percentage of staff working extra hours	64%	72%	73%	71%	8% points better than national average and 9% points better than last year.
Percentage of staff able to contribute towards improvements at work	78%	74%	70%	72%	4% points better than national average and 8% points better than last year.
Staff satisfaction with level of responsibility and involvement	3.97%	3.90%	-	-	New question in 2015 – no comparable data

Bottom Ranking Scores

The bottom ranking scores are detailed in the following table.

	2015		2014		Trust Improvement/ Deterioration in Percentage Points
Bottom 4 Ranking Scores	Trust	National Average	Trust	National Average	
Percentage of staff appraised in last 12 months	72%	91%	75%	88%	19% points worse than national average and 3% points worse than last year
Percentage of staff experiencing physical violence from patients, relatives or the public in last 12 months	21%	15%	10%	18%	6% points worse than national average and 11% points worse than last year
Percentage of staff / colleagues reporting most recent experience of harassment, bullying or abuse	31%	48%	-	-	New question in 2015 – no comparable data
Percentage of staff feeling pressure in the last 3 months to attend work when feeling unwell	66%	60%	-	-	Updated question in 2015 – no comparable data

Future Priorities and Targets

The results of the 2015 Staff Survey were considered and reviewed at length by the Board of Directors and recognised the time that staff took to complete the survey and provide their valuable feedback. Overall the results are promising. It is important to recognise that the Trust is on an improvement journey with the recent results being indicative that things are moving in the right direction.

A key part of the Trust's people journey is ensuring that we create the right environment to achieve the Trust's strategic priority of employing the best people. During the last 12 months the Trust has worked in partnership with the Kings Fund and Professor Michael West to develop a People Plan for the organisation that will deliver positive changes for staff and service users. The plan launched in May 2016.

All employees were invited to attend one of the Trust's 'Big Engage' events to share feedback and experiences of what it is like to work for Lancashire Care. All feedback received has directly informed the People Plan.

The launch of the Quality Academy is enabling staff at all bands to access learning resources and training and a new ePDR (Personal Development Review) system launched in April 2016 to support staff to have meaningful conversations about their development and training needs in the context of the values and vision for high quality.

The progress of improvement activity is monitored through the Trust's management and governance structure and managers will be supported to hold regular conversations with teams about the key areas of learning from the staff survey and also the Friends and Family Test results.

5.2 Reporting High Paid Off-Payroll Arrangements

Arrangements and controls were in place during the year for highly paid staff, 'highly paid' as defined by the threshold used by HM Treasury.

During the reporting year the Trust implemented 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 2016, for more than £220 per day and that last for longer than six months.

Number of existing engagements as of 31 March 2016	**28**
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	20
Number that have existed for between two and three years at the time of reporting	0
Number that have existed for between three and four years at the time of reporting	0
Number that have existed for four or more years at the time of reporting	0

All existing off-payroll engagements have at some point been subject to a risk based assessment as to whether assurance is required that the individual is paying the right amount of tax and, where necessary, that assurance has been sought.

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 2015 and 31 March 2016, for more than £220 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 2015 and 31 March 2016	**8**
Number of the above which include contractual clauses giving the Trust the right to request assurance in relation to income tax and National Insurance obligations	4
Number for whom assurance has been requested	4

Of which:	
Number for whom assurance has been received	3
Number for whom assurance has not been received*	1
Number that have been terminated as a result of assurance not being received	0

*this individual is no longer engaged by the organisation

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 2015 and 31 March 2016

Number of off-payroll engagements of Board members, and/or, senior officials with significant financial responsibility, during the financial year	**0**
Number of individuals that have been deemed 'Board members and/or senior officials with significant financial responsibility' during the financial year (this figure includes both off-payroll and on-payroll engagements)	**6**

5.3 Exit Packages

Staff Exit Packages

The details for compulsory redundancies are for those members of staff who have been compensated due to their positions being lost as a result of departmental reorganisation or clinical service transformation.

2015/16			
Exit Package Cost Band	**Number of Compulsory Redundancies**	**Number of Other Departures Agreed**	**Total Number of Exit Packages by Cost Band**
<£10,000	12	9	21
£10,000 - £25,000	11	14	25
£25,001 - £50,000	11	11	22
£50,001 - £100,000	0	1	1
£100,001 - £150,000	0	0	0
£150,001 - £200,000	0	0	0
Total Number of Exit Packages by Type	34	35	69
Total Resource Cost (£000)	626	795	1,421

2014/15			
Exit Package Cost Band	**Number of Compulsory Redundancies**	**Number of Other Departures Agreed**	**Total Number of Exit Packages by Cost Band**
<£10,000	3	0	3
£10,000 - £25,000	4	0	4
£25,001 - £50,000	8	0	8
£50,001 - £100,000	0	0	0
£100,001 - £150,000	0	0	0
£150,001 - £200,000	0	0	0
Total Number of Exit Packages by Type	15	0	15
Total Resource Cost (£000)	382	0	382

Departure Payments	**£000**
Highest Value Departure Payment	65
Lowest Value Departure Payment	1
Median Value Departure Payment	17

Other Exit Packages: non-compulsory departure payments

Year to 31 March 2016	Agreements Number	Total Value of Agreements (£000)
Voluntary redundancies including early retirement contractual costs	0	0
Mutually agreed resignations (MARS) contractual costs	35	795
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	35	795

*Of which non-contractual payments requiring HMT approval made to individuals where the payments value was more than 12 months of their annual salary

Year to 31 March 2015	Agreements Number	Total Value of Agreements (£000)
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 HTM approval*	0	0
Total	0	0

*Of which non-contractual payments requiring HMT approval made to individuals where the payments value was more than 12 months of their annual salary

The Remuneration Report provides details of exit payments payable to individuals named in that Report.

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 2014.

The Trust has reported compliance with the revised Code of Governance which includes a more prescriptive approach to how the Code is discharged and further granularity around reporting. An evidence based statement against the revised code has been fully disclosed and reported to Audit Committee for assurance.

Last year the Board of Directors identified three areas where further attention would improve the governance practice and process:

- Embed the refreshed governance and assurance structure across the organisation
- Development of an electronic contracts register & electronic Board Balanced Scorecard
- Develop the Board Assurance Framework governance process at all levels of the organisation (please refer to the Annual Governance Statement for further detail) and review of the Board Risk Appetite Statement

Each of these areas has been addressed and the outcomes reported in the relevant areas of this disclosure with the exception of the electronic Board Balanced Scorecard.

The Board Balanced Scorecard has been embedded over the last twelve months and has been reported to the Executive Management Team on a monthly basis and Board of Directors on a quarterly basis. The Board also receive the quarterly performance report at formal Board meetings. The initial scope of the project specified that the constituent measures identified within the scorecard are mapped accordingly, to ensure the Board has full vision of performance against the relevant priority. This led to the development of the presentational layer shared with the Board in July 2015 to give an enhanced overview of all the metrics along with their current performance.

The development of an electronic scorecard will align with the work being undertaken by the Performance Team to develop the Integrated Quality and Performance Report (previously referred to as the Executive Dashboard). The scorecard would remain as the high level subset for reporting, and the integration of the performance data will feed into the scorecard. A review of the scorecard metrics will be undertaken as part of the development to ensure that those included are still required and appropriate. Data flows are currently being reviewed to identify a robust systematic method of collating data which will feed into the scorecard and highlight performance, ready for reporting.

In the spirit of continuous improvements four further areas of development will be addressed during 2016/17:

- Continual review of effectiveness for the corporate and network level governance structures
- Information flows to the Council of Governors and promotion of the valuable role of staff governors
- Supporting the new Trust Chair to join the organisation, ensuring thorough induction and handover
- Ensuring there is sufficient governance around the monitoring of recommendations and areas for improvements which arise from the Well Led report, including identification of appropriate actions to address the recommendations and strengthening areas for improvements.

For 2015/16 the Trust can declare compliance with all provisions of the Monitor Code of Governance, including the statutory provisions, with the exception of B.1.1 The Trust is not compliant with the expectation that Non-Executive Directors will not be appointed for a period of longer than six years other than in exceptional circumstances; however this is temporary position which will be resolved once both the newly appointed Trust Chair comes into post in June 2016 and the Deputy Chair steps down in November 2016.

During the year, the Council of Governors Nomination/Remuneration Committee recognised this area of non-compliance would be influenced by the process to appoint a new Trust Chair. Significant consideration was giving to reviewing the continued independence of both the Non-Executive Trust Chair, currently serving over six years and the extended term of office for the Deputy Chair. An explanation detailed in the reporting to Monitor highlights the rigorous annual re-appointment process for the Trust Chair to ensure the Council of Governors remain satisfied with the decision, which was made with full regard to the recruitment timescales of the new Trust Chair. The decision was approved on the basis that both the Trust Chair and Deputy Chair terms of office would come to an end in May and November 2016 respectively.

Discussions and reporting to Monitor in relation to this area have been undertaken and the Trust continues to demonstrate compliance with the spirit of the code provisions. This relates to the need for independence of Non-Executive Directors, refreshing of the Board as a whole and a rigorous approach to the review of the Board skill mix and the annual re-appointment process. The Trust recognises that this is a temporary position and will return to a fully compliant position in November 2016.

Description of How the Foundation Trust Applies the Main and Supporting Principles of the Code

In setting its governance arrangements, the Trust has regard for the provisions of the revised UK Corporate Governance Code 2014 issued by the Financial Reporting Council, the updated Code of Governance 2014 issued by Monitor 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).

The Role of the Board of Directors

The Trust is led by a strong Board of Directors comprising an Executive Management Team and Non-Executive Directors who contribute skills and experience gained in a wide ranging variety of professions and industry. The Board is responsible for defining and implementing strategy as well as for the operational performance of the Trust. More detailed information on the Board of Directors can be found from page 90.

The Board of Directors is held to account by the Council of Governors, comprising 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 104.

The Trust's Board of Directors is made up of 14 Directors, comprising of five Executive Directors, two non-voting Directors, six independent Non-Executive Directors and a Non-Executive Chair. In April 2015 a decision was taken to reduce the Executive Director representation by one, with the Non-Executive Director ratio adjusted accordingly and amendments made to the Trust Constitution.

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. The decisions reserved for the Board of Directors and the delegated discharge of its responsibilities is set out under a formal Scheme of Delegation. Along with the Matters Reserved for the Board, the Decision Rights Framework is established to clearly define the allocated responsibilities for making and approving decisions relating to Trust business. The framework ensures that adequate controls are in place for the authorisation of transactions, defines the financial and other approval limits, such as quality, that apply to individuals and safeguards the assets of the Trust against loss, fraud and improper use. The Decision Rights Framework underwent a full review and was further strengthened in 2015 and is regularly reviewed for currency.

The Board of Directors has undertaken a large-scale review of its governance structure during the reporting period which has informed the development and implementation of a new integrated governance framework from 1 April 2015. The committees of the Board have defined responsibility delivering aspects of the Board's remit under delegated authority and recommendations are made to the Board of

Directors on areas of specialisation. Each Committee has established formal terms of reference and cycle of standard business and reporting which have been subject to audit. Further reviews were undertaken early in 2016 in order to ensure the continuous effective discharge of duties.

The refreshed governance framework is derived from the Matters Reserved for the Board and supported by in-depth consideration of the level of assurance required by Board members to ultimately mitigate risks on the Board Assurance Framework risk register and make key decisions as required by the Decision Rights Framework.

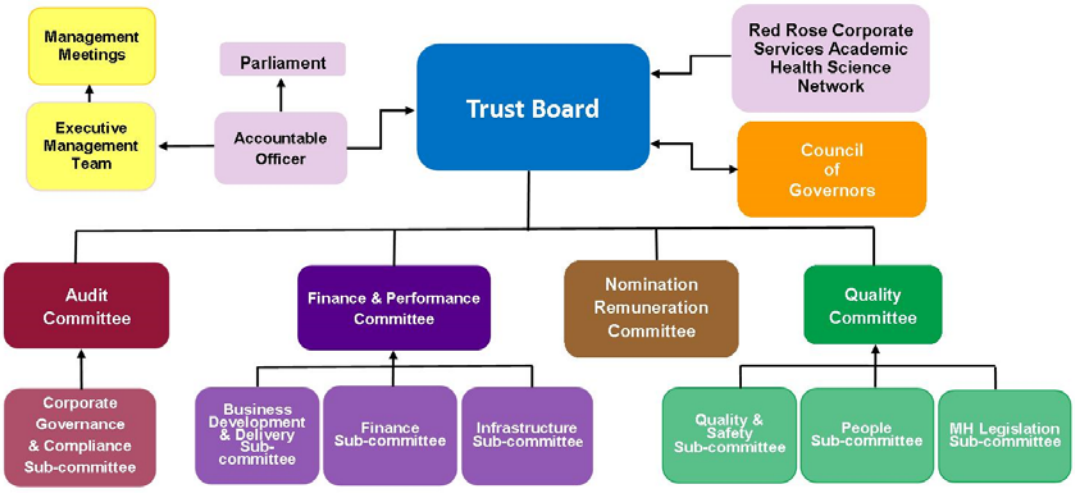
The strengthened governance structure supports triangulation of information through well-informed chairs reports that provide assurance, highlight risks and identify further action required.

The integrated governance structure has been the platform to develop a systemic approach to mapping assurance against key strategic and operational risks, identifying gaps or weaknesses in controls leading to system and process improvements in support of long term sustainability. An evidence based assurance regime introduced during 2015/16 is currently facilitated through the governance structure. A programme of work to undertake an assurance mapping exercise to support the development of an assurance directory for the Trust commenced during the reporting period. The second phase of the development has been to map the Trust's risk environment and this has been tested from January to March 2016 in the Specialist Services network. The aim is that this assurance programme will provide a structured sustainable approach to secure reliable evidence to underpin the assessment of the organisation's risk and control environment for the Annual Governance Statement.

A new Knowledge Resource Information System (KRIS) is the Trust's information gateway that supports the communication with staff across the organisation. KRIS leads to a wider understanding of the difference between governance, management systems and process across the whole organisation and promotes long term sustainability. To read more about KRIS, go to page 69. Work was also undertaken during the year to standardise documentation, governance meeting templates and streamlining ways of working. A Standard Operating Procedure for administering governance meetings was rolled out across the organisation and training delivered with staff in both network and corporate teams to support the consistent approach to administering meetings. The training of network staff is ongoing and is fully aligned to the embedding of the network governance structures.

The Corporate Governance and Compliance Sub-Committee, which is detailed in the Trust governance framework on page 86, is the custodian of these improved regimes and continues to monitor and audit compliance of the governance structure.

Trust Governance Framework



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. Directors are required to declare any potential conflicts of interest as part of the Trust's robust Declaration of Interests process which was commended following a regulatory review by NHS Protect. 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. 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.

Two of the Trust's Directors are appointed Directors on the Board of Red Rose Corporate Services LLP, a joint venture with Ryhurst. 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 15.

The Board of Directors meets on a quarterly basis to formally transact its business in accordance with an agreed agenda setting process and an annual forward plan which ensures that standard items of accountability and assurance are addressed and also that sufficient time is set aside to focus on quality and appropriate strategic development. The Board of Directors agenda is sectioned to cover the strategic priorities including quality and safety. Board meetings are opened with a 'Patient Story' which welcomes service users to share their experiences of good improvements being made across the organisation and also areas that require support to make necessary improvements and ensure the highest possible standard of care is provided. The Chief Executive's Report also includes a quality and safety domain to provide focus on reporting against 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 to observe the work of the Board of Directors in both the public and private sessions.

Regular informal briefings and presentations on specific topics or services are provided outside of the formal Board meeting structure to explore complex issues in more depth in preparation for discussion at future Board meetings. The Board of Directors ensure that quality remains a focus of each Board agenda and undertake quality visits to services regularly, with protected time following Formal Board meetings and Board development sessions. 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.

The Board of Directors collectively agrees and sets 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 Board Balanced Scorecard has been embedded over the last twelve months and has been reported to the Board on a quarterly basis and monthly via the Chief Executive's report. Further developments to strengthen the strategic focus and subsequent work streams which sit behind the report evolved during 2015/16 and further detail can be found on page 82.

The Trust has implemented standard operating guidance and corporate branding for all meetings within the formal governance structure and continues to embed consistent governance practice across the Trust supported by the best practice principles of corporate records management. The governance framework is supported by an interactive handbook for staff which incorporates previous standard operating guidance and provides clear principles of governance and administration for staff across the organisation.

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. Decisions made by the Board of Directors are tracked and the execution of those decisions monitored at each meeting. 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. The Board of Directors meets its reporting requirements under the Monitor Risk Assessment Framework and provides notifications under that regime on a quarterly basis and more regularly as required. The Board of Directors is responsible for ensuring compliance with the Trust provider licence, constitution, mandatory guidance issued by Monitor and other relevant statutory requirements. The embedding of the Board Assurance Framework (BAF) risk register to identify potential risks to compliance and the successful roll out of an electronic BAF risk register provides the Board with a systematic process of obtaining assurance to support the mitigation of risks. The Board reviews evidence of assurance received against the BAF risk register and operational risks from the Executive Risk Register on a quarterly basis.

The Board of Directors sets the Trust's strategic priorities on an annual basis. The risks aligned to the strategic priorities are again monitored by the Board of Directors through the Board Assurance Framework risk register. During 2015/16 the Board agreed the strategic priorities would be led by an overarching priority for quality, more information on the implementation of a quality led strategy can be found on page 36.

The Trust has an embedded Risk Management Policy which provides the framework for risk management systems and processes and details the mechanisms by which risk is identified, managed and escalated. The Trust's risk management system, Datix, has previously been enhanced and expanded to become the Trust's single risk register tool promoting an effective and efficient management of risk. All corporate directorates and clinical networks utilise the Datix system which provides greater insight into the risks encountered by the Trust. Suitable risk management training has been provided to teams and corporate and clinical risk forums established during 2014 have become further embedded to promote collaborative risk management across services and effective aggregation of cross-cutting risk. To further support the levels of risk maturity within the organisation, adaptions to the functionality within

Datix have been made to allow risks to be themed which further enhances management and reporting.

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 induction training on joining the Trust and undertake a personal induction programme during the first 12 months of appointment. 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, further information can be found on page 135. In light of the Board's continuing experience as an NHS Foundation Trust, a number of Board development sessions have been undertaken during the year as part of a fundamental review of its own effectiveness and efficiency. The Board previously commissioned a limited scope Board evaluation into its effectiveness and implemented the improvement recommendations identified, prior to the publication of the Monitor guidance for Well Led Reviews. The Monitor Well Led Framework for Governance Reviews guidance was subsequently published and on the basis that this review did not cover the whole of the new Monitor requirements, the Trust has begun the full in-depth externally facilitated Well Led Review in accordance with the revised guidance. The Trust undertook a mini-competition exercise to appoint Deloitte as the external review team and the review took place between February and May 2016. The final report issued by Deloitte is reported to the Board following factual accuracy checks by the Corporate Governance Team and an action plan will be developed to support any necessary improvements or areas in need of strengthening which arise from the final report. More information on the Well Led Review can be found in the Annual Governance Statement.

All new developments that might affect the Trust's financial or service performance or reputation are brought to the attention of the Council of Governors and Monitor in accordance with the Risk Assessment Framework as appropriate. During the period there were no matters that the Board or the Council of Governors considered should be brought to the attention of the public that had an overall detrimental impact on the Trust's financial or performance position.

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 31 March 2016 was:

Chair: Derek Brown

Derek served in the Royal Air Force for 14 years until joining BAE Systems where he spent 14 of his 28 years with the company overseas directing and managing large scale programmes for customers. These included delivery of design and construction projects and running a flying training academy. On his return to the UK he was appointed Director of New Programmes where he developed, contracted, managed and delivered high value projects. Derek retired in 2007 and joined the Trust in November of that year. Since then he has been a Non-Executive Director, the Senior Independent Director and subsequently Trust Chair. Derek's term of office ended in May 2016.

Executive Directors

Chief Executive: Professor 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, contributing to Health Education England North West and Innovation Agency. She is also a Trustee on the NHS Confederation Board and has been appointed as a national patron of Macmillan alumni.

Medical Director: Professor Max Marshall

Max Marshall has been the Trust's Medical Director since it was established in 2002. He is currently an honorary professor of community psychiatry at the University of Manchester.

Over the last 12 months he has concentrated on improving safety and effectiveness, and in delivering the Trust's clinical audit strategy. In his role as Responsible Officer for medical revalidation, Max has led in the development and implementation of a systematic process to support revalidation and appraisal of Trust doctors. He has been working to improve the Trust's relationships with local General Practitioners and to redesign community mental health services.

In February 2014, Max became the full time Medical Director of the Trust taking responsibility for: research, clinical audit, Caldicott

issues, revalidation and appraisal, Making Every Contact Count and Smokefree (the Trust public health initiatives) and medical education. Since reprising his academic responsibilities Max now also provides clinical care within adult mental health services.

Director of Nursing and 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 as Chief Operating officer in February 2014, prior to this she worked for the Heart of England NHS Foundation Trust as Managing Director of Good Hope Hospital in Sutton Coldfield, West Midlands. A particular highlight in this role was the development of the Collaborative Care Programme, which comprises multiple agency providers who all support patients on a frailty pathway in and out of hospital. Sue has also commissioned several commercial partnerships including the innovative Healthcare at Home collaboration, which delivered early supported discharge from hospital for patients in orthopaedics, vascular and acute medicine. Recently this has also expanded to include a partnership with a housing association to provide elderly transitional care, post discharge from the acute inpatient setting.

Chief Finance Officer: Bill Gregory

Bill is the Chief Finance Officer who joined the Trust from Stockport NHS Foundation Trust in 2015. Bill was the Finance Director there for 7 years, leading a number of successful and high profile projects including a significant re-development of the hospital site and integrating community services from Stockport and Tameside into the organisation. His role also included responsibility for IT, a field that Bill has vast experience in and he was the lead director for estates and facilities. Bill has a wealth of experience from both the private and public sector having undertaken a range of senior finance roles throughout his career.

Non-Executive Directors

Deputy Chair: Peter Ballard

Peter has a long history of developing partnerships with local authorities, statutory bodies, regional and central government departments, third sector organisations and many of the newer private sector service providers. He has supported charities and not for profit companies in establishing links with major consulting and contracting company's providing professional support and services which otherwise would be beyond their means.

Peter is Chief Executive of DBE Services, a company founded to deliver high quality bespoke services to public bodies on a not for profit basis. The company has grown from a Lancashire based organisation to providing support to organisations across England.

He has served in a variety of non-executive roles including chairing a university council. He is currently involved with a number of local and national charities and is the national treasurer of the National Society.

Senior Independent Director: Naseem Malik

Naseem began her public sector career in local government, before taking up the role of Independent Police Complaints Commissioner for the North West region, a post held for ten years. Naseem has previously held a Non-Executive role within a Primary Care Trust and brings a wealth of experience from the public sector. Naseem is the Trust's Design Champion.

Gwynne Furlong

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 with two north-west based Housing Associations one of which specialises in providing independent living for the disabled and people with learning difficulties.

Gwynne is a Trustee of a locally based charity providing opportunities for the local community to become involved in art, dance, music and drama, and he is a part time CEO of the national charity Regain which specialises in helping those who have become paralysed/tetraplegic through sporting accidents.

Audit Committee Chair: Louise Dickinson

Louise is a Fellow of the Institute of Chartered Accountants in England & Wales. She worked in professional services for a number of years, initially with EY and then as a Corporate Finance Partner with Grant Thornton. During this period, she advised clients in both the public and private sectors on strategy and business planning and implementation, including acting as lead external adviser on a wide range of corporate transactions.

Since leaving Grant Thornton, Louise has undertaken a number of board level executive roles in private sector with leadership responsibilities in Finance, Commercial and Supply Chain, Business Intelligence and Risk Management. She has considerable experience at successfully managing and delivering complex change programmes in highly regulated environments.

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.

Isla Wilson

Isla is an experienced board member, who has operated at board level in a variety of private organisations and social ventures. She is currently also a Non-Executive Director of a Lancashire-based Housing Association and an IT company, 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.

Attendance at Board of Director Meetings and Sub-Committees 01 April 2015 – 31 March 2016

Board Member	Term of Appointment	Trust Board	Audit Committee	Quality Committee	Finance and Performance Committee	Nomination Remuneration Committee
		Attendance (actual/max)				
Non-Executive Directors						
Derek Brown	01/10/06 – 31/05/16	9/10		2/4	4/4	3/3
Peter Ballard	01/06/09 – 30/11/16	9/10			4/4	4/4
Gwynne Furlong	01/10/12 – 31/08/18	10/10	5/6		2/4	4/4
Naseem Malik	29/10/13 - 31/10/16	9/10		3/4		4/4
Louise Dickinson	29/10/13 – 31/10/16	9/10	6/6		4/4	4/4
David Curtis	20/11/14 – 30/11/17	9/10	6/6	4/4		4/4
Isla Wilson	01/10/15 – 01/01/19	4/5				1/1
Executive Directors						
Heather Tierney-Moore	*(in post 05/01/09)*	8/10	6/6	3/4	3/4	4/4
Max Marshall	*(in post 01/08/02)*	6/10	4/6	4/4		
Dee Roach	*(in post 01/02/14)*	10/10	4/6	4/4		
Sue Moore	*(in post 10/02/14)*	8/10		2/4	2/4	
Bill Gregory	(in post 01/02/15)	9/10	5/6		4/4	
Craig Barratt*	*(in post 27/08/13)**	0/0				

* *served notice period until 24/08/2015*

The Trust Board attendance figures detailed above 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 84.

All Non-Executive Directors including the Chair serve for a defined term of office. During the reporting period Non-Executive Director Gwynne Furlong was re-appointed for a second term of three years by the Council of Governors and a new Non-Executive Director, Isla Wilson was appointed as successor to the vacancy which will arise when Deputy Chair Peter Ballard retires in November 2016.

In February 2016 the Council of Governors also approved the appointment of a new Trust Chair, David Eva, to succeed the outgoing Chair, Derek Brown. David Eva was appointed as the preferred candidate by the Council of Governors following an extensive engagement and recruitment campaign undertaken as part of the search and selection process to discover the right person for the role.

The ongoing independence of Non-Executive Director and Trust Chair Derek Brown was considered by the Council of Governors Nomination & Remuneration Committee during the annual re-appointment process, which is a condition of the exceptional extension to his term of office. The full Council of Governors approved the re-appointment of the Chair for a further and final 12 month term to conclude on 31 May 2016.

The role of Deputy Chair continues to be undertaken by Peter Ballard until the extension to his term of office ends on 30 November 2016. The extension which was approved by the Council of Governors in February 2016 acknowledged the need for appropriate skills retention and organisational memory for the Deputy Chair to lead a thorough handover between the outgoing Trust Chair on 31 May 2016 and the commencement of the newly appointed Trust Chair, David Eva on 1 June 2016. The Trust acknowledge the Monitor Code of Governance ‘comply or explain’ provision relating to Non-Executive Directors terms of office and the Trust will return to compliance with the best practice Code provision on 30 November 2016 when the Deputy Chair, Peter Ballard steps down as the last remaining Non-Executive Director to serve a period of longer than six years.

The role of Senior Independent Director is undertaken by Non-Executive Director Naseem Malik.

The Board of Directors alongside the Council of Governors Joint 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. A full review of the handbook is planned to ensure it continues to satisfy the needs of the Council in supporting it to discharge its responsibilities.

Each member of the Board of Directors is required to undertake an annual performance review, the outcome of which is reported to the relevant Nomination Remuneration Committee. 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.

There have been no new appointments to the Executive Management Team during 2015/16. Dates of appointment can be seen on page 94.

The Chair

The Chair of the Board of Directors was appointed on 26 June 2013 and met the independence criteria set out in the Monitor Code of Governance. He 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.

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 Director of Governance & Compliance 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 Director of Governance & Compliance; 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 Director of Governance & Compliance.

The Trust publishes an Annual Plan which contains details of its vision, strategy and priorities. The Council of Governors have the opportunity to contribute to different elements of the Annual 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 members of the Board attend these events to monitor the effectiveness of member engagement in conjunction with the reporting undertaken through Chair's Reports from the Council of Governor sub-committees. The Board of Directors monitor the representation of the Trust's membership through a number of reporting mechanisms including the quarterly Monitor declarations and the Annual Report. The Council of Governors also receive an annual update of membership and stakeholder engagement at a formal meeting which the Board is also able to attend.

The Trust also holds an Annual Members' Meeting which the majority of the Board of Directors attend. The Trust's Annual Report and Accounts are presented at the meeting along with the auditor's report and members are able to take the opportunity to question members of the Board including the Trust Chair.

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.

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 and Remuneration Committee

The Board of Directors' Nomination Remuneration Committee is constituted as a formal sub-committee of the Board of Directors and met three times during the

reporting period. The Committee is chaired by the Trust Chair, Derek Brown and its membership includes all Non-Executive Directors, the attendance for whom can be seen on page 94. 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.

During the year the Committee reviewed the remuneration of Executive Directors. The decisions made by the Committee in relation to Executive pay can be found within the Remuneration Report.

There were no Executive appointments during the reporting period that required oversight of the Nomination Remuneration Committee.

Quality Committee

The ultimate accountability for quality rests with the Board of Directors and the Board level Quality Committee ensures that the appropriate level of scrutiny is provided into quality standards and patient safety. 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 of Directors. Its purpose is to support the Board of Directors by providing high level scrutiny of financial and business performance data including the long-term sustainability of the Trust.

The role of the Finance and Performance Committee is to test the robustness of analysis and assurance provided by its feeder sub-committees to support effective and efficient decision making at Board of Director 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 and the effectiveness of the Red Rose Corporate Service partnership, 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.

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 been seen on page 94. The Chief Executive, Chief Finance Officer, Director of Governance & Compliance and Medical Director have a standing invitation to attend all meetings and in addition members of the senior management team, internal auditors, external auditors and Local Counter 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 2015/16 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 or areas of concern 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:

- Ensuring that the audit arrangements are sufficient to meet the future requirements of the Trust
- The further development of risk management and assurance reporting
- The strengthening and application of controls, in particular HR functions
- The clinical audit programme
- Reviewing the appropriate management of risks related to the inpatient reprovision programme
- Changes to regulator environment and compliance
- The development of Value for Money reporting
- The on-going monitoring of the implementation of improvement actions
- Monitoring of the appointment and tender process for internal and external audit

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 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.

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.

Audit Committee encourages frank, open and regular dialogue with the Trust's internal and external audit teams and a risk and assurance approach runs throughout all the planning activity and the development of annual audit programmes.

Throughout the year the Committee received reports from the internal audit, clinical audit, local counter fraud and the external audit teams on both their audit findings and updates on action implementation. Focussed reporting was received from both corporate and network risk owners on the progress of embedding the 'managing by risk' regime across the organisation, a reporting programme has commenced for 2016/17 to assess the evidence based implementation of this regime to provide further assurance against success. Similarly the Committee continued to receive assurances against the Trust control improvement plan on procurement processes. The Committee maintained its promotion of the importance of the clinical audit function as a key element of the Trust's quality improvement activity. In addition to the results of the clinical audit work, regular updates on the clinical audit development plan and approval of a Clinical Audit Protocol to support consistency of compliance targets and methodology for data interpretation and ratings.

The Audit Committee Chair has undertaken a number of activities outside of the formal meetings on matters relating to the Committee and these are reported in the Annual Report of the Audit Committee.

The Audit Committee is required to demonstrate how it has tested the robustness of the financial statements, operations and compliance. Examples of specific activity that the Audit Committee has undertaken to facilitate an informed identification, review and assessment of significant issues to the 2015/16 annual report include checks to:

- The Annual Report and Financial Statements represents a fair and reasonable view of the Trust's financial position
- Compliance with financial reporting standards
- The accounting policies
- Areas requiring significant judgements in applying accounting policies
- The Trust's performance as outlined in the 2015/16 annual financial statements
- The main changes compared to the financial statements for 2014/15 and the plan for 2015/16
- The consistency with reporting to the Board of Directors and Monitor throughout the year

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 Audit Committee gave particular focus to the two main risks highlighted in the external audit plan 2015/16 related to the valuation of land and buildings, and recognition of NHS income.

The Audit Committee tested the approach taken by the Trust in the valuation of land and buildings and in particular the process of internal review. In discussing NHS income, the Committee also considered the risk relating to recognition of deferred income, creditors and provisions. The Audit Committee also took assurance from the Department of Health's agreement of balances process reviewed by the external auditors.

The Committee regularly receives assurance reports from management on correct implementation of management controls. During the year the Committee also received assurance reports from the internal auditor on the Trust's financial systems and capital expenditure processes.

Clinical Audit

The Trust's the Clinical Audit function has been reviewed during 2015/16 to identify where the programme's activities align with the organisation's Board Assurance Framework risks. The refresh of the governance framework at the beginning of the year provided an opportunity to further strengthen the contribution that clinical audit makes to the provision of internal assurance and the reliability and quality of the clinical auditing processes. To support the reporting processes, a clinical audit assurance map has been developed to provide assurance about how clinical audit can support the management and mitigation of the Board Assurance Framework risks. The Audit Committee plays an active part in overseeing the clinical audit plan for the year.

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) following completion of a robust tender exercise in April 2015 which awarded a new three year internal audit contract to MIAA.

The previous internal audit contract with Deloitte expired after completion of the work programme for the 2014/15 financial year and delivery of the Head of Internal Audit Opinion.

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.

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 with KPMG LLP expired following completion of the work programme for the 2014/15 financial year. A robust procurement process led by the Council of Governors audit working group, which was supported by the Audit Committee and the Chief Finance Officer concluded in August 2015. The Council of Governors awarded the new external audit contract to KPMG LLP for a period of three years, with the option to extend for a further two years.

A declaration of auditor independence and objectivity is expected on an annual basis and was provided to the Audit Committee by KPMG LLP as part of the tendering process. The declaration allows the Trust to test how the 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 that ensure the Committee is kept informed of the scope and value of additional work commissioned from the external auditors. There was no additional non-audit work conducted during 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 fees for 2015/16 were £71,575 plus VAT.

More information about the Trust's integrated risk-based approach to audit can be found in the Annual Governance Statement on page 124.

Anti-Fraud Service

During the reporting period Anti-Fraud Services were provided by Mersey Internal Audit Agency. The completion of a robust tender exercise in April 2015 which awarded a new three year internal audit contract to MIAA also covered the provision of Anti-Fraud Services.

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

antifraud 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.

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 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, both public and staff, are able to stand as a governor candidate in order to be elected onto the Council by the members, providing they are 16 years of age and are resident in the constituency for which they are standing. The Council also includes appointed representatives from partner organisations and stakeholders from the local area to ensure a representation of views from the community. Elections during the reporting period saw eight new governors elected onto the Council, two existing governors re-elected and two nominated governors appointed. Further detailed information of individual governors for all constituencies can be found on the Trust website.

The Council of Governors meet formally in public four times per year and up to six times informally with the Trust's Board of Directors 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 informal council meetings to facilitate networking with the governors which supports the appraisal process for Non-Executive Directors. Executives and Non-Executives will also 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 108.

The Chair of the Council of Governors is also the Chair of the Trust Board which promotes transparency and encourages the flow of information between the two forums.

The Council of Governors is required to discharge specific duties and responsibilities in line with their role, with the Health and Social Care Act 2012 empowering governors further with a number of significant responsibilities including;

- Holding the Non-Executive Directors, individually and collectively, to account for the performance of the Board of Directors

- Representing the interests of the members of the Trust as a whole and the interests of the public
- Approving 'Significant Transactions'
- Approving an application by the Trust to enter into a merger, acquisition, separation or dissolution
- Deciding whether the Trust's non-NHS work would significantly interfere with its principal purpose
- Approving amendments to the Trust's Constitution.

Governors are supported in discharging these responsibilities through a comprehensive training programme delivered by the Trust, with opportunities for bespoke training in specialist areas such as Chairperson Skills, Peer Mentoring and Effective Questioning & Challenge. Opportunities for external training and networking are also provided to governors. Governors have been integral to embedding informal discussion meetings demonstrating their positive Non-Executive Director and governor relationships which focus on holding to account.

The work of the Council of Governors is supported by the Lead Governor, whose role includes liaison with Monitor on issues or concerns related to the Trust where it would be inappropriate to contact the Chair or Senior Independent Director. The Trust chose to expand the role of the Lead Governor to promote governor involvement in Non-Executive Director appraisals and to support the Chair in the leadership of the Council. The Council of Governors appointed Lead Governor is Alan Ravenscroft. During the year, the governors have begun to hold pre-meetings prior to each Council of Governors meeting to discuss agenda items and issues to bring forward at each meeting.

The breakdown of public governors and constituencies is as follows:

Area (CCG & Constituency)	Number of Governors
NHS East Lancashire	3 Public Governors
NHS Lancashire North	2 Public Governors
NHS Blackburn with Darwen	1 Public Governor
NHS Blackpool	1 Public Governors
NHS Central Lancashire	3 Public Governor
NHS Lancashire West	1 Public Governor
Out of Area	1 Public Governor

Engagement with Members

Engagement with members is an important part of the governor role and the members of the Council are supported to undertake effective engagement with Foundation Trust members through various Trust conferences, membership events as well as during governor elections. The Trust ensures governors are supported through additional training workshops focusing on a range of aspects of the Trust's

portfolio which equips governors with knowledge and information to share with members and inform the public of the Trust's work. The governors attend a wide range of community groups and forums within their constituencies and are a valuable resource in gathering feedback and views from members and the public. Equally governors are able to support the work of the Trust by sharing key messages about service development and opportunities for public involvement.

Governors can be contacted by emailing membership@lancashirecare.nhs.uk

Annual Plan

An important area of work for the Trust is the production of the Annual Plan and governors input in relation to feeding in the views of the members and local communities is a critical part of the development of the plan. This year governors met informally with Executives and Non-Executive Directors to inform the early stages of the Annual Plan and undertook a dedicated session with all of the Trust Networks to consider the business plans and understand how member views, through the governors have been reviewed and incorporated into the Trust's Plan. Governors formally received the Annual Plan in May 2016.

Governance Handbook & Code of Conduct

The Council of Governors are provided with a Governance Handbook which provides clear guidance and robust procedures to allow them to discharge their statutory duties. 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 conference, events and meetings and also when carrying out any Trust business. During the year the governors approved a strengthened approach to self-regulation of the Council as part of the Code of Conduct review.

Appointment of the External Auditor

A key responsibility of the Council of Governors is to appoint the Trust's external auditor. The external audit contract with KPMG expired upon completion of work for the Annual Report & Quality Account 2014/15 and so following a robust procurement process in August 2015, supported by the Audit Committee, the Council of Governors successfully appointed KPMG LLP as the external audit supplier for a period of three years (extendable for a further two years) from October 2015.

As a significant source of assurance for the Council, the appointment of a suitable auditor is a pivotal process which was undertaken in close partnership with the Audit Committee. A working group of governors was selected by the Council of Governors to lead the appointment process and award a new external audit contract in conjunction with the Chair of Audit Committee. The role of the working group was to represent the views and requirements of the Council during the robust procurement exercise and appointment process.

Attendance of Governors at Council of Governor and Sub-Committee Meetings between 01 April 2015 and 31 March 2016

Governor	End of Term	Council of Governors	Membership Governance Committee	Patient Experience Oversight Group	Standards Assurance Committee	Nomination Remuneration Committee
		Attendance (actual/max)				
Chair & Deputy Chair						
Derek Brown	31/05/2016	10/10				7/8
Peter Ballard	30/11/2016					5/5
East Lancashire						
Tom Lawman	26/11/2015	4/6	2/3		2/2	
Alan Ravenscroft	06/12/2018	9/10	1/1	3/3	4/4	8/8
Mike Wedgeworth	06/12/2018	7/10		2/3		
North Lancashire						
David Jackson*	22/08/2015	0/4		0/1		
John MacLeod	26/11/2015	5/6	2/3	2/3		
Ashok Khandelwal	06/12/2018	3/3				
Katharine Wykes	06/12/2018	3/3	1/1			
Blackpool						
Linda Jones	26/11/2015	5/6	2/3			5/6
Keith Holt	06/12/2018	3/3				
Central Lancashire						
Bill Coulton*	07/09/2015	5/5		0/2	1/3	
Mike Marsden	26/11/2015	5/6	2/4			
Brian Taylor	26/11/2015	3/6	1/4			1/6
Bernadette Ashton	06/12/2018	3/3	1/1			
Neil James Caton	06/12/2018	2/3	1/1			
Lorena Dumitrache	06/12/2018	2/3				
Blackburn with Darwen						
Brian Spencer	02/12/2016	10/10	4/4		4/4	
West Lancashire						
Jacqui Sutton	02/12/2017	6/10		2/3		
Out of Area						
Tahir Khan	15/12/2017	6/10	3/4		1/1	3/8
Staff Governors						
Graham Ash	02/12/2016	7/10		1/3		
Lynne Bax*	07/09/2015	2/5			0/2	

Governor	End of Term	Council of Governors	Membership Governance Committee	Patient Experience Oversight Group	Standards Assurance Committee	Nomination Remuneration Committee
		Attendance (actual/max)				
Paul Morris	02/12/2016	9/10	1/1		4/4	8/8
Linda Ravenscroft*	10/12/2015	7/7			2/3	
Max Oosman	02/12/2017	6/10	1/1	2/3	2/2	
James Harper	02/12/2017	6/10	1/1	0/3	3/4	
Helen Scott	06/12/2018	3/3				
Yvonne Guilfoyle	06/12/2018	1/3				
Appointed Governors						
Nigel Harrison UcLan	n/a	4/10				7/8
Steve Sansbury Lancashire Constabulary	n/a	0/10				
Pamela Beswick Young Lancashire	n/a	3/4	1/1			
Teresa Jennings NCompass	n/a	3/3				

*Governor resigned

Attendance of the Board of Directors at Council of Governor Meetings between 1 April 2015 and 31 March 2016

Board Member	Term of Appointment	Council of Governors
		Attendance (actual/max)
Non-Executive Directors		
Peter Ballard	01/06/09 – 30/11/16	6/6
Gwynne Furlong	01/10/12 – 31/08/18	3/4
Naseem Malik	29/10/13 - 31/10/16	3/4
Louise Dickinson	29/10/13 – 31/10/16	5/5
David Curtis	20/11/14 – 30/11/17	5/5
Isla Wilson	01/10/15 – 01/01/19	2/2
Executive Directors		
Heather Tierney-Moore	*(in post 05/01/09)*	6/10
Max Marshall	*(in post 01/08/02)*	3/4
Dee Roach	*(in post 01/02/14)*	3/4
Sue Moore	*(in post 10/02/14)*	2/4
Bill Gregory	*(in post 01/02/15)*	5/5
Craig Barratt	*(Resigned 24/08/2015)*	

Sub-Committees of the Council of Governors

The Council of Governors have sub-committees which are used for reviewing specific areas of Trust activity. Through a working group approach, governors join relevant sub-committees according to their areas of interest and expertise, and also periodically rotate committee membership as part of their continued governor development.

The four sub-committees are:

- Membership and Governance Committee
- Standards and Assurance Committee
- Patient Experience Oversight Group
- Nomination Remuneration Committee

Sub-committees allow the Council of Governors to delegate specific areas of work to focus groups of governors to receive assurance on behalf of the Council of Governors and if required, make recommendations to the full Council, for example in relation to Non-Executive Director pay or recruitment.

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.

The Nomination Remuneration Committee is responsible for identifying and appointing Non-Executive Directors to the Board of Directors. Chaired by an appointed governor to ensure independence, the Committee oversaw a competitive and thorough recruitment process to appoint a new Trust Chair with NHS experience, and a formal recommendation to the full Council of Governors was made to appoint David Eva from 1 June 2016. The recruitment process used open advertising and a competitive search and selection process which identified the successful candidate. Further information on the recruitment process can be found on page 95.

The Trust had planned a review of the Council of Governors governance arrangements for 2015/16 in line with the new integrated governance framework being embedded across the organisation. The piece of work to map the information and assurances received by the Council through its sub-committees and wider Trust reporting mechanisms as part of the overall strengthening and effectiveness of the Council of Governors has been deferred to accommodate the election of several new governors and ensure informed contributions can be made by all governors once more familiar with the role requirements.

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 and live within the North West. Staff members employed by the Trust are automatically opted into membership. There are some exemptions to becoming a member and these can be found within 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 meetings to engage with stakeholder partners too.

Eligibility Requirements

The Trust has a public and staff constituency. The public constituency is divided into six voting areas to represent the geographical areas served by the Trust.

Public Constituency	Electoral divisions comprising the electoral boroughs, cities or districts as set out in The County of Lancashire (Electoral Changes) Order 2005, The Borough of Blackburn with Darwen (Electoral Changes) Order 2002 and The Borough of Blackpool (Electoral Changes) Order 2002	Minimum number of Members
NHS East Lancashire	Hyndburn, Ribble Valley, Burnley, Pendle and Rossendale	75
NHS North Lancashire	Lancaster, Wyre and Fylde	60
NHS Blackburn with Darwen	Blackburn with Darwen	30
NHS Blackpool	Blackpool	30
NHS Central Lancashire	Preston, Chorley and South Ribble	75
NHS West Lancashire	West Lancashire	30
Out of Area	All electoral divisions within the boundaries of the following counties: Cheshire, Cumbria, Greater Manchester, Halton, Merseyside and Warrington	15

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 set by five objectives. 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.

An annual programme of workshops continues to support the development of the public engagement role of Trust governors. The programme is based on the Trust's current strategic priorities which are outlined in the five year plan for 2014-19 and which underpin the annual planning framework for 2014-16. Clinical and managerial leads engage with governors about the strategies and initiatives through which the Trust will deliver on its key priorities. The key learning outcome from the programme is that governors feel confident and supported in the public engagement aspect of their role and feel enabled to undertake that engagement at an appropriate strategic level.

Number of Members

On average during 2015/16 the Trust had a total of 8120 public and 6805 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
NHS East Lancashire	1648	-
NHS Lancashire North	2002	-
NHS Blackburn with Darwen	716	-
NHS Blackpool	789	-
NHS Central Lancashire	2131	-
NHS Lancashire West	260	-
Out of Area	463	-
Unknown	111	-
Medical Staff	-	182
Nursing Professions & Support Staff	-	2381
Other Clinical & Social Care Professionals and Support Staff	-	2655
Corporate Staff	-	1587

Contact Procedures 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 the Membership Support Office are publicised on the Trust website with a dedicated inbox for member queries, the electronic application form to become a Trust Member can also be found online. Raising the profile of the Trust's governors has progressed over recent months with an improved website offering members more information about their local governors and prospective members are also welcome to enquire about getting involved.

Analysis of Trust Public Membership 2015/16

Gender	Membership 2015/16	%	Membership 2014/15	%
Male	2855	35.16	2856	35.39
Female	5169	63.66	5178	64.15
Not specified	96	1.18	37	0.46
Total	8120	100	8071	100
Age	**Membership 2015/16**	**%**	**Membership 2014/15**	**%**
0 – 16	15	0.18	14	0.2
17 – 21	380	4.68	404	5
22+	7181	88.44	7169	88.8
Not provided	544	6.70	484	6
Total	8120	100	8071	100
Ethnicity	**Membership 2015/16**	**%**	**Membership 2014/15**	**%**
White	7070	87.07	6934	85.91
Mixed	56	0.69	120	1.49
Asian or Asian British	489	6.02	469	5.81
Black or Black British	89	1.1	89	1.1
Chinese	7	0.09	7	0.09
Other	25	0.31	131	1.62
Undefined	349	4.30	291	3.61
Not specified	35	0.42	30	0.37
Total	8120	100	8071	100

7. Regulatory Ratings

Explanation of the Trust's Risk Ratings

Monitor regulates NHS foundation trusts based on the risks they face and how well the risks are managed. Each foundation trust board is required to submit a quarterly report to Monitor and performance is monitored against these reports to identify where potential and actual problems may arise. Monitor's overall measurement of risk to continuity of services was the Continuity of Service Risk Rating, calculated using an average of Liquidity and Capital Service Cover ratings, but during the year the Risk Assessment Framework (RAF) was rewritten and ratings were extended to include Income and Expenditure Margin and Variance from Plan.

- Liquidity: the ability to fund short term obligations and commitments
- Capital Service Cover: the degree to which generated income covers financing obligations
- Income and Expenditure (I&E) margin: the degree to which the organisation is operating at a surplus/deficit
- Variance from Plan in relation to I&E margin: variance between a foundation trust's planned I&E margin in its annual forward plan and its actual I&E margin within the year

The new aggregate rating is referred to as the Financial Sustainability Risk Rating (FSRR). Ratings are scored 1 to 4, where 4 is the lowest level of risk and 1 the most serious risk. The tables below and on page 114 summarise performance over the last two years.

2015/16 *Under the Risk Assessment Framework*	***Annual Plan 2015/16***	***Q1 2015/16***	***Q2 2015/16***	***Q3 2015/16***	***Q4 2015/16***
Capital Service Cover	*2*	*2*	*1*	*1*	*1*
Liquidity	*4*	*4*	*4*	*4*	*4*
Continuity of Service Rating	*3*	*3*	*3*	*3*	*3*
I&E Margin Rating		*2*	*1*	*1*	*2*
Variance from Plan Rating		*4*	*3*	*3*	*4*
Average		*3*	*2*	*2*	*3*
Financial Sustainability Rating		*3*	*2*	*2*	*2**

**Capped under updated RAF*

2014/15 *Under the Risk Assessment Framework*	***Annual Plan 2014/15***	***Q1 2014/15***	***Q2 2014/15***	***Q3 2014/15***	***Q4 2014/15***
Capital Service Cover	*4*	*2*	*3*	*3*	*3*
Liquidity	*4*	*4*	*4*	*4*	*4*
Continuity of Service Rating	*4*	*3*	*4*	*4*	*4*

With the August 2015 update of the Risk Assessment Framework (RAF), the Continuity of Service Risk Rating (CoSRR) were replaced by the Financial Sustainability Risk Rating (FSRR).

The Trust achieved its planned outturn for 2015/16 and average ratings would have produced a 3, but under the FSRR regime as Capital Service Cover is rated at 1 overall FSRR is capped to 2.

Governance Risk Rating

Foundation Trusts are also assessed to see how well they are governed. This assessment takes information from a number of sources including aspects of financial governance, national outcome and access measures, delivering value for money and outcomes of Care Quality Commission (CQC) inspections. Together they determine the Governance Risk Rating.

Lancashire Care's current governance rating is green, this means that the Trust is viewed as having no evident grounds for concern and is not under formal investigation.

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 Monitor.

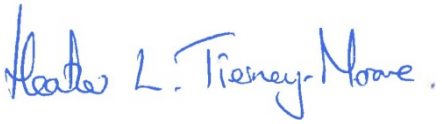
Under the NHS Act 2006, Monitor has directed Lancashire Care NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of 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 NHS Foundation Trust Annual Reporting Manual and in particular to:

- observe the Accounts Direction issued by Monitor, 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 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
- prepare the financial statements on a going concern basis.

The Accounting Officer is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the NHS Foundation Trust and to enable him/her to ensure that the accounts comply with requirements outlined in the above mentioned Act. The Accounting Officer is also responsible for safeguarding the assets of the NHS Foundation Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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



Professor Heather Tierney-Moore OBE
Chief Executive
26 May 2016

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 2016 and up to the date of approval of the annual report and accounts.

In order to ensure continuous development of the system of internal control within the Trust, the Decision Rights Framework has been subject to a review by the Executive Management Team in March 2016 to test the definition of 'significant' and 'material'. This review confirmed that the Decision Rights Framework demonstrates consistency and provides adequate oversight of key transactions at Board level. In addition, the process for implementing the decision rights are clearly outlined in the document and are fully alignment to the Governance system.

Section C: Capacity to handle risk

As Chief Executive, I have overall responsibility for ensuring arrangements are in place for the effective management of risk. The Board of Directors both 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 implementation of the refreshed corporate governance framework in April 2015 has significantly supported the Trust's move to 'managing by risk' through the following activities:

- 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 the threshold for inclusion on the Executive Risk Register by reaching a score of 15 or above, are aligned to a BAF risks where there is an identified interdependence and are reported to corporate governance committees and sub-committees
- Review of risks to delivery of organisation objectives as well as to operational and clinical delivery is built into local and corporate governance meetings to ensure a focus on improvement of the control environment and planned approach to risk mitigation
- Risk assessment has been built into the annual planning process to facilitate the design of mitigation into departmental, team and individual objectives as part of the annual plans
- Performance reporting at Network and Corporate Department level has a focus on risks to achieving planned objectives/outcomes
- The remit of the Audit Committee has been widened to cover oversight of risk and assurance systems across the Trust.

The corporate governance structure that is now embedded across the Trust supports the organisation's enterprise 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 now clearly 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.

The redesign of the BAF risk register which commenced in 2014/15 which was supported by development of Datix (the Trust's risk management IT system) has matured further during 2015/16 to support risk assurance reporting to the corporate governance meetings. The governance meetings have authority to seek 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.

In October 2015, the Board reviewed and refreshed the risk appetite for the Trust. This approach has supported understanding of the differing tolerance to risk categories and recognises the potential risk associated with lost opportunity. The resulting Risk Appetite Statement has been built into the reporting of risk targets at BAF risk register level and this can be reviewed on page 118.

