Bolton
NHS Foundation Trust

Annual Report and Accounts 2016/17

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Bolton NHS Foundation Trust
Annual Report and Accounts 2016/17

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Foreword

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Foreword

History and Statutory Background

Bolton NHS Foundation Trust is an integrated care organisation providing care and support in the community at over 20 health centres and clinics as well as services such as district nursing and health visiting. We also provide intermediate care in the community and a wide range of services at the Royal Bolton Hospital.

The Trust was authorised as a foundation trust in October 2008 and became an integrated care organisation in July 2011 following the transfer of services from the provider arm of NHS Bolton.

During 2016/17, the Trust developed a wholly owned subsidiary for the provision of estates and facilities services.

Integrated Facilities Management Bolton (iFM Bolton - company number 10278178) was formally established in July 2016 and became operational on 1st January 2017 when cleaning and portering services previously provided by a private company were taken over by the Trust's own subsidiary.

On 31st March 2016 Estates, catering and procurement services were also transferred into iFM Bolton and contracts signed for the provision of an Operated Healthcare Facility from 1st April 2017.

2016/17 in Numbers



111,177 A&E attendances.
31,285 arrived by ambulance



Operating expenses **£318m**

16,997 patients had an operation





352,381 outpatient attendances

NHS
Bolton
NHS Foundation Trust
2016/17

5189 staff





5971 babies born including **85** sets of twins and **2** sets of triplets

851,174 community contacts



92,570 inpatient spells



Foreword

Preparation of Accounts and adoption of going concern

The annual report and accounts have been prepared in accordance with the direction issued by NHSI under the National Health Service Act 2006.

This report is intended to be self-standing and comprehensive in its scope. However where further information is available, for example in the Trust's five year strategic plan, this will be cross-referenced within the report.

For regular updates on our performance and any matters affecting the Trust please refer to our website www.boltonft.nhs.uk

After making enquiries, the directors have a reasonable expectation that Bolton NHS Foundation Trust has adequate resources to continue in operational existence for the foreseeable future.

This judgement was based on the following factors:

Fundamentally all NHS bodies are financially backed by the government in the form of the Secretary of State for Health so it is not possible for Foundation Trusts to become insolvent in the way that a private company might. To ensure this the Department of Health (DoH) operates a system to provide cash support funding to Trusts in financial distress. Bolton NHS Foundation Trust received funding under this system in 2012/13 and 2013/14 but has not required any such funding since then.

The DoH operates a formal system to deal with Trusts that are designated as being financially unsustainable. Trusts in this position continue to receive cash support from the DoH and they themselves continue to prepare accounts on a going concern basis.

In addition to the above the Board are assured that the accounts have been prepared on a going concern basis because of the following:

- Successful delivery of the 2016/17 financial plan and achievement of a Financial Sustainability Risk Rating of two in 2015/16 gives confidence in the organisation's ability to deliver on its financial plans going forward.
- The Trust has the strongest cash position that it has had since it went into turnaround in 2012/13.
- The Board has agreed the Bolton Locality plan which shows a sustainable financial future for the Bolton health economy and the Trust over the next five years.
- A detailed operational financial plan has been prepared to support the delivery of the planned £10.1m surplus for 2017/18.

In terms of risk management the Trust has considered potential downside risk on the 2017/18 financial plan and the range of outcomes that might occur

The Trust is part of the NHS risk pooling scheme, the contributions for this are already fixed. Any risks as a result of litigation will not impact on the Trust's solvency position in 2017/18.

Overview of Performance

Chairman's Review - April 2017

Introduction



It is difficult to overstate the progress and achievements of our Trust over the last twelve months especially given the context of the challenging environment faced by the NHS. I referred to Bolton as the brightest star in the constellation in my report last year and the performance and service delivered by the staff of Bolton in the last twelve months reinforces that view. Putting it simply, we have been terrific and I am immensely proud of everyone for continuing the improvements that have been delivered continuously over a four year period. Our focus on patients, our achievement of key quality targets and our investment in our estate all helped in us continuing our journey to becoming one of the best trusts in the UK. Our progress was confirmed during the summer of 2016 when we received a Good rating from the Care Quality Commission. This was well deserved and reflected all the hard work by everyone in the Trust. Our thanks go to every member of staff for such a great achievement. The patients of Bolton can be rightly proud of their Trust. In addition to all that we delivered against a very demanding financial target and placed ourselves amongst the very best trusts in the UK.

Challenges and Achievements

It is worth considering though the challenges faced by the trust during the last twelve month and reflecting on what was achieved. Everyone will be aware of the publicity surrounding the NHS nationally. Overcrowded Accident and Emergency Departments, cancelled operations, staff shortages and a reliance on agency staff all painted a pretty dismal picture. Add to this the increasingly complex nature and growing health needs of our population, the financial constraints and the immense pressures and difficulties in social care and we have something close to a perfect storm. But remarkably, for the most part, we delivered where others failed. Not a single trust in Greater Manchester met the A&E target, Bolton included, due to the unprecedented demands, but we continued to meet and deliver against all other key targets, including waiting times, diagnostics and readmissions. We should however recognize the extraordinary contribution of the staff affected by the A&E pressures. Although we faced overcrowded assessment and treatment areas the staff kept patients safe and we should never underestimate the scale of challenge they faced nor the magnitude of their achievements. We owe them, and the ward based staff who dealt with the pressures of bed and staff shortages, a huge thanks.

Reflecting on the CQC assessment and our transformation of clinical services and patient care, the achievement of a Good rating under such conditions pays testimony to the professionalism and leadership within the Trust. Our CEO, Dr Jackie Bene, our Director of Nursing Trish Armstrong-Child, our Chief Operating Officer, Andy Ennis and our Medical Director, Steve Hodgson, all played invaluable roles in delivering a cohesive team effort across the Trust. The demands placed upon the Trust ahead of the review were formidable and we have Esther Steel, our Trust Secretary, to also thank for the superb approach adopted in marshalling our resources across the organisation and successfully meeting the challenge. I can but thank them alongside the leadership shown by our Divisional management teams and clinicians through the trust. I am grateful to them all.

Investment

But of course we have not been resting on our laurels and the Trust continues to plan for the future. As part of this our capital programme continued in the past year and we are now beginning to see the improvements promised. As part of our investment plan we spent over £16m on schemes including an expansion of A&E, the new energy scheme – replacing our old coal fired steam boiler with a modern clean gas fired combined heat and power unit – the expansion of our Endoscopy unit and improvements to maternity. Huge progress was made in all these schemes and they are expected to be completed in the next few months. In addition our IT improvement programme continued to be rolled out and we are now seeing the benefits of new technology, single sign-on and enhanced Wi-Fi. We also developed plans for improving our catering service offering to both staff and patients and we introduced the new menu service for all patients offering better choices and faster response times. The Trust is also close to finalizing our plans for a new retail area which should enhance the experience for all patients and their families.

Finance

And then there is the matter of our finances. NHS Improvement, the health regulator, set stringent financial targets for every trust with the offer of additional funds for investment in patient care should we meet them. Bolton achieved one of the best performances in the country and I am delighted that, with the additional funds made available to us, we can declare an operating surplus of over £15m. This is another huge milestone in our transformation and it allows us to continue in our development of services and in upgrading our site. Our thanks again go to everyone involved and to our Finance Director, Simon Worthington, for the development and management of effective financial plans which underpinned and encouraged improvements in clinical services.

Collaboration

2016/17 was also a pivotal year for Greater Manchester Health and Social Care with each locality required to submit a plan for joint working of all health and social care partners over the next five years. The Bolton Locality plan was particularly well received and combined plans from the Trust, Local Authority, Commissioners, Mental Health, GP Federation and the Voluntary Sector. The plan is ambitious and focuses on increasing care in the community and at home rather than in a hospital setting. This will require a transformation in the current models of care and to enable the changes required we have secured almost £29m to aid us during the first three years of the plan. New collaborative arrangements have been agreed with all our partners and we aim to work more effectively together during the coming months.

The Trust also set up iFM Bolton, a wholly owned subsidiary with the aim of improving the service and efficiency of our support services. As part of this initiative, our cleaning and portering team transferred from a private provider (ISS) to iFM Bolton on 1st January 2017. Estates, Facilities and Procurement staff all transferred to the new company on 1st April 2017 and over the coming months the new organization will transform the way these services are delivered. This is an exciting venture and promises big improvements in the way we support both staff and patients throughout the Trust.

Governors

Once again I have to highlight the help and support of our Governors. Throughout the year we have benefitted from their time and expertise in helping us to understand the needs of patients and in thinking through our plans for the future. Their attendance at various committees has proved invaluable, as has their insight, and their individual contributions to the management

team are very much appreciated. The Governors play a critical role in holding the board to account and in ensuring that longer term plans are based on the requirements of patients in Bolton. Their willingness to attend board meetings and to meet with the board several times a year provides continuity and safeguards the direction of the Trust. They deserve our thanks for another year of hard but rewarding work. Throughout the year we had a number of retirements and new appointees to the Council of Governors. I offer my thanks to those who have stepped down and I welcome all our new Governors. You have joined a vibrant and successful organisation and the board looks forward to working with you in delivering the long term vision for the Trust.

The Year Ahead

Bolton is rightly regarded as a very successful and patient focused Trust throughout the NHS. We have achieved that honour through unparalleled patient focus, strong staff engagement and a belief in what we are doing. We will need to retain that belief and focus as we face the challenges facing us in 2017/18. The issues facing social care are well documented and publicized. Unless we resolve them – and we have a big part to play in that – the pressures on the Trust and the hospital in particular will continue to build up. We also need to work tirelessly to resolve our staff and resourcing issues and in that regard we are delighted to welcome the first of our new nurses from the Philippines.

The board has been very clear in setting out its priorities and the achievement of the goals set out in our Locality Plan will require a massive effort from us all. Our investment plans will move us to another level and we hope to begin the implementation of a new Electronic Patient Record system and a further upgrade of our Estate, including A&E, Endoscopy and Maternity. The financial efficiencies required of us are again daunting but we are confident that, based on our track record, we can deliver what is being asked of us.

Greater Manchester devolution and the Healthier Together programme will require us to think differently and to work and collaborate with our neighbouring trusts more extensively. The task across Greater Manchester remains the same; we are required to save £2bn against a £6bn budget whilst improving the quality of our services and the clinical outcomes we achieve. Bolton is heavily involved in the planning of the changes required and the next 12 months will see a movement towards a joint approach to some services.

In summary, Bolton has placed itself amongst the best Trusts in the UK during the last year and we should all be proud of that. We are mindful of the improvements required and our plans are both ambitious and exciting. I believe we have a fantastic workforce who have already proven that they can deliver against the odds. I know 2017/18 will be tough but I again look forward to another year of great patient focus and care.

David Wakefield

Overview of Performance

Chief Executive Statement



The Annual Report provides an opportunity to look back and reflect on the achievements and challenges we have faced and to consider the opportunities and risks ahead of us. When I wrote my introduction for last year's report we were in the midst of our first full inspection by the Care Quality Commission (CQC). We received the result of this inspection last summer and were delighted to receive a Good rating endorsing the efforts of our amazing staff. The positive feedback from the CQC provides us all with assurance that we are providing good quality care for our patients while also meeting the ever present financial challenge.

As a board we are very much aware of the challenges facing us and these were reflected in our feedback from the CQC; maintaining flow through our Emergency Department has continued to be a challenge and in common with most of the NHS we have had a difficult winter. The response from our staff to these challenges has been outstanding and although we did not achieve our A&E target our staff did their best to ensure patients received the care they needed. We have been working closely with our partners in the CCG and Social Care to address this with a shared plan in place overseen by a shared Urgent Care Board which I chair jointly with the Chief Officer of Bolton CCG.

Despite the challenges in this area we have continued to meet all other targets for access to treatment including for cancer treatment where our patient feedback continues to reflect positively on the services we provide. More information on the quality of care provided to our patients can be found within the quality section of this report.

Within this report you will find a detailed breakdown of the Trust's financial performance, although this remains a challenge we have again achieved our financial plan and after the addition of payments received through the Sustainability and Transformation Fund we ended the year with a £15.6m surplus

None of this would be possible without the continued work and support of our amazing staff, and while we were able to recognise individuals and teams in our annual and monthly staff awards I would like to take this opportunity to thank all staff for their valued contribution to the work of our Trust.



Jackie Bene

Chief Executive Bolton NHS FT

May 2017

Performance Analysis

Purpose and activities

Bolton NHS Foundation Trust is an integrated care organisation providing care and support in health centres and clinics, including the prestigious Bolton One complex in the town centre, as well as domiciliary and ill-health prevention services. We also provide intermediate care in the community and a wide range of services at the Royal Bolton Hospital.

Our vision is to be an excellent integrated care provider within Bolton and beyond delivering patient centred, efficient and safe service.

We believe in:

High quality care centred on individual needs rather than the needs of professionals and organisations.

- Integration across health and social care.
- Accessible, convenient and responsive services 24/7.
- Local wherever possible, centralised where necessary.
- Empowering clients and patients to manage their own care and self-care with information.

Values

The Bolton VOICE is the values that we expect each of our staff to demonstrate. As an organisation we aim to live these values and provide "better care together" to our local population.

VISION	OPENNESS	INTEGRITY	COMPASSION	EXCELLENCE
We have a plan that will deliver excellent health and care for future generations, working with partners to ensure our services are sustainable	We communicate clearly to our patients, families and our staff, with transparency and honesty	We demonstrate fairness, respect and empathy in our interactions with people	We take a person-centred approach in all our interactions with patients, families and our staff	We put quality and safety at the heart of all our services and processes
We make decisions that are best for long-term health and social care outcomes for our communities	We encourage feedback from everyone to help drive innovation and improvements	We take responsibility for our actions, speaking out and learning from any mistakes	We provide compassionate care and demonstrate understanding to everyone	We continuously improve our standards of healthcare with the patient in mind

Performance Analysis

Principal Risks

The Board has ultimate responsibility for the effective risk management of the Trust's strategic objectives. We have an established risk management process to identify the principal risks that we face. This process relies on our judgement of the risk likelihood and impact and also developing and monitoring appropriate controls. The Board Assurance Framework is used to monitor the key risks to the achievement of our strategic objectives, and ensure appropriate mitigating actions are implemented.

The Board has considered and approved the risk management strategy. The Audit Committee receives regular reports from management and internal and external auditors, detailing the risks that are relevant to our activity, the effectiveness of our internal controls in dealing with these risks and any required remedial actions along with an update on their implementation.

The Audit Committee reports to the Board on the effectiveness of the risk management process, ensuring any issues raised in internal audit reports are escalated for action and if necessary further assurance. The day-to-day risk management is the responsibility of senior management as part of their everyday business processes.

Further detail on the governance processes supporting our risk management can be found in our Annual Governance Statement on page 63 of this report.

The following table sets out our key risks, and examples of relevant controls and mitigating factors. The Board considers these to be the most significant risks that may impact the achievement of our objectives. They do not comprise all of the risks associated with the Trust and are not set out in priority order.

Performance Analysis

Principal Risks 2016/17

Risk	Controls and mitigation
A failure to provide a timely and appropriate response to the deteriorating patient may lead to an adverse impact on mortality and length of stay	• Root cause analysis and incident reporting. • Year on year reduction in avoidable cardiac arrests • Educational initiatives for all staff on first responder rota • PatientTrack electronic call system implemented and will be used to audit response
Failure to reduce the number of hospital acquired infections as a result of poor compliance with policies and/or poor operational control.	• Infection Prevention and Control policies • Oversight through the infection control committee • Audit of key practices such as hand hygiene Further information in our quality section – page 73
Failure to meet minimum staffing levels because of vacancies and sickness could compromise patient safety and experience	• Continued programme of recruitment, including international recruitment • Recruitment of additional health care assistants to provide support. • Actions to reduce staff sickness absence • Temporary staffing solutions used to ensure safe staffing levels in clinical areas. Further information in the staffing section– page 39
Failure to implement our policies and to embed appropriate training could result in our patient's experiencing harm such as falls and pressure ulcers	• Falls and Pressure ulcer panels. • Ward based champions • BOSCA accreditation for wards • Incident reporting and root cause analysis
Failure to meet the A&E target as a result of increased attendance, failure to deflect patients and insufficient operational control may lead to poor patient experience and potential regulatory intervention	• Urgent care programme plan overseen by the Urgent Care Programme Board • Investment in the physical A&E department to provide increased assessment capacity
Failure to improve system resilience and to enable timely and appropriate flow could lead to an increased length of stay and impact on our A&E performance	• Continued engagement with the CCG and the local authority to develop a shared solution through the Bolton Locality Plan
Failure to deliver the financial plan could reduce the funds available for investment in the Trust and could ultimately result in regulatory intervention	• Financial performance overseen by the Finance and Investment Committee with regular reports to the Board.
There is a risk that commissioner and local authority led reconfiguration may reduce control of the Trust's future scope of services	• Development of the Trust's Clinical Service Strategy and engagement with local and GM partners through Greater Manchester Health and Social Care.

Performance Analysis

Performance analysis

Last year was a particularly challenging one for the NHS with all Trusts expected to provide the highest standards of care while achieving demanding efficiency savings. Despite a significant rise in demand for our services, the continued tough financial climate and one of the worst winters in terms of pressure on the NHS, we are very pleased to report that Bolton NHS Foundation Trust has continued to perform well.

We continued to provide safe, high quality care to our patients and with the exception of the four hour A&E target continued to achieve all our access targets. Alongside this, in a climate where many other acute providers have struggled to achieve their financial plan, we were commended nationally for our financial performance.

Measurement of performance

The Trust has introduced an integrated performance dash board which the Board uses to monitor the performance of the organisation. The dash board contains contextual information and promotes a service line view of the organisation with equal visibility of key services.

There is a monthly integrated performance meeting (IPM) between the Executive and the Division, chaired by the Deputy Chief Executive. At the meeting the Division present for each performance dimension

- Progress against any previously agreed actions
- Proposed mitigations against any newly identified performance risks or issues
- Other assurances as required by the Executive

Information from the IPM informs the assurance the Executive team provide to the Board.

In 2016/17, the Trust continued to work towards the goals agreed in the 2013 – 2018 strategy



Performance Analysis

Goal 1 – quality, safety, and patient experience 

A detailed review of performance against our quality priorities is included with our quality report starting on page xx of this document.

Areas of good performance include:

- achieving our target of ensuring that the WHO checklist is fully completed for surgical procedures
- No Medication incidents resulting in severe harm or death
- A 33% response rate in the Friends and Family Test for inpatients with XX patients saying they would recommend the Trust as a place for treatment

Areas where further work on performance is needed are:

Total Hospital acquired C-Diff infections – We reported 24 cases that were attributable to the Trust against a target of no more than 19

Mortality – the SHMI measure of mortality increased to 104.6 for the period October 2015 to September 2016 (100 for April 2015 to March 2016). This remains in the "as expected range". An action plan including case note review, educating medical staff regarding co-morbidity recording, increasing the pace implementation of the Mortality Review process and increased frequency of coding accuracy audits in complex care and medical assessment areas has been implemented.

Same Sex Accommodation Breaches (MSA) - For the year 2016/17 there were 135 breaches of the MSA guidance, compared to 32 for 2015/16. All the reported breaches occurred within our critical care areas, the majority were because of a lack of beds for patient to transfer to when critical care was no longer required. Actions have been completed to enable us to reduce this in 2017/18, however, the estates and facilities for critical care remain the fundamental issue.

Goal 2 – to be a valued provider 

Areas of good performance to highlight are:

- Meeting the target to ensure that patients are seen and treated within 18 weeks of referral – 92.6% (target 92%)
- Meeting the 62 day cancer target – 95% (target 85%)
- Reducing the percentage of patients who are readmitted within 31 days of being discharged

Areas where further work on performance is needed are:

A&E performance against the target to see patient within four hours was 82.5% this was worse than for 2015/16 when 90.35% of patients were seen and treated within four hours. We are working with our partners, with support from NHS Improvement to reduce the time patients wait and to improve flow through the hospital

Performance Analysis

Goal 3 – to be a great place to work 

For 2016/17, we set the objective of having a workforce who feel fully engaged in their work, well recognised and fairly rewarded.

The goals we set, included reducing sickness absence and increasing staff engagement and ensuring that teams were appropriately staffed and flexible. Although we made good progress with some of the measure associated with this objective, we rated our overall performance as amber recognising that further work is required to reduce sickness absence levels and the number of vacancies particularly in front line staff remains higher than we would like.

Further detail on our staffing metrics including sickness absence rates and results from our staff survey is included on page 39 of this report.

Goal 4 – to be well governed 

In 2016/17, we met the governance objectives agreed by the Board, this included the following:

- Increased incident and risk reporting with a full review of all risk registers and a review of the Risk Management Committee
- Continued recruitment of and engagement with our members through events including Medicine for Members and Governor Coffee mornings
- We changed our constitution to allow electronic voting and to amend our electoral boundaries
- We continued to provide an ongoing programme of training and engagement opportunities for our Governors

For more information on membership and governors please see page 59 of the report

Goal 5 - to be financially viable and sustainable 

Income and expenditure overview

The Trust planned to improve its financial position by increasing its surplus to £11.9m in the 2016/17 financial year. As can be seen from the summary statement of comprehensive income below this target has been overachieved with the Trust delivering a surplus of £15.6m

This third year of surplus since the Trust's significant deficits in the period 2010/11 to 2013/14 marks a sustained financial recovery which is regarded by NHS Improvement as the best example of a single NHS organisation financial turnaround in the last decade.

The Trust Board agreed the 2017/18 financial plan at its December 2016 meeting. This plan identifies how the Trust can deliver a surplus of £10.1m in 2017/18.

Statement of Comprehensive Income	Actual	Actual	Actual	Actual	Plan
	2013/14	2014/15	2015/16	2016/17	2017/18
Revenue	£,000	£,000	£,000	£,000	£,000
Operating revenue from continuing operations (patient care)	261,228	266,791	271,537	285,485	285,780
Other operating revenue	23,013	24,771	21,004	34,474	29,088
Operating expenses	-288,872	-309,474	-287,918	-318,192	-301,359
Operating surplus (deficit)	**-4,631**	**-17,912**	**4,623**	**1,767**	**13,509**
Finance costs:					
Finance Income	32	41	35	28	29
Finance costs	-777	-849	-642	-702	-937
Finance expense - unwinding of discount on provisions	-8	-122	-12	-6	0
Public dividend capital dividends payable	-2,746	-2,535	-2,152	-2,059	-2,473
Net Finance Costs	**-3,499**	**-3,465**	**-2,771**	**-2,739**	**-3,381**
Gains / Losses on disposal of assets				-16	
Surplus/(Deficit)	**-8,130**	**-21,377**	**1,852**	**-988**	**10,128**
Impairment of fixed assets	-352	-21,937	0	-16,565	0
Underlying Trading Surplus/(Deficit)	**-7,778**	**560**	**1,852**	**15,577**	**10,128**

Income analysis

The table below sets out the income trend in the period:

Income	Actual	Actual	Actual	Actual	Plan
	2013/14	2014/15	2015/16	2016/17	2017/18
	£,000	£,000	£,000	£,000	£,000
CCGs and NHS England	250,832	255,611	254,672	271,040	270,072
Local Authorities	7,257	8,538	10,450	12,082	13,212
Other	3,139	2,642	6,415	2,363	2,496
Sub total Total Income from activities	**261,228**	**266,791**	**271,537**	**285,485**	**285,780**
Other operating revenue	23,013	24,771	21,004	34,474	29,088
Total Revenue	**284,241**	**291,562**	**292,541**	**319,959**	**314,868**
	284,241	291,562	292,541	319,959	314,868

Performance Analysis

There has been an increase of income between 2015/16 and 2016/17 of £27.4m. This can be explained by the following factors:

- NHS Sustainability and Transformation fund income of £11.7m
- NHS Tariff inflation
- Quality and performance investments funded by Bolton CCG
- Income improvements as part of the Trust's income and cost improvement programme
- Full achievement of CQUIN income
- Transformation funding £2m
- The planned reduction in income in 2017/18 of £5.1m is mainly due to:
- A reduction of £3.8m in NHS Sustainability and Transformation fund income. £7.9m in 2017/18 compared to £11.7m in 2016/17. This national fund is designed to incentivise improved financial performance in the provider sector. The trust will only receive this income if it achieves the required improvements as determined by NHS Improvement

Expenditure analysis

The table below sets out the expenditure trend in the period:

Expenditure Trend	**Actual 2013/14 £,000**	**Actual 2014/15 £,000**	**Actual 2015/16 £,000**	**Actual 2016/17 £,000**	**Plan 2017/18 £,000**
Employee expenses	200,574	203,002	205,073	214,365	213,820
Drugs	17,216	18,823	20,556	21,435	21,234
Clinical Supplies	20,140	19,975	20,588	20,920	22,486
Non Clinical Supplies	35,322	33,248	32,258	36,889	33,922
Depreciation and amortisation	5,547	5,536	5,539	3,610	6,360
Impairments of property, plant and equipment	352	25,255	0	16,565	-
Redundancy	2,130	97	0	28	-
Misc other operating Expenses	7,591	3,538	3,904	4,380	3,573
Total	**288,872**	**309,474**	**287,918**	**318,192**	**301,395**
Less impairments	(352)	(25,255)	0	(16,565)	0
Underlying expenditure trend	**288,520**	**284,219**	**287,918**	**301,627**	**301,395**

Impairments are excluded from this analysis as they do not count against the Use of Resources risk rating that is used by NHS Improvement to assess NHS Foundation Trusts financial performance.

There has been an increase in expenditure of £13.7m between 2015/16 and 2016/17. There is a planned reduction in expenditure of £0.2m in 2017/18.

The net increase of £13.7m in expenditure between 2015/16 and 2016/17 can be explained by the following factors:

- Pay awards, increments and non-pay inflation
- Savings delivered as part of the Trust's income and cost improvement programme
- Investments in staffing to ensure quality and safety
- Quality and performance investments funded by Bolton CCG

- Revenue consequences of capital investments in Estates and IT
- The planned reduction in expenditure between in 2016/17 can be explained by similar factors, although there is planned to be a greater level of cost improvement relative to investments and other cost pressures.

Income and cost improvements

	Actual 2013/14 £,000	Actual 2014/15 £,000	Actual 2015/16 £,000	Actual 2016/17 £,000	Plan 2017/18 £,000
Income and cost improvements	18,300	21,200	14,400	15,600	20,610
As % of income	6.4%	7.3%	5.0%	5.4%	6.8%

Over the last four years the Trust has delivered £69.5m of income and cost improvements, much higher than the national average.

Delivery in 2016/17 was slightly above the plan of £15.3m.

It should be noted that due to investments that the Trust is planning to make to deliver the IT Strategy and Estates Strategy in addition to higher than average cost forecast pressures, is why the Trust is planning for a 6.8% income and cost improvement programme in 2017/18 when the national efficiency assumption is 2%.

Capital spending

As part of its financial recovery the Trust was able to secure funding of £30m (£7.8m in public dividend capital, £22.2m in long term non-commercial loans) to make necessary improvements in its Estate and IT infrastructure. This funding was formally agreed in quarter three of the 2015/16 year. The Trust is also planning further investments in IT. This explains the increased expenditure over the normal level of operational capital spend.

Capital	Actual 2013/14 £,000	Actual 2014/15 £,000	Actual 2015/16 £,000	Actual 2016/17 £,000	Plan 2017/18 £,000
Ongoing replacements	6,216	6,473	6,815	7,421	10,247
Estates Strategy	0	0	108	7,909	12,825
IT Strategy	0	0	2,390	819	10,621
Total	**6,216**	**6,473**	**9,313**	**16,149**	**33,693**

Cash

Due to its deficit position in previous years the Trust relied on cash support from the Department of Health in order to continue to operate in 2012/13 and 2013/14. Due to the Trust's financial recovery no such support has been required since then. The cash balance increased in 2016/17 due to the large surplus and as a result of the national sustainability and transformation fund.

Cash	Actual 2013/14 £,000	Actual 2014/15 £,000	Actual 2015/16 £,000	Actual 2016/17 £,000	Plan 2017/18 £,000
Total	408	5,265	1,470	7,025	8,800

Goal 6 - to be fit for the future



Our objective to be fit for the future set out the things we would do, many in collaboration with stakeholders and partners to ensure the future provision of health and care services to the people of Bolton and the surrounding area. We made good progress in developing relationships with other organisations and set out our shared view of the future for Bolton in the Bolton Locality Plan – this is available online at:

www.boltonccg.nhs.uk/media/3027/bolton-locality-plan.pdf

We also continued our work with other Trusts in the North West Sector of Manchester and with the wider Greater Manchester Health and Social Care partnership to develop the best possible services for the populations we serve.