	Strategic Priority	Risk Appetite	Area of Risk	Risk Appetite	Strategic Blueprint	Strategic Risks
Compassion	To provide high quality services	Cautious	Patient Safety	Cautious	We will protect people from harm, give them treatments that work and make sure that they have a good experience of care. We will collect useful information on quality and share this information quickly with the people who are best placed to improve care. We will empower our people to get things done and will be constantly vigilant in keeping quality standards high. We will take every opportunity to compare ourselves with other providers so that we continue to strive for excellence. We will put patient experience at the heart of what we do and report consistently high quality experiences.	1.1: The Trust does not protect service users from avoidable harm and fails to comply with the CQC's standards for the quality and safety of services 1.2: The Trust does not deliver safe, appropriate and therapeutic environments to deliver high quality services 7.3: The Trust does not comply with Mental Health legislation 7.2: The Trust does not comply with statutory legislative requirements
			Service User and Carer Experience	Cautious		
			CQC Compliance & Guidance	Moderate		
			Compliance with Statutory Legislation	Averse		
			Transforming Clinical Services	Open		
Integrity	To provide accessible services delivering commissioning outputs and outcomes	Moderate	Protecting Health	Cautious	We will deliver integrated mental and physical health care services. We will reduce waiting times across all services and localities. We will deliver increased volume to meet demand and increase productivity. We will focus our efforts on key services and initiatives and change services that do not deliver agreed outcomes. We will ensure patients are cared for in appropriate environments and services and will pilot innovative services earlier in patient pathways.	2.1: The Trust does not receive assurance of the accuracy, timeliness and consistency of data and reporting with the potential to compromise decision making and service quality 2.2: Uncertainty and inconsistency of commissioning arrangements affects the Trust's ability to address and meet service demands 7.1: The Trust does not comply with Monitor Licence
			Business Transformation	Hungry		
			Contract Management	Cautious		
			Service Sustainability	Open		
Teamwork	To become recognised for excellence	Open	Service User and Carer Experience	Hungry	Our service users and carers will tell us that our services are of high quality. Our local GP colleagues will regard us as a willing and responsive partner. 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. We will have achieved a national reputation for excellence and will build a multi-region secure services business.	3.1: The Trust fails to deliver the benefits of being a Health and Wellbeing provider 3.2: The Trust does not build its communication and reputation with all stakeholders
			Reputation	Moderate		
			Promoting Health	Open		
			3rd Party/Joint Venture Arrangements	Open		
Respect	To employ the best people	Open	Learning and Organisational Development	Hungry	We will have effective and appreciative leadership throughout the organisation, creating a high performance environment. Our people will be clear about what is expected of them, receive regular feedback and understand that poor performance will be addressed. Our employees will be engaged, supported to reach their potential and embrace change. People will want to work here.	4.1: The Trust is unable to attract, recruit and retain high quality staff impacting on a continued dependency on temporary staff and safe staffing levels, affecting quality of care, and financial costs 4.2: The Trust does not deliver effective education, training and leadership opportunities resulting in a workforce who are unable to deliver high quality, safe care
			Performance and Talent Management	Open		
			Recruitment and Retention	Open		
			Workforce Planning	Moderate		
Accountability	To provide excellent value for money in a financially sustainable way	Open	Financial Sustainability of Services	Moderate	We will operate at, at least our current scale. We will provide services that offer excellent value for money without compromising financial stability. Local accountability and decision-making will enable services to sustain margins to fund investment. We will be outward looking and actively seeking business opportunities to expand and serve new geographies, whilst concentrating on things that add value for our customers and for local people. We will succeed by competing on quality.	5.1: The Trust does not achieve financial performance sufficient to maintain resilience and sustainability 5.2: The Trust does not achieve the required efficiency savings whilst delivering and improving quality
			CIP Development	Hungry		
			Business Growth	Open		
			Value for Money	Hungry		
Excellence	To innovate and exploit technology to transform care	Open	Research and Development	Moderate	Research and innovation will enhance patient care, 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.	6.1: The Trust is unable to reposition in the marketplace to become established as a provider of choice achieving excellence 6.2: The Trust does not implement a transformational IT enabled programme that ensures transition to a new intuitive clinical system across all services
			Innovation and Transformation	Hungry		
			3rd Party/Joint Venture Arrangements	Open		
			IT and Health Informatics	Moderate		

Averse	Prepared to accept only the very lowest levels of risk, with the preference being for ultra-safe delivery options, while recognising that these will have little or no potential for reward/return.	Cautious	Willing to accept some low risks, while maintaining an overall preference for safe delivery options despite the probability of these having mostly restricted potential for reward/return.	Moderate	Tending always towards exposure to only modest levels of risk in order to achieve acceptable, but possibly unambitious outcomes.	Open	Prepared to consider all delivery options and select those with the highest probability of productive outcomes, even when there are elevated levels of associated risks.	Hungry	Eager to seek original/creative/pioneering delivery options and to accept the associated substantial risk levels in order to secure successful outcomes and meaningful reward/return.

The Governance and Compliance Team has a key responsibility for leading on the implementation of the programme of governance and assurance, which seeks to strengthen the system of internal control within the organisation. In order to ensure that this is resilient and sustainable, a programme of engagement has been undertaken during 2015/16 with clinical networks and corporate support departments across the Trust. This work will continue into 2016/17 with a main focus on how the provision of evidence based assurance is be firmly embedded, supported by a comprehensive policy management system that secures compliance with all statutory and legislative requirements.

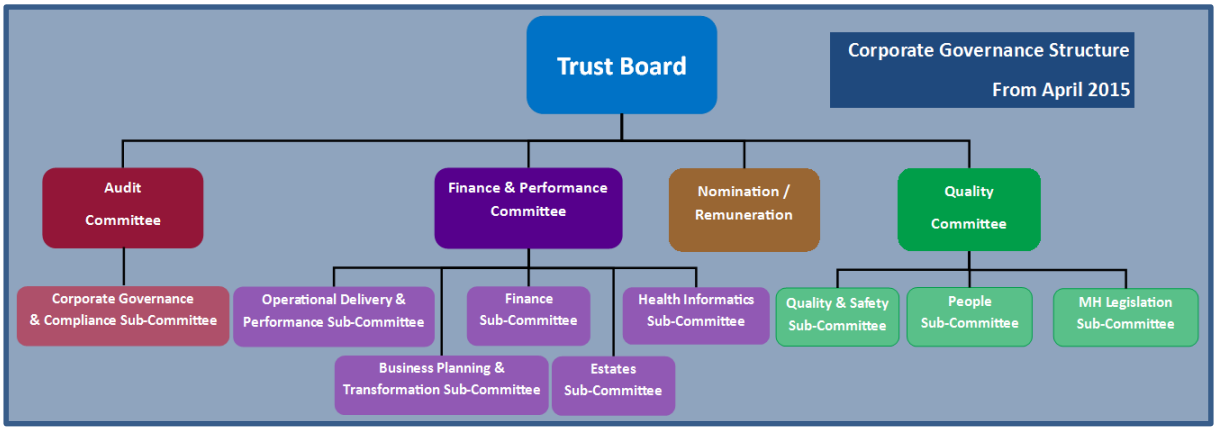
The risk training e-module introduced in 2014/15 as part of the health and safety e-module enhances the Trust's approach to ensuring that staff are trained to manage risk in a way that is appropriate to their authority and duties. Additional risk management training is provided to staff on request. The Risk Management Policy ensures that staff across the organisation have clear guidance and support in their management of risk.

The Trust is able to assure itself of the validity of its Corporate Governance Statement on the basis of the improvement programme that has been undertaken to enhance the governance and risk assurance processes within the organisation.

Section D: The risk and control framework

Effectiveness of Governance Structures

I reported in my statement for 2014/15 that the Board of Directors embarked on a large-scale review of its governance structure which informed the development and implementation of a new integrated corporate governance framework from 1 April 2015.



The primary goals for this piece of work were to achieve a level of excellence in Board intelligence that supports effective decision making and stewardship of the Trust and to build an environment and structure that truly facilitates the quality aim to develop confidence and empower staff at the point of delivery. The principles identified to support the achievement of these two goals have been the foundations on which the corporate governance structure was developed. Those principles are outlined in the table on the next page.

Principles of the Trust's Corporate Governance Framework
1. Clarity of form which must always be driven by function.
2. Clarity of expectations and setting of clear standards with simple application.
3. Processes supported by systems and IT solutions that direct the design and support sustainability.
4. Clarity of outputs and outcome requirements with the inputs being flexible at local level to allow for variation in operational delivery and circumstances.
5. An evidence based assurance and reporting regime that recognises the reporting purpose, the needs of the audience and provides quality analysis to answer the 'so what' question based on identified desirable outcomes rather than inputs.
6. Local application enabling and facilitating responsiveness to change that recognises and accommodates new ways of working in the NHS, including the need to incorporate cross boundary governance into our own systems in turn promoting sustainability.
7. Accountability and empowerment built into the system at the lowest appropriate level and within the bounds of robust systems of internal control, to ensure that the principle of flexibility and responsiveness are supported in practice.
8. Principles of good governance embedded into the local and organisation culture so that 'box ticking' governance is avoided and local systems of assurance are allowed to grow organically because it is recognised that they serve the need for assurance at point of delivery and not to serve organisational red tape.
9. Aggregation and escalation of data for corporate purposes is robust and appropriate but secondary to first line assurance principles.
10. Inter-dependencies of systems and processes of governance and assurance are understood and recognised as a critical part of triangulation and testing, and wherever possible these links are made in any reporting format.
11. Engagement and co-production being central to achieving the right outcomes and embedding cultural change.
12. The development of a governance and assurance culture sitting within a supportive environment that provides appropriate coaching, training, accessible resources and tools to achieve the desired outcomes.
13. Iterative development – prototyping and learning being central to the learning experience. This approach acknowledges that it takes time to achieve the goals and that improved processes may lead to assurance gaps and in this context an open and transparent culture is seen as a good thing and a first step to addressing gaps even though this may result in an initial increased adverse reporting trend.
14. Focus on review, testing, continuous improvement and effective change control.

The refreshed governance framework is derived from the Matters Reserved for the Board and supported by in-depth consideration of the level of assurance required by Board members to ultimately mitigate risks on the Board Assurance Framework risk register and make key decisions as required by the Decision Rights Framework.

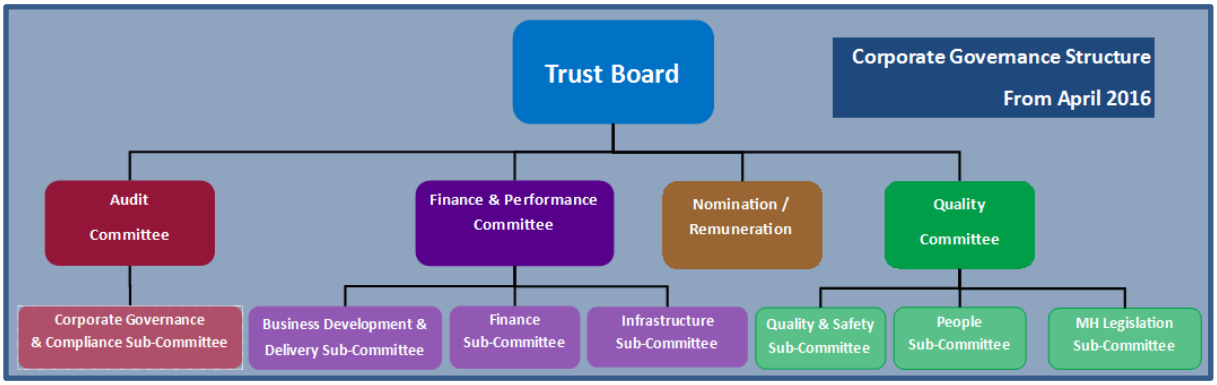
The strengthened governance structure supports triangulation of information through well-informed chairs reports that provide assurance, highlight risks and identify further action required.

The corporate governance structure has been the platform to develop a systemic approach to mapping assurance against key strategic and operational risks, identifying gaps or weaknesses in controls leading to system and process improvements in support of long term sustainability.

One of the key principles being embedded as part of the corporate governance framework is continual review of effectiveness. An annual review that was undertaken internally provided an opportunity to identify further improvements and as a result there has been a reduction in the number of sub-committees;

- The Operational Delivery and Performance Sub-Committee and Business Planning and Transformation Sub-Committee combined to form the Business Development and Delivery Sub-Committee; and
- The Estates Sub-Committee and the Health Informatics Sub-Committee combined to form the Infrastructure Sub-Committee

The corporate governance structure in place from 1 April 2016 can be seen below.



The Trust's internal auditors, Mersey Internal Audit Agency have been commissioned to undertake an audit of the effectiveness of the corporate governance structure focussing on the quality of the assurances provided and this will be carried out in Q1 of 2016/17.

Foundation Trust Governance

As a Foundation Trust we have adequate membership that represents the public that we serve. Annually we elect Governors to ensure representation of the Trust membership. There is an effective governance structure in place that supports the Council of Governors discharging their responsibilities in holding the Board of Directors to account. This is reviewed annually and an in-depth review of the information flow is scheduled for 2016/17 to ensure the arrangements remain both effective and efficient. In holding the Board of Directors to account, governors are invited to attend formal board meetings where the BAF risk register is reviewed. The Chief Executive provides a quarterly report to governors which amongst other things 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.

The Monitor risk assessment framework says that NHS foundation trusts should carry out an external review of their governance every 3 years. In accordance with this guidance, the Board of Directors has commissioned a Well Led review which commenced in February 2016 and will conclude in May 2016. The resulting report is expected in May 2016.

Quality Governance

The Quality Governance Assurance Framework (QGAF) is utilised within the Trust to ensure that the assessment of quality governance is maintained across the organisation.

This is discussed in detail in the Annual Report (section 3.1 Enhanced Quality Governance Reporting).

Care Quality Commission Inspection

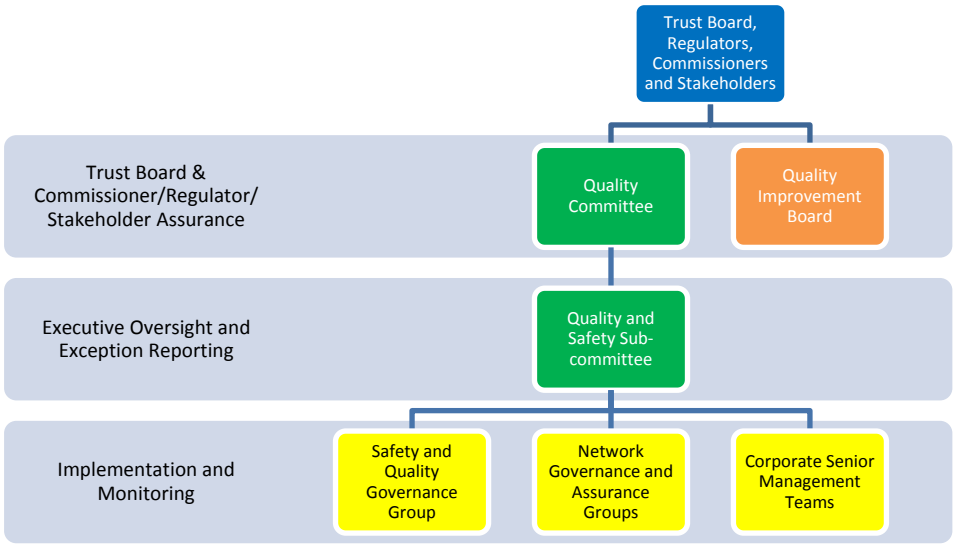
In April 2015, the Care Quality Commission (CQC) undertook its first major inspection of the Trust's services under the new inspection format and assigned an overall rating of requires improvement. The CQC spent one week at the Trust and due to its size and scale saw approximately 30% of services and spoke to around 300 people. The inspection itself was preceded and succeeded by significant data collection and analysis by the CQC. The inspection reports consist of 16 service type reports and ratings, with one overall Lancashire Care NHS Foundation Trust report and rating. The final reports were presented to commissioners, regulators and stakeholders at the Quality Summit on 22 October 2015 and published on the CQC website on 4 November 2015. The grid summarising the CQC ratings is included in the Quality Account.

The inspection report included 7 requirement notices that resulted in a comprehensive action plan to address the areas for improvement and the Trust has used this first inspection as a learning opportunity, providing a clear focus upon which to make the necessary improvements.

In order to ensure that the CQC action plan is monitored effectively and actions are implemented, the Trust has put in place a robust process of governance and management. These processes have supported the provision of evidence that significant progress has been made against completion of the CQC action plan whilst also recognising that there is some slippage which is being addressed as a priority. The process is led by clinical networks and corporate services with the Trust's Safety and Quality Governance Group providing a Trust-wide overview and monitoring role. The Quality and Safety Sub-Committee, chaired by the Director of Nursing who is responsible for quality, leads on executive oversight of delivery and receives regular exception reporting. The Quality and Safety Sub-Committee provide assurance in a Chair's report upwards to the Quality Committee which is chaired by a suitably qualified Non-Executive Director. Assurance reporting is provided to Audit Committee on a regular basis in relation to the processes and systems in place to deliver the Trust's CQC action plan.

A Quality Improvement Board, led by NHS England, also receives this assurance relating to the progress made against the Trust's CQC Action Plan, on behalf of regulators, commissioners and stakeholders. Any exceptions are supported by corrective actions and there is a recognition that there is some slippage in the plan, particularly where external factors are impacting and these areas are escalated to the Quality Improvement Board. Lancashire Care NHS Foundation Trust and the CQC recognised that some improvement opportunities were not entirely within the sole gift of the Trust and are working through the Quality Improvement Board to drive and influence system wide quality improvement. The progress that the Trust has made in addressing all the required improvements has been monitored by the Quality Improvement Board over Q3 and 4 of 2015/16.

The following table sets out the arrangement for the monitoring and assurance of the CQC action plan:



The Datix integrated risk management system has been developed to provide a regulatory action tracking capability for the CQC action plan with real time reporting and live dashboards. A programme of internal Quality and Safety Assurance Visits commenced in January 2016 to provide assurance against the implementation and embedding of the actions. Members of the Board of Directors take part in these visits. In addition, the internal audit programme for 2016/17 has been developed to target key areas where the provision of additional assurance will further validate the completion of actions.

On the basis that not all actions relating to the 7 requirement notices have been fully completed and given that CQC is due to undertake a full re-inspection of the Trust in September 2016, the Board of Directors has chosen not to declare full compliance with the registration requirements of the Care Quality Commission until all action evidence is validated by the CQC.

Patient Safety

In November 2015, the Trust reported one Never Event that related to a service user who was retained under a Section 3 on a mental health ward. The investigation was completed in February 2016 and the Trust action plan was submitted to commissioners and NHS England. The incident occurred when a patient managed to remove the window restrictors and escaped through a first floor dormitory window on Ward 20 at Burnley General Hospital. The patient jumped from the first floor window and sustained fractures to both heels.

The outcome of the investigation highlighted that whilst the quality of care provided was good, gaps in governance and assurance arrangements within Property Services Department contributed significantly to the incident. The window restrictor had been fitted (or repaired) with a standard screw fitting which allowed the patient to remove this easily and should have been fitted with tamper proof security fittings. A robust improvement plan and lessons learned report was developed by Property Services and the internal audit plan for 2016/17 will test elements of this plan.

Risk Management and Assurance

The Trust's risk assessment and management arrangements are described in the Risk Management Policy, which supports the organisation's strategy to managing risk. These risk management arrangements enable risks to be identified, assessed and controlled consistently and effectively. The process for identifying, assessing, reporting and managing risk is supported by the Trust's electronic risk management system, Datix. The development work that has taken place during 2015/16 has enabled theming of risk across risk registers to support risk profiling within activity areas, for example finance, information governance, commissioning, pharmacy and commissioning. This work alongside other Datix development has further established the Trust as a Reference Site for Datix in relation to best practice in the implementation of integrated risk management.

The Trust's BAF risk register continues to provide the organisation with a structured approach to effectively managing the principal risks to achieving its strategic objectives. The Trust promotes an open culture and encourages staff to operate in a transparent manner when identifying, understanding, responding and escalating risks. The BAF risk register provides an integrated risk reporting structure where strategic and enduring risks are supported by dynamic operational risk profiles, with each strategic risk being owned by an Executive Director. The implementation of the refreshed corporate governance framework in April 2015 has increased the effective management of assurance and controls through this 'managing by risk' approach.

The end of year review of the BAF risk register for 2015/16 has provided the Board of Directors with the opportunity to apply the consideration of risk appetite to the review of risks and the setting of risk target scores for 2016/17. In addition, the Risk Appetite Statement has been utilised by the Clinical Networks and Corporate Departments in the annual planning process, to support decision making in relation to the setting of objectives within a risk based approach. The Trust's approach to risk appetite ensures that risks are considered both in terms of opportunities and threats as well as risk and reward.

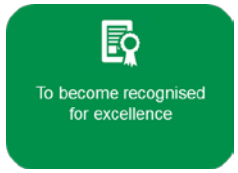
A total of 15 BAF strategic risks have been managed during 2015/16. The tables on pages 126 and 127 summarise these risks as outlined in the BAF risk register. All risks identified below are the 2015/16 risks and an outline is provided of how these risks will be managed moving forwards into 2016/17. Four risks have been managed to their target scores during the course of the year. A total of 11 risks did not meet their target during 2015/16 and it was acknowledged in the end of year BAF risks register review that these risks signify an ongoing representation of the future and on-going challenges that impact on the Trust's ability to meet the strategic objectives. The corporate governance committees and sub-committees have ensured the 'managing by risk' approach is embedded, commissioning additional assurance where required.

Through the effective management and escalation of operational risk aligned with the BAF strategic risks, a theming exercise was undertaken during Q4 of 2015/16 to identify the critical areas of challenge which will continue to be so moving into 2016/17. The shifting strategic landscape has impacted on the organisation's risk control environment. A total of 5 themes have been identified which take account of both internal and external factors influencing the management of risks across the BAF risk register shown on page 125.

1.	2.	3.	4.	5.
Patient Safety	**Commissioning Environment**	**Financial Pressures**	**Workforce**	**Capacity and Flow**

This theming has supported the review of the BAF risks for 2015/16 and the setting of the risks for 2016/17.

The Board Assurance Framework received the highest level of assurance from internal audit during 2015/16.

Strategic Objective	BAF Strategic principal risk	Outcome as at 31.03.16
	1.1 The Trust does not protect service users from avoidable harm and fails to comply with the CQCs standards for the quality and safety of services.	Quality of patient care has been the focus of this risk within 2015/16 and a number of positive factors have helped improve the quality and safety of services supported by development of the Quality Strategy. This risk remains high for 2016/17 which is in recognition of the pressures currently being faced by the service.
	1.2 The Trust does not deliver safe, appropriate and therapeutic environments to deliver high quality services.	The outcome of the CQC inspection that took place in April 2015 has provided the Trust with an opportunity to focus on the elements of the report that also supported the management of this risk. There still remains a significant risk profile identified against this BAF risk including risks that relate to environmental safety. Actions have been implemented to help manage this risk throughout 2015/16. The risk in 2016/17 will continue to take into account the impact of capacity and flow on the delivery of safe, appropriate and therapeutic services.
	2.1 The Trust does not receive assurance of the accuracy, timelines and consistency of data and reporting with the potential to compromise decision making and service quality	This risk achieved its target by the end of 2015/16 largely due to the continued improvements in the quality of the Trust's performance processes. In addition, a full ESR data cleanse has been completed to support the reporting of workforce information.
	2.2 The Trust's ability to address and meet service demands is affected by uncertainty and inconsistency of commissioning arrangements	The commissioning environment remains challenging and the development of the Sustainability and Transformational Plan for Lancashire will impact on the management of this risk into 2016/17. This risk also takes into account the impact on the organisation of business development activity such as tendering for existing and new services.
	3.1 The Trust fails to deliver the benefits of being a Health and Wellbeing provider.	To focus on whole person holistic care and ensuring that the Trust provides good physical healthcare for all mental health patients and vice versa continues to be a key challenge. A Whole Person Health collaborative has been introduced during 2015/16 supporting the management of this risk moving forwards into 2016/17 which will be slightly reframed to acknowledge the importance of holistic whole person care.
	3.2 The Trust does not build its communication and reputation with all stakeholders	This risk achieved its target score by the end of 2015/16. Consideration of the impact of communication and reputation will be considered across a number of risks moving into 2016/17, with key operational risks identifying the fundamental challenges particularly in relation to the Trust becoming a provider of choice achieving excellence.
	4.1 The Trust is unable to attract, recruit and retain high quality staff impacting on temporary staffing levels, affecting quality of care and financial costs.	A number of key pieces of work have been completed during 2015/16 which has assisted in the control of this risk, but there remains a significant recruitment challenge across a number of clinical professions. Improvements have been identified within safer staffing in relation to the drive for recruitment, through the implementation of the e-rostering system relating to nursing staff.
	4.2 The Trust does not deliver effective education, training and leadership opportunities resulting in a workforce who are unable to deliver high quality, safe care.	The launch of the Quality Academy within 2015/16 has supported the delivery of education and training a variety of ways. The development of the People Plan for the organisation will assist in the management of this risk in 2016/17.

Strategic Objective	BAF Strategic principal risk	Outcome as at 31.03.16
To provide excellent value for money in a financially sustainable way	5.1 The Trust does not achieve financial performance sufficient to maintain resilience and sustainability	The risk associated with the sustained financial challenges that the Trust faced in 2015/16 will continue into 2016/17. Although the organisation has marginally over delivered its CIP, this risk remains high reflecting the new agency and locum cap in force from 1 April 2016 and the continued challenge to meet the required financial savings.
	5.2 The Trust does not achieve the required efficiency savings whilst delivering and improving quality.	This risk achieved its target score by the end of 2015/16. Consideration of the savings challenge for 2016/17 will be aligned to BAF risk 5.1.
To innovate and exploit technology to transform care	6.1 The Trust is unable to reposition in the marketplace to become established as a provider of choice achieving excellence	The commissioning environment continues to impact on this risk along with the development of the Lancashire and South Cumbria (LSC) Sustainability and Transformational Plan (STP). This risk within 2016/17 will move to sit under the objective 'To provide accessible services delivering commissioned outputs and outcomes'.
	6.2 The Trust does not implement an IT enabled transformational programme that ensures transition to a clinical system which is used across all services and supports the Trust in the realisation of its strategic objectives	This risk achieved its target score by the end of 2015/16. The risk has been reframed for 2016/17 as the Trust moves towards implementation of a new electronic patient system from September 2016.
To meet our statutory/compliance obligations	7.1 The Trust does not comply with the Monitor Licence	This risk has taken account of financial targets, capacity and flow challenges and achieving performance targets throughout the course of 2015/16. This risk will carry forward into 2016/17 as the regulators accept that the organisation is doing everything it can to address the system wide challenges.
	7.2 The Trust does not comply with statutory legislative requirements	Receiving assurance of the Trusts' overall compliance with statutory legislative requirements has an interdependency with the organisation's policy framework. The risk has had a key focus on strengthening the IG governance arrangements during 2015/16. This risk continues into 2016/17 and relates to the Trust' whole statutory and regulatory environment.
	7.3 The Trust does not comply with Mental Health Legislation	Improvements have been made throughout 2015/16 in relation to processes and systems to support the governance of Mental Health legislative requirements. This risk will continue to be managed throughout 2016/17 as the Trust strengthens new arrangements to ensure that this is fully embedded across the clinical networks.

The full Board Assurance Framework risk register for 2016/17 can be viewed in **Appendix 1** which also outlines which Sub-Committee within the governance framework will have responsibility for seeking assurance against each risk and the relevant aligned risk appetite.

HR Controls Assurance

The strengthening of controls relating to the safe recruitment of staff into the organisation and their planned exit on the leaver's pathway has been a focus of improvement activity during 2015/16. The Audit Committee was provided with specific assurance relating to losses and special payments associated with how staff terminations were managed on the Electronic Staff Record (ESR) IT system. This related to timeliness as it was recognised that this could lead to overpayments. I commissioned the Trust's internal auditors to undertake a HR Data Quality Review to evaluate the ESR Data Quality Recovery Project which had been instigated to enhance the robustness and consistency of ESR utilisation as a workforce solution across the organisation. This review identified a number of key actions and an improvement plan was put in place in October 2015 which is managed by the newly established ESR Governance Group which will report into the People Sub-Committee. This programme of work has included a full data cleanse of ESR which was completed by the end of March 2016. This data cleanse supported the management of the BAF risk relating to accuracy, timeliness and consistency of data within the Trust.

The development of the Workforce report during 2015/16 has been recognised as an exemplar of best practice from initial feedback provided by the Well Led Review Team.

An internal audit undertaken in Q4 2015/16 in relation to Payroll/Human Resource (ESR) interface provided Significant Assurance, recognising the improvements made and acknowledging a number of outstanding areas that the improvement plan will address moving into 2016/17.

Data Quality - Performance

The data quality improvement plan that was introduced during 2014/15 has been completed during the reporting period. The plan was informed by a review undertaken at my request by external auditors. The associated BAF risk register risk that acknowledged the areas of potential data weakness impacting on the overall quality of performance data was managed to its target score by the end of March 2016. This was supported by the Operational Delivery and Performance Sub-Committee established in April 2015 as part of the governance refresh, which has sought assurance to ensure that the risk is controlled and mitigated.

To support the quality improvement of data within the Trust and to ensure that the Board of Directors has full vision of performance against the relevant strategic priorities and their outcomes, a Board Balanced Scorecard (BSC) was introduced in Q1 of 2015/16. The Trust has six strategic priorities and each BSC domain relates to one or more of the priorities with the constituent measures mapped accordingly. Each domain has an indicator of strategic achievement which is measured on an annual basis but can be tracked monthly. There are additional tracking indicators which enhance monthly performance monitoring. The principle approach of the development of the BSC has been an outcome focus in terms of the indicators and metrics that have been developed to ensure that the Board of Directors can see the impact of activity which in turn informs challenge.

In addition to the BSC during 2015/16, the development of the Quality Performance Report (QPR) has enhanced the reporting of accurate and timely performance data to the Board of Directors. The full set of the indicators in the QPR support the higher level outcome metrics in the BSC. The reporting framework that has been implemented includes individual clinical network reports that provide assurance to the Operational Delivery and Performance Sub-Committee and highlight any key exceptions for each network in relation to performance, finance, quality and workforce and align with the network risks that score 15 or above.

The NHS Pension Scheme

As an employer with staff entitled to membership of the NHS Pension Scheme, control measures are in place to ensure all employer obligations contained within the Scheme regulations are complied with. This includes ensuring that deductions from salary, employer's contributions and payments into the Scheme are in accordance with the Scheme rules, and that member Pension Scheme records are accurately updated in accordance with the timescales detailed in the Regulations.

Equality and Diversity

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 approach to equality, diversity and inclusion is outlined in the Equality and Diversity Statement of Intent which is published on the Trust website and which provides a strategic framework with the aim of continuous improvement in this area. Progress against this is measured using the Department of Health Equality Delivery System (EDS2).

Equality and Diversity is also an integral part of the Trust's Quality 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. 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 and network and service line leads.

Carbon Reduction

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.

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; and
- Activities that will be undertaken and reported on to demonstrate high performance.

This approach will be supported by a set of actions that help us to realise our aim of being able to demonstrate overall efficiency. The Audit Committee receives the annual VfM plan and the Finance Sub-Committee receives assurance against the overall progress made against the key VfM activities.

Cost Improvement Plans

There is a process in place across the Trust for evaluating the effectiveness of cost improvement plans through 'Delivering the Strategy' (DTS) which adopts a programme based approach. The approach was introduced at the beginning of 2015/16 with the aim of DTS being to support and drive transformational change and as a by product deliver the value of savings required for the Trust's strategic, financial and operational ambitions to be achieved. DTS incorporates all the key plans that support the Trust's transformation programme and are monitored through a programme management office approach. Assurance is provided through the Business Planning and Transformation Sub-Committee (now Business Development and Delivery Sub-Committee) and an assurance dashboard has been developed to support the reporting of the status of each programme within DTS. The continued challenge to the Trust is to achieve financial performance sufficient to maintain resilience and sustainability and is recognised by a strategic risk on the BAF risk register. DTS provides a single and comprehensive programme reporting on the totality of CIP delivery and takes account of any associated impact on quality. The potential achievement of CIP plans is risk-assessed to ensure that the impact on service delivery/quality is understood and reviewed post implementation.

At the end of 2015/16 the financial outcome of the DTS CIP programmes was ahead of plan, having seen substantial delivery over the course of the year. There is a recognition that an element of this achievement incorporated non-recurrent savings of £2.6m which has been factored into the 2016/17 plans and the full benefits will be realised in 2016/17.

An internal audit of the DTS CIP programme undertaken during Q4 focused specifically on the systems and processes and considered the controls operating with regard to the sustainability of the plans implemented and the impact on service quality. The outcome of the audit provided significant assurance on the basis that the Trust had robust practises in place to ensure that key controls across the CIP process operated effectively. There was some learning opportunity as a result of the audit to strengthen some of the controls in place and this will be a key focus of the DTS programme moving into 2016/17.

The Trust's process established in 2014/15 that allows Executive Management Team to scrutinise the delivery of business plans across the Trust's clinical networks and corporate departments has further embedded during 2015/16 and increased in maturity. I maintain managerial accountability to ensure delivery of the plans and that there is a system of managing performance against the plans that in the event there are signs of risk to delivery that are emerging, these are addressed in timely way.

Capacity and Flow

Since December 2014, the Trust has experienced a key quality and financial risk in relation to capacity issues leading to high bed occupancy and out of area treatments (OATS). The progressive rise in numbers has consequences that negatively impact on patient experience and provide challenges to quality standards as well as having a significant financial impact. The Healthcare Economy was tasked with providing a sustainable plan to mitigate these issues and report actions and assurances to the Quality Improvement Board.

This issue continued to be a key challenge during the first three quarters of 2015 for the Trust as part of the wider Healthcare Economy. This culminated in the Trust declaring an internal Major incident in January due to an escalation of demand pressures, replicated across other providers within the Healthcare Economy and mental health providers across the country. A seven day silver and bronze command system was initiated with daily situation reporting and escalation teleconferences with the Clinical Commissioning Groups and NHS England. A key response by the Trust was the redeployment of resource from elective care and corporate departments to support acute and urgent care. In response, planned additional capacity was mobilised early with the opening of both an assessment ward and clinical support unit. The Trust maintained a comprehensive action log to track progress and capture lessons learnt.

The BAF risk register reflected the impact of the increased demand in the Q3 position and was supported by an analysis of a general risk theme relating to Capacity and Flow, considering the impact from both a quality and financial perspective.

The impact of the response to the major incident was significant, evidenced by a reduction of OATS to 39 within three weeks of the major incident being called. In addition, the reduction in OATS had a major impact on improving the Trust's overall financial position whilst improving the quality of patient experience.

The Trust has commissioned an independent review of capacity and flow across the mental health pathway coupled with comparator analysis via the NHS Benchmarking Network and the outcome of this is expected in June 2016. The outcome of this piece of work will help to inform a joint understanding with commissioners of the capacity challenges across the health economy system.

Inpatient Reprovision Programme

In March 2015, the Trust's new flagship inpatient facility opened, The Harbour. During Q2 of 2015/16 the Trust undertook a governance assurance review of the effectiveness of governance processes in place during the approval and implementation phases of this programme. This included a pro-active review of the management of the risks

surrounding the full operational transition to The Harbour site. Assurance was provided to the Audit Committee in July and October 2015 that associated risks with the transition were identified and reported.

Section F: Information Governance

The organisation works closely with the Information Commissioners Office (ICO) and our internal auditors to identify common themes around how to strengthen Information Governance (IG). The themes that have been identified during 2015/16 are as follows:

The capacity of the IG function needs to be resourced to enable improved engagement across the Trust and underpin the implementation of the IG strategy and embed IAO's across the Networks and Corporate Services. Funding for additional capacity has been identified within Health Informatics and recruitment to these posts is underway.
The implementation of a formal information Asset Owner and Administrator (IAO) structure has commenced in 2015/16 that will ensure that awareness of Information Governance and compliance therein is embedded across the Trust.
Associated with the IAO structure is the need to distribute the responsibility for understanding the requirements set out in the IG toolkit and ensure that these requirements are met and assured across the Trust. This will see the Toolkit and its requirements become a key aspect of how the Trust thinks about our Information Governance practice and process.

The Trust's IG governance framework has been developed during 2015/16 to ensure that there is a clear 'line of sight' from team to board in terms of IG reporting and provision of assurance. This has continued to mature to support the implementation of the IAO structure and oversight of IG incident management, reporting and lessons learned. The Corporate Governance and Compliance Sub-Committee oversees IG and seeks assurance that there are appropriate management and governance systems in place.

The appointment in February 2016 of a Chief Clinical Information Officer, who is also the Deputy Caldicott Guardian, gives the IG function direct input and day to day influence from a senior clinical perspective. This in turn improves our ability to ensure that IG principles and awareness is seen as an integral part of the clinical process across the organisation. In addition, the appointment of a substantive Director of Health Informatics in August 2015, who is also the Deputy SIRO, provides the IG function consistent access to advice, guidance and direction, facilitating decision making.

There have been 8 Information Governance (IG) incidents that the Trust determined were reportable as level 2 during the reporting period which have qualified for automatic reporting to the ICO and the Department of Health. One incident currently remains open with the ICO. An IG incident is determined by the context, scale and severity. The incidents that have occurred during 2015/16 relate to serious breaches of confidentiality and security where patient information has been shared inappropriately and in contravention of the Data Protection Act (DPA). Internal investigations have been completed by the Trust for all the incidents. The ICO has not pursued any enforcement

action or monetary penalty against the Trust for those incidents reported in 2015/16. The IG Team works closely with network services to offer guidance and to support the implementation of remedial actions to address any shortfalls in controls where identified in order to manage risk. All IG incidents are reported onto the Trust incident management system, Datix which aligns with regulatory requirements.

The IG Toolkit is a framework to ensure the Trust manages the sensitive data it holds safely and within statutory requirements. The IG Toolkit is made up of 45 requirements which are divided across six initiatives. Each requirement must attain a minimum of a level two score in order for the Trust to attain a 'Satisfactory' rating. Each initiative attains a percentage score. The final score is an aggregation of all six initiatives. The IG Tookit submission in March 2016 confirmed the Trust has a Satisfactory rating with an overall total of 78%.

Non-compliance is most clearly seen when the organisation becomes aware of a breach of the Data Protection Act which warrants reporting to the Information Commissioners Office. These breaches vary in their nature but are invariably related to where a process has not been followed or as a result of human error. Our intention is to reduce the probability that this will happen and there are several ways in which we are addressing this challenge:

- The implementation of the formal IAO structure which will ensure IG has a raised profile within all services and responsibilities and accountabilities are fully embedded across the Trust
- Increased training, awareness and audit of IG compliance and the expectations of the IG Toolkit
- Implementation of a new electronic Patient Record System from September 2016 will support collaborative working with other organisations to establish electronic data flows, reducing the risk of IG breaches
- Steady movement toward a more structured Information Management Technology platform whereby information is stored more securely, retained according to policy and accessed or shared in a proportionate way according to need and in a lawful manner.

The internal audit relating to the Information Governance (IG) Toolkit undertaken in 2015/16 has provided Limited Assurance. The audit identified the same issues raised by the Information Commissioner earlier in the year which were already being addressed by an IG development plan. In addition the audit report recognised that the Trust has a clear organisational IG structure overseeing IG compliance, managing issues and incidents and reports on action plans and projects. There were also key areas for the Trust to address including the IAO structure and data flow mapping, areas which are already being addressed in the IG development plan. An IG follow-up review was undertaken by internal audit in May 2016 which recognised that the Trust had already made progress against the areas highlighted in the original audit with an acknowledgement that there were still some requirement areas that need to be addressed.

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. 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.

During 2015/16 we have collaboratively developed Our Vision and Quality Plan with the involvement of over 1000 people. The organisation's aspiration is that the culture is shaped by the collective actions of everyone acting together for organisational success, delivering Our Vision and, in doing so, providing a world class health service to the people of Lancashire. The content of the report reflects Lancashire Care NHS Foundation Trust's commitment to quality by supporting a Quality led strategy for Lancashire Care NHS Foundation Trust. This means that quality, as the leading strategic priority, is at the core and involves people being at the heart of everything we do to ensure we are giving people who use our services the best possible experiences of safe and effective care.

The development of the Quality Account includes input from service users and carers, staff, senior managers, senior clinicians, the Council of Governors (through the Standards and Assurance committee), 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 subcommittee and lead commissioners through their Quality and Performance meetings. The Account is considered by the Quality Committee, reviewed by the Audit Committee and approved by the Board of Directors. The External Auditors have undertaken a review of the content of the Quality Account and completed testing on indicators. Finally 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 this report as required.

Lancashire Care NHS Foundation Trust is committed to achieving a culture of openness and transparency reflected by a constant desire to learn from mistakes, not to conceal them. A Being Open Policy has been in place for several years and has been updated to take into account the statutory Duty of Candour. 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. The Policy is based on the principles of openness, transparency, honesty and genuine communication. The Datix integrated risk management system has been updated to report on compliance with the Duty of Candour. Compliance is reported to the Quality and Safety Sub-Committee and commissioners. Lancashire Care NHS Foundation Trust has received a rating of good in a new Learning from Mistakes league table that has been collated and published by NHS Improvement in March 2015. Drawing on a range of data, the table serves to identify the level of openness and transparency in NHS provider organisations for the first time ever. The league table gives each trust a rank alongside providers across the country and placement in one of the above 4 categories. Lancashire Care has been ranked in the top 10% nationally (23rd of 230 NHS Trusts), rated as one of the Trust's with 'good levels of openness and transparency'.

Waiting Times

The Trust measures data relating to elective waiting times through 'Referral to Treatment' metrics. The performance against 'Referral to Treatment' times is monitored and validated to ensure waiting times are reported accurately and consistently with the Trust policy and procedure. Each of the Trust's clinical networks provides a monthly report that includes waiting time data and indicates any associated risks. The information in these reports then supports the Quality & Performance Report which is reported to the Board of Directors.

There have been some challenges for waiting times for the Memory Assessment Service (MAS). An exercise to analyse capacity and demand was undertaken in 2015/16 and a proposal was made to commissioners to fund additional capacity to meet the required 6 week waiting time for MAS. Whilst the Trust was awaiting an outcome from the commissioners, the Trust continued to meet the additional capacity to achieve the 6 week target. Waiting times began to exceed the 6 week target when the Trust was unable to continue to sustain the level of delivery over and above funded activity and the commissioners rejected the proposal to support the Trust with additional funding. The waiting times for MAS are tracked and reported each month in the QPR and the Trust continues to have discussions with the commissioners to reach a solution.

New access and waiting time standards were implemented in 2015/16 in the following areas:

- Early Intervention in Psychosis
- Improving access to Psychological Therapies.

Where problems have been identified through the reporting framework in place, work has been targeted with the relevant clinical specialities to minimise the number of waits over 18 weeks and to improve the experience of people referred to our services. Further information relating to the mandated waiting time indicator definitions is included in Appendix 1 of the Quality Account.

Section H: Review of effectiveness

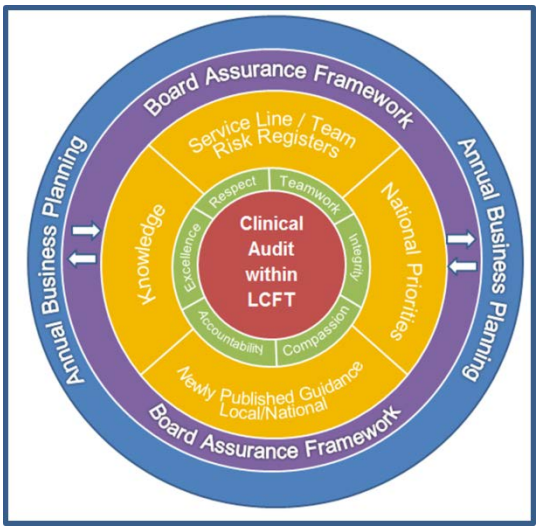
As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is

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.

The Audit Committee has a key role on behalf of the Board of Directors in ensuring that it receives assurance on matters relating to economy, efficiency and effectiveness. The remit has been widened to include strategic oversight of the development of governance, risk and assurance systems and to monitor effective transition to new arrangements and any associated risks. This has involved the attendance at the committee of risk owners, on a cyclical basis to demonstrate the robustness of governance arrangements, the development and embedding of risks system and a risk management culture, demonstrating improvement in control environments in their areas of responsibility.

The Corporate Governance and Compliance Sub-Committee reports to Audit Committee via a Chair's report and specific assurance reports are provided as required. During the reporting period Audit Committee delegated the responsibility of the scrutiny of assurance in relation to elements of the year end reporting requirements and also the monitoring of the Control Improvement Plan. The majority of work is now complete in relation to this plan with the outstanding actions forming part of 2016/17 objectives.

The Trust's audit programme, including both Clinical and Internal Audit, is planned through a risk based approach, set against the risk profile of the organisation and during 2015/16 has allowed directed activity to areas of potential or perceived weakness in order to address executive concerns. This refreshed approach to internal audit has been supported by the Trust's new internal audit partners who commenced in April 2015. To further support the risk based approach, a Clinical Audit Assurance Map has been developed to provide a framework for the clinical networks to use that supports how to identify where their priorities can feed into the Clinical Audit programme and deliver assurances to support local risk management.



The Head of Internal Audit Opinion has provided an overall assurance rating of Significant. This opinion was provided in the context of the level of risk awareness of the Trust and the targeted and effective use of internal audit as part of the system of internal control. Internal audit resource has been directed into known risk areas by Trust management and the Audit Committee. Not surprisingly therefore this has resulted in four

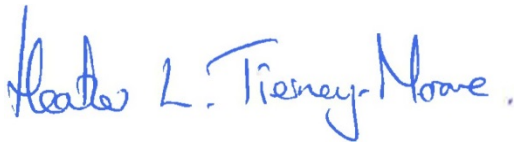
limited assurance opinions being provided for individual reviews. However, this has not impacted on the overall assurance level of Significant being assigned.

Conclusion

I can confirm that there have been no significant control issues in the Trust in 2015/16. Where control issues have been identified they have been addressed and effectively managed, particularly in relation to the Never Event, information governance and HR controls assurance. 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.

In April 2015 the Trust implemented a refreshed governance framework that has resulted in considerable and sustainable improvements to the governance and assurance arrangements impacting positively on the flow of information from 'Team to Board', accompanied by a significant shift to managing by risk.

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 2016/17.



Professor Heather Tierney-Moore
Chief Executive
26 May 2016

Appendix 1 – Board Assurance Framework Risk Register 2016/17

Strategic Objective	BAF Risk	Sub-Committee	Lead Director	Risk Appetite
S01 To provide high quality services	1.1 The Trust does not protect service users from avoidable harm and fails to comply with the CQC standards for the quality and safety of services	Quality & Safety	Director of Nursing	Cautious
	1.2 The Trust does not deliver safe, appropriate and therapeutic environments to deliver high quality services	Quality & Safety	Director of Nursing	Cautious
SO2 To provide accessible services delivering commissioned outputs and outcomes	2.1 The Trust is unable to reposition in the marketplace to become established as a provider of choice achieving excellence	Business Development and Delivery	Chief Finance Officer	Cautious
	2.2 Uncertainty and inconsistency of commissioning arrangements affects the Trust's ability to address and meet service demands	Business Development and Delivery	Chief Operating Officer	Moderate
SO3 To become recognised for excellence	3.1 The Trust fails to deliver holistic whole person care (physical and mental health)	Quality & Safety	Medical Director	Open
SO4 To employ the best people	4.1 The Trust is unable to attract, recruit and retain high quality staff impacting on a continued dependency on temporary staffing levels, affecting quality of care and financial costs.	People	Human Resource Director	Open
	4.2 The Trust does not deliver effective education, training and leadership opportunities resulting in a workforce who are unable to deliver high quality, safe care	People	Director of Nursing	Open
SO5 To provide excellent value for money in a financially sustainable way	5.1 The Trust does not achieve financial performance sufficient to maintain resilience and sustainability	Finance	Chief Finance Officer	Open
SO6 To innovate and exploit technology to transform care	6.1 The Trust fails to plan, develop and maintain infrastructure to support the ability to deliver safe, responsive and efficient patient care	Infrastructure	Chief Finance Officer	Open
	6.2 The Trust fails to implement the full capabilities of the new EPR which will enable the redesign of services to maximise the clinical benefits to patients and reduce the instances of incomplete patient records	Infrastructure	Chief Finance Officer	Moderate
SO7 To meet out statutory/compliance obligations	7.1 The Trust does not comply with Monitor Licence and other regulatory requirements under NHS Improvements	Governance & Compliance	Director of Governance and Compliance	Averse
	7.2 The Trust does not comply with statutory legislative requirements	Governance & Compliance	Director of Governance and Compliance	Averse
	7.3 The Trust does not comply with Mental Health Legislation	MH Legislation	Director of Nursing	Averse

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

LANCASHIRE CARE NHS FOUNDATION TRUST
ANNUAL REPORT AND ACCOUNTS FOR THE YEAR TO 31 MARCH 2016

FOREWORD TO THE ACCOUNTS

LANCASHIRE CARE NHS FOUNDATION TRUST

These accounts for the year ended 31 March 2016 have been prepared by the Lancashire Care NHS Foundation Trust in accordance with paragraphs 24 and 25 of Schedule 7 to the National Health Service Act 2006.

Lancashire Care NHS Foundation Trust received its authorisation as an NHS Foundation Trust on 1 December 2007 in line with Section 35 of the National Health Service Act 2003.

Its registered headquarters address is:

Lancashire Care NHS Foundation Trust
Sceptre Way
Walton Summit
Bamber Bridge
Preston
PR5 6AW
Tel: 01772 695 300
E-mail: lct.enquiries@lancashirecare.nhs.uk
Web: www.lancashirecare.nhs.uk

Signed  Dated 26 May 2016

Professor Heather Tierney-Moore

Chief Executive

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2016

	NOTE	Year to 31 March 2016 £000	£000	Year to 31 March 2015 £000	£000
Income from continuing activities	3	**319,420**		302,820	
Other operating income	4	**24,449**		23,943	
Operating expenses from continuing operations	5	**(341,695)**		(334,409)	
OPERATING SURPLUS/(DEFICIT)			**2,174**		(7,646)
Finance Costs					
Finance income	9	**142**		116	
Finance expense - financial liabilities	10	**(2,137)**		(1,686)	
Finance expense - unwinding of discount on provisions	22	**(25)**		(22)	
Public Dividend Capital dividends payable		**(3,950)**		(3,489)	
Net finance costs			**(5,970)**		(5,081)
Share of Profit of Associates/Joint ventures accounted for using the equity method			**161**		172
Deficit from operations			**(3,635)**		(12,555)
DEFICIT FOR THE FINANCIAL YEAR			**(3,635)**		(12,555)
Other comprehensive income:					
Impairments			**(51)**		(1,149)
Revaluations			**0**		18,614
TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE FINANCIAL YEAR			**(3,686)**		4,910

The notes on pages 145 to 173 form part of these accounts.

Other comprehensive income

During 2015/16 the Trust's asset assurance process has resulted in the recognition of a small impairment (2014/15 figures related to the impact of the regular revaluation of the trusts estate and the opening of a new hospital).

The impact of impairments and revaluations is limited to technical adjustments to the accounts and is non-cash impacting.