Performance Analysis

Environmental impact

Sustainability

A vast amount of carbon management and reduction work is already underway at Bolton NHS Foundation Trust.

The Trust partnered with Breathe Energy Ltd for a 15 year guaranteed carbon and energy reduction contract to implement various carbon and energy saving measures within Bolton Hospital. The construction of these measures began in 2016 with a programme completion of April 2018 when the 15 year guarantee will commence.

The measures proposed and agreed are:

- New Bore Hole water supply and treatment
- Removal of two coal boilers
- Installation of a new gas steam boiler
- Installation of a 1.2MW Combined Heat & Power Plant
- Replacement of failed Steam Traps
- Conversion of Calorifiers to Plate Heat Exchangers
- New LED street lighting

Bolton Hospital has a complex energy infrastructure and utilises steam as its main heat medium for hot water and building heating systems. Steam is also provided to the Hospitals steam infrastructure from a waste heat boiler owned and operated by SRCL who convert clinical waste incineration to steam energy.

Utility Cost and Consumption

	2016/17		2015/16	
Utility	Cost £	Consumption	Cost £	Consumption
Gas	367k	11,643,278 KWh	262K	9,142,919 KWh
Electricity	1,392k	15,655,386 KWh	1,835K	15,729,462 KWh
Water	362K	157,562 m^3	254K	107,163 m^3
Coal	52K	485 tonnes	252K	2067 tonnes

The Trust started to benefit from carbon and energy savings from some of these measures in 2016/17. Approximately 125 tCO2e were saved from being produced from the replacement of steam traps in November 2016. Further carbon savings were made in the replacement of fuel to generate steam by removing Coal boilers in November 2016.

Performance Analysis

Social, community and human rights issues

We recognise the need to forge strong links with the communities we serves so that we are responsive to feedback and can develop our services to meet current healthcare needs.

We are committed to meeting our obligations in respect of the human rights of our staff and patients, which is closely aligned both to the NHS constitution and our values. NHS trusts are public bodies, and so it is unlawful to act in any way incompatible with the European Convention on Human Rights unless required by primary legislation.

Trust policies are reviewed on a regular basis and all are subject to an equality impact assessment.

Modern Slavery Act 2015 – Statutory Statement

The Trust is fully aware of the responsibilities it bears towards patients, employees and the local community and as such, we have a strict set of ethical values that we use as guidance with regard to our commercial activities. We therefore expect that all suppliers to the Trust adhere to the same ethical principles.

This performance report was approved by the Board of Directors on 25th May 2017

Signed on behalf of the Board

Jackie Bene
25th May 2017

The Following Accountability Report of this annual report comprising the following sections:

- Director's Report
- Remuneration Report
- Staff Report
- Code of Governance Disclosures
- NHSI Single Oversight Framework
- Statement of Accounting Officer's Responsibilities
- Annual Governance Statement

Was approved by the Board on 25th May 2017

Dr Jackie Bene

Chief Executive Bolton NHS foundation Trust

25th May 2017

Directors' Report

Our Board of Directors

Our Directors



David Wakefield – Chairman appointed 8th August 2012 (by Monitor) Reappointed in July 2015 for a second three year term.

David is a qualified accountant and, in addition to his finance roles, has held senior posts in sales, operations and project management. He worked in the furniture trade for 12 years and with Royal Mail for 27 years. He joined the NHS as a non-executive director in Milton Keynes and later became non-executive Chairman of Milton Keynes Community Health Services and, subsequently, Chairman of Milton Keynes Hospital NHS Foundation Trust.

During 2014, David was appointed as a Non-Executive Director of Crown Commercial Services; this appointment was undertaken with the approval of the Council of Governors.

Executive Directors



Dr Jackie Bene - Chief Executive

Jackie was appointed to the Board as Medical Director in 2008 having worked at the Trust as a Consultant Physician as well as holding a number of clinical lead roles since 1998. She took up the role of Acting CEO in June 2013 and was appointed substantively to the role in January 2014. Her priorities throughout her career have been quality improvement and patient safety but she has recently led on the governance and strategic agendas for the Trust. Jackie still undertakes clinical practice for one session per week in Acute Medicine which she values enormously in keeping her close to our patient and staff experience.

Simon Worthington (ACCA) – Director of Finance and Deputy CEO



Simon has worked in financial management in the NHS since 1988. Simon was appointed in February 2013. Prior to this, from June 2011, he was Deputy Director of Finance at South London Healthcare NHS Trust, a post he had taken up in order to gain experience of working in extremely financially challenged organisations. From July 2006 Simon was Finance Director and Deputy Chief Executive of the Yorkshire Ambulance Service. During his time at the Yorkshire Ambulance Service, Simon was Acting Chief Executive for eight months. Preceding this Simon was Finance Director of the Tees East and North Yorkshire Ambulance Service for two years and was Acting Finance Director at South Huddersfield Primary Care Trust for a year.

Simon will be leaving the Trust in June 2017 to take up a position at Leeds Teaching Hospitals NHS Trust

Directors' Report

Trish Armstrong-Child - Director of Nursing appointed May 2013



Trish is a Registered General Nurse who has worked within the NHS since 1989. She has a vast wealth of experience within both nursing and operational management roles and has Executive leadership and professional responsibility for quality and patient safety. Her focus and primary aim is to ensure that excellent standards of care are received by patients and their carers and that they have a positive experience of care both within hospital and community settings, including care at home.



Andy Ennis - Chief Operating Officer

Andy started his working life as a nurse, specialising in paediatrics and specifically intensive care. After various roles in nursing including Charge Nurse of B1 Children's Ward at Bolton Royal he moved into operational management of services gaining experience in several other North West Trusts before returning to Bolton as Chief Operating Officer.

Andy's primary role on the Board is to ensure the Trust delivers operational targets such as waiting times and that the infrastructure (Estates and IT) is fit for purpose.

Steve Hodgson - Medical Director



Steve was appointed Medical Director in March 2014. He has been a consultant orthopaedic surgeon with an upper limb interest in Bolton since 1993. He has previously held a number of leadership roles in the trust including clinical lead, associate medical director and Head of Elective Care Division. He was acting Medical Director for seven months before being appointed to the substantive post. He is a member of the British Society for Surgery of the Hand Council, for whom he leads their overseas aid project. Steve's priorities are the delivery of high quality care for our population and leading the medical workforce



Mark Wilkinson - Director of Strategic and Organisational Development

Mark joined the Trust in July 2014 from Barnsley CCG where he was Chief Officer. He joined the NHS in 1985, starting out in the finance profession before moving into general management as a PCT Chief Executive in East Lancashire. He has been a member of several provider and commissioner boards and has also worked at a national level promoting innovation, and in the pharmaceutical industry. His focus is on the strategic and organisational development of the Trust including responsibility for workforce, communications and engagement. He is passionate about the contribution motivated and well led teams can make to the delivery of high quality and seamless care.

Non-Executive Directors



Dr Mark Harrison – Senior Independent Director initially appointed 1st April 2012 for three years and reappointed in 2015 for a second three year term. Also Chair of the Trust's subsidiary company iFM Bolton.

Mark Harrison, was appointed as a Non-Executive Director in April 2012. He has extensive board level experience and has delivered large scale change, technology and efficiency programmes, negotiated and managed major contracts and partnerships, overseen strategic planning and delivery, and shaped and delivered output services to the public.

Mark is a member of the Finance Committee and the Audit Committee and is the nominated NED for whistle blowing.



Jackie Njoroge – Chair of Audit Committee appointed September 1st 2016.

Jackie describes herself as a data geek and is therefore ideally suited to her role with us as Chair of our Audit Committee. She will be managing this alongside her full time role as Director of Strategy at Salford University and an additional part time role as Chair of Audit at Greater Manchester Waste Authority. Jackie started her career in finance on a national graduate traineeship with British Steel, she spent seven years working in finance in the steel industry before moving to the education sector, initially in the North East and more recently in Manchester and Salford.

Carol Davies - Chair of Audit Committee term of office ended 31st August 2016

Carol is currently Director of Finance and Resources at Mount St Joseph Business and Enterprise College. She has held senior finance positions in a number of other organisations, including Bolton Council and Trafford Health Authority. She is a qualified accountant with the Chartered Institute of Management Accountants.



Neal Chamberlain

Neal Chamberlain was appointed a Non-Executive Director in October 2014. Neal has 28 years' experience as an HR professional, having held senior roles in companies including ICI, AstraZeneca, Unilever, Tata and Costain. Neal is a Fellow of the Chartered Institute of Personnel and Development (CIPD), a Member of its Manchester Branch Committee, and a Member of the International Coaching Federation. In addition to his Trust activities, Neal is also a Non-Executive Director for the Manchester Camerata chamber orchestra, and has recently established his own HR consulting business, A1 Performance Consulting Ltd.

Neal is Chair of the Charitable Funds Committee



Allan Duckworth – Non Executive Director re-appointed 1st January 2016 for a second three year term

A Chartered Management Accountant, Allan brings 24 years board level experience in high profile, consumer facing businesses, including fourteen years as Chief Executive of Burnden Leisure PLC, the parent company of Bolton Wanderers FC and De Vere Whites Hotel. Prior to this role he spent ten years as a finance director at Umbro International Ltd, Lo-Cost Stores Ltd (Safeway Group PLC) and Vernons Organisation Ltd (Ladbroke Group PLC).

Alan is Chair of the Finance and Investment Committee and a member of the Charitable Funds Committee.

Ann Gavin Daley



Ann joined the Board in 2015. She has a clinical background in nursing and quality and a passion for high quality patient focused care gained over 30 years nursing in acute and integrated community and mental health trusts in the North West.

Her previous experience includes significant strategic management as an NHS Executive Director and Trust Board member with involvement in developing and managing innovative acute and community services at operational and strategic level in teaching and non-teaching NHS organisations.

Ann has valuable Governor and public and private sector consultancy experience providing a broad, objective perspective and understanding of the NHS and the role of the Non-Executive Director.

Andrew Thornton



Andrew joined the Board as an interim Non-Executive in August 2014 and was subsequently appointed substantively in March 2015. Andrew Initially started his career in the health service as a podiatrist and has remained within health and social care serving in a variety of senior leadership posts within both the public and private sector.

Andrew has a strong ethos of quality in all aspects of service delivery and brings his experience of developing clinical and operational improvements to the Trust. Andrew uses this experience and ethos to Chair the Trust's Quality Assurance Committee.

Disclosures

Statement of register of interests

The Trust Secretary maintains a register of other significant interests held by Directors and Governors which may conflict with their responsibilities. Access to the register can be obtained by submitting a written request to the Trust Secretary.

Political donations

The Trust does not make any political donations and has no political allegiance

Pension disclosure

The accounting policies for pensions and other retirement benefits are set out in note 1.9 to the accounts and details of senior employees' remuneration can be found in the remuneration report on page 32.

Statement of accounts preparation

The accounts have been prepared under direction issued by Monitor, the independent regulator for Foundation Trusts, as required by paragraphs 24 and 25 of Schedule 7 to the National Health Service Act and in accordance with the NHS Foundation Trust Annual Reporting Manual 2014/15.

The Trust has complied with the cost allocation and charging guidance issued by HM Treasury.

Better payment practice code

The Trust is expected to pay 95% of all creditor invoices within 30 days of goods being received or a valid invoice (whichever is the later) unless other payment terms have been agreed with the supplier. The table below shows performance against this target in 2015/16 and 2016/17.

	Year ended 31 March 2017		Year ended 31 March 2016	
	Number	£'000	Number	£'000
Total non-NHS trade invoices paid within the target	24,362	82,828	52,890	65,147
Total non-NHS trade invoices paid in the period	64,178	132,756	64,573	84,083
Percentage of non-NHS trade invoices paid within the target	38.00%	62.40%	81.9%	77.5%
Total NHS trade invoices paid within the target	589	9,079	1,655	17,033
Total NHS trade invoices paid in the period	2,528	30,803	2,279	26,160
Percentage of NHS trade invoices paid within the target	23.30%	29.50%	72.6%	65.1%

Income disclosure required by section 43 (2A) of the NHS Act 2006 (as amended by the Health and Social Care Act 2012)

The Trust meets the requirement for income from the provision of goods and services for the purposes of the Health Service in England to be greater than its income from the provision of goods and services for any other purposes.

The small amount of other income received by the Trust helps support the provision of NHS care. The Trust will continue to meet the requirement for its prime business to be the provision of goods and services for the purpose of the health service in England

Statement as to disclosure to Auditors

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

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 Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the NHS Foundation Trust's auditor is aware of that information.

Quality Governance

The Quality Governance Framework was developed by Monitor as an assessment tool for Trusts to use to benchmark their arrangements for effective quality governance in four categories:

- Strategy
- Capabilities and culture
- Process and structure
- Measurement

Strategy - Quality is embedded in the Trust's overall strategy, the safety and effectiveness of care and the experience of patients are at the heart of all that we do. In 2016, the Trust approved and adopted a new four year Quality Strategy and strategies to reduce the rate of falls and pressure ulcers

Capabilities and Culture - The Board is assured that quality governance is subject to rigorous challenge with full NED engagement in the Audit Committee and NED involvement in the assurance providing committees.

Process and Structure - The Corporate Governance Structure is in place to ensure clarity of reporting between wards and departments and the Board and between the Board and its supporting committees. A new Risk Management Committee was formed in September 2013 and the remit of the Clinical Governance Committee and the Quality Assurance Committee was clarified. Integrated Performance Meetings ensure clear routes of escalation to the Executive team.

Measurement – The Integrated Performance report provides a clear dashboard and high level apex report for the Board of Directors and Council of Governors with full reports reviewed in the Board sub committees and at the Integrated Performance Meeting. We recognise the importance of regularly reviewing the information provided to the Board and during 2016 reviewed and revised the narrative aspect of this report to enhance the information and assurance provided.

As discussed elsewhere in this report, the CQC inspected the Trust in March 2016 and in July 2016 reported their findings giving the Trust an overall rating of Good. Although rated Good overall, there were areas identified for improvement – an action plan was developed and the Board have since been assured thought an audit undertaken by PWC that the actions agreed have been addressed.

In January 2017, the Board commissioned a review using the "Well Led" Framework, at the time of reporting the full report has not yet been produced but verbal feedback gave further assurance that the Trust has appropriate regard to Monitor's Quality Governance Framework.

For further details on Quality Governance please refer to the Quality Report and to the Annual Governance Statement.

Patient Care

Further information on the quality of services provided by the Trust can be found in our quality report which is included in this report from page 73.

Stakeholder Relations

Significant partnerships and alliances

Devolution – Taking Charge in Greater Manchester

In February 2015 the 37 NHS organisations and local authorities in Greater Manchester signed a landmark devolution agreement with the Government to take charge of health and social care spending and decisions in our region.

We will continue to work in collaboration with our partner Foundation Trusts to deliver best care for our most sick patients, and with commissioners and providers within Bolton to deliver place based care tailored to the needs of the Bolton population

Acute Services Collaboration

As part of the North West Sector of Greater Manchester our organisation is working in collaboration with Wigan, Wrightington and Leigh Foundation Trust and Salford Royal NHS Foundation Trust to develop single shared services for the benefit of the sector population.

Pre-implementation plans for a single service provision of high risk emergency general surgery, urgent, acute and emergency medicine and radiology are well underway.

Involvement in local initiatives

In addition to working with other hospitals in the North West sector of Greater Manchester, we are also working with colleagues in primary care, the CCG and social care to ensure we deliver the best possible services for the future health of the people of Bolton.

The Bolton Locality Plan sets out our shared vision to transform local health and care services. This plan formed the basis of Bolton's bid to Greater Manchester Health and Care Transition Fund to help transform such things as healthy lifestyles activity, primary care services, IT infrastructure and public engagement.

Partners in Bolton's Health and Social Care system have been awarded £28.8m transformation funding over the next three years to help improve health and wellbeing in local communities. It is a very significant investment in health and social care across Bolton, and is welcomed as it should help to address many of the pressures which the system is currently facing. The investment will be used to help make the changes which we need to support more people to stay well and be supported within their communities.

Consultation with local groups and organisations

We attend regular meetings with the Health and Wellbeing Board, our local HealthWatch and the Overview and Scrutiny Committee to share our plans for future services and to provide updates on challenges facing the Trust and the wider health economy.

Public and patient involvement activities

As a Foundation Trust with public members, the majority of our public and patient involvement is through our membership. We recognise the importance of involving our patients and the wider public in the development of services. During the course of the year we used our membership newsletter to provide updates on developments at the Trust and to invite members to participate in events and activities. These events included our Medicine for Members talks, participation in PLACE inspections and the Cancer Peer review process.

Remuneration Report

Remuneration Report

The remuneration report has been prepared in compliance with the relevant elements of sections 420 to 422 of the Companies Act 2006, Regulation 11 and Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2001, parts 2 and 4 of Schedule 8 of the Regulations as adopted by Monitor for the purposes of the Annual Report Manual and elements of the NHS Foundation Trust Code of Governance.

Annual Statement on Remuneration

I am pleased to present the remuneration report for 2016/17. As Chair of the Trust, I chair the two Committees charged with responsibility for Nomination and Remuneration:

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

The exception to this arrangement is when my own performance or remuneration is being discussed. In these circumstances the Vice-Chair of the Trust will chair the Governor Nomination and Remuneration Committee.

David Wakefield

Trust Chairman

April 2017

Remuneration Report

Board Nomination and Remuneration committee

The Board Nomination and Remuneration Committee met three times during the reporting period to consider the appointment, performance and remuneration of the Executive Directors. The Chief Executive, the Director of Strategic and Organisational Development and the Trust Secretary attended meetings other than when matters being discussed would have meant a conflict of interest. Minutes of meetings were recorded by the Trust Secretary. Attendance is shown in the table below.

Nomination and Remuneration Committee Attendance	
David Wakefield	3/3
Neal Chamberlain	2/3
Carol Davies	0/1
Allan Duckworth	3/3
Ann Gavin Daley	3/3
Mark Harrison	3/3
Jackie Njoroge	3/3
Andrew Thornton	3/3
Dr Jackie Bene	2/2
Mr Mark Wilkinson	3/3
Esther Steel	3/3

Executive Remuneration

In 2016/17 the Committee were acutely aware of the financial context of both the local and national health economy and all decisions on remuneration reflected the current financial climate.

No changes were made to the Executive team during 2016/17 and as a Committee; we feel the current team provide strong and stable operational leadership to the Trust.

Benchmarking has been used to agree and establish salary scales for Executive Directors and Very Senior Managers; these scales are described within the remuneration policy section of this report.

In all debates and discussions pertaining to salaries for senior managers the Nomination and Remuneration Committee have ensured that the policies applied reflect those applicable to our staff on Agenda for Change contracts.

The Committee has a duty to ensure the Trust can recruit and retain and motivate the senior managers with the appropriate skills and values to lead the organisation. At the same time, the Committee recognises that this must be within the confines of public acceptability and affordability.

The Chief Executive and Finance Director/Deputy Chief Executive are both paid more than £142,500 per anum. In both cases, the Committee reflected on benchmark salary information for comparative jobs within the NHS and concluded that the remuneration agreed was appropriate and reasonable for the current post holders.

In March 2017, our Director of Finance Simon Worthington tendered his resignation having been successfully appointed as Director of Finance in a large teaching trust nearer his home. Simon was also the Deputy Chief Executive of the Trust. The Remuneration Committee have approved the

appointment of our Director of Nursing as new Deputy chief Executive when Simon leaves the Trust in June 2017.

We have appointed Gatenby Sanderson to work with us to recruit a new Director of Finance.

Governor Nomination and Remuneration Committee

The Governor Nomination and Remuneration Committee met three times during 2016/17:

- To receive the outcomes of NED appraisals.
- To consider and ultimately approve the reappointment of Andrew Thornton for a second three year period of office.
- The extend the appointment of Dr M Harrison for one additional year – the Governors were aware that this would take Dr Harrison to a total of seven years but felt this would ensure a robust succession plan.
- To consider the process for the appointment of a new Non-Executive chair of Audit Committee

Non-Executive Director Appointment

In 2016, Carol Davies Chair of Audit came to the end of her six year tenure, the Governor Nomination and Remuneration Committee oversaw the process to appoint her successor. Gatenby Sanderson were appointed to maximise the opportunity to appoint from a wide field of candidates and following interviews with a panel of our lead governors, Jackie Njoroge was formally appointed by the full Council of Governors in August 2016 and started with the Trust on 1st September 2016.

Future policy table

Element	Link to strategy	Operation	Maximum	Changes
Base salary	To set a level of reward for performing the core role	The aim is to offer benchmarked salary which the committee consider appropriate for experience and performance.	For each role there is an agreed salary scale. When reviewing salaries, the Committee take account of personal and organisational performance and any national award offered to the wider employee population	No
Taxable benefits	The current remuneration policy of the Trust does not make provision for taxable benefits or performance related bonuses			
Annual performance related bonuses				
Long term performance bonuses				
Pension related benefits	To provide pensions in line with NHS policy	Directors are automatically enrolled in the NHS final salary pension scheme on the same basis as all other colleagues within the NHS	Pension arrangements for the Chief Executive and all Executive Directors are in accordance with the NHS Pension Scheme. The accounting policies for pensions and other relevant benefits are set out in Note 1.9 to the accounts.	No

For the purpose of the accounts and remuneration report the Chief Executive has agreed the definition of a "senior manager" to be Directors only.

Senior manager pay progression

At appointment, a Director is placed at the appropriate point on the salary scale as determined by the Remuneration Committee having considered previous experience.

The Remuneration Committee is firm in the view that progression through the salary ranges should not be automatic or linked to length of service but should be a true reflection of performance in the role as assessed through an effective appraisal system.

For Directors other than the Chief Executive, the Chief Executive provides the Remuneration Committee with a report on each Director summarising the achievement of specific objectives within the wider frame of the performance for the whole organisation. The award may also be constrained by affordability.

Remuneration Report

The senior pay policy makes provision for sums paid to be withheld or recovered if required.

NED remuneration policy

The fees payable to the Chair and Non-Executives are determined by the Council of Governors. These fees were unchanged in 2016/17.

Non-Executive Directors are appointed for a three year term of office. They must be considered independent at the time of appointment. A Non-Executive Director's term of office may be terminated by the Council of Governors if the NED no longer meets the criteria for appointment as a NED.

Service Contract obligations

Senior managers' service contracts do not include obligations on the Foundation Trust which could give rise to or impact on remuneration payments or payments for loss of office.

Policy on payment for loss of office

Senior managers' service contracts include a six month notice period. In the event of a contract being terminated the payment for loss of office will be determined by the Nomination and Remuneration Committee. Payment will be based on contractual obligations. Payment for loss of office will not be made in cases where the dismissal was for one of the five "fair" reasons for dismissal.

Statement of consideration of employment conditions elsewhere in the Trust

In setting the remuneration policy for senior managers, consideration was given to the pay and conditions of employees on Agenda for Change. The 2016/17 salary scales for Executive Directors were agreed following a review of salary data provided by the NHS Providers.

Expenses paid to governors and directors

The majority of the expenses claimed by Directors and Governors were for travel costs

	Directors		Governors	
	15/16	16/17	15/16	16/17
Total number of Directors in office	13	14	41	38
Number of Directors receiving expenses	8	11	6	6
Aggregate sum of expenses	£5451	5702.8	£668	£408

Remuneration

The following tables provide information which is subject to audit review about the salaries, allowances and pension and pension entitlements of employees and appointees.

Jackie Bene

Chief Executive, 25th May 2015.

Remuneration Report

		2016/17						2015/16					
Name	Tenure	A	B	C	D	E	Total - bands of £5,000	A		B	C	D	E	Total - bands of £5,000
Mr D Wakefield Chairman	From 08/08/12	60 - 65	-	-	-	-	60 - 65	60 - 65	-	-	-			60 - 65
Dr J Bene* Chief Executive	From 22/06/13	195 - 200	-	-	-	37.5 - 40	230 - 235	180 - 185		-	-	532.5 - 535		715 - 720
Mr S Worthington Director of Finance	From 18/02/13	160 – 165	-	-	-	10 – 12.5	170 - 175	155 - 160	-	-	-	217.5 – 220		375 - 380
Mr S Hodgson* Medical Director	From 01/09/13	175 – 180	-	-	-	37.5 – 40.0	215 - 220	160 - 165	-	-	-	57.5 - 58.0		220 - 225
Mr A Ennis Chief Operating Officer	From 01/01/14	115 – 120	-	-	-	92.5 – 95	210 - 215	110 - 115	-	-	-	75.0 – 77.5		185 - 190
Mrs T Armstrong-Child Director of Nursing	From 13/05/13	115 – 120	-	-	-	77.5 – 80.0	195 - 200	110 - 115		-	-	27.5 – 30.0		135 - 140
Mr M Wilkinson Dir Strategic & Org Development	From 4/8/14	120 – 125	-	-	-	7.5 – 10.0	130 - 135	120 - 125	-	-	-	0		85 - 90
Mrs B Tabernacle Acting Director of Nursing	From 19/1/15 – 17/01/16							50 - 55	-	-	-	137.5 - 140		190 - 195
Non-Executive Directors														
Mr N Chamberlain	From 1/10/14	10 - 15	-	-	-	-	10 - 15	10 - 15	-	-	-	-		10 - 15
Mrs C A Davis	01/09/11	5 - 10	-	-	-	-	5 - 10	10 - 15		-	-	-		10 - 15
Mr A Duckworth	From 01/01/13	10 - 15	-	-	-	-	10 - 15	10 - 15	-	-	-	-		10 - 15
Mrs A Gavin Daley	From 01/08/15	10 - 15	-	-	-	-	10 - 15	5 - 10	-	-	-	-		5 -10
Dr M Harrison	From 01/04/12	10 - 15	-	-	-	-	10 - 15	10 - 15	-	-	-	-		10 - 15
Mrs J Njoroge	From 01/09/17	5 - 10	-	-	-	-	5 - 10							
Mr A Thornton	From 1/10/14	10 - 15	-	-	-	-	10 - 15	10 - 15	-	-	-	-		10 - 15

A	Salary and Fees	D	Long term performance bonuses
B	Taxable benefits	E	Pension related benefits
C	Annual performance related bonuses		

Total Pension Entitlement

Name and title	Real increase in pension sum at age 60	Real increase in lump sum at age 60 at 31 March 2017	Total accrued pension at age 60 at 31 March 2017	Lump sum at age 60 related to accrued pension at 31 March 2017	Cash Equivalent Transfer Value at 1 April 2017	Real Increase in Cash Equivalent Transfer Value funded by Employer	Cash Equivalent Transfer Value at 31 March 2017	Employers Contribution to Stakeholder Pension
	(bands of £5000) £000	(bands of £2500) £000	(bands of £5000) £000	(bands of £5000) £000	£000	£000	£000	
Dr Jacqueline Bene	0 - 2.5	2.5 - 5.0	65.0 - 70.0	200.0 - 205.0	1,194	103	1,297	
Stephen Hodgson	0 - 2.5	5.0 – 7.7	50.0 - 55.0	160.0 - 165.0	1,135	70	1,204	
Simon Worthington	0 - 2.5	0.0 – 2.5	50.0 - 55.0	160.0 - 165.0	913	37	950	
Patricia Armstrong-Child	2.5 - 5.0	10.00 – 12.5	35.0 - 40.0	115.0 - 120.0	551	69	620	
Andrew Ennis	2.5 - 5.0	10.00 - 12.5	45.0 - 50.0	140.0 - 145.0	801	101	903	
Mark Wilkinson	0 – 2.5	0 – 2.5	40.0 - 45.0	130.0 - 135.0	742	29	771	

Pension arrangements for the Chief Executive and all Executive Directors are in accordance with the NHS Pension Scheme. The accounting policies for pensions and other relevant benefits are set out in note 1.8 to the accounts.

Staff Report

Introduction

Our organisation can only ever be as good as the people who work in it. Our goal for Bolton people is therefore simple: the team should feel fully engaged in their work, well recognised and fairly rewarded. Only as we achieve this can the Trust achieve its goals.

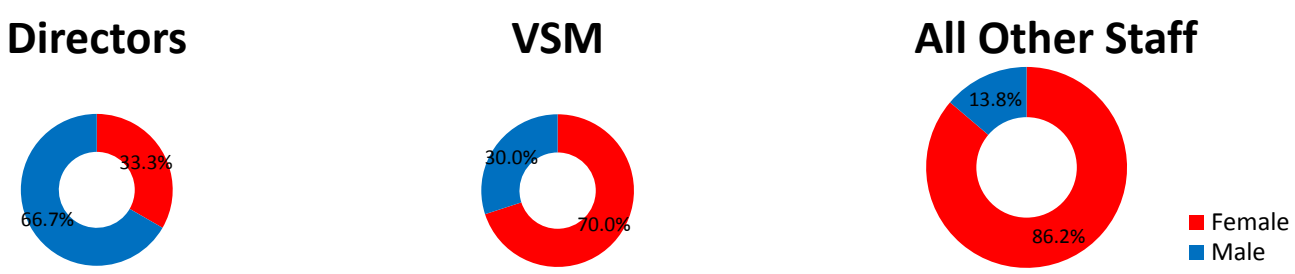
Staff costs

	Total £000
Salaries and wages	170,738
Social security costs	15,820
Pension costs	19,158
Termination benefits	129
Temporary staff - agency/contract staff	8,398
TOTAL STAFF COSTS	214,243

Staff numbers – by professional group

	2016/17 Average full time equivalent		2015/16 average full time equivalent	
Staff Group	permanent	temp/fixed term	permanent	temp/fixed term
Add Prof Scientific and Technic	136	6	126	9
Additional Clinical Services	941	31	851	25
Administrative and Clerical	810	32	855	36
Allied Health Professionals	372	11	351	6
Estates and Ancillary	155	0	194	13
Healthcare Scientists	98	0	95	0
Medical and Dental	228	93	229	108
Nursing and Midwifery Registered	1647	23	1657	20

Staff groups by gender 2016/17

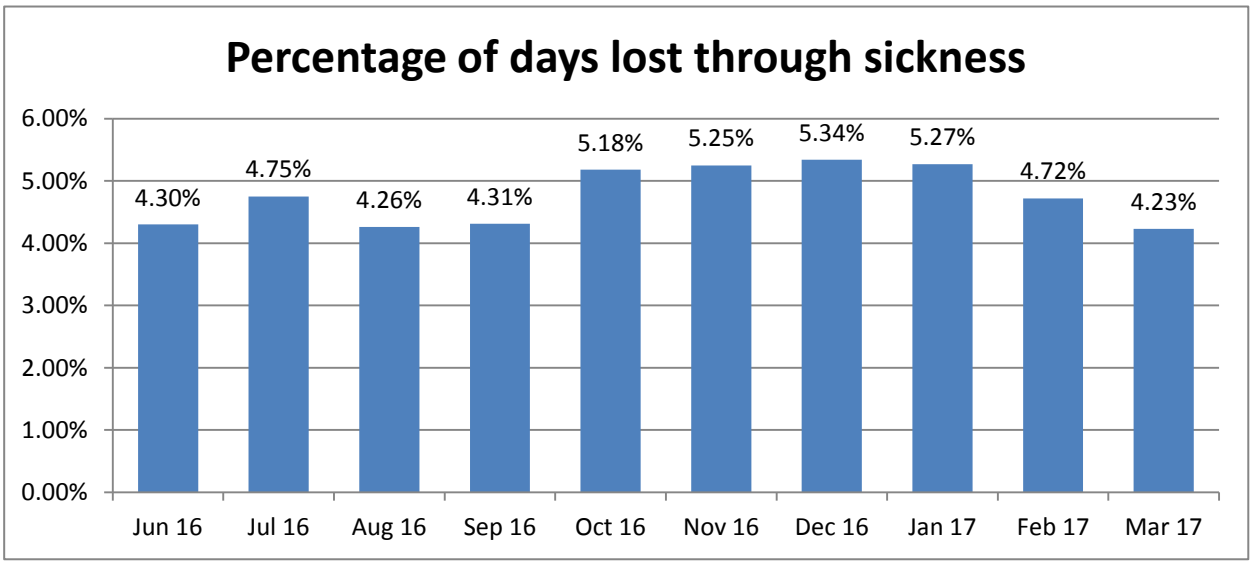


Sickness absence data

We work hard to ensure our staff are healthy and enjoy work and to see a year-on-year improvement in attendance. We have a comprehensive attendance management policy and encourage staff to seek professional medical support through our extensive occupational health and well-being services if needed.

Sickness absence rate is calculated by dividing the sum total sickness absence days (including non-working days) by the sum total days available per month for each member of staff).

The chart below shows the percentage of days lost to sickness during 2016/17.



Staff policies and actions

Policies applied during the financial year for giving full and fair consideration to applications for employment made by disabled persons, having regard to their particular aptitudes and abilities

It is our policy to give full and fair consideration to applications for employment received from disabled persons, having regard to their particular aptitudes and abilities, and wherever possible to continue the employment of, and to arrange appropriate training for, employees who have become disabled persons during the period of their employment. Bolton NHS FT provides the same opportunities for training, career development and promotion for disabled people as for other employees.

The Trust's Recruitment and Selection policy was revised in January 2015. The policy ensures that all recruitment undertaken by the Trust is done in a consistent manner, whilst also ensuring the elimination of discrimination and the provision of equality of opportunity.

Section 6.4.1 of the Recruitment and Selection policy specifically outlines the Trusts commitment to the employment and career development of disabled people.

Policies applied during the financial year for continuing the employment of, and for arranging appropriate training for, employees who have become disabled persons during the period

The Trust has revised the Attendance Management process to ensure clarity in supporting staff with long term conditions. The policy amendments have been made to ensure managers have the flexibility to make adjustments to working patterns and duties for staff who may suffer from a long term condition which may not, at this point in time, be classed as a disability. This policy was developed following a specific case that brought this matter to the attention of the HR team and staff side, and this element of the Attendance Management policy was developed with a view to ensuring adequate support to such staff.

Policies applied during the financial year for the training, career development and promotion of disabled employees

All policies are subject to an Equality Impact Assessment. In relation to disabled employees the HR team give expert advice on the need for reasonable adjustments to be made to ensure that there is equal access to training and development and promotion opportunities.

Actions taken in the financial year to provide employees systematically with information on matters of concern to them as employees

Communication with our staff takes many forms: we have a weekly bulletin, a monthly staff newsletter ('Our VOICE') and a monthly face to face team brief, alongside team meetings that cover a variety of practice-based topics. If we are considering a change that will impact on an individual or a team then we would always discuss our proposals within a consultation framework with the staff affected. The Trust also has a monthly meeting with the staff side organisations where information is shared on the Trust's quality, finances, performance and workforce matters. To complement this the Chief Executive and Executive Directors undertake regular visits to different wards and departments across hospital and community teams to gain feedback from staff working at the front line.

Actions taken in the financial year to consult employees or their representatives on a regular basis so that the views of employees can be taken into account in making decisions which are likely to affect their interests

During 2016/17, we held Staff focus groups to update our staff on a variety of issues, including Healthier Together and Greater Manchester Health and Social Care Devolution. The sessions have updated on the latest decision making and focussed on the possible impact on service delivery and workforce implications locally.

Other forums for consultation with staff have included

- Local staff focus groups to gain more granular level feedback on themes addressed in the annual staff survey and quarterly staff friends and family test.
- Local consultation sessions with staff affected by transformational change, in particular with Estates, Facilities and Procurement staff who transferred to Integrated Facilities Management (iFM) on 1st April 2017.
- Local action planning around the 2016 Staff Survey results is being co-ordinated by the staff engagement steering group.

Actions taken in the financial year to encourage the involvement of employees in the NHS foundation trust's performance

As a Trust, we actively encourage the involvement of our employees at all levels in all aspects of performance. Activities during 2016/17 include:

- Involvement of clinical & non-clinical staff in 'Perfect Week' events in acute and community settings
- A staff consultation event was held in December 2016 to explore the new service models for General Surgery and related disciplines as part of the North West Sector Partnership work
- Involvement of clinical staff and partners from Bolton Council and Bolton CCG in a one day accelerated discharge event in March 2016
- Focus groups with staff in January/February 2017 to explore the issues & challenges around the concept of a compassionate workplace
- Use of our Staff friends and family survey data in local sessions with teams to strengthen engagement and improve the staff experience

Occupational Health

We are part of joint venture commercial collaborative Occupational Health service, set up in 2014. The service is hosted by Wrightington, Wigan and Leigh NHS Foundation Trust (WWL) and is managed jointly between WWL, Bolton and Lancashire Teaching Hospitals NHS Foundation Trust (LTH). The service is called Wellbeing Partners and provides Occupational Health services to a number of public and private sector organisations across Lancashire, including large service provision contracts with Edge Hill University, Bridgewater Community NHS Foundation Trust and Lancashire Care NHS Foundation Trust.

The service vision is to develop a sustainable, clinician-led occupational health service for both public sector and private sector organisations in North Manchester and Lancashire that delivers excellent results and value for money for NHS organisations and for a broad client base.

The service provided by Wellbeing Partners provides all our occupational health requirements, including, support on pre-employment health checks, health referrals, flu inoculations and proactive health interventions such as fast track physiotherapy referrals and mental health drop in sessions.

Health and Safety Performance

There have been no prosecutions or enforcement notices issued to the Trust by the Health and Safety Executive (HSE) during the reporting period. Similarly, the Trust has maintained its excellent accident/incident record of very low numbers of staff accidents requiring over seven days' absence from work

Information on policies and procedures with respect to countering fraud and corruption

The Trust has a Counter Fraud and Corruption Policy in place. A counter fraud work plan is agreed with the Director of Finance and approved by the Audit Committee. The local counter fraud specialist is a regular attendee at Audit Committee meetings to report on any investigatory work into reported and suspected incidents of fraud and to provide an update on the on-going programme of proactive work to prevent potential fraud.

Staff Report

Staff Survey

Commentary

Our approach to Staff Engagement has been informed by our new People Strategy which outlines a number of key priorities around culture, leadership & HR processes. Of particular relevance to engagement is our new 'Developing our Culture' theme.

In the last 12 months, we have focused on the following initiatives:

- Design & launch of our new Trust Values in April 2016; Vision, Openness, Integrity, Compassion, Excellence (V.O.I.C.E)
- Implementation of a Cultural Values Assessment (CVA) survey based on the Barrett Model used to develop our Trust Values
- Continued use of Staff friend and family test data and/or local Pulse Surveys to determine areas of good practice and 'hotspots' within the Trust; and work with local teams on improvement actions to strengthen engagement
- Further analysis work around the concept of integrated staff & patient metrics, including the pilot of the Meridian iPad system
- Active management of our 2015 Staff Survey Action Plan through our Staff Engagement Steering Group (SESG) to and reassessment in our 2016 Staff Survey to show a number of positive impacts
- Use of both the Barrett CVA data and 2016 Staff Survey results in local action planning sessions with each Division

We continue to monitor our improving Staff Engagement scores through the Staff FFT, local pulse surveys and the NHS Staff Survey. Our Listening Lunches with the CEO are continuing to provide useful feedback on our staff experience; we also incorporate staff stories into our SESG meetings.

Summary of Performance – NHS 2016 Staff Survey

Our response rates in the most recent Staff Surveys are shown below:

	2015/	**2016/17**		Trust improvement / deterioration
Response Rate	Trust	Trust	National Average	
	44.7%	**36.6%**	**43.7%**	Decrease

Our main changes from 2015 to 2016 have been as follows:

- Our overall Staff Engagement Score has dipped slightly from 3.88 (2015) to 3.87 (2016), most likely due to local service pressures
- Our most significant increase has been in Key Finding 27 (% of staff/colleagues reporting most recent experience of harassment, bullying or abuse)

- We are Above Average in 17 of the 32 Key Findings and Average in another 10, when compared to similar Acute & Community Trusts

	2015/16	**2016/17**		Trust improvement / deterioration
Top 5 ranking Key Findings	Trust	Trust	National Average+	
KF1 Staff recommendation of the organisation as a place to work or receive treatment	**3.82**	**3.85**	**3.74**	improvement
KF24 % of staff reporting most recent experience of violence	**51%**	**73%**	**67%**	improvement
KF27 % of staff/colleagues reporting most recent incidence of harassment, bullying or abuse	**15%**	**54%**	**46%**	improvement
KF31 Staff confidence and security in reporting unsafe clinical practice	**3.71**	**3.80**	**3.68**	improvement
KF11. Percentage of staff appraised in last 12 months	**93%**	**94%**	**87%**	improvement

+ All Combined Acute & Community Trusts

The areas where our performance has declined are:

- We have seen a statistically significant decline in three Survey Questions, two of which relate to support from colleagues and team members to achieve objectives; we believe service pressures have impacted teamwork.
- In comparison to other Acute Trusts, we are significantly worse on three items; Q4f (Have adequate materials, supplies and equipment to do my work), Q4g (Enough staff at organisation to do my job properly) and Q9d (In the last 3 months, have not come into work when not feeling well enough to perform duties. Again, these items would appear to reflect the service pressures that we have experienced at the Trust over the last 12 months.

The following table shows our bottom five scores

	2015/16 (2015 Survey)	**2016/17** (2016 Survey)		Trust improvement / deterioration
Bottom 5 ranking Key Findings	Trust	Trust	National Average+	
KF18 % of staff attending work in the last 3 months despite feeling unwell because they felt pressure from their manager, colleague or themselves	**60%**	**63%**	**56%**	Deterioration
KF23 % of staff experiencing physical violence from staff in the last 12 months	**2%**	**3%**	**2%**	Deterioration
KF28 % of staff witnessing potentially harmful errors, near misses or incidents in the last month	**32%**	**34%**	**29%**	Deterioration
KF29 % of staff reporting errors, near misses or incidents witnessed in the last month	**93%**	**89%**	**91%**	Deterioration
KF29 % of staff reporting errors, near misses or incidents witnessed in the last month	**93%**	**89%**	**91%**	Deterioration

+ All Combined Acute & Community Trusts

Future Priorities and targets

- Our focus on strengthening Staff Engagement will continue during 2017-18, prioritised around embedding our new Trust Values model and using appropriate metrics to support improving the staff & patient experience
- We are again confident that our comprehensive Trust Action Plan will address the priority areas where our Survey scores have decreased; we will be developing specific engagement plans for 4 areas of the Trust that need particular support
- Our People Strategy now contains a 'Developing our Culture' theme; we have a range of initiatives planned that will reflect our continued journey towards a high-performance values-based healthcare organisation,

Expenditure on consultancy

Expenditure on Consultancy related spend reduced from £1.1m in 2014/15 to £0.3m in 2015/16 and was £0.5m in 2016/17

Off payroll engagements

Statement on off payroll arrangements

Our policy for off payroll arrangements is in line with the guidance provided by Monitor and based on HM Treasury guidance that:

- board members and senior officials with significant financial responsibility should be on the organisation's payroll, unless there are exceptional circumstances – in which case the Accounting Officer should approve the arrangements – and such exceptions should exist for no longer than six months;
- engagements of more than six months in duration, for more than a daily rate of £220, should include contractual provisions that allow the department to seek assurance regarding the income tax and NICS obligations of the engagee – and to terminate the contract if that assurance is not provided;

We have established processes in place by which the need for employees can be assessed and the appropriate individuals recruited. While our preference is to employ our own staff,

The need may arise from time to time to cover areas of work which are specialist and outside our current areas of expertise and/or; particular circumstances dictate that someone outside the Trust should be engaged (e.g. certain investigations).

In such cases a determination is made as to which method of resourcing is most appropriate

Our preferred order of consideration would generally be

- Employment
- Agency
- Self-Employed Contractor (off-payroll)

The tables below provide detail of off-payroll engagements of more than £220 per day lasting for longer than six months

Existing off-payroll engagements as of 31 March 2017

No. of existing engagements as of 31 March 2017.	0
No. that have existed for less than one year at time of reporting.	0
No. that have existed for between one and two years at time of reporting.	0
No. that have existed for between two and three years at time of reporting.	0
No. that have existed for between three and four years at time of reporting.	0
No. that have existed for four or more years at time of reporting.	0

New off-payroll engagements and those that reached six months in duration between 1 April 2016 and 31 March 2017

No. of new engagements, or those that reached six months in duration, between 1 April 2016 and 31 March 2017	0
No. of the above which include contractual clauses giving the trust the right to request assurance in relation to income tax and National Insurance obligations	0
No. for whom assurance has been requested	0
Of which...	0
No. for whom assurance has been received	0
No. for whom assurance has not been received	0
No. that have been terminated as a result of assurance not being received.	0

The request for assurance has been acknowledged by the individual however this is their first year of trading and their accounts are currently being prepared by their accountant, so they have not yet been able to provide the proof of assurance.

Off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2016 and 31 March 2017

No. of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year.	0
No. 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.	13

Fair Pay multiple

	2015/16	2016/17
Highest paid director salary - (J Bene)	195,046	196,950
Median Salary	27,090	28,462
Median Salary Ratio	7.20	6.92
Employees receiving remuneration in excess of the highest paid director.	0	0
Remuneration range	6-195	6-197

Total remuneration does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions."

Exit Packages

Exit package cost band	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages		Total cost £000	
	16/17	15/16	16/17	15/16	16/17	15/16	16/17	15/16
<£10,000			16	26	16	26	61	88
£10,001 - £25,000			3	3	3	3	40	41
£25,001 - 50,000	1			1	1	1	28	
£50,001 - £100,000								
£100,001 - £150,000								
£150,001 - £200,000								
>£200,000								
Total	**1**	**0**	**19**	**30**	**20**	**30**	**129**	**166**

Exit packages: non-compulsory departure payments

Exit packages: other (non-compulsory) departure payments - 2015/16	Number of Payments agreed		Total value of agreements £000	
	16/17	**15/16**	**16/17**	**15/16**
Voluntary redundancies including early retirement contractual costs				
Mutually agreed resignations (MARS) contractual costs		1		38
Early retirements in the efficiency of the service contractual costs				
Contractual payments in lieu of notice		29		129
Exit payments following employment tribunals or court orders				
Non-contractual payments requiring HMT approval				
Total	**0**	**30**	**0**	**166**
of which: non-contractual payments requiring HMT approval made to individuals where the payment value was more than 12 months' of their annual salary				

Payments for loss of office and to past senior managers

No payments have been made for loss of office or to past senior managers during the reporting year 2016/17.

Code of Governance Disclosures

Statement of Compliance with the Code

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

The Trust Secretary reviews our compliance with the NHS Foundation Trust Code of Governance and prepares a report for the Audit Committee. The Audit Committee considered this report at its meeting on April 25th 2017 and agreed that Bolton NHS Foundation Trust complied with the main and supporting principles of the Code of Governance.

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

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

Summary Schedule of Matters Reserved for the Board

The Schedule of Matters reserved for the Board details the decisions and responsibilities reserved to the Council of Governors, the Board of Directors and those delegated to the agreed committees of the Board of Directors.

In the event of any unresolved dispute between the Council of Governors and the Board of Directors, the Chair or the Secretary may arrange for independent professional advice to be obtained for the Foundation Trust. The Chair may also initiate an independent review to investigate and make recommendations in respect of how the dispute may be resolved.

The overall responsibility for running an NHS foundation trust lies with the board of directors. The Council of Governors is the collective body through which the directors explain and justify their actions; the council should not seek to become involved in the running of the trust.

Directors are responsible and accountable for the performance of the foundation trust; governors do not take on this responsibility or accountability. This is reflected in the fact that directors are paid while governors are volunteers.

The Council of Governors

As set out in the constitution, the Council of Governors consists of 23 publicly elected Governors, six staff Governors and nine appointed partner Governors.

The Council of Governors meets formally in public every two months

The role of the governor is to:

- hold the Non-Executive Directors individually and collectively to account for the performance of the board of directors
- to represent the interests of NHS foundation trust members and of the public
- Set the terms and conditions of Non-Executive Directors
- Approve the appointment of future Chief Executives
- Appoint or remove the Trust's external auditor
- Consider the annual accounts, annual report and auditor's report
- Be consulted by the Board of Directors on the forward plans for the Trust.
- Approve changes to the constitution of the Trust
- Take decisions on significant transactions
- Take decisions on non NHS income.

The Board of Directors and the Council of Governors enjoy a strong working relationship. The Trust Chairman chairs both and acts as a link between the two. Each is kept advised of the other's progress through a number of systems, including informal updates via the Chairman, ad hoc briefings, exchange of meeting minutes and attendance of the Board of Directors at the Council of Governors and by individual Directors at Council of Governors sub-committees.

The Governors have not had cause to exercise their power to require one or more of the directors to attend a governors' meeting. The Executive and Non-Executive Directors attend the majority of Governor meetings to provide information about the performance of the Trust and to develop the relationship between the two bodies. A rolling bi-monthly programme is in place for Governors to meet with each Executive Director for informal discussions on areas relevant to individual portfolios.

Governors have a responsibility to canvass the opinions of the Trust's members and the wider public with regard to their views on the forward plans of the Trust. Governors are able to attend local area forums to meet with members within their own areas of the public constituency. Governors also took the opportunity to network informally with members prior to the Annual Members' Meeting and prior to Medicine for Members events.

The Membership and Member Communication subgroup agreed to focus on member engagement during 2016/17 and looked at engagement with members through the Newsletter and membership events. The Committee also discussed wider public engagement particularly around the topic of ensuring appropriate attendance at the Trust's Accident and Emergency Department.

Code of Governance Disclosures

Public Governors

Name	Area	Date Elected	End of period of office	Meeting attendance
Ann Bain	Breightmet	Oct13	Sept 19	5/5
Derek Burrows	Kearsley	Oct 13	Sept 16	2/2
Michael Connolly	Westhoughton South	Oct 13	Sept 16	2/2
Kate Cowpe	Out of Area	Oct 14	Sept 17	3/5
Ken Hahlo	Heaton and Lostock	Oct 15	Sept 18	4/5
Eric Hyde	Little Lever and Darcy Lever	Oct 14	Sept 17	2/5
Pauline Lee	Westhoughton and Chew Moor	Oct 15	Sept 17	3/5
Carol McBride	Horwich and Blackrod	Oct 13	Sept 16	0/2
Martin McLaughlin	Halliwell	Oct 13	Sept 16	0/2
Geoffrey Minshull	Bromley Cross	Oct 14	Sept 17	4/5
Champak Mistry	Harper Green	Oct 13	Sept 19	2/5
Jack Ramsay★	**Bradshaw**	**Oct 14**	**Sept 17**	**3/5**
Bill Riley	Astley Bridge	Oct 13	Sept 16	0/2
Barbara Ronson	Horwich NE	Oct 14	Sept 17	3/5
Sorie Sesay	Great Lever	Oct 13	Sept 19	2/5
Jim Sherrington★	**Tonge with the Haulgh**	**Oct 13**	**Sept 17**	**4/5**
Janet Whitehouse	Smithills	Oct 14	Sept 17	4/5
Keith McManus	Farnworth	Oct 16	Sept 19	1/3
Margaret Parrish	Astley Bridge	Oct 16	Sept 19	3/3
Carol Burrows	Kearsley	Oct 16	Sept 19	0/3
Christopher Mealing	Westhoughton	Oct 16	Sept 19	0/3
Bhagvati Parmar	Rumworth	Oct 16	Sept 19	1/3
Kantilal Khimani	Hulton	Oct 16	Sept 19	0/3

Staff Governors

Name	Area	Date Elected	End of Period of Office	
Dipak Fatania	All other staff	Oct 13	Sept 19	4/5
Tracey Halliday	Nurses and Midwives	Oct 14	Sept 17	5/5
Sarah Hulme	All other staff	Oct 15	Sept 18	2/5
Dan Hindley	Doctors and Dentists	Oct 14	Sept 17	1/5
Janet Roberts★	**Nurses and Midwives**	**Oct 13**	**Sept 19**	**3/5**
Sarah Rutherford	AHPs and Scientists	Oct 14	Sept 17	5/5

★ Chair of a sub-committee and one of the three lead governors.

Appointed Governors

Code of Governance Disclosures

Name	Representing	Date Appointed	Meetings
Jack Firth	Bolton HealthWatch	Dec 10	0/5
Shashikant Merchant	Bolton HealthWatch	July 201	1/4
Jane Haworth	Bolton University	July 14	0/5
Dawn Hennefer	Salford University	Sept 14	3/5
Susan Howarth	Bolton Metropolitan Borough Council	April 14	0/1
Anna Maria Watters	Bolton Metropolitan Borough Council	Nov 12	0/1
Jean Gillies	Bolton Metropolitan Borough Council	July 16	0/4
Debbie Newall	Bolton Metropolitan Borough Council	July 16	1/4
Samir Naseef	Bolton Local Medical Committee	Nov 12	1/5
Darren Knight	Bolton Council For Voluntary Services	May 16	2/5
Leigh Vallance	Bolton Council for Voluntary Services	July 14	3/5

Elections to the Council of Governors

Elections to the Council of Governors were held according to the constitution in September 2016. Results were as reported below.

Seat	Turnout	Governor elected
Great Lever	12.6%	Sorie Sesay
Harper Green	20%	Champak Mistry
Hulton	23%	Kantilal Khimani
Westhoughton South	19.6%	Christopher Mealing
All other staff	18.6%	Dipak Fatania

The following seats were uncontested in the 2016/17 elections:-

Astley Bridge

Breightmet

Farnworth

Kearsley

Rumworth

Nurses and Midwives

Code of Governance Disclosures

Lead Governor

In consultation with the Chairman and the Trust Secretary, the Council of Governors decided to nominate the three chairs of the sub-committees to jointly act as lead governor. The lead governor role is undertaken in accordance with Monitor guidance as the point of contact between Monitor and the Council of Governors with no additional responsibilities. In 2016/17, the three Governors fulfilling these roles were Janet Roberts, Jack Ramsay and Jim Sherrington.

Directors' and Governors' Register of Interests

A register is kept of Directors' and Governors' interests. Access to the register can be gained either by contacting the Trust Secretary or from the Trust website.

In accordance with the disclosure requirements the Chairman advised the Council of Governors of his appointment to serve as a Non-Executive Director and Chair of Audit Committee for Crown Commercial Services.

Developing understanding

The Board of Directors has taken steps to ensure that members of the Board, and in particular the Non-Executive Directors, develop an understanding of the views of Governors and members about their NHS Foundation Trust.

David Wakefield chairs both the Board of Directors and the Council of Governors and with the assistance of the Trust Secretary is the link between the two bodies. The full Council of Governors meets a minimum of six times a year and these meetings are attended by representatives of the Executive Directors, the Senior Independent Director and the Non-Executive Directors. The Governors' meetings provide the opportunity for the Governors to express their views and raise any issues so that the Executive Directors can respond. Minutes of the meeting are shared with the Board of Directors so they can pick up and respond to any issues raised. In 2014 at the request of the Governors, the part two section of the Board of Directors was opened up for Governors to attend and observe. Governors have provided feedback in support of this change which has allowed them to gain a greater degree of the understanding of the work of the Board.

The Governors have two formal sub-committees dealing with Auditor appointment, and nomination and remuneration. These are attended by the Chair of Audit and Director of Finance (Auditor appointment) and by the Senior Independent Director (nomination and remuneration).

The Governors also have three sub-groups, each chaired by a Governor nominated by the group. The chairs of the sub-groups meet with the Chairman on a regular basis, these groups are also attended by the Trust Secretary and other members of Trust staff as required.

The Trust recognises the importance of being accessible to members. Council of Governors meetings are held in public and publicised on the Trust website, member newsletters and notices around the Trust. The Governors representing the electoral wards of Bolton are able to attend the local area forums run by Bolton Council to meet individual FT members and members of the public and hear their views.

Code of Governance Disclosures

Board of Directors

The Board of Directors comprises the Chairman, Chief Executive, Senior Independent Director, five other independent Non-Executive Directors and five Executive Directors. The Board meet monthly in public. Papers for the meeting including the minutes of the previous meeting are available on the Trust website.

The Directors have collective responsibility for setting strategic direction and providing leadership and governance.

The Scheme of Delegation which is included in the Trust's standing orders, sets out the decisions which are the responsibility of the Board of Directors and those which have been delegated to a sub-committee of the Board.

The Executive Directors of the Trust meet weekly to consider the operational management and the day to day business of the Trust. These meetings are supported by monthly integrated performance meetings with the divisions and bi-monthly Divisional Executive meetings attended by Executive Directors and the senior management team. The primary purpose of these meetings is to contribute to the forward strategy and review performance against the annual objectives agreed in accordance with the strategy.