STATEMENT OF FINANCIAL POSITION (SOFP) AS AT 31 MARCH 2016

	NOTE	31 March 2016 £000	31 March 2015 £000
NON-CURRENT ASSETS:			
Intangible assets	11	**4,642**	3,815
Property, plant and equipment	12	**192,093**	192,924
Investments in associates (and joined controlled operations)	15	**396**	235
Other Financial assets	30.1	**296**	695
Total non-current assets		**197,427**	197,669
CURRENT ASSETS:			
Inventories	16	**126**	120
Trade and other receivables	17	**17,652**	15,937
Cash and cash equivalents	19	**21,663**	34,712
Total current assets		**39,441**	50,769
CURRENT LIABILITIES:			
Trade and other payables	20	**(26,525)**	(35,112)
Borrowings	21	**(2,802)**	(2,600)
Other financial liabilities		**(132)**	(132)
Provisions	22	**(1,864)**	(1,483)
Other Liabilities - Deferred Income	24	**(3,756)**	(4,750)
Total current liabilities		**(35,079)**	(44,077)
NON-CURRENT LIABILITIES:			
Borrowings	21	**(57,998)**	(56,796)
Provisions	22	**(2,061)**	(2,149)
Total non-current liabilities		**(60,059)**	(58,945)
TOTAL ASSETS EMPLOYED		**141,730**	145,416
TAXPAYERS' EQUITY			
Public dividend capital		**102,739**	102,739
Revaluation reserve		**37,567**	38,450
Income and expenditure reserve		**1,424**	4,227
TOTAL TAXPAYERS' EQUITY		**141,730**	145,416

The financial statements on pages a to d and pages 145 to 173 were approved by the Board on 26 May 2016 and signed on its behalf by Professor Heather Tierney-Moore, Chief Executive:

Signed:  (Chief Executive) Date: 26 May 2016

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY AS AT 31 MARCH 2016

	Total	Public Dividend Capital	Revaluation Reserve **	Income and Expenditure Reserve *
	£000	£000	£000	£000
Taxpayers' equity at 1 April 2015	**145,416**	102,739	38,450	4,227
Deficit for the year	**(3,635)**	0	0	(3,635)
Impairments	**(51)**	0	(51)	0
Transfer of excess of current cost depreciation over historical cost depreciation to the income and expenditure reserve	**0**	0	(832)	832
Taxpayers' equity at Year Ended 31 March 2016	**141,730**	**102,739**	**37,567**	**1,424**

* 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 fair value in the accounts and there has been no change to their value in the financial year.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

	NOTE	Year to 31 March 2016 £000	Year to 31 March 2015 £000
Cash flows from operating activities			
Total operating surplus/(deficit) from continuing operations		**2,174**	(7,646)
Depreciation and amortisation	5.1	**7,812**	6,377
Impairments	13	**670**	11,220
(Increase)/Decrease in Trade and Other Receivables		**(2,429)**	(2,059)
(Increase)/Decrease in Other Assets		**400**	0
(Increase)/Decrease in Inventories		**(6)**	159
Increase/(Decrease) in Trade and Other Payables		**(6,872)**	2,381
Increase/(Decrease) in Other Liabilities		**(995)**	156
Increase/(Decrease) in Provisions		**268**	(1,433)
Tax (paid) / received		**(3)**	(41)
Other movements in operating cash flows		**4**	(2)
Net cash generated from operations		**1,023**	9,112
Cash flows from investing activities			
Interest received	9	**142**	116
Purchase of intangible assets		**(2,075)**	(2,506)
Purchase of Property, Plant and Equipment		**(8,169)**	(36,993)
Cash from (disposals) of business units and subsidiaries		**0**	(45)
Net cash used in investing activities		**(10,102)**	(39,428)
Cash flows from financing activities			
Public dividend capital received		**0**	1,089
Loans received from the Department of Health		**4,209**	33,600
Other loans repaid		**(2,571)**	(352)
Capital element of finance lease rental payments		**0**	463
Capital element of Private Finance Initiative Obligations		**(235)**	(101)
Interest element of Foundation Trust Financing Facility		**(1,796)**	(1,111)
Interest element of Private Finance Initiative obligations	10	**(341)**	(443)
PDC Dividend paid		**(3,236)**	(3,951)
Net cash used in financing activities		**(3,970)**	29,194
Increase/(decrease) in cash and cash equivalents		**(13,049)**	(1,122)
Cash and cash equivalents prior year	19	**34,712**	35,834
Cash and cash equivalents	19	**21,663**	34,712

d

NOTES TO THE ACCOUNTS

1 ACCOUNTING POLICIES

Monitor has directed that the financial statements of NHS foundation trusts shall meet the accounting requirements of the *NHS Foundation Trust Annual Reporting Manual* which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the *2015/16 NHS Foundation Trust Annual Reporting Manual* issued by Monitor. The accounting policies contained in that manual follow International Financial Reporting Standards (IFRS) and HM Treasury's *Financial Reporting Manual* to the extent that they are meaningful and appropriate to NHS foundation trusts. The accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

The accounts have been prepared under the historic cost convention modified to account for the revaluation of property, plant, equipment and intangible assets.

1.1 Income

Income in respect of services provided is recognised when, and to the extent that, performance occurs and is measured at the fair value of the consideration receivable. The main source of income for the Trust is contracts with commissioners in respect of healthcare services. Where income is received for a specific activity which is to be delivered in the following financial year, that income is deferred. 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.

1.2 Expenditure on 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.

1.3 Expenditure on Employee Benefits

Short-term Employee Benefits

Salaries, wages and employment-related payments are recognised in the period in which the service is received from employees. The cost of annual leave 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

Past and present employees are covered by the provisions of the NHS Pensions 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 to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. As a consequence it is not possible for the NHS foundation trust to identify its share of the underlying scheme liabilities. Therefore, the scheme is accounted for as a defined contribution scheme. Employers pension cost contributions are charged to operating expenses as and when they become due. 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.

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.

1.4 Intangible fixed assets

Recognition

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the Trust's business or which arise from contractual or other legal rights. They are recognised only where it is probable that future economic benefits will flow to, or service potential be provided to, the Trust and where the cost of the asset can be measured reliably.

Software

Software which is integral to the operation of hardware e.g. an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software which is not integral to the operation of hardware e.g. application software, is capitalised as an intangible asset. Purchased computer software licences are capitalised as intangible fixed assets where expenditure of at least £5,000 is incurred and amortised over the shorter of the term of the licence and their useful economic lives.

Measurement

Intangible assets are recognised initially at cost, comprising all directly attributable costs needed to create, produce and prepare the asset to the point that it is capable of operating in the manner intended by management. They are capitalised when they are capable of being used in a Trust's activities for more than one year; they can be valued; and they have a cost of at least £5,000. Subsequently intangible assets are measured using the valuation model. Where there is no value in use as there is no active market the asset is valued at historic cost as a proxy for depreciated replacement cost. These measures are a proxy for fair value. Increases in asset values arising from revaluations are recognised in the revaluation reserve, except where, and to the extent that, they reverse an impairment previously recognised in operating expenses, in which case they are recognised in operating income. 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. The carrying value the asset is reviewed for impairment at the end of the first full year following acquisition and in other periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Gains and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Income as an item of ‘other comprehensive income’. Intangible assets held for sale are measured at the lower of their carrying amount or ‘fair value less costs to sell’

Amortisation

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

1.5 Property, Plant and Equipment

Recognition

Property, Plant and Equipment is capitalised where:

- it is held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to, or service potential be provided to, the Trust;
- it is expected to be used for more than one financial year; and
- the cost of the item can be measured reliably.

Further, property, plant and equipment assets are capitalised if they:
- individually have a cost of at least £5,000; or
- form a group of assets which individually have a cost of more than £250, collectively have a cost of at least £5,000, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or
- 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 e.g. plant and equipment, then these components are treated as separate assets and depreciated over their own useful economic lives.

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 valuations are also carried out to ensure that carrying values are not materially different from those that would be recognised at the statement of financial position date.

Assets in the course of construction are valued at cost and are valued by professional valuers as part of the five or three-yearly valuation or when they are brought into use.

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:

	Years
Medical equipment and engineering plant and equipment	5 to 15
Furniture	5 to 10
Mainframe information technology installations	5 to 8
Soft furnishings	7
Office and information technology equipment	5
Set-up costs in new buildings	10
Vehicles	7

Subsequent expenditure

Where subsequent expenditure enhances an asset beyond its original specification, the directly attributable cost is added to the asset's carrying value. Where subsequent expenditure is simply restoring the asset to the specification assumed by its useful economic life then the expenditure is charged to operating expenses.

Depreciation

Items of Property, Plant and Equipment are depreciated on a straight-line basis over their remaining useful economic lives in a manner consistent with the consumption of economic or service delivery benefits. Freehold land is considered to have an infinite life and is not depreciated. Property, Plant and Equipment which has been reclassified as 'Held for Sale' ceases to be depreciated upon the reclassification. Assets in the course of construction are not depreciated until the asset is brought into use 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 and impairment

Increases in asset values arising from revaluations are recognised in the revaluation reserve, except where, and to the extent that, they reverse an impairment previously recognised in operating expenses, in which case they are recognised in operating income. Carrying values 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. Gains and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'

Operational equipment is valued at net current replacement cost. Equipment surplus to requirements is valued at net recoverable amount.

De-recognition

Assets intended for disposal are reclassified as 'Held for Sale' once all of the following criteria are met

- the asset is available for immediate sale in its present condition subject only to terms which are usual and
- the sale must be highly probable i.e

1. management are committed to a plan to sell the asset;
2. an active programme has begun to find a buyer and complete the sale;
3. the asset is being actively marketed at a reasonable price;
4. the sale is expected to be completed within 12 months of the date of classification as 'Held for Sale'; and
5. the actions needed to complete the plan indicate it is unlikely that the plan will be dropped or significant changes made to it.

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

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

1.6 Private Finance Initiative (PFI) transactions

PFI transactions which meet the IFRIC 12 definition of a service concession i.e.where the government body controls the use of the infrastructure and the residual interest in the infrastructure at the end of the arrangement, as interpreted in HM Treasury's FReM, are accounted for as 'on-SOFP' by the Trust. The underlying assets are recognised as Property, Plant and Equipment at their fair value. An equivalent financial liability is recognised in accordance with IAS 17. The annual contract payments are apportioned between the repayment of the liability, a finance cost and the charges for services. The finance cost is calculated using the implicit interest rate for the scheme. 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'.

Services received

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.

1.7 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.

1.8 Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is calculated as weighted average cost.

1.9 Leases

Finance leases

Where substantially all risks and rewards of ownership of a leased asset are borne by the NHS foundation trust, the asset is recorded as Property, Plant and Equipment and a corresponding liability is recorded. The value at which both are recognised is the lower of the fair value of the asset or the present value of the minimum lease payments, discounted using the interest rate implicit in the lease. The implicit interest rate is that which produces a constant periodic rate of interest on the outstanding liability. The asset and liability are recognised at the inception of the lease, and are de-recognised when the liability is discharged, cancelled or expires. The annual rental is split between the repayment of the liability and a finance cost. The annual finance cost is calculated by applying the implicit interest rate to the outstanding liability and is charged to Finance Costs in the Statement of Comprehensive Income.

Operating leases

Other leases are regarded as operating leases and the rentals are charged to operating expenses on a straight-line basis over the term of the lease. Operating lease incentives received are added to the lease rentals and charged to operating expenses over the life of the lease.

Leases of land and buildings

Where a lease is for land and buildings, the land component is separated from the building component and the classification for each is assessed separately. Leased land is treated as an operating lease.

1.10 Provisions

The NHS foundation trust provides for legal or constructive obligations that are of uncertain timing or amount at the SOFP date on the basis of the best estimate of the expenditure required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using HM Treasury's discount rates.

As at 31 March 2016 these are:

Short term:	-1.55%
Medium term:	-1.00%
Long term:	-0.80%

Further information can be found at:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/488228/PES__2015_08_-_discount_rates_-_for_publishing.pdf

1.11 Contingencies

Contingent liabilities are not recognised as liabilities, but are disclosed in note 26 unless the probability of a transfer of economic benefits is remote. Contingent liabilities are defined as:

- Possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or
- Present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

1.12 Clinical negligence costs

The NHS Litigation Authority (NHSLA) operates a risk pooling scheme under which the NHS foundation trust pays an annual contribution to the NHSLA, which, in return, settles all clinical negligence claims. Although the NHSLA is administratively responsible for all clinical negligence cases, the legal liability remains with the NHS foundation trust. The total value of clinical negligence provisions carried by the NHSLA on behalf of the NHS foundation trust is disclosed at note 22.

1.13 Non-clinical risk pooling

The NHS foundation trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the trust pays an annual contribution to the NHS Litigation Authority 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.

1.14 Value Added Tax

Most of the activities of the NHS foundation trust are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

1.15 Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the NHS foundation trust has no beneficial interest in them. However, they are disclosed in a separate note to the accounts in accordance with the requirements of the HM Treasury *Financial Reporting Manual*.

1.16 Public Dividend Capital

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

A charge, reflecting the cost of capital utilised by the NHS foundation trust, is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the NHS foundation trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for (i) donated assets, (ii) net cash balances held with the Government Banking Services and (iii) any PDC dividend balance receivable or payable. In accordance with the requirements laid down by the Department of Health (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the 'pre-audit' version of the annual accounts. The dividend thus calculated is not revised should any adjustment to net assets occur as a result the audit of the annual accounts.

Note, from 2013/14, the adjustment to net relevant assets calculation in respect of the GBS must be calculated on the basis of average daily cleared balances. In practice therefore, GBS values will not be deducted from 1 April 2013 and 31 March 2014 net relevant assets calculations as spot values at those dates. Rather, average net relevant assets including GBS for the year should be calculated, and then the average daily cleared GBS balances deducted from that figure to arrive at the relevant net assets calculation for the calculation of the dividend. National Loans Fund deposits are considered to be analogous to GBS balances for the calculation of relevant net assets and should also be calculated on an average daily basis.

1.17 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.

1.18 Financial instruments and financial liabilities

Recognition

Financial assets and financial liabilities which arise from contracts for the purchase or sale of non-financial items (such as goods or services), which are entered into in accordance with the Trust's normal purchase, sale or usage requirements, are recognised when, and to the extent which, performance occurs i.e. when receipt or delivery of the goods or services is made.

Financial assets or 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 earlier. 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 cashflows 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.

The Trust will commonly have the following financial assets and liabilities.

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. They are included in current assets. The Trust's loans and receivables comprise: cash and cash equivalents, NHS debtors, accrued income and 'other debtors'. 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 SOFP 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 SOFP 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 SOFP 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 cashflows 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.

1.19 Accounting standards issued but not yet required to be adoptec

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.

	Financial Year for which the change first applies and is expected to be adopted by the Trust
IFRS 9 Financial Instruments	2018/19
IFRS 11 (amendment) - acquisition of an interest in a joint operation	2016/17
IFRS 15 Revenue from contracts with customers	2017/18
IAS 16 (amendment) and IAS 38 (amendment) - depreciation and amortisation	2016/17
Annual Improvements to IFRS: 2012-15 cycle	2017/18
IAS 16 (amendment) and IAS 41 (amendment) - bearer plants	2016/17
IAS 27 (amendment) - equity method in separate financial statements	2016/17
IFRS 10 (amendment) and IAS 28 (amendment) - sale or contribution of assets	2016/17
IFRS 10 (amendment) and IAS 28 (amendment) - investment entities applying the consolidation exception	2016/17
IAS 1 (amendment) - disclosure initiative	2016/17

1.20 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 22 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

The Trust follows IFRS guidance in the valuation strategy of its estate with the last full revaluation exercise being as at 31 March 2015.

During 2015/16 the trust introduced quarterly reviews of its land and buildings estate by senior estates and operations management. These reviews helped provide assurance over the accuracy of the carrying values of the trust estate by informing of potential instances of impairments and considering the operational status, and therefore the valuation methodology, of individual assets. This included the new concept of surplus assets, being non-operational assets with no clear management plan to re-use that now require valuing at open market/fair value.

1.21 Accounting for Joint Ventures

The Trust has also entered into an equally owned Joint Venture Partnership with Ryhurst Ltd. The venture, Red Rose Corporate Services LLP, has been established to support the development of state-of-the-art facilities to deliver modern mental health services in the future, and capitalise on the combined skills & capabilities of the parties to exploit estates and other commercial opportunities.

A review of RRCS's management arrangements and ownership structure has concluded that this venture is accounted for under equity accounting guidance within these financial statements.

Further details surrounding the joint venture can be found in note 28 to these accounts.

1.22 Losses and special payments

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled. Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis, including losses which would have been made good through insurance cover had NHS foundation trusts not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure).

The losses and special payments note is compiled directly from the losses and compensations register which reports on an accrual basis with the exception of provisions for future losses.

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 commisioners.

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.

3. Income from activities

3.1 Income from Activities by type

	Year to 31 March 2016 £000	Year to 31 March 2015 £000
Income from activities		
Income from Mental Health activities	**189,608**	174,344
Income from Community activities	**129,797**	127,781
Other clinical income from mandatory services	**15**	695
	319,420	302,820

3.2 Private Patient Income

The Trust did not generate any private patient income in the year ending 31 December 2015.

3.3 Income from Activities by source

	Year to 31 March 2016 £000	Year to 31 March 2015 £000
NHS Trusts	**5**	240
CCG's and NHS England	**292,222**	283,891
Local Authorities	**26,762**	18,163
Non NHS:		
- Other	**431**	526
	319,420	302,820

3.4 Income from Commissioner Requested Services and non-Commissioner Requested Services

	Year to 31 March 2016 £000	Year to 31 March 2015 £000
Commissioner Requested Services	**319,420**	302,820
Non-Commissioner Requested Services	**24,449**	23,943
	343,869	326,763

3.5 Income from continuing operations

	Year to 31 March 2016 £000	Year to 31 March 2015 £000
Continuing Operations	**343,869**	326,763
	343,869	326,763

4. Other Operating Income

	Year to 31 March 2016 £000	Year to 31 March 2015 £000
Research and development	**1,184**	1,117
Education, training	**8,483**	8,666
Non-patient care services to other bodies	**14,277**	13,378
Other income	**157**	689
Rental revenue from operating leases	**348**	93
	24,449	23,943

5. Operating Expenses

5.1 Operating expenses comprise:

	Year to 31 March 2016 £000	Year to 31 March 2015 £000
Services from Foundation Trusts	**6,033**	7,047
Services from NHS Trusts	**4,069**	2,829
Services from other NHS bodies	**0**	2
Purchase of healthcare from non NHS bodies	**16,674**	7,714
Executive directors' costs	**1,242**	1,211
Non-executive directors costs	**143**	141
Employee costs (excluding executive directors' costs)	**249,924**	244,335
Supplies and services - clinical (excluding drug costs)	**6,463**	5,899
Supplies and services - general	**1,047**	1,136
Establishment	**6,976**	8,576
Transport (business travel)	**651**	681
Premises - other	**16,594**	16,872
Increase in bad debt provision	**464**	75
Change in provision discount rate	**(18)**	80
Drug Costs (non inventory)	**9,255**	7,602
Net rentals under operating leases - minimum lease payments	**3,550**	3,646
Depreciation on property, plant & equipment	**6,564**	5,858
Amortisation on intangible assets	**1,248**	519
Impairments of property, plant & equipment *	**670**	11,220
Audit fees payable to the external auditor		
- audit services - statutory audit	**70**	92
- other	**16**	23
Clinical negligence - NHSLA premiums	**438**	452
Legal fees	**219**	339
Consultancy and advice	**2,959**	4,300
Internal audit costs (not included in employee expenses)	**146**	167
Training, courses & conferences	**1,477**	1,698
Patient travel	**38**	28
Redundancy Payments (not included in employee expenses)	**1,426**	384
Early retirements (not included in employee expenses)	**0**	52
Insurance	**700**	678
Losses, ex-gratia & special payments (not included in employee expenses)	**10**	3
Other	**2,647**	750
	341,695	334,409

* See note 13 for further detail.

5.2 Other external auditor's remuneration

	Year to 31 March 2016 £000	Year to 31 March 2015 £000
Other auditor's remuneration comprises:		
- Assurance services	**16**	0
- Other non audit services	**0**	23
	16	23

5.3 Auditor liability limitation agreements

Our auditors accept liability to pay damages for losses arising as a direct result of breach of contract or negligence on their part in respect of services provided in connection with or arising out of their letter of engagement (or any variation or addition thereto) but the liability of our auditors, its members, partners and staff (whether in contract, negligence or otherwise) shall in no circumstances exceed £1 million in the aggregate in respect of all such services.

5.4 Operating leases

As Lessee

	Year to 31 March 2016	Year to 31 March 2015
Payments recognised as an expense	**£000**	£000
Minimum lease payments	**3,898**	3,739
Sub-lease payments received	**(348)**	(93)
	3,550	3,646

Total future minimum lease payments

	£000	£000
Payable:		
Not later than one year	**3,846**	3,426
Between one and five years	**4,442**	4,390
After five years	**7,924**	7,712
	16,212	15,528

The Trust has 29 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 £3.3m of the minimum lease payments.

The lease terms expire as follows:	Years	Number of Leases
	0 - 1	17
	1 - 5	5
	Over 5	7

6. Employee information

6.1 Employee costs

	Year to 31 March 2016			Year to 31 March 2015
	Total	**Permanently Employed**	**Other**	
	£000	**£000**	**£000**	£000
Salaries and wages	**202,287**	201,582	705	197,667
Social Security Costs	**13,375**	13,375	0	13,001
Employer contributions to NHS Pension Scheme	**24,753**	24,753	0	23,830
Agency/contract staff	**10,751**	0	10,751	11,048
	251,166	239,710	11,456	245,546

6.2 Retirement benefits

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 are accepted as providing suitably robust figures for financial reporting purposes. The valuation of scheme liability as at 31 March 2016, is based on valuation data as 31 March 2015, updated to 31 March 2016 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 scheme actuary report, which forms part of the annual NHS Pension Scheme (England and Wales) Pension 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 their 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 appropriate employee and employer representatives as deemed appropriate.

6.3 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 wiith the result that the trust opted to use the National Employment Savings Trust (NEST) scheme.

6.4 Retirements due to ill-health

During the period to 31 March 2016 there were 7 early retirements from the Trust on the grounds of ill-health (15 in 2014/16 totalling £930k). The estimated additional pension liabilities of these ill-health retirements will be £194k. The cost of these ill-health retirements will be borne by the NHS Business Services Authority - Pensions Division.

7. Better Payment Practice Code

7.1 Better Payment Practice Code - measure of compliance

	Year to 31 March 2016		Year to 31 March 2015	
	Number	**£000**	Number	£000
Total Non-NHS trade invoices paid in the year	**64,202**	**94,486**	64,285	108,934
Total Non NHS trade invoices paid within 30 day target	**62,268**	**91,319**	61,916	105,546
Percentage of Non-NHS trade invoices paid within 30 day target	**97%**	**97%**	96%	97%
Total NHS trade invoices paid in the year	**2,332**	**30,983**	2,447	27,745
Total NHS trade invoices paid within 30 day target	**2,226**	**30,339**	2,367	27,391
Percentage of NHS trade invoices paid within 30 day target	**95%**	**98%**	97%	99%

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.

7.2 The Late Payment of Commercial Debts (Interest) Act 1998

	Year to 31 March 2016	Year to 31 March 2015
	£000	£000
Amounts included within Finance Expenses (Note 10) arising from claims made under this legislation	**0**	0
Compensation paid to cover debt recovery costs under this legislation	**0**	0

8. Other gains and losses

	Year to 31 March 2016	Year to 31 March 2015
	£000	£000
Profit/(loss) on disposals	0	0
	0	0

9. Finance income

	Year to 31 March 2016	Year to 31 March 2015
	£000	£000
Interest from bank accounts	**142**	116
	142	116

10. Finance expense - financial liabilities

	Year to 31 March 2016	Year to 31 March 2015
	£000	£000
Interest on obligations under finance leases and on-SOFP PFI	**341**	443
Interest on loan	**1,796**	1,243
	2,137	1,686

11. Intangible Assets

11.1 Intangible assets at the SOFP date comprise the following elements:

	Software licences	Total
	£000	£000
Gross cost at 1 April 2015	5,472	5,472
Additions - purchased	2,075	2,075
Gross cost at 31 March 2016	**7,547**	**7,547**
Amortisation at 1 April 2015	1,657	1,657
Provided during the year	1,248	1,248
Amortisation at 31 March 2016	**2,905**	**2,905**
Net book value at 31 March 2016	**4,642**	**4,642**
- Purchased at 31 March 2016	4,642	4,642
- Total at 31 March 2016	**4,642**	**4,642**

12. Property, plant and equipment

12.1 Property, plant and equipment at the SOFP date comprise the following elements:

	Land	Buildings excluding dwellings	Assets under construction	Plant and machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2015	20,038	171,045	1,576	827	40	14,764	954	**209,244**
Additions - purchased	0	5,800	3	0	0	651	0	**6,454**
Impairments charged to the revaluation reserve	0	(51)	0	0	0	0	0	**(51)**
Cost or Valuation at 31 March 2016	**20,038**	**176,794**	**1,579**	**827**	**40**	**15,415**	**954**	**215,647**
Depreciation at 1 April 2015	0	4,259	0	779	40	10,488	754	**16,320**
Provided during the year	0	5,021	0	20	0	1,422	101	**6,564**
Impairments charged to operating expenses	0	670	0	0	0	0	0	**670**
Depreciation at 31 March 2016	**0**	**9,950**	**0**	**799**	**40**	**11,910**	**855**	**23,554**
Net book value at at 31 March 2016	**20,038**	**166,844**	**1,579**	**28**	**0**	**3,505**	**99**	**192,093**
Purchased at 31 March 2016	20,038	166,844	1,579	28	0	3,505	99	**192,093**
Donated at 31 March 2016	0	0	0	0	0	0	0	**0**
Government granted at 31 March 2016	0	0	0	0	0	0	0	**0**
Total at 31 March 2016	**20,038**	**166,844**	**1,579**	**28**	**0**	**3,505**	**99**	**192,093**
Asset financing at 31 March 2016								
Owned	20,038	164,830	1,579	28	0	3,505	99	190,079
On-SOFP PFI contract	0	2,014	0	0	0	0	0	2,014
PFI residual interest	0	0	0	0	0	0	0	0
Net book value at 31 March 2016	**20,038**	**166,844**	**1,579**	**28**	**0**	**3,505**	**99**	**192,093**

Valuations are carried out by professionally qualified valuers in accordance with the Royal Institution of Chartered Surveyors (RICS) Appraisal and Valuation Manual. These are conducted following NHS guidance on a regular basis, being a full valuation exercise every 5 years with an interim valuation of the estate at year 3 of the valuation cycle.

IFRS guidance is followed in valuing its assets as follows:

Land

Status	Valuation methodology
Operational	Existing use value
Non-operational	Open market/fair value

Buildings

Status	Valuation methodology
Operational	Depreciated Replacement Cost (including Modern Equivalent Asset consideration)
Non-operational but retained for future operational purposes	Depreciated Replacement Cost (including Modern Equivalent Asset consideration)
Surplus	Open market/fair value

Assets under construction

Are valued at cost and are assessed by professional valuers as part of the five or three-yearly 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.

13. Impairments

Impairments in the year arose from:	Tangible		Intangible	
	Year Ended 31 March 2016	Year Ended 31 March 2015	**Year Ended 31 March 2016**	Year Ended 31 March 2015
Charged to operating expenses	**£000**	£000	**£000**	£000
Impact on the Trust estate of opening of The Harbour	**0**	8,849		
Change in market price following revaluation exercise	**0**	1,800	**0**	0
Other *	**670**	571	**0**	0
Sub-total	**670**	11,220	**0**	0
Charged to revaluation reserve				
Other *	**51**	1,149	**0**	0
Sub-total	**51**	1,149	**0**	0
Total	**721**	12,369	**0**	0

The trust has followed accounting guidance in valuing its estate. Part of this process included a regular review of assets to identify instances of asset impairments.

* Impairments recognised during 2015/16 related to the writing down of assets associated with leased units permanently vacated by the trust during the year (2014/15 figures were dominated by the results of the regular five year revaluation exercise of the trust estate and the impact on the trust estate of opening a new flagship hospital, The Harbour).

14. Capital commitments

Commitments under capital expenditure contracts at the SOFP date were:

	31 March 2016	31 March 2015
	£000	£000
Property, plant and equipment	**1,497**	1,752
Total	**1,497**	1,752

15. Investments

	31 March 2016	31 March 2015
	£000	£000
Cost or valuation		
Investments in associates	**396**	235
Total carrying value	**396**	235

This represents the Trust's investment in 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. See note 28 for further details.

16. Inventories

	31 March 2016	31 March 2015
	£000	£000
Consumables	**17**	15
Energy	**3**	5
Other	**106**	100
TOTAL	**126**	120

17. Trade and other receivables

17.1 Trade and other receivables	31 March 2016	31 March 2015
	£000	£000
NHS receivables	**10,613**	8,384
Other receivables with related parties	**3,496**	1,705
Provision for impairment of receivables	**(561)**	(693)
Prepayments and accrued income	**2,172**	3,509
Other receivables	**1,931**	3,032
Trade and other receivables falling due within one year	**17,652**	15,937
Trade and receivables falling due after more than one year	**0**	0
TOTAL	**17,652**	15,937

17.2 Provision for impairment of current receivables

	31 March 2016	31 March 2015
	£000	£000
Balance at beginning of the year	**693**	839
Amount reversed during the year	**(325)**	(447)
Amount recovered during the year	**(197)**	(221)
Increase in provision	**389**	522
Balance at 31 March 2016	**560**	693

The provision consists identified by review of outstanding debt, including items of a unique nature.

17.3 Provision for impairment of non-current receivables

	31 March 2016	31 March 2015
	£000	£000
Balance at beginning of the year	**0**	0
Amount reversed during the year	**0**	0
Amount recovered during the year	**0**	0
Increase in provision	**400**	0
Balance at 31 March 2016	**400**	0

The provision consists of items of a unique nature relating to non-current debt.

17.4 Ageing of Impaired Receivables

	31 March 2016	31 March 2015
	£000	£000
By up to three months	**68**	48
By three to six months	**46**	86
By more than six months	**446**	559
By more than twelve months	**400**	0
TOTAL	**960**	693

17.5 Receivables past their due date but not impaired

	31 March 2016	31 March 2015
	£000	£000
By up to three months	**3,896**	4,529
By three to six months	**1,288**	815
By more than six months	**2,033**	434
TOTAL	**7,217**	5,778

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.

18. Non-current assets held for sale and assets in disposal groups classified as held for sale

	31 March 2016 £000	31 March 2015 £000
Property, plant and equipment	**0**	0
Intangible assets	**0**	0
Investments	**0**	0
TOTAL	**0**	0

19. Cash and cash equivalents

	31 March 2016 £000	31 March 2015 £000
Balance at beginning of the year	**34,712**	35,834
Net change in the year	**(13,049)**	(1,122)
Balance at 31 March	**21,663**	34,712
Made up of:		
Cash at commercial banks and in hand	**33**	56
Cash with the Government Banking Service	**21,630**	34,656
	21,663	34,712

20. Trade and other payables

	31 March 2016 £000	31 March 2015 £000
NHS payables	**3,460**	6,693
Amounts due to other related parties	**0**	5
Capital creditors	**1,057**	2,772
Other trade creditors	**2,203**	3,520
Social Security costs	**2,231**	2,196
Other taxes payable	**1,959**	1,997
Other payables	**3,347**	3,054
Accruals	**12,268**	14,875
Trade and other payables falling due within one year	**26,525**	35,112
Trade and other payables falling due after more than one year	**0**	0
TOTAL	**26,525**	35,112

Other creditors include;

- £3,285k outstanding superannuation contributions at 31 March 2016 (£3,193k 31 March 2015).
- £27k outstanding re: pensions provision contributions at 31 March 2016 (£34k 31 March 2015).

21. Borrowings

	31 March 2016 £000	31 March 2015 £000
Loans from Independent Trust Financing Facility	**2,571**	2,392
Obligations under PFI contracts	**231**	208
Borrowings falling due within one year	**2,802**	2,600
Loans from Independent Trust Financing Facility	**55,230**	53,771
Obligations under Private Finance Initiative contracts	**2,768**	3,025
Borrowings falling due after more than one year	**57,998**	56,796
TOTAL	**60,800**	59,396

Expected timing of cashflows:

	31 March 2016 £000	31 March 2015 £000
Within one year	**2,802**	2,600
Between one and five years	**11,208**	10,400
After five years	**46,790**	46,396
TOTAL	**60,800**	59,396

22. Provisions

	31 March 2016	31 March 2015
	£000	£000
Pensions relating to staff (excluding directors)	**120**	130
Other legal claims	**207**	198
Redundancy	**1,403**	705
Other	**134**	450
Provisions falling due within one year	**1,864**	1,483
Pensions relating to staff (excluding directors)	**1,673**	1,793
Other	**388**	356
Provisions falling after more than one year	**2,061**	2,149
TOTAL	**3,925**	3,632

	Pensions	Legal claims	Redundancy	Other *	**Total**
	£000	£000	£000	£000	**£000**
At 31 March 2014	1,899	263	1,069	1,733	**4,964**
Change in discount rate	80	0	0	0	**80**
Arising during the period	95	106	383	493	**1,077**
Utilised during the period	(130)	(62)	(337)	(23)	**(552)**
Reversed unused	(43)	(109)	(410)	(1,397)	**(1,959)**
Unwinding of discount	22	0	0	0	**22**
At 1 April 2015	1,923	198	705	806	**3,632**
Change in the discount rate	(18)	0	0	0	**(18)**
Arising during the year	71	145	1,374	5	**1,595**
Utilised during the year	(120)	(104)	(240)	(227)	**(691)**
Reversed unused	(88)	(32)	(436)	(62)	**(618)**
Unwinding of discount	25	0	0	0	**25**
At 31 March 2016	**1,793**	**207**	**1,403**	**522**	**3,925**

Expected timing of cashflows:

	£000	£000	£000	£000	**£000**
Within one year	120	207	1,403	134	**1,864**
Between one and five years	480	0	0	388	**868**
After five years	1,193	0	0	0	**1,193**
	1,793	**207**	**1,403**	**522**	**3,925**

The pensions provisions are ongoing provisions which are regularly reviewed and revalued.

* Other provisions consists of: £360k staff excess travel and £162k carbon tax.

£8,696k is included in the provisions of the NHS Litigation Authority at 31 March 2016 (2014/15 £6,096k) in respect of clinical negligence liabilities of the Trust.

23. Tax payable

	31 March 2016	31 March 2015
	£000	£000
PAYE	**1,959**	1,997
NI Contributions	**2,231**	2,196
Tax payable falling due within one year	**4,190**	4,193
Tax payable	**0**	0
Tax payable falling due after more than one year	**0**	0
TOTAL	**4,190**	4,193

24. Other liabilities

	31 March 2016	31 March 2015
	£000	£000
Deferred income	**3,756**	4,750
Other liabilities falling due within one year	**3,756**	4,750
Other liabilities falling due after more than one year	**0**	0
TOTAL	**3,756**	4,750

25. Private Finance Initiative (PFI) Transactions

25.1 Obligations in respect of on-SOFP PFI or other service concession arrangements

	31 March 2016 £000	31 March 2015 £000
Gross PFI liabilities:		
due in less than one year	**578**	578
later than one year and less than five years	**2,312**	2,312
later than 5 years	**1,671**	2,250
Finance charges allocated to future periods	**(1,562)**	(1,907)
Net PFI obligation	**2,999**	3,233
Not later than one year	**231**	208
Later than one year and less than five years	**1,083**	1,083
Later than 5 years	**1,685**	1,942
Total Net PFI obligation	**2,999**	3,233

25.2 Total commitments in respect of On-SOFP PFI or other service concession arrangements

	31 March 2016 £000	31 March 2015 £000
Within one year	**1,254**	1,277
2nd to 5th years inclusive	**5,016**	5,108
Later than 5 years	**3,590**	4,937
	9,860	11,322

25.2 Commitments in respect of the "Service"element of on-SOFP PFI or other service concession arrangements

	31 March 2016 £000	31 March 2015 £000
Within one year	**649**	661
2nd to 5th years inclusive	**2,596**	2,723
Later than 5 years	**1,882**	2,655
	5,127	6,040

25.4 Unitary payment payable to service concession operator

	31 March 2016 £000	31 March 2015 £000
Interest charge	**341**	443
Repayment of finance lease liability	**208**	125
Service element	**649**	661
Revenue lifecycle maintenance	**56**	48
Total amountg paid to service concession operator	**1,254**	1,277

25.5 Analysis of amounts charged to operating expenditure

Supplies and services - general	**375**	382
Premises - other	**114**	116
Other	**160**	163
Total amount charged to operating expenditure	**649**	661

25.4 Additional Information

On 1 October 2006 the Trust inherited a PFI development from Morecambe Bay PCT (MB). MB was in turn successor to the original NHS body that agreed the deal, Bay Community NHS Trust (BC).
The agreement in Feb 1999 between BC and the PFI provider, Flagship Care (Lancaster) Limited was for 25 years with the provider delivering:
• 3 fully serviced Elderly Mentally Ill Continuing Care Units plus attached Day Facilities,
• A single Resource Centre, and
• An office building.

The contract with Flagship Care (Lancaster), later transferred to Equitix Healthcare (Lancaster), expires on 8 February 2024 and there is no provision within the contract to re-price or re-negotiate the prices and dates. There is however the facility for variations to the contract and the NHS Foundation Trust has procedures to manage those variations in line with Standing Financial Instructions. The annual contract payments will be indexed each year using preceeding December RPI figures.

The Trust has the right to use the buildings, however Equitix have the responsibility for maintaining the buildings to an agreed standard. All lifecycle replacement is also the responsibility of Equitix.

A key feature of PFI schemes is that the operator is responsible for ensuring that the property is maintained to an agreed standard for the entire life of the contract. These are known as lifecycle costs. The cost which the operator expects to incur in doing this is reflected in the unitary payment and reflects two elements:
• maintenance (planned and reactive); and
• replacement of components as they wear out during the contract – this is known as capital lifecycle.

Under the terms of the contract at the end of the concession the Trust has 3 options: Walk away from the arrangement, renegotiate a new contract, or acquire the residual interest at market value.

The Trust initially did not recognise the properties as being on-SOFP, however, with the adoption of IFRS accounting by the NHS in 2009/10 the trust subsequently recognised the properties as being on-SOFP. This resulted in the introduction to the SOFP of a depreciating asset and an interest bearing liability.

The annual contract payments are apportioned, using appropriate estimation techniques, between repayment of the liability, interest costs and service charges. The payments are subject to annual indexation. Similarly the PFI contarct is assessed every five years and carrying values of asset and liability are adjusted accordingly.

26. Contingencies

The Trust had £107k (2014/15 £118k) of contingent liabilities being in relation to the Risk Pooling Schemes for Trust's.

	31 March 2016 £000	31 March 2015 £000
Contingent liabilities	**(107)**	(118)
Net value of contingent liabiliies	**(107)**	(118)

27. Events after the Reporting Period

There are no material events after the reporting period.

28. Joint Venture Arrangement

During 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 partnership was established with two primary objectives:

- To deliver estate and other commercial activities that enable the Trust to implement its services strategy and satisfy commissioners etc; and

- To capitalise on the combined skills and capabilities of the parties to exploit other estates and commercial opportunities.

The joint venture has one active subsiduary, Red Rose Corporate Services (Estate Management) LLP, that supports the Trust in streamlining and identifying savings on the Trust's estate management

Its is anticipated that further subsiduaries may be created when business opportunities arise.

RRCS's mission is that it will work with the health and social care communities to deliver vibrant, efficient and effective services that enhance customer service provision and deliver a sustainable profit.

RRCS is committed to doing alll this whilst:
- acting with integrity in all it does;
- being transparent at all times;
- empathising with everyone it works with; and
- promoting teamwork in all areas.

29. Financial Instruments

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 commisioners 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 the local primary care trust's, 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 Independant 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.

30.1 Financial assets by category

All assets are denominated in sterling

	31 March 2016	31 March 2015
	Loans and receivables £000	Loans and receivables £000
Investments	**396**	235
Receivables (net of impairment)	**15,480**	15,937
Other financial assets	**296**	695
Cash at bank and in hand	**21,663**	34,712
Total Financial assets	**37,834**	51,579

30.2 Financial liabilities by category

All liabilities are denominated in sterling

	31 March 2016	31 March 2015
	Other financial liabilities £000	Other financial liabilities £000
Loans	**57,801**	56,163
Interest payable	**132**	132
Payables	**26,525**	35,112
Obligations under PFI contracts	**2,999**	3,233
Provisions under contract	**3,925**	3,632
Total Financial Liabilities	**91,382**	98,272

31. Third Party Assets

The Trust held £279k cash at bank and in hand at 31 March 2016 that relates to monies held by the NHS Trust on behalf of patients (£293k at 31 March 2015). This has been excluded from cash at bank and in hand figure reported in the accounts.

32. Related Party Transactions

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

32.1 Department of Health Related Parties

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:

	2015/16 Debtor £'000	2015/16 Creditor £'000	2015/16 Income £'000	2015/16 Expenditure £'000
NHS Blackburn With Darwen CCG	881	110	31,811	0
NHS Blackpool CCG	411	23	15,978	0
NHS Chorley And South Ribble CCG	752	29	35,442	1
NHS East Lancashire CCG	1,283	0	43,039	0
NHS Fylde & Wyre CCG	485	0	17,355	0
NHS Greater Preston CCG	663	0	40,327	0
NHS Lancashire North CCG	498	0	17,164	0
NHS West Lancashire CCG	757	0	12,522	24
NHS England	2,015	9	75,790	6
Health Education England	226	0	9,229	0
Lancashire Teaching Hospitals NHS FT	581	1,197	795	4,941
East Lancashire Hospitals NHS FT	360	516	110	2,845
NHS Property Services	8	144	42	3,488
Community Health Partnerships	0	1	0	2,641
Other DoH bodies *	1,693	1,433	4,038	3,757
Sub-total	**10,613**	**3,462**	**303,642**	**17,703**

* represents transactions with a number of healthcare commissioners

32.2 Other Healthcare Commissioners Related Parties

The Trust has also had a significant number of material transactions with other entities who have commissioned our healthcare services. These entities are:

	2015/16 Debtor £'000	2015/16 Creditor £'000	2015/16 Income £'000	2015/16 Expenditure £'000
UCLAN	12	0	52	254
Alzheimer's Society	0	0	0	60
Lancashire County Council	3,375	0	31,531	323
Blackpool County Council	11	0	85	509
Blackburn with Darwen Borough Council	62	0	4,151	418
Burnley Borough Council	0	0	0	68
Lancaster City Council	0	0	0	197
Preston City Council	0	0	0	307
South Ribble Borough Council	0	0	0	166
Wye Borough Council	0	0	0	46
Other commissioners *	36	0	301	0
Sub-total	**3,496**	**0**	**36,120**	**2,348**

* represents immaterial transactions with a number of healthcare commissioners

All income was received as income to commission heathcare services, and all expenditure relates to the associated operating expenses.

All transactions were conducted during the normal course of business in delivering healthcare.

32.3 Other Central Government Related Parties

	2015/16 Debtor £'000	2015/16 Creditor £'000	2015/16 Income £'000	2015/16 Expenditure £'000
NHS Pension Scheme	0	0	0	24,753
National Insurance Fund	0	2,231	0	13,375
PAYE	0	1,959	0	23,631
Other commissioners *	0	0	0	830
Sub-total	**0**	**4,190**	**0**	**62,589**

* represents immaterial transactions with a number of Central Government bodies

32.4 Other Related Parties

Social Enterprise

During 2011/12 the Trust entered into an loan arrangement with a social enterprise organisation, Harvey House Social Enterprises Ltd. This organisation focusses on delivering increased choice and access to detoxification services across Lancashire; contributing to the successful provision of a whole treatment system thereby increasing positive outcomes for service users, carers and families.

	2015/16 Debtor £'000	2015/16 Creditor £'000	2015/16 Income £'000	2015/16 Expenditure £'000
Harvey House Social Enterprises Ltd	983	0	134	5
Sub-total	**983**	**0**	**134**	**5**

*One of the Trust's employees has an interest in Harvey House, details of which can be found in the Trust's Register of Interests.

Joint Venture

During 2010/11 the Trust entered into an equally owned Joint Venture Partnership with Ryhurst Ltd. The venture, Red Rose Corporate Services LLP, was established to support the development of state-of-the-art facilities to deliver modern mental health services in the future, and capitalise on the combined skills & capabilities of the parties to exploit estates and other commercial opportunities.

	2015/16 Debtor £'000	2015/16 Creditor £'000	2015/16 Income £'000	2015/16 Expenditure £'000
Red Rose Corporate Services LLP	15	20	59	1,467
Sub-total	**15**	**20**	**59**	**1,467**
Total	**15,107**	**7,672**	**339,955**	**84,112**

Lancashire Care NHS Trust 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 £15k (£8k to 31 March 2015). 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.

33. Losses and Special Payments

There were 85 cases of losses and special payments totalling £34k paid during year to 31 March 2016 (65 totalling £81k for year to 31 March 2015). Special payments are recognised on an accruals basis.

34. Intra-Government and Other Balances

2015/16 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	10,613	1,005	489	150	9	226	8,725	0	1	8	0	0	0
Current	Other receivables with related parties	3,496	0	0	0	0	0	0	0	0	0	0	3,496	0
Current	Prepayments	2,172	0	0	0	0	0	0	0	0	0	0	0	2,172
Current	Accrued income	0	0	0	0	0	0	0	0	0	0	0	0	0
Current	Other receivables	1,371	0	0	0	0	0	0	0	0	0	0	0	1,371
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 2016	**17,652**	**1,005**	**489**	**150**	**9**	**226**	**8,725**	**0**	**1**	**8**	**0**	**3,496**	**3,543**

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 2016	**26,525**	**2,068**	**1,024**	**2**	**0**	**0**	**223**	**0**	**0**	**145**	**4,190**	**0**	**18,873**

2014/15 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	8,384	687	422	66	9	1	7,195	0	2	2	0	0	0
Current	Other receivables with related parties	1,444	0	0	0	0	0	0	0	0	0	0	1,444	0
Current	Prepayments	2,842	0	0	0	0	0	0	0	0	0	0	0	2,842
Current	Accrued income	0	0	0	0	0	0	0	0	0	0	0	0	0
Current	Other receivables	3,267	0	0	0	0	0	0	0	0	0	0	0	3,267
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 2015	**15,937**	**687**	**422**	**66**	**9**	**1**	**7,195**	**0**	**2**	**2**	**0**	**1,444**	**6,109**

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	6,693	1,773	1,474	2	0	0	795	0	0	2,649	0	0	0
Current	Amounts due to other related parties	5	0	0	0	0	0	0	0	0	0	0	5	0
Current	Other trade payables	6,292	0	0	0	0	0	0	0	0	0	0	0	6,292
Current	Accruals	14,875	0	0	0	0	0	0	0	0	0	0	0	14,875
Current	Other payables	3,054	0	0	0	0	0	0	0	0	0	0	0	3,054
Current	VAT, SS and other taxes payable, Current	4,193	0	0	0	0	0	0	0	0	0	4,193	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 2015	**35,112**	**1,773**	**1,474**	**2**	**0**	**0**	**795**	**0**	**0**	**2,649**	**4,193**	**5**	**24,221**

Lancashire Care NHS Foundation Trust

Quality Account 2015/16

Contents

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 2015 to March 2016 and in addition to this, we set out our priorities for improving quality over the coming year from April 2016 to March 2017.

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.

During 2015/16 we have taken the opportunity to refresh Our Vision; "*High quality care, in the right place, at the right time, every time"* and in doing so ensure that people are at the heart of everything we do, staff are motivated, engaged and valued, and everyone in the organisation works together to be the best that we can be. The Board have committed to Quality being our number one strategic priority and this directs everything we do. In developing our Quality Account our staff have been able to reflect on and demonstrate their commitment to Our Vision and to continuous, evidence-based quality improvement. We want to be open as well as, demonstrating real improvements where we can, and being honest about where we need to improve.

As Chief Executive I am proud of our achievements to date and, with the Board, have committed to delivering further improvements. Examples of this include;

- Participating in the NHS England Always Event pilot and show casing the work of the Adult Learning Disability Co-design team at the Chief Nursing Officer Summit in December 2015
- Working collaboratively with the King's Fund to develop Our People Plan based in the 'Collective Leadership' philosophy through an appreciative inquiry with our staff

At Lancashire Care NHS Foundation Trust we are proactively managing the financial pressures faced by many NHS organisations. In addressing this we are strengthening our primary goal of maintaining the focus on delivering quality services and being open and honest about any challenges to this.

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, patient 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.

Heather L. Tierney-Moore.

Professor Heather Tierney-Moore, Chief Executive

Part 2: Priorities for Improvement and Statements of Assurance from the Board

2.1) Priorities for Improvement - Forward Looking 2016/17

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.

Three priorities were chosen following consultation with a range of stakeholders. Each priority relates to one of the quality domains of safety (the Mental Health Harm Free Care Programme), patient experience (all teams will seek the views of service users and carers to inform quality improvements) and effectiveness (implementation of Our Vision and Quality Plan 2015 -2019), reflecting a health and wellbeing organisation. The progress to date is reported in Part 3: Review of Quality Performance 2015/16. The priority areas have been reviewed and a well-led priority has been added for 2016/17. This will ensure further improvements and positive impacts for people who use our services, their families and carers informed by Our Vision and the Quality Plan.

As part of ensuring that organisations are well-led all NHS Foundation Trusts are required to carry out an external review of their governance arrangements every three years. Auditors, Deloitte, were appointed to review Lancashire Care NHS Foundation Trust's governance arrangements, in accordance with the guidance set out in Monitor's Risk Assessment Framework, and, specifically, Monitor's Well Led Framework for Governance Reviews and Code of Governance. This review process will support the Board in assessing whether the governance is robust and effective, and in identifying areas for improvement. In addition Lancashire Care NHS Foundation Trust uses the Quality Governance Assurance Framework (QGAF) to support the ongoing assessment of its quality governance. More detail can be found in the Annual Report (section 3.1 Enhanced Quality Governance Reporting).

In November 2014 the Governance and Compliance Team began a large scale project to strengthen the governance framework at Lancashire Care NHS Foundation Trust. The outcome of this quality improvement project has resulted in streamlining of communication and workflows making it easier for people to do the right thing giving them tools and training which releases time. More information on this work can be found in part 3 as a support services well led story.

Lancashire Care NHS Foundation Trust is committed to achieving a culture of openness and transparency reflected by a constant desire to learn from mistakes, not to conceal them. A Being Open Policy has been in place for several years and has been updated to take into account the statutory Duty of Candour. 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. The Policy is based on the principles of openness, transparency, honesty and genuine communication. The Datix integrated risk management system has been updated to report on compliance with the Duty of Candour. Compliance is reported to the Quality and Safety Sub-committee and commissioners. The engagement

with people who use services, their relatives and carers during the serious incident process is also documented within investigation reports.

The Royal College of Nursing's "Speak Out Safely" campaign has been supported and promoted throughout Lancashire Care NHS Foundation Trust. During 2016 accessible training will be available to all employees, and key messages will be included in staff induction about the importance of raising and addressing concerns. Methods for raising concerns include Dear Derek, a system introduced in 2014 to enable all employees to raise concerns with the Trust Chair (anonymously if they so wish). Concerns raised through Dear Derek are reviewed weekly and allocated to the appropriate person to action, or upgraded to a serious concern for investigation. In 2015, Dear Derek was expanded to enable employees to report good practice as well as concerns. The outcomes from Dear Derek are a standing section in the monthly Director of Nursing's Quality Matters eBulletin. Other methods for raising concerns include a postal address, an email, and a nominated Raising Concerns Guardian. The postal address and email has been in place for some time, whilst the Guardian role was created in 2015 as part of the response to the Government report, "*Learning not Blaming"*. The Associate Director of Safety and Quality Governance has been appointed as Freedom to Speak Up Guardian and oversees the raising concerns process.

NHS England published on 17 December 2015 an independent report into the deaths of people with a learning disability or mental health problem at Southern Health NHS Foundation Trust, and highlighted the need for a system-wide response.

In response to the report's finding Lancashire Care NHS Foundation Trust has:

- Reviewed the Incident Policy and the Being Open Policy to reflect the learning from this report and the CQC inspection findings
- Is participating in the national mortality review of learning disability deaths
- Is progressing the development of a centralised investigations team

Lancashire Care NHS Foundation Trust considers that it has a robust system for reporting and investigating serious incidents and that many of the recommendations of the Southern Health report are already in place. It is considered that Lancashire Care NHS Foundation Trust's systems and processes would not permit the issues identified at Southern Health to occur.

Lancashire Care NHS Foundation Trust has received a rating of good in a new Learning from Mistakes league table that has been collated and published by NHS Improvement in March 2016 (https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/506143/League_Table.pdf) Drawing on a range of data, the table serves to identify the level of openness and transparency in NHS provider organisations for the first time ever. Data has been drawn on from the 2015 staff survey and the National Reporting and Learning System to identify those NHS provider organisations that have:

- outstanding levels of openness and transparency;
- good levels of openness and transparency;
- significant concerns about openness and transparency; or
- a poor reporting culture

The league table gives each trust a rank alongside providers across the country and placement in one of the above 4 categories. Lancashire Care has been ranked in the top 10% nationally (23rd of 230 NHS Trusts), rated as one of the Trust's with 'good levels of openness and transparency'. Of particular note, Lancashire Care NHS Foundation Trust's position is the highest in the North West amongst mental health and community health trusts and the highest within all Lancashire trusts.

Lancashire Care NHS Foundation Trust takes the safety and wellbeing of its patients and staff very seriously and proactively encourages the reporting of incidents/near misses and sharing the learning from

such cases. The results indicate that the work that has progressed over recent years to promote a positive safety culture and learning from mistakes has been effective. A significant emphasis has been given to embedding an open learning culture, encouraging incident and concern reporting and empowering staff to escalate anything that could impact on the quality of care or patient safety.

The staff survey results 2015 showed a significant improvement in relation to awareness amongst employees on how to report unsafe clinical practice with 98% of respondents saying that they know how to go about this, 89% felt that patient care is the top priority and 97% felt that concerns raised by patients are acted upon.

The Care Quality Commission (CQC) undertook its first major inspection of Lancashire Care NHS Foundation Trust's services in April 2015 under its new inspection format and has assigned an overall rating of requires improvement. The CQC spent one week at Lancashire Care NHS Foundation Trust and due to its size and scale saw approximately 30% of services and spoke to around 300 people. The inspection visit itself was preceded and succeeded by significant data collection and analysis by the CQC.