Attendance at Board of Director meetings	
David Wakefield	10/11
Trish Armstrong Child	9/11
Jackie Bene	10/11
Neal Chamberlain	10/11
Carol Davies	5/5
Allan Duckworth	9/11
Andy Ennis	11/11
Ann Gavin Daley	11/11
Mark Harrison	9/11
Steve Hodgson	10/11
Jackie Njoroge	7/7
Andrew Thornton	11/11
Mark Wilkinson	9/11
Simon Worthington	9/11
Esther Steel	11/11

Balance, Completeness and Appropriateness

There is a clear separation of the roles of the Chairman and the Chief Executive, which has been set out in writing and agreed by the Board. The Chairman has responsibility for the running of the Board, setting the agenda for the Trust and for ensuring that all Directors are fully informed of matters relevant to their roles. The Chief Executive has responsibility for implementing the strategies agreed by the Board and for managing the day to day business of the Trust.

The Board of Directors has continued to assess the independence of its Non-Executive Directors further to the requirements of the Code of Governance, and considers that each Non-Executive Director is independent in character and judgement.

The Board considers that the Non-Executive Directors bring a wide range of business, commercial, financial and other knowledge required for the successful direction of the Trust.

Code of Governance Disclosures

All Directors are subject to an annual review of their performance and contribution to the management and leadership of the Trust.

Deloitte LLP undertook a "Well Led" review of the Trust in January 2017, initial verbal feedback has been provided to the Chair, Chief Executive and Trust Secretary and individual feedback has been provided to each Board member. A Board Development session is planned for May 2017 to provide an opportunity for the Board to reflect as a group on the outcome of the review.

The external advisors used during 2016/17 have no other connections to the Trust.

Audit Committee

The Audit Committee met on five occasions during the period April 1st 2016 and March 31st 2017.

Audit Committee Attendance	
Members	
Carol Davies (Chair)	2/2
Jackie Njoroge	3/3
Ann Gavin Daley	5/5
Mark Harrison	1/5
Neal Chamberlain	4/5
Attendee	
Simon Worthington	5/5
Esther Steel	5/5

The purpose of the Audit Committee is to provide independent assurance to the Board that there are effective systems of governance, risk management and internal control for all matters relating to corporate and financial governance and risk management.

A key aspect of the Audit Committee's work is to consider significant issues in relation to financial statements and compliance. As part of the preparation for the audit of financial statements, our external auditor KPMG undertook a risk assessment and identified risks as laid out in the table below:

Issues	**Mitigation**
Valuation of land and buildings	Review of revaluation basis Work to understand the basis upon which impairments to land and buildings have been calculated Assessment of the independence and objectivity of the surveyors and their terms of engagement
Recognition of NHS and Non NHS income and associated fraud risk	Testing of the completeness, existence and accuracy of the balances recorded within the financial statements

	Investigation of a sample of contract variations Participation in the Agreement of Balances exercise with other NHS organisations
Fraud risk from management override of controls	Testing of entries that are outside the Trust's normal course of business or are otherwise unusual Audit testing of controls External Audit review of register of interests and disclosure of any related party transactions Local Counter Fraud support

In addition to the review of financial statements, other key activities during the period April 1st 2016 and March 31st 2017 were:

- Consideration of the Going Concern report prior to approval by the Board of Directors.
- Providing oversight of the financial governance improvement plan - the Audit Committee provided regular oversight of the financial governance improvement plan developed to address weaknesses identified in external and internal reviews of financial governance.
- Reviewing the Board Assurance Framework and Risk Register - in addition to receiving the Board Assurance Framework the committee workplan scheduled a detailed focus on specific areas of the BAF, with the lead director required to attend the meeting to provide additional assurance that the risks to the Trust's strategic objectives are managed with mitigations in place.
- Receiving reports from the internal and external auditors and providing oversight to ensure agreed recommendations are addressed.
- Receiving regular reports from the local counter fraud specialist to provide assurance of the on-going development of an anti-fraud culture and specific actions taken in relation to concerns raised both internally and through national fraud awareness initiatives.
- Reviewing compliance with the Code of Governance.
- Receiving and providing oversight of regular reports on losses, waivers and variations.

Chair of the Audit Committee

In September 2016, the Council of Governors appointed a new Non-Executive Director Jackie Njoroge to chair the Audit Committee in place of Carol Davies who had served six years as a Non-Executive Director.

The Chair of the Audit Committee presented the Annual Report of the Audit Committee to the Board of Directors in November 2016.

Code of Governance Disclosures

Auditor Appointment

External Auditor

The appointment of KPMG as auditors was made by the Council of Governors in accordance with Monitor guidance. The value of external audit services (excluding the review of the charitable funds accounts) is £58,452 excluding VAT.

On occasion the Trust may decide to request additional services from the external auditor. The Council of Governors delegated specific authority for commissioning additional services to the Trust's Audit Committee, subject to an overall policy cap on directly attributable fees which should not exceed 50% in aggregate of the approved annual statutory audit fee in any twelve month period. This would be on the understanding that the Audit Committee takes responsibility for agreeing any specific areas of additional work to be undertaken and, in doing so, considers whether the external auditor or any other organisation is best placed to provide the service i.e. based on relevant experience, expertise in that particular area and value for money. The Trust did not commission any non-audit services from its external auditor during 2015/16.

Internal Audit

Internal Audit services are provided by Price Waterhouse Cooper (PwC)

The Audit committee receive and approve the internal audit plan and through the course of the financial year receive regular reports on progress against the plan, accompanied by detailed reports providing the findings, recommendations and actions agreed following the audits agreed in the plan. The plan provides evidence to support the Head of Internal Audit's opinion which in turn informs the Annual Governance Statement (page 63)

Code of Governance Disclosures

Membership

Membership strategy

We are committed to building a membership that is representative of and reflects the local communities we serve in terms of disability, age, gender, socio-economics, sexuality, ethnic background and faith. Through our members, we can really get to know what the public wants and, more importantly, act on that as our services evolve.

Public members

Membership of the Trust is open to anyone who resides in England although we would expect the majority of our members to reside in Bolton and the surrounding areas of Salford, Wigan, Bury and South Lancashire. There is a lower age limit of 14 but no upper age limit. There are no limits on the number of people who can register as members.

Public members are placed in constituencies based on where they live. There are 20 constituencies representing the electoral wards of Bolton and one to represent "out of area" members.

Staff members

We have an opt out arrangement in respect of staff membership. Under this arrangement, staff will automatically be registered as a member of the Trust unless they have completed the opt out form which was circulated with payslips prior to authorisation as a Foundation Trust. New members of eligible staff are provided with information and a form at induction.

Staff membership is open to everyone who is employed by the Trust full or part time. Staff working for the Trust's subsidiary company iFM Bolton are also eligible for staff membership. Staff membership ceases at the point that the member leaves the service of the Trust, but individuals can then choose to become a public member.

Benefits of membership

Although there are no financial benefits to FT membership, there are also no costs. There is, however, much satisfaction in being in a position which can help local people and local services. There are no benefits to members in terms of access to services.

We will use our members as a valuable resource calling on those who have expressed a willingness to participate in surveys and focus groups to gain a snapshot view of the user's perspective.

Membership recruitment

We aim to continue recruiting new members and are using a variety of methods to ensure we reach as many people as possible. People wishing to join can do so by registering online at www.boltonft.nhs.uk or by calling 01204 390654. Alternatively application forms are available throughout the hospital.

Contact procedures for members that wish to communicate with Governors and/or Directors

Members who wish to communicate with Governors may do so by email to Governor@boltonft.nhs.uk or by post c/o the Trust Secretary. To communicate with Directors contact angela.barber@boltonft.nhs.uk

Code of Governance Disclosures

Membership Statistics

Public Constituency	
At year start (1 April 2016)	4487
At year end (31 March 2017)	4392
Staff Constituency	
At year start (1 April 2016)	4955
At year end (31 March 2017)	5189

Analysis of current public membership

Public Constituency	Number of members	Eligible membership
Age		
0 - 16	0	4,721
17- 22	55	17,518
22+	4089	203,292
Not known	248	
Ethnicity		
White	3,267	226,645
Mixed	35	4,892
Asian or Asian British	604	38,749
Black or Black British	89	4,652
Other	88	1,848
Not known	309	
Socio-economic group		
ABC1	1,055	15,166
C2	1,220	25,822
D	952	18,471
E	1,136	27,966
Not known	29	
Gender		
Male	1,692	140,943
Female	2,639	142,967
Not known	61	

NHS Improvement's Single Oversight Framework

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

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

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

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

Segmentation

Bolton NHS Foundation has been assessed as **segment 2**

This segmentation information is the trust's position as at 13th April 2017. Current segmentation information for NHS trusts and foundation trusts is published on the NHS Improvement website.

Finance and use of resources

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

Area	**Metric**	**2016/17 Q3 score**	**2016/17 Q4 Score**
Financial sustainability	Capital service capacity	1	1
	Liquidity	4	3
Financial efficiency	I & E Margin	1	1
Financial controls	Distance from financial plan	1	1
	Agency spend	3	3
Overall score		3	2

Statement of Accounting Officer's Responsibilities

Statement of the Chief Executive's responsibilities as the Accounting Officer of Bolton NHS Foundation Trust

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

NHS Improvement, in exercise of the powers conferred on Monitor by the NHS Act 2006 has given Accounts Directions which require Bolton NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis required by those Directions. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Bolton NHS Foundation Trust and of its income and expenditure, total recognised gains and losses and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Department of Health Group Reporting Manual and in particular to:

- observe the Accounts Direction issued by NHS Improvement, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the NHS Foundation Trust Annual Reporting Manual (and the Department of Health Group Accounting Manual) have been followed, and disclose and explain any material departures in the financial statements;
- ensure that the use of public funds complies with the relevant legislation, delegated authorities and guidance; and
- prepare the financial statements on a going concern basis.

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

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

Signed



Jackie Bene

Chief Executive

Date…25th May 2017

Annual Governance Statement

Bolton NHS Foundation Trust

Scope of responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the NHS foundation trust's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me. I am also responsible for ensuring that the NHS foundation trust is administered prudently and economically and that resources are applied efficiently and effectively. I also acknowledge my responsibilities as set out in the *NHS Foundation Trust Accounting Officer Memorandum*.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of Bolton 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 Bolton NHS Foundation Trust for the year ended 31 March 2017 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

Leadership

As Accounting Officer I Chair the Risk Management Committee and have overall accountability for internal control. To support this role there are clear systems of accountability within the organisation with each Executive Director having specific areas of responsibility

The **Risk Management Strategy** sets out details of the risk management structure and key risk manager roles. The role of the Board and Standing Committees is detailed, together with the individual responsibilities of the Chief Executive, Executive Directors and all staff in managing risk. In particular, the Risk Management Committee, the Quality Assurance Committee, the Informatics Committee, the Finance and Investment Committee, the Clinical Governance Committee and the Divisional Governance Boards provide the mechanisms for managing and monitoring clinical, operational, financial and information governance risks throughout the Trust. The Audit Committee oversees the systems of internal control and overall assurance process associated with managing risk.

The Board of Directors routinely receives reports from its Standing Committees and also receives reports on all serious incidents. The Clinical Governance Committee receives detailed reports on the management of actions agreed following investigations into serious incidents (SIs). If following an SI the Board feel further assurance is required an external review is commissioned – an external review has recently been commissioned from the Royal College of Ophthalmologists to provide further assurance to the Board following a number of serious incidents relating to the Ophthalmology Department. In 2015, the Trust commissioned the Royal College of Surgeons to undertake a review of theatre safety and culture. During 2016/17, PwC provided assurance that the actions agreed in response to this report had been addressed.

The executive team is supported by a divisional management structure consisting of four clinical divisions and until 31st March 2017 by an Estates and Facilities Division. *(On 1st April 2017 the services previously provided by the Estates and Facilities Division were transferred to a wholly owned subsidiary company – iFM Bolton*)

Each division has a clinical Head of Division and a Divisional Director of Operations who are jointly responsible for the delivery of key objectives in their areas. Each division is supported by a Divisional Director of Nursing with specific responsibility for delivering on patient safety, quality and the governance agenda. Each of the Clinical Divisions provides a detailed quarterly report to the Quality Assurance Committee.

Performance monitoring

The integrated performance report provides comprehensive information to the Board and its sub-committees and to the divisions. The report includes a ward to board heat map to provide ward level information. Operational focus on the performance report is conducted through the monthly integrated performance meetings between the Divisions and the Executive team

The Quality Assurance Committee monitors the performance dashboard to provide assurance to the Board. Where concerns are identified using the heat map the QA Committee may seek further assurance that the issues are being managed and may at the discretion of the Chair escalate any concerns to the Board to ensure that the Board as a whole are appraised of and have the opportunity to challenge the planned actions.

Training

To ensure the successful achievement of the Risk Management Strategy and implementation of the Risk Management Policy, all staff are provided with appropriate training in carrying out risk assessments and the reporting of incidents. The on-going programme of training within the Trust includes: managing safely, risk register training, fire safety training, manual handling, safeguarding training, major incident training and conflict resolution training.

Medicine management training is delivered at doctors' induction programmes and during educational and developmental sessions. Support and advice on medicine management is also provided at ward and departmental level by the Chief Pharmacist and link pharmacists.

Risks and safety in respect of clinical equipment and devices are discussed and disseminated by the Medical Devices and Equipment Management Committee. All divisions are represented on this committee which also has a training sub group and each ward has a link nurse.

General awareness raising on risk management issues is achieved through staff briefings, team brief, safety bulletins, induction and the intranet.

The Executive Team and the Board of Directors monitors management capability, (leadership, knowledgeable and skilled staff, adequate financial and physical resources), to ensure the processes and internal controls work effectively.

The risk and control framework

Risk management in the trust

Risk management is recognised as a fundamental part of the Trust's culture, and an integral part of good practice. It is integrated into the Trust's philosophy, practices and business plans. Risk management is the business of everyone in the organisation.

The Trust's **Risk Assessment** process, investigating incidents, complaints and claims procedures are the principal sources of risk identification. The Risk Assessment process identifies the criteria for risk scoring both likelihood and consequence on a scale of 1 to 5, with the highest risk being accorded a score of 25 (5x5). The risk assessment process also requires an appropriate risk management plan.

The Risk Assessment process clearly states the escalation of management seniority to monitor management and mitigation of the risk according to its overall likelihood and consequence. The Risk Assessment process is applied to all types of risk, clinical, financial, operational, capital, and strategic.

The Trust **Risk Register** procedure requires Divisions to maintain and monitor their own Risk Registers. All risks with a score rating of 15 or above are reviewed by the Risk Management Committee. Risk Register "clinics" are available to support managers in the development and management of risk registers.

All business cases have to be supported with a risk assessment. The scored risk rating strongly influences priorities within the Trust Capital Programme.

The **Board Assurance Framework** helps provide assurance to internal and external stakeholders in relation to meeting the Trust objectives. Assurance of the system is also supported by independent assurance processes – internal and external, and achievement of satisfactory outcomes or results.

The Assurance Framework identifies Bolton NHS Foundation Trust's principal objectives and their associated principal risks and is developed in consultation with the Executive Team. The control systems which are used to manage these risks are identified together with the evidence for assurance that these are effective. Lead managers and Directors are identified to deal with gaps in control and assurance and are responsible for developing action plans to address the gaps.

The Board ensures effective communication and consultation at all levels within the organisation and with external stakeholders. We engage with our main commissioner (Bolton CCG) in contract review meetings and through Joint Leadership meetings. A representative of Bolton CCG Group also has a seat on our Quality Assurance Committee. We engage with other key stakeholders at various forums including but not limited to, Council of Governor Meetings, Overview and Scrutiny Committee and Healthwatch. These meetings provide an opportunity for risk related issues to be raised and discussed.

A Board assurance framework (BAF) was in place for the period 1st April 2016 – 31st March 2017

The BAF includes a description of risk appetite for each risk to the achievement of an operational objective and additional background information including links to associated risks on the risk register and tracking the score of the risk over time.

The Board receive a monthly update on the BAF within the Chief Executive's report. This update highlights any changes to risks and ensures a continued focus on the risks to the achievement of the overall strategy.

Risk Appetite

When approving the Board Assurance Framework the Board agree their risk appetite for each of the strategic goals of the organisation

- Risk averse to risks that affect the quality of care and the experience of every person accessing our services
- We will not knowingly take decisions to reduce safety or ignore safety issues
- We will not tolerate failure in basic standards of compliance which could compromise licence conditions
- We have an appetite for developing partnerships but will not enter into partnerships that convene our statutory duty as an NHS Foundation Trust.

Quality Governance Arrangements

The Quality Governance Framework was developed by Monitor as an assessment tool for Trusts to use to benchmark their arrangements for effective quality governance in four categories:

- Strategy
- Capabilities and culture
- Process and structure
- Measurement

Strategy - Quality is embedded in the Trust's overall strategy, the safety and effectiveness of care and the experience of patients are at the heart of all that we do. In 2016, the Trust approved and adopted a new four year Quality Strategy and strategies to reduce the rate of falls and pressure ulcers

Capabilities and Culture - The Board is assured that quality governance is subject to rigorous challenge with full NED engagement in the Audit Committee and NED involvement in the assurance providing committees.

Process and Structure - The Corporate Governance Structure is in place to ensure clarity of reporting between wards and departments and the Board and between the Board and its supporting committees. A new Risk Management Committee was formed in September 2013 and the remit of the Clinical Governance Committee and the Quality Assurance Committee was clarified. Integrated Performance Meetings ensure clear routes of escalation to the Executive team.

The Trust has clear process in place for:

- Clinical incident and accident policy
- Raising concerns (Whistle blowing)
- Complaints
- Management of SIs

Action plans are put in place to address issues arising from these processes.

Performance information – The Integrated Performance report provides a clear dashboard and high level apex report for the Board of Directors and Council of Governors with full reports reviewed in the Board sub committees and at the Integrated Performance Meeting. We recognise the importance of regularly reviewing the information provided to the Board and during 2016 reviewed and revised the narrative aspect of this report to enhance the information and assurance provided.

In their review of our Quality Report, our Auditors identified some recommendations to improve our data quality both with regard to the reporting of 18 weeks and the reporting of data regarding indicators used to monitor the treatment of patients being cared for after a stroke. We will take action in 2017/18 to address these issues and will report on our progress to the Audit Committee.

The foundation trust is fully compliant with the registration requirements of the **Care Quality Commission.** Assurance is obtained on compliance with CQC registration requirements and the fundamental standards to provide care that is safe, effective, caring, responsive and well led through the following mechanisms:

- The CQC conducted a full inspection in March 2016 and gave the Trust an overall rating of Good. The 21 recommendations within the report were incorporated into an action plan. A review undertaken by our internal auditors PwC has provided assurance that 15 of the recommendations have been fully addressed and ongoing actions are in place for the remaining six.
- Divisional reports to the Quality Assurance Committee have been framed around the domains and standards set by the CQC. Divisions have undertaken self-assessment using the CQC KLOEs to evaluate the services they provide. Action plans are in place to address any areas identified as requiring improvement. These action plans are monitored through the quarterly reports to the Quality Assurance Committee.
- A "Better Care Together" group was established to coordinate the preparation for our CQC inspection. This group remains in place and is now leading the actions around our new Quality Improvement Strategy.
- Our internal auditors reviewed our response to the actions taken in response to a proactive review of theatre culture and safety conducted by the Royal college of Surgeons. The review provided assurance that the recommendations made in response to previously reported never events had been addressed.

Compliance with the NHS foundation trust condition 4 (FT governance)

To assure itself of the validity of its annual governance statement required under NHS FT Condition 4 (8) b the Board of Directors receives an annual assurance statement and associated evidence. A review using Monitor's Well Led Governance Framework was undertaken in January 2016. The full findings will be presented to the Board as part of a Board Development session in May 2016. I have received initial feedback from Deloitte LLP who were commissioned to undertake the review. The feedback provided further assurance with regard to our governance arrangements and identified good practice in risk management stating that the Board were well sighted in risks and committees operate will with good debate and clear escalation, accountability and delegation.

Compliance with 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.

In 2016, the Trust received assurance from its internal auditors that effective processes and procedures for the NHS Pension scheme process are well established and operate in a consistent manner.

Control measures are in place to ensure that all the organisation's obligations under equality, diversity and human rights legislation are complied with.

The foundation trust has undertaken risk assessments and 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.

Review of economy, efficiency and effectiveness of the use of resources

The Trust regularly reviews the economic, efficient and effective use of resources with robust arrangements in place for setting objectives and targets on a strategic and annual basis. These arrangements include:

- Ensuring the financial strategy is affordable
- Scrutiny of cost savings plans
- Co-ordination of individual and departmental objectives with corporate objectives.

In addition to the above, in 2015/16, the Trust was an early adopter of recommendations from the Carter review and was one of the 32 trusts that worked with Lord Carter of Cole to inform his report on operational productivity.

Performance against objectives is monitored and actions identified through a number of channels:

- Approval of the annual budgets by the Board of Directors
- At Executive Director meetings
- Bi-monthly reporting to the council of Governors
- Monthly reporting to the Board of Directors and the Executive team on key performance indicators
- Integrated Performance Monitoring meetings to hold divisions to account for performance against quality, operational and financial objectives.
- Monthly review of financial targets by the Finance and Investment Committee

Finance

We overachieved our finance control target by £1,216k and received our full Sustainability and Transformation Fund payment plus additional payments as detailed within the Annual Report. The Finance team continued to build on the success of the Finance Improvement Plan

Assurance is provided by:

Internal audit - PwC were appointed as the internal auditor in June 2013, this appointment was renewed for a further one year in June 2016. The audit plan has been formulated based on PwC's risk assessment of the inherent risk and the control environment. The Head of Internal

Audit meets regularly with the Director of Finance and the Chair of the Audit Committee to review progress against the plan and to ensure the plan remains tailored to the needs of the Trust.

The Head of Internal Audit opinion is that the Trust has a "Generally satisfactory" system of internal controls

During 2015/16 the Trust received the following internal audit reports.

Report	Risk rated
Assurance Framework and Risk Management	Low
Quality Governance	Low
Key financial controls – AR/AP/Cash/GL	Low
Key financial controls – HR	Medium
Financial management and reporting	Low
Budgetary controls	Low
IT general controls	Medium
Information Governance	Medium
Data Pathways	Low
Ward visits/KPIs	Low
Estates	Medium
Non-financial data quality	Low
Serious incidents/complaints and claims	Low
Emergency Planning	Low

Procurement of goods and services is undertaken thorough professional procurement staff and through working with neighbouring organisations within a procurement hub.

In year cost pressures are rigorously reviewed and challenged, and alternatives for avoiding cost pressures are always considered.

Information governance and Data Security

During 2016/17, there were no serious incidents relating to information governance including data loss or confidentiality breach.

The Trust recognises the importance of data security and has robust measures in place to reduce the risks from cyber-attacks including ransomware and computer viruses.

The Trust Information Risk Management Policy sets out key principles, the legislative and good practice framework, revised information governance structures, and roles and responsibilities, including the concept of Information Asset Owners.

The Trust has encrypted all laptops and desktop PCs. Centralised storage has been rolled out across the Trust to ensure that all critical and sensitive data is held securely, not on local

equipment. All portable devices such as memory sticks that are plugged into PCs and laptops have enforced encryption.

Email encryption software has been procured which allows the encryption of emails containing sensitive information. An Email and Internet Access Policy has been approved to reflect the capabilities that new security applications now give the Trust. Staff have been reminded that email must not be used to send personally identifiable data, unless it is encrypted or NHSmail is used and messages remain within the NHS.

The Trust recognises the information governance risks relating to the use of tablet devices and "cloud sharing" and has purchased the software to support and protect information processed on these devices.

Annual Quality Report

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

Governance and Leadership

In producing the Quality Account 2016, the Trust identified key areas for improvement of patient safety, clinical effectiveness and experience. To ensure a balanced view, the Board worked with Governors and other internal and external stakeholders to select the priorities on which the Trust would be reporting in 2017/18.

In developing the report, consideration has been given to the comments made by internal and external stakeholders including our partner organisations and the External Auditors on previous reports.

Policies and plans

In 2016 the Board approved a new overarching quality strategy with supporting strategies for the reduction of harm from falls and pressure ulcers. The launch of these policies provided an opportunity to re-engage with staff across the organisation on the importance of zero tolerance of harm. Results reported in our quality account provide evidence that these strategies have been effective with significant reductions in patient harm reported.

Data use and reporting

We have used existing performance management arrangements to track progress throughout the year on the targets selected and have reported at year end on these to the Board. the external audit report on our 2015/16 Quality Account and a review of data accuracy have provided some assurance that the Trust has arrangements to ensure the accuracy of data. Data accuracy is however still a key priority for the Trust, until the Trust is in a position to implement a full electronic patient record this will remain a risk.

Assurance of 18 week Elective waiting time data

The operational teams and Business Intelligence work collaboratively to ensure 18 week data is accurate and of a high quality. The external audit review of 18 week data undertaken for our Quality Account identified issues with recording, with some cases incorrectly coded as 18 week pathways and others where the case continued to be included in the submitted data after the pathway had ended.

Actions have been agreed in response to these findings in addition to the actions below:

- Specific data quality suite of reports are run by Business Intelligence and circulated to specialties to review on a weekly basis.
- Patient Tracking List (PTL) data on Info Flow is updated daily and this is used by the teams to review the patients within their specialties
- PTL meeting takes place on a weekly basis chaired by Elective Care Division where all departments report back on patients on their PTL, discrepancies that have been corrected and action that is being taken where delays have been identified within the pathway
- Validation of patients is carried out on a weekly basis by teams
- At the end of the month further validation is carried out by all departments
- Business Intelligence circulate month end report which is reviewed by departments and where appropriate corrections are made prior to signoff and upload

Assurance of cancer data

Teams in Cancer Services and Business Intelligence work collaboratively to ensure cancer data is accurate and of a high quality.

In order to do this the following is in place:

- Discrepancy reports are generated by the staff in Business intelligence and shared across the trust to highlight any issues. These are actioned in a timely manner by both the centralised and devolved booking teams. LE2.2 / Somerset are corrected as appropriate, or justification provided for any genuine date anomalies.
- In April 2015, a cancer workshop was created to focus on the five most challenging pathways. This included clinical and managerial teams working in collaboration to improve pathways.
- All Cancer treatments are validated by Business Intelligence and signed off prior to uploading
- All data uploaded for the various national cancer audits is validated by Business Intelligence staff prior to upload
- A monthly Somerset report highlighting clock re-starts is produced and patients cross checked to ensure clocks are only restarted following DNAs.
- All patient breaches for 2 week wait and breast symptomatic 14 day standard are validated
- All 62 day, 31 day, screening, subsequent and upgrade breaches are validated
- The Trust is part of the Greater Manchester Cancer Network and actively collaborates with the network to drive improvement work.

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 and the audit committee, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Maintaining and reviewing the system of internal control

The Board

The Chief Executive and Board of Directors have overall responsibility for the Trust's Risk Management programme.

The Audit Committee

This Committee acts independently from the Executive, to provide assurance to the Board, based on a challenge of evidence and assurance obtained, that the interests of the Trust are properly protected in relation to financial reporting and internal control. It keeps under review the effectiveness of the system of internal control; that is the systems established to identify, assess, manage and monitor risks both financial and otherwise, and to ensure the Trust complies with all aspects of the law, relevant regulation and good practice.

This Committee reports to the Board any matters in respect of which the Committee considers that action or improvement is needed, and makes recommendations as to the steps to be taken.

The Quality Assurance Committee

This Committee provides the Board with an independent and objective review in relation to:

- All aspects of quality, specifically: clinical effectiveness, patient experience and patient safety; monitoring compliance against the essential standards of quality and safety set out in the registration requirements of the Care Quality Commission
- Governance processes for driving and monitoring the delivery of high quality, clinically safe, patient-centred care
- Performance against internal and external quality and clinical improvement targets, and directing management on actions to be taken on sub-standard performance
- The overarching Quality Strategy
- Assurance on safeguarding quality and to provide appropriate scrutiny to clinical effectiveness, patient safety and patient experience
- Assurance (positive and negative) derived from clinical audits is reported through the Clinical Governance committee to the Quality Assurance Committee.

The Finance and Investment Committee

This Committee provides the Board with an objective review of, and assurances, in relation to:

- Finance, contracting and commissioning issues; presenting reports and recommendations in relation to ensuring we maintain cash liquidity and are an effective going concern
- Financial governance processes

- Business cases referred to it by the Capital and Revenue Investment Group requiring major capital investment
- Reviewing and challenging budgets
- Compliance with legislative, mandatory and regulatory requirements in terms of the Committee's scope

The Executive Team has responsibility for the development and maintenance of the system of internal control and the outputs from its work provide me with assurance.