The inspection reports consist of 16 service type reports and ratings, with one overall Lancashire Care NHS Foundation Trust report and rating. The final reports were presented to commissioners, regulators and stakeholders at the Quality Summit on 22 October 2015 and published on the CQC website on 04 November 2015. The grid below summarises the CQC ratings:

Report Number	*Service Type*	*Overall Rating*		Safe	Effective	Caring	Responsive	Well-led
1	**Lancashire Care NHS Foundation Trust overall quality report**							
2	Wards for older people with mental health problems							
3	Community-based mental health services for adults of working age							
4	Garstang Road Preston LD Supported Living Scheme							
5	Ormskirk Hospital							
6	Forensic inpatient/secure wards							
7	Child and adolescent mental health wards							
8	Community health services for children, young people and families							
9	Community End of Life Care							
10	Community Health inpatient services							
11	Community-based services for people with LD or autism							
12	Community-based mental health services for older people							
13	Long stay-rehabilitation mental health wards for working age adults							
14	Specilist community mental health services for children and young people							
15	Acute wards for adults of working age and psychiatric intensive care units							
16	Community health services for adults							
17	Mental health crisis services and health-based places of safety							

Lancashire Care NHS Foundation Trust is using this first major inspection under the new format as a learning opportunity and the outcome is helpful in that it provides a clear focus for the necessary improvements, with the support from commissioners and stakeholders. The findings of the CQC reports are welcomed and are being used as a key driver to further improve the quality of services.

Lancashire Care NHS Foundation Trust is proud of the outstanding CQC rating for effective care in mental health crisis services and health-based places of safety and is utilising the feedback to further inform quality improvements.

Two of the services inspected received a rating of inadequate in one domain. Forensic inpatient/secure wards were rated as inadequate in the responsiveness domain and wards for older people with mental health problems received a rating of inadequate for safety (mainly in relation to ward 22 in Burnley); the CQC had some concerns about the ward environment, staffing levels, training and the ability to keep people safe in this context.

Immediate remedial action has been taken by the Adult Community Network and this includes maintenance work on ward 22 to improve bathroom facilities and maintain the privacy and dignity of patients, the ward environment is being monitored for any risks that could impact on safety and improvements are being made to the response alarm system. On a longer term basis the plan is to replace this ward with improved accommodation and the exact scope of this is being worked through. Across older adult wards, staffing levels have been increased to support the new shift pattern that started in June 2015 and there has been an increase of between 150% - 294% of care staff. When bank and agency staff are used, every effort is made to fill shifts with staff who are familiar with the wards. An improvement plan has been developed to address training, appraisals and supervision requirements and progress is being monitored by the Clinical Director.

The Specialist Services Network has also acted to improve the responsiveness of the service being provided on inpatient forensic wards. The Network has worked hard to address this by ensuring that planned leave is meaningful and well supported and has undertaken further work with people who use services to improve the quality of the food and the implementation of a 7 day Occupational Therapy service model has now commenced. Teams are also working to ensure that faith facilities are promoted and staff are aware of how to promptly request visits from individual faith leaders.

Lancashire Care NHS Foundation Trust's report is available on the CQC website.

A comprehensive action plan has been developed against all areas the CQC identified as requirement or benefiting from action. The Datix integrated risk management system has been developed to provide an action tracking capability for the plan with "real time" reporting and live dashboards. This is reported through the governance structures to Quality Committee and the Board.

A Quality Improvement Board, led by NHS England, is receiving this assurance on behalf of regulators, commissioners and stakeholders. Any exceptions are supported by corrective actions. Lancashire Care NHS Foundation Trust is working through the Quality Improvement Board to drive and influence system wide quality improvement.

CQC have notified Lancashire Care NHS Foundation Trust of their plans for re-inspection in September 2016.

Lancashire Care NHS Foundation Trust's risks to quality are;

- The ability to protect people who use our services from avoidable harm and failure to comply with CQC standards for quality and safety of services.
- The ability to deliver effective education, training and leadership opportunities to ensure that staff are able to deliver high quality care

- The recruitment and retention of high quality staff which impacts on a continued dependency on temporary staff

These risks and the associated mitigating actions and controls are reflected within the Board Assurance Framework with progress in relation to managing and reducing the risks reported through the Quality and Safety subcommittee, to Quality Committee and the Board. In addition quality improvements in progress and to be further developed are reflected within our Quality Plan and quality goals.

There have been a number of challenges during 2015/16 resulting in an improvement plan which will continue to in 2016/17.

Across the year the need for people to be admitted to adult mental health beds has been high and at the beginning of January 2016 this resulted in 94 people being placed for treatment outside of Lancashire and 27 people were awaiting admission with no beds being available within Lancashire Care NHS Foundation Trust or the private sector.

Immediate action was taken to resolve this including:

- Cancelling some appointments for Improving Access to Psychological Therapies in order to deploy clinical staff to support Crisis Home Treatment Teams and wards.
- The redeployment of clinical resources from other Networks.
- The early opening of the male assessment ward, Ribble Ward.
- An increase in capacity of the Acute Therapy Service (ATS) (more information about this can be found in part 3 as a well-led quality story).

In addition a 24 hour crisis support unit, The Towneley Unit opened in December 2015 to support initial assessment and appropriate care planning. Hornby Road step down facilities in Blackpool also opened in December 2015 and has accepted referrals from across Lancashire to support timely discharge.

Ongoing development of the Towneley Unit, the functioning of Ribble Ward, the expansion of the ATS and the opening of a female assessment ward in February 2016 are important as they provide an alternative to admission in many cases. The intention is to develop these services further in the coming year to ensure that people receive high quality care in the right place at the right time. There are also plans to develop a Personality Disorder Managed Clinical Network (PDMCN), which will include the Dialectical Behaviour Therapy Model (DBT). This in turn will support people presenting with serious self-harm to access appropriate care and support in the community.

The number of people receiving inpatient care outside Lancashire Care NHS Foundation Trust had fallen to 50 as at 31 March 2016.

In November 2015 there was an outbreak of Group A Streptococcal (GAS) at the Harbour. The Infection Prevention Control team supported the affected wards and provided specialist advice on the management precautions to be taken and extra cleaning was introduced. Due to the level of infection on Wordsworth ward a decision was taken in consultation with Public Health England to close the ward on the 1st December 2015 until the infection has been eradicated. The ward re-opened on the 3rd March 2016. The learning from this outbreak continues to be embedded and shared.

NHS Trust Boards are required to take full responsibility for the quality of care provided and take full and collective responsibility for nursing and care staffing capacity and capability. In November 2012, the National Quality Board issued a report, “How to Ensure the Right People with the Right Skills, are in the Right Place at the Right Time – a Guide to Nursing, Midwifery and Care Staffing Capacity and Capability".

In Lancashire Care Foundation Trust safer staffing monthly briefings / assurance are presented to the Quality and Safety Sub-Committee highlighting any key areas of risk and actions to mitigate these.

Regular and consistent reviews of day to day staffing levels are undertaken as an integral part of the daily capacity planning, risk management and escalation process. This includes consistent oversight of staffing rotas and monitoring of compliance with quality standards in line with the organisational commitment to ensure high quality care. Quality improvements in relation to safer staffing include improved recruitment practices and ongoing actions to optimise staff retention. More information on this work can be found in part 3 as a support services safety story.

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 burnouts (Ham Berwick and Dixon 2016) http://www.kingsfund.org.uk/sites/files/kf/field/field_publication_file/Improving-quality-Kings-Fund-February-2016.pdf. Lancashire Care NHS Foundation Trust is continuing to work with the King's Fund to develop a 'People Plan' by June 2016. This will identify how the organisation will change systems and processes and also develop leaders and managers over the coming years in order to ensure that staff are motivated and engaged with their roles, and thus creating the best environment for high quality care with people at the heart of everything we do. The plan will develop our existing work on introducing an appreciative inquiry approach and the positive impact that this has on the organisational culture, and develop this further drawing on the knowledge base of 'collective leadership' and the actions and approaches that are suggested which will help us further drive motivation and engagement.

During 2015/16 the Director of Nursing led an ambitious, innovative Blue Wave of Change programme which connected with over 1200 nurses across Lancashire Care NHS Foundation Trust, ensuring that the Vision for Nursing was created by nurses. This work has informed the development of Our Vision and the associated Quality Plan. During 2016/17 this programme is to be extended to the Allied Health professionals across the organisation to support and enable the respective professionals to collaborate to confirm their collective contribution to the Quality Commitments and achieving the outcomes of Our Vision.

During 2015/16 Lancashire Care NHS Foundation Trust has collaboratively developed Our Vision and Quality Plan with the involvement of over 1000 people. The organisation's aspiration is that the culture is shaped by the collective actions of everyone acting together for organisational success, delivering Our Vision and, in doing so, providing a world class health service to the people of Lancashire. Shaping the Future' published by the Health Foundation 2015 describes the need for a strategy in which quality is the primary consideration for change recognising that improving the quality of care is what unites all staff working in the NHS frontline and support services. The Board is demonstrating the commitment to quality by supporting a Quality led strategy for Lancashire Care NHS Foundation Trust. This means that quality, as the leading strategic priority, is at the core and involves people being at the heart of everything we do to ensure we are giving people who use our services the best possible experiences of safe and effective care. Our Vision and the Quality Plan was formally launched by the Chief Executive at an Engage Event in January 2016.

The new organisational vision is the aspirational description of what our quality led strategy will deliver.

This is reflected in this graphic which is part of our larger visual representation of our vison with quality at the core and central to everything we do. Our clinical and support services staff describe this image as 'inspiring, motivating and hopeful'.

The new organisational vision statement clarifies our commitment to differentiate on quality with this being realised through the achievement of the 3 outcomes expressed as:

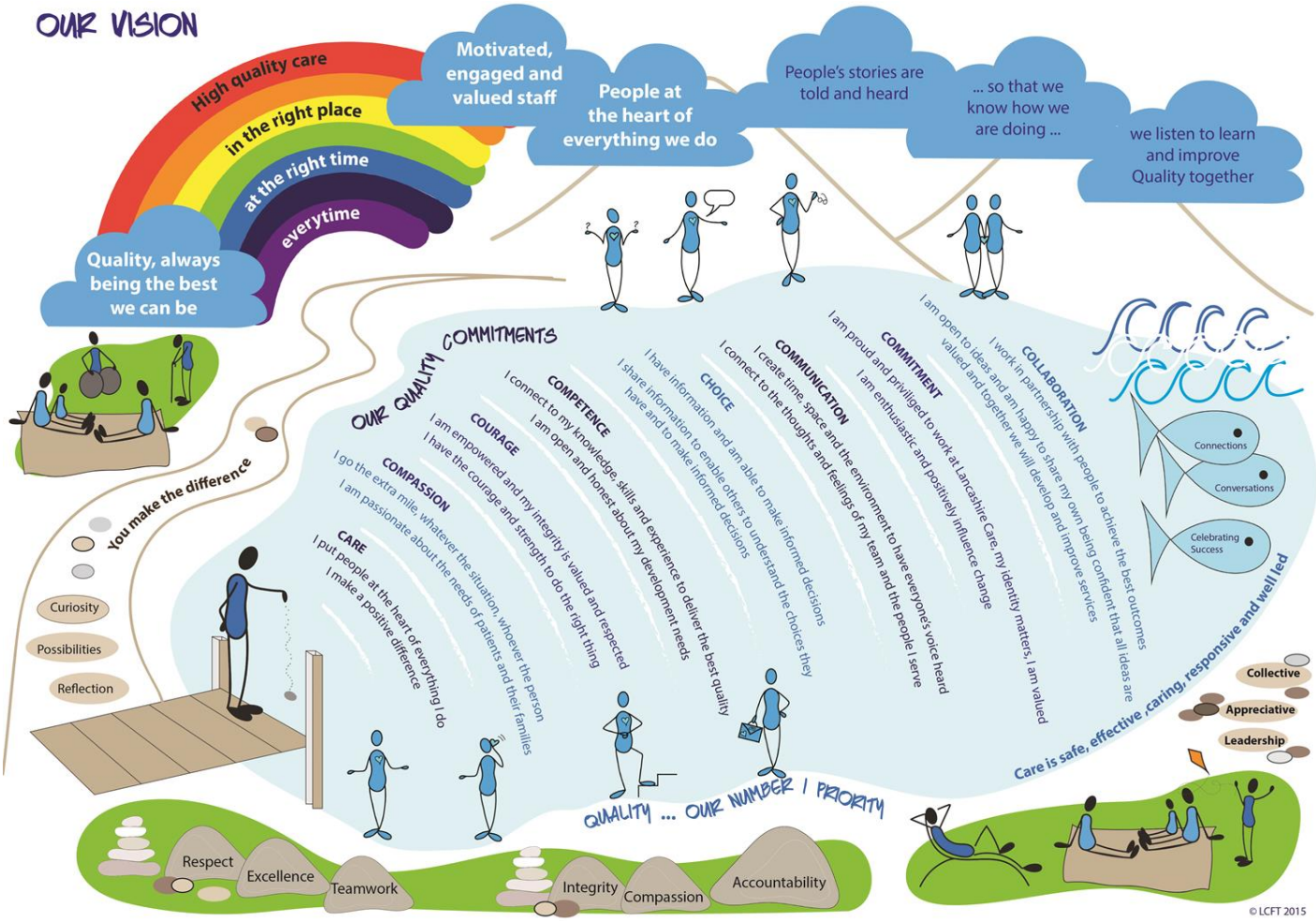
People who use our services are at the heart of everything we do

People who deliver and support the delivery of services are motivated, engaged and proud of the service they provide

A quality focused culture is embedded across the organisation (we are all working together to always be the best we can be)

The full visual created by our staff and people who use our services brings the 'inspiring, motivating and hopeful' description to life encompassing the importance how people interact and behave giving consideration to human factors as reflected in the 8 quality commitments and associated 'I' statements and what these mean for everyone in Lancashire Care NHS Foundation Trust.

The visual will be accompanied by a script and animated version to support accessibility, and this will be published on the website when available.



Underpinning Our Vision is the Quality Plan which has been developed with reference to the recommendations and actions reflected in a number of key recent reports including: the *Freedom to Speak Up* review actions and recommendations, *Learning Not Blaming*, the Public Administration Select Committee report *Investigating Clinical Incidents in the NHS*, the Morecambe Bay Investigation and the Southern Health NHS Foundation Trust report. The Quality Plan strengthens our quality assurance and governance systems and reflects a drive for continuous sustainable quality improvement.

The Quality Plan encompasses a specific focus on maintaining and enhancing approaches to Quality Assurance. The Quality SEEL (Safe Effective Experience Leadership) assessment in relation to the Care Quality Commission (CQC) 'Fundamental Standards for Quality and Safety' has been further developed this year and is being tested by a number of teams. The fundamental standards are intended to describe the basic requirements that providers should always meet and set the standard of care that service users should always expect to receive. Enhancement of the Quality SEEL has combined the self-assessment approach with a more objective assessment utilising existing sources of team level data to afford increased assurance. The programme of internal 'CQC style' quality visits continues to support learning and the sharing of good practice.

Lancashire Care NHS Foundation Trust complements Quality Assurance with a drive for Quality Improvement (QI). The QI approach embraces the Health Foundation and the Institute for Healthcare Improvement model for improvement using systematic techniques to improve quality. The QI programme is led by our central team (in partnership with AQUA) and involves building improvement capability resulting in the creation of Quality Pioneers within both clinical and support service areas. The focus of the Quality Improvement agenda ensures that it is driven by feedback from people who use services including complaints and by serious incident investigation findings with the recognition that a focus on traditional action plans is failing to deliver sustainable change.

As part of the Quality Improvement agenda a safety improvement plan has been developed and implemented to support Lancashire Care NHS Foundation Trust's pledges towards the national Sign up to Safety campaign. The plan draws together a range of programmes across mental health and community health services including the reducing restrictive practices programme, work to reduce violence and aggression, pressure ulcers and self-harm as well are larger programmes including safer staffing. As part of this year's Sign up to Safety programme staff have been asked to complete a survey exploring the effectiveness of the different types of supervision they receive and the analysis and reporting of the findings is underway.

During 2015/16 the Nursing and Quality Directorate have launched the Quality Academy to make sure that people are supported to achieve their potential and to be the best they can be. All learning and development opportunities are now under the academy and with a focus on the development of competency based skills for staff. The Quality Academy is encouraging bands 1-4 to progress to make sure that we are growing our own pool of talent for the future. The aim is to make it easier for staff at all levels to access career pathways and to ensure that staff in clinical practice are supported on a day to day basis, and are getting the right help as quickly as possible.

An example of the quality led strategy is reflected by the approach taken to address the financial challenges through the Delivering the Strategy (DTS) programme. DTS was launched April 2015/16 on the back of a significant staff consultation exercise in 2014/15 when staff where asked how Lancashire Care NHS Foundation Trust could be more efficient and save money. Staff feedback identified many ideas around systems and processes, for example repetition and duplication of activities. DTS is about improving the quality of what we are doing day in and day out which is leading to transformational change and

efficiency savings. DTS tries to evidence where it is directly impacting by affecting the outcomes of what the programmes are transforming. Quality Impact Assessments (QIAs) are part of the assurance process built around the DTS programme. The DTS programme was audited in February 2016 by Mersey Internal Audit Agency (MIAA) and the results are that overall robust practises are in place to ensure that key controls across the process operated effectively. A few minor areas were identified in the review that would benefit from improvements to the existing controls in place.

Audit Overall Conclusion: Significant Assurance

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 first three priorities build on those from 2015/16 with additional stretch targets (reflected in bold) and to reflect the well led CQC domain an additional quality priority has been added for 2016/17. Progress against the priorities for 2015/16 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	Learning not blaming. The government response to the Freedom to Speak Up consultation, the Public Administration Select Committee report 'Investigating Clinical Incidents in the NHS', & Southern Healthcare report Health Foundation QI made simple - what every board should know 2015 Health Foundation Shaping the Future 2015 Improving quality in the English NHS 2016
Target	The quality improvement framework will be implemented by all teams reflecting the use of quality improvement methodologies and enablers. **Quality improvements are driven by quality challenges from Serious incident and complaint investigations, CQC MHA visits, feedback from people who use services, quality assurance visits with 5 improvement aims established and testing begun each quarter**
How progress will be monitored	Improvement aims and methodology reflected in the associated QIFs reported to the Quality and Safety subcommittee on a quarterly basis.
How progress will be reported	Quality Account quarterly reports and Clinical Director reports to the Quality and Safety Sub-Committee.
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) and 'always events' National Quality Board – Improving experiences of care
Target 2016/17	All teams will use information feedback from people who use their services to inform quality improvements and will share feedback in the form of 'you said we did' messages. Lancashire Care NHS Foundation Trust will identify 'always events' to be implemented in line with the 'always events plan' across the organisation.

	On completion of the Always Events pilot with the Learning Disability Service as part of the National Programme Always Events will be co-produced with 4 clinical teams encompassing a focus on care plans being the best they can be.
How progress will be monitored	To be reported to the Quality and Safety subcommittee on a quarterly basis.
How progress will be reported	Quality Account quarterly reports and Clinical Director reports to the Quality and Safety Sub-Committee and Commissioners and Clinical Director reports to the Quality and Safety Sub-Committee and Commissioners
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	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
Target	Implementation of Mental Health Harm Free Care Programme across inpatient mental health Services. Implementation of the reducing restrictive practices programme in line with the Lancashire Care NHS Foundation Trust's plan. **Implementation of harm free quality improvement initiatives to achieve the sign up to safety plan with a focus on: violence reduction, falls prevention, skin care/pressure ulcer prevention, medication omissions, self-harm.**
How progress will be monitored	Progressive achievement of the sign up to safety goals in the quality tile report to the Quality and Safety subcommittee
How progress will be reported	HFC steering group reports, Network Governance reports, Quality Account quarterly reports and Clinical Director reports to the Quality and Safety Sub-Committee and Commissioners
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
Target	We are recognised as an organisation that provides outstanding experiences and achieves excellence in safe and effective care with no Care Quality Commission (CQC) enforcement actions. Internal Quality Assurance Visits will be driven by intelligence from quality surveillance and a revised Quality SEEL tool for Networks and Support services will be launched
How progress will be monitored	Progressive implementation of the QA visit programme and the QSEEL tool reflected in the quality tile report to the Quality and Safety subcommittee
How progress will be reported	Quality Account quarterly reports and Clinical Director reports to the Quality and Safety Sub-Committee and Commissioners

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 2015/16 Lancashire Care NHS Foundation Trust provided three types of NHS services (mental health & 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 & Innovation scheme (CQUIN).

The income generated by the NHS services reviewed in 2015/16 represents 100% of the total income generated from the provision of NHS services by Lancashire Care NHS Foundation Trust for 2015/16.

Participation in Clinical Audits

The reports of six national clinical audits were reviewed by the provider in 2015/16 and Lancashire Care NHS Foundation Trust intends to take the following actions to improve quality and healthcare provided.

- The reports of the national clinical audits that Lancashire Care NHS Foundation Trust participated in in 2015/16 will be reviewed and acted upon when published.

The report of one national confidential enquiry was reviewed by the provider in 2015/16 and Lancashire Care NHS Foundation Trust intends to take the following actions to improve quality and healthcare provided.

- The reports of the national confidential enquiry that Lancashire Care NHS Foundation Trust participated in in 2015/16 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 2015/16 are:

- National Audit of Stroke
- National Chronic Obstructive Pulmonary Disease (COPD) audit
- National Rheumatology Audit
- National Audit of Intermediate Services
- National Diabetes Audit, Foot care Audit
- UK Parkinson’s Audit

The national clinical audits and national confidential enquiries that Lancashire Care NHS Foundation Trust participated in, and for which data collection was completed during 2015/16, 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	Participation	% of cases submitted/update
National Audit of Stroke	Yes	Awaiting final Report for post-acute phase
National COPD audit	Yes	Organisational audit complete
National Audit of Rheumatology	Yes	Ongoing
National Audit of Intermediate Services	Yes	Complete
National Diabetes Audit, Foot care Audit	Yes	9 patients submitted to date however this is ongoing
UK Parkinson's Audit	Yes	Ongoing
MAS	Yes	Complete
Dementia	No	Not Applicable
Falls & Fragility audit	No	Not Applicable

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%

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 reports of 31 local clinical audits were reviewed by the provider in 2015/16 and Lancashire Care NHS Foundation Trust intends to take the following actions to improve the quality of healthcare provided with an example being:

Audit: Risk Assessment: Specialist Services Network

The aim of the audit was to review the standards of in relation to the 'Best Practice in Managing Risk' (Department of Health, 2007)

The overall compliance with the audit was 68%. An area of good practice was highlighted relating to;

- Communication regarding risk assessment across the multi-discipline team and with people who use services
- An increase in staff knowledge regarding best practice and involving people who use services with risk assessment

However, there is some variation in practice that will be addressed by the actions below;

- Staff must engage people who use services service users in the assessment and development of their risk plans
- Involvement of people who use services must be clearly documented and notes must be contemporaneous and clear.
- Evidence of engagement should include: a clinical entry and where the person using the service has not been involved, the entry should state this and a plan for involvement should be included.

Participation in Clinical Research

The number of patients receiving relevant health services provided or subcontracted by Lancashire Care NHS Foundation Trust in 2015/16 that were recruited during that period to participate in research approved by a research ethics committee was 1331 as at 25/05/2016.

Goals Agreed with Commissioners

Use of the CQUIN Payment Framework

A proportion of Lancashire Care NHS Foundation Trust income in 2015/16 was conditional on achieving quality improvement and innovation goals agreed between Lancashire Care NHS Foundation Trust and any person or body they entered into a contract, agreement or arrangement with for the provision of NHS services, through the Commissioning for Quality and Innovation payment framework. The amount of income in 2015/16 conditional upon achieving quality improvement and innovation goals in Lancashire Care NHS Foundation Trust is expected to be £6.3m. In 2014/15 this value was £6.5m.

Further details of the agreed goals for 2015/16 and for the following 12 month period are available electronically at: http://www.england.nhs.uk/nhs-standard-contract. Examples included in the 2015/16 contract; Quality Improvement Framework, Harm reduction & improving care pathways from CAMHs Tier 4 services. The national guidance for 2016/17 National schemes has been published. Lancashire Care NHS Foundation Trust has worked closely with commissioners in relation to this and to agree local CQUIN goals as part of each contract. Examples include: closing the learning loop and frailty pathway development.

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 registration status is 'registered'. Lancashire Care NHS Foundation Trust does not have any conditions placed on its registration.

However, in April 2015, the Care Quality Commission (CQC) undertook its first major inspection of Lancashire Care NHS Foundation Trust under the new inspection format and assigned an overall rating of requires improvement. This inspection report included 7 requirements notices that resulted in a comprehensive action plan to address the areas for improvement and Lancashire Care NHS Foundation Trust has used this first inspection as a learning opportunity, providing a clear focus upon which to make the necessary improvements. On the basis that not all actions relating to the 7 requirement notices have been completed, Lancashire Care NHS Foundation Trust is not fully compliant with the registration requirements of the Care Quality Commission.

Lancashire Care NHS Foundation Trust has not participated in any special reviews or investigations by the CQC during the reporting period.

Data Quality
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 2015/2016

- Implemented a set of actions based on the review undertaken by external auditors, KPMG in addition to the wider organisational lessons learnt during 2014/15.
- Ensured the continued improvement relating to the specific data quality issues through the Data Quality Strategy and wider data and performance management groups. This has been monitored through Lancashire Care NHS Foundation Trust's governance framework.
- Provided additional resource and development to Lancashire Care NHS Foundation Trust's performance and Business Information team to ensure effective and efficient provision of data. Lancashire Care NHS Foundation Trust continues to work in partnership with Ernst Young, in the production of performance reports.
- Controls are in place to validate and sign off Monitor and contractual performance indicators prior to submission, to provide assurance to the Board around the accuracy, timeliness and consistency of data as part of the Board Assurance Framework.
- Any changes to National or local performance indicators are reported to the Board of Directors as part of the Board Assurance Framework and cascaded via the Performance and Information team through Network Performance Leads. Standard Operating Procedures (SOPs) are created or amended as a result.
- A data quality action plan is in place which focuses on improving the quality of data that supports delivery of clinical services. A Data Quality Group has been formed to provide a forum for clinical networks to raise data quality issues and monitor plans to resolve them. Data Quality champions have been identified in each of the Networks to raise data quality issues, ensure key messages are cascaded appropriately and assist in implementation of any actions.
- Where measures are not meeting expected performance, improvement trajectories and plans are created with the services and the improvement plan is reported on.
- Lancashire Care NHS Foundation Trust has created reports at Clinical Commissioning Group (CCG) level for Mental Health and Community contracts within the Performance and Schedule 6 reporting processes.

- Lancashire Care NHS Foundation Trust has created reports at Clinical Commissioning Group (CCG) level for all Monitor indicators and this is shared each month with commissioners and reported to the Board of Directors.
- As part of Lancashire Care NHS Foundation Trust's Data Warehouse consolidation project a data dictionary is being created. It will include meaning, relationships, origin, usage and format of data items within the new data warehouse, providing improved assurance
- Commencement of a performance SOP audit to support local SOP development, including national and local definitions and guidance, data collection, extraction, validation and reporting.
- Work has begun on the creation of an Integrated Quality and Performance Report (IQPR) which will replace the Executive Performance Report and the Board Balance Scorecard and add Qualitative measures. This will create a single report for each month providing consistency, blended data from different sources and single source for information both internally and externally.
- A formal process is in place whereby all performance data is locked down

NHS Number and General Medical Practice Code Validity

Lancashire Care NHS Foundation Trust submitted records during 2015/16 to the Secondary Uses Service (SUS) for inclusion in the Hospital Episode Statistics (HES) detailed in the latest published data (December 2015)

Record Type	Area	Target	14/15 Outcome	15/16 Outcome	15/16 England average	Targets Achieved
Patients Valid NHS Number	Admitted Patient Care	50.0%	99.8%	**99.8%**	**99.2%**	✓
	Outpatient Care	50.0%	100%	**99.9%**	**99.4%**	✓
Patients Valid General Practitioner	Admitted Patient Care	50.0%	99.9%	**100%**	**99.9%**	✓
Registration Code	Outpatient Care	95.0%	100%	**100%**	**99.8%**	✓

Source: SUS Data Quality Dashboard Data is governed by Standard National Definitions

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). The data reflects the reporting period April 2015 – December 2015 as further quarter data has not been published at the time of completing this report. Lancashire Care NHS Foundation Trust continues to perform well against this metric.

Lancashire Care NHS Foundation Trust considers that this data is as described for the following reasons:

- This data has been taken from the HSCIC 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 2015/16 was 78% 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 2015/6 by the Audit Commission. Lancashire Care NHS Foundation Trust did participate in the Information Governance Toolkit Audit in January 2016. This audit looks at the accuracy of diagnosis and procedure coding recording for all inpatient episodes. 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 2014-2015	Level Achieved 2015-2016
Primary diagnosis	>=85%	>=90%	74.0%	97%
Secondary diagnosis	>=75%	>=80%	86.1%	95.4%
Primary procedure	>=85%	>=90%	33.3%	100%
Secondary procedure	>=75%	>=80%	None of the records audited had a secondary procedure recorded	100%

Source: SUS Data Quality Dashboard *Data is governed by Standard National Definitions*

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 Health and Social Care Information Centre (HSCIC)
- Lancashire Care NHS Foundation Trust information reflects Electroconvulsive therapy (ECT) procedures only, 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 intends to take the following actions to improve the percentage and so the quality of its services in relation to Clinical Coding:

- Following receipt of the audit recommendations actions will be put in place to support the continued high standard of the coding function.

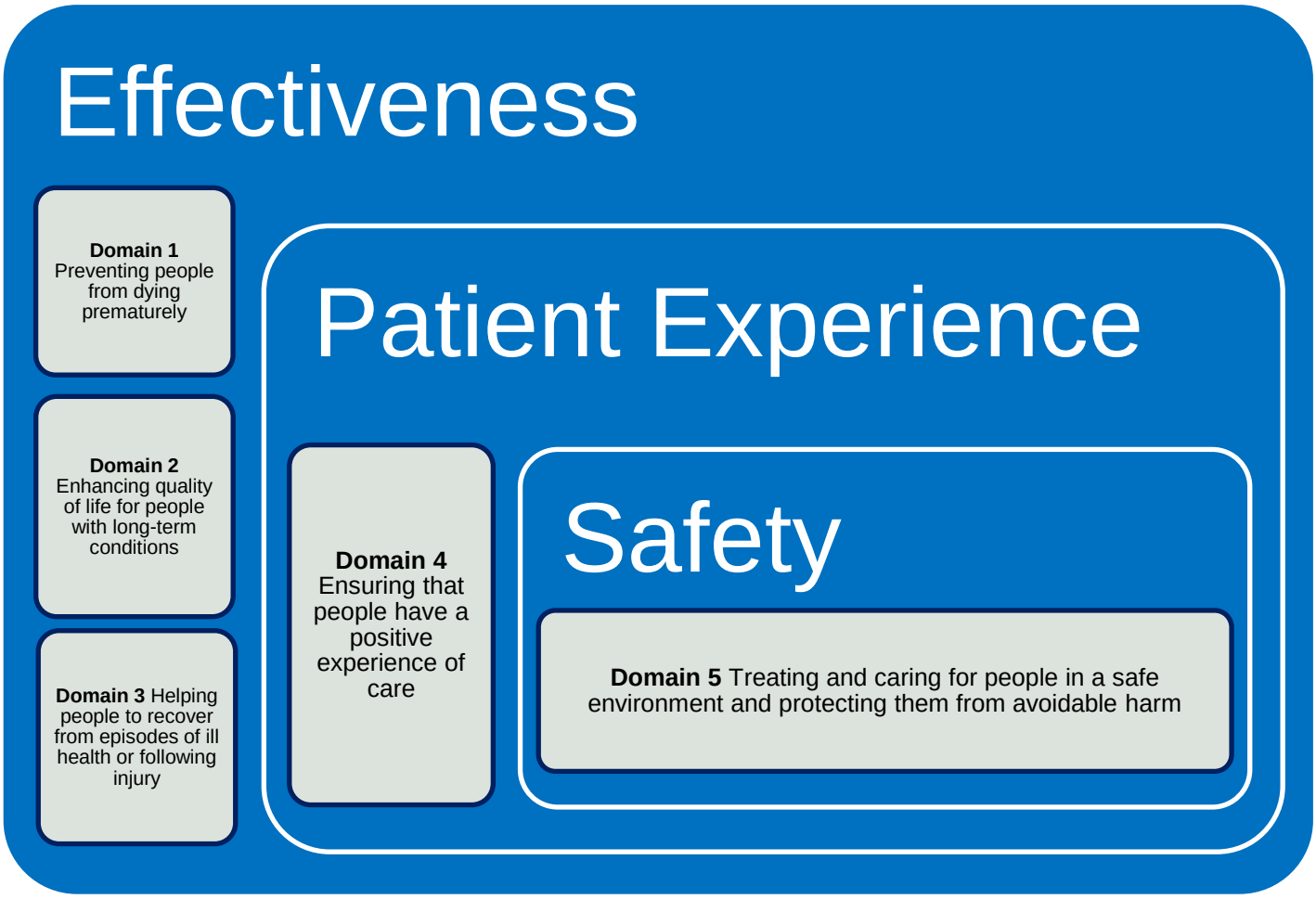
2.3) Reporting against core indicators

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 include 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



Effectiveness

Domain 1: Preventing people from dying prematurely
Domain 2: Enhancing quality of life for people with long conditions

Indicator	Target	14/15 Outcome	15/16 Outcome	15/16 England average	Targets Achieved
Patients on Care Programme Approach who are followed up within seven days of discharge from psychiatric inpatient care	95%	96.3%	96.7%	96.98%	✓
Admissions to inpatients services for which the Crisis Resolution Home Treatment Team acted as a gatekeeper	95%	97.0%	96.4%	97.7%	✓

Data source: LCFT internal information system (eCPA and IPM). Data is governed by Monitor definitions

Lancashire Care NHS Foundation Trust considers that this data is as described for the following reasons:

- 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 group of fifteen Trusts performing at the lower end of the range.
- Lancashire Care NHS Foundation Trust falls within the mid-range when compared to National performance.
- 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
- Processes and procedures relating to the delivery of indicators are agreed, reported and monitored for this measure via the Operational and Performance Subcommittee
- Data is validated prior to submission.
- All data submissions use a single data source.

Lancashire Care NHS Foundation Trust intends to take the following actions to maintain the percentage and so the quality of its services in relation to Patients on Care Programme Approach who are followed up within seven days of discharge from psychiatric inpatient care by:

- Regular data quality reviews undertaken using the validation process locally, Network and function wide, to ensure data quality at all levels.
- Continued development of internal Standard Operating Procedures (SOPs) 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 all service users 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 service user 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 service user 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 service user 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 Service Users to secure better engagement and higher potential for attendance at scheduled meetings.
- Ensuring robust reporting of whether a service user is on the Care Programme Approach or not, which enables validation within the Networks.
- Access to Monitor Dashboard allows teams to monitor all patients due for 7 day Follow up.
- The monthly Operational Performance group with Chief Operating Officer, Network Directors and Director of Delivery to ensure high level focus on 7 day follow up.

Lancashire Care NHS Foundation Trust intends to take 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:

- Regular data quality reviews undertaken using the validation process locally, Network and function wide, to ensure data quality at all levels.
- SOP's audited annually and also 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.

- Crisis teams are reminded on the correct procure 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**	**14/15 Outcome**	**15/16 Outcome**	**Targets Achieved**
Patients on Care Programme Approach who have a formal follow-up within 12 months	95%	96.7%	96.4%	✓
Data source: LCFT internal information system (eCPA and IPM). Data is governed by Monitor definitions No national average percentage benchmark is published for this indicator by NHS England				

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 Operational and Performance Subcommittee
- Data is validated prior to submission.
- All data submissions use a single data source.

Lancashire Care NHS Foundation Trust is currently undertaking the following actions to maintain this percentage and so the quality of its services, by:

- Regular data quality reviews undertaken using the validation process locally, Network and function wide, to ensure data quality at all levels.
- Continued development of internal Standard Operating Procedures (SOPs) 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 service user is on the Care Programme Approach or not, which enables validation within the Networks.
- Access to Monitor Dashboard allows teams to monitor and validate all patients due for 12 month Follow up.
- Weekly meetings allow all patients coming up for their CPA review to be appointed within timescales.

Domain 2: Enhancing quality of life for people with long conditions				
Indicator	**Target**	**14/15 Outcome**	**15/16 Outcome**	**Targets Achieved**
Minimising mental health delayed transfers of care	<=7.5%	5.3%	7.1%	✓
Meeting commitment to serve new psychosis cases by early intervention teams	95%	109.9%	134.6%	✓
Data source: LCFT internal information system (eCPA and IPM). Data is governed by Monitor definitions				

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 Operational and Performance 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.
- The target relating to meeting the commitment to serve new psychosis cases by early intervention teams refers to 95% of the commissioned caseload. More than the commissioned caseload was seen by the Early Intervention Team, which resulted in the target being exceeded.

Lancashire Care NHS Foundation Trust has taken the following actions to minimise mental health delayed transfers of care by:

- Continued development of internal Standard Operating Procedures (SOPs) 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.
- The development of better information on current delays and performance tracking for operational staff.
- The monthly Operational Performance group with Chief Operating Officer, Network Directors and Director of Delivery to ensure high level focus on Delayed Transfers of Care.
- Lancashire Care NHS Foundation Trust failed to meet the target of ≤7.5% in relation to minimising delayed transfers of care with a total performance of 8.9%. The performance across two Networks contributes to this indicator outcome: Adult Mental Health and Adult Community. The Adult Mental Health network achieved the target in quarter 2 with a performance of 6.59% however; the Adult Community network failed the target in Q2 with a performance of 27.36%. This failure related

to a significant number of people awaiting Residential Home Placements. The Networks have co-produced a recovery plan which includes:

Specific actions taken in respect of the quarter two outcome:

- 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.
- To support discharge co-ordinators internal; key performance indicators (KPI's) have been developed supporting actions to expedite discharges. These KPI's are discussed weekly and shared with managers to enable proactive interventions.

Following the above actions performance has subsequently significantly improved.

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**	**14/15 Outcome**	**15/16 Outcome**	**Variance between 15/16 and Target**	
NHS Blackburn with Darwen CCG	50.0%	31.5%	37.7%	▼	-12.3%
NHS East Lancashire CCG	50.0%	37.2%	39.2%	▼	-10.8%
NHS Chorley and South Ribble CCG	50.0%	36.6%	42.2%	▼	-7.8%
NHS Greater Preston CCG	50.0%	32.9%	36.9%	▼	-13.1%
NHS West Lancashire CCG	50.0%	41.8%	41.9%	▼	-8.1%
NHS Fylde & Wyre CCG	50.0%	35.8%	37.0%	▼	-13%
NHS Lancashire North CCG	50.0%	34.6%	34.3%	▼	-15.7%
NHS St Helen's CCG	50.0%	N/A	33.7%	▼	-16.3%
Data source: LCFT Information Systems using standard definitions					

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.
- There is no data reported for Blackpool as primary care mental health services are provided by the Acute Trust in Blackpool.
- St Helen's CCG – IAPT service moved to Lancashire Care NHS Foundation Trust November 2015

Lancashire Care NHS Foundation Trust has been undertaking the following actions to improve this percentage, and so the quality of its services, by:

- Monthly reviews at internal Minds Matter performance group reporting in to Network Performance Meeting chaired by the Deputy Clinical Director with support from the Network Director.

- Service led plans on reducing waits
- Clinical Supervision focusing on ensuring
    - Step up happens when required
    - Correct treatment path
    - Extending number of treatments if indicated
- Staff training and development ongoing to focus on improving recovery
- Clear written guidance to staff around reporting.
- Monitoring dropout rates to identify are there patterns which can be influenced.
- Checks on data quality combined with feedback to staff where errors have been made requiring correction.
- Ensured robustness of current data systems
- Implementation of IAPTus took place in June 2015.
- The IAPT services have employed Data Quality personnel.

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**	**14/15 Outcome**	**15/16 Outcome**	**Targets Achieved**
MR05 – Referral to treatment time (RTT) - Consultant Led (Completed Pathway)	95.0%	99.9%	98.9%	✓
MR06 - RTT - Consultant Led (Incomplete Pathway)	92.0%	99.9%	99.7%	✓
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.				

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 Operational and Performance Subcommittee
- Data is validated prior to submission.
- All data submissions use a single data source.

Lancashire Care NHS Foundation Trust has been undertaking the following actions to maintain this percentage, and so the quality of its services, by:

- Regular data quality reviews undertaken using the validation process locally, Network and function wide, to ensure data quality at all levels.
- Continued development of internal Standard Operating Procedures (SOPs) 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 (SOPs) for both complete and incomplete RTT pathways to maintain and improve access to services ensuring a reduction in clinical risk and improvement in patient experience.
- The monthly Operational Performance group with Chief Operating Officer, Network Directors and Director of Delivery ensure a high level focus on 18 week RTT.

Risk Assessment				
Indicator	**Target**	**14/15 Outcome**	**15/16 Outcome**	**Targets Achieved**
Data completeness: Identifiers	97.0%	99.7%	99.6%	✓
Data completeness: Outcomes	50.0%	89.6%	84.8%	✓
Data source: LCFT internal Monitor compliance dashboard				

Lancashire Care NHS Foundation Trust continues to perform well against these indicators and will continue to undertake regular data quality reviews.

Patient Experience

Domain 4: Ensuring that people have a positive experience of care							
Indicator	**2014 Outcome**	**2015 Outcome**	**National Average 2015**	**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	8.0	8.0	n/a	Performing about the same as other trusts	=	=	=
Patients experience of inpatient mental health services with regard to how the care received was rated overall (scored excellent or very good)	52%	54%	50%	+4%	↑	+2%	↑
Date Source: National Community Mental Health Survey CQC website ***http://www.cqc.org.uk/provider/RW5/survey/6#undefined*** *and National Inpatient Mental Health Survey Internal report*						***Data is governed by standard definitions***	

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
- Lancashire Care NHS Foundation Trust was not identified as one of the group of five Trusts performing better than expected.

- Lancashire Care NHS Foundation Trust was not identified as one of the group of five Trusts performing worse than expected.
- 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, other areas of life, overall views and experiences, overall experience)
- Across individual question scores there is no statistically significant change from 2014.
- Lancashire Care NHS Foundation Trust performed about the same as other Trusts in all but two questions where the Trust performed better than most other Trusts
    - Health and social Care Workers: Q6. Did the person or people you saw understand how your mental health needs affect other areas of your life?
    - Other areas of life: Q34 In the last 12 months, did the mental health services give you any help or advice with finding or keeping accommodation?

Lancashire Care NHS Foundation Trust considers that the Inpatient Mental Health survey data is as described for the following reasons:

- This data has been taken from the Mental Health Inpatient Survey management report published by Quality Health.
- The comparative data relates to the 18 Mental Health Trusts who undertook the voluntary survey with Quality Health.
- Lancashire Care NHS Foundation Trust scored in the intermediate 60% range for 8 of the 9 key questions (always felt safe in hospital, hospital food very good/ good, always had confidence and trust in the psychiatrist, always treated with respect and dignity by psychiatrist, told completely about the side effects of the medication, given enough notice of discharge from hospital, have an out of hours telephone number, have been contacted by mental health team since discharge and overall care during the stay excellent or very good)

Lancashire Care NHS Foundation Trust intends to take the following actions to continue the programme of improvement:

- As clinical teams develop their quality improvement frameworks for 2016/17 the national survey findings together with Friends and Family feedback will be used to inform the ways in which we can improve the experiences people have of services
- The findings have been fed back through network governance meetings and appropriate actions progressed
- The Experts by Experience in the Adult Mental Health Network have reviewed the findings of the Community Mental Health Survey and identified priority improvement areas for 2016/17

Domain 4: Ensuring that people have a positive experience of care				
Indicator	**2014 Outcome**	**2015 Outcome**	**National 2015 average for combined mental health/ learning disabilities and community Trusts**	**Comparison to National Average**
% of staff employed by Lancashire Care NHS Foundation Trust, who: ' if a friend or relative needed	54%	67%	67%	=

treatment, I would be happy with the standard of care provided by Lancashire Care NHS Foundation Trust'				
Percentage of staff experiencing harassment, bullying or abuse from staff in the last 12 months	20%	20%	21%	
Percentage believing that trust provides equal opportunities for career progression or promotion	84%	90%	89%	
Date Source: National NHS Staff Survey Co-ordination Centre			*Data is governed by standard definitions*	
http://www.nhsstaffsurveys.com/Caches/Files/NHS_staff_survey_2015_RW5_full.pdf				

Lancashire Care NHS Foundation Trust considers that this data is as described for the following reason:

- The data has been taken from the 2015 national staff survey

Lancashire Care NHS Foundation Trust intends to take the following actions to improve this percentage, and so the quality of its services, by:

- Using this valuable feedback to improve the working lives of our staff.
- Ongoing engagement events to enable staff to feedback to members of the Executive team about how people can work together to make Lancashire Care NHS Foundation Trust a great place to work and to receive care.
- From these listening events an improvement plan will be developed.
- Continuing to work with the King's Fund to develop The People Plan

Certification against requirements regarding access to healthcare for people with a learning disability

This is reported on a quarterly basis to the Health Equalities Group (a sub-group of the Quality and Safety subcommittee), to ensure compliance with the 6 criteria reflected in the indicator requirements. Quarterly reports have noted compliance against the requirements and this has been reported to Monitor as part of the quarterly return.

Safety Incidents:

	Domain 5: Treating and caring for people in a safe environment and protecting them from avoidable harm								
	01 April 2014 – 30 September 2014			01 October 2014 – 31 March 2015			01 April 2015 – 30 September 2015		
Indicator	LCFT	National Average	Comparison to National Average	LCFT	National Average	Comparison to National Average	LCFT	National Average	Comparison to National Average
Rate of patient safety incidents	53.98	32.82		58.2	31.1		54.51	38.62	
Percentage resulting in	0.4	0.3		0.2	0.4		0.2	0.3	

severe harm									
Percentage resulting in death	0.1	0.7	↓	0.2	0.7	↓	0.1	0.7	↓
Data Source: National Reporting and Learning System						*Data is governed by standard definitions*			

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 1 April 2014 to 30 September 2014
- Data reports are made available six months in arrears
- NRLS[1] encourage high reporting of patient 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 and the organisation remains in the top percentile of reporters (NRLS, 2016) in the current comparable cluster of Trusts. The incident reporting data is reviewed alongside a 6 monthly thematic analysis and report of serious incidents
- 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
- The period to period comparison highlights a decrease in the actual number of deaths which is also reflected in our serious incident reporting data through the STEIS system and for the last reporting figure a slightly higher than average rate of severe harm which is being explored further (although the figure is broadly in line with previous reporting periods)
- A higher number of documentation errors are reported compared with other Trusts – this relates to Lancashire Care NHS Foundation Trust's approach in treating inputting errors in electronic patient records as an incident
- 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 has taken the following actions to improve its incident reporting and management framework:

- Updated our incident policy and process in light of changes to the national Serious Incident Framework published by NHS England
- Implemented a dedicated Investigations and Learning Team to undertake serious incident investigations and inform the development of strong improvement actions
- Continued development of the Datix risk management system
- Provided a programme of training in incident reporting and root cause analysis
- Enhanced our serious incident governance arrangements including some specific work with our two lead commissioners to ensure a robust sign off and closure process for serious incident

[1] NRLS Frequently asked questions (FAQs) about the data https://report.nrls.nhs.uk/nrlsreporting/

- Reviewed relevant national reports such as the report into Southern Health NHS Foundation Trust to identify any relevant learning
- Delivered a number of *Dare to Share* and *Time to Shine* events to promote learning from incidents.

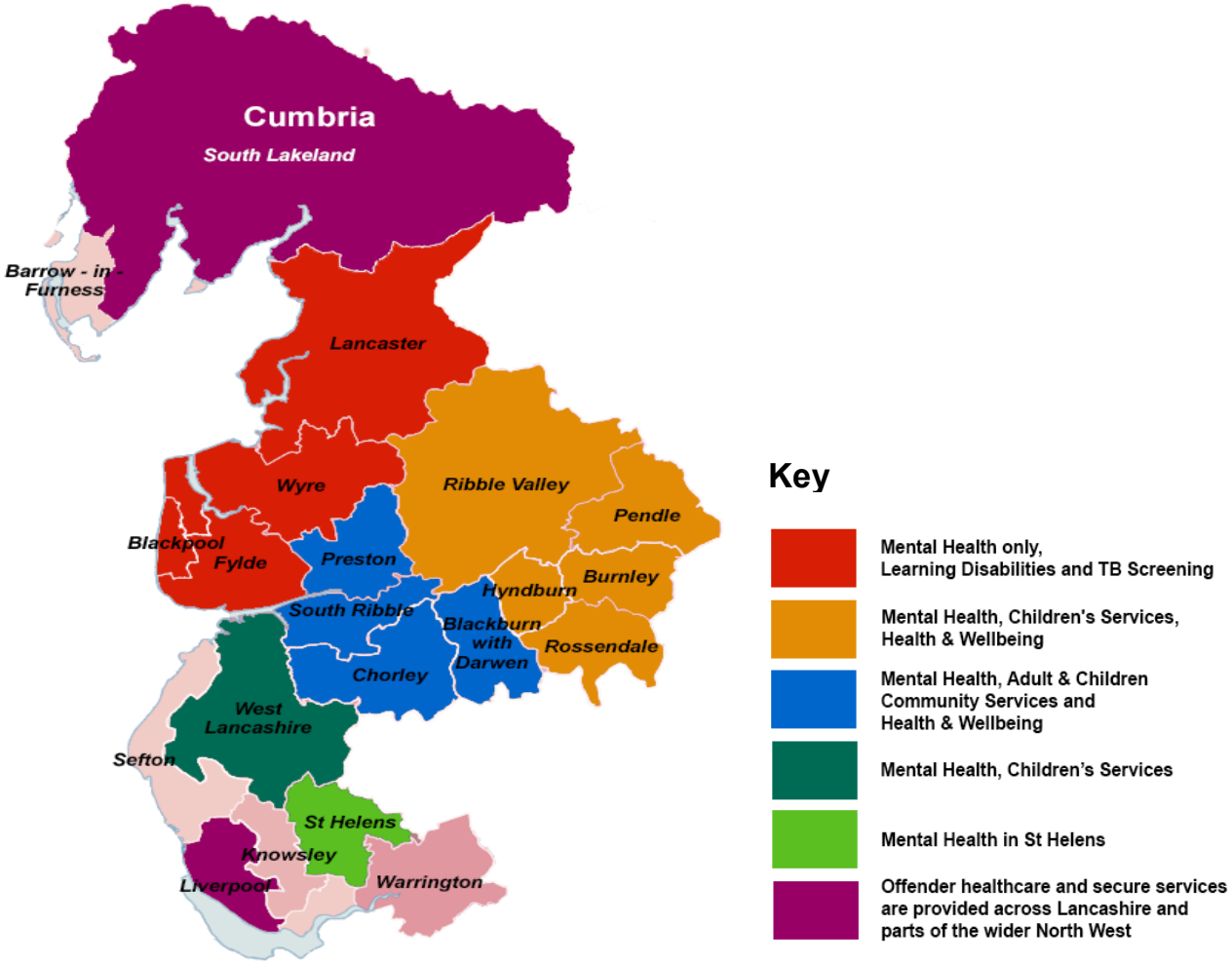
Part 3: Review of Quality Performance 2014/15

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

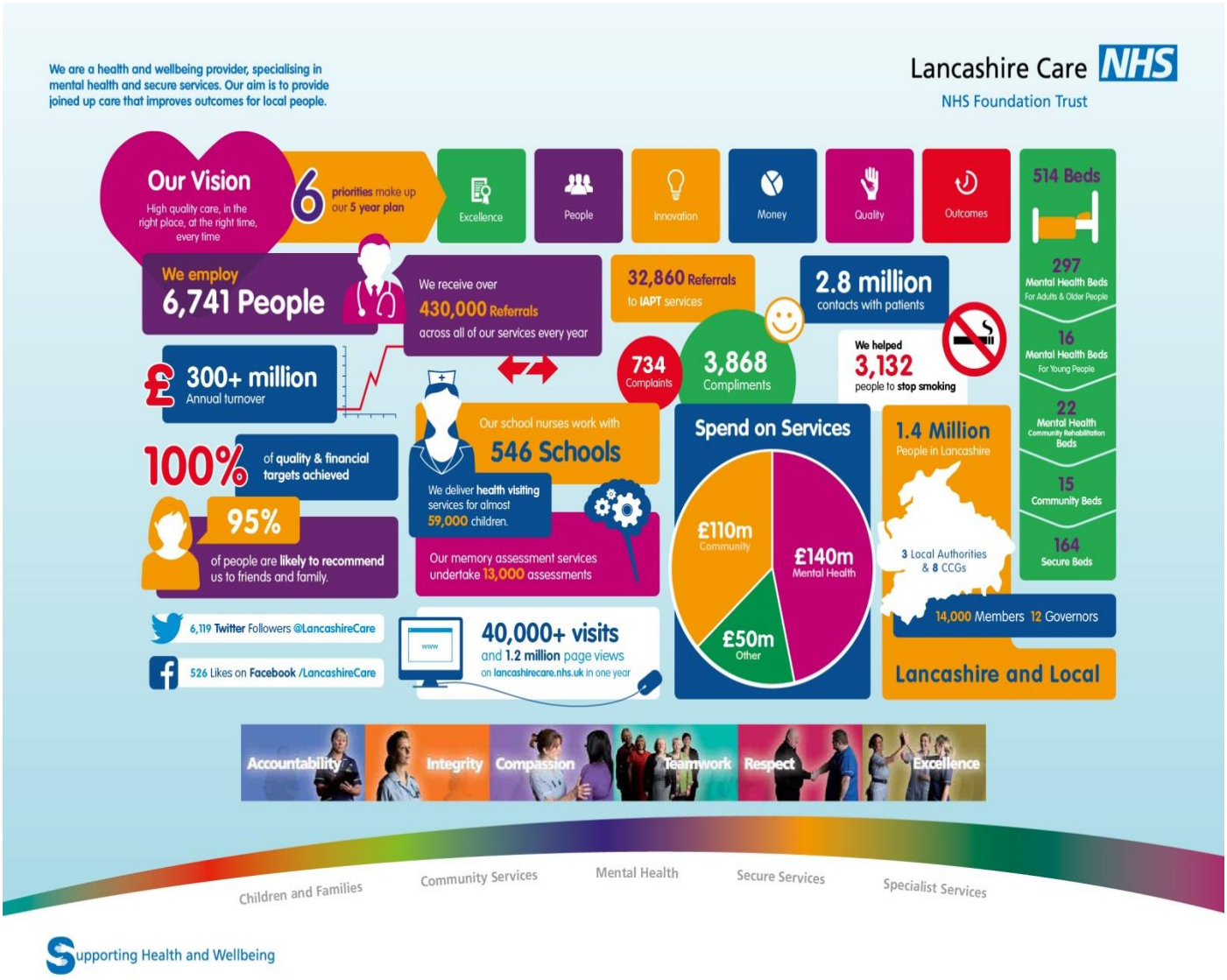
Lancashire Care NHS Foundation Trust provides health and wellbeing services for a population of around 1.4 million people. The organisation covers the whole of the county and employs around 7,000 members of staff across more than 400 sites. Lancashire Care NHS Foundation Trust also has some provision outside of the county now too, for example, we offer the health care provision at HMP Liverpool and Kennet and St Helen's IAPT (Improving Access to Psychological Therapy) service.

Lancashire Care NHS Foundation Trust geographical map of service provision.



Lancashire Care NHS Foundation Trust geographical footprint map

The infographic below captures the richness and diversity of the services offered by Lancashire Care NHS Foundation Trust and reflects the story for 2015:



A range of clinical services are delivered through four Networks as in the table below which 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

Adult Community	Specialist Services	Adult Mental Health	Children and Families
• Adult Learning Disabilities • Community Matrons • Community Older Adult Mental Health Teams • Dental Services • Rheumatology • Diabetes • District Nursing • Health Improvement • Inpatient Dementia beds • Longridge Hospital • Memory Assessment Services • Occupational Therapy • Physiotherapy • Podiatry • Speech and Language Therapy • Stroke and Rehabilitation • Treatment Rooms • Stop Smoking Services • IV therapy (BwD) • CHESS-Care Home Effective Support Services • Older adult mental health wards • Cardiorespiratory Services • Complex case management • DESMOND (Diabetes Education programme) • Tissue Viability • Rapid Assessment	• Criminal Justice liaison Service • Forensic Community Mental Health Team • Forensic In-Reach Team • 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 • Harm Reduction and ADEPT (substance misuse services)	• Mindsmatters • Community Mental Health Teams (CMHT) • Access and Treatment Teams (ATT) • Personality Disorder Managed Clinical Network (PDMCN) • Psychoses and Bipolar Psychological Care Network (PBPCN) • Acute Therapy Service (ATS) • Lancashire Traumatic Stress Service (LTSS) • Mental Health Response Service (MHRS) • Criminal Justice Liaison Team(CJLT) • Adult Mental Health Inpatient Care • Eating Disorder Services • Mental Health Liaison Teams • Restart Social Inclusion and Day Services • Specialist Psychological Interventions • Supported accommodation and group homes • Veterans Mental Health	• Child and Adolescent Mental Health Services (includes inpatient, community and learning disability 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 • Immunisation and Vaccination Services • Family Nurse Partnership • Sexual Health Services
Support Services includes the following functions: Nursing and Quality, Human Resources, Finance, Performance, Pharmacy, Organisational Development, Transformation and Innovation, Research and Development, Clinical Audit, Communication and Engagement.			

In part 3 we will report against the quality priorities for 2015/16. Networks and support services have provided case studies which illustrate the high quality services they provide. Clinical Directors and Support Services Leads were asked to provide examples of service improvements and innovations building on areas of development identified by the team for example: from feedback from people who use services, clinical audit findings, CQC visits and appreciative leadership action research projects.

Effectiveness

This section of the document explains the effectiveness of treatment or care provided by services. This is demonstrated using clinical measures or patient/service users' 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
- 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

Quality Priority 1 - Quality Strategy Implementation	
Target	**Progress**
• **All teams will have team information boards and use these to drive quality improvements.** • **Teams will have a quality improvement framework.** • **The quality improvement framework will be implemented by all teams reflecting the use of quality improvement methodologies and enablers.**	  The implementation plan for 2015/16 has been achieved with a further 80 clinical teams participating in the Quality Improvement Framework (QIF) programme, meeting the 2015/16 CQUIN requirements. Teams have had the opportunity to participate in an Introduction to Quality Improvement Methodologies Programme facilitated with AQuA (Advancing Quality Alliance). Teams have also showcased their quality improvements at celebration events with senior organisational leads and commissioning colleagues.

Team Information Boards (TIB)

The Quality Account 2013/14 described the implementation of the Team Information Board (TIB) to enable informed conversation about quality. The TIBs are in a variety of formats; electronic/ paper and display team level data. This enables teams to identify their own local challenges and create their own opportunity to make improvements. Throughout 2015/16 the good practice visits have continued to focus on the TIB and quality conversations in relation to this. This has allowed representatives from the Executive Management team, Non-executive directors, Governors and our commissioning partners to hear first-hand how teams have considered and triangulate their own data to support and drive quality.

During the eleven visits made during 2015/16, a number of teams have been invited to participate in or recommended to become part of the Quality Improvement Framework (QIF) Programme.

The Good practice visit (GPV) programme evidences an ongoing number of examples of good practice initiatives reflecting the quality of care that is being delivered amidst the day to day challenges faced by teams. During Quarter 3 and 4 of 2015/16 the GPV and its reporting has reflected quality improvements made at the point of care. The visiting team have also invited teams to nominate themselves through their network to become Quality Improvement pioneers and participate in the QIF programme

Eleven good practice visit 2015/16 across all four of the networks

	Adult Community	Specialist Services	Adult Mental Health	Children and Family
Number of visits	**6**	**1**	**2**	**2**
Executive Director Representation	**6**	**1**	**2**	**2**
Non-Executive Representation	**5**	**1**	**2**	**2**
Governor Representation	**5**	**0**	**1**	**2**
CCG Representation	**5**	**2**	**2**	**2**

Below are several examples of Quality Improvement initiatives identified by the team at the point of care which have impacted on their provision of care and their service user experience.

Immunisation Team The service promote a positive approach to immunisation – removing the need to wait for 10 minute post injection has proven to have positive feedback and outcome for the pupils (reduced feeling of un-wellness). Feedback form pupils and teachers led to the production of a teacher's information leaflet that explains the vaccinations being given and an explanation of what to look for post immunisation and the action to take.

Phlebotomy- The service is keen to make improvements. The team coordinators reflected elements of the service that had been changed in response to service user feedback, staff thoughts and needs due to environment. One example of this was the change to working hours on Monday & Tuesday's in one of the clinics - the team now stagger their lunch to keep the clinic open over a busy period.

Podiatry -The Central team are currently working with the Blackburn with Darwen team to identify and merge areas of good practice aligning both their induction and preceptorship programmes. As part of their commitment to excellence and Quality Improvement the team are working towards upskilling staff and sharing skills through in-house training and reviewing competencies

Further examples of locally initiated Quality improvements by teams involved in the Quality Improvement framework programme

QIF Pioneers

Chronic Obstructive Pulmonary Disease (COPD) service - Action following a recent identified risk resulted in the ceasing of transporting oxygen cylinders in vehicles. This is now being considered in other areas of the Network

Continence Service -The introduction of the 'invitation to call' letters has improved the services Practice did not attend rates

Quality Improvement Framework (QIF)

QIF Pioneers Teams celebrating at the showcasing event

The Quality Improvement Framework (QIF) programme, informed by the Q initiative (an initiative, led by the Health Foundation and supported and co-funded by NHS England, connecting people skilled in improvement across the UK), and AQUA, is enabling and empowering teams across the organisation to generate, design and test improvement ideas with a portfolio of improvement methodologies and enablers including: .

Methodologies: Plan Do Study Act, Total Quality Management, Complexity theory, appreciative inquiry (the 4d) approach.

Enablers: Always events, Experience by co-design, Harm free Care programmes, Restrictive practices programme, Design thinking.

The QIF is driving innovative ideas with positive impacts for people who use our services bringing Our Vision to life.

Clinical Supervision

Clinical supervision is an activity which allows clinical staff to meet with a skilled supervisor in order to reflect upon their practice. The purpose of these meetings is to improve practice by identifying solutions to problems and increase understanding of professional challenges. There are various approaches to clinical supervision for example: one-to-one supervision, group supervision or peer group supervision (Royal College of Nursing, 2004). Lancashire Care NHS Foundation Trust is committed to supporting staff to understand their roles, responsibilities and key objectives, enabling them to undertake their job as effectively as possible. The supervision of staff is one of the ways that this can be achieved and continues to be a priority for Lancashire Care NHS Foundation Trust and was identified as a Sign up to Safety priority for 2015/16. During quarter 4 of 2015/16 a supervision feedback questionnaire was developed to understand clinical staff's access to and receipt of clinical, professional and management supervision. The questionnaire was circulated in April 2016 and once collated a collaborative work plan will be produced across networks and support services to drive quality improvement and identify priorities to ensure appropriate and suitable supervision is available in line with professional guidelines and roles including clinical, professional and management supervision.

Research & 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 and 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 Research and Development Department have built on the strength and capacity of the team by recruiting one new mental health nurse and two physical health nurses. This will increase the number of clinical research studies in mental and physical health that we are able support and the range of services that we can conduct research in. A new Associate Director of Research and Development has been appointed to oversee the strategic planning and development of research.

Outcomes:

- Participation in clinical research demonstrates 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's Research and Development mean permission approval time is 5 days in 2015/16, which exceeds the national performance target of 15 days and exceeds the approval time achieved in 2014/15.
- Offender health research has increased in the last year
- The portfolio of research projects has increased in 2015/16 and broadened to include a commercial trial rheumatology as well as in dementia.
- Research in rheumatology has dramatically increased with 13 active studies and 4 new this year. They recruited the first UK patient to their first ever industry study.

EFFECTIVENESS

Adult Community

Hypoglycaemia pathway

The Specialist Diabetes Service provides support in the following ways: Education Programmes are run for people with type 1 and type 2 diabetes, so that the person with diabetes may better understand how to live with the condition and how to get the best out of life style changes and treatments used to control diabetes assess, plan and make changes in treatments. We support people to make life style changes and fully involve the person, aiming to empower the individual to become an expert in their own care and act as an expert resource for other healthcare professionals

Specialist Diabetes Nurse presenting the findings

People who take certain types of diabetes medication may occasionally be subject to episodes of reduced consciousness (hypoglycaemia) due to having a very low blood glucose. The ambulance service is usually contacted for emergency response. This is a very worrying time for the person and their family and can have an effect on the person's ability to drive, thus affecting working lives and independence. Previously the specialist diabetes services had no pathway for referral for these people who were often left unsupported or having to wait for a referral to be made before they received the advice and support they required to avoid it happening again The opportunity arose for the Specialist Diabetes Team to work collaboratively with the North West Ambulance Service to share information (with the persons consent) so contact, advice and support can be offered from the specialist team, within 1 working day and an appointment is offered within 5 working days. The North West Ambulance Service shares information on all call outs for low blood glucose. This information is reviewed every working day by the team and acted on immediately.

Outcome

- 54 Referrals were received in the first 6 months of the scheme
- People aged over 60 (60%) were more at risk of low blood glucose needing emergency treatment.
- The cause of most low blood glucose was Insulin treatment, putting these people at risk of unconsciousness and falls and hospital admissions.
- 45 of the 54 people were treated with insulin, indicating the highest risk group was those over the age of 60 treated with insulin.
- 39 people were contacted for initial safety phone advice within 1 working day; 13 within 3 working days. The 2 people beyond this time frame were due to difficulty in contacting them.
- People were offered a meeting with a diabetes specialist nurse within 5 working days for a full assessment.
- The outcome of this finding has led to a focus on risk reduction of hypos in the at risk group.
- In 2016 the diabetes specialist nurses will be working with GPs and practice nurses to emphasise and support this care, making people's lives safer and less frightening. There have only been 2 re-occurrences of severe hypos amongst this group of people.

Recycling Metal for the Good of the Community

The CERS Team with Dogs for Good

The Community Equipment Store (CERS) based in Leyland provides loan equipment to patients in the Chorley, South Ribble, Preston and West Lancashire areas. The equipment, such as beds, pressure relieving mattresses, hoists and nebulisers is provided to enable people to either recover in their homes following discharge from hospital, help avoid admittance to hospital altogether or to support a persons end of life care package The service collects equipment from people's homes when it is no longer required, leaving families with a choice of disposing retail equipment themselves often to the local skip or taking it to a charity shop.

With this in mind the CERs team initiated a scheme that involved the drivers collecting both, equipment belonging to CERs and the additional retail equipment, such as walking frames and crutches, which are then sold as scrap metal.

The team wanted to do something to help the community where they provided a service to, so a charitable account was set up to save this money and conversations started with the people they had recently visited to remove or deliver equipment, and soon after the seed was planted.

With the Board's permission and the backing from the people they provide a service to, the CERS team began their coalition with the North West 'Dogs for Good' Charity

The aim was to salvage parts/bikes to be repaired and donated to those who need them, encouraging healthy lifestyles and provide sponsorship to twelve puppies.

Regional Fundraiser – North West for Dogs for Good said:

I have been inspired by their passion in wanting to help the local community. The money they have donated so far is invaluable to our work and will enable us to support more people who face a lifetime of challenges.

Outcome

It has taken the team time to achieve their first donation of £2000, presenting a cheque to the Charity. The money given went towards the sponsorship of two puppies (£1000 each) and will provide assistance with their training and upkeep, after which they will provide an invaluable source of assistance and companionship for their respective person/family.

Now the team are ready to offer sponsorship to a third puppy, and exploring how this project can develop into a social inclusion service, that is, a recycling project, that collects unwanted bikes, re-cycles them and puts the scrap through CERs supporting funds raised for Dogs for Disabled Charity. This offers vulnerable people a safe place to go, to learn and share skills, and possibilities for intergenerational interaction and friendship thus breaking down barriers.

Specialist Services

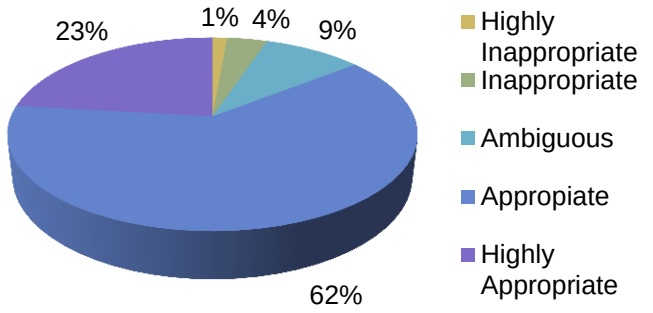
Criminal Justice Liaison and Diversion team (CJLDT) – Re-modelling of CJLDT

The Criminal Justice Liaison and Diversion Team delivers services within the criminal justice arena, primarily working out of police custody suites, Magistrates Courts and Probation services. The team offers individual assessment, referral and where needed follow on support. The existing CJLDT remit was narrower than an emerging national model in a number of ways.

The aims were to widen service provision according to age, vulnerability and accessibility, and to develop a staffing and service model that would support and deliver this enhanced model across the Lancashire and Cumbria footprint.

Within the last six months (April to September inclusive) there have been a total of 15,989 detainees brought into custody suites across Lancashire, 14,378 adults and 1,611 children and young people (CYP).

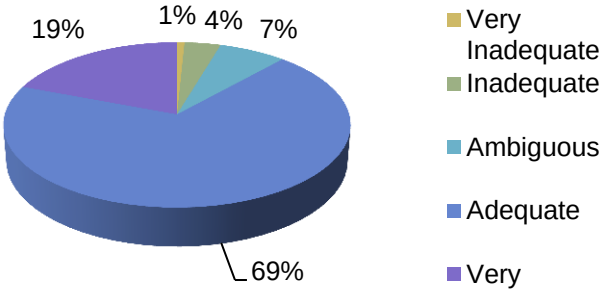
Out of this total, 10.1% of adults and 4.7% of CYP have been referred to the Liaison and Diversion Service to be assessed.



62% of all referrals made to our service were deemed as 'Appropriate' and 23% 'Highly Appropriate'.

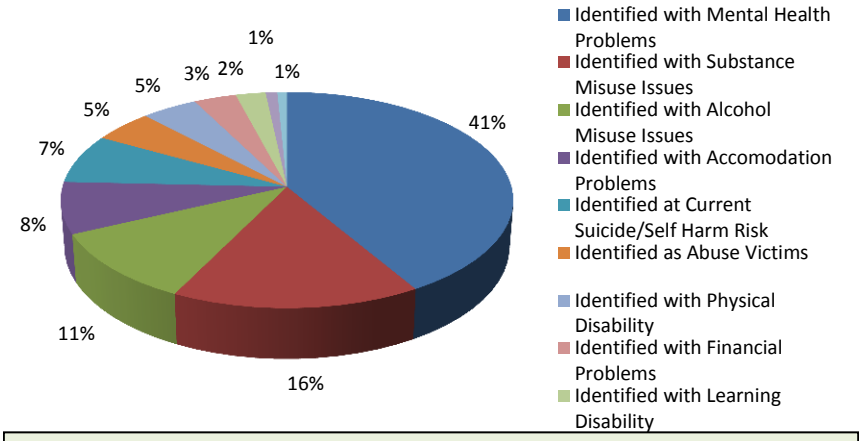
Appropriateness of the referrals made to the service

69% also deemed the quality of the information received to be 'Adequate' and 19% 'Very Adequate'.



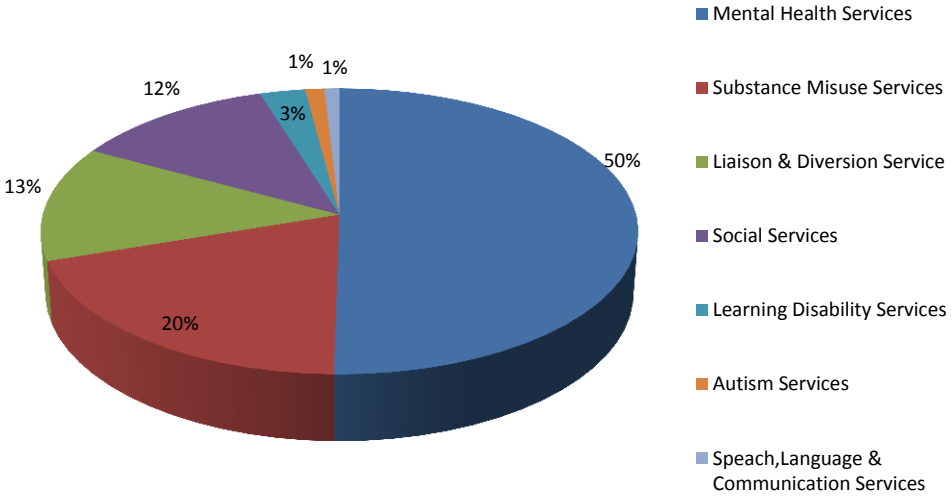
Quality of information received

As a team we have identified and addressed a large number of issues, including 41% of adults and 17% of CYP detainees with mental health problems.

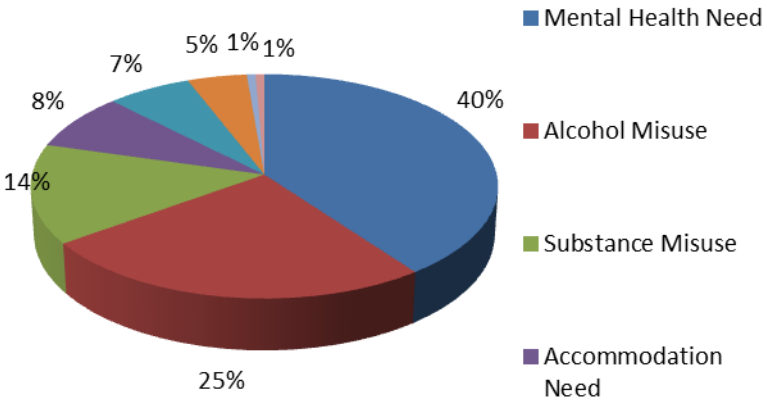


Issues identified and addressed by the service in relation to adults

50% of adults and 45% of CYP were identified as having previous contact with mental health services



Previous contact with mental health services



Advice given to and/or referral of adults to other services

40% of adults and 21% of CYP were given advice and/or referred to other services to address their mental health needs and 25% of adults and 18% of CYP given advice and/or referred on to other services to address alcohol misuse.

Engagement with Services

- 63% of adults and 18% of CYP referred to other mental health services, engaged and attended their appointments.
- 67% of adults and 17% of CYP referred to alcohol misuse services, engaged and attended their appointments
- 68% of adults and 14% of CYP referred to substance misuse services, engaged and attended their appointments
- 62% of adults and 20% of CYP referred to for accommodation needs, engaged and attended their appointments
- 75% of adults and 60% of CYP referred to for physical health needs, engaged and attended their appointments

Outcomes:

Ultimately, the CJLDT service has been extended to deliver an all-age service (including children and young people from aged 10 and upwards), to people with one or more of a range of vulnerabilities (beyond 'mental health' to include leaning difficulty, social, emotional and domestic risks), and based in all police custody suites and Magistrates Courts on a seven day basis.

Apart from a successful recruitment process, this has involved developing collaborative relationships with a wide range and large number of internal partners and external agencies.

In order to achieve the twin aims of reducing both re-offending and health inequalities, a new model of interim case management has been developed to support signposting and onward referral and engagement.

Smoking cessation in Specialist Services

Implementation of the Trust's nicotine management policy presented particular challenges on the site of the 164-bedded secure unit. There were challenges from staff and the service user champion's group regarding the perceived unfairness of this policy for a long-stay group of detained people.

The project involved planned engagement with staff and patients, challenging beliefs, and offering support to both. Focussed conversations addressed smoking-related beliefs and concerns about restrictive practice, as well as engaging key senior clinicians in the process.

Outcomes:

There has been excellent staff sign-up to the objectives of improving health and well-being, and 25 service users have stopped smoking since 1 January 2015.

Escorted leave is now more focussed on its proper therapeutic process (rather than it being seen as an opportunity to access cigarettes), and staff are less often exposed to secondary smoke. In some cases, smoking cessation has permitted a medication dose reduction, with knock-on metabolic and other benefits for the service users concerned.

The service views the implementation of the policy very much as a journey, with a message of health and wellbeing at its heart. We have celebrated our success, with a particular focus on the service users who have successfully overcome their nicotine addiction.

We look forward to continuing to work with our workforce and our patients in achieving smoke free lifestyles in 2016.

Adult Mental Health

Health and Well-being Events

Promotional Health and Well Being Event

In order to further promote the Nicotine Management Policy and the Making Every Contact Count Programme several Health and Well Being Events were held at inpatient units. In December the first event took place in the Sports Hall at the Harbour. Local services that help people maintain their health and wellbeing in the community were invited to attend the event to provide attendees with information about their services. The event lasted several hours and was run in a market stall format. People using the service, carers and staff from the Harbour and also in the local area were invited to attend. Our catering services provided tasters of new healthier menus for attendees to try and give feedback. The local Health Champions offered free Health checks which proved very popular. This first event was very well attended by staff, people who use services and local services. In fact it proved so popular that we ran out of tables. In January two more events were held at the Orchard in Lancaster and Pendleview in Blackburn which again were very well attended. The staff from local services appreciated the opportunity to meet some of their peers from local organisations and some plans for joint working were agreed.

Positive feedback received from those attending the sessions:

Outcomes:

Approximately 50 attendees at the Blackpool session, with at least one person using services signed up with stop smoking services by the end of the session. Another person currently using services also raised interest in opportunities involving music.

A session ran at the Orchard with about 25-30 attendees. One person using services linked up with the gym buddies so he could start attending gym.

25-30 attended the session in Blackburn. The Red Rose recovery who currently link in with hospital alcohol liaison service at Blackburn have made contact with Mental Health liaison team to offer support for people who are assessed by them as having substance misuse issues.

Psychology Services: Cognitive Analytic Therapy (CAT) in Complex Care and Treatment Teams and Mindsmatter

Cognitive Analytic Therapy (CAT) is a collaborative therapy looking at the way a person thinks, feels and acts, and the events and relationships that underlie these experiences (often from childhood or earlier in life). It is tailored to a person's individual needs and to his or her own manageable goals for change. It is a time-limited therapy, typically 16 - 24 sessions. At its heart is an empathic, respectful and collaborative,

meaning-making relationship between the client and therapist within the therapeutic boundaries. Early in the therapy the therapist offers the client a '*Reformulation letter*' which is a written account of the shared understanding about the problems that have brought the client into therapy, how they tried to cope with them, and what they are trying to change. The last three or four sessions are used to think back over the course of therapy and considers the ending of the therapy relationship. The therapist writes a '*goodbye letter'* and invites the client to do the same.

Cited below are examples of statements from a range of letters written by clients. Consent was provided to use selected quotes.

> Sixteen weeks or so ago I didn't believe that 'I could ever be fixed!' However I now know that I have the capacity to heal even emotional wounds that are very old, I very much doubt I would have come this far on my own … I feel that for me the CAT sessions have been the most crucial part of this process in turning my life around... Thank you for all your patience, understanding and encouragement. I will be eternally grateful

> The greatest things I have learnt and taken away from our sessions are that I'm actually a nice person. I'm likeable and I'm beginning to like myself more ..... I feel like I have a chance at a future and that seems pretty damn good. Thank you.

> Unfortunately we can't meet anymore because I am now a strong independent woman!..... There was a quote that really summed up our time together .. "words have the power to both destroy and heal. When words are both true and kind they can change the world" (Buddha). It was an absolute pleasure to meet and work with you, ... I can't thank you enough.

> For much of my adult life, self-loathing has held me in a strangle-hold leading to depression, anxiety and longing for death and a miserable existence. The therapy sessions have provided not only a safety valve enabling me to express my thoughts and feelings but the coping strategies have also equipped me with building blocks as I seek to build a new life... I will be forever grateful.

Outcomes:

Goodbye letters from the client in CAT often describe the powerful life-changing effect of the work that goes beyond and is not easily captured in traditional outcome measures. This attests to the value of psychological approaches and of the helping relationship in all forms of health care. It also illustrates the complexity of outcome research in psychological approaches when both therapist factors and the model of therapy contribute to change.

Children and Families

Burnley East CFHS Neonatal behavioural assessment scale (NBAS)

Children and Families Health Service have ten trainees undertaking the NBAS training, which is a neuro-behavioural assessment of the new-born. It is an interactive assessment, which gives a clear profile of the baby's behaviour, and how it must feel to parent the baby. It can be used from birth to eight. The assessment takes 20-30 minutes as there are a total of 53 scoreable features, some of which are administered and some observed during the assessment, like startles, tremors, skin colour and other signs of stress or withdrawal, approach signals and smiles.

The project to train practitioners in this assessment was undertaken due to the evidence base behind its effectiveness. It is a relationship-building tool between practitioner and parent that supports the developing parent-infant relationship, and provides an introduction to their infant's behaviour. Within the service it is planned to be used as an intervention with parents, for example, postnatally depressed mothers, mothers of premature infants, mothers of babies with congenital problems and mothers with particular difficulties in interacting with their babies. This case study demonstrates the positive effect the assessment can have on both parents and their infants.

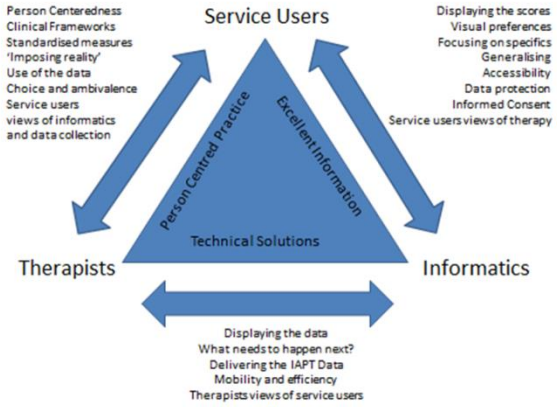
The effectiveness of this particular case study was demonstrated by the mother's interest and involvement throughout the assessment. Following the assessment the effectiveness was demonstrated by the Mother's increased confidence in herself that she did know her baby and how to meet her baby's needs and communicate with her without feeling embarrassed.

Prior to this assessment being completed with the baby and mother, the family Health Visitor was considering providing targeted care and extra input, due to the mother's lack of confidence in herself as a parent. However, following the assessment it became apparent that there were no concerns with attachment; the mother needed the reassurance in her ability as a parent to develop more confidence regarding her baby's likes and dislikes, which empowered her to talk more to the baby and allow herself to attune to her baby and trust her own feelings.

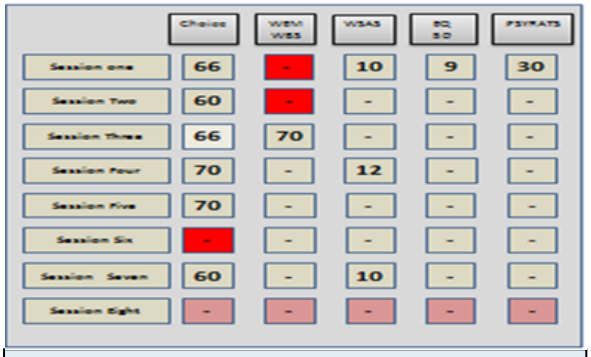
Outcomes:

The outcome of this particular case was that through carrying out the assessment the Health Visitor was able to demonstrate the unique skills that the baby has to communicate with the mother. As the assessment was done with the mother as an active participant, this highlighted to the mother the depth of knowledge she had regarding her baby which reassured her and gave her confidence that she was attuned to her baby and that she was meeting her baby's needs appropriately. The experience for both mother and baby was positive. The mother reported that she benefitted from the assessment as it had given her the confidence that she did know her baby and how to react to her needs. Following the assessment, no extra targeted intervention by the Health Visitor was necessary.

Early Intervention Service IAPT (Increasing Access to Psychological Therapies) SMI (Severe Mental Illness)



A Diagrammatic Representation of the Collaboration between Therapists, Service Users and Informatics, In Order To Establish Systems to Support the Collection of Outcome Measures That Are Accessible, Usable and Reportable.



An illustration of a feedback form for use on a mobile tablet device, to provide a summary of the collection of outcome data and an analysis of change in scores across therapy.

The key function of Lancashire Early Intervention Service is to intervene early to prevent transition to psychosis or reduce the duration of untreated psychosis. This is because the first few years of psychosis, when untreated, carry the highest risk of subsequent use of mental health services along with physical, social and legal harm to the individual. True to a biopsychosocial model, all staff receives in-house training; to facilitate the delivery of psychosocial interventions. The aim is to support people using the service and their families/carers, towards recovery, to prevent relapse and to facilitate social inclusion.

Lancashire Care Early Intervention was named as one of only six national Improving Access to Psychological Therapies (Severe Mental Illness) Demonstration Sites by the Department of Health, in October 2012; and one of only two psychosis sites. In being recognised as a Demonstration Site, Lancashire Care's service model was acknowledged as an excellent example of an innovative service structure that could be transferable to other services; it provides people with the level of psychosocial intervention appropriate to their need and improves access to psychological therapies. As a demonstration site Lancashire Care NHS Foundation Trust collect sessional measures, to identify whether this is feasible and then to report outcome data for psychological therapy with people with psychosis. The impact of the interventions on inpatient bed days is also collated. In order to facilitate data collection, a mobile solution has been developed to enable therapists to use a tablet to collect questionnaire data that writes directly to the clients' health care record and have also developed a feedback system to enable people using the service to review their scores at each session.

Outcomes

Lancashire Care NHS Foundation Trust recently submitted the final report to NHS England. It was found that, of 110 people who received Cognitive Behaviour Therapy (CBT) between November 2012 to the end of October, 2015, and who attended 5 or more sessions; 74 people provided data on the CHOICE short form. This is a measure based on recovery. Of these 74 people; 54 people showed some improvement, 24 people improved by more than 20%, five people improved by more than 40% and one person made an improvement of more than 60%. A number of measures re used at the start, middle and end of therapy, such as a measure of symptoms (i.e. voice hearing and distressing beliefs) as well as a measure of wellbeing, indicators of cost effectiveness and meaningful activity. For those receiving CBT, it was also observed that this resulted in a reduction in the amount of contacts the person had with crisis/home treatment teams, although the number of mental health acute admissions appears similar. It was noted that there are difficulties in interpreting hospital bed days, given the small sample and that individual data can skew these comparisons; more complex inferential statistics will now be considered.

Support Services

Safeguarding Children - Youth Offending Team

Young people who have offended, or are likely to offend are known to have much higher health needs than those who have not offended. The role of the specialist safeguarding practitioner is to ensure that the holistic health and well-being needs of this vulnerable group of often "hard-to-reach and engage" young people are assessed, identified and addressed through the multi-agency team within Lancashire Youth Offending Team (LYOT) and in conjunction with other partner agencies.

Nationally, as well as locally, there is increasing recognition of the crucial role of health within a young person's life, and the impact good health and well-being has on the life course outcomes of vulnerable young people who are known to Youth Offending Team services.

Nationally and historically, health service provision within YOTS has been variable.

A national comprehensive health assessment tool (CHAT) has been developed and introduced in an attempt to standardise to ensure that health needs on all young people are identified and addressed.

Whilst the national tool allays some of these issues, it also creates many others.

It is a long, cumbersome document- it is not a young person friendly document and the format of the questions it poses can be prescriptive. Young people (who are naturally impatient and can be hard-to-engage) often become disengaged during its use because it takes so long to complete and does not allow for a natural therapeutic conversation – "it is done to them rather than with them". The document also takes an excessive amount of time for the health practitioner to transcribe to an online record after the clinical intervention resulting in reduced capacity in practice.

Having spoken to a couple of other YOTS, they had decided not to use it due to the same reasons.

The Specialist Safeguarding Practitioner, after a trial period of several months, decided to attempt to resolve the issues by arranging to meet with the national document's author.

The meeting was very positive and fruitful. The issues and difficulties were discussed and acknowledged, and more effective local solutions agreed.

One of our young people gave verbal feedback as follows:

> I thought I would be embarrassed [talking to a nurse] but I wasn't

Outcomes:

A local Lancashire Comprehensive Health Assessment Tool (Lancashire CHA) has been developed based on the key themes, subjects and relevant health issues highlighted within the national CHAT, but also combined with the Specialist Safeguarding Practitioners considerable experience as an expert Public Health nurse and the collated data and documented evidence of the health issues that affect this specific population of young people in Lancashire. It is a user-friendly, short document that can also be used as an aide-memoire during a therapeutic health conversation/ assessment with young people. It allows for exploration, using professional judgement, of the young person's individual health issues and diverse needs- the young person can lead the direction of the conversation and have a chance to voice their concerns in an effective way with an accessible, caring, skilled health professional.

This has led to a standardised tool that also allows the health practitioner to take account of the diverse

needs of each young person- this helps to ensure a more cost-effective, reliable and valid quality health-needs assessment.

Implementing a nicotine management policy

Smoking is the largest single cause of premature death in England – 18% of all deaths in adults aged over 35 are estimated to be caused by smoking. Among people hospitalised with a mental health condition, up to 70% are smokers, with around 50% being heavy, dependant smokers.2 People with a Serious Mental Illness (SMI) have on average a ten to fifteen year reduced life expectancy compared to the general population, with 70% of deaths in this group attributed to smoking.

The implementation of the NICE guidance has proved challenging and this was acknowledged in the CQC report following their visit in April. There are very few organisations providing inpatient mental health services that have successfully implemented this guidance which will positively impact on the health and wellbeing of people using the services. A key challenge for organisations is that whilst smoking is unacceptable in most of society, there is an assumption that this is not the case in mental health setting. Lancashire Care NHS Foundation Trust continues to advocate the benefits to both people who use services and those providing services in relation to implementing the NICE Guidance

Quotes from people who have stopped smoking:

What made you decide to stop smoking?

I felt that I was wasting money

I came to realise that smoking would eventually damage my health

Have you noticed any changes in your health since stopping smoking?

I have noticed a change in the taste of food

I enjoy taking part in sport and no longer feel breathless

What advice would you give to people who are thinking about quitting smoking?

Focus on the positives, feeling healthier, having more money. Don't just think about yourself, think about others around you

Outcomes:

- On-going commitment to the implementation of the NICE Guidance
- Development of leaflets and animation to support implementation
- Continued involvement in national nicotine management agenda, learning from others successes and sharing the learning and experiences of Lancashire Care NHS Foundation Trust

Patient Experience

This section of the document aims to demonstrate the experience of patients, service users and carers 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 Mental Health Surveys 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.
- Inpatient Mental Health Service Survey Results. Percentage of patients who rate the overall care they received during their stay in hospital as excellent, very good.
- 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 and Quality Plan with “people at the heart of everything we do”

Quality Priority 2 - All teams will seek the views of service users and carers to inform quality improvements	
Target	**Progress**
• Taking the learning from the local implementation in line with Lancashire Care NHS Foundation Trust’s project plan, implement the NHS Friends and Family Test across the organisation in line with national guidance. • All teams will use information feedback from people who use their services to inform quality improvements and will share feedback in the form of ‘you said we did’ messages. • Lancashire Care NHS Foundation Trust will identify ‘always events’ to be implemented in line with the ’always events plan’ across the organisation.	  Monthly submissions of the FFT data to the national database in line with reporting requirements and timeframes. Deployment of database with reporting functionality which enables FFT feedback to be reported at team, service line, network and organisational levels Examples of “you said…we did” feedback are reported through to Quality and Safety Sub Committee each month and to commissioning colleagues quarterly Work has progressed with the Learning Disability Service as part of the 0ngoing participation in the

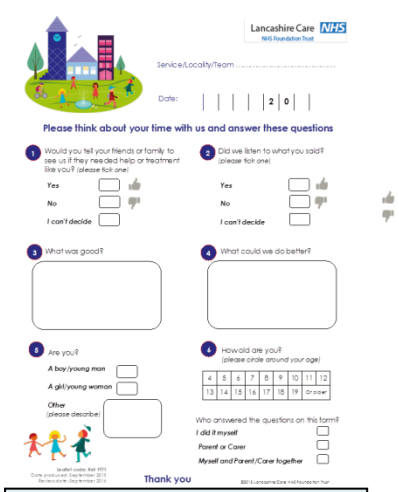
	national Always Event Pilot with NHS England, the Institute for Healthcare Improvement and Picker Europe Rollout to 2 additional learning disability teams has begun and plans are in place to roll out to other clinical areas during 2016/17.

Friends and Family Test (FFT)

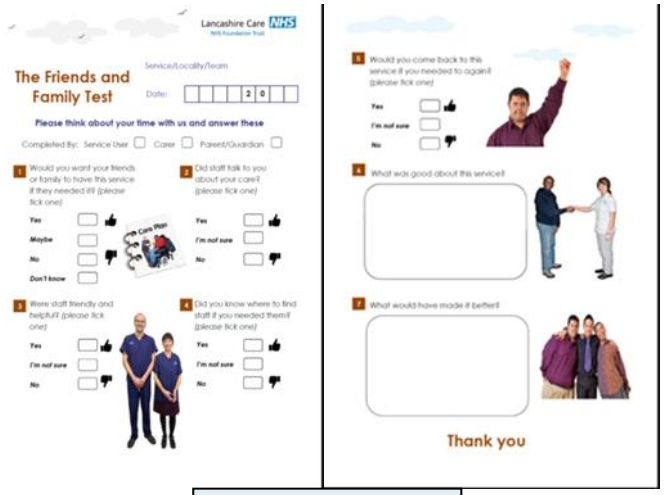
Lancashire Care NHS Foundation Trust has been collecting FFT feedback in line with the national guidelines since January 2015, with services asking the question either at the point of discharge, at a point in the care pathway or quarterly. Alternatively a person can choose to give feedback at any time through Lancashire Care NHS Foundation Trust's website

https://www.lancashirecare.nhs.uk/How-We-Are-Doing In addition to the FFT question people are asked four questions in relation to involvement in care planning, courtesy and respect, access to staff, and confidence in future treatment by the team. Two free text questions are also asked giving people the opportunity to feedback on the best aspect of care and ideas for improvement. The feedback received is welcomed as an opportunity to celebrate success and inform team quality improvement plans.

In response to the NHS England requirement to ensure that the FFT is easily accessible Lancashire Care NHS Foundation Trust has co-produced easy read versions of the FFT in partnership with those using the service. Examples include the Children and Families version for young people and the Learning Disability version. This work was recognised by NHS England with The Children and Families form was runner up in the NHS England Award in the 'Best FFT Accessibility Initiative category' in March 2016.

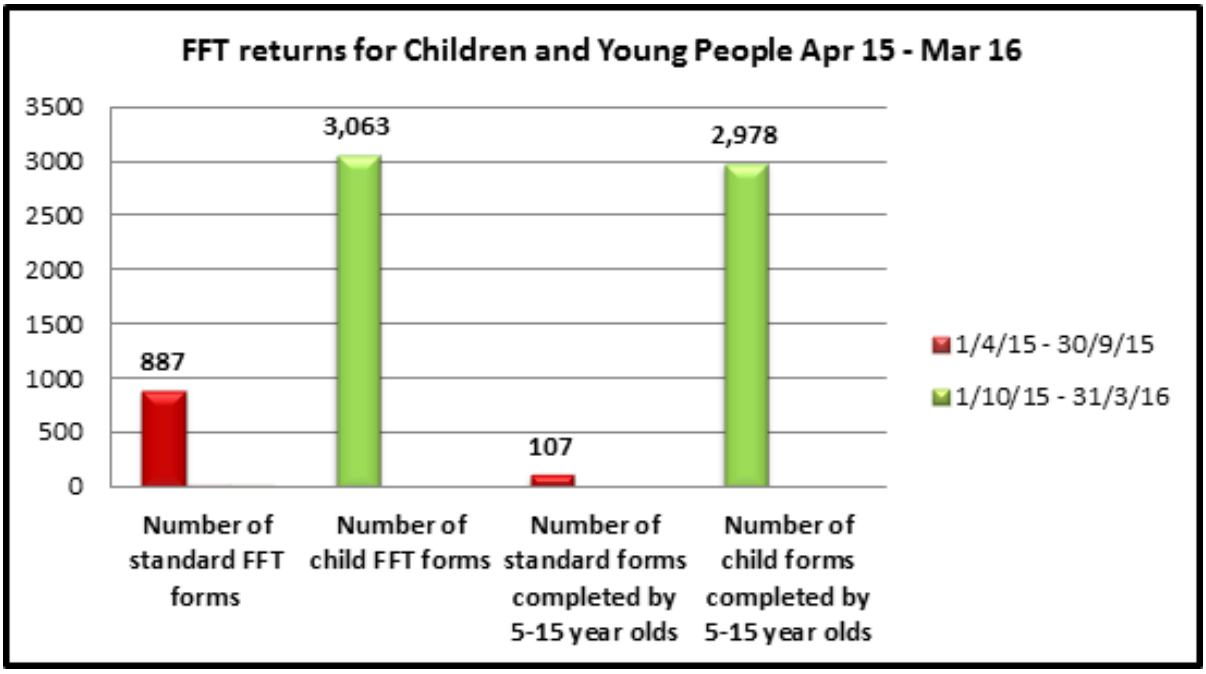


Children and Families FFT



Learning Disability FFT

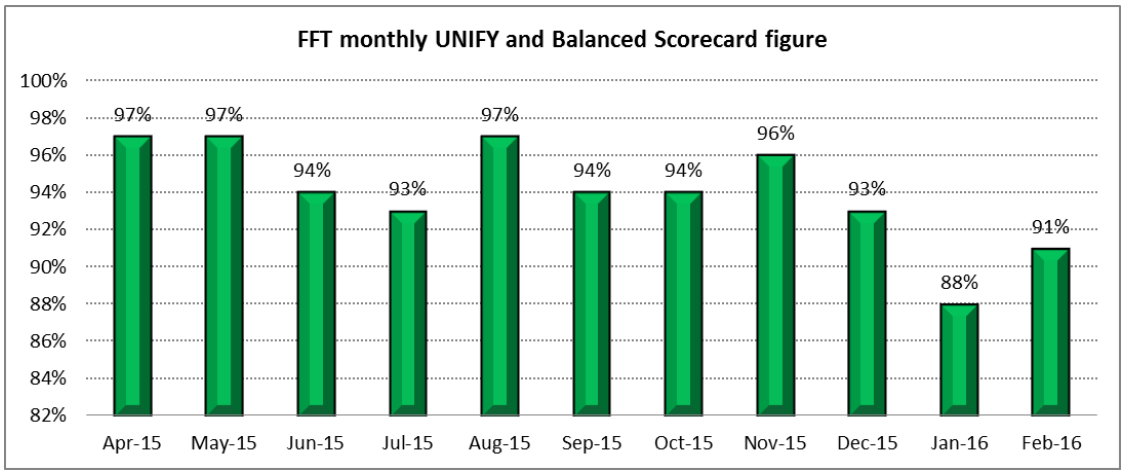
The success of the children and young people's form is evident in the increase in responses following its introduction in October 2015. Prior to the launch of the new child friendly FFT (in the 6 months from 1st April 2015 to 30th Sept 2015 there were **887** standard adult FFT forms were received and **107** (12%) of which were completed by 5-15 year olds. Between the 1st October 2015 and 31st March 2016 there have been **3,063** child FFT forms uploaded onto the system 2,794 (91.2%)of these have been completed by children aged 5-15 years:



Data Source: Optimum Reporting System, as of 14/4/15

All feedback is collated in a single software package which enables team to Board level reporting. The FFT question is included in the monthly Balance Score Card report. The Unify national reporting timetable requires lock down of the data at a given point in the month, and this position is reflected on the Balance Score Card. However, as all feedback is valued returns received after this date are subsequently inputted to enable teams to utilise the information to inform quality improvements. The Friends and Family test returns are uploaded to the national reporting system in line with requirements, reported to the Board and Commissioners, and are displayed on Lancashire Care NHS Foundation Trust's website https://www.lancashirecare.nhs.uk/How-We-Are-Doing

The monthly FFT figure of those extremely likely / likely to recommend services is:



Following introduction of the children and young people's FFT feedback form there was an increase in the number of "Don't know" responses which has impacted on the FFT %

You said.....

.....We did Feedback examples

Team/area	Feedback	Improvement Action
Central Community Restart	The staff are very friendly, helpful and courteous at all times. Restart has helped with my confidence. Very helpful in finding courses. That I was listened to and my ideas/views were followed through.	Continue to provide a good service and build on our resources to help build service user opportunities in the community.
East Lancs Community Rehab Team	CRT have given me support whilst I have been unwell The Staff are very helpful and sound	CRT to carry on helping individuals along their journey of recovery.
Willow Lane Mental Health SRS	Furniture out of date in communal areas and TV too small.	Property services contacted to see if suitable furniture is available.
Preston Supported Tenancy Scheme	More 1:1 time requested Request for tenant led groups (ie baking and crafts)	Weekly planners introduced to provide opportunity for tenants and staff to meet weekly, plan activities and any 1:1 support required Staff helping to facilitate these by offering support, plan and action
Mindsmatter - Lancaster	Would it be possible to have a reminder service – text messages?	This has been implemented in Lancaster and across all Mindsmatter teams
Deepdale and Brookfield INT	'Professional, friendly, on time at all times. Cannot fault existing teams or services'	Teams pride themselves on how they communicate and present themselves, so this feedback has been fully shared with the team.
Phlebotomy Central	Staff, are friendly and calm and get things done efficiently!!!! Thankyou	"We will continue to be efficient and provide a high standard of care to our service users"
Stroke and Neuro (SLT)	Personalised service, very efficient.	Teams strive to be the best they can be and this feedback is shared with team members to recognise and further promote best practice.
Rapid Intervention and Treatment Team Central	Would have been helpful if I had been given a leaflet with appropriate information and contact numbers	Raised at team best practice group and leaflet now in development

Always Events – participating in the national pilot

Lancashire Care NHS Foundation Trust are proud to be part of the national Always Event (AE) pilot which was funded as part of the Compassion in Practice Strategy by NHS England working in partnership with Picker (Europe) and the Institute for Healthcare Improvement (IHI) - Always Events® is registered trademark and 'owned' by IHI.

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-centered 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

The opportunity to be part of the national pilot was timely as Lancashire Care NHS Foundation Trust had committed to developing AEs as part of Our Vision and Quality Plan. The pilot enabled us to access the support and guidance from experts and raise the profile of experience.

An Adult Learning Disability Team volunteered to participate and together the Always Event was co-designed with people who use services and their carers, to understand what matters to them and identified our Always Events:

- I will always support you in moving on in care (transitions in care)

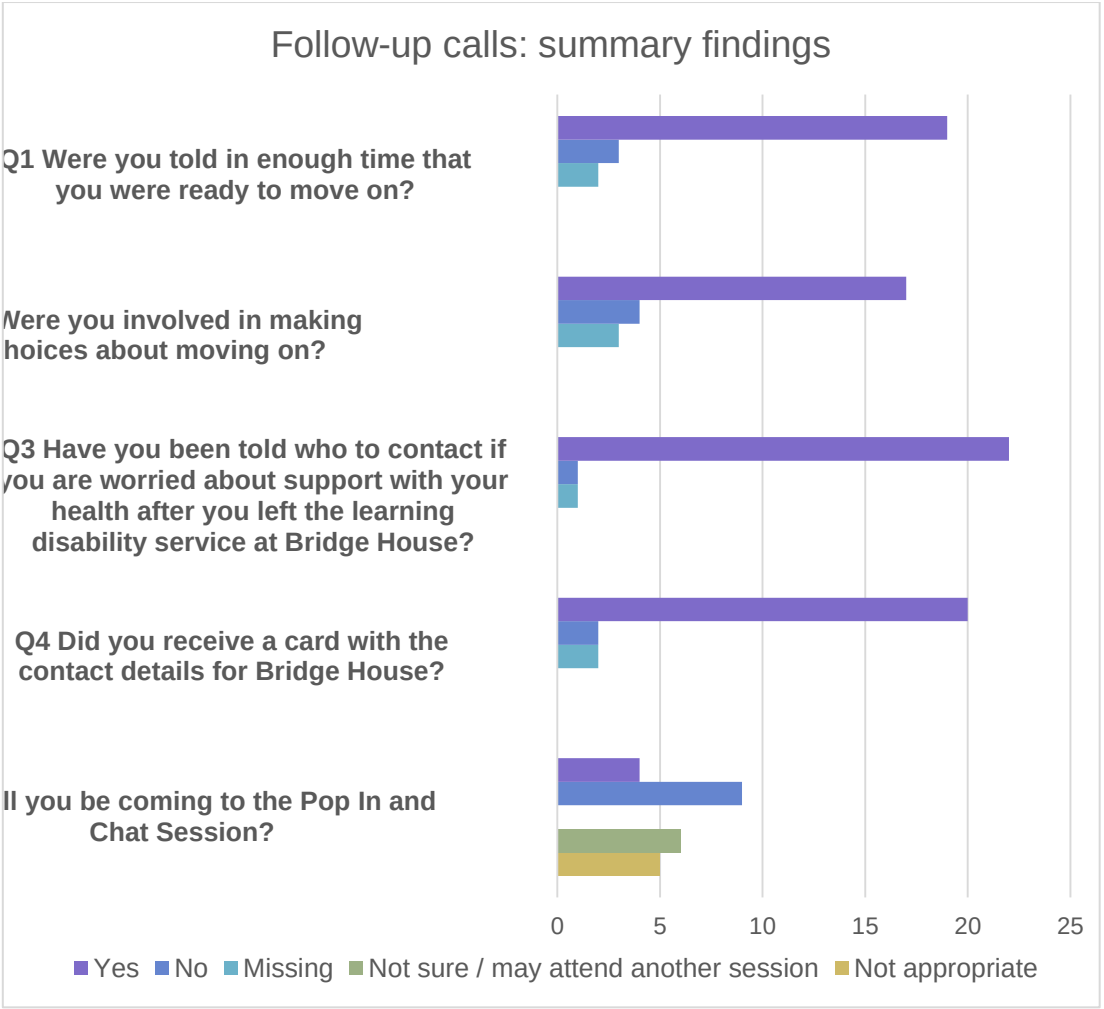
Ideas were generated which would enable the Always Events, including:

- The development of a contact card on discharge from the service
- Notification of proposed staff changes / transfers by letter, with photographs of new staff
- A monthly "pop-in and chat" support session

These ideas have been developed and in summer 2015 testing commenced using Plan, Do, Study, Act improvement methodology.