The Board Assurance Framework itself provides me with evidence that the effectiveness of controls that manage the risks to the organisation achieving its principal objectives have been reviewed.

The Risk Management Committee

This Committee provides the Board with an objective review of, in relation to: -

- Risk governance, the risk management frameworks and the promotion of behaviours and cultures that drive approaches to risk management.
- The systems of internal control in relation to governance and risk management, in that these are fit for purpose, adequately resourced and underpin the Trusts performance and reputation
- The overall risk governance process in that it gives clear, explicit and dedicated focus to current and forward-looking aspects of risk exposure

Significant Internal Control Issues

The Trust identified the following internal control issues during 2016/17. These have been or are being addressed through the mechanisms described in this statement.

A & E Performance

Meeting the national four hour standard for A & E, similar to the rest of the country has been a challenge. A system wide approach this winter has led to some improvement in the last quarter, but not to planned levels.

The Trust continues to work with partners in the locality to support accident and emergency performance, these include:

- Overseas recruitment to address the staffing shortfall
- Increased Intermediate care bed capacity in the community
- Phase one of the Emergency department expansion costing £4m was completed in March and phase two starts in the summer.
- Work with the Emergency Care Improvement Programme on streaming in Accident and Emergency department to alternate providers and on improving discharge procedures

Never Events

In 2016/17, there was one incident that met the criteria for reporting as a *Never Event* where medication was administered to a patient via the wrong route. The incident was reported immediately and the patient did not experience harm.

The actions arising from the investigation have been completed. This included an immediate action to ensure all wards had the appropriate syringes available for oral and for intravenous medication.

Conclusion

The Trust has continued to make significant improvements to the system of internal control; the CQC rating of good provides assurance of the progress made to embed quality and good governance. There are however some areas where further improvement is required. Actions are in place to address the issues leading to the control issues described and the Board are confident that there is a robust system in place to oversee the implementation of these actions.



Signed

Chief Executive Date: 25th May 2017

Quality Report

Statement on Quality from the Chief Executive

This year was a particularly challenging year for Bolton NHS Foundation Trust; yet despite the significant pressures faced by the organisation, I am very pleased to report that the Trust has continued to perform well.

A key achievement for the organisation was the overall rating of **"good"** in the Care Quality Commission's inspection carried out in March 2016 and reported in August 2016. We are one of only about 25% of trusts in the country to achieve this standard and the rating is all the more remarkable given that we were in financial turnaround in 2012 and only came out of breach of our license as a foundation trust in September 2015. Inspectors highlighted several areas of practice as "outstanding" and the CQC's report includes many complimentary comments relating to the Trust's culture demonstrating a clear commitment to quality and continuous improvement to the quality of care delivered.

Our overall "good" rating is fantastic and I am very proud of all our members of staff for their hard work which contributed to this achievement. There is, of course, more work to do and I know that our staff will not be satisfied until we reach the highest standards across *all* areas and practices, and we are already working on this.

For instance, in common with others A and E departments, we have been experiencing high levels of demand on the service and the environment was also noted as needing improvement. This is being addressed through partnership working with Bolton CCG to stream some patients who present at our A and E to other, more appropriate places for treatment or advice. In addition, a £2M capital and operational programme to extend the A and E department is now complete.

Furthermore, we have continued to deliver key performance targets including waiting times, and in the case of cancer targets Bolton was the best-performing trust nationally. The majority of our staff satisfaction scores are now in the top 20% of the UK, and our patient feedback has also improved. These achievements are testimony to the commitment and engagement of everyone in the trust; working together to drive improvements forward for the benefit of our patients.

So as we look to 2017/18 our emphasis will remain on delivering consistently high quality, efficient and effective care for all our patients. In terms of our key improvement priorities for the coming year, we have worked with our staff, our Foundation Trust members and our Council of Governors to select priorities which we feel will have the greatest impact on improving the quality of care for our patients. These are:

- Pressure Ulcers
- Increasing Do not Attempt Cardiopulmonary Resuscitation (DNACPR) decisions
- Improving timely recognition and treatment of Sepsis

Finally, I would like to extend a sincere thank you to all the staff at Bolton Foundation NHS Trust who work tirelessly every day to better the lives of patients and the community we serve. To the best of my knowledge, the information we have provided in this Quality Report is accurate. We hope that this report provides you with a clear picture of how important quality improvement, patient safety and experience are to us at Bolton Foundation NHS Trust.



Dr Jackie Bene,

Chief Executive 25th May 2017

Statement of directors' responsibilities in respect of the Quality Report

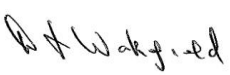
The directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations to prepare Quality Accounts for each financial year. NHS Improvement has issued guidance to NHS foundation trust boards on the form and content of annual quality reports (which incorporate the above legal requirements) and on the arrangements that NHS foundation trust boards should put in place to support the data quality for the preparation of the quality report.

In preparing the Quality Report, directors are required to take steps to satisfy themselves that:

- the content of the Quality Report meets the requirements set out in the NHS foundation trust annual reporting manual 2016/17 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 2016 to [the date of this statement]
    - papers relating to quality reported to the board over the period April 2016 to [the date of this statement]
    - feedback from commissioners dated 18/05/2017
    - feedback from governors
    - feedback from Bolton Healthwatch
    - feedback from Overview and Scrutiny Committee
    - the trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated 29/09/2016
    - the 2016 national patient survey and the 2016 national staff survey
    - the Head of Internal Audit's annual opinion of the trust's control environment dated May 2017
    - CQC inspection report dated 10/08/2016
- 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 NHS Improvement's annual reporting manual and supporting guidance (which incorporates the Quality Accounts regulations) as well as the standards to support data quality for the preparation of the Quality Report.

The directors confirm to the best of their knowledge and belief they have complied with the above requirements in preparing the Quality Report.

By order of the Board

D Wakefield 

Chairman

Jackie Bene 

Chief Executive

25th May 2017

How Quality Initiatives are prioritised in the Trust

This Quality Report identifies the progress made against the quality and safety agendas in 2016/17 and identifies the quality improvement priorities for 2017/18. Following extensive consultation with our stakeholders including Commissioners and Foundation Trust Members and Council of Governors, the following key improvement priorities for 2017/2018 have been chosen:

Key Improvement Priorities for 2017/2018:

- Pressure Ulcers
- Increasing Do not Attempt Cardiopulmonary Resuscitation (DNACPR) decisions
- Improving timely recognition and treatment of Sepsis

Continuous improvement of clinical quality is further incentivised through the contracting mechanisms that include quality schedules, penalties and CQUIN payments. The Trust held a comprehensive workshop with our Commissioners and our clinicians to set-up our CQUINs for 2017/2018 and agree a workplan for the delivery of these.

Quality Performance in 2016/17:

In our Quality Report for 2015/16 we set ourselves a series of key priorities for improvement, these were:

1. Recognising and responding to deteriorating patients
2. Stroke
3. End of life care

Progress against each priority is summarised on the following pages:

Priority one: Recognising and responding to deteriorating patients

Partially Achieved

Our aim for 2016/17: Reduce avoidable cardiac arrest within ward areas by 50%

Our aim for 2016/17: Reduce avoidable cardiac arrest within ward areas by 50%

Outcomes:

Although we have reduced the number of clinically avoidable cardiac arrests, we have had an increase in the number of cases where a DNACPR form should have been in place and resuscitation should not have been attempted. We also recognise that there is further work to do on our route cause analysis of cardiac arrests. In 2017/18 we are aiming increase DNACPR decisions. By this we mean that where a DNACPR is appropriate we will have timely discussions with the patient and their family and record the decision

Annual cardiac arrests reduced from 242 in 2011 to 113 in 2016.	
Potential clinically avoidable cardiac arrests have reduced from 11% in 2015/16 to 4% in 2016/17.	
Avoidable cardiac arrests calls due to there being no DNACPR form in place have increased from 13% in 2015/16 to 17% in 2016/17. (Caveat – to date data for 2016/17 includes the 82 out of the 113 cardiac arrests that have completed the RCA process).	
Over 90% of medics have received Acute Illness Management (AIM) training.	
100% of doctors in training have received AIM and Sepsis training.	
Hospital Mortality Rates for Sepsis reduced from 50.2% 05/06 to 20.5% 15/16 (data from CHKS).	
91% of emergency patients screened for sepsis – (Q4 2016/17).	
Average time to antibiotics 70 minutes in 2015/16 (a reduction from 180 minutes in 2013/14).	

Further improvements for 2017/18:

- The Quality Account priorities that link to recognising and responding to the deteriorating patient are:
- Timely recognition and treatment of patients with sepsis
- Increasing Do Not Attempt Cardiopulmonary Resuscitation (DNACPR) decisions
- Mortality rates will continue to be tracked at the Mortality Reduction Group chaired by the Medical Director.
- Focus on improving clinical communication and handover.
- Focused work to improve clinical documentation and subsequent coding.
- Phased implementation of the Mortality Review Process to all specialties.
- Education and training relating to Acute Illness Management and Sepsis.
- Continue to analyse themes and apply learning from cardiac arrest root cause analysis clinics.
- Revision of policies in line with national requirements e.g. NEWS and NICE Quality Standards.

Priority two: Stroke

Not achieved

Our aim 2016/17: Every patient diagnosed as having suffered a stroke received the best available, evidence based stroke care in line with the Greater Manchester stroke pathway delivered seamlessly and efficiently across partner organisations. Including timely and effective communication with patients, families and carers to enable inclusive and informed decision making at all stages of the pathway.

Outcomes:

Acute care in stroke is monitored primarily using data captured via the national stroke audit (SSNAP), which describes the ideal multi-disciplinary care input required to support all patients and their families through a Stroke diagnosis.

- Overall Bolton SSNAP Score improved from 'D' to 'B'
- SSNAP has eleven key indicators in which five measures saw an improvement on 2015/16 scores. (see fig 2)
- Bolton NHS Foundation Trust SSNAP Score as at November 2016 is below:

	% SSNAP Audit Score		
Indicator	Average 15/16	Average 16/17 * to Nov 16	Progress
Admission to a stroke unit within 4 hours of presentation at an urgent care facility	69.2	63.3	Decline
90% of stroke patient's stay in hospital is on a stroke unit once confirmed diagnosis of stroke	89.3	88.6	No significant change
Opportunity to receive thrombolysis at Comprehensive Stroke Centre for those patient who are eligible / compliance with the Greater Manchester Stroke pathway	3.6	13.7	improvement
All appropriate stroke patients have a urinary continence plan drawn up by discharge from inpatient care	97.8	82.5	Decline
All stroke patients whose nutritional screening identifies a high risk of malnutrition are seen by a dietician prior to discharge	74.5	92.0	improvement
All applicable stroke patients receive occupational therapy equivalent to 45 minutes on 5 days per week.	92.8	70.5	Decline
All applicable stroke patients receive physiotherapy equivalent to 45 minutes on 5 days per week.	73.4	72.0	No significant change
All applicable stroke patients receive speech and language therapy equivalent to 45 minutes on 5 days per week.	22.1	39.1	improvement
All stroke patients presenting with new or previously diagnosed atrial fibrillation are anti-coagulated on discharge, or with a plan to start, or with a documented rationale for not anti-coagulating	100.0	100.0	Maintained 100%
All stroke patients are discharged with a joint health and social care plan and a named contact.	99.5	98.0	No significant change
All applicable Stroke patients are discharged to an Early Supported Discharge Team	71.8	77.9	improvement

Further improvements for 2017/18:

- System developed to ensure transfer to Stroke Unit within 4 hours - aim for end of Quarter 1.
- Reduce length of stay to ensure ability to transfer patients from Salford after initial treatment - aim for end of Quarter 1.
- Work with the Medical Director and Chief Operating Officer on system redesign – end of Quarter 2.
- Work with CCG and Salford to provide robust TIA pathway – Quarter 2.
- Develop nursing and AHP roles to support safe staffing – end of Quarter 3.
- End of year SSNAP data in upper quartile.

Priority three: End of life care

Achieved

Our aim 2016/17: To ensure every patient will receive optimal holistic patient centred end of life care, encompassing their physical, spiritual and emotional needs, taking into account their wishes and preferences. Patients, families and carers will be treated with dignity and respect, and be communicated with in an open, honest and compassionate manner; and this care will be provided during the final 12 months of life and extend into bereavement.

Outcomes:

Measures:	**Progress in 16/17**
Patient and Referrals to Specialist Palliative care team:	
Hospital referrals -100% referral to the specialist palliative care team for pain and symptom control within hospital setting are seen within 24 hours	Achieved
Community referral -100% referral for pain and symptom control have first contact within 72 hours	Achieved
Specialist palliative care MDT	
Attendance of Core members at the weekly specialist MDT is greater the 66%	Achieved
Record of care of the dying person:	
80% of expected deaths in hospital identified to be in the last few days of life are placed on the Record of care of the person document	Partial – 52%
Bereavement Questionnaire	
100% of bereaved families are sent a questionnaire two weeks after hospital death	Achieved
Education and Training of end of life care	
100% of eligible nursing staff are trained to carry out nurses verification of expected death	Achieved
25% of clinical staff in the trust has received 5 priorities of care of the dying person	Achieved

Further improvements for 2017/18:

- Bereavement questionnaire – focus on areas highlighted for improvement such as:
    - Asking patient/relatives preferred place of care
    - Discussing organ and tissue donation
    - Offering chaplaincy support
- Revised Enhanced Communication Training
- Sage and Thyme – extend capacity via train the trainer
- In 2016/17 temporary investment was put into a post to initially roll out the Record of Care. A business case to be developed support the implementation of the Record of Care of the Dying Person to embed into standard practice and ensure we consistently deliver and document high quality person centred care within the Trust, via the following:
    - On-going training specifically around the documentation of quality nursing care plans.
    - Identify and empower ward champions to promote ownership of the document.
    - Compare Record of Care usage with Bereavement Questionnaire feedback.
    - A joint health and social care review of the palliative and end of life patient's journey to identify how further improvements can be made.

Key Quality Priorities for 2017/18

2017 saw the launch of our second Quality Improvement Strategy (2017-2020), which outlines a number of key themes and ambitions we believe will lead to demonstrable improvements in safety and patient experience outcomes. We would, however, like to highlight the following areas as Bolton Foundation NHS Trust's key improvement priorities for 2017/18:

Priority one: Pressure Ulcers

Background:

Pressure ulcers are an injury that breaks down the skin and underlying tissue and are caused when an area of skin is placed under pressure. Pressure ulcers tend to affect people with health conditions that make it difficult to move, especially those confined to lying in a bed or sitting for prolonged periods of time. It is estimated that just under half a million people in the UK will develop at least one pressure ulcer in any given year. (*Information taken from the NHS Choices website*)

Reducing the prevalence and severity of pressure ulcers continues to be a key improvement priority for the Trust, and features as a key deliverable of the Trust's Quality Improvement Strategy.

Aims and measurement:

The overarching outcome aim is to achieve a 10% reduction in lapses in care that result in a pressure ulcer by 31/03/18.

Other measures we will monitor include:

- Eradicate all Category 4 pressure ulcers attributed to lapses in care
- Increase the uptake of training for relevant clinical staff in pressure ulcer prevention and management by 10%.

What we will do

We have a comprehensive pressure ulcer improvement workplan; the key drivers and interventions for 2017/18 are summarised below:

a) Education and Training

- Bi-monthly pressure ulcer prevention and management study days.
- Annual stop the pressure conference.
- Scoping feasibility of an e-learning package on pressure ulcer prevention and management.

b) Equipment and devices:

- Monthly audit of pressure relieving/reducing devices available within acute settings.
- Testing and evaluation of new pressure relieving equipment.

c) Documentation:

- Review of pressure ulcer policy.
- Embed and sustain use of SSKIN bundle.
- Review of pressure ulcer prevention and management care plans.

d) Pressure ulcer prevalence:

- NHS Safety Thermometer.
- Bi-annual thematic analysis of pressure ulcers and subsequent actions.

e) Timely review of harm:

- Harm Free Care Panel for all pressure ulcers.
- Pro-actively encouraging attendance for staff and students at Harm Free Care panel for learning purposes.

f) Joint Health Economy Pressure Ulcer Collaborative:

Joint Pressure Ulcer Collaborative with Bolton NHS Foundation Trust, Bolton CCG, Local Authority and Hospice to provide a whole system collaborative approach to reducing pressure ulcers within the Bolton Health and Social Care Economy.

Reporting our progress:

- All our improvement projects and workstreams follow an established governance structure which monitors and measures performance and progress.
- The forums and governance committees which will provide progress, oversight and accountability for pressure ulcer reduction are summarised below:
- Divisional IPM (Integrated Performance Management)
- Quality Assurance Committee
- Harm Free Care Panel

Priority two: Increasing Do not Attempt Cardiopulmonary Resuscitation (DNACPR) decisions

Background:

The chance of survival following cardiopulmonary resuscitation (CPR) in adults is between 5-20% depending on the circumstances. Although CPR can be attempted on anyone, there comes a time for some people when it is not in their best interests to do this and it may be appropriate to consider making a Do Not Attempt CPR (DNACPR) decision. A DNACPR is a clinical decision made in partnership with patients and healthcare professionals and helps identify patients in who deterioration heralds the approaching end of life and allows patients to make appropriate and informed decisions to facilitate a dignified and peaceful death in line with their wishes. (*Information taken from the NHS Choices website*)

The Trust has well-established workstreams focusing on reducing mortality and end of life care and has made great progress in reducing avoidable cardiac arrests. However, use of data from cardiac arrest root cause analysis has highlighted the next area of focus should be increasing the number of appropriate DNACPR decisions.

Aims and measurement:

The aim of this improvement priority is to improve early and open discussions with our patients to enable them to make informed and appropriate DNACPR decisions in line with their wishes and ensure this is appropriately documented in patient records.

Our overarching outcome measure is: 25% reduction of patient resuscitated that should have been DNACPR by 31/03/18.

What we will do

A summary of our planned interventions is as follows:

- Continue to analyse themes and apply learning from cardiac arrest root cause analysis clinics.
- Ward round checks including DNACPR and escalation status to be introduced.
- DNACPR considered and discussed on arrival when relatives present in Emergency Department.
- Annual audit of DNACPR.
- Review of documentation to support appropriate DNACPR discussions.

Reporting our progress:

- All our improvement projects follow an established governance structure which monitors and measures performance and progress.
- The forums and governance committees which will provide progress, oversight and accountability for improvements in appropriate DNACPR decisions are summarised below:
- Mortality Reduction Group
- Cardiac Arrest Root Cause Analysis Clinics
- End of Life Steering Group
- Quality Assurance Committee

Priority three: Sepsis

Background:

Every year in the UK there are 250,000 cases of Sepsis, resulting in approximately 44,000 deaths – more than bowel, breast and prostate cancer combined. Sepsis is a life threatening condition that arises when the body's response to an infection injures its own tissues and organs. Sepsis can be caused by a huge variety of different bugs, most cases being caused by common bacteria which we all come into contact with every day without them making us ill. Sometimes, though, the body responds abnormally to these infections, and causes sepsis However, timely recognition and treatment is key to improving chances of survival and recovery. (Information from UK Sepsis Trust Website).

Aims and measurement:

The overarching outcome aim is to ensure over 90% of applicable patients admitted as an emergency are screened for sepsis by 31/03/18.

Other measures we will monitor include:

90% of patients received antibiotics within 60 minutes of Red Flag Sepsis diagnosis.

What we will do:

Our interventions can be grouped into the following categories:

a) **Policies, guidance and documentation:**
   - Revise Sepsis policy, pathway and screening tools to align with NICE guidance and National Early Warning Score updates.
   - NICE Quality Standards.

b) **Education and Training:**
   - Targeted education in support of revised sepsis documentation.
   - Sepsis study days and reference materials.
   - Trust Sepsis Awareness Week.
   - Sepsis patient information leaflets.
   - Primary Care Sepsis Education.
   - E-learning package.

c) **Monitoring and governance and continuous quality improvement:**
   - National Sepsis CQUINs.
   - Quarterly Sepsis case note review with thematic analysis to inform areas for improvement.
   - Changes to Sepsis coding by NHS Digital.
   - Use of CHKS and other national data to measure Sepsis mortality.
   - Development of Sepsis resource drawers in treatment/clinic rooms.

Reporting our progress:

- All our improvement projects follow an established governance structure which monitors and measures performance and progress.

- The forums and governance committees which will provide progress, oversight and accountability for improvements relating to sepsis are summarised below:
- Sepsis Forum
- Sepsis CQUIN Group
- Mortality Reduction Group
- Better Care Together Project Management Group
- Quality Assurance Committee

Statement of assurance from the board

Review of services

During 2016/17 Bolton NHS Foundation Trust provided and/or sub-contracted **eleven** relevant health services (as defined by the CQC) across **38** specialties

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

The income generated by the relevant services reviewed in 2016/17 represents **100%** of the total income generated from the provision of NHS services by Bolton NHS Foundation Trust for 2016/17.

Participation in Clinical Audits and Research Activity

During 2016/17, **51** national clinical audits (including national confidential enquiries) covered relevant health services that Bolton NHS Foundation Trust provides. The NHS published a list of 51 Quality Accounts.

During that period Bolton NHS Foundation Trust were eligible to participate in **35** national clinical audits.

The table below indicates which national clinical audits and national confidential enquiries Bolton NHS Foundation Trust was eligible to participate in.

Specialty	Audit Title	N cases submitted	Eligible
Trust	TARN - Trauma and Audit Research Network	180	Yes
General Surgery	National Vascular Registry	327	Yes
Diabetes	National Diabetes Audit - In Patient - Diabetes (Adult)	70	Yes
Cardiology	National Heart Failure Audit	191	Yes
Cardiology	Cardiac Rhythm Management (CRM)	-	Yes
Cardiology	National Cardiac Arrest Audit (NCAA)	139	Yes
Urology	Percutaneous Nephrolithotomy (PCNL)(BAUS)	6	Yes
Urology	Stress Urinary Incontinence Audit (BAUS)	0	Yes
Thoracic	Adult Asthma	20	Yes
Critical Care	Case Mix Programme (ICNARC) Quality Accounts *between April-Sept 16	224*	Yes
Thoracic	COPD Audit programme - PULMONARY REHAB CLINIC COPD Audit programme - SECONDARY CARE *From Feb 2017	- 38*	Yes Yes
Surgery	Elective Surgery (National PROMs Programme)	477	Yes
Stroke	Sentinel Stroke National Audit programme (SSNAP) * Aug-Nov 2016	24*	Yes
Medicine	National Audit of Dementia	45	Yes
Cancer	Bowel Cancer Audit - NBOCAP	-	Yes
Cancer	National Lung Cancer Audit	0	NA
Anaes / Surgery	National Emergency Laparotomy Audit (NELA)	66	Yes
Orthopeadics	National Joint Registry (NJR)	494	Yes
Blood Transfusion	National Comparative Audit of Blood Transfusion - Audit of Patient Blood Management in Scheduled Surgery *1.Audit of Red Cell & Platelet transfusion in adult Haematology patients* *2. Re-audit of Patient Blood Management in adults undergoing elective, scheduled surgery* *3. The Audit of Red Cell transfusion in Palliative care*	 33 5 -	 Yes Yes NA
Paediatrics	BTS Paediatric Pneumonia *1 November 2016 - 31 January 2017	11	Yes
Medicine	Inflammatory Bowel Disease (IBD) programme	50	Yes
Paediatrics	Neonatal Intensive and Special Care (NNAP)	100	Yes
Cardiology	MINAP	316	Yes
ED	Asthma (Paediatric and adult) care in ED	35 Adult 15 Peads	Yes
Paediatrics	Diabetes (Paediatric) (NPDA)		Yes

Medicine	(BAETS) Endocrine and Thyroid National Audit	0	Yes
Elderly Medicine	*Falls and Fragility Fractures Audit programme (FFFAP)* National Hip Fracture Database National In-Patient Falls Audit Fracture Liaison Service	 349 30 -	Yes
Emergency Medicine	Severe Sepsis and Septic Shock – care in emergency departments	-	Yes
Trust	Learning Disability Mortality Review Programme (LeDeR) **(CORP)**	-	Yes
Medical / Surgery	Medical & Surgical Clinical Outcome Review Programme **(CORP)**	-	Yes
Obstetrics	Maternal, Newborn and Infant Clinical Outcome Review Programme **(CORP)**	-	Yes
Paediatrics	Child Health Clinical Outcome Review Programme **(CORP)**	-	Yes
Cancer	Head and Neck Cancer Audit	30	Yes
Cancer	National Prostate Cancer Audit **(HSCIC)**	169	Yes
Cancer	Oesophago-Gastric Cancer Audit **(HSCIC)**	53	Yes

*Please note a selection of the above audits commenced data collection in Quarter 4 period 2016-17 and are still ongoing

National Clinical Audits: Actions to Improve

The reports of **32** national clinical audits were reviewed by the provider in 2016/17 and Bolton NHS Foundation Trust intends to take the following actions to improve the quality of healthcare provided.