Co-design has been fundamental to the development of our Always Events with people who use our services and their carers involved throughout, developing an Always Event in their own words, co-designing the evaluation questions and presenting to senior leads within the organisation and colleagues from NHS England, Picker Europe and the IHI.

Between July 2015 and early Jan 2016 26 people were discharged following the new procedure (new letter, contact card, pop in and chat invitation). A follow up contact call was made 2 weeks later by either a healthcare support worker or the Speech and Language Assistant (some people opted out) and cases were discussed at the team weekly discharge meeting. Picker Europe supported the evaluation:



Data Source: Picker Europe Preliminary Findings Report, February 2016

Impact for people receiving services:

Were you told in enough time that you were ready to move on?		
"Yes, xxxx sat with me and talked through all the work we had done"	"I was told in plenty of time and I understood what it meant"	
Were you involved in making choices about moving on?		
"Yes, xxx gave us choices and explained everything to us"	"Lots of visuals and help given to explain what was happening"	"That was up to the doctors"
Have you been told who to contact if you are worried?		
"Given all details in spoken, written and pictorial"	"Yes, I know how to get hold of the nurses at Bridge House"	
Did you receive a contact card?		
"Yes I did! Still got it on my wall"	"I have it in my sitting room"	

Six staff members of the team were interviewed by Picker Europe about the impact for them:

One staff member's feedback on the pop in and chat session:		
"I've only been to one of the Pop In and Chat Sessions … the service users loved it … It's sort of being used as a tool with service users to try and implement things for the better … which the service users absolutely love, you know. They love how it's being run … they love it because the service users feel appreciated by being involved in making things better for other service users."		
Staff feedback on discharge		
"It feels better, it feels positive for us and positive for the service users as well and like I say, it's not just…'that's it now, that's us, that's the relationship with the team finished', it sort of feels like it's a nice transition and you'd sort of withdraw the support a bit more gradually"		
Impact for staff		
"… it's just become sort of a more familiar part of how we work now, and we sort of just, it's just done alongside everything else that we do as part of that package."	"In terms of additional work, none really, just a case of having conversation, you know, before discharge to make sure that people are aware of the opportunities that they can take part in, so not really anything like that."	
Team working		
"…..it's got some value because of people who believe that the voices of individuals with a learning disability need to be heard"	"… it's been a team approach….how we're all going to work together to get the best outcome"	Staff report that they have felt supported by their line manager and colleagues to deliver the Always Event Activities
Staff perception of the impact for people who use services experiences		
Positive experience: "it's reassuring for the person to know that, you know they'll get a phone call in a couple of weeks and they get the letters with the photograph on, it's more personal, not just a letter that looks like any other letter, you know it's something that they can relate to and hopefully recognise the photograph and know who it's about."		

Summary of findings:

- The process evaluation shows that Lancashire Care NHS Foundation Trust are proactive in making changes to how their Always Event activities are implemented in order to ensure its success and sustainability. As commented by a member of staff *"any processes like this, and other ones that kind of involve with it, is that it has to be constantly reviewed, it can't stand still."*
- Some of the key reasons for the successful implementation of the Always Event activities are:
  - it has not created a lot of additional work for staff and it is seen as part of their everyday work
  - a strong team approach to the work has been undertaken
  - staff can see its value in terms of improving both staff and people who use the services experiences of the discharge process.
- Follow-up calls: changes to the process of how the calls are conducted have ensured that these are now successfully carried out as planned. However, the wording of the questions is being reviewed in order to ensure that the information gathered from the calls is meaningful.

- Pop in and chat sessions: these have been successful in engaging people who use services with making improvements to the service and offer potential benefits to those attending. The key benefits of the pop in and chat sessions are:
    - providing people with ongoing support and a chance for them to keep in touch with the service and friends
    - giving people a voice to make suggestions on how the service can be improved

  However, the team are considering how the pop in and chat can be improved to ensure that the attendance at the group is improved and that it also provides support to those recently discharged from the service.

- Other 'unintended outcomes' from implementing the Always Event pilot:
    - Weekly intake meeting now includes a discussion of upcoming discharges
    - It has increased the amount of joint working between different members of staff within the team which has been beneficial

- The team are considering:
    - sharing and discussing the collated findings from the follow-up calls with staff at monthly team meetings
    - focusing on ensuring that people who use the service and/or their family/carers are involved in making choices about moving on in care.
    - Gaining a better understanding of why some people do not want to attend the pop in and chat session to see if there is anything that could be changed to improve the uptake.

With the continued support from NHS England, IHI and Picker the next steps for Lancashire Care NHS Foundation Trust are to continue to collect data and feedback stories from people who use the service and staff as we further evaluate our Always Event. A roll out plan is in place to spread the Always Event to other Learning Disability teams and conversations are underway about developing always events in other areas within the organisation.

Being involved in the national pilot and the co-design of Always Events with people who use our services has been very rewarding. It has presented the opportunity to work with experts from NHS England, IHI and Picker Europe. The organisation is proud of the recognition of our work by the IHI and Picker http://www.ihi.org/Engage/Initiatives/PatientFamilyCenteredCare/Pages/AlwaysEvents.aspx http://www.pickereurope.org/news/always-events-at-lancashire-care/ Lancashire Care NHS Foundation Trust were delighted to be invited to share our experiences at the Chief Nursing Officer Summit in December 2015, and have were finalists in the Patient Experience Network National Awards 2016.

Lancashire Care NHS Foundation Trust is committed to the rollout of the Always Events in line with Our Vision and Quality Plan.

Hearing feedback

Lancashire Care NHS Foundation Trust welcomes and actively encourages feedback from people who use our services and carers and shares this information with the clinical teams to support quality improvement.

As part of the refresh of Our Vision and Quality Plan for 2015-19 one of the objectives is ensuring people are at the heart of everything we do; understanding people's experiences of care is fundamental to this. Lancashire Care NHS Foundation Trust is looking at a range of ways to collect feedback. This work has resulted in the development of Hearing Feedback principles which will guide our future developments.

Hearing Feedback: Best Practice Principles

We will ensure that people who use our services are at the heart of everything we do and the people who deliver and support the 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.

1. We welcome all forms of feedback as an opportunity to better understand the experiences of people who use services, their families and carers' e.g. one to one feedback, Friends and Family Test, compliments, complaints.

2. We are open and listen to people's experiences as we always want to learn and improve the quality of care we provide.

3. All feedback received in the form of a complaint will be acknowledged and logged and will be investigated and reviewed appropriately and in a timely manner.

4. Whilst recognising our obligations in relation to complaints under the NHS Regulations and the requirements of CQC, we will try to ensure we meet the needs of the person talking to us, with a process that is fair and flexible

5. We will support all colleagues across the organisation to feel empowered and engaged in hearing feedback and supported appropriately to do so ensuring that learning from all forms of feedback happens and drives quality improvements.

6. We will ensure that data recorded about the feedback we receive is of high quality and is used to inform how we are doing and how we can improve from clinical team to Board.

7. We will seek to understand the individual needs of people who use services in a caring and compassionate way working together to ensure that the process is constructive and helpful.

8. We will ensure that sharing information is as simple and accessible as possible, utilising different methods of communication.

9. We will empower all staff to apologise when things go wrong and respect the expectation of people who use services, that we put things right.

10. We will regularly feedback to people who use our services about how their feedback has helped us to make changes to improve the quality of care provided.

Mixed-sex Accommodation Breaches

During the Care Quality Commission (CQC) inspection of the Lancashire Care NHS Foundation Trust in April 2015, it was identified that a ward breached the same sex accommodation standards. This ward provided a mix sex environment for dementia patients. Immediate action was taken to ensure the ward is compliant with sex accommodation standards and this has been validated by an internal quality assurance visit and an external quality assurance visit by our lead commissioner for mental health services.

Lancashire Care NHS Foundation Trust is compliant with the Government's requirement to eliminate mixed sex accommodation, except when it is in the patient'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-Dignity.php.

Adult Community

Always Events in Learning Disability Services

The Community Learning Disability Service aims to improve the health of people with a learning disability through the provision of specialist assessments and interventions alongside support to mainstream health services. The service works directly with people with a learning disability to promote good health and wellbeing, provides support and advice to carers, care providers and other professionals, to improve the way they help the people with learning disabilities that they care for.

Outcome:

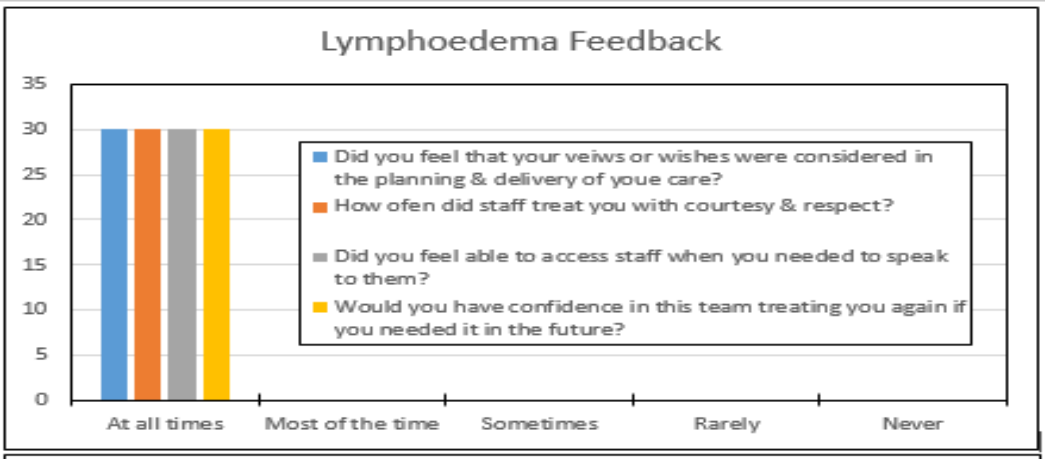
Please turn to page 53-56 to read about the fantastic pioneering co-design of Always Events in the Adult Learning Disability Service

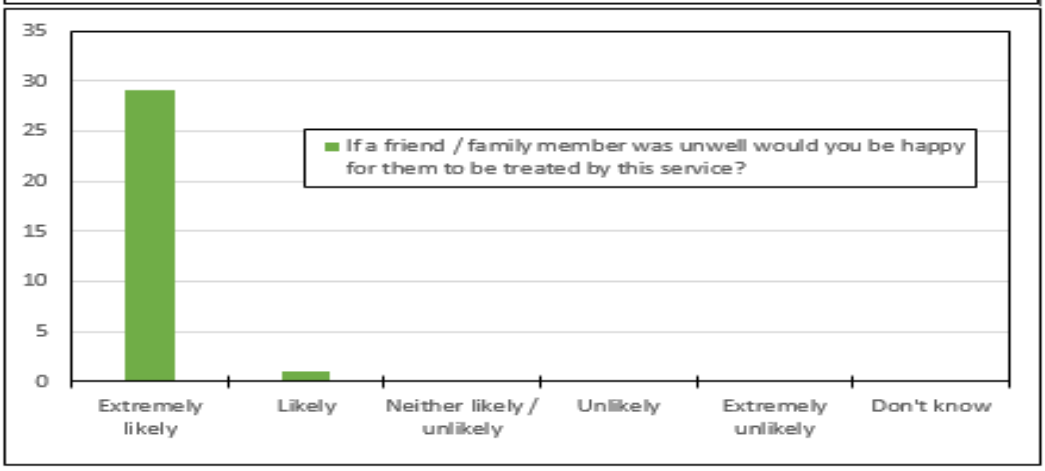
Lymphoedema Clinic

The Blackburn with Darwen commissioned Lymphoedema service provides high quality treatment to people with lymphoedema. Prior to this service most people with lymphoedema were referred to a private practice. The lymphoedema service assesses and treats people with cancer or non-cancer related lymphoedema. Clinics run four times weekly at Darwen Health Centre, domiciliary visits can be undertaken for housebound patients, along with visiting people in the Hospice if required. The service provides continuity of care throughout health care settings ensuring that people are supported throughout their journey. A telephone clinic offers support and assists the progression towards discharge.

The lymphoedema service was initially set up to provide lymphoedema management to all people from Blackburn with Darwen who suffer with lymphoedema. The service prides itself on providing a high quality experience for people; this was measured by using the friends and family questionnaire identifying areas of improvement, ensuring the service meets the needs of people, and feedback on staff regarding people's experience of care. This questionnaire is given to all people discharged from the service. From the period August 2015-December 2015 we received a total of 65 new patient referrals of these 30 patients returned their questionnaire. All the information returned is shared with the team at monthly meetings.

Comments from people:





Outcomes:

Out of the 30 questioners received back:

- 100% of people would be extremely likely or likely for a family member to be treated by the lymphoedema service
- 100% of patients felt their views and wishes were considered in the planning and delivery of their care.
- 100% felt they were treated with curtesy and respect at all times. Speak to them
- 100% felt they can access staff when needed.
- 100% had confidence in the team treating in the future.

Specialist Services

Criminal Justice Liaison and Diversion (CJLD) - Developing Service User Forums

in and out forum

The Criminal Justice Liaison and Diversion Team delivers services within the criminal justice arena, primarily working out of police custody suites, Magistrates Courts and Probation services. The team offers individual assessment, referral and where needed follow on support relating to a range of vulnerabilities, including mental health, learning disability, social and emotional issues. The service operates 7 days per week, and is an all age service for people aged 10 years and over.

The CJLDT were keen to engage service users to support the ongoing development of the Criminal Justice Liaison & Diversion service.

In and Out Forum poster

Because the nature of the operational model means that there is often only a 'one off' contact with service users, engagement and feedback has often proven to be a challenge. With support from the Service User and Carer Involvement Lead for Specialist Services, a forum was developed to engage people and to encourage feedback and involvement. The venue was at University of Central Lancashire where monthly meeting were held, and people were invited to attend following contact with the service; however, responses were limited. The invitation was extended to people who had previously been in-patients at Guild Lodge and had experience of the criminal justice system (having been previously arrested).

Outcomes:

The Service User Forum has proven to be successful in that the monthly meetings are regularly attended and are now co-facilitated by service users. The forum has provided members to participate in staff recruitment interviews, has helped develop a custody specific care plan for persons passing through police custody, and has so far (in collaboration with CJLT staff, police and NHS England) hosted two Service User led conferences.

The aim of the conferences is to highlight the development of service user involvement in the Criminal Justice Liaison and Diversion Service, the development of Criminal Justice Liaison and Diversion services nationally, and to demonstrate improvements to the experience in police custody.

Due to the success of the forum in Central Lancashire, the service has now established forums in Blackpool, East Lancashire and Lancaster, which have become an integral component of the Criminal Justice Liaison and Diversion service delivery.

Garden Project Guild Lodge

A question was asked by one carer at a Family and Friends Forum meeting "Can we have a picnic area in the grounds of Guild Lodge? The Service User and Carer Lead for the network proposed a design challenge to people using the service at Guild Lodge asking them to design a child friendly facility, and a less stressful environment for family and friends to visit in the summer months.

The Grand Opening

People embraced the design challenge and said "You say we do". The project was designed and manged by people who use services with support from Tarnbrook Resource Centre in terms of garden furniture production and Grow Your Own, providing horticulture and gardening expertise with project volunteers. The service user design team SEED (Supportive Environment Encouraging Development) and Property Services worked in partnership with service users to provide commissioning technical advice and support on the preparation of the sub-base for the picnic area and materials to be used to meet design guidance, health and safety, security and fire regulations, including site survey. This was a whole new experience for people using services to learn new skills and work along other professionals as equal partners.

One service user was identified as the lead designer and his ideas were very creative and innovative. He started talking to people using the services, carers and his own family to collate people's experiences while visiting and residing at Guild Lodge Medium Secure Hospital. He then invited people who use services to the design sessions and other stakeholders to sign off the final design. The design team stated they wanted the area to be accessible to those with poor mobility, such as wheel chair users. The final design was presented to the network governance meeting where it was supported and the Network Director commended the people involved for their creativeness.

Family and Friends Forum receiving the cheque

During the winter months the Specialist Services Administration Team ran a bake off, raising a whopping £281 to support the garden project. The cheque was presented at Specialist Services National Carers event last June.

The Family and Friends officially opened the picnic area with by cutting the red ribbon with people who use services and the project partners. The main comment on the day was "Hope we get the weather now!"

Six months on, the picnic area still looks as beautiful as ever.

Outcomes:

A garden has been designed and built in the grounds of Guild Lodge following feedback from people who use the services and their families, by the people who use services and their families, supported by staff.

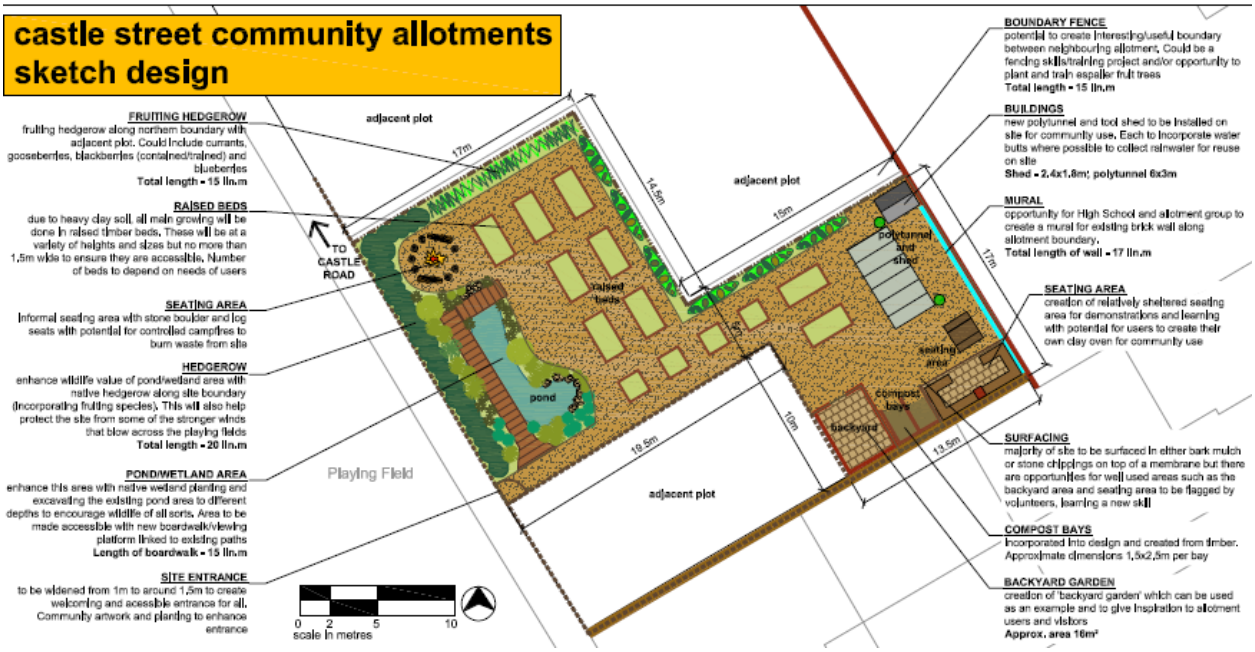
The garden is now available for families to use when visiting Guild Lodge

Adult Mental Health

Early Community Restart – Open Gate Project – Colne

East Lancashire Community Restart has been operational since February 2010 delivering a range of social inclusion interventions across east Lancashire. Community Restart was conceived in response to national governmental guidance that services should assist service users in overcoming the social exclusion that often affects people with mental health problems. The service has social inclusion at its core and supports people with mental health conditions to access the communities they reside within. The service consists of three social inclusion teams, a Housing team, an Employment team, a Service User Development team and a Rural Development Officer.

Our vision was to develop an area where the community of Colne and Pendle, can get involved in the growing of various fruit and vegetables, as well as spend time in an environment which offers people the chance to learn and express gardening skills, and enjoy the feeling of community spirit. As well as the people of Pendle benefitting from this exciting project in a social aspect, it is hoped that the Open Door Centre itself can benefit from the produce grown, and utilise that produce in their community café, which already provides for many poor and marginalised people in Colne and also Pendle. It has also been suggested that produce could be allocated to families or individuals in "food parcels", as Colne Open Door also has an established food bank.



Community areas of Colne and Pendle

Outcomes:

- The project to date has shaped new community relationships in Colne in the following way: Pennine Community farms have agreed to offer free training to all interested volunteers involved in the project, and also give volunteers the opportunity to gain AQA (an awarding body) qualifications at the end of their training, this training is to be offered in the winter months before the project opens to maintain enthusiasm of interested volunteers and also enable them to gain basic skills before attending the project, should they wish to.
- The Good Life Project at Hodge House, have accessed the plot to strip the site back using their Ground force Team of volunteers.
- Lan Lee Timber Supplies have provided the project with a £1,000 donation towards materials.
- Text Styles printers have donated a sign for the project site.
- North Valley Forge have donated all personal protective equipment for volunteers and any steel structures for the garden areas.
- Lancashire County Council have funded architectural designs for the project. •Colne Town Council have provide the plot for the project and funded skips for waste removal from the site
- Accrington and Rossendale College will provide a City & Gills Standard Qualification Level 1 & 2 in Horticulture at the Open gate Site
- Abreya Productions are completing a timeline documentary of the project from start to finish.

PAR Excellence - Shared Decision Making in Mental Health Using Participatory Action Research

PARE Excellence Team

PAR Excellence (PARE) is a self-named team of current and former mental health service users. They are conducting a participatory action research project into shared decision making within the Adult Mental Health Network, in partnership with the University of Central Lancashire. Participatory action research is research that is not “on” people, but “with them”, where researchers and participants work together to examine a situation and change it for the better. It is a research approach that seeks to empower people, and achieve change through action.

The topic of shared decision making was agreed by PARE members following discussions about their experiences through each phase of using mental health services. They sorted key statements and thoughts from these discussions into themes, which they then judged against criteria that they had created. From a final shortlist of three topics, shared decision making was chosen democratically by the PARE team. The team then participated in a literature review, and using the key themes from this and policy documents agreed to focus on the information that is required for service users to participate in shared decision making. In particular, the team have decided to explore the use of recordings of mental health service users’ experiences as a way to provide information to other service users, and explore whether this supports their participation in shared decision making. One literature review finding was that a deliberative approach to shared decision making is necessary in the mental health field which has unique challenges in achieving shared decision making, and that the development of shared decision making resources that meet mental health service users’ needs is required.

Outcomes:

The PARE team have produced a through literature review of shared decision making in mental health, research protocol and ethics application in order to proceed to the next stage of their project. They also spoke at the Network for Psychiatric Nursing Research International Conference in September about the participatory action research process and what it means to them to become researchers. Their presentation was called Messing about on the way to Hope Street: mental health service users’ experiences of becoming researchers.

Children and Families

Family Nurse Partnership Team – Blackburn with Darwen

The Family Nurse Partnership (FNP) is an evidence-based, structured, intensive home visiting preventive programme for first time young mothers. The programme works with the strengths of the clients and encourages them to fulfil their aspirations for their baby and themselves. The programme uses in-depth methods to work with young parents on attachment, relationships and psychological preparation for parenthood, helping them to overcome adverse life experiences. It is a preventive programme, with a psycho-educational approach, focussing on adaptive change in the following domains: Personal health,

Staff demonstration a PIPE Session

environmental health, life course development, maternal role and friends and family. It is delivered by Family Nurses.

Partners in Parenting Education (PIPE) is a parenting education model that is delivered by Family Nurses to clients as part of the Family Nurse Partnership Programme. PIPE fits well within the maternal role domain of the FNP programme and leads to improved outcomes particularly child development, safeguarding and accident prevention.

Many FNP clients have not experienced positive and responsive parenting. PIPE is used to develop the understanding of the importance of this for their child's development. By developing PIPE the family nurse can role model and facilitate clients to becoming responsive, sensitive and competent parents (FNP 2015)

Many young clients are visual learners and lack confidence in their own literacy and communication skills. PIPE is visual and builds on clients existing strengths, increasing confidence and emotional availability.

PIPE teaches eight main concepts. This establishes emotional connectedness, a response to biological signals and ensures a secure attachment. The core concepts are: Shared Positive Emotions, Regulation, Autonomy, Communication skills, Emotional Refuelling, Trust, Interdependence

Teaching young parents about emotions can improve lives and will ultimately lead to a better society (How to read your baby 2002). This project fulfils this and is changing lives and improving outcomes.

Outcomes

In 1989 a curriculum development grant awarded by Colorado Community colleges and occupational education systems allowed the creation of PIPE. It has been adapted to meet the needs of various parent populations. This expanded focus was the result of collaboration between a multidisciplinary group of researchers affiliated with the program for early development studies of Colorado Health Sciences Centre and parenting educators working with parents in a variety of intervention programs (PIPE, 2002).

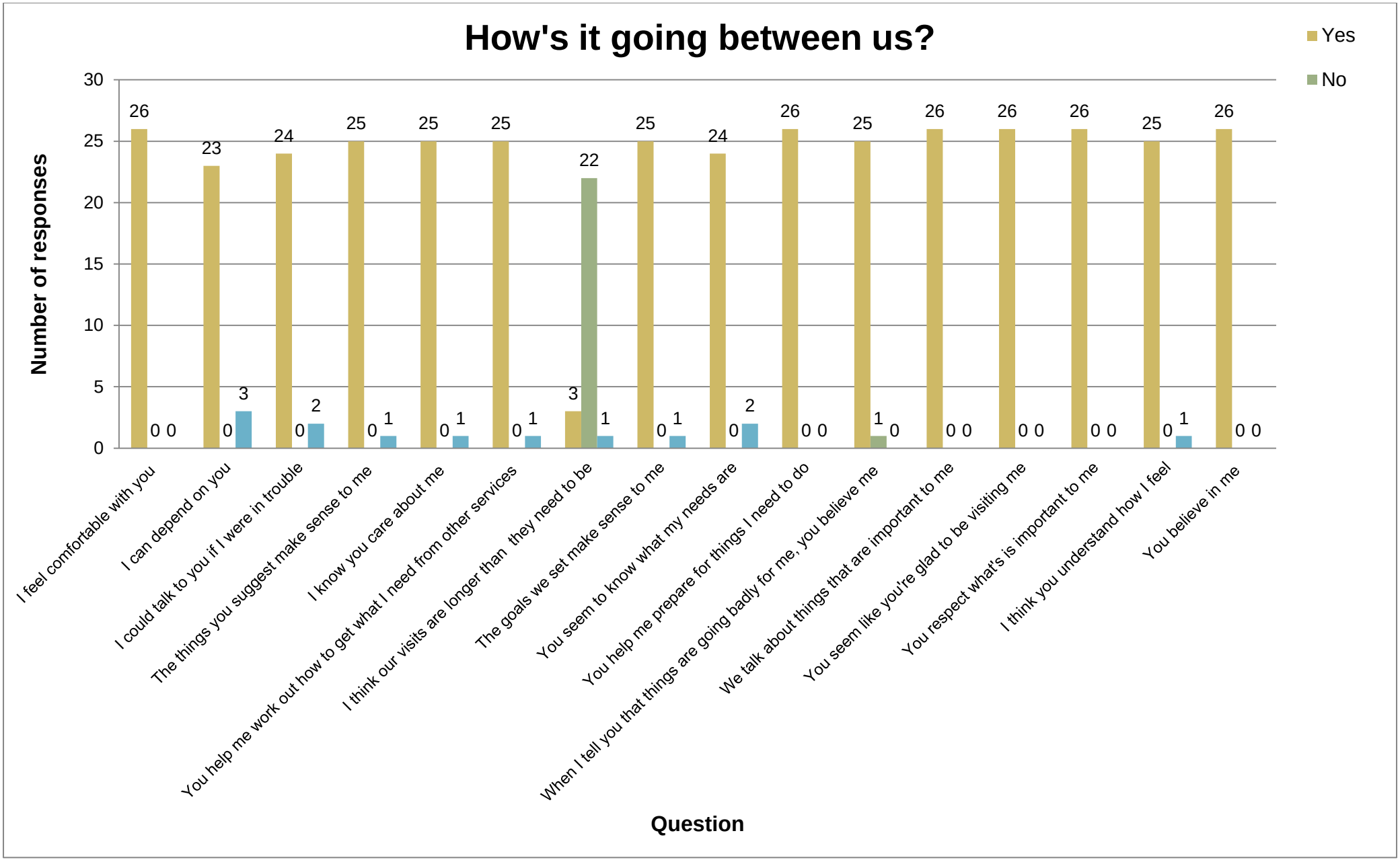
It presents concepts through a variety of topics. The main outcome of PIPE is to draw on the strength of each parent to help them become more emotionally available, leading them to a new and internalized model of behaviour. The 3 units of the curriculum can be summarized as follows:

Listen, Listen, Listen focuses on emotional communication, regulation skills and respecting baby as an individual.

Love is layers of sharing focuses on attachment and relationship building.

Playing is learning focuses on play as a way children learn and the importance of emotional stability for learning. "Nurture the parent and the child will grow" (Karen Silverman).

This ties in well with positive patient experience as we are working closely with both parents and baby enhancing relationships whilst being compassionate and respectful.


How's it going between us?
Yes
No
Number of responses
30
25
20
15
10
5
0
26
0 0
23
0
3
24
0
2
25
0
1
25
0
1
25
0
1
3
22
1
25
0
1
24
0
2
26
0 0
25
1
0
26
0 0
26
0 0
26
0 0
25
0
1
26
0 0
I feel comfortable with you
I can depend on you
I could talk to you if I were in trouble
The things you suggest make sense to me
I know you care about me
You help me work out how to get what I need from other services
I think our visits are longer than they need to be
The goals we set make sense to me
You seem to know what my needs are
You help me prepare for things I need to do
When I tell you that things are going badly for me, you believe me
We talk about things that are important to me
You seem like you're glad to be visiting me
You respect what's is important to me
I think you understand how I feel
You believe in me
Question

CAMHS Tier 4 The Junction and The Platform Family Support Group

Child and Adolescent Mental Health Service (CAMHS) Inpatient units, offering assessment for young people between the ages of 13-18. The Junction is a ten bedded unit in Lancaster, taking predominately planned admissions of 13-16 year olds through the community CAMHS teams. The Platform has six beds and takes emergency admissions for young people aged 16/17. Generally admissions are from Lancashire, South Cumbria, Blackpool and Blackburn with Darwen.

The Family Support Group (FSG) was established in 2011 and has recently evolved in collaboration with The Crew (Tier 4 participation group) and members of the multidisciplinary team, with clear terms of reference clarifying the role and function of the group.

The programme is supported by experienced staff who facilitate the sessions in partnership with the members of the group and where siblings attend, they are supported in a flexible and sensitive manner in order to support the individual needs and developmental requirements of all the family members who attend.

The FSG provides a forum for families to support each other during very challenging times whilst their child is an inpatient and this can often be the first time that they have been 'away from home' for any significant period of time.

Views of families about the Family Support Group:

Outcomes:

Since the beginning of 2013 until the end of 2015 (3 years) The Family Support Group has now provided nearly 60 hours of facilitated group time and has been able to support 23 different families, with some attending for extended periods of time.

The group has also invited 28 guest speakers who have presented information to the attendees on a wide variety of service delivery and intervention based topics.

The sessions have provided a safe, confidential place for families to share feelings, thoughts and experiences and where this information has been significant to the safety or welfare of a young person, this has then been discussed individually with the family member outside of the group to ensure that the issues have been managed appropriately.

These sessions have been emotionally intense at times, with the group being supported throughout by the skilled, professional CAMHS Tier 4 team to ensure that the outcomes have been positive for the families involved.

Each session is evaluated immediately after the session by the facilitators and in addition to the formal evaluation, this time is used to provide more general, informal peer support, especially when the session has been challenging. Any actions identified during the session are followed up as areas of learning.

Support Services

Specialist Nurse for Care Leavers - Working together to improve the health and well-being of care leavers within Blackburn with Darwen Local Authority.

A health questionnaire was developed and completed by a number of care leavers. The results provided the foundations and opportunity to promote and inform on a wide range of health related services that care leavers have identified as an area of potential need/development. The majority of the health services are indeed already established, however making them more accessible, whether this will be making information easily understood or tailoring a particular service for an individual with an identified need has formed an action plan developed by the specialist nurse. The action plan details aims, objectives and timescales with the hope of repeating the health questionnaire at the end of summer 2016. The overall aim is being able to improve the health outcomes for the care leavers.

The leaving care team recognise that care leavers are particularly vulnerable. The project intends to enable and empower care leavers to take responsibility for their own health and well-being. The project undertaken by the specialist nurse aims to 'bridge the gap' between the care leaver and the health service required – whether this be having an understanding in how to register with a universal service such as the local dentist or working directly with the care leaver to improve their knowledge and understanding of their own health needs. Government legislation states 'Children often enter the care system with a poorer level of physical and mental health than their peers, and their longer-term outcomes remain worse. Two thirds of looked after children have at least one physical health complaint, and nearly half have a mental health disorder. Care leavers frequently tell us that they encounter a lack of support in accessing appropriate services. They often feel that the professionals working close to them do not have an understanding of their needs, particularly in respect of mental health'. The specialist nurse for care leavers is committed to providing the care leaver with tailored support to access and engage with appropriate health services which will contribute towards and improve the health outcomes for this vulnerable group of young people.

Care Leavers Said….

'unaware of the long term affects of smoking/alcohol use - would like help to give up'

'struggle to access the services so that's why i don't engage'

'been the victim of domestic violence/bullying within the last 12 months'

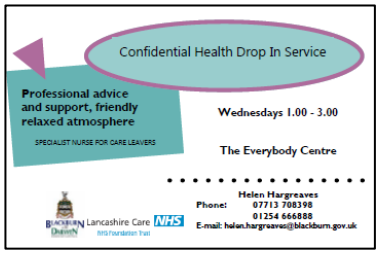
'lifestyle choices are poor'

'has self harmed in the last 12 months'

'feel lonely'

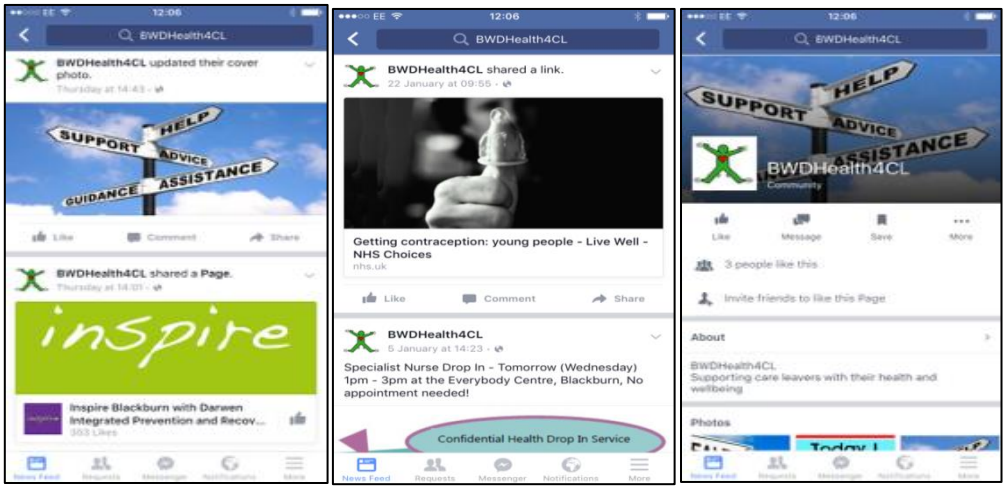
'Don't know how to access universal services'

'Diagnosed with a long term health condition and lack awareness/understanding'



Providing a specialist nurse drop in clinic on a weekly basis

Sharing of information from local services, nationwide campaigns via the newly created Facebook Page for Care Leavers



Outcomes:

The care leavers who completed the health questionnaire have provided information that indicates care leavers have a limited understanding of what constitutes a 'healthy lifestyle', 'emotional health and wellbeing', 'physical health' and 'long term illness' – in order the improve their understanding, work needs to be done to educate, inform and support the care leavers. The action plan demonstrates how the specialist nurse intends to work with the care leaver to address the need highlighted.

Customer Care Team - Streamlining Consent

The Customer Care Team is the lead Team for co-ordinating and ensuring that all complaints are processed within the Regulations. They provide a point of contact for people who use services and those close to them to hear feedback in whatever format meets their needs best. Additionally, we manage the Customer Care Module in Datix, deliver high quality training and support to Investigation Leads and the Network based Operational Teams.

The Customer Care Team Thinking Space

As part of the Quality Improvement Framework the team are looking at how consent is obtained, to ascertain whether we have all the correct permissions or consent to share information in order to respond appropriately to the complaint, using quality improvement methodologies. Currently this is by post which can be time consuming and can also delay some actions such as contacting other organisations, or discussing issues with other key people. The Team are also conscious that obtaining consent in writing might not be the best way for everyone. Therefore we are working through a process of ensuring we provide timely, simple, accessible ways of gathering consent. We undertook a thinking space activity within the Team to gather ideas and issues we need to consider. There is now a piece of work being undertaken to explore the views of people who have experienced the previous system and may be able to offer further insight. Using the PDSA model the team are making small changes and reviewing progress. Alongside this we are also ensuring we have robust tools to support the development, such as prompt tools which are being designed by the people who will use them.

Feedback from people who have complained:

The advantages of having a conversation with someone – it's not just paperwork through the post, can tell that person is empathetic on the phone

Having a conversation with someone would give clarity

Conversations – helpful, phone call is good but also more personal would be meeting with someone

Warm and approachable, someone who is good with people who is available to approach/talk

Letters are cold, clinical, no personal service/contact

The more personal it is, the more personal it is to the complainant especially when people are anxious

Outcomes:

We expect to be able to reduce the time taken to acknowledge correspondence and gain consent where required. We expect to be able to improve the process in terms of quality because we can provide a human contact which ensures we can offer a person centred approach. This process will ensure the complaint can be logged as quickly as possible and reach the networks more quickly. This may allow for a far more timely response. The new process will also enable us to ask relevant questions which will help with the complaint and information required for the file and the Investigation Lead. We expect this to raise satisfaction levels for people offering us feedback as measured with the feedback process survey.

Safety

This section of the document shows the measures Lancashire Care NHS Foundation Trust is taking to reduce harm to patients 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 - Compliance with harm free care national priority:

- **Reduction in the number of pressure ulcers developed in our care**
- **Reduction in the number of falls**
- **Reduction in the number of catheter acquired infections**
- **Reduction in the number of venous thromboembolisms**
- **To participate in a pilot of the mental health harm free care programme**

Target	Progress
• Monthly submissions of the Harm Free Care physical health safety thermometer for all applicable services to the Information Centre. • Implementation of Mental Health Harm Free Care Programme across inpatient mental health Services. • Implementation of the reducing restrictive practices programme in line with the Lancashire Care NHS Foundation Trust's plan.	 Monthly submissions from all applicable services have been made. The Mental Health Safety Thermometer has been successfully rolled out to all inpatient mental health services. All teams now submit the safety thermometer monthly and use this data to inform quality improvements The reducing restrictive practices improvement plan has been revised and updated. A range of related policies and procedures have been reviewed and updated to reflect the revised Mental Health Code of Practices and to promote and facilitate use of least restrictive approaches.

The table below demonstrates the number of patients surveyed as part of the physical health safety thermometer during 2015/16 across Lancashire Care NHS Foundation Trust and the percentage of patients who are measured as harm free.

Monthly Harm Free Care Data for 2015/16												
Month	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-16	Dec-15	Jan-16	Feb-16	Mar-16
Number of teams submitting	43	43	43	44	44	40	41	43	41	42	43	44
Number of patients surveyed	1178	1119	1172	1157	1092	1026	1174	1122	1068	1204	1114	1098
%Harm Free reported on BSC	92%	96%	94%	96%	95%	94%	95%	93%	96%	94%	95%	94%
Data Source: LCFT Master Safety Thermometer Dashboard Report												

The Harm Free Care[1] initiative focuses on thinking about complications for patients aiming as far as is possible for the absence of all four harms for each and every patient. 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. To support the quality improvement approach a sub group structure has been developed across the areas of Pressure ulcers (Skin Care Group), Falls, Catheter care and venous thromboembolisms. The subgroups continue to provide a spring board for engagement creating an opportunity for clinical experts, clinical leads and frontline clinicians from across the organisation to share current good practice and to build upon this, to discuss and resolve challenges and to bring together all sources of data relating to each of the harms to combine with the safety thermometer information to provide a rich picture of harms and to understand the progress towards harm free care.

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 6 months.

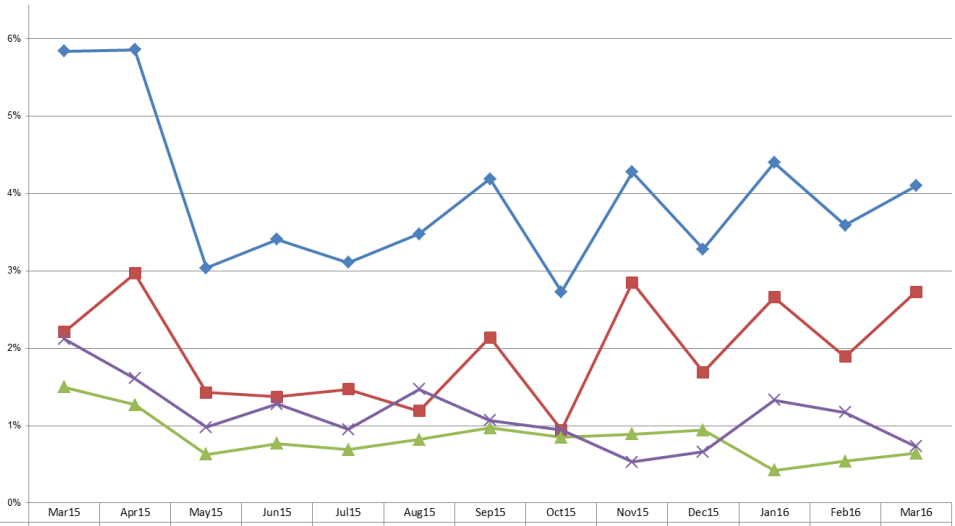
Between April–September 2013 baseline data for pressure ulcers was established and an improvement target has been agreed with commissioners. This relates to the median position of 5% and the maintenance of this position across five consecutive months in subsequent years. Lancashire Care Foundation Trust have achieved this for 11 consecutive months from May 2015 – March 2016.

The chart on below reflects the reduction in point prevalence of all pressure ulceration as monitored by the Safety Thermometer

[1] http://harmfreecare.org/

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



	Mar15	Apr15	May15	Jun15	Jul15	Aug15	Sep15	Oct15	Nov15	Dec15	Jan16	Feb16	Mar16
Pressure Ulcers - All	5.84	5.86	3.04	3.41	3.11	3.48	4.19	2.73	4.28	3.28	4.4	3.59	4.1
Category 2	2.21	2.97	1.43	1.37	1.47	1.19	2.14	0.94	2.85	1.69	2.66	1.89	2.73
Category 3	1.5	1.27	0.63	0.77	0.69	0.82	0.97	0.85	0.89	0.94	0.42	0.54	0.64
Category 4	2.12	1.61	0.98	1.28	0.95	1.47	1.07	0.94	0.53	0.66	1.33	1.17	0.73
Patients	1131	1178	1119	1172	1157	1092	1026	1174	1122	1068	1204	1114	1098

Lancashire Care NHS Foundation Trust continues to investigate all incidents where pressure ulcers are acquired by patients 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.

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 programme was initially implemented in the Psychiatric Intensive Care Units (PICUS) and data relating to the PICUs was reported to Board via the Balance Score Card April – September 2015. During 2015/16 the roll out plan has been successfully achieved across all inpatient mental health services including prison health care. Following the initial roll out to 14 Adult Mental Health wards the aspirational harm free target was adjusted from 70% to 90%. The aspirational target is '*Organisationally Lancashire Care will achieve 90% Harm Free Care for in patient mental health wards by March 2016". Across the subsequent 6 months this* target has not been achieved however, Lancashire Care NHS Foundation Trust are committed to providing Harm Free Care and as such has set a challenging aspirational target and quality improvement work will continue to ensure successful achievement. Individual wards are being supported to identify their local quality improvement aim to support this, using quality improvement methodologies as part of the Quality Improvement Framework (QIF) programme.

From October 2015 the Mental Health Harm Free Care data has been reported internally in line with the HSCIC reporting criteria, which excludes information collected about medication omissions. Teams are continuing to interrogate the data to identify any instances of omissions resulting in harm/potential harm to inform quality improvements. The new target was presented and discussed at the Harm Fee Care steering

group and approved at the Quality improvement and Safe Care group in October 2015 forming part of the Chairs report to the Quality and Safety Subcommittee in November 2015.

An example of how a ward is using the Mental Health Safety Thermometer to inform quality improvements can be found as an Adult Mental Health quality story on page 84.

The Mental Health Harm Free Care percentages for 2015/16 can be seen below:

Monthly Harm Free Care Data for 2015/16

Month	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-14	Dec-15	Jan-16	Feb-16	Mar-16
Number of teams submitting	4	5	14	14	14	14	18	19	23	24	24	38
Number of patients surveyed	26	33	196	354	354	330	246	252	310	311	332	476
% Harm Free as per HSCIC definition (without medicines ommissions)	54%	73%	83%	86%	87%	85%	80%	77%	78%	80%	80%	79%
Reported on Balance Score Card	42%	68%	63%	42%	58%	83%	80%	77%	78%	80%	80%	79%

PICU only data was reported through Balance Score Card April – August 2015. This enabled as first wave inpatient wards to collect data twice a month to enable rapid establishment of a new baseline). This explains the variance in figures

Figure includes omissions of medicines

Reporting on the Balance Score Card changed to HSCIC data definitions

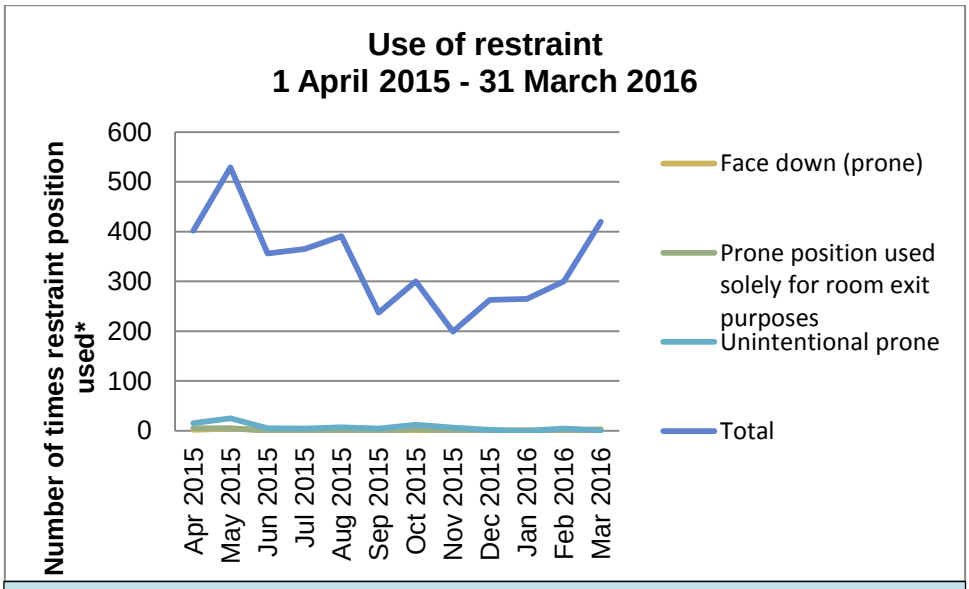
Data Source: LCFT submissions to HSCIC Mental Health Safety Thermometer https://www.safetythermometer.nhs.uk/index.php?option=com_content&view=article&id=4&Itemid=109 and LCFT Balance Score Card

Reducing Restrictive Practices

Lancashire Care NHS Foundation Trust has revised and updated its reducing restrictive practices improvement plan. A range of related policies and procedures have been reviewed and updated to reflect the revised Mental Health Code of Practices and to promote and facilitate use of least restrictive approaches. The Violence Reduction Lead Nurses have started to implement a case management model of working to review and manage incidents of violence and aggression in in-patient settings.

Lancashire Care NHS Foundation Trust also taking part in a research project 'Restrain yourself' which is exploring use of six core strategies to reduce violence and aggression. This project is led jointly by AQuA, UCLAN, Manchester University and involves several trusts across the north west. Lancashire Care NHS Foundation Trust continues to maintain progress with eliminating use of intentional prone restraint across the Trust and the overall use of restraint is also reducing.

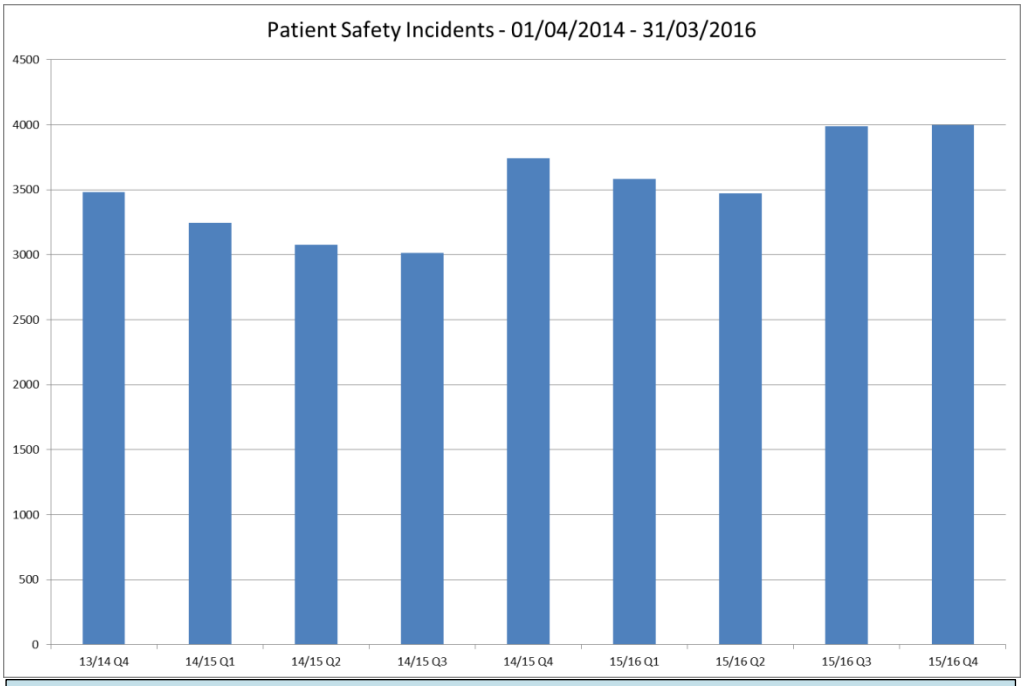
Violence reduction training has also been reviewed to ensure inclusion of the latest research and guidance. Use of prone restraint has been virtually eliminated. Please note that the graph shows the restraint position used not the overall number of incidents involving restraint as one incident may involve more than position of restraint. There has been a significant reduction in the use of more restrictive positions such as prone and an increase in less restrictive positions such as kneeling, seated position in arm holds. There have been no incidents of prone being used solely for room exit purposes e.g. whilst exiting a seclusion room since October 2015.



Data Source: LCFT Internal Reporting System, Datix

Reporting of Incidents

The chart below shows the number of patient safety incidents throughout 2014/15 and 2015/16:

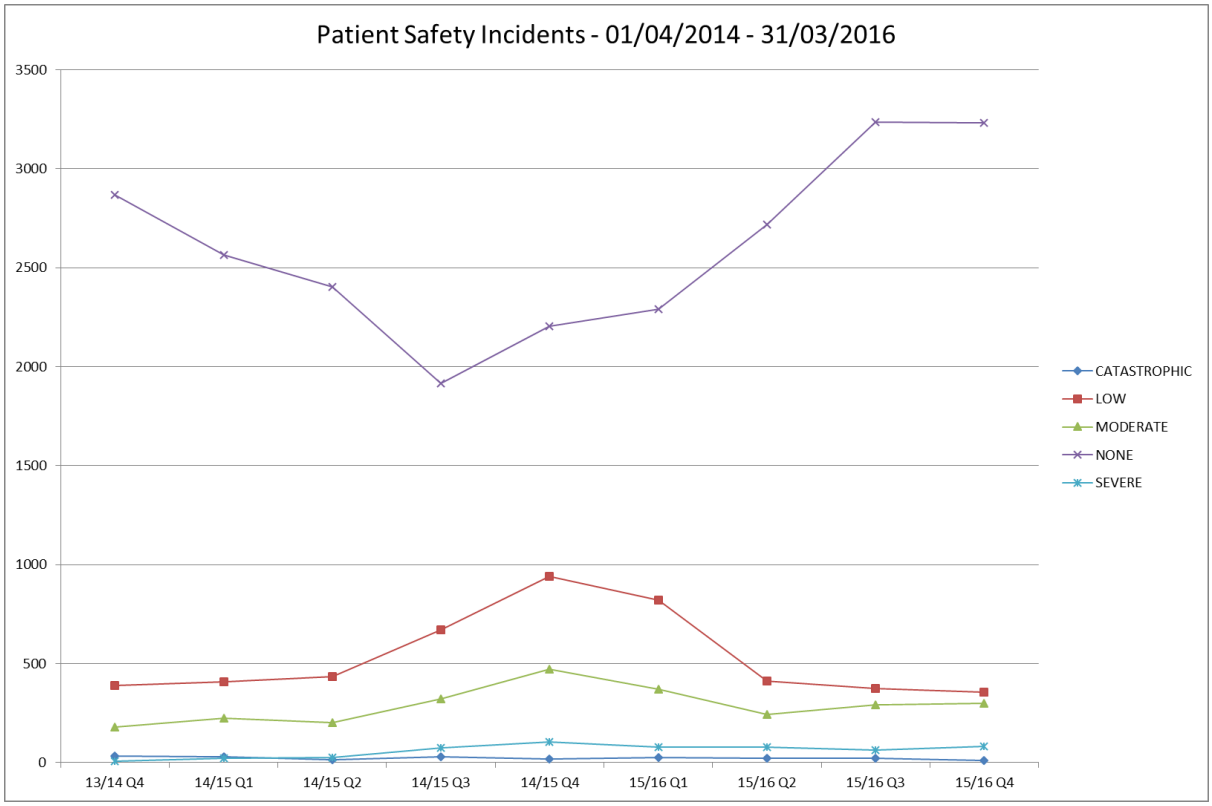


Data Source: LCFT Internal Reporting System, Datix

The chart above shows a consistent pattern of incident reporting, with the increases seen during 2015/16 relating to a growth in additional services provided.