Specialty	Audit Title	Gap Analysis / Action Plans and Learning
Trust	TARN Trauma and Audit Research Network	Continuous Data Submission. Improvement case ascertainment last quarter. Action Plan been developed and under review N=180 cases submitted
Diabetes	National Diabetes Audit - In Patient - Diabetes (Adult)	✓Newly published report March 2017 Gap Analysis in Progress
Diabetes	National Diabetes Foot care Audit - Diabetes (Adult)	✓Gap Analysis Received 13-9-16 Compliant excluding - To review local pathway with CCG
Cardiology	National Heart Failure Audit	✓ Data Entered timely 10 per week Changes from April 2017 mean that data for the audit will need to be submitted < 3 months of discharge instead of 12 months. This is progress as will enable the Trust to use the data to improve local practice in a timely fashion but will be a challenge for the audit staff and will need to ensure that we can achieve this. Cardiology are looking to employ a second heart failure nurse N=191 cases submitted
Cardiology	Cardiac Rhythm Management (CRM)	✓Report Published Dec 2016
Cardiology	National Cardiac Arrest Audit (NCAA)	✓Strong embedded audit – National Recommendations Implemented locally in addition to virtual clinic. N=139 cases submitted
Urology	Percutaneous Nephrolithotomy (BAUS)	Continuous Audit N=6 cases submitted
Urology	Stress Urinary Incontinence Audit (BAUS)	Continuous Audit
Thoracic	Adult Asthma	✓Data Submitted Nationally Jan-2017 Await Report N=20 cases submitted
Critical Care	Case Mix Programme (ICNARC) Quality Accounts	✓ Fully engaged Many processes by which BHFT directly link it to audit as many of the metrics and outcomes are composites i.e. mortality rate has

		multifactorial inputs.
Thoracic	COPD Audit programme Pulmonary rehab clinic	✓Audit started Jan 2017
Thoracic	COPD Audit programme Secondary Care	✓Audit started Feb 2017 Good Progress with Data Entry
Stroke	Sentinel Stroke National Audit programme (SSNAP)	✓Strong embedded Audit Improvement required at 6month post assessment & SALT KPI. Recruitment Stroke coordinator required Good Network involvement
Elderly Medicine	National Audit of Dementia	✓Data Submitted Sept 2016 3rd Round Report June 2017 N=45 cases submitted
Cancer	Bowel Cancer Audit - NBOCAP	✓Data Collection until Jan-17 for publication late 2017 Audit Undertaken Dec-2016 Learning and Action Plans • Need to expand service in high quality manner, scanner time +++, Radiographer time and additional Radiologists • Stop barium enemas (accuracy, discomfort) • Radiographer reporting (symptomatics). Completed PGC in advanced practice medical imaging. Radiologist vs Reporting Radiographer accuracy audit
Cancer / Thoracic	National Lung Cancer Audit	NA: Report concerns surgical resections which RBH don't complete but might be of interest to the team given we refer patients to Wythenshawe
Anaes / Surgery	National Emergency Laparotomy Audit (NELA)	✓Current hospital performance indicators show BHFT is performing well or as expected 100% attainment Currently using data locally - high readmission to Critical Care levels
Orthopeadics	National Joint Registry (NJR)	AWAITING INFORMATION
Blood Transfusion	National Comparative Audit of Blood Transfusion - Audit of Patient Blood Management in Scheduled Surgery	
	1.Audit of Red Cell & Platelet transfusion in adult Haematology patients	✓Action Plan Received. Fully compliant with applicable standards N=submitted 33 adult patients and 35 transfusion episodes.
	2. Re-audit of Patient Blood Management in adults undergoing elective, scheduled surgery	✓Data Submitted 13 Jan-17 N=5 cases submitted (50 audited)
	3. The Audit of Red Cell transfusion in Palliative care	✓NA – *RBH didn't participate in this as a Trust as we don't 'own' the Hospice - Bolton Hospice did participate independently. The Trust has asked them to share the report with us when it comes as it is of interest to us as we supply their blood*
Paediatrics	BTS Paediatric Pneumonia	✓Data Submitted 13 Jan-17
Medicine	Inflammatory Bowel Disease (IBD) programme	✓Data Submitted Dec 2016 Await Report
Cardiology	MINAP	✓ Compliant with all 6 standards need emphasis the importance of Standard 3 relating to sufficient resources allocated to clinical audit activity - it is vital that MINAP Coordinator is protected. N=316 cases submitted
ED	Asthma (Paediatric and Adult) care in ED	-Areas of work around the recording of observations/or interventions given need to be improved -Results highlight training needs for new staff on asthmas education -Introduce discharge leaflet for patients that covers psychosocial factors/inhaler techniques

<table>
<tr><td>Paediatrics</td><td>Diabetes (Paediatric) (NPDA)</td><td>✓Data Submitted March 2017</td></tr>
<tr><td>Medicine</td><td>(BAETS) Endocrine and Thyroid National Audit</td><td>AWAITING INFORMATION</td></tr>
<tr><td>Elderly Medicine</td><td>Falls and Fragility Fractures Audit programme (FFFAP)</td><td>✓Report Published Sept 2016
Gap Analysis received (Improvement Hip # Care)
In-Patient Falls Audit to start May 2017</td></tr>
<tr><td>Neonates</td><td>Neonatal Intensive and Special Care (NNAP)</td><td>✓Report Published October 2016
Check service is following evidence based care bundles routinely.
Speak to other units to share ideas or learning.
Gather a group to trial fresh ideas. Continue monitoring</td></tr>
<tr><td>Emergency Medicine</td><td>Severe Sepsis and Septic Shock – care in emergency departments</td><td>✓Overall good results for the Trust. Areas of improvement for senior review/HDU review – although limited by the fact that some of those notes are not scanned in with the A&E card, so may be more of an issue with data collection.</td></tr>
<tr><td>Surgery</td><td>Elective Surgery (National PROMs Programme)</td><td>✓Practice embedded – led by one of the Nursing Sisters.
There is ongoing work between the OBM and PROMS team to improve our understanding and to increase our participation rates. Data is fed back locally by the lead nurse for pre-operative assessment, with any areas for improvement highlighted and actioned by the team with support from OBM and External PROMs Project Team. PROMs also forms part of the Trust Quality Account and is monitored by the Clinical Effectiveness Team.
<table>
<tr><td></td><td>GH</td><td>HR</td><td>KR</td><td>VV</td></tr>
<tr><td>n</td><td>118</td><td>152</td><td>179</td><td>28</td></tr>
</table></td></tr>
<tr><td>General Surgery</td><td>National Vascular Registry</td><td>Published Dec-2016
✓ Gap Analysis received - compliant on all recommendations excluding “There is wide variation in the time patients take from vascular assessment to elective AAA repair. The National AAA Screening Programme has set a target of 8 weeks and, for non-complex aneurysms, this should be a target for all units for both screen and non-screen detected AAA” –
Non-compliant.
Delay in cardiology investigations and review locally
Data submitted
AAA -16 (100%), CEA -31 (100%), Endovascular -205, Bypass – 28, Major LL - 47</td></tr>
</table>

Clinical Outcome Review Programme Participation

The Clinical Outcome Review Programme Participation incorporates the below programmes

- Medical & Surgical Clinical Outcome Review Programme
- Maternal, Newborn and Infant Clinical Outcome Review Programme
- Child Health Clinical Outcome Review Programme
- Learning Disability Mortality Review Programme (LeDeR)

Medical and Surgical Clinical Outcome Review Programme and Child Health Clinical Outcome Review Programme form part of the National confidential Enquiry.

NCEPOD Participation

	Number cases Required	Actual Number Submitted
Mental Health 'Treat As One'	**5**	3 Clinical Questionnaires (60%) 5 Case notes (100%)
Local Gap Analysis Completed Outcomes of published Report **Gap Analysis has been produced and currently in draft format – to be completed June 2017**		
Acute Pancreatitis 'Treat the Cause'	**5**	3 Clinical Questionnaires (100%) 5 Case notes (100%) (2 deemed non applicable, therefore 3)
Local Gap Analysis Completed Outcomes of published Report **Local Audit registered (1884)** **Conclusions and Recommendations** • **Length of stay and age were positively correlated – OUTLIERS REMOVED** • **Pancreatitis scoring was carried out in only 56% of cases** • **Fluid management was appropriate (according to guidelines) in 75% of patients** • **25% of patients saw a dietician during their inpatient stay** • **100% had an EWS score on admission** • **Teaching for Juniors about the importance of Fluid Resuscitation and Pancreatitis Scoring systems on admission** • **Teaching for Nurses about importance of dietician input regardless of the Nutritional Scoring system used at RBH** • **Better documentation surrounding discussions about cholecystectomy** • **Revisit the waiting list for Cholecystectomies**		
Acute Non Invasive Ventilation	**2**	2 Clinical Questionnaires (100%) 2 Case notes (100%)
Local Gap Analysis Completed Outcomes of published Report **To be published June 2017**		
Chronic Neuro-disability	**5**	5 Clinical Questionnaires (100%) 4 Case notes (80%)
Local Gap Analysis Completed Outcomes of published Report **To be published November 2017**		
Young Peoples Mental Health	**6**	3 Clinical Questionnaires (50%) 4 Case notes (67%)
Local Gap Analysis Completed Outcomes of published Report **To be published Autumn/Winter 2017**		
Cancer in Children, Teens and Young Adults	**NA**	**NA**
Local Gap Analysis Completed Outcomes of published Report **NA**		

Local Audits:

295 local audits were registered between April 2016 and March 2017.

The reports of **72** local clinical audits were reviewed by the provider in 2016/17. Below is a selection of those action plans with a brief narrative of what action Bolton NHS Foundation Trust intends to take to improve the quality of healthcare provided to our patients.

Audit Title	Actions
DNAR & Escalation Plan - QI project	Ward consultants and junior doctors to review DNAR and escalation decisions during ward rounds. Audit results to be disseminated to all the trainee doctors. DNAR and escalation decisions to be discussed at ward MDT meeting.
Bronchiolitis in children : diagnosis and management (NICE G9) Management in A and E	Bronchiolitis Management poster for display in Paediatric A&E

DNACPR	Grand Round teaching; results sent to governance leads. Update junior doctors. Improved identification of DNACPR decisions. Improve communication of DNACPR to GPs.
Use of MR scanning in ILC	Look at the change in management plan for the patients pre and post MR. Re-audit.
Retrospective analysis of appendectomies in children	Review the false positive to assess Bolton diagnosis of appendicitis. Re-audit use of Ultrasound scanning.
Audit of the Effectiveness of the Hydrotherapy Group Sessions Sept 2015 – Feb 2016	All slots to be filled each week - Admin staff Strict D/C policy for DNA's. Exercise sheets for distribution at Hydrotherapy sessions. Referral letters to all patients on completion of sessions. Liaise with management staff and IT to establish pathways where patients can be recorded and tracked on computer systems LE2.2 and Lorenzo.
Activity of patients in Q-physiotherapy and service provided	Review of waiting list
Assessment of DAP readings Paediatric Abdomen using DR equipment	Update departmental IRMER document, to provide data for Christie's to compromise DRL for other paediatric examinations within the department in line with adult examination areas. Cross reference Bolton data with the regional children's hospital to ensure patient best interests. Re Audit in 12 months with a larger date range. Look at other Paediatric examination areas due to the lack of international and national standards.
Hyoid suspension procedure outcomes	Apnegraph studies to target surgery – improved outcomes Re-audit
Casted Bespoke Orthotic Devices used in Rheumatology and appropriateness of initial assessment/prescription	Ensure trained technician be available to order devices / materials. Off the shelf (OTS) can be made to prescription by technician. Pending results expansion of technician support may be implemented. Re-audit.
Re-Audit of Blood Transfusion Sample Rejection	Disseminate presentation to Divisions for consideration through quality forums for further action. Disseminate to colleagues on the Hospital Transfusion Committee for further dissemination within their Specialty area and consider further actions. Report to Trust Governance and Quality Committee via Hospital Transfusion Committee chair's report. Continue transfusion sample zero tolerance i.e. all incorrect samples are discarded (a minority of qualifying samples may be tested under concession, as per transfusion policy). Implementation of positive ID system for blood samples using barcode technology (NG24 Blood Transfusion Guideline). Escalated to the Trust Governance & Quality Committee and Trust NICE implementation status plan.
Casted Orthotics and replacements	Add patient insole history to the assessment sheet. Re-audit
Appropriateness of 2 week referrals from GDPs and GPs (NICE+DH)	Amendments to future audit proforma. Retrospective audit of oncology patients. Re-audit.
Biologics for patients with PsA: Are we following the GMMMG pathway and the NICE guidance at Bolton rheumatology	Fully compliant with guidelines no actions required
Shoulder Management in QPUL	Inputting the data on Bluespier to commence.

	ASAD patient information leaflet produced. Reviewing patients at the 6 week follow-up to check if they received the rotator cuff leaflet pre-op. Established authority to directly refer hydro dilation patients back to radiology from QPUL who are in need of a second injection. Audit to capture if the incidence of capsulitis has increased since the rotator cuff protocol has changed. Re-audit.
Antegrade Ureteric Stent Re-Audit	All patients should have urine specimen (MSSU, CSU, Neph) sent at the time of request. Results checked and documented before stent insertion. Any underlying UTI should be treated. Prophylactic antibiotic guided by sensitivity should be given to selected patients with previous UTI. Minor complications after discharge could be reviewed at urology hot clinic, this may reduce readmission rates. Futures re-audit.
Compliance with the use of Gonad Sheilding - compliance with IR (ME) R2000 regulations	Clear guidance and information, to be visible in each x-ray room. Gonad shielding used/not used CRIS comment system, to aid further re-audits. CPD sessions, to increase awareness of when and how shielding should be used. Updates in Local and Team brief. Repeat audit at least every 12 months, in order to encourage best practice.
Appropriate Slide Sheet Usage In CT	Discuss audit results with Moving and Handling Advisor to implement ways to improve A&E/ward access to slide sheet stock. Discuss audit results with A&E team leads and A&E manual handling keyworkers to raise awareness of the need for 2 slide sheets. Continue to monitor A&E/ward compliance and raise incident forms when necessary. Re-audit in 6 months' time. Audit compliance in the rest of the radiology department Implement a radiology slide sheet stock check system to ensure we have adequate stock to perform best practice if A&E/wards are non-compliant.
Effectiveness of Orthotic devices for three year olds and under and quantity prescribed	Continued attendance at the Clinical biomechanics effectiveness group. Attending paediatric update courses. Updating of op-in letters already in use. Discussion item on biomechanics team in- service meetings.
OMFS - Trust Record Keeping, documentation and consent audit	Clinicians to record time, name and designation in block capitals. Re-audit and check GMC / GDC registration. Re-audit auto reporting of OPGs and intra-oral x-rays. Re-audit.
Joint Injection Pathway from GP direct to MSK Therapy (re-audit of 1497) April 2016 to Sept 2016	Discontinue/decrease injection slots available at RBH. Discussion with GP/ CCG regarding appropriateness of referrals. Re-audit.
Documentation of Visual acuity in patients presenting with ophthalmic conditions to ED	Visual acuity to be measured in all ophthalmic patients (83%) Visual acuity to be documented as a ratio x/y where x is the testing distance and y refers to the line containing the small letter that the patient identifies. If the patient is unable to read the largest line of the Snellen it should be documented whether they can count fingers, see hand movements or perceive light. (78%) Visual acuity to be tested with glasses or contact lenses if the patient wears them for distance (14%) Visual acuity to be tested in each eye separately (83%)
Effectiveness of Acupuncture	66% of patients improved their pain by more than half regardless

	of the varying ways that Acupuncture was administered. Continue to offer this treatment. 63% of patients received 5-6 sessions, continue to offer this number if helpful.
Blood transfusion consent documentation- Re Audit	Continue raising awareness Ascribe discharge summary modification Re-audit against NICE standard NG24
PCSK9 Inhibitor use	Use consistent with NICE recommendations. Scope for wider use – ongoing identification of appropriate patients.
Familial Hypercholesterolaemia NICE CG71/ NICE TA393/TA 394	Cascade screening, beyond the immediate family (under discussion with Manchester CCGs). Aim to achieve treatment targets. Long-term annual review of patients.
Pregnancy Testing in paediatric surgical patients	Develop local policy. Training session for juniors in Paediatrics/Surgery Include short questions in clerking proforma to serve as a reminder with a tick box for verbal consent given. For Paediatric proforma include a tick box for assessment of Gillick competence. Improve the clarity of the preoperative check list. Use information leaflet.
Management of Headache in young people - NICE CG150	Patient information leaflet in development.
Double Instrument Delivery	Results dissemination to staff via work rota: Consider forceps as 1st choice. Senior advice to be sought as required. Competency for Kiwi use required.
Quality of radiographs received. Referrals from ERS to Bolton FT OMFS	Placed on Risk Register. Divisional Director of Business has escalated with CCG. OBM to follow up with ERS to discuss ways to improve service
Audit of the effectiveness of the safe swallowing training courses run by Speech and Language Therapy specialist services during 2011 for staff and carers working with adults with learning disabilities.	ALD Speech & Language Therapy to review the wording of questions and content of the sessions as highlighted. Audit the results of the specific questions reviewed as above to determine if the review of wording /content of the training successfully increases knowledge.
Audit of the effectiveness of the safe swallowing training courses run by Speech and Language Therapy specialist services during 2014 for staff and carers working with adults with learning disabilities.	Review wording of questions and possible answers to reduce confusion or misunderstanding. Review how the training is delivered. Add question to Safe Swallowing questionnaire to ascertain how each person feels their knowledge and understanding has increased. Include questions on next audit where a delegate gives an incorrect response before and after the training. Analysis of whether a relationship exists between length of service and existing knowledge at the start of the training.

Record Keeping and Consent Audit

In addition to the above the trust also audits their record keeping practice and consent process. The following specialties are actively auditing their notes with assurances being made around consenting to treatment.

Anaesthetics	OMFS / Oral Surgery	Therapies
Urology	Endoscopy	Palliative care
ENT	Rheumatology	Emergency Department
Theatres	Orthopaedic	Maternity
Breast	Ophthalmology	Obstetrics & Gynaecology

Delegated consent training is carried out at the general induction to cover the four common procedures in the trust for which consent is most often required. Where trainees feel uncomfortable about this, or there is a lack of appropriate supervision, they are encouraged not to proceed. Departmental inductions deal with consent training for procedures relevant to the individual departments. Trainees in the departments would ordinarily be required to obtain consent only for procedures for which they have been trained and are familiar with. Where trainees have not been trained in specific procedures, they are not expected to consent patients. A more senior doctor would consent for these cases. For elective operations, consent is taken during the clinic attendance. Junior trainees are supported in clinic through this process.

To support this process, nursing matrons and or ward managers will be part of departmental consent training during the induction period for the purpose of educating the nurses on what procedures trainees can and cannot consent for. In addition, on the orthopaedic wards, patient consent and documentation is confirmed by a senior doctor when the patient is admitted prior to surgery

Participation in Clinical Research

A total of 1196 patients receiving relevant healthcare services at Bolton NHS Foundation Trust were recruited to 53 National Institute for Health Research (NIHR) Portfolio studies in 2016/17. Approval from the Ethics Committee is sought. This is a significant increase from 718 patients in 2015/16. In 2016/17, the Trust introduced a new Research Strategy outlying a five year plan to increase participation in high quality research. In addition, three divisional leads were appointed to support the promotion and development of research across the trust.

Goals agreed with Commissioners: use of the CQUIN payment framework

A proportion of Bolton NHS Foundation Trust's income in 2016/17 was conditional on achieving quality improvement and innovation goals agreed between Bolton NHS Foundation Trust and any person or body they entered into a contract, agreement or arrangement with for the provision of relevant health services, through the Commissioning for Quality and Innovation payment framework.

In 2016/17 Bolton NHS Foundation Trust received £5.642 of its CQUIN target agreed with commissioners

In 2015/16 Bolton NHS Foundation Trust received £4.937 of its CQUIN target agreed with commissioners

Further details of the agreed goals for 2016/17 and for the following 12-month period are available on request via Rachel.hurst@boltonft.nhs.uk

Care Quality Commission Registration

Bolton NHS Foundation Trust is required to register with the Care Quality Commission and its current registration status is "registered without conditions". The Care Quality Commission has not taken enforcement action against the Bolton NHS Foundation Trust during 2016/17.

Bolton NHS Foundation Trust has not participated in any special reviews or investigations by the CQC during the reporting period.

Bolton NHS Foundation Trust was inspected by CQC in March 2016 and reported in August 2016 and achieved an overall rating of "good". Please see below CQC ratings grid:



The report included 21 recommendations to further improve the services provided by the Trust. The Trust's internal auditors provided assurance that 16 of these have now been fully implemented with evidence that the remaining five are in progress.

Data Quality

Bolton Foundation NHS Trust submitted records during 2016/17 to the Secondary Uses Service for inclusion in the Hospital Episode Statistics which are included in the latest published data. The percentage of records in the published data: (as at March 2017)

- which included the patient's valid NHS number was:
    - *99.8%* for admitted patient care;
    - *99.9%* for outpatient care; and
    - *99.3%* for accident and emergency care.

- which included the patient's valid General Medical Practice Code was:
    - *100%* for admitted patient care;
    - *100%* for outpatient care; and
    - *100%* for accident and emergency

Action to Improve Data Quality

Bolton Foundation NHS Trust will be taking the following actions to improve data quality:

- During 2016/17 an Operational Data Quality Group was setup within the trust with the remit to improve data input and highlight trends in quality performance. This group is attended by

operational managers who escalate training issues to departments as required. When errors are identified in data, they are highlighted and investigated further to determine the reasons for the error and where appropriate further training is provided for staff.

- Much of the data the trust holds is benchmarked nationally using CHKS Methodology. In addition to this we receive assurance on the accuracy of our data quality through an annual report on non-financial data from our internal auditors, a review of metrics included in this report performed as part of the audit conducted by our external auditors and other external audit reports as appropriate.

Information Governance

Bolton Foundation NHS Trust Information Governance Assessment Report overall score for 2016/17 was 85% and was graded "green".

Clinical Coding Audit

Bolton Foundation NHS Trust was not subject to the Payment by Results clinical coding audit during 2016/17 by the Audit Commission.

Never Events

In 2016/17, there was one Never Event:

- Administration of medication via the incorrect route

All actions arising from the investigation have been completed. This included an immediate action to ensure all wards had the appropriate syringes available for oral and intravenous medication.

The trust has developed a framework to look at the risk of all potential Never Events to enable focused work to improve assurances that the risk of a Never Event occurring have decreased. This framework is monitored by the Risk Management Committee which is chaired by the Chief Executive.

The Trust will continue to seek external opinion on the investigation report where there has been a Never Event and as part of the monthly learning slides in 2016/17, reminders were provided to staff how the different Never Events are prevented.

Duty of Candour

Whilst the trust primarily works towards reducing harm, we endeavour to be open and honest with all patients where an incident has caused harm. Where there has been moderate harm or greater, a conversation takes place with the patient or family and a formal letter of apology is provided. These incidents are investigated and the findings provided to the patient with a follow up second letter. A combination of training sessions, awareness raising and an increasing confidence in staff have resulted in increasing compliance with the requirement to provide the Duty of Candour letters in a timely manner. The trust will continue to follow up completion of both Duty of Candour letters in addition to a continuation of the training.

Sign Up to Safety

The trust has joined the Sign-Up-To-Safety campaign, and is committed to the goals of the campaign in terms of reducing harm, and has successfully reduced significant harm incidents this year. The trust is committed to on-going work to learn from incidents, complaints, claims and inquests, and to explore new ways to improving the effectiveness of this process.

Reporting against core indicators

Since 2012/13 NHS foundation trusts have been required to report performance against a core set of indicators using data made available to the trust by NHS Digital. An overview of the indicators is provided in the table. It is important to note that whilst these indicators must be included in the Quality Report the most recent national data available for the reporting period is not always for the most recent financial year. Where this is the case the time period used is noted underneath the indicator description. It is also not always possible to provide the national average and best and worst performers for some indicators due to the way the data is provided.

Indicator	2016/2017	National Average	Where Applicable – Best Performer	Where Applicable – Worst Performer	Trust Statement -	2015/16	2014/15
Mortality: The value and banding of the summary hospital-level mortality indicator (SHMI) for the Trust for 10/15 – 09/16 latest data available	SHMI value = 1.045 Band 2 as expected	SHMI value = 1.0036 Band 2	SHMI Value = 0.689 Band 3	SHMI Value = 1.163 Band 1	Bolton Foundation NHS Trust considers that this data is as described for the following reasons: The data has been obtained from the Health & Social Care Information Centre (HSCIC) Bolton Foundation NHS Trust has taken the following actions to improve this indicator and so the quality of its services by: • Monthly mortality meeting chaired by the Medical Director • Recognising and responding to deteriorating patient workstream • Mortality review process	SHMI value = 1.004 Band 2 as expected	SHMI value = 1.056 Band 2 as expected
% patients deaths with palliative care coded at either diagnosis or specialty level for the period Oct15 – Sept16	28.5%	29.7%	11.8% The Queen Elizabeth NHS Hospital Trust, Kings Lynn	56.3% The George Eliot NHS Hospital Trust	Bolton Foundation NHS Trust considers that this data is as described for the following reasons: The data has been obtained from the Health & Social Care Information Centre (HSCIC) Bolton Foundation NHS Trust has taken the following actions to improve this indicator and so the quality of its services by: • Auditing the quality of our clinically coded data for deceased patients as part of our mortality reviews to ensure it is an accurate reflection of the patient's diagnoses and procedures • The Clinical Coding team receive weekly information on any patients who have had a palliative care or contact with the palliative care team, so that this can be reflected in the clinical coding • Quality of clinical coding in relation to deceased patients is discussed, with action being taken to address any queries Our mortality review programme, which includes validation of the clinical coding for the patient's spell of care	20.28% (13/14)	18.75% (12/13)

Indicator	2016/2017	National Average	Where Applicable – Best Performer	Where Applicable – Worst Performer	Trust Statement -	2015/16	2014/15
Patient reported outcome scores for groin hernia surgery Apr16 – Sept16 latest data available * provisional	83.6%	69.6%	91.6% Kings College Hospital NHS FT Trust	56.8% North Tees and Hartlepool NHS FT Trust	Bolton Foundation NHS Trust considers that this data is as described for the following reasons: The data has been obtained from the Health & Social Care Information Centre (HSCIC) Bolton Foundation NHS Trust has taken the following actions to improve this indicator and so the quality of its services by: • Centralisation of pre-operative services to standardise information received.	31.4%	47.4%
Patient reported outcome scores for varicose vein surgery Apr16 – Sept16 latest data available * provisional	66.7%	81.8%	96.2% Wirral University Hospital Teaching Hospitals NHS FT Trust	35.8% Lewisham and Greenwich NHS Trust		53.0%	46.8%
Patient reported outcome scores for hip replacement surgery Apr16 – Sept16 latest data available * provisional	83.8%	79.9%	96.2% Wrightington , Wigan and Leigh NHS FT Trust	72.3% Taunton and Somerset NHS Trust	Bolton Foundation NHS Trust considers that this data is as described for the following reasons: The data has been obtained from the Health & Social Care Information Centre (HSCIC) Bolton Foundation NHS Trust has taken the following actions to improve this indicator and so the quality of its services by: • Work has commenced with the CCG in relation to thresholds for surgery • Continue to adhere to implant best practice	85.6%	89.7%
Patient reported outcome scores for knee replacement surgery Apr16 – Sept16 latest data available * provisional	84.1%	71.4%	89.7% Royal National Orthopaedic Hospital NHS Trust	56.2% Portsmouth Hospital NHS Trust		81.8%	76.0%
28 day readmission rate for patients aged 0 – 15	12.82%* (11/12)				Bolton Foundation NHS Trust considers that this data is as described for the following reasons: The data has been obtained from the Health & Social Care Information Centre (HSCIC) Bolton Foundation NHS Trust has taken the following actions to improve this indicator and so the quality of its services by: • Establishing a clinically led readmission group • Working collaboratively with the CCG to carry out a follow up audit to determine causes • Further work is on-going around risk stratification of high risk patients with long term conditions	13.78% (10/11)	
28 day readmission rate for patients aged 16 or over	10.04%* (11/12)					10.17% (10/11)	
*The latest national data for 28 day readmission rate provided above is for 2011/12. Our internally reported performance against this target for 2016/17 was 9.62% (0-15) 11.8% (16 and over)							

Indicator	2016/2017	National Average	Where Applicable – Best Performer	Where Applicable – Worst Performer	Trust Statement -	2015/16	2014/15
Responsiveness to inpatients' personal needs: national inpatient survey score	73.4 ** **2015/16 latest data available	69.6	86.2 The Royal Marsden NHS FT Trust	58.9 Croydon Health Services NHS Trust	Bolton Foundation NHS Trust considers that this data is as described for the following reasons: The methodology follows exactly the detailed guidelines determined by the Survey Co- ordination Centre for the overall National Inpatient Survey programme. We triangulate our staff and patient survey data with that from the CQC in-patient survey, which gives a more accurate method of identifying patient concerns. Data from other surveys including the Friends and Family test can also be used to give a clearer picture of patients' concerns. Bolton Foundation NHS Trust has taken the following actions to improve this indicator and so the quality of its services by: • The development and implementation of the PATIENT, Family and Carer integrated experience strategy. • Review and refining of the complaints process • Implementation of the Bedside Booklet • Analysis of patient stories	73.4	72.3
Percentage of staff who would recommend the provider to friends or family needing care – Friends and Family Test Q1 2016/17 latest data	83.0%	80.0%	100% East Cheshire NHS Trust.	44.0% Derbyshire Healthcare NHS Trust.	Bolton Foundation NHS Trust considers that this data is as described for the following reasons: The methodology follows exactly the detailed guidelines determined by the Survey Co- ordination Centre for the overall National Staff Survey programme. Bolton Foundation NHS Trust has taken the following actions to improve this indicator and so the quality of its services by: Increased use of Friends and Family Test – available in a variety of formats Use of Staff FFT results as the basis for team development sessions Starting to correlate Staff FFT results to Patient Experience measures Communicating the process to the public Implementation of the 'you said' 'we did' process for feedback	81.0%	63.5%

Indicator	2016/2017	National Average	Where Applicable – Best Performer	Where Applicable – Worst Performer	Trust Statement -	2015/16	2014/15
% of admitted patients risk-assessed for Venous Thromboembolism Oct16 – Dec16 latest data available	97.3%	95.7%	100% Royal National Orthopaedic Hospital NHS Trust	76.5% Western Area Health NHS Trust	Bolton Foundation NHS Trust considers that this data is as described for the following reasons: The data has been obtained from the Health & Social Care Information Centre (HSCIC) Bolton Foundation NHS Trust has taken the following actions to improve this indicator and so the quality of its services by: • Appointment of Nurse Champion • Nurse-led DVT Clinic • VTE database • Staff Awareness campaign • RCA of patients developing clots for continuous learning and improvement	97.20%	96.76%
Rate of C.Difficile per 100,000 bed days (amongst patients 2 of over)	14.00 *** ***15/16 latest national data available from PHE/HPA				Bolton Foundation NHS Trust considers that this data is as described for the following reasons: The data has been obtained from the Health Protection Agency (HPA) Bolton Foundation NHS Trust has taken the following actions to improve this indicator and so the quality of its services by: • Introduction of a deep cleaning programme. • Hand washing basins and gel outside all wards. • Weekly strategic meetings to discuss all cases Improved scrutiny of antibiotic management. • Investment in estate Collaborative working across the health economy • Investment in the infection control and prevention team Clear guidance and policy	14.00	8.78
Number/Rate of patient safety incidents per 1000 bed days Apr16 – Sept16 latest data available (NRLS)	50.81	40.77	21.1 Luton and Dunstable University Hospital NHS Trust.	71.1 Northern Devon Healthcare NHS Trust	Bolton Foundation NHS Trust considers that this data is as described for the following reasons: The data has been obtained from the National Patient Safety Agency (NPSA) Bolton Foundation NHS Trust has taken the following actions to improve this indicator and so the quality of its services by: • Introduction of a new risk management strategy • Risk management training for clinical risk managers • New risk management committee established Introduction of "harms" meeting to review incidents and ensure appropriate actions are taken • External training programme for managers to undertake RCA training • Review of current electronic incident reporting system to ensure investigation conclusion can be logged	38.91 (2014/15)	33.56 (2013/14)
Rate of patient safety incidents per 100 admissions that resulted in severe harm or death 04/16 – 09/16) latest data available	0.2	0.4	0.0 Blackpool Teaching Hospitals NHS Trust	1.7 United Lincolnshire Hospitals NHS Trust		0.2	0.3