The following chart shows a breakdown of these patient safety incidents by level of severity (using NRLS definitions[2]) throughout 2014/15 and 2015/16. The majority of incidents result in no harm or low harm, which reflects the positive safety culture whereby incidents are identified and used to improve learning and improved clinical practice.

[2] NRLS Frequently asked questions (FAQs) about the data https://report.nrls.nhs.uk/nrlsreporting/



Top 5 Reported Safety Incidents (Patient Safety and Staff Safety)

The top 5 reported patient safety incidents are shown in the table below:

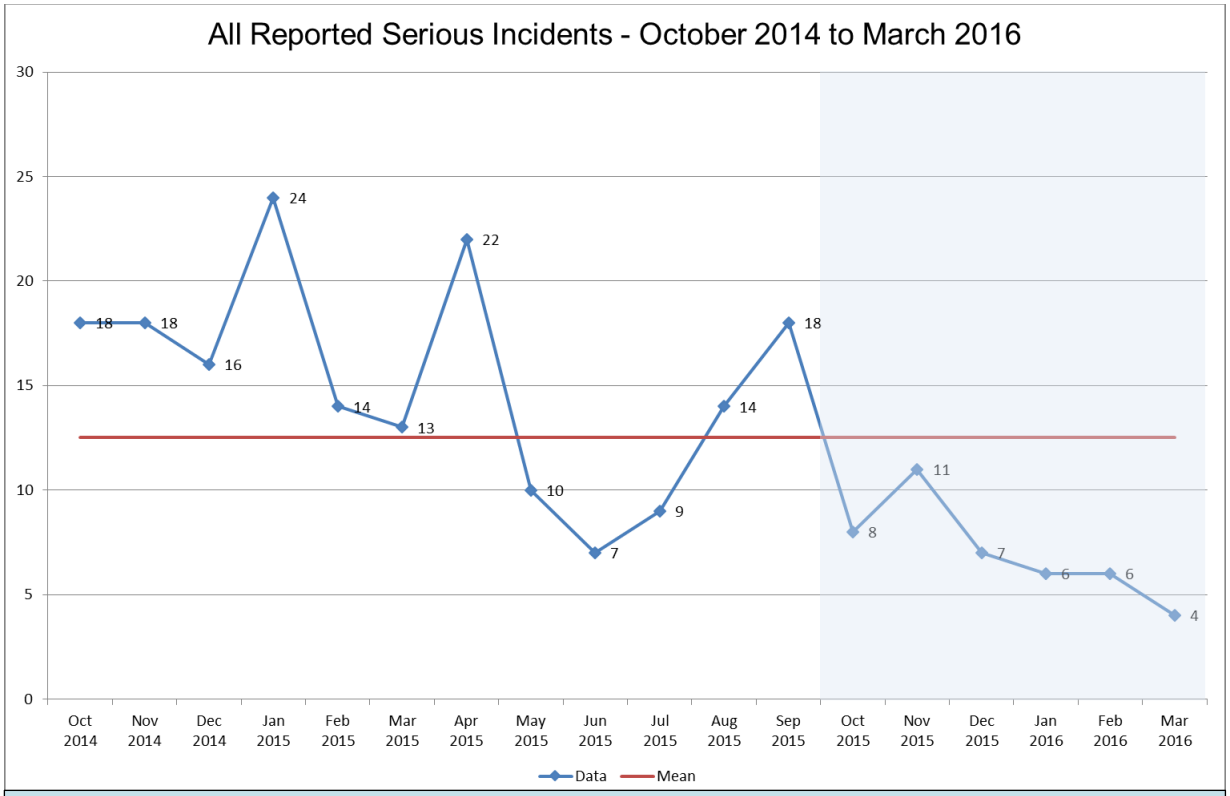
Category	Total (Apr 16- Mar 16) n= 20,816	% (Apr 15- Mar 16) Total
Patient on staff violence	3,671	18%
Self-harm incidents	3,115	15%
Medication incidents	2,939	14%
Service delivery incidents	2,130	10%
Health records errors	1,934	9%
Data Source: LCFT Internal Reporting System, Datix		

The categories of incident above are actively monitored through various thematic analysis and reports. The category of service delivery includes a range of incidents including staffing related incidents. The Serious Incident Advisory Group receives and reviews these reports, identifies any risks and makes recommendations to the Quality and Safety Sub-committee on any actions required. Lancashire Care NHS Foundation Trust has actively worked to address the risk of violence to staff by introducing a range of measures which are outlined in this report. During the year, the level of physical violence to staff increased by 24% compared to the previous year and this remains a quality priority.

Reporting of Serious Incidents

Serious Incidents describe incidents which relate to NHS services or care provided resulting in serious harm or unexpected death of patients, 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 post incident review investigation which includes the development of recommendations and action plans.

The number of serious incidents occurring is reported to the Board on a monthly basis, and to the Quality Committee of the Board on a six monthly basis through a thematic report prepared by the Medical Director and Associate Director of Risk, Safety and Quality Governance. During the year, the number of serious incidents decreased by 37% compared to the previous year. A change in national reporting requirements in April 2015 will have impacted on reporting levels to a degree, however the long term downward trend is considered an outcome of the work to improve safety. The following chart is part of the report shared with the Quality Committee showing a long term view of serious incidents:



Data Source: LCFT Internal Reporting System, Datix

The management of Serious Incidents was reviewed and reinforced with a new policy and system being implemented in October 2014. It was further reviewed following changes to the national Serious Incident Framework produced by NHS England in April 2015. Lancashire Care NHS Foundation Trust requires the completion of a 3 Day Review investigation for all serious (and potential) incidents, which is reviewed by a weekly panel consisting of the Executive Medical Director, Executive Director of Nursing and Quality and the Associate Director of Risk, Safety and Quality Governance. This panel commissions further, more detailed investigations using root cause analysis principles. There has been investment in root cause analysis training for investigators and the organisation has supported several staff in working towards a Post Graduate Certificate in Serious Incident Investigation from the University of Central Lancashire.
Through governance structures, any lessons learnt from serious incident investigations are cascaded through the Networks. The model of *Dare to Share, Time to Shine* events has continued throughout the year to support sharing the learning in addition to our *Blue Light* and *Green Light* safety alerts. Work has

been undertaken with our commissioners to enhance the sign-off a closure process for serious incident investigations and our two lead commissioners are working to form a joint panel which will improve learning across a range of services. Monthly reports are presented to a commissioner Quality and Performance Committee on serious incident performance.

In November 2015 Lancashire Care NHS Foundation Trust reported a Never Event. A Never Event is a specific type of serious incident defined by NHS England in the national Never Event Framework. In this instance, a patient at our Burnley inpatient service was able to remove a window restrictor that had been fitted with standard fittings rather than approved security fittings. The patient fell whilst escaping the unit and suffered minor fractures to both heels. A full investigation was carried out and reported to the Executive Management Team. A robust improvement plan was developed and parts of that plan will be tested through the internal audit programme in 2016/17.

A Being Open Policy has been in place for several years and has been updated to take into account the statutory Duty of Candour. 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 compliance with the Duty of Candour are shared with commissioners on a monthly basis.

Mandatory Training

Mandatory Training						
Indicator	**2014/15 Target**	**2014/15 Outcome**	**2014/15 Target Achievement**	**2015/16 Target**	**2015/16 Outcome**	**2015/16 Target Achievement**
Staff Mandatory Training	**85%**	**76.16%**	✘	**85%**	**81.68%**	✘
Data Source: LCFT Internal System (Quality Academy)						

Lancashire Care NHS Foundation Trust intends to take the following actions to improve this percentage, and so the quality of its services, by;

- Taking steps to ensure Core Skills (mandatory) training is streamlined and delivered effectively via innovative methods to engage with staff and provide Core Skill assurance in line with national and legal requirements.
- Developing Business intelligence reporting systems for Core Skills compliance reporting that will enable accurate and intelligent reporting. This will ensure transparency of compliance and enable actions to be taken as necessary to resolve non-compliance.
- The Quality Academy continuing the flexible delivery of Core Skills subjects to ensure training is convenient and accessible; bespoke training sessions are being delivered at the point of care and/or other suitable venues which increase accessibility and attendance. During the financial year 2015/16 in excess of 260 bespoke sessions have been arranged across the geographical footprint of Lancashire.
- Monitoring and managing none attendance and the subsequent cost attached to this.
- Validating learner history: Lancashire Care is working closely with the North West Core Skills Programme Team to enable data to be shared with other aligned organisations regarding training of

staff moving to and from other partner aligned organisations thus avoiding potential duplication whilst providing an assurance of quality of prior training. The efficiencies and cost benefits of this work will be monitored from the new financial year 2016/17.

- Enabling induction to take place on an employee's first day of work ensuring that all staff are welcomed and introduced to the vision and values of Lancashire Care NHS Foundation Trust. The new induction schedule will include Core Skill ensuring that staff are fully prepared for their roles. It is anticipated this will have a significant effect on Core Skills compliance.

Adult Community

Skin Care Improvement Project

The skin care group draws together clinical leads, team leaders and professional leads from across service lines that deliver care to people at risk of pressure ulcers. Service lines include but not exclusively, district nursing services, treatment room settings, community therapy service, continence teams, podiatry, tissue viability nurses and in-patient settings. The group reviews the data available including the harm free care, Datix, serious incidents and lessons learnt. They use the information to develop service review and practice guidance for nurses and therapists working in community settings with a view to reducing the incidence of all grades of pressure. The group has an overarching aim to ensure these service lines have zero grade 3 and 4 pressure ulcers directly attributable to their care by 2017.

The skin care group was launched in March 2015 in response to a growing awareness that a whole network approach to improvement was required if the prevalence of pressure ulcers was to improve. Internal guidance and record keeping had been noted to require review in various incident reports, alongside person centred care planning. The group actively engaged as Quality Improvement Framework (QIF) Pioneers

Outcome:

This project has been managed in stages. Achievements to date:

- Improved reporting of pressure ulcers into the Datix system has occurred and the system itself has been reviewed to allow more accurate reporting, with a new category of 'ungradable' being a small change to system that is expected to have big impact on report accuracy.
- The review of internal guidance is completed in first draft and members are now consulting on usability in the teams.
- The use of a standardised assessment tool has been further embedded and skin care conversation has been included in team huddles for district nursing.
- Sharing the learning from incidents are now completed as standard. The last four completed team investigation reports into pressure ulcers have shown that none where directly attributable to our care.

'STEADY ON' Project

The 'Steady on' Project is an initiative being delivered by the Falls team which is part of the community rehabilitation therapy service.

The 'Steady on' project has been designed as a pro-active approach to Falls prevention and promoting patient safety . The team have targeted key areas where older adults meet in the community and have had a fantastic response from all the Health Centres who were keen for the team to visit their blood and podiatry clinic waiting rooms to carry out walking stick

“MOT’s” by changing ferrules (the rubber end of a walking stick) to get them winter ready. While the team were changing these they were able to ask additional questions to see if people have had falls of feel unsteady and require a “STEADY ON!” assessment in their home or just advice. If people required a full clinical assessment, the team would then refer onto the falls team.

The team have been invited by the Falls Clinic Consultant at Lancashire Teaching hospital to visit the Falls clinic at Royal Preston Hospital. Partnership working has continued with the Falls clinic and Age Concern. The team have also got STEADY educational sessions booked at an Age Concern “Be Busy” group and at INTACT Preston (a support, advice and sign posting service). The team have also developed great links with Leyland Market who have offered a free stall with a gazebo and with Heartbeat (a cardiac rehabilitation charity) to do regular slots to target the wider community. The project aims to reach those at risk before falls occur, offering education and advice on keeping as safe as possible whilst being as mobile as possible.

Outcomes:

- To date the team have delivered 26 home visits, 5 educational sessions and 10 community/public events – with more activity already planned.
- The team have been visiting a variety of settings including Leyland market, women's groups, and Age Concern groups. A continued priority is engagement with sheltered housing settings
- The team have attended Falls consultant clinic.
- The STEADY On team have visited several health centreou make this and used the standard posters to advertise. Good links have also been made with the Lancashire Wellbeing service and the North West Ambulance Service (NWAS).
- Additional promotional items have been developed to promote the service and engage people , for example,a bag for life, stickers for walking sticks when ferrules have been changed
- Lancashire Care NHS Foundation Trust have shared their starter pack with the local authority.
- Feedback has not been sought after every individual session however the feedback has been positive and generates the majority of self-referrals for Steady On assessments. To date the Steady On team have completed 50 education sessions.
- Feedback has included: very interesting, good, demonstrated the help available from services, highlighted risks for falls, identified the need to plan for falls and how to get help, common sense approach , explained how to maintain stability.
- Peer review was very complimentary. It took place on 11.02.16 at the Beechwood Reablement Unit.
- 22 took part (50% staff on the unit and 50% patients on unit)
- Data regarding Falls and NWAS transporting to hospital has been requested to infoirm the outcome review of the project ongoing. Currently waiting for information in relation to conveyance rates and steady on project.

Specialist Services

HMP Liverpool - Patient safety on in-patient unit at HMP Liverpool

HMP Liverpool is large, local male Category B prison. The health service provided includes an in-patient unit and substance misuse services (alcohol, opiates and stimulants), offering clinical and psychosocial interventions.

Since taking over the service during 2015, the service has worked with colleagues in the prison to ensure that health facilities are used collaboratively in order to maximise patient benefit and safety. This has

included paying particular attention to efficient use of and access to in-patient beds, and to safe and evidence-based prescribing in problematic substance misuse.

A collaboratively developed admission and discharge protocol has been developed, ratified and implemented, supported by further work relating to handover practice, the daily prison regime (e.g. access to exercise), multi-disciplinary meetings, and record keeping.

Outcomes:

The service have introduced the prescribing and administration of gold standards and NICE compliant medication regimes in the management of alcohol withdrawal in high risk patients.

These changes have resulted in:

No admissions to hospital as a result of associated complications for more than six months.

The safer monitoring of high risk patients in the prison.

Monitoring on an at least twice daily basis enables the service to react promptly to service users' needs.

Male Service Line – Maintaining effective staffing levels

The Male Service Line comprises 73 beds at medium and low security across six clinical areas, spanning an assessment ward to pre-discharge planning, and has an establishment of nearly 150 nurses. During 2014, the model of care was reviewed, with the aim of increasing staffing numbers to enable staff to support service users in their recovery journey. This review was also linked with pressures associated with recruitment and retention of registered staff, which impacts directly on the services ability to provide high quality and clinically effective care.

National staffing issues, a revised clinical model and changes in service acuity were associated with challenges to safe staffing levels. To address this, the service has utilised a number of approaches to recruit staff. This has included attending recruitment days and holding an open day at Guild Lodge. The service now also has a rolling recruitment programme for staff nurses. By adopting this approach the service is now recruiting in a way which enables staff to utilise their skills in the most appropriate clinical environment. A programme is also in place to recruit students due to qualify in September 2016. The project to review staffing involved use of the Dependency and Staffing Scale. This scale looks at each individual's level of dependency and support required.

Staff comments:

The more staff we have, the better equipped we are to deliver the level of care the"

It's not just about numbers! It's about levels of compassion

Staffing will feel better with more people on the shop floor

A review of staffing levels is something that will highlight how much we achieve with so little

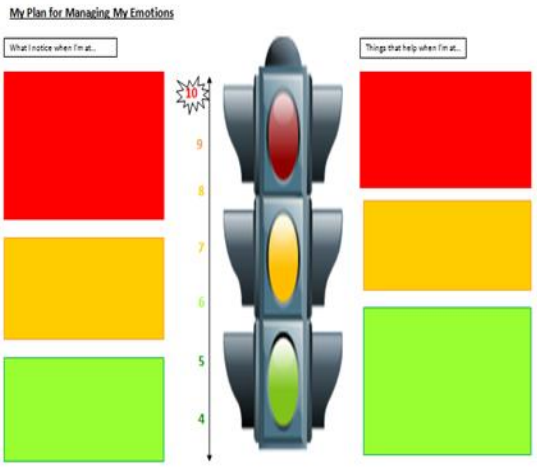
Outcomes:

- The project allowed the redeployment of a small number of registered and unregistered staff to other clinical areas according to where needs were deemed greatest based on both dependency and size of ward, and stimulated the development of weekly service planning meetings to allow response to short-term fluctuations in need and demand, as well as several reviews of the process during 2015.
- This process is being undertaken to ensure that the distribution of staff across the service best meets the needs of the people using the service. This will promote positivity within the staff groups and ensure that staff feel they are equipped to provide high quality care and promote recovery.
- It will also ensure people using services will have access to timely, responsive and high quality care whilst being treated at Guild Lodge which will aid their individual recovery, promote independence and assist in supporting service users back into the community.

Adult Mental Health

Female Acute Inpatients – Traffic light system

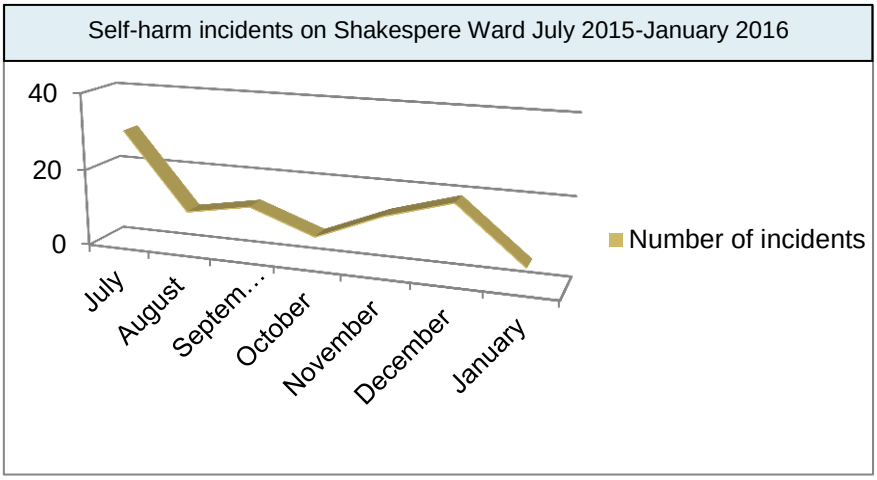
Female acute wards have been open at the Harbour since March 2015. Both Shakespeare and Stevenson wards are eighteen bedded wards, both wards are managed in a co-productive manner with the Consultant and ward sister working closely together to deliver high standards of care and treatment. The care and treatment of people with a diagnosis of personality disorder involves several disciplines including clinical psychology, health and well-being as well as the medical and nursing team.



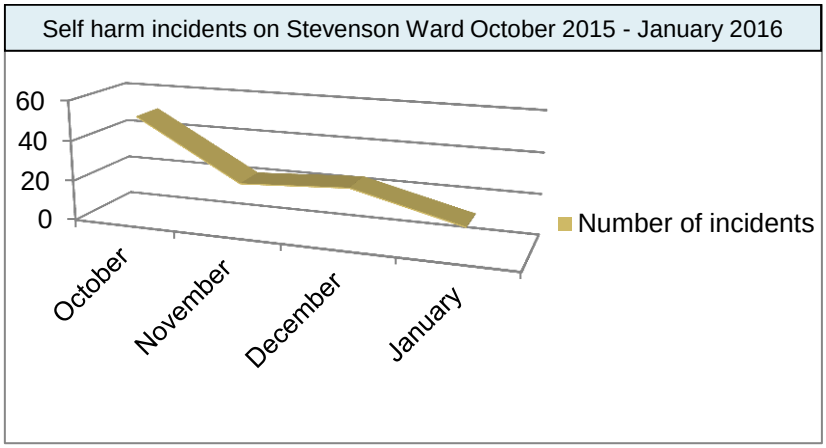
Traffic Light Tool

The ward consultant had attended a conference where best practice was shared about the reduction of incidents of self-harming when supporting people with a diagnosis of personality disorder. The consultant, ward sister, matron and lead psychologist met to discuss how this could be implemented and agreed that a simple and effective tool to use was the traffic light system. The traffic light system is a tool that people using the service and staff can use to better identify stressors and behaviours at each level of the person's acute phase. This enabled the team to better understand and support the person through therapeutic interventions which were included in the care plan. The wards had already implemented Safewards which consists of ten interventions to prevent violence and aggression and the traffic light system complimented the interventions already in place.

Following the implementation of the traffic light system to Shakespeare Ward in August 2015 self-harm incidents reduced as per the following:



Stevenson ward was implementing Safewards at the time and a lead was agreed to implement both the Safewards and the traffic light system in October 2015 the results are as follows:



Outcomes:

Feedback from people on the wards is positive and most describe it as an excellent communication tool for them to use with all staff without the need for them to explain each time they are in their acute phase and which therapeutic interventions work for them.

Staff report that they find the tool helpful with regard to the provision of individual care and treatment as well as enabling the person and the staff member to formulate a care plan together

The outcomes demonstrate a reduction of incidents by 83% on Shakespeare Ward and 76% on Stevenson Ward 76%.

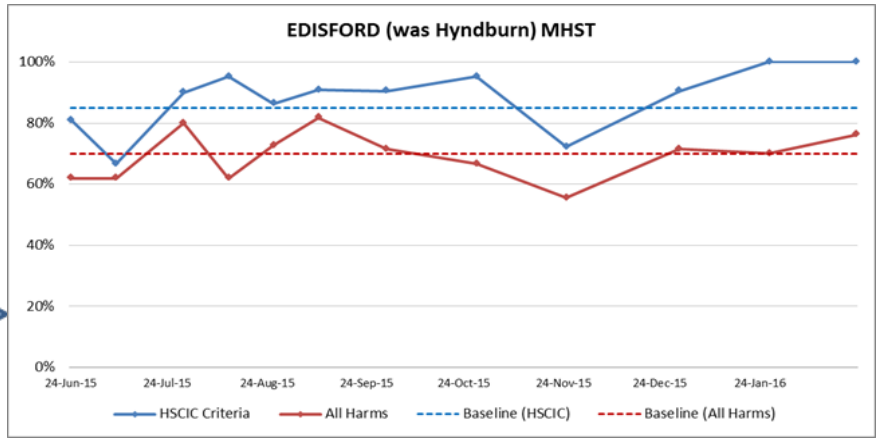
Using the Mental Health Safety Thermometer to inform quality improvements on Edisford Ward

Edisford Ward commenced collecting the mental health harm free care using the safety thermometer in July 2015, their data along with the other initial wards was used to identify the baseline from which the aspirational aim set. Edisford's baseline of Harm free care was 85% for all harms including medication omission. The wards Harm Free Care and Datix reports, along with local knowledge highlighted that people did not always feel safe on the ward. The team also recognised that staff were reporting an increase in the number of incidents of physical violence towards staff which correlated with the ward moving location in April 2015. Discussions identified that the dining area, which was situated centrally on that ward, next to the nurses' office and was an area where people congregated during the day. As a consequence people were often in discussion with staff about their care in this area. Some people had

been frustrated during these discussions and had picked up and thrown furniture. The team reviewed how this could be better managed and sought an alternative space on the ward to situate the dining area. The ward changed the environment outside the offices to a more open space and social area, with less easily moved furniture. The impact has been positive with the staff reporting less incidents of violence towards staff, and that for the past quarter there has been an increase in the number of people reporting that they feel safe on the ward. The ward report below for February 2016 shows that 100% of people on the day of reporting felt safe on Edisford Ward and that no people had been the victim of violence. The revised ward layout has also enabled the creation of a space for social and therapeutic activities.

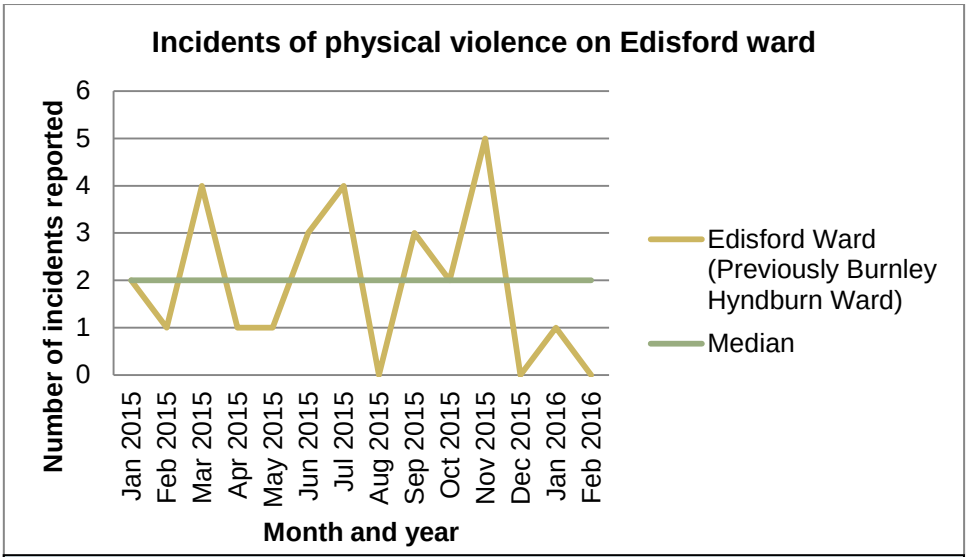
Edisford Ward

Quality Improvement Aim:
We will increase Harm Free Care on Edisford (was Hyndburn) ward to 90%



EDISFORD (was Hyndburn)	24-Jun-15	08-Jul-15	29-Jul-15	12-Aug-15	26-Aug-15	09-Sep-15	30-Sep-15	28-Oct-15	25-Nov-15	30-Dec-15	27-Jan-16	23-Feb-16
Self Harm	0	0	0	1	0	0	0	0	0	0	0	0
Victim of Violence	3	5	1	0	0	0	2	0	0	0	0	0
Feel Safe?	0	3	1	0	3	1	1	6	4	2	0	0
Omission of Medicine	6	4	2	8	4	3	4	1	3	4	6	5
Restraint	1	2	0	0	0	1	0	0	0	0	0	0

Edisford Ward Mental Health Harm Free Care Report February 2016



Source: LCFT Datix

Outcomes:

The Mental Health Safety Thermometer has been used to inform conversations about quality improvements

Following the relocation of the dining room there has been an increase in people reporting they feel safe on the ward and a decrease in incidents of violence towards staff

In February 2016 Edisford Ward achieved 100% harm free, as per the HSCIC reporting definitions, and there were no reported incidents of physical violence towards staff

Children and Families

Child and Adolescent Mental Health Services (CAMHS) Emergency Out of Hours Assessment for Children and Young People Lancashire Care Footprint

The CAMHS service is a specialist community based, multidisciplinary mental health service for children and young people aged 5-16 years. The service provides both urgent care, support and planned, evidence based interventions for young people with a wide variety of mental health conditions and their families.

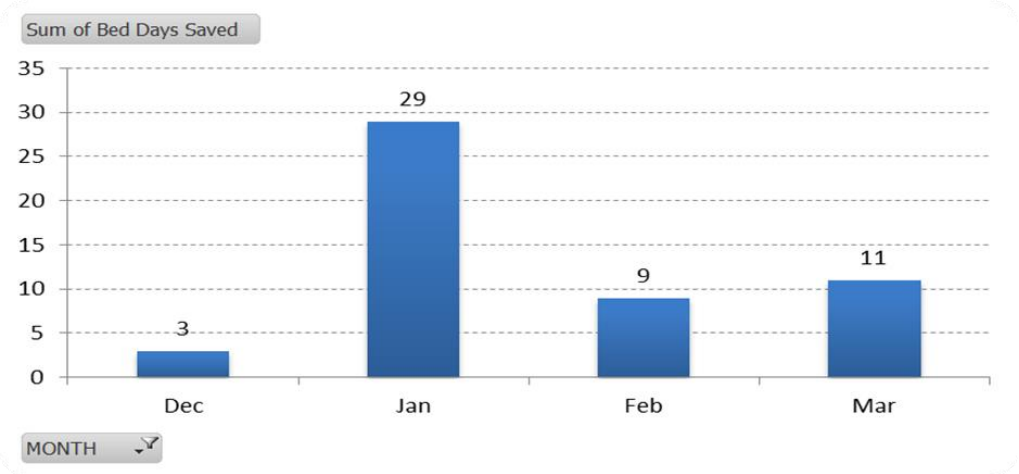
Lancashire Care NHS Foundation Trust provides Community CAMHS services in Fylde & Wyre, Lancaster and and Morecambe, Preston, Chorley South Ribble and West Lancashire.

The CAMHS team ran a pilot project between December 2014 and April 2015 providing out of hours support and early access to assessments for young people presenting with self-harm and acute mental health issues who were admitted to the paediatric wards at four hospital sites across Lancashire: Lancaster Royal Infirmary, Blackpool Victoria Hospital, Royal Preston Hospital and Ormskirk Hospital.

The service had senior CAMHS practitioners available to provide support to the young people who were admitted, their families and the paediatric teams until 9pm and at weekends, which meant that young people could access more timely mental health assessments and interventions to safely manage their risk presentations. The service was designed to be pro-active, with the CAMHS staff making regular contact with wards to ascertain if any admissions had occurred or whether the paediatric staff required any advice or support. This service was designed to complement the existing next day assessment service (Monday to Friday) that currently exists within CAMHS.

The overall aim of the initiative was to reduce the amount of time that young people spent in hospital as extended stays have often resulted in poorer outcomes.

Reduction in Hospital stays:



Experience Outcomes

Young Person and Parent Feedback	
Listened to me	81%
Enough explanation	74%
Treated well	81%
Views taken seriously	84%
Easy to get to	77%
Overall help is good	81%

Feedback from Stakeholders:

From my perspective, the great strength was not just in facilitating discharge when appropriate, but promptly assessing some patients who I was actually concerned about and really shouldn't have waited from perhaps Friday evening till Monday for CAHMS assessment.

For both these situations, this enhanced provision has led to a safer, more efficient and more appropriate patient journey.

I wonder if in the future there is further scope to encompass more CAHMS colleagues to increase catchment (being mindful that we are a provider who offers care to two patient catchments)

I thought it was a very valued service at a time of high demand for the hospital. I sometimes found the evening sessions challenging for CYP as they were often very tired by the time the assessments finished eg up to 9pm. Therapeutically an overnight stay can help to reduce family stress and tension as CYP who present at hospitals are often in crisis emotionally. Families are often very distressed also. Some CYP were seen and sent home that day, and that was positive for them.

Outcomes:

Over the period of the project young people presenting with self-harm at the four hospital sites received same day or next day assessment, reducing the length of stay on the paediatric wards.

The service provided 46 face to face assessments or telephone advice and consultations when required.

The pilot also supported data collection to establish patterns relating to referrals, with weekends highlighted as the busiest time in the period straight after Christmas but evenings becoming much busier through January and February once young people had returned to school.

52 paediatric bed days were saved over the four month period, which is an average of 16 bed days per month and based on reference cost figures for 2013-14, this equated to a saving of approximately £66,000.

Without further investigation it is difficult to establish the overall savings in terms of outcomes and costs because where some young people have not had timely assessments on the paediatric wards, it has resulted in more difficult discharges and increased use of specialist CAMHS inpatient beds, which are both costly and can result in poor outcomes for some young people with high risk, self-harming presentations.

Preston and Chorley South Ribble CCG's have extended the OOH service, with Fylde & Wyre, Lancaster & Morecambe and West Lancashire seeking to do so in the future.

Contraception Clinics - Sexual Health, Intrauterine device fault

The Sexual Health Service encompasses contraception for all age and young persons, a Chlamydia screening programme for under 25, condom distribution scheme, genitourinary medicine and HIV treatment and care, SHARE (Sexual Help and Relationship Enhancement-Psychosexual services), Community Sexual Health Education, training programmes for clinicians at both regional and national level as well as co-ordination of cervical cytology. Contraception clinics provide a full range of free contraceptive methods and sexual health advice including emergency contraception, oral and injectable contraception, contraceptive patches and implants, intrauterine contraception diaphragms and condoms. The service also provides pregnancy testing, advice for unplanned pregnancies preconception advice, safer sex advice, general gynaecological advice as well as specialist contraception clinics for complex patients and vasectomy.

On thematic review of incidents in the service line, the Clinical Lead highlighted that there had been four incidents where a faulty intrauterine device (IUD) had been reported on Datix. In all cases, the fault had been noted that on attempting to introduce the IUD into the uterus, the

introducer had bent. It had therefore been discarded and a new one used. This had happened in different sites and by different clinicians. Datix reports had been completed including the batch number and the Medicines and Healthcare products Regulatory Agency (MHRA) were informed by the electronic yellow card system for medical devices. There had been no injury to the patient in any of the cases. It was identified by the Clinical lead that the IUDs were all of the same batch number. The Clinical lead advised all CaSH team leaders to assess each site and remove all IUDs of that batch number and isolate them. The manufacturer was informed. The manufacturer agreed to replace the faulty batch and these were collected by the manufacturer. The MHRA investigation with the manufacturer is ongoing. New IUDs of a different batch number have been supplied by the manufacturer promptly due to a large number having to be returned (96 devices), thus avoiding the potential of clinics being in short supply.

Outcomes:

The good practice by the clinicians of reporting of the incidents on Datix including batch number allowed thematic review and subsequent alert to be transmitted to team leaders and staff. Good liaison with the manufacturer by e-mail and telephone avoided potential disruption of the service. Good communication between team leaders and staff allowed devices to be rapidly removed from stock. MHRA reports completed in every case will allow independent investigation by MHRA with the manufacturer.

Support Services

Medicines Management education and training.

The Medicine Management Education and Training team consists of an Education Lead, the Medicines Management Nurses and several Pharmacists. Medicines Management education and training plays a key part in ensuring the quality and competence of staff whose role involves the management of medicines.

Medicines management involves all aspects of the use of medicines - “Medicines management is enabling people to make the best possible use of medicines.” (NPC 2012). Good Medicines Management is proven to decrease the likelihood of medication error and hence harm. Its benefits include improved safety, improved health, better information for people, better access to services, promoting self-care and increasing choice. It is important to remember that medications can be harmful as well as helpful as medicines are the most frequently used intervention in healthcare. This is why the team have re-developed the Medicines Management education and training which ensures that medicines are used safely, managing risk, reducing potential harm and ensuring the best possible outcomes.

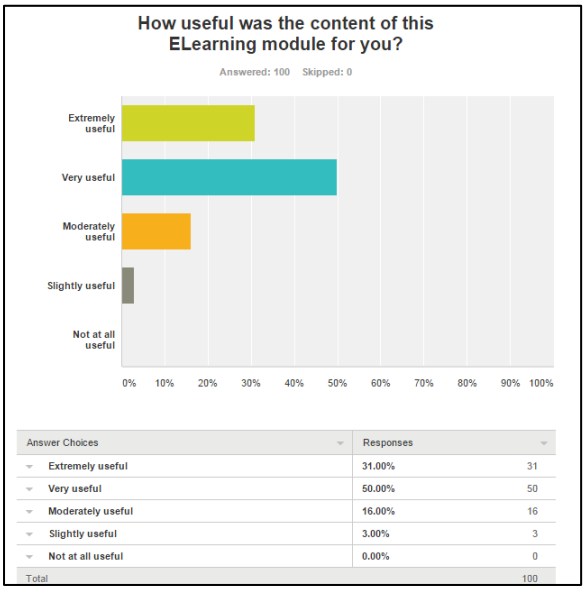
Previous challenges for delivering this essential training included difficulties with staff being released for training. The extended use of a distance learning model (eLearning) has greatly improved ease of access to Medicines Management training as staff can fit the training in around their clinical duties and have no added travelling time. We have increased the number of available eLearning modules from 2 to 12 with a view to increase this catalogue in the future. As Lancashire Care NHS Foundation Trust continues to expand and deliver a variety of services, training needs to be relevant to staff working in these new areas. The newly developed training reflects this.

The graphs below illustrate staff satisfaction with the content of 2 of the new eLearning modules. The following includes staff feedback from the re-developed Medicines management training.

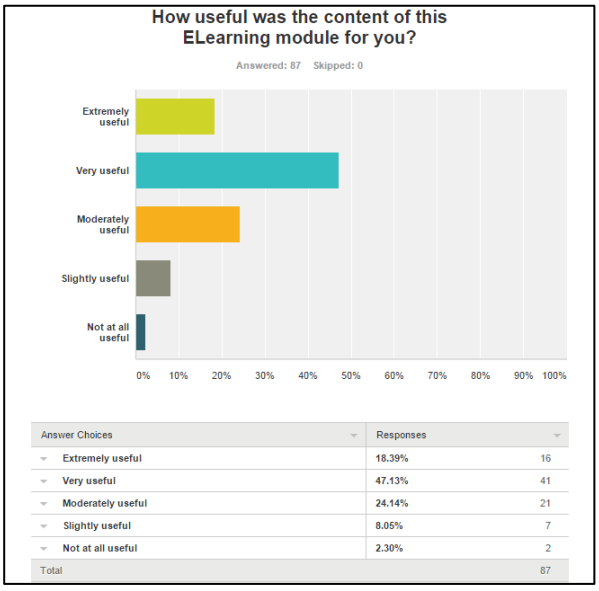
Comparison data for Medicines Management training in 2014 vs 2015.		
Medicines Management Training	**No. of staff who completed face to face training**	**No. of eLearning modules completed**
2014	199	232
2015	326	713*

* eLearning modules only available from July 2015 onwards so figures represent 6 months of data.

The graphs below illustrate staff satisfaction with the content of 2 of the new eLearning modules.

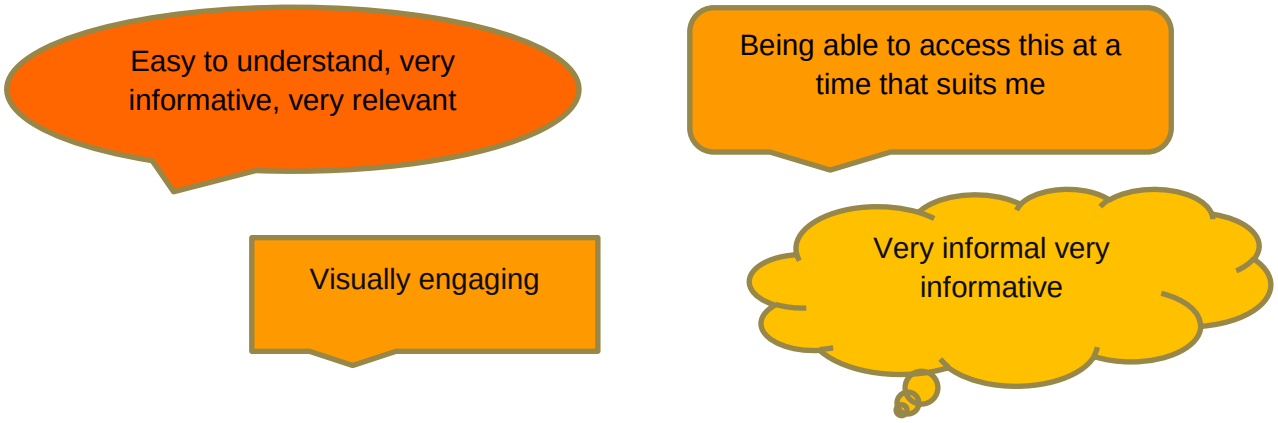


Answer Choices	Responses	
Extremely useful	31.00%	31
Very useful	50.00%	50
Moderately useful	16.00%	16
Slightly useful	3.00%	3
Not at all useful	0.00%	0
Total		100



Answer Choices	Responses	
Extremely useful	18.39%	16
Very useful	47.13%	41
Moderately useful	24.14%	21
Slightly useful	8.05%	7
Not at all useful	2.30%	2
Total		87

The following includes staff feedback from the re-developed Medicines management training:



Outcomes:

This new approach means a greater number of staff have been able to complete the training in 2015 than the previous year and have reported a greater satisfaction with its content. There was a 39% increase in face to face training in 2015 compared to 2014 and there was a 67% increase in eLearning modules completed from July 2015 – Dec 2015 compared to the whole of 2014

The Harbour Human Resources (HR) Support On-Site

The Harbour is an inpatient mental health unit based in Blackpool. It is a 154 bed mental health hospital, which provides 24 hour care and treatment for adults who cannot be safely treated at home. The ward team is multidisciplinary and includes a variety of mental health professionals. The aim is to provide a high quality service to adults with mental health problems of a severity that requires in patient care and to assist the individual to achieve and maintain mental health enabling him/her to resume their normal lifestyle. The Harbour became operational in March 2015.

Aims of HR project;

- To provide additional resource to the Harbour to support the safe and effective staffing with onsite advice available regarding the management of performance, disciplinary action and grievance.
- To provide bespoke support and guidance for the management of attendance to increase the level of attendance at work.
- Supporting managers with coaching, mentoring and training on people management skills and HR processes.
- Providing on-site support for a period of 6 months
- Building on the relationships already established and co-ordinating all HR activity.

Future HR support and actions:

Outcomes:

- All Ward Managers/Matrons met with the HR advisor to discuss any employee relations matters
- Managers sign posted to the advice, template letters and forms available on eHR Infopoint
- Action plans were developed with ward managers for each sickness absence case
- New managers were offered coaching on employee relations matters
- Positive feedback received from managers on support provided to date
- Success of this model to be evaluated further and shared across the organisation

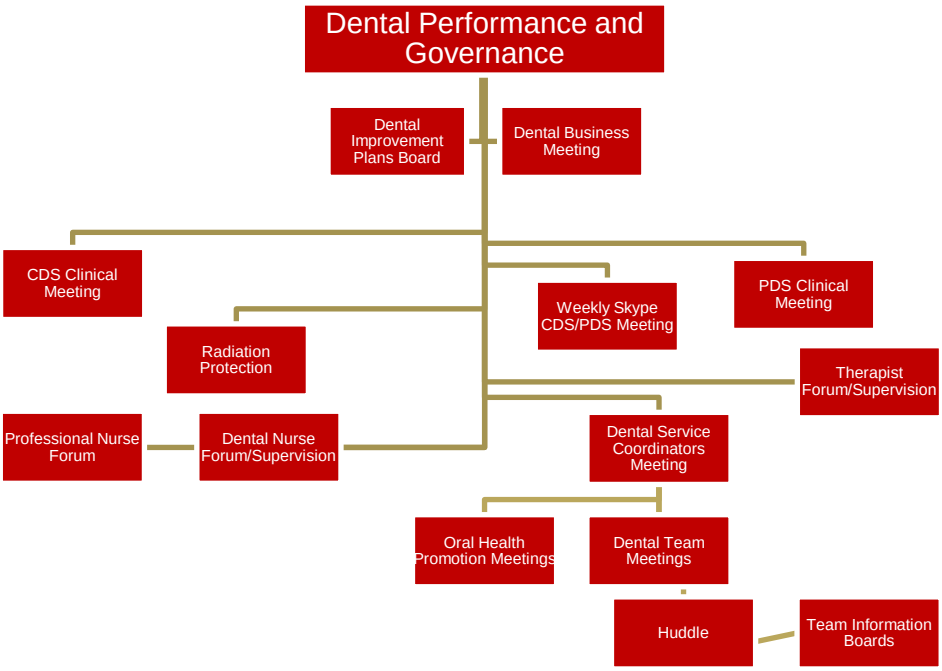
Well - Led

Adult Community

Dental Services - Strengthening Governance in Dentistry

The dental services provided by Lancashire Care Foundation Trust offers a wide range of care for people living in central and east Lancashire, along with Prisons in Central Lancashire and Liverpool. These include Community Dentistry for Children and Adults with special needs including those in secure facilities such as Prisons, Guild Park and Calderstones. Personal Dental Services akin to high street dental services along with enhanced services for minor oral surgery, and urgent dental care. Public health support through oral health promotion and epidemiology is also provided.

Dental services have gone through a process of transition bringing together legacy East Lancashire and Central Lancashire Primary Care Trust service lines. This project has been led on by the network with some external support initially provided by The Dentistry Business along with a project manager. The process has been driven by a Service Improvement Steering Group. The work has focused on developing Lancashire wide footprints for personal dental services and community dental services. It marks the transition to a clinically led model fully accountable to a specialist community services business unit, with a fully articulated governance structure. The service has also embraced team to team meetings with colleagues in Cumbria to support the improvement plan.



Outcomes:

Clinical leads for Personal Dental Services and Community Dental services have been appointed along with clinical managers, and Dental service coordinators in each service line.

A Governance structure and meetings calendar has been established to take this forward.

The project will continue to progress and move onto strengthening professional leadership for Dental Therapists and Dental Nurses.

District Nursing Services - Community Practice Teachers (CPTs)

The Community Practice Teachers (CPTs) and team

The community practice teachers are a small group of four district nursing sisters who hold the community practice teaching qualification (as well as the essential community specialist practitioner qualification). They hold district nursing sister posts and work in the Blackburn with Darwen, Preston and Chorley South Ribble localities. They have worked hard across the past 12 months to support innovative approaches to leadership development within District nursing services to ensure our services are well-led.

District nursing is experiencing significant recruitment challenges at sister level. There is a commitment to uphold the essential criteria of having the 'Community Specialist Practitioner' qualification to become a district nursing sister. There is robust local and national evidence to support this view. Adverts for district nursing sister roles have not resulted in recruitment leaving many posts vacant and leadership stretched. The CPT's have worked together to develop an innovative internal programme to 'grow our own' district nursing sisters of the future. The CPT's have developed a process for seeking expressions of interest from experienced staff nurses who want to 'dip their toe in the water' and have a period of acting up as a district nursing sister. The acting up period is supported by a competency framework developed by the CPT's and also by mentorship from a district nursing sister and where possible, group supervision. There is support and preparation for applying for the Community Specialist Practitioner course. This year six staff nurses acted up. Four of these were successful in starting the specialist practitioner course in Sept 2015 which should mean four additional qualified district nursing sisters by summer 2016. Expressions of interest are out currently for a 2015/16 cohort and it is anticipated that at least six staff apply to act up and then access the Community Specialist Practitioner's course next year. If this was successful then ten sister posts will have been recruited to in two years through this initiative.

The CPT's also reviewed the interview and selection process (for applying for the community specialist practitioner course). This was a result of 'good nurses' falling at interview which indicated that the process was not necessarily able to identify the best candidates. The CPT's worked out a system of 'speed dating' questions, a written piece of work, a group discussion and a professional portfolio. The local university were involved in the selection process.

Outcomes:

The process evaluated well by both interviewees as being less stressful and more transparent of 'real skills and attributes'. Interviewers felt more reassured that the process was demonstrating the knowledge and leadership potential of interviewees.

The nurses who acted up reviewed this first programme and were all unanimous that it gave them a real insight into the district nursing sister role and gave them a real head start onto the formal Community Specialist Practitioner's course.

The CPT's are committed to the district nursing specialism, to maintaining and improving standards of practice, to strong effective leadership and they have worked tirelessly to develop, implement and evaluate the best way to build and sustain effective clinical and professional leadership.

Specialist Services

Personality Disorder (PD) Offender Pathways - Partnership working between the Specialist Services Network and the National Probation Service.

The Specialist Service Network hosts three individual but interdependent teams that are part of the National Personality Disorder Offender Pathway. The Network delivers the Community Personality Disorder Service, the Psychologically Informed Planned Environment team at Edith Rigby House (probation Approved Premises for women, Preston), and the clinical team delivering the national pilot and evaluation of Mentalisation-based Therapy for male personality disordered offenders. The PD pathways teams work in collaboration with the National Probation Service to represent a forward thinking view of health, criminal justice and social care services working together. The services provide safer shared management and improved outcomes across organisations; they work closely with the police and the Multi Agency Public Protection Arrangements (MAPPA).

Since the teams came into existence in 2013 they have built a recognised reputation for clinical skill alongside a desire to work collaboratively across all organisations and they have led the way in developing this across the North West.

Over the past twelve months the initial pilot projects have been granted full funding from the NHS and the National Offender Management Service following a successful period of collaborative working. The combined services have worked in a model of co-production as there was an identified need for both shared responsibility and shared expertise across traditional health and justice boundaries. The projects have placed quality at the centre of the service user's experience and this has focused on engaging the users in order to maximise their potential to live safely in the community.

The combined pathway team operates a whole systems approach which strives to facilitate safe care pathways for this historically hard to reach service user population. The results of the feedback gathered from users, staff and the commissioners has been positive and suggestive of shared services that listen and adapt to the individuals need, circumstance and promote quality and an measurable improvement on care pathways and on the safety of the public.

Outcomes:

The outcomes for the National rollout of shared Personality Disordered Services are a reduction in offending behaviour, a lessening of risk to the general public, alongside an increase in psychological wellbeing for both offenders and staff working in these services.

As a partnership clinical and managerial leads reviewed the impact of the new services in the community with the results of the evaluation showing that 82% of Probation staff had found the input of NHS staff in formulating and managing risk both helpful for practice and useful in the early identification of interventions for offenders.

Other positive outcomes have been measured in terms of levels of staff confidence in working with clients who present with a personality disorder. The feedback from a recent Lancashire wide audit of the PD projects evidenced that 85% of NHS and Probation staff felt more skilled and supported in helping and managing offenders.

The service that is provided at Edith Rigby House is a psychologically informed environment that prepares women who are transferring from a custodial setting to the community. A key component in maximising recovery is the nature of the environment. Edith Rigby House has been awarded a Royal College of Psychiatry Enabling Environments award.

Prison Healthcare Services - Implementing new prison healthcare services within HMP Liverpool and HMP Kennet further to winning bid to NHS England.

Prison healthcare centres provide access to a wide range of primary healthcare services akin to health centres within the community, i.e. GPs, Nurse Practitioners, Registered General Nurses, Dentists, Podiatry, Optometry, Physiotherapy and Clinical Pharmacist staff, and also access to an integrated mental health service. The service provides assessment at reception into custody, with service users being triaged for treatment and proactive management of long-term conditions in partnership with the service user. In addition the service is contracted to provide social care assessments on behalf of the respective Local Authorities in Merseyside.

Following the successful tender application to commissioners for prison health and social care services at HMPs Liverpool and Kennet, the key objective was to ensure a high quality service was provided that meets regulatory CQC requirements, as the prison healthcare service had previously experienced a number of challenges. The new service was mobilised within two and half months (including physical health, mental health, substance misuse and social care services) and an action plan was developed to ensure full CQC compliance over the coming months. The key areas for quality improvement identified by the CQC included:

Personal Care, Treatment of disease, disorder, or injury.

- Regulation 9-Person centred care – Planned resolution December 2015
- Regulation 10-Dignity and Respect - Planned resolution December 2015
- Regulation 12-Safe care and treatment – Planned resolution April 2016
- Regulation 16-Receiving and acting on complaints - Planned resolution December 2015

Outcomes:

The new service was mobilised, including objectives agreed with our NHS England commissioners for communications, quality implementation, information governance, workforce, medicine management, information management and technology, estates and facilities. These objectives were all achieved.

As an enabler to improve clinical record keeping, new computer equipment was installed to ensure access to clinical records systems (79 computers in total).

Since mobilisation of the new service, key quality improvement initiatives have focused on leadership and workforce including, establishing leadership structures and recruitment of 30 full-time equivalent staff to ensure safe levels of staffing; a consultation with prison healthcare staff on a new workforce model in order to implement an evidenced based model of care; and, the production and implementation of an operational policy for social care in partnership with the Local Authorities.

Quality initiatives to improve medicine management practice and safety include implementing e-prescribing at HMP Kennet in November 2015, with HMP Liverpool scheduled for February 2016. Analysis of medicine management incidents is being undertaken monthly in order to monitor whether the desired change outcomes are being achieved.

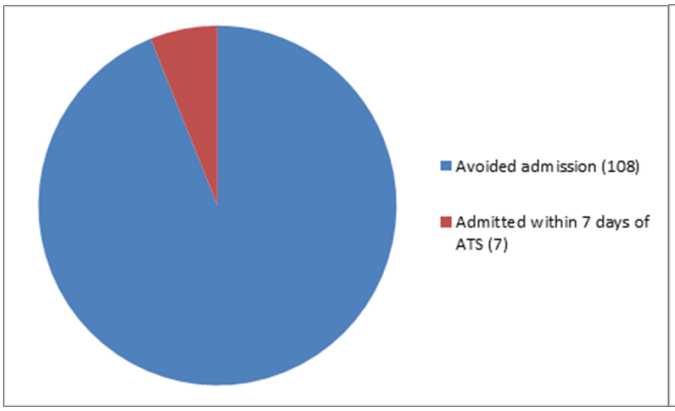
Adult Mental Health

Implementation of the Alternative Therapy Service

With you. For you.