Indicator	2016/2017	National Average	Where Applicable – Best Performer	Where Applicable – Worst Performer	Trust Statement -	2015/16	2014/15
Inpatient Friends and Family Test To February 2016 - latest data available	98.0%	95.0%	100% Liverpool Women's NHS Foundation Trust	80.0% Sheffield Children's NHS Foundation Trust	Bolton Foundation NHS Trust considers that this data is as described for the following reasons: The data has been obtained from the Health and Social Care Information Centre (HSCIC) Bolton Foundation NHS Trust has taken the following actions to improve this indicator and so the quality of its services by: Increased use of Friends and Family Test – available in a variety of formats Communicating the process to the public Implementation of the 'you said' 'we did' process for feedback	96%	95.66%
Accident and Emergency Friends and Family Test To February 2016 - latest data available	85.0%	87.0%	100% Liverpool Women's NHS Foundation Trust	48.0% North Middlesex University Hospitals NHS Trust		85.7%	80.00%
Percentage of staff experiencing harassment, bullying or abuse from staff in the last 12 months 2016 Staff Survey KF26	24%	23%	14% Isle of Wight NHS Trust	40% South East Coast NHS Trust	Bolton Foundation NHS Trust considers that this data is as described for the following reasons: The methodology follows exactly the detailed guidelines determined by the Survey Co-ordination Centre for the overall National Staff Survey programme. Bolton Foundation NHS Trust has taken the following actions to improve this indicator and so the quality of its services by: Our 2016 Staff Survey Action Plan will include actions to improve the quality of Incident Reporting. HR will continue to offer support for employees reporting such incidents. 'Speak Up Guardian'	23%	18%
Percentage of staff believing that the trust provides equal opportunities for career progression or promotion 2016 Staff Survey KF21	92%	85%	95% Northumbria Healthcare NHS Trust	64% South East Coast NHS Coast	Bolton Foundation NHS Trust considers that this data is as described for the following reasons: The methodology follows exactly the detailed guidelines determined by the Survey Co-ordination Centre for the overall National Staff Survey programme. Bolton Foundation NHS Trust has taken the following actions to improve this indicator and so the quality of its services by: Our 2016 Staff Survey Action plan includes an item to address perceived fairness & transparency around allocation & moves of nursing staff between Wards. Career Academy. Expansion of our numbers of Apprentices	91%	94%

Performance against Trust selected metrics

This section of the report is provided to give an overview of the quality of care across a range of indicators covering patient safety, clinical effectiveness and patient experience. We have chosen to use the same indicators as previously used in 2015/16

	Indicator/Measure	2016/17	2015/16	2014/15
Patient Safety Outcomes	Mortality - SHMI	See page 25		
	C.Diff – number of cases	See page 33		
	Pressure ulcers by category: • Cat 2 • Cat 3 • Cat 4	 176 61 16	 142 58 19	 81 38 9
Patient Experience	Friends and Family Test inpatient's • response rates • Recommendation rates	 32.3% 98.0%	 18.3% 79.0%	 21.2% 83.0%
	Lessons Learnt	See below		
	Dementia Training	86.1%	82.1%	79.6%
Effectiveness	Sickness rates	4.82%	4.62%	4.58%
	Appraisal rates	82.73%	82.03%	83.10%
	Mandatory Training compliance	89.51%	89.21%	88.65%

Lessons Learnt

The Trust strives to continually learn from incidents, complaints and litigation. Learning slides are provided on a monthly basis by the Deputy Director of Governance which include learning from incidents, complaints, claims and inquests. During 2016/17, learning from research and equality and diversity activity has been included. In addition, urgent SBAR (Situation, Background, Assessment, Recommendation) slides are provided where an issue has been identified and a rapid need for widespread learning is required.

The trust recognises the importance of learning from incident investigations and the implementation of change. In 2017/18, the Trust will increase scrutiny in relation to completion of action plans and audit activity as a result of any changes in practice.

Performance against the relevant indicators and performance thresholds (Risk Assessment Framework and Single Oversight Framework)

Indicator for disclosure (limited to those that were included in both RAF and SOF for 2016/17)	**Apr 16 -Mar 17**	**Target**	**Achieved**	**Apr 15 -Mar 16**	**Apr 14 -Mar 15**
Maximum time of 18 weeks from point of referral to treatment (RTT) in aggregate – patients on an incomplete pathway (average for the year)	92.4%	92%		95.3%	94.8%
A&E: Maximum waiting time of four from arrival to admission, transfer or discharge (average for the year)	82.5%	95%		90.4%	92.5%
All cancers: 62-day wait for first treatment from:					
○ Urgent GP referral for suspected cancer (as at Feb 17)	98.8%	93%		97.5%	96.2%
○ NHS Cancer Screening Service referral (as at Feb 17)	96.5%	90%		94.9%	95.2%
Clostridium difficile - meeting the C. difficile objective	37 (13 cases upheld at appeal = 24)	19		28	20

Statement from NHS Bolton Clinical Commissioning Group (CCG)

We have continued to work closely with Bolton FT throughout 2016/17 to gain assurance that they provided safe, effective and patient focused services. A clinically led governance process monitored performance and the content of this account is consistent with the information shared throughout the year.

We were pleased to see the Trust achieve a 'Good' rating from the CQC and felt this was appropriate recognition for the significant improvements made over the last few years. We also note that the actions relating to areas requiring improvement have been implemented and are being monitored closely.

In reference to performance against last year's priorities, we were disappointed to see the Trust failed to achieve their Stroke aims but we recognise where improvements have been made, specifically the improvement with SSNAP compliance and their key role in the successful implementation of the GM hyper-acute stroke pathway.

Regarding the other 2 priorities, we were pleased to see the significant reductions in avoidable cardiac arrests and the success in fully achieving their aims for End of Life Care, which is a key strategic focus for the Bolton health and social care economy.

We are supportive of the three priority areas for 2017/18, and note how these align with the Trust's Quality Improvement Strategy for the next three years. It is pleasing to see that in reference to the pressure ulcer and sepsis priorities there is scope for a health-economy approach, and although the targets for pressure ulcers could have been more ambitious, we look forward to the Trust not only being a source of expertise on the pressure ulcer collaborative, but also in supporting primary care to increase their awareness of the early detection and treatment of sepsis.

We note the Trust's focus on mortality reduction over a number of years which has resulted in a lowest ever SHMI being achieved in 16/17. It is also pleasing to see the results of the staff survey which places the Trust among the best in GM.

We not only appreciate the open and transparent culture within the FT, extending membership to the CCG on a number of their committees and groups, but also to the partnership working which will enable a population approach to health and social care and delivery of the Bolton Locality Plan.

In summary, we are pleased with the progress detailed in the Account, but acknowledge the significant challenges that remain in many areas such as staffing, urgent care and infection control. We expect our collaborative relationship, developed over the last couple of years, will be sustained and enable the further delivery of safe, effective and patient focused care throughout the locality.

Dr Jane Bradford - Clinical Director for Governance and Safety

Michael Robinson - Associate Director of Integrated Governance and Policy

Independent Auditor Report

BOLTON NHS FOUNDATION TRUST - ANNUAL ACCOUNTS 2016/17

FOREWORD TO THE ACCOUNTS

These accounts for the year ended 31 March 2017 have been prepared by Bolton NHS Foundation Trust under Schedule 7, sections 24 and 25, of the National Health Service Act 2006.



Dr Jackie Bene

Chief Executive 25th May 2017

Independent auditor's report

to the Council of Governors of Bolton NHS Foundation Trust only

Opinions and conclusions arising from our audit

1. Our opinion on the financial statements is unmodified

We have audited the financial statements of Bolton NHS Foundation Trust for the year ended 31 March 2017. In our opinion:

- the financial statements give a true and fair view of the state of the Group and Trust's affairs as at 31 March 2017 and of the Group and Trust's income and expenditure for the year then ended; and
- the Group and Trust's financial statements have been properly prepared in accordance with the Department of Health's Group Accounting Manual 2016/17.

Overview		
Materiality: Financial statements as a whole	£4.5m (2015/16:£4.5m) 1.41% (2015/16: 1.54%) of total revenue	
Risks of material misstatement		**vs 2015/16**
Recurring risks	Recognition of NHS Income	▲
	Valuation of Land and Buildings	▲

2. Our assessment of risks of material misstatement

In arriving at our audit opinion above on the financial statements, the risks of material misstatement that had the greatest effect on our audit, in decreasing order of audit significance, were as follows:

	The risk	Our response
Recognition of NHS income (£271.7 million; 2015/16: £259.5m) STF funding: £11.7 million (2015/16: Nil) *Refer to page 56 (Audit Committee Report), pages 6 and 7 (accounting policy) and page 19 (financial disclosures).*	**Recognition of NHS income from activities** The main source of income for the Trust is the provision of healthcare services to the public under contracts with NHS commissioners. The Trust participates in the national Agreement of Balances (AoB) exercise for the purpose of ensuring that intra-NHS balances are eliminated on the consolidation of the Department of Health's resource accounts. The AoB exercise identifies mismatches between income and expenditure and receivable and payable balances recognised by the Trust and its commissioners, which will be resolved after the date of approval of these financial statements . Mis-matches can occur for a number of reasons, but the most significant arise where: — the Trust and commissioners record different accruals for completed periods of healthcare which have not yet been invoiced; or — income relating to partially completed period of healthcare is apportioned across the financial years and the commissioners and the Trust make different apportionment assumptions. — commissioners accrue for contract penalties but there is no corresponding accrual in the accounts of the Trust. Where there is a lack of agreement, mis-matches can also be classified as formal disputes as set out in the relevant contract. In 2016/17 there is an increased risk of misstatement from the estimation of income from Sustainability and Transformation funding (STF). The Trust has accrued for income from STF of £11.7 million, with 70% of the STF based on achievement of the financial control total and 30% based on achievement of operational trajectories for key performance indicators agreed with NHS Improvement. The Trust may also seek to maximise its income receivable in order to deliver its control total .	Our procedures included: — **Contract income:** We compared the actual income for the Trust's most significant commissioners against the block contracts agreed at the start of the year and checked the validity of any significant variations between the actual income and the contract via agreement to appropriate third party confirmations; — **Agreement of Balances (AoB) exercise:** We inspected confirmations of balances provided by the Department of Health as part of the AoB exercise and compared the relevant receivables recorded in the Trust's financial statements to the payable balances recorded within the accounts of commissioners. Where applicable, we investigated and reviewed correspondence to assess the reasonableness of the Trust's approach to recognising income from commissioners; and — **Sustainability and Transformation Funding monies:** We agreed the receipt and recognition of Sustainability and Transformation Funding monies, including the basis for agreement of quarter four funding based on relevant financial and performance measures. We challenged management's judgements regarding recognition of the full STF funding available for 2016/17, through review of the associated financial and operational performance criteria against actual performance for the year.

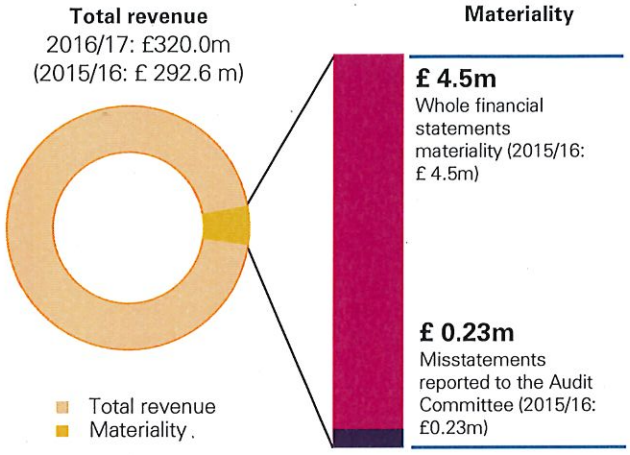
2. Our assessment of risks of material misstatement (continued)

	The risk	Our response
Valuation of land and buildings (£80.0 million; 2015/16: £92.4m) *Refer to page 56 (Audit Committee Report), pages 8 and 9 (accounting policy) and page 26 (financial disclosures).*	**Valuation of land and buildings** Land and buildings are required to be maintained at up-to-date estimates of year-end market value in existing use (EUV) for non-specialised property assets in operational use, and, for specialised assets where no market value is readily ascertainable, the depreciated replacement cost of a modern equivalent asset that has the same service potential as the existing property (DRC). 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. In particular the DRC basis requires an assumption as to whether the replacement asset would be situated on the existing site or, if more appropriate, on an alternative site, with a potentially significant effect on the valuation. There is a general risk where asset valuations are undertaken, that impairments due to reductions in service potential are not accounted for in accordance with the GAM. There is an increased risk in year due to the Trust changing valuer, with a different approach to assessing the useful economic lives of building assets. During the year the Trust commissioned a full retrospective revaluation of land and buildings as at 1st April 2016, followed by a an additional valuation of land and buildings at 31st March 2017. Both valuations covered all land and building assets of the Trust. There is a risk that the valuations may not reflect the current use or condition of the assets. There is further increased risk this year, due to the Trust's adoption of a policy whereby its valuers will be instructed to provide DRC valuations that exclude VAT. This policy has been adopted for the first time from 1 April 2016, with the established rationale that any future rebuild of the Trust's estate would be undertaken and managed by its subsidiary company, Integrated Facilities Management Bolton Ltd.	Our procedures included: — **External Valuer:** We assessed the competence, capability, objectivity and independence of the Trust's external valuer and considered the terms of engagement of, and the instructions issued to, the valuer for consistency with the requirements of the Department of Health Group Accounting Manual 2016/17; — **Valuation basis:** We critically assessed the appropriateness of the valuation bases and assumptions, including the 'alternative' site basis used at the Trust. We also confirmed that the approach to valuation excluding VAT is appropriate and justified by the Trust's circumstances, governance arrangements and formal decisions; — **Asset lives:** We reviewed the assumptions adopted by the valuer regarding changes in the useful economic lives of building assets, and confirmed that – while not having a material impact on the financial statements – these changes were justified with a reasonable rationale; and — **Accounting movements and disclosures:** We undertook work to understand the basis upon which movements in the valuation of land and buildings have been identified and treated in the financial statements and determined whether they have complied with the requirements of the Department of Health Group Accounting Manual 2016/17.

3. Our application of materiality and an overview of the scope of our audit

The materiality for the Group and Trust financial statements was set at £4.5 million (2015/16: £4.5 million), determined with reference to a benchmark of income from operations (of which it represents approximately 1.46% of prior year revenue). We consider income from operations to be more stable than a surplus-related benchmark. We report to the Audit Committee any corrected and uncorrected identified misstatements exceeding £225k (2015/16: £225k), in addition to other identified misstatements that warrant reporting on qualitative grounds.

The Group has two (2015/16: one) reporting components and one of these was subject to audit for group reporting purposes, performed by the Group audit team at one location in Bolton. This audit covered 100% of group income, 100% of the surplus for the year and 100% of total assets. The audit performed for group reporting purposes was performed to a materiality level of £4.5 million.



4. Our opinion on other matters prescribed by the Code of Audit Practice is unmodified

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2016/17; 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 matters on which we are required to report by exception

We are required to report to you if, based on the knowledge we acquired during our audit, we have identified 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 financial statements taken as a whole is fair, balanced and understandable; or
- the Audit Committee's commentary on page 56 of 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 2016/17, 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 arrangement 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 the above responsibilities.

6. We have completed our audit

We certify that we have completed the audit of the accounts of Bolton 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.

KPMG

Scope and responsibilities

As described more fully in the Statement of Accounting Officer's Responsibilities on page 62 the accounting officer is responsible for the preparation of financial statements that 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. 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.

The Trust is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. Under Section 62(1) and Schedule 10 paragraph 1(d), of the National Health Service Act 2006 we have a duty to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in 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. We have undertaken our review in accordance with the Code of Audit Practice, having regard to the specified criterion issued by the Comptroller and Auditor General, as to whether the Trust has proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary.

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.



Timothy Cutler for and on behalf of KPMG LLP
Chartered Accountants and Statutory Auditor
1 St Peters Square, Manchester, M2 3AE
26 May 2017

KPMG

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF GOVERNORS OF BOLTON NHS FOUNDATION TRUST ON THE QUALITY REPORT

We have been engaged by the Council of Governors of Bolton NHS Foundation Trust to perform an independent assurance engagement in respect of Bolton NHS Foundation Trust's Quality Report for the year ended 31 March 2017 (the 'Quality Report') and certain performance indicators contained therein.

Scope and subject matter

The indicators for the year ended 31 March 2017 subject to limited assurance consist of the following two national priority indicators (the indicators):

- percentage of incomplete pathways within 18 weeks for patients on incomplete pathways at the end of the reporting period; and
- A&E: maximum waiting time of four hours from arrival to admission, transfer or discharge.

We refer to these national priority indicators collectively as the 'indicators'.

Respective responsibilities of the directors and auditors

The directors are responsible for the content and the preparation of the Quality Report in accordance with the criteria set out in the *NHS Foundation Trust Annual Reporting Manual* issued by NHS Improvement.

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

- the Quality Report is not prepared in all material respects in line with the criteria set out in the *NHS Foundation Trust Annual Reporting Manual* and supporting guidance;
- the Quality Report is not consistent in all material respects with the sources specified in the *Detailed requirements for quality reports for foundation trusts 2016/17* ('the Guidance'); and
- the indicators in the Quality Report identified as having been the subject of limited assurance in the Quality Report are not reasonably stated in all material respects in accordance with the NHS Foundation Trust Annual Reporting Manual and the six dimensions of data quality set out in the *Detailed Requirements for external assurance for quality reports for foundation trusts 2016/17*.

We read the Quality Report and consider whether it addresses the content requirements of the NHS Foundation Trust Annual Reporting Manual and consider the implications for our report if we become aware of any material omissions.

We read the other information contained in the Quality Report and consider whether it is materially inconsistent with:

- Board minutes and papers for the period April 2016 to May 2017;
- papers relating to quality reported to the board over the period April 2016 to May 2017;
- feedback from commissioners, dated 24 May 2017;
- feedback from governors, requested 9 May 2017;
- feedback from local Healthwatch organisations, requested 3 May 2017;
- feedback from Overview and Scrutiny Committee, requested 3 May 2017;
- the trust's latest complaints report, published in June 2016 under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009;
- the latest national patient survey, dated June 2016;
- the latest national staff survey, dated January 2017;

- Care Quality Commission Inspection, dated 10 August 2016;
- the 2016/17 Head of Internal Audit's annual opinion over the trust's control environment, dated 23 May 2017; and
- any other information included in our review.

We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with those documents (collectively, the 'documents'). Our responsibilities do not extend to any other information.

We are in compliance with the applicable independence and competency requirements of the Institute of Chartered Accountants in England and Wales (ICAEW) Code of Ethics. Our team comprised assurance practitioners and relevant subject matter experts.

This report, including the conclusion, has been prepared solely for the Council of Governors of Bolton 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 2017, 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 Bolton NHS Foundation Trust for our work or this report, except where terms are expressly agreed and with our prior consent in writing.

Assurance work performed

We conducted this limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) – 'Assurance Engagements other than Audits or Reviews of Historical Financial Information', issued by the International Auditing and Assurance Standards Board ('ISAE 3000'). Our limited assurance procedures included:

- evaluating the design and implementation of the key processes and controls for managing and reporting the indicator;
- making enquiries of management;
- testing key management controls;
- limited testing, on a selective basis, of the data used to calculate the indicator back to supporting documentation;
- comparing the content requirements of the NHS Foundation Trust Annual Reporting Manual to the categories reported in the Quality Report; and
- reading the documents.

A limited assurance engagement is smaller in scope than a reasonable assurance engagement. The nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement.

Limitations

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information.

The absence of a significant body of established practice on which to draw allows for the selection of different, but acceptable measurement techniques which can result in materially different measurements and can affect comparability. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision of these criteria, may change over time. It is important to read the quality report in the context of the criteria set out in the *NHS Foundation Trust Annual Reporting Manual* and supporting guidance.

The scope of our assurance work has not included governance over quality or the non-mandated indicator, which was determined locally by Bolton NHS Foundation Trust.

Basis for qualified conclusion on the incomplete pathways indicator

As set out in the Statement on Quality from the Chief Executive of the Foundation Trust within the Trust's Quality Report, the Trust currently has concerns over the accuracy of data in respect of the percentage of incomplete pathways within 18 weeks for patients on incomplete pathways at the end of the reporting period indicator. Our testing of this indicator identified two issues:

- six cases , from a sample of 25, where incomplete pathways were reported for a period of 2-4 months after the pathway ought to have been ended as treatment had taken place, per the patient record evidence available; and
- two cases where a pathway was incorrectly included in the monthly indicator reported, which were not appropriate to be recognised as 18 week RTT pathways.

Qualified conclusion

Based on the results of our procedures, except for the effects of the matters described in the 'Basis for qualified conclusion on the incomplete pathways indicator' section above, nothing has come to our attention that causes us to believe that, for the year ended 31 March 2017:

- 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;
- the Quality Report is not consistent in all material respects with the sources specified in the Guidance; and
- the indicators in the Quality Report subject to limited assurance have not been reasonably stated in all material respects in accordance with the NHS Foundation Trust Annual Reporting Manual and the six dimensions of data quality set out in the Guidance.

KPMG LLP

KPMG LLP
Chartered Accountants
1 St Peter's Square
Manchester
M2 3AE

26 May 2017

FOREWORD TO THE ACCOUNTS

BOLTON NHS FOUNDATION TRUST

These accounts for the year ended 31 March 2017 have been prepared by Bolton NHS Foundation Trust under Schedule 7, sections 24 and 25, of the National Health Service Act 2006.

Signed …….

J Bene
Chief Executive

Date 25 May 2017

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2017

		GROUP		FOUNDATION TRUST	
		For the year ended 31 March 2017	For the year ended 31 March 2016	**For the year ended 31 March 2017**	For the year ended 31 March 2016
	NOTE	**£000**	£000	**£000**	£000
Operating income from patient care activities	4	**285,485**	271,537	**285,485**	271,537
Other operating income	6	**34,474**	21,004	**34,558**	21,004
Operating expenses	8	**(318,192)**	(287,918)	**(318,276)**	(287,918)
Operating surplus (deficit)		**1,767**	4,623	**1,767**	4,623
Finance costs:					
Finance Income	13	**28**	35	**28**	35
Finance expense - financial liabilities	14	**(702)**	(642)	**(702)**	(642)
Finance expense - unwinding of discount on provisions		**(6)**	(12)	**(6)**	(12)
Public dividend capital dividends payable		**(2,059)**	(2,152)	**(2,059)**	(2,152)
NET FINANCE COSTS		**(2,739)**	(2,771)	**(2,739)**	(2,771)
Gains / (Losses) on disposal of assets		**(16)**	-	**(16)**	-
Surplus/(Deficit) from continuing operations		**(988)**	1,852	**(988)**	1,852
Other comprehensive income					
Impairment		**(21,836)**	-	**(21,836)**	-
Revaluation		**18,211**	-	**18,211**	-
Total comprehensive income / (expense) for the year		**(4,613)**	1,852	**(4,613)**	1,852

The notes on pages 5 to 43 form part of these accounts.

The Trust's deficit on continuing operations for 2016/17 includes impairments totalling £16,565k. The annual operating expenses figure used by NHSI in its Use of Resources ratio calculation excludes such impairments. Excluding net impairments from the operating position in line with this definition gives an underlying surplus position of £15,577k for the year.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2017

		GROUP		FOUNDATION TRUST	
		For the year ended 31 March 2017	For the year ended 31 March 2016	**For the year ended 31 March 2017**	For the year ended 31 March 2016
	NOTE	**£000**	£000	**£000**	£000
Non-current assets					
Intangible assets	17	**2,489**	1,290	2,489	1,290
Property, plant and equipment	16	**99,448**	108,201	99,448	108,201
Trade and other receivables	20	**486**	537	486	537
Investment in subsidary		**-**	-	7	-
Total non-current assets		**102,423**	110,028	**102,430**	110,028
Current assets					
Inventories	19	**3,327**	3,010	3,327	3,010
Trade and other receivables	20	**17,890**	8,896	17,880	8,896
Cash and cash equivalents	21	**7,025**	1,470	6,721	1,470
Total current assets		**28,242**	13,376	**27,928**	13,376
Current liabilities					
Trade and other payables	22	**(28,600)**	(26,392)	(28,293)	(26,392)
Borrowings	23	**(1,899)**	(1,368)	(1,899)	(1,368)
Provisions	25	**(1,020)**	(632)	(1,020)	(632)
Other Liabilities	26	**(1,097)**	-	(1,097)	-
Total current liabilities		**(32,616)**	(28,392)	**(32,309)**	(28,392)
Total assets less current liabilities		**98,049**	95,012	**98,049**	95,012
Non-current liabilities					
Borrowings	23	**(22,457)**	(15,867)	(22,457)	(15,867)
Provisions	25	**(486)**	(447)	(486)	(447)
Total non-current liabilities		**(22,943)**	(16,314)	**(22,943)**	(16,314)
Total assets employed		**75,106**	**78,698**	**75,106**	**78,698**
Financed by taxpayers' equity:					
Public dividend capital	27	**103,292**	102,271	103,292	102,271
Revaluation reserve	28	**27,602**	31,255	27,602	31,255
Income and expenditure reserve		**(55,788)**	(54,828)	(55,788)	(54,828)
Total Taxpayers' Equity		**75,106**	78,698	**75,106**	78,698

The financial statements on pages 1 to 4 were approved by the Board on 25 May 2017 and signed on its behalf by:

Signed: …… (Chief Executive) Date: 25/05/2017

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY

	GROUP				FOUNDATION TRUST			
	Public dividend capital (PDC)	Revaluation reserve	Income & Expenditure reserve	Total	Public dividend capital (PDC)	Revaluation reserve	Income & Expenditure reserve	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Taxpayers' and others' equity at 01 April 2016	**102,271**	**31,255**	**(54,828)**	**78,698**	**102,271**	**31,255**	**(54,828)**	**78,698**
Surplus/(deficit) for the year	-	-	(988)	(988)	-	-	(988)	(988)
Impairments	-	(21,836)	-	(21,836)	-	(21,836)	-	(21,836)
Revaluations - property, plant and equipment	-	18,211	-	18,211		18,211		18,211
Public dividend capital received	1,021	-	-	1,021	1,021	-	-	1,021
Transfer to retained earnings on disposal of assets	-	(28)	28	-	-	(28)	28	-
Taxpayers' and others' equity at 31 March 2017	**103,292**	**27,602**	**(55,788)**	**75,106**	**103,292**	**27,602**	**(55,788)**	**75,106**

	GROUP				FOUNDATION TRUST			
	Public dividend capital (PDC)	Revaluation reserve	Income & Expenditure reserve	Total	Public dividend capital (PDC)	Revaluation reserve	Income & Expenditure reserve	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Taxpayers' and others' equity at 01 April 2015	**102,090**	**31,259**	**(56,684)**	**76,665**	**102,090**	**31,259**	**(56,684)**	**76,665**
Surplus/(deficit) for the year	-	-	1,852	1,852	-	-	1,852	1,852
Public dividend capital received	4,281	-	-	4,281	4,281	-	-	4,281
Public dividend capital repaid	(4,100)	-	-	(4,100)	(4,100)	-	-	(4,100)
Transfer to retained earnings on disposal of assets	-	(4)	4	-	-	(4)	4	-
Taxpayers' and others' equity at 31 March 2016	**102,271**	**31,255**	**(54,828)**	**78,698**	**102,271**	**31,255**	**(54,828)**	**78,698**

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2017

	GROUP		FOUNDATION TRUST	
	For the year ended 31 March 2017 £000	For the year ended 31 March 2016 £000	**For the year ended 31 March 2017 £000**	For the year ended 31 March 2016 £000
Cash flows from operating activities				
Operating surplus/(deficit)	**1,767**	4,624	**1,767**	4,624
Non-cash income and expense:				
Depreciation and amortisation	**3,610**	5,539	**3,610**	5,539
Net Impairments	**16,565**	-	**16,565**	-
Income recognised in respect of capital donations	**(106)**	(55)	**(106)**	(55)
(Increase)/Decrease in trade and other receivables	**(9,108)**	1,252	**(9,098)**	1,252
(Increase)/Decrease in inventories	**(317)**	(411)	**(317)**	(411)
Increase/(Decrease) in trade and other payables	**1,013**	1,661	**706**	1,661
Increase/(decrease) in other liabilities	**1,097**	-	**1,097**	
Increase/(Decrease) in provisions	**358**	(694)	**358**	(694)
Other movements in operating cash flows	**(7)**	16	**(14)**	16
Net cash generated from/(used in) operations	**14,872**	11,932	**14,568**	11,932
Cash flows from investing activities				
Interest received	**28**	36	**28**	36
Purchase of intangible assets	**(1,126)**	(294)	**(1,126)**	(294)
Purchase of property, plant and equipment	**(12,105)**	(9,568)	**(12,105)**	(9,568)
Sales of property, plant and equipment	**-**	11	**-**	11
Net cash generated from/(used in) investing activities	**(13,203)**	(9,815)	**(13,203)**	(9,815)
Cash flows from financing activities				
Loans received from the Department of Health	**7,958**	108	**7,958**	108
Public dividend capital received	**1,021**	4,281	**1,021**	4,281
Public dividend capital repaid	**-**	(4,100)	**-**	(4,100)
Loans repaid to the Department of Health	**(1,368)**	(3,118)	**(1,368)**	(3,118)
Interest paid	**(610)**	(661)	**(610)**	(661)
Capital element of finance leases	**(661)**	(680)	**(661)**	(680)
Interest element of finance lease	**(21)**	(1)	**(21)**	(1)
PDC dividend paid	**(2,433)**	(1,741)	**(2,433)**	(1,741)
Net cash generated from/(used in) financing activities	**3,886**	(5,912)	**3,886**	(5,912)
Increase/(decrease) in cash and cash equivalents	**5,555**	(3,795)	**5,251**	(3,795)
Cash and cash equivalents at 1 April	**1,470**	5,265	1,470	5,265
Cash and cash equivalents at 31 March	**7,025**	1,470	**6,721**	1,470

NOTES TO THE ACCOUNTS

1 ACCOUNTING POLICIES

NHS Improvement, in exercising the statutory functions conferred on Monitor, is responsible for issuing an accounts direction to NHS foundation trusts under the NHS Act 2006. NHS Improvement has directed that the financial statements of NHS foundation trusts shall meet the accounting requirements of the Department of Health Group Accounting Manual (DH GAM) which shall be agreed with the Secretary of State. Consequently, the following financial statements have been prepared in accordance with the DH GAM 2016/17 issued by the Department of Health. The accounting policies contained in that manual follow IFRS and HM Treasury's FReM 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.