The aim of the Acute Therapy Service is to offer an alternative to hospital admission and/or facilitate early discharge from hospital by providing brief structured psychological input, practical, occupational, nursing and social support and respite, in a safe and containing environment. The whole ethos of ATS from the outset was to provide a service in a very tranquil and calming environment, with an emphasis of providing a mixture of Psychological Interventions, holistic therapy and practical support. The programme involves collaborative working between adult community, in-patients, Crisis Resolution Home Treatment Team, Personality Disorder Managed Clinical Network and Community Restart.

The service offers both cost-effectiveness and quality, as it provides evidence-based psychological interventions in a community setting, which is vastly more cost effective when compared to an in-patient ward. As well as aiming to avoid a hospital admission, it has also shortened the length of stay for service users who have already been admitted to an inpatient unit, by facilitating early discharge. Evidence suggests that too rapid an admission to hospital for service users with borderline personality disorder may prevent individuals from developing skills to manage emotional crises for themselves and referral into another alternative service may be more appropriate prior to considering a hospital admission (NICE, 2009).



Outcomes:

From March to 11th December 2015 a total of 115 service users attended ATS and only 7 people (6.09%) have gone on to be admitted within 7 days of attending ATS. All of these 7 admissions were service users who were referred to ATS as an alternative to hospital admission.

No service users that attended ATS to facilitate early discharge from hospital have been readmitted within 7 days of attending ATS.

Compliments: ATS has received 59 compliments and no complaints.

Of the 115 people that have attended ATS, 30 were to facilitate early discharge from a psychiatric in-patient unit and 1 person attended at the request of commissioners to assess their engagement as part of the funding decision for a specialist rehabilitation placement. The remaining 84 were referred from community services as an alternative to hospital admission.

Several service users have commented that they wished the service were available to them for longer.

Central Lancashire Community Restart – Refugee Project

Central Lancashire Community Restart has been operational since 2011 delivering a range of social inclusion interventions across East Lancashire. Community Restart was conceived in response to national guidance that services should assist people in overcoming the social exclusion that often affects those with mental health problems. The service consists of three social inclusion spoke team, an Employment team, a Service User Development (SUDE) team and a Rural Development Officer.

Central Lancashire Community Restart SUDE Team also support individuals seeking Refugee or Asylum Seeker status, to learn about and become a part of, their local community. Following an increase of Refugees and Asylum Seekers entering Central Lancashire, mainly within the Preston area, it became apparent that individuals are experiencing poverty and isolation. Community restart worked in partnership with the British Red Cross to attend drop in sessions to talk to these individuals which, in turn, allowed a better understanding of their needs. Money was identified as a major stressor, with people receiving as little as £5.00 a day. The team are working with Preston College to facilitate cooking courses that will support people to learn cooking and budgeting skills. The practical session will end with the group eating the meals they have prepared.

Outcomes:

The project has and will continue to present positive outcomes for individuals;

- attending the Red Cross drop in sessions weekly
- the introduction of a group of male refugee and asylum seekers to the Preston Inclusion football league. This has resulted in creating a team who play against other teams with in the league on a monthly basis consequently becoming integrated into their new community.
- Successfully working alongside Preston College enabled the team to signpost individuals to enrol on language courses
- Individuals to have the ability to confidently make meals
- To build a social network within their community

Children and Families

Children's rights in primary health care - Volume 1 Manual and Tools for assessment and improvement.

Children and Families Health Service - Children's rights in health care and quality improvement

The Children and Families Network serves a population of 1.4 million including over 315,000 children and young people. Dedicated service lines provide universal and specialist health services (community based and in-patient) to support the primary health care, child and adolescent mental health, sexual and reproductive health and complex care needs of a diverse and changing population. The network aims to work in partnership to achieve a healthier future for the children and young people of Lancashire.

25 years ago the United Nations agreed the Convention on the Rights of the Child (UNCRC) - the most important international agreement there has been to enshrine children's identity, potential, protection, health, education and respect and ratified by almost every country. Children's rights are still poorly understood within health services in both rich and poor countries. This can mean children are unintentionally denied their rights, sometimes resulting in problems with the care they receive and unnecessary distress. There is growing recognition about how health services can and should understand and translate the UNCRC into daily practice and systems and how it can be used to improve quality and effectiveness of care and reduce avoidable suffering. Lancashire Care NHS

Foundation Trust staff have been closely involved in influential work about this for the past 15 years, in the UK and other countries. Primary Health Care is where children have most contact with health services so the World Health Organisation wanted to design a practical method for assessing and improving children's rights in Primary Health Care for use across Europe, building on the previous developments. To do this they created small expert working groups in Armenia, Norway, Portugal and the UK including Trust staff.

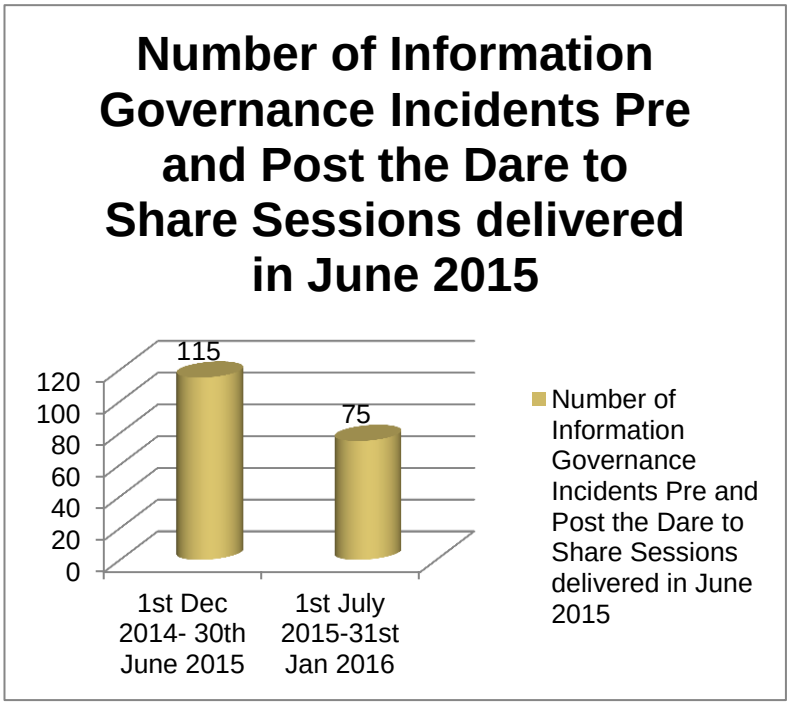
Outcomes

A Manual and Tools have been published at the end of 2015 by the World Health Organisation (WHO) for the assessment and improvement of children's rights in primary health care, including five groups of people; primary health care services' management, health professionals, parents and carers, children aged 6-11 and children and adolescents aged 12-18. The Manual contains a short guide and five assessment tools (one for each group of people), which can be used through a survey or in focus group discussions, in order to identify strengths and difficulties and plan changes to make improvements. These are being promoted in the 53 countries of the WHO European Region, supporting changes in attitudes, practice and quality of care for many children and families. They will also form the basis for further pilots and programmes, linking with developments in other parts of the world.

As part of that ongoing process, Lancashire care NHS Foundation Trust staff have also been asked to support the preparation of case studies from South America and South Asia for a special international meeting in March about how children's rights can be successfully and effectively integrated into health services.

There are also opportunities for Lancashire Care NHS Foundation Trust to take a progressive approach adapting the tool for use as a driver within practice, quality improvement and the engagement agenda and also to feed modifications and / experiences back to the WHO.

Improving Information Governance



Following a cluster of Information Governance incidents which arose from human error, the Deputy Clinical Director of the network worked with the Head of Service Improvement, Planning and Business Administration on a thematic review of the incidents and development of a robust action plan to minimise such incidents. A key element of the action plan was the delivery of a 'Dare to Share' event to staff across the network which enabled staff to take part in discussions about how Information Governance could be improved in a supportive and blame-free environment. The Deputy Clinical Director and Head of Service Improvement, Planning and Business Administration delivered the event in six locations and engaged over 100 staff in meaningful discussions about how errors can happen and what can be done to reduce the potential for these, in June 2015.

Following completion of the events, and follow up action, the service has seen a significant reduction in Information Governance incidents.

It is also encouraging to note that there has been an increase in reported 'near misses by intervention' incidents which we feel demonstrates a heightened awareness of Information Governance as a result of the Dare to Share events.

Feedback from staff:

Outcomes:

- A significant reduction in information governance incidents following the Dare to Share events held in June 2015
- Positive feedback from staff who attended the sessions about their increased understanding

Support Services

Governance and Compliance Team: Quality Improvement - Developing a Governance Framework

The Governance and Compliance Team's main responsibility is to provide independent expert advice and administrative support to the Board of Directors and Council of Governors to ensure confidence in compliance with the conditions of the Provider Licence. It also undertakes project work to strengthen the system of internal control and support the organisation to implement and embed robust governance processes.

Since November 2014 the Governance & Compliance Team began a project to strengthen the governance framework, creating the structure and environment to ensure the organisation remains regulatory and statutory sustainable. The outcome of which has been recognised as a Quality Improvement project and the Team were invited to showcase their work on 'The Governance Effect' at the two-day NHS Provider Conference in November 2015. The success of the NHS Providers conference has continued with the Team also invited to the NHS Providers Governance Conference in July 2016 to facilitate a workshop. The

Institute of Chartered Secretaries & Administrators (ICSA) have also recognised the contribution of the Deputy Company Secretary as project lead for the governance structure refresh, awarding her the 'One to Watch' prize at the annual ICSA Awards.

A considerable amount of engagement and consultation was a key part embedding the new refreshed structure which was implemented from 01 April 2015. The Trust's Board of Directors, Governors, Nursing and Quality Directorate and all four Networks were involved in the shaping and embedding of the new structure, helping to bring about the successes in culture shift and change in ways of working. The quality improvement supports making it easier to do the right thing, creates confidence in the system through tools and training, which releases time. The Governance and Compliance Team continue to support Networks to implement and embed their own governance structures.

Outcomes:

The project looked at how implementing effective governance processes can streamline ways of working and support the efficient flow of information from 'ward to board'. The journey began by looking at developing a governance structure that would ensure the Board of Directors had sufficient oversight in conducting their duties but also aimed to reduce duplication. The roll out of the structure reduced the number of meetings happening in the organisation, freeing up time. It created effectiveness and efficiency within the organisation making it easy for staff to do the right thing.

The project work also considered the importance of an 'evidence based assurance regime' that not only analyses data and performance information taken from services but also answers the 'so what' question, for example at the Quality Committee, the meeting is concluded by members asking 'so what difference have we made for people who use our services as a result of this meeting?' to ensure the focus remains on patient experience and quality of care.

Transformation Advisory Service/ Programme Management Office - Delivering the Strategy (DTS)

This is a Trust-wide programme covering a range of clinical and network services.

Delivering the Strategy (DTS) is a five year plan aimed at closing the financial gap between the cost of running our services and the funding currently provided, whilst at the same time maintaining and improving quality. To this end, 16 programmes have been developed largely from ideas generated by staff. The purpose of the programme is make the savings required in a planned and measured way. The underlying principle is that efficiently run services are better for patient care, providing clear care pathways which reduce handovers and avoid duplication, and reducing unnecessary expenditure to maximise financial support for clinical services. DTS has six clinical programmes, covering Inpatient services, Community Mental Health Redesign, Unscheduled Care, Children and Young Peoples' Emotional Health and Wellbeing, Out of Hospital Care and Specialist Rehabilitation Services. The remaining ten programmes focus on corporate areas such as Pharmacy, Workforce, Procurement, Estates and Information Technology.

Outcomes of the programme include the following:

- Building and opening the Harbour, an 154 bed mental health unit providing care in a 21st century setting;
- Phase 1 of a plan to implement an electronic prescribing system in all inpatient wards, with the aim of reducing prescribing errors and increasing efficiency, enabling clinical staff to spend more time on service user contact: Setting up a pilot Eating Disorders Service in North Lancashire by the Children

and Families Service;

- Development of a Street Triage service working with the police in the Blackpool area, to avoid unnecessary visits to Accident and Emergency and provide immediate appropriate support to people in mental health crisis;
- Opening a Crisis Support Unit and Assessment Ward as pilots in East Lancashire to ensure that service users are immediately assessed and directed to appropriate services as an alternative to automatic immediate admission to a mental health ward;
- Setting up a Care Hotel service in Central Lancashire for frail elderly people who no longer need the support of acute services, but who are not yet ready to return home;
- Reducing time spent travelling by staff using technology, releasing time to care and reducing the cost of travel.

Awards

Adult Community

The Community Equipment Resource Service received a national accreditation for their outstanding quality management systems.

CERS provides equipment such as beds, pressure relieving mattresses and hoists to patients within Central and West Lancashire, in July 2015, they were awarded accreditation by Community Equipment Code of Practice Standards (CECOPS) in recognition of their high standards of working towards a quality framework for the ordering of equipment and provision of services.

Operational Manager for the Community Equipment Resource Service (CERS) at Lancashire Care NHS Foundation Trust said:

Team awarded national accreditation

"Everyone in the CERS team in Leyland has worked extremely hard to ensure that our Quality Management System is robust and fit for purpose… to have achieved accreditation at our first attempt is very pleasing"

Community Adult Mental Health Team North Lancashire - International Dementia Awards

A Community Mental Health Team for Older Adults in North Lancashire was nominated for an international Dementia award.

The team were shortlisted in the Dementia Festival category for the 2015 International Dementia Awards for their 'Safer Wandering Scheme' which enables those living with Dementia to continue to live as normally as possible in their own homes. Part of the scheme involved developing positive relationships with the local Police Officers and PCSOs, providing training for them on perceptions of risk and positive risk management with people with Dementia.

The Community Mental Health Team Manager for Older adults said:

Nominated for the 'Celebrating good practice' section

'The aim of the scheme was to ensure people living with dementia lead the highest quality of life… with the least possible interference. Creating the scheme and developing relationships with partner organisations in the area is key to ensuring that you can live well with Dementia. I'm delighted that that the team has been recognised and shortlisted for the award, especially at an event that has such a wide audience."

Adult Learning Disability Team Blackburn with Darwen – Finalists in the National Patient Experience Network Awards for their work Co-designing Always Events


The Patient Experience Network National Awards 2015

Recognising excellence in healthcare

FINALIST

This is to certify that

Lancashire Care NHS Foundation Trust

Co-designing Always Events

is a Finalist in the

Strengthening the Foundation

category of the

Patient Experience Network National Awards 2015

Signed on behalf of the Judges

PEN National Awards 2015

Re:thinking the experience

The Director of Nursing commented:

Unfortunately we didn't win this time but I am really proud of the co-design team, the work that they have done is fantastic and they have made a difference to this patient group, which is the most important thing.

Specialist Services

Enabling Environments Award

The Edith Rigby House is an "approved premise" (a hostel for women who are on bail, serving a community sentence or on prison licence) that gives women a place to live with the support they need. Each resident has an allocated Key Worker who supports them through their stay and helps with getting each resident back into living a settled life in the community.

In August 2015 the Edith Rigby House successfully achieved the "Enabling Environment" award, granted by the Royal College of Psychiatrists.

Enabling Environments Award

Adult Mental Health

Undergraduate Teaching Awards

A Consultant with the Trust was awarded 'Best' facilitator at the Preston branch of the University of Manchester Medical School by the students he taught.

The awards, hosted by the Health Academy at Lancashire Teaching Hospitals in November 2015, recognises undergraduate teaching in Lancashire and the winners of each award are chosen by the students. The awards celebrate the tutors and students success throughout the year and the Consultant was nominated and won best year 4 facilitator for his work teaching 'Problem Based Learning' which covers topics such as Dementia, Substance Misuse and Mental Health Issues.

"Psychiatry and mental health has a stigma to overcome and it's great to know the students have appreciated the teaching. My aim was to get them to think about the mental health needs of their future patients no matter which area of medicine they choose as a career, I hope I inspired the students I taught to consider a career in Psychiatry."

Students in Lancashire vote Trust tutor as best!

Children and Families

Accreditation with Excellence from Quality Network (Royal College Psychiatrists)

Lancashire's Child and Adolescent Mental Health Services (CAMHS) was commended by the Royal College of Psychiatrists for its commitment to providing excellent care in August 2015

Lancashire Care NHS Foundation Trust's unit The Junction, in Lancaster, was one of only fifteen services nationally to have been awarded the Quality Network for Inpatient CAMHS (QNIC) accreditation with excellence (which is the highest accreditation that can be awarded). The Royal College of Psychiatrists assess services against nationally agreed standards of good practice in relation to the environment, staffing, safeguarding and the overall quality of care.

Adolescent Inpatient Unit Accredited with Excellence

Acting Ward Manager at The Junction, Lancashire Care NHS Foundation Trust said:

"Our priority is to always ensure the service provides the highest quality of care possible for the young people here, so to see the hard work that goes into that everyday be recognised in this way is an honour and a fantastic achievement for everyone involved."

CAMHS Tier 4 Participation Lead - Participant of the year award – National Positive Practice Mental Health Awards

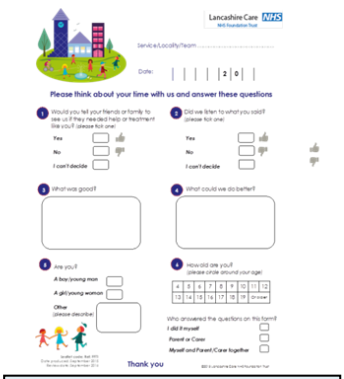
Social worker at the Junction wins a prestigious Positive Practice Award

The Participation Lead at the Junction, won the Positive Practice Award for "Making a Difference" in October 2015, for the work she did to involve children and young people and their families in their care. This involved the development of a group called 'CREW' which consists of young people and their parents who have used inpatient services and want to be involved in the continual development of the service. CREW have also worked in collaboration with a youth theatres in Barrow and Kendal to raise awareness of mental health in schools for students and staff.

Celebrating the prestigious Positive Practice Award with Lancashire Care NHS Foundation Trust Chief Executive

"The evening was brilliant and I'm so excited to have won… I will always be proud of the NHS CAMHS Inpatient services covering Lancashire and South Cumbria. They are recognised in the top 15 as national best practice."

Easily Accessible Friends and Family Test (FFT) for children and young people



Children and Families FFT

The Children and Families Network at Lancashire Care NHS Foundation Trust was runner up in NHS England's Friends and Family Test Awards 2016 in the Best FFT Accessibility Initiative Category.

The awards aim to recognise healthcare services that have used the feedback of patients and carers to shape services for the better and make improvements as a result.

Working closely with the Quality Improvement and Experience Department, the Children and Families Network adapted the widely used questionnaire to appeal to a younger audience and provide them with the opportunity to feedback about their experience of the Trust's services.

Public Health Development Lead commented

This is an exciting occasion and highlights how much the Trust gives importance to children and young people whose opinions and experiences are absolutely crucial. The network pioneered a unique system of the Family and Friends Test for an important section of the community who would, otherwise, find it difficult to participate in this national initiative as the test forms were designed for adults

The category for which we've been shortlisted is open to services that have tried to make giving feedback easier for people who might otherwise be excluded. It is vital to recognise the excellent work the network has undertaken in involving children and young people in ensuring their voices are heard and assure them that their opinions do matter

The Director of Nursing commented:

There were almost 200 entries of a very high standard so this is a real achievement.

Support Services

Institute of Chartered Secretaries and Admin Awards

Deputy Company Secretary wins national award!

The Institute of Chartered Secretaries and Admin (ICSA): The Governance Institute held an awards ceremony in December 2015 where Lancashire Care NHS Foundation Trust's Deputy Company Secretary won "The One to Watch" award.

The Deputy Company Secretary has progressed from a Personal Assistant role in just five years and was recognised by the board as having the potential to be an outstanding successor to the company secretary, showing strong leadership and personal skills and is described as "*A truly exceptional individual who has an extremely promising career ahead of her".*

The Harbour wins national awards

Lancashire Care NHS Foundation Trust's flagship inpatient mental health hospital was successful in winning the Best Large Commercial Building category at the North West "Building Excellence" awards in November 2015 and was a winner at the National "Building Better Healthcare" Awards in February 2016.

The 154 inpatient bed unit was recognised for the extremely high standards of design. The design process included not only contractors and staff but also had great involvement from service users and carers to ensure the building captured the views of those who may have had first-hand experience of using services.

Following the North West award the Project Director for The Harbour said:

The Harbour, Blackpool

"We are delighted to have won this award for The Harbour, which showcases our extensive pursuit to achieving the very best in high quality, excellent care. The Harbour provides a therapeutic environment to allow our services users to feel comfortable and at ease while our staff help them to improve their mental health and wellbeing

The Quality Academy wins apprenticeship award

The Quality Academy has won an award in recognition of the continued commitment to the apprenticeship programme. Sixty apprentices are currently in roles across the organisation with a further nineteen due to start in the near future.

Apprenticeship programme award

National Recognition for self-help resource

The BMA (British Medical Association) Patient Information Awards encourage excellence in the production and dissemination of accessible, well-designed and clinically balanced patient information. The Clinical Governance Team at Lancashire Care supported an Expert by Experience, to create a 'Self-Help for Self-Injury' booklet. This provides information for people who may self-injure, including how to care for their wounds and help available to deal with their thoughts and feelings to reduce occurrences of self-injury and help to improve their overall mental health and well-being.

The "Self-Help for self-injury" resource was highly commended at the 2015 BMA awards ceremony in London, which one of the authors attended.

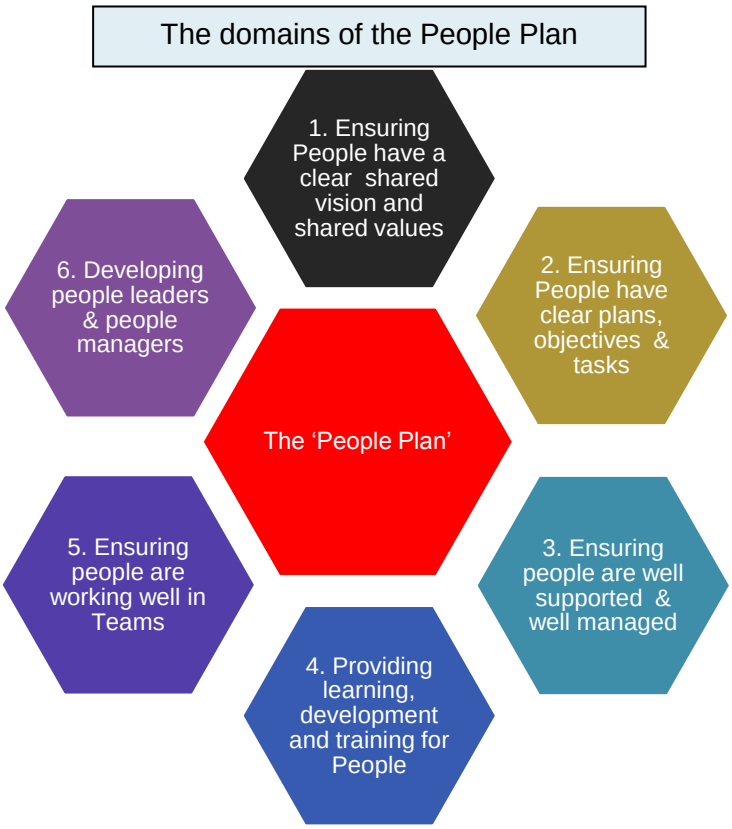
Staff Development and Quality

Lancashire Care NHS Foundation Trust continues to work hard to successfully embed values to ensure the delivery of high quality care: Teamwork, Compassion, Integrity, Respect, Excellence, Accountability.

These values are the foundation stones for everything Lancashire Care NHS Foundation Trust does and 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 reduce both mortality and morbidity.

Hence, Lancashire Care NHS Foundation Trust works to improve staff experience through the development of a comprehensive 'People Plan' (Organisational Development Plan), supported by the Kings Fund and based in the 'Collective Leadership' philosophy and evidence base. The plan is being developed through an appreciative inquiry approach and with high levels of staff input and engagement, it is being finalised in early 2016 and will move to full delivery by June 2016. The plan has the following high level 'domains' of focus and activity:



The People Plan actions will build on our current activity and continue to increase our levels of staff engagement. The activity will be grouped thus:

1. Ensuring People have a clear shared vision and shared values

Continuing to communicate Our Vision and supporting strategic narrative, based on high quality compassionate care

2. Ensuring People have clear plans, objectives and tasks

Ensuring that individual of objectives are aligned with Our Vision and flow through the organisation.

3. Ensuring People are well supported and well managed

Continuing to manage people in a supportive and compassionate manner; ensuring best Human Resources management practice is in place. Engaging people through appreciative and authentic conversations giving a true voice to employees, allowing influence and contribution and a greater emphasis to the health and wellbeing of the people.

4. Providing learning, development and training for people

Ensuring that high quality learning, education and development activities are available, especially ensuring line managers have the skills to deliver great people management and continuing to develop people to confidently use quality improvement methodologies and a range of enablers building on the Appreciative Leadership learning.

5. Ensuring People are working well in teams

Ensuring teams have shared objectives and work together regularly reviewing their performance.

6. Developing People Leaders and People Managers

Continuing to develop a culture of Leadership enabling the collective actions of formal and informal leaders to act together to drive organisational success.

Staff Engagement

Engage Events

The Chief Executive's Engage events take place each quarter for 300 leaders to provide an update on the current priorities, progress against them and to enable attendees to feedback their thoughts to the Executive team. The events are led by the Chief Executive and time for networking and questions from the floor are built into each event. A similar event is held on a bi annual basis for Aspiring Leaders to support their development and engagement in the future plans.

Health and Wellbeing

Lancashire Care NHS Foundation Trust recognises that the health and wellbeing of its employees is vital to drive the delivery of high quality care. Lancashire Care NHS Foundation Trust is a Mindful Employer and has a Health and Wellbeing programme in place to ensure that wellbeing is at the heart of the employment experience for all staff.

The programme is underpinned by key strategic documents and supports existing policy documents embedded in the organisation. Development and delivery over the last 12 months has achieved the following;

- 102 Health and Wellbeing Champions and 174 additional contact people who receive a workplace health newsletter and evidence based health information to support themselves and their colleagues
- A Staff health needs assessment was carried out in June 2015 (539 responses) and again in January 2016 (1,315 responses) to inform action planning
- Lancashire Care NHS Foundation Trust has signed up to the Workplace Wellbeing Charter and has completed an initial self-assessment. A working group has been established to work towards accreditation of the Charter
- NICE Workplace Health guidelines (NG13) –a baseline assessment has been completed and areas for improvement have been identified and will be worked on alongside the Charter

- Sedentary behaviour – a pilot project has been undertaken regarding workplace sedentary behaviour. 'Sit Less' training has been developed and delivered to 54 staff with Workspace Walks (15 minute walks) also in place in various workplaces
- Workplace events took place in November (2015) at 4 main sites engaging with over 200 staff. Key national evidenced lifestyle messages were delivered with a particular focus on alcohol consumption in line with 'Alcohol Awareness week'. Feedback forms were completed by 208 staff members. 576 alcohol measure glasses distributed to staff via the Health and Wellbeing Champions
- Embedding Health and Wellbeing across the organisation – a monthly steering group has been established with representatives from Workforce and Human Resources, Learning and Organisational Development, Equality and Diversity, Engagement/Communications, Health & Safety, Staff Side, and Networks, which has resulted in better awareness and collaborative working.

Annex: Statements from Healthwatch, Overview and Scrutiny Committees and Clinical Commissioning Groups

Healthwatch (Lancashire)

Healthwatch Lancashire thanks Lancashire Care NHS Foundation Trust for the work undertaken by its directors, clinicians, nurses and ancillary staff. Our strong impression, from conversations with patients and staff within the Trust is that Lancashire Care NHS Foundation Trust has put in place a strong vision with patients being valued and at the centre of their priorities for improvement.

Neil Greaves, Communications Manager
Mike Wedgeworth, Chair
Sheralee Turner-Birchall, Chief Officer
Healthwatch Lancashire
10 May 2016

Overview and Scrutiny Committees

Blackburn with Darwen Borough Council

In the last municipal year (2015-16) we have maintained an ongoing, open and engaging dialogue with Lancashire Care Foundation Trust:

At the beginning of the year (July 2015) we were advised by the Chief Executive and the Chief Operating Officer of the Trust priorities and major transformation programmes that were in process: This provided a framework in which Members were able to discuss the priorities, risks and opportunities of both the Trust and its wider partnerships. As a result of the briefing (and the requests of some constituents and Councillors) the Committee chose two specific areas of focus; mental health and the Lancashire Care Foundation Trust custody pilot.

Having independently reviewed both these areas, the Committee were able to conclude from advocates, service users and partnership representation that the picture painted by the Trust had been accurate, balanced and insightful. Reassuringly, this remains much the same as the narrative in the Quality Accounts for 2015-16.

It is encouraging to see that the evolving conversation outlined in the Quality Accounts is not adjunct to, separate or disjointed from the work of the Committee. Quite the opposite, it remains connected, apposite and timely.

We feel that the relationship we have with the Trust is excellent meaningful and complimentary. There is a real confidence from the Committee that we will continue to build on that relationship whilst looking forward and working together to shape and deliver shared priorities.

Councillor Ron O`Keeffe — Councillor Tony Humphrys

Chair — Vice Chair

Blackburn with Darwen Borough Council
Health and Adults
Overview and Scrutiny Committee

Blackpool Council
The Resilient Communities Scrutiny Committee welcomes the opportunity to provide comments on the 2015/16 Lancashire Care Foundation Trust Quality Account and would like to thank the Trust for their continued engagement with the Committee and attendance at meetings over the previous 12 months.

The Committee accepts that the Trust is incredibly large and that the Quality Account must contain a large amount of information, but recommends that an Executive Summary be considered for future Accounts in order to ensure it is as user friendly as possible. It is considered that it would be unlikely that members of the public would have the time or inclination to read such a large document.

Members note that a key priority of the Trust is to achieve honesty and candour and appreciate that this is a difficult cultural change for many organisations. However, it is exceedingly important and the Committee would like to highlight the Francis report which raised concerns regarding the honesty of reporting to local Scrutiny Committees. The Committee would like to continue to build their relationship with the Trust to ensure that areas of concern are openly discussed and recorded in order to ensure the best care for patients. In this regard, the Committee appreciates the information received to date on both The Harbour and wider mental health provision in Blackpool.

Due to the wide geographical nature of the Trust it can be difficult to understand from the performance indicators how the Trust is performing in the local area and Members would welcome the circulation of more localised performance reporting and detail of local patient experience from the results of the Friends and Family Test.

Finally, the Committee would like to highlight the short timescale for response to the Quality Account.

Resilient Communities Scrutiny Committee, Blackpool Council

Lancashire County Council
Although we are unable to comment on this year’s Quality Accounts due to timetabling issues, we are keen to engage and maintain an ongoing dialogue throughout 2016-17.

Wendy Broadley
Principal Overview and Scrutiny Officer

Clinical Commissioning Group (CCG)

NHS Blackburn with Darwen Clinical Commissioning Group

Lancashire Care Foundation Trust (LCFT) has a clearly defined vision for quality within the organisation and has identified a range of key principles which will be used to drive achievement of the goals embodied within it.

The Trust has expended significant effort and resource, supported by commissioners through a CQUIN scheme, on empowering and equipping front line staff with the tools and processes to drive quality forward in all areas of work in pursuit of the trust's objective of, "High quality care, in the right place, at the right time, every time." Commissioners have also worked closely with the Trust to enhance processes to review incidents in order to understand root causes, learn lessons and share this learning across the organisation in order to prevent reoccurrence. Both the Trust and Commissioners recognise that this is an area which can be further improved, and plans are in place to address this during the coming year.

The Trust is pleased with overall progress it has made over the past year, whilst remaining cognisant of the challenges ahead, particularly whilst operating in the current financially challenging environment.

Blackburn with Darwen Clinical Commissioning Group (BwD CCG), as lead commissioner for Mental Health welcomes the approach that LCFT have taken to quality within the Trust as it ensures that the needs of patients are front and centre in all decision making processes around service provision. Commissioners are currently in the process of seeking assurance from the Trust around its Cost Improvement Programmes (CIPs) to provide external validation that they will not impose a negative impact on the patient experience.

The CCG and its associate commissioners have continued to work collaboratively with the Trust throughout the year to ensure that quality standards, and the evidence to support their achievement, are of a high level. There have been sustained improvement in the quality of data and information provided by the Trust and this will continue to be monitored and developed throughout the coming year to ensure that evidence provided is both adequate and sufficient to ensure that the needs of patients are being sustainably met.

David Rintoul
Performance and Quality Manager

NHS Chorley and South Ribble Clinical Commissioning Group

Chorley and South Ribble CCG (CSR CCG) welcomes the opportunity to review the Quality Account for Lancashire Care NHS Foundation Trust (LCFT) for 2015/16.

The CQC inspection in April 2015 resulted in an overall rating of 'requires improvement' for LCFT. The areas requiring improvement were detailed under the domains of safe, effective and well led. Although this was disappointing, LCFT are working in partnership with the CCG and the Quality Improvement Board in order to implement the CQC recommendations and provide a clear focus for improvement. Actions from the Quality Improvement Board are being addressed and are reported at CCG contract meetings. The CCG is pleased to report that LCFT has taken positive steps to address the issues highlighted in the report, however, it is recognised that challenges still lie ahead.

Workforce issues remain challenging for LCFT. There has been concern locally around the impact on Integrated Neighbourhood Teams, recruitment of Community Matrons and Mental Health Accident and Emergency Liaison provision. Other workforce issues include peripheral workforce reliance; sickness absence; vacancy rate; staff turnover rate; appraisal performance; mandatory training and induction (within 3 months of starting). The CCG note the initiatives LCFT is putting in place from April 2016 to address these concerns, which include changes to staff induction, a new electronic PDR system, and a new Occupational Health provider. In addition there are ongoing recruitment campaigns. The CCG welcome the updates that have been received in relation to the improvements made during 2015/16 and would encourage LCFT to continue to implement the action plans to resolve this.

LCFT continue to face challenges in relation to mental health service provision with the reconfiguration of beds and the delay in providing in-patient facilities in East and Central Lancashire and the rising demand for admissions. The high use of out of area placements and the high suicide rate in Greater Preston being particular areas of concern for the local CCG population. Problems have also been identified in relation to the identification of appropriate beds for young people requiring CAMHS support. The CCG would encourage LCFT to work with partner organisations in order to successfully resolve these issues.

LCFT applied for a data pause during 2015-16 due to identified concerns with the availability of information and data quality. Although the CCG is aware that LCFT has taken actions to address this, the CCG will continue to monitor data quality throughout 2016/17, in order to ensure that any service issues are identified in a timely manner.

During 2015-16 the open and transparent relationship between CSR CCG and LCFT has continued to develop. The CCG congratulate LCFT on being ranked in the top 10% nationally as one of the NHS Trusts' with 'good levels of openness and transparency'.

It is also noted that LCFT has adopted a quality improvement approach across their service and that quality is central to the Trust vision. LCFT has a number of quality work streams that focus on providing quality assurance and evidence of continuous quality improvement. These include Good Practice Visits (which the CCG is invited to attend) along with the further development of the Quality SEEL. A key factor affecting quality improvement is the harm free care strategy. Improvements to patient safety are continuously being addressed as a result of this strategy.

A CCG review of serious incidents revealed a high number of grade 3 & 4 pressure ulcers being reported. A subsequent thematic review around pressure ulcer prevalence has provided additional quality assurance for the CCG as it has highlighted the actions that the organisation is taking to resolve this issue.

LCFT is expected to achieve all of their CQUIN targets in 2015-16. These are:

- COPD Community Bundles
- Quality Improvement Framework
- Workforce health and Wellbeing

The CCG feels that achievement of these CQUINS will further enhance patient care. Quality Events demonstrating the consequent improvements to the services across LCFT have been attended by the CCG and have provided assurance around the implementation of CQUIN work streams.

The CCG is pleased to report the effort that LCFT is taking to engage and involve patients and staff in service development. However, it is recognised that more work needs to be done to address the findings from the staff Family and Friends Test for staff recommending LCFT as 'a good place to work'. In response to this it is noted that LCFT has continued to work with the Kings Fund to develop a 'People Plan' by June 2016. Furthermore, the Schwartz Rounds initiative recognises the need to support staff by providing a safe and supportive space which promotes personal development. The CCG recognises this is as a positive development. It will be interesting to see the progress of this initiative over the coming year. It is also pleasing to note that Family and Friends feedback will be used to improve the experiences people have of LCFT services during 2016-17.

Looking ahead, the CCG is pleased to note that LCFT priorities for 2016/17 include the additional goal of being well-led in order to ensure further improvements across the organisation. This will further help to address CQC findings in relation to becoming a well led organisation. The CCG feels this is essential in moving forward as an organisation and look forward to further positive developments as a result of this.

Jan Ledward

Chief Officer

Amendments Made to Initial Draft Quality Account Following Feedback from Stakeholders
Lancashire Care NHS Foundation Trust welcomes the positive feedback we have received on the format and content of the Quality Account this year. All comments received have been acknowledged and will be considered as part of the review process in 2016/17. Lancashire Care NHS Foundation Trust welcomes the invitations to work collaboratively with stakeholders during 2016/2017 to provide feedback on the quality priorities and the development of the 2016/2017 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.

Monitor has issued guidance to NHS foundation trust boards on the form and content of annual quality reports (which incorporate the above legal requirements) and 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 2015/16 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 2015 to 26/05/16
  - papers relating to Quality reported to the board over the period April 2015 to 26/05/2016
  - feedback from commissioners dated 6/5/16 and 17/5/16
  - feedback from governors dated 15/3/16
  - feedback from local Healthwatch organisations dated 10/5/16
  - feedback from Overview and Scrutiny Committee dated 29/4/16, 19/5/16 and 20/5/16
  - the Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, date May 2016
  - the 2015 national community mental health patient survey
  - the 2015 national staff survey
  - the Head of Internal Audit's annual opinion over the trust's control environment dated 26/05/2016
  - CQC Intelligent Monitoring Report dated February 2016

- the Quality Report presents a balanced picture of the NHS foundation trust's performance over the period covered
- the performance information reported in the Quality Report is reliable and accurate
- there are proper internal controls over the collection and reporting of the measures of performance included in the Quality Report, and these controls are subject to review to confirm that they are working effectively in practice

- the data underpinning the measures of performance reported in the Quality Report is robust and reliable, conforms to specified data quality standards and prescribed definitions, is subject to appropriate scrutiny and review and
- the Quality Report has been prepared in accordance with Monitor's annual reporting guidance (which incorporates the Quality Accounts regulations) (published at www.monitor.gov.uk/annualreportingmanual) as well as the standards to support data quality for the preparation of the Quality Report (available at www.monitor.gov.uk/annualreportingmanual).

The directors confirm to the best of their knowledge and belief they have complied with the above requirements in preparing the Quality Report.

By order of the Board

26 May 2016 Date  Chair

26 May 2016 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: •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.

Appendix 2: Glossary

Abbreviations

ATS	Acute Therapy Service
AQuA	Advancing Quality Alliance
BMA	British Medical Association
CAMHS	Child and Adolescent Mental Health Services
CaSH	Contraception and Sexual Health
CAT	Cognitive Analytic Therapy
CBT	Cognitive Behaviour Therapy
CCG	Clinical Commissioning Group
CCTT	Complex Care and Treatment Teams
CDM	Clinical Discussion Meeting
CERS	Community Equipment Resource Service
CHAT	Comprehensive Health Assessment Tool
CJLDT	Criminal Justice Liaison and Diversion Team
COPD	Chronic Obstructive Pulmonary Disease
CPT	Community Practice Teachers
CQC	Care Quality Commission
CYP IAPT	Children & Young People Increasing Access to Psychological Therapies Programme
DBT	Dialetical Behaviour Therapy (model)
DTS	Delivering the Strategy (programme)
ECPA	Electronic Care Programme Approach
ECT	Electroconvulsive Therapy
FFT	Friends and Family Test
FNP	Family Nurse Practitioner
FSG	Family Support Group
GAS	Group A Streptococcal
GP	General Practitioner
GPV	Good Practice Visit

HES	Hospital Episode Statistics
HMP	Her Majesty's Prison
HSCIC	Health and Social Care Information Centre
IAPT	Increasing access to Psychological Therapies
IAPT SMI	Increasing access to Psychological Therapies in Severe Mental Illness
IAPTus	A psychological therapy patient management system
ICSA	Institute of Chartered Secretaries and Administrators
IHI	Institute for Healthcare Improvement
IPC	Infection Prevention and Control
IQPR	Integrated Quality and Performance Report
IUD	Intrauterine Device
KPMG	Management Consultants
LCFT	Lancashire Care NHS Foundation Trust
LTOY	Lancashire Youth Offending Team
MAPPA	Multi Agency Public Protection Arrangements
MAS	Memory Assessment Service
MECC	Making Every Contact Count
MHRA	Medicines and Healthcare Products Regulatory Agency
MIAA	Mersey Internal Audit Agency
MIND	Mental Health Charity
NBAS	National Behavioural Assessment Scale
NCISH	National Confidential Inquiry into Suicide and Homicide
NICE	National Institute for Health and Care Excellence
NRLS	National Reporting and Learning System National
NWAS	North West Ambulance Service
PARE	PAR Excellence Team
PD	Personality Disorder
PDSA	Plan-Do-Study-Act methodology
PDMCN	Personality Disorder Managed Clinical Network
PICU	Psychiatric Intensive Care Unit

PIPE	Partners in Parenting Education
QA	Quality Assurance (visit programme)
QI	Quality Improvement
QIA	Quality Impact Assessment
QIF	Quality Improvement Framework
Quality SEEL	Quality, Safety, Experience, Effectiveness and Leadership
RAG	Red Amber Green rating
REACh	Routine Enquiry into Adversity in Childhood
RTT	Referral to Treatment
R & D	Research and Development
SEED	Supporting Environment Encouraging Development
SHARE	Sexual Health and Relationship Enhancement (Psychosexual Services)
SPOA	Single Point of Access
SOP	Standard Operating Procedure
SSKIN	Nursing Management Tool – Pressure Damage Prevention
SUDE	Service User Development
SUS	Secondary Uses Service
TIB	Team Information Board
UCLAN	University of Central Lancashire
VTE	Venous Thromboembolism

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 Datix integrated risk management system	Software package used to record incidents, complaints and risks. Developed to provide an action tracking capability with “real time” reporting and live dashboards.
Dear Derek	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.
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.
Our 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 “*High quality care, in the right place, at the right time, every time”* .
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.
Quality SEEL	Lancashire Care NHS Foundation Trust's internal self-assessment framework which enables leaders to review the Essential Standards of Quality and Safety.
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.
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.
The Mid Staffordshire NHS Foundation Trust Public Inquiry February 2013 (Francis 2)	The report of findings into the examination of the commissioning, supervisory and regulatory organisations in relation to their monitoring role at Mid Staffordshire NHS Foundation Trust between January 2005 and March 2009.
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

Opinions and conclusions arising from our audit

1 Our opinion on the financial statements is unmodified

We have audited the financial statements of Lancashire Care NHS Foundation Trust for the year ended 31 March 2016. In our opinion:

- the financial statements give a true and fair view of the state of the Trust's affairs as at 31 March 2016 and of the Trust's income and expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2015/16.

2 Our assessment of risks of material misstatement

In arriving at our audit opinion above on the financial statements, the risks of misstatement that had the greatest effect on our audit are considered below. This year we have identified two such risks: the valuation of land and buildings and the recognition of NHS and non-NHS income as the significant financial statement risks for the Trust. Last year we also identified valuation of land and buildings as a significant financial statement risk. Income recognition was not a specific significant financial statement risk last year. It has been included this year due to the rise in receipt of non-recurrent funding around out of area treatments, and the rise in the non-NHS local government funding, both of which income streams have seen material increases.

Valuation of land and buildings - £188.5 million (2014/15: £188.4 million) ⟺

Refer to the Audit Committee Report within the Board of Directors section (6.1) of the Trust's Annual Report and Accounts 2015/16, sections 1.5 and 1.20 of the Trust's accounting policies (Note 1 to the Accounts) and Property, plant and equipment financial disclosures at Notes 12 and 13 to the Accounts.

The risk: Land and buildings are initially recognised at cost. Non-specialised property assets in operational use are subsequently recognised at current value in existing use (EUV). Specialised assets, where a market value is not readily ascertainable, are subsequently recognised at the depreciated replacement cost (DRC) of a modern equivalent asset that has the same service potential as the existing property (MEAV). Impairment reviews are carried out quarterly to ensure that the carrying amounts of assets are not materially different from their fair/current values, with a full valuation every five years and an interim desk-top valuation after three years.

There is significant judgment involved in determining the appropriate basis (EUV or DRC) for each asset according to the degree of specialization, as well as over the assumptions made in arriving at the valuation.

The Trust commissioned a full revaluation of land and buildings in 2014/15. In 2015/16, the Trust did not commission a full revaluation of its land and building assets. Since there is a requirement for the year-end estimate of market valuation to be kept up to date, the Trust undertook investigations to ascertain whether a material change in the value of land and buildings had occurred since 31 March 2015. This included an assessment of potential movements in market values, using RICS property value index data provided by the District Valuer, as well as a formal review of impairment indicators across the Trust's estate. Following completion of these procedures the Trust concluded that there was no material movement in the value of its land and building assets, and

therefore that a revaluation, including indexation, in its financial statements for 2015/16 was not required. Some impairments have been made, and some assets have been reclassified as surplus to requirements, with a corresponding impact on valuations. The Trust also capitalised £5.8 million of new building assets in 2015/16.

Our response: In this area our audit procedures included

- assessing the competence, capability, objectivity and independence of the Trust's external valuer and considering the information provided to the Trust in 2015/16, to inform its assessment of market value movements, for consistency with the requirements of the NHS Foundation Trust Annual Reporting Manual;

- critically assessing the calculation of market value indices movements completed by the Trust, including a re-performance of this calculation to confirm that no material movement in the value of land and building assets was indicated;

- agreeing the data underpinning the Trust's calculation of market value movements to the RICS data obtained by the District Valuer and corresponding with audit teams at other Trusts in the region to obtain assurance that the indices were reasonable;

- critically assessing the Trust's formal consideration of indications of impairment and surplus assets within its estate, including the process undertaken and the adequacy of the formal, written decision document used in the process;

- sample testing new additions in year and agreeing the figures back to third party evidence to confirm the accuracy and value of the transaction recorded and confirming that they met the definition of capital assets; and

- considering the adequacy of the disclosures about the key judgements and degree of estimation involved in concluding that there has been no material movement in the value of land and buildings since 31 March 2015.

Recognition of NHS and non-NHS income - £343.9 million (2014/15: £326.8 million) 

Refer to the Performance Report section (1.2) of the Trust's Annual Report and Accounts 2015/16, sections 1.1 of the Trust's accounting policies (Note 1 to the Accounts), Income disclosures at Notes 3 and 4 to the Accounts and related Deferred Income and Related Parties disclosures at Notes 24 and 32 to the Accounts respectively.

The risk: Income in respect of healthcare services provided is recognised when, and to the extent that, performance occurs and is measured at the fair value of the consideration receivable. Where income is received for a specific activity which is to be delivered in the following financial year, that income is deferred. The determination of revenue relating to the delivery of NHS healthcare services can be particularly complex and subjective, increasing the risk of misstatement.

The Trust receives 92% of its income from commissioners of healthcare services on behalf of the patients and service users they are responsible for. The large majority of this clinical funding is received from local NHS Clinical Commissioning Groups with the remainder primarily received from local authorities. Due to changing patterns of commissioning income from local authorities for patient care activities has risen from £18 million in 2014/15 to £27 million in 2015/16. CCG income was largely stable with the exception of Out of Area Treatments (OATs), where the cost pressures are shared between the Trust and its commissioners, but for which higher activity still drove increased income. Income from NHS England rose primarily due to the award of the Liverpool prison healthcare contract.

Our response: In this area our audit procedures included

- Agreeing a sample of the income recorded in the financial statements to signed NHS and (non-NHS) local authority contracts and where applicable, agreeing a sample of contract variations to supporting evidence;

- Reviewing the processes and controls in place around OATs risk share arrangements and testing whether the controls for receiving and recording related income were operating effectively;

- Agreeing the Trust income reported in 2015/16 to the information supplied as part of the Agreement of Balances (AoB) exercise with other governmental organisations. We investigated any mismatches between the treatment of income in the Trust's accounts with the treatment of the corresponding expenditure in the accounts of the counterparties;

- Testing a sample of income recorded in the final month of the year and the first month of the 2016/17 year to ensure income has been recorded in the correct period;

- Testing a sample of deferred income balances to ensure there was a robust rationale for recognising the income in a future period; and

- Performing an analytical review of all income lines, obtaining explanations and supporting evidence for large variances from the prior year and the budgeted outturn .

3 Our application of materiality and an overview of the scope of our audit

The materiality for the financial statements was set at £5.9 million (2014/15: £6.5 million), determined with reference to a benchmark of total revenues, of which it represents 1.75%. We consider total income to be more stable than a surplus-related benchmark.

We report to the Audit Committee any corrected and uncorrected identified misstatements exceeding £294,000 (2014/15: £325,000), in addition to other identified misstatements that warrant reporting on qualitative grounds.

Our audit of the Trust was undertaken to the materiality level specified above and was all performed at the Trust's Finance department at the Sceptre Point site.

4 Our opinion on other matters prescribed by the Code of Audit Practice is unmodified

In our opinion:

- the parts of the Remuneration Report and Staff Report to be audited have been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2015/16; and

- the information given in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

5 We have nothing to report in respect of the following matters on which we are required to report by exception

Under ISAs (UK and Ireland) we are required to report to you if, based on the knowledge we acquired during our audit, we have identified other information in the annual report that contains a material inconsistency with either that knowledge or the financial statements, a material misstatement of fact, or that is otherwise misleading.

In particular, we are required to report to you if:

- we have identified material inconsistencies between the knowledge we acquired during our audit and the directors' statement that they consider that the Annual Report and Accounts taken as a whole is fair, balanced and understandable and provides the information necessary for patients, regulators and other stakeholders to assess the Trust's performance, business model and strategy; or

- the Audit Committee report, within the Annual Report, does not appropriately address matters communicated by us to the Audit Committee.

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

- the Annual Governance Statement does not reflect the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual 2015/16 and supporting guidance, 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.

- the Trust has not made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

In addition we are required 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 respect of these responsibilities.

Respective responsibilities of the accounting officer and auditor

As described more fully in the Statement of Accounting Officer's Responsibilities, the accounting officer is responsible for the preparation of financial statements which give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the UK Ethical Standards for Auditors.

Scope of an audit of financial statements performed in accordance with ISAs (UK and Ireland)

A description of the scope of an audit of financial statements is provided on our website at www.kpmg.com/uk/auditscopeother2014. This report is made subject to important explanations regarding our responsibilities, as published on that website, which are incorporated into this report as if set out in full and should be read to provide an understanding of the purpose of this report, the work we have undertaken and the basis of our opinions.

Respective responsibilities of the Trust and auditor in respect of arrangements for securing economy, efficiency and effectiveness in the use of resources

The Trust is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

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 its 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 its use of resources are operating effectively.

Scope of the review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance on the specified criterion issued by the Comptroller and Auditor General (C&AG), as to whether the Trust has proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. The C&AG determined this criterion as necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Trust put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2016.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to form a view on whether, in all significant respects, the Trust had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

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. 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 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 audit completion

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.

Timothy Cutler

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

1 St Peter's Square, Manchester, M2 3AE

26 May 2016

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 2016 (the 'Quality Report') and certain performance indicators contained therein.

Scope and subject matter

The indicators for the year ended 31 March 2016 subject to limited assurance consist of the following two national priority indicators (the indicators):

- 100% enhanced Care Programme Approach patients receiving follow-up contact within seven days of discharge from hospital;
- minimising delayed transfers of care.

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 and supporting guidance issued by Monitor.

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 Guidance for External Assurance on Quality Reports 2015/16 ('the Guidance'); and
- the indicator 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 supporting guidance and the six dimensions of data quality set out in the Guidance.

We read the Quality Report and consider whether it addresses the content requirements of the NHS Foundation Trust Annual Reporting Manual and supporting guidance 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 2015 to May 2016;
- papers relating to quality reported to the board over the period April 2015 to May 2016;
- feedback from commissioners dated 6th May 2016 and 17th May 2016;
- feedback from governors received 15th March 2016;
- feedback from local Healthwatch organisations dated 10th April 2016;
- feedback from Overview and Scrutiny Committees dated 29th April 2016, 19th May 2016 and 20th May 2016;

- the trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated May 2016;
- the 2015 national patient survey;
- the 2015 national staff survey;
- the 2015/16 Head of Internal Audit's annual opinion over the trust's control environment, dated 26th May 2016; and
- the latest CQC Intelligent Monitoring Report, dated February 2016.

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 2016, 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 and supporting guidance 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.

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 2016:

- 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 supporting guidance and the six dimensions of data quality set out in the Guidance.

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