1.1 Accounting conventions

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets, inventories and certain financial assets and financial liabilities.

1.2 Going concern

IAS 1 requires management to assess, as part of the accounts preparation process, the foundation trust's ability to continue as a going concern. In the context of non-trading entities in the public sector the anticipated continuation of the provision of a service in the future is normally sufficient evidence of going concern. The financial statements should be prepared on a going concern basis unless there are plans for, or no realistic alternative other than, the dissolution of the (foundation) trust without the transfer of its services to another entity.

The Directors consider the contracts that have been agreed with commissioning bodies as sufficient evidence that the Trust will continue as a going concern for the foreseeable future. These accounts have been prepared on a going concern basis

1.3 Acquisitions and discontinued operations

Activities are considered to be 'acquired' only if they are acquired from outside the public sector. Activities are considered to be 'discontinued' only if they cease entirely. They are not considered to be 'discontinued' if they transfer from one NHS body to another.

1.4 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Trust 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. 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.

NOTES TO THE ACCOUNTS

1 ACCOUNTING POLICIES (CONTINUED)

1.5 Critical judgements in applying accounting policies

In the application of the Trust 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. 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.

1.6 Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the Statement of Financial Position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Asset valuation and impairments: the valuation of the Trust's Land and Buildings is subject to significant estimation uncertainty, since it derives from estimates provided by the Trust's external valuers who base their estimates on local market data as well as other calculations to reflect the age and condition of the Trust's estate. In 2014/15, the basis upon which the Modern Equivalent Asset Valuation is assessed by the external valuer was changed from the existing site to an alternate, theoretical site.

Incomplete spells (see revenue recognition note at 1.7)

These have been calculated as per previous years. A report is produced to show the number of patients that had been admitted but not discharged by midnight on 31st March 2017. As these patients aren't fully coded at that stage it is not possible to assign the national Healthcare Resource Groups (HRGS) and so an estimate of the anticipated income is made using average costs based on both admitting method (Elective / Non Elective), admitting specialty and the average number of excess bed-days incurred.

Deferred income

The rules around how the Trust gets paid for delivering maternity changed in 14/15, the Trust now gest paid for each stage of woman's journey in one singular payment at the antenatal, birth and postnatal phase of pregnancy. This means the Trust receives up to 6 months payment in advance and because some of this cost will be borne in the subsequent financial year, the Trust has to defer some of the income received in 16/17 to pay for it. The Trust has used guidance produced by the Department of Health to calculate how much the Trust needs to defer into 17/18. The deferred income at 31 March 2017 for maternity pathway was £1.4m.

1.7 Revenue recognition

Revenue 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 Foundation Trust is contracts with commissioners in respect of healthcare services.

Where revenue is received for a specific activity which is to be delivered in the following financial year, that revenue is deferred.

NOTES TO THE ACCOUNTS

1 ACCOUNTING POLICIES (CONTINUED)

Under IAS 18, the Foundation Trust is entitled to recognise revenue for partially completed spells of activity at 31 March 2017. As the individual National Tariff price and procedure code is not known for partially completed spells, the Foundation Trust has based its calculation of such income on the average length of stay and the cumulative activity and price of individual specialties.

Revenue 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.

The Foundation Trust receives income under the NHS Injury Cost Recovery Scheme, designed to reclaim the cost of treating injured individuals to whom personal injury compensation has subsequently been paid e.g. by an insurer. The Foundation Trust recognises the income when it receives notification from the Department for Work and Pensions' Compensation Recovery Unit that the individual has lodged a compensation claim. The income is measured at the agreed tariff for the treatments provided to the injured individual, less a provision for unsuccessful compensation claims and doubtful debts.

1.8 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.

1.9 Pension costs

NHS Pension Scheme

Past and present employees are covered by the provisions of the NHS Pensions Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, general practices and other bodies, allowed under the direction of Secretary of State, in England and Wales. 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.

Employer's pension cost contributions are charged to operating expenses as and when they become due.

Additional pension liabilities arising from early retirements are not funded by the scheme except where the retirement is due to ill-health. The full amount of the liability for the additional costs is charged to the operating expenses at the time the Foundation Trust commits itself to the retirement, regardless of the method of payment.

1.10 Expenditure on other goods and services

Expenditure on goods and services is recognised when, and to the extent that they have been received, and is measured at the fair value of those goods and services. Expenditure is recognised in operating expenses except where it results in the creation of a non-current asset such as property, plant and equipment.

NOTES TO THE ACCOUNTS

1 ACCOUNTING POLICIES (CONTINUED)

1.11 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 Foundation Trust;
• it is expected to be used for more than one financial year; and
• the cost of the item can be measured reliably and
• the item has cost of at least £5,000; or
• collectively, a number of items have a cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or
• items form part of the initial equipping and setting-up cost of a new building, 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.

Land and buildings are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses. Revaluations are undertaken with sufficient regularity to ensure that the carrying amounts are not materially different to those that would be determined at the end of the reporting period.

Equipment assets are carried at fair value, with depreciated historical cost used as a proxy for fair value. The ranges of useful lives used in the Foundation Trust's accounts are set out in note 16.3.

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 economic useful life then the expenditure is charged to operating expenses.

Depreciation

Freehold land, properties under construction, and assets held for sale are not depreciated.

Items of property, plant and equipment are depreciated over their remaining useful economic lives in a manner consistent with the consumption of economic or service delivery benefits. Freehold land is considered to have an infinite life and is not depreciated.

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment which has been reclassified as 'Held for Sale' ceases to be depreciated upon the reclassification. Assets in the course of construction and residual interests in off-Statement of Financial Position PFI contract assets are not depreciated until the asset is brought into use or reverts to the Foundation Trust, respectively.

Otherwise, depreciation and amortisation are charged to write off the costs or valuation of property, plant and equipment and intangible non-current assets, less any residual value, over their estimated useful lives, in a manner that reflects the consumption of economic benefits or service potential of the assets. The estimated useful life of an asset is the period over which the Trust expects to obtain economic benefits or service potential from the asset. This is specific to the Trust and may be shorter than the physical life of the asset itself. Estimated useful lives and residual values are reviewed each year end, with the effect of any changes recognised on a prospective basis. Assets held under finance leases are depreciated over their estimated useful lives.

Revaluation

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.

Impairment

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

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

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

De-recognition

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

- the asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales;
- the sale must be highly probable i.e.:
- management are committed to a plan to sell the asset;
- an active programme has begun to find a buyer and complete the sale;
- the asset is being actively marketed at a reasonable price;

NOTES TO THE ACCOUNTS

1 ACCOUNTING POLICIES (CONTINUED)

De-recognition continued

- the sale is expected to be completed within 12 months of the date of classification as 'Held for Sale'; and
- the actions needed to complete the plan indicate it is unlikely that the plan will be dropped or significant changes made to it.

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

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

1.12 Intangible assets

Recognition

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

Internally generated intangible assets

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

Expenditure on research is not capitalised.

Expenditure on development is capitalised only where all of the following can be demonstrated:

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

NOTES TO THE ACCOUNTS

1 ACCOUNTING POLICIES (CONTINUED)

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.

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

Subsequently intangible assets are measured at current value in existing use. Where no active market exists, intangible assets are valued at the lower of depreciated replacement cost and the value in use where the asset is income generating. Revaluations gains and losses and impairments are treated in the same manner as for property, plant and equipment. An intangible asset which is surplus with no plan to bring it back into use is valued at fair value under IFRS 13, if it does not meet the requirements of IAS 40 of IFRS 5.

Intangible assets held for sale are measured at the lower of their carrying amount or 'fair value less costs to sell'.

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

1.13 Donated assets
Donated and grant funded assets are capitalised at their fair value on receipt. The donation/grant is credited to income at the same time, unless the donor has imposed a condition that the future economic benefits embodied in the grant are to be consumed in a manner specified by the donor, in which case the donation/grant is deferred within liabilities and is carried forward to future financial years to the extent that the condition has not yet been met.

The donated and grant funded assets are subsequently accounted for in the same manner as other items of property, plant and equipment.

1.14 Leases
Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

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.

NOTES TO THE ACCOUNTS

1 ACCOUNTING POLICIES (CONTINUED)

The asset and liability are recognised at the commencement of the lease. Thereafter the asset is accounted for an item of property plant and equipment.

The annual rental is split between the repayment of the liability and a finance cost so as to achieve a constant rate of finance over the life of the lease. The annual finance cost is charged to Finance Costs in the Statement of Comprehensive Income. The lease liability is de-recognised when the liability is discharged, cancelled or expires.

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

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

The Foundation Trust as lessor
Rental income from operating leases is recognised on a straight-line basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

1.15 Inventories
Inventories are valued at the lower of cost and net realisable value using the weighted average cost formula. This is considered to be a reasonable approximation to fair value due to the high turnover of stocks.

1.16 Cash and cash equivalents
Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and that form an integral part of the Foundation Trust's cash management.

1.17 Provisions

The NHS foundation trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using the discount rates published and mandated by HM Treasury.

NOTES TO THE ACCOUNTS

1 ACCOUNTING POLICIES (CONTINUED)

The HM Treasury discount rate for early retirement and injury benefit provisions is 0.24% for 2016/17 (1.37% 2015/16).

1.18 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 25.

1.19 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 Foundation 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.

1.20 Contingent liabilities

Contingent liabilities are not recognised, but are disclosed in Note 29, 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.

1.21 Financial assets

Financial assets are recognised on the balance sheet when the Foundation Trust becomes party to the financial instrument contract or, in the case of trade receivables, when the goods or services have been delivered. Financial assets are de-recognised when the contractual rights have expired or the asset has been transferred. Financial assets are initially recognised at fair value.

Financial assets are classified into the following categories: financial assets 'at fair value through profit and loss'; 'held to maturity investments'; 'available for sale' financial assets; and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets at fair value through profit and loss

Embedded derivatives that have different risks and characteristics to their host contracts, and contracts with embedded derivatives whose separate value cannot be ascertained, are treated as financial assets at fair value through profit and loss. They are held at fair value, with any resultant gain or loss recognised in the income statement. The net gain or loss incorporates any interest earned on the financial asset.

NOTES TO THE ACCOUNTS

1 ACCOUNTING POLICIES (CONTINUED)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. After initial recognition, they are measured at amortised cost using the effective interest method, less any impairment. Interest is recognised using the effective interest method.

Fair value is determined by reference to quoted market prices where possible, otherwise by valuation techniques.

The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, to the net carrying amount of the financial asset.

At the balance sheet date, the Foundation Trust assesses whether any financial assets, other than those held at 'fair value through profit and loss' are impaired. Financial assets are impaired and impairment losses recognised if there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cash flows of the asset.

For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. The loss is recognised in the statement of comprehensive income and the carrying amount of the asset is reduced directly, or through a provision for impairment of receivables.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the income statement to the extent that the carrying amount of the receivable at the date of the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

The Foundation Trust's loans and receivables comprise: cash and cash equivalents, NHS debtors, accrued income and other debtors. It excludes prepayments, VAT receivable and PDC dividend receivable.

1.22 Financial liabilities

Financial liabilities are recognised on the balance sheet when the Foundation Trust becomes party to the contractual provisions of the financial instrument or, in the case of trade payables, when the goods or services have been received. Financial liabilities are de-recognised when the liability has been discharged, that is, the liability has been paid or has expired.

Loans from the Department of Health are recognised at historical cost. Otherwise, financial liabilities are initially recognised at fair value.

Financial liabilities are classified as either financial liabilities 'at fair value through profit and loss' or other financial liabilities.

NOTES TO THE ACCOUNTS

1 ACCOUNTING POLICIES (CONTINUED)

Financial liabilities at fair value through profit and loss
Embedded derivatives that have different risks and characteristics to their host contracts, and contracts with embedded derivatives whose separate value cannot be ascertained, are treated as financial liabilities at fair value through profit and loss. They are held at fair value, with any resultant gain or loss recognised in the income statement. The net gain or loss incorporates any interest earned on the financial asset.

Other financial liabilities
After initial recognition, all other financial liabilities are measured at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments through the life of the asset, to the net carrying amount of the financial liability. Interest is recognised using the effective interest method.

1.23 Value Added Tax
Most of the activities of the 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.

1.24 Foreign exchange
The functional and presentational currencies of the Foundation Trust are sterling.

A transaction which is denominated in a foreign currency is translated into the functional currency at the spot exchange rate on the date of the transaction.

Where the Foundation Trust has assets or liabilities denominated in a foreign currency at the balance sheet date:

• monetary items (other than financial instruments measured at 'fair value through income and expenditure') are translated at the spot exchange rate on 31 March;
• non-monetary assets and liabilities measured at historical cost are translated using the spot exchange rate at the date of the transaction; and
• non-monetary assets and liabilities measured at fair value are translated using the spot exchange rate at the date the fair value was determined.

Exchange gains or losses on monetary items (arising on settlement of the transaction or on re-translation at the balance sheet date) are recognised in income or expense in the period in which they arise.

Exchange gains or losses on non-monetary assets and liabilities are recognised in the same manner as other gains and losses on these items.

1.25 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. Details of third party assets are disclosed in Note 33 to the accounts.

NOTES TO THE ACCOUNTS

1 ACCOUNTING POLICIES (CONTINUED)

1.26 Public dividend capital (PDC) and PDC dividend

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 (including lottery funded assets), (ii) average daily cash balances held with the Government Banking Services (GBS) and National Loans Fund (NLF) deposits, excluding cash balances held in GBS accounts that relate to a short-term working capital facility, and (iii) any PDC dividend balance receivable or payable. In accordance with the requirements laid down by the Department of Health (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the "pre-audit" version of the annual accounts. The dividend thus calculated is not revised should any adjustment to net assets occur as a result the audit of the annual accounts.

1.27 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 each individual case is handled.

Losses and special payments are charged to the relevant functional headings in the Income and Expenditure Account on an accruals basis, including losses which would have been made good through insurance cover had NHS Foundation Trusts not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure).

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

1.28 Accounting standards

No new accounting standards or revisions to existing standards have been adopted early in 2016/17

1.29 Corporation tax

iFM Bolton Limited is a wholly owned subsidiary of Bolton NHS Foundation Trust and is subject to corporation tax on its profits.

NOTES TO THE ACCOUNTS

1 ACCOUNTING POLICIES (CONTINUED)

1.30 Transfers of functions from other NHS bodies

For functions that have been transferred to the trust from another NHS/local government body, the assets and liabilities transferred are recognised in the accounts as at the date of transfer. The assets and liabilities are not adjusted to fair value prior to recognition. The net gain corresponding to the net assets transferred is recognised within income, but not within operating activities.

For property, plant and equipment assets and intangible assets, the Cost and Accumulated Depreciation / Amortisation balances from the transferring entity's accounts are preserved on recognition in the trust's accounts. Where the transferring body recognised revaluation reserve balances attributable to the assets, the trust makes a transfer from its income and expenditure reserve to its revaluation reserve to maintain transparency within public sector accounts.

1.31 Accounting standards that have been issued but have not yet been adopted

The DH GAM does not require the following Standards and Interpretations to be applied in 2016/17. These standards are still subject to HM Treasury FReM adoption, with IFRS 9 and IFRS 15 being for implementation in 2018/19, and the government implementation date for IFRS 16 still subject to HM Treasury consideration

IFRS 9 Financial Instruments – Application required for accounting periods beginning on or after 1 January 2018, but not yet adopted by the FReM: early adoption is not therefore permitted

IFRS 15 Revenue from Contracts with Customers -– Application required for accounting periods beginning on or after 1 January 2018, but not yet adopted by the FReM: early adoption is not therefore permitted

IFRS 16 Leases – Application required for accounting periods beginning on or after 1 January 2019, but not yet adopted by the FReM: early adoption is not therefore permitted.

IFRIC 22 Foreign Currency Transactions and Advance Consideration – Application required for accounting periods beginning on or after 1 January 2018.

1.32 Consolidation

iFM Bolton Limited is a wholly owned subsidiary of the NHS Foundation Trust. Subsidiary entities are those over which the Trust is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The income, expenses, assets, liabilities, equity and reserves of subsidiaries are consolidated in full into the appropriate financial statement lines.

The amounts consolidated are drawn from the management accounts of iFM Bolton Ltd as the accounting year end will not be aligned to the parent company until March 2018.

Where subsidiaries' accounting policies are not aligned with those of the Trust (including where they report under UK GAAP) then amounts are adjusted during consolidation where the differences are material. Inter-entity balances, transactions and gains/losses are eliminated in full on consolidation.

NOTES TO THE ACCOUNTS

2 OPERATING SEGMENTS

All activity for Bolton NHS Foundation Trust is healthcare related. As the operating segments have similar characteristics there is no requirement to report segmentally.

Whilst the Foundation Trust has a divisional structure in place the services that are provided are essentially all the same (patient care) and the majority of risks faced by each division are fundamentally the same.

3 INCOME GENERATION ACTIVITIES

The Trust undertakes income generation activities with an aim of achieving profit. The total income generation for the year ended 31 March 2017 was £68k. (£72k for the year ended 31 March 2016) This is included within other income.

4 OPERATING INCOME FROM PATIENT CARE ACTIVITIES

4.1 Revenue from patient care activities - by nature

	GROUP		FOUNDATION TRUST	
	2016/17	2015/16	**2016/17**	2015/16
	£000	£000	**£000**	£000
Acute services				
Elective income	**32,449**	31,451	32,449	31,451
Non elective income	**77,232**	75,741	77,232	75,741
Outpatient income	**45,087**	42,110	45,087	42,110
A&E income	**13,012**	12,705	13,012	12,705
Other NHS clinical income	**116,071**	103,801	116,071	103,801
All Trusts				
Additional income for delivery of healthcare services	**-**	4,100	**-**	4,100
Private patient income	**84**	73	84	73
Other clinical income	**1,550**	1,556	1,550	1,556
Total income from activities	**285,485**	271,537	**285,485**	271,537

NOTES TO THE ACCOUNTS

4.2 Revenue from patient care activities - by source

	GROUP		FOUNDATION TRUST	
	2016/17	2015/16	**2016/17**	2015/16
	£000	£000	**£000**	£000
Income from patient care activities received from:				
NHS Foundation Trusts	**216**	199	**216**	199
NHS Trusts	**117**	77	**117**	77
CCGs and NHS England	**271,040**	254,672	**271,040**	254,672
Local Authorities	**12,082**	10,450	**12,082**	10,450
NHS Other	**397**	411	**397**	411
Additional income for delivery of healthcare services	**-**	4,100	**-**	4,100
Non-NHS:				
Private patients	**84**	73	**84**	73
Overseas patients (chargeable to patient)	**140**	171	**140**	171
NHS injury scheme (was RTA) **	**1,220**	1,257	**1,220**	1,257
Other	**189**	127	**189**	127
	285,485	271,537	**285,485**	271,537

** Injury cost recovery income is subject to a provision for impairment of receivables of 18.9% to reflect expected rates of collection.

4.3 COMMISSIONER AND NON COMMISSIONER REQUESTED INCOME

Under the terms of its provider license, the trust is required to analyse the level of income from activities that has arisen from commissioner requested and non-commissioner requested services. Commissioner requested services are defined in the provider license and are services that commissioners believe would need to be protected in the event of provider failure. This information is provided in the table below:

	2016/17	2015/16
	£000	£000
Commissioner requested income	**271,040**	254,672
Non -commissioner requested income	**14,445**	16,865
Total income from activities	**285,485**	271,537

NOTES TO THE ACCOUNTS

5 OVERSEAS VISITOR INCOME - GROUP AND FOUNDATION TRUST

	2016/17	2015/16
	£000	£000
Income recognised this year	**140**	171
Cash payments received in-year	**63**	47
Amounts added to provision for impairment of receivables	**67**	6
Amounts written off in-year	**37**	-

6 OPERATING REVENUE

	GROUP		**FOUNDATION TRUST**	
	2016/17	2015/16	**2016/17**	2015/16
	£000	£000	**£000**	£000
Research and development	**491**	455	**491**	455
Education and training	**10,065**	9,545	**10,065**	9,545
Received from NHS charities: Donation of physical assets (non-cash)	**106**	55	**106**	55
Non-patient care services to other bodies	**4,478**	4,687	**4,478**	4,687
Rental revenue from operating leases	**186**	186	**186**	186
Income in respect of staff costs where accounted on gross basis	**2,865**	2,495	**2,865**	2,495
Sustainability and Transformation Fund Income	**11,732**	-	**11,732**	-
Investment income	**-**	-	**7**	-
Other revenue	**4,551**	3,581	**4,628**	3,581
	34,474	21,004	**34,558**	21,004

	GROUP		**FOUNDATION TRUST**	
Other Revenue	**2016/17**	2015/16	**2016/17**	2015/16
	£000	£000	**£000**	£000
Car parking	**1,482**	1,376	**1,482**	1,376
Estates recharges	**687**	77	**687**	77
IT recharges	**33**	-	**33**	-
Pharmacy sales	**176**	133	**176**	133
Staff contributions to employee benefit schemes	**23**	27	**23**	27
Staff accommodation rentals	**46**	46	**46**	46
Clinical excellence awards	**421**	421	**421**	421
Catering	**916**	923	**916**	923
Property rentals	**14**	5	**14**	5
Other	**753**	573	**830**	573
Total	**4,551**	**3,581**	**4,628**	**3,581**

7 REVENUE

Revenue is almost totally from the supply of services. Revenue from the sale of goods is immaterial.

NOTES TO THE ACCOUNTS

8 OPERATING EXPENDITURE

	GROUP		FOUNDATION TRUST	
	2016/17	2015/16	**2016/17**	2015/16
	£000	£000	**£000**	£000
Services from Foundation Trusts	**2,645**	2,235	**2,645**	2,235
Services from NHS Trusts	**356**	306	**356**	306
Services from other NHS bodies	**125**	132	**125**	132
Purchase of healthcare from non-NHS bodies	**694**	903	**694**	903
Employee expense - Executive directors	**1,150**	1,164	**1,125**	1,164
Employee expense - Non-executive directors	**150**	143	**147**	143
Employee expense - Staff costs	**213,065**	203,766	**212,207**	203,766
Supplies and services - clinical (excluding drug costs)	**20,920**	20,588	**20,862**	20,588
Supplies and services - general	**7,335**	8,480	**7,213**	8,480
Establishment	**3,034**	3,260	**3,033**	3,260
Transport	**107**	138	**103**	138
Premises - business rates payable to local authorities	**1,149**	1,128	**1,149**	1,128
Premises - other	**13,578**	10,336	**14,756**	10,336
Increase/(decrease) in provision for impairment of receivables	**251**	(766)	**251**	(766)
Change in provisions discount rate	**57**	(3)	**57**	(3)
Inventories written down	**39**	31	**39**	31
Drug costs	**7,124**	6,290	**7,124**	6,290
Drugs inventories consumed	**14,311**	14,266	**14,311**	14,266
Rentals under operating leases	**292**	299	**292**	299
Depreciation on property, plant and equipment	**3,236**	5,259	**3,236**	5,259
Amortisation on intangible assets	**374**	280	**374**	280
Net impairments of property, plant and equipment	**16,565**	-	**16,565**	-
Audit fees			**-**	
audit services - statutory audit	**98**	59	**98**	59
other auditor remuneration (external auditor only)	**83**	10	**83**	10
Clinical negligence premium	**7,998**	6,881	**7,998**	6,881
Loss on disposal of other property, plant and equipment	**-**	1	**-**	1
Legal fees	**99**	125	**99**	125
Consultancy costs	**458**	275	**458**	275
Internal audit costs - (not included in employee expenses)	**172**	142	**172**	142
Training, courses and conferences	**595**	592	**595**	592
Patient travel	**18**	20	**18**	20
Redundancy	**28**	-	**28**	-
Insurance	**140**	136	**119**	136
Losses, ex gratia & special payments	**173**	113	**173**	113
Other	**1,773**	1,329	**1,771**	1,329
	318,192	287,918	**318,276**	287,918

NOTES TO THE ACCOUNTS

9 OPERATING LEASES - FOUNDATION TRUST AND GROUP

9.1 As lessee

This note discloses income generated in operating lease agreements where Bolton NHS Foundation Trust is the lessor.
Operating lease payments include £94k for leased vehicles and £198k for equipment leases.
The contracts for equipment leases are taken out for between 5 and 10 years, whilst vehicle leases are taken out for 3 years.

Payments recognised as an expense	**2016/17**	2015/16
	£000	£000
Minimum lease payments	**292**	299
	292	299

Future minimum lease payments due:	**2016/17**	2015/16
	£000	£000
Other		
- not later than one year	**155**	181
- later than one year and not later than five years	**181**	113
- later than five years	**23**	-
Total	**359**	294

9.2 As lessor

This note discloses costs and commitments incurred in operating lease arrangements where Bolton NHS Foundation Trust FT is the lessee.

Rental revenue	**2016/17**	2015/16
	£000	£000
Contingent rent	**186**	186
Total rental revenue	**186**	186

Total future minimum lease payments receivable	**2016/17**	2015/16
	£000	£000
Buildings		
- not later than one year	**53**	111
- later than one year and not later than five years	**106**	164
	159	275
Total	**159**	275

The £186k received in rental revenue includes rentals received from WRVS for the use of rooms within the hospital for providing shops and rentals from High Meadows Nursery.

NOTES TO THE ACCOUNTS

10 EMPLOYEE COSTS

10.1 Employee costs

	GROUP		FOUNDATION TRUST	
	2016/17	2015/16	**2016/17**	2015/16
	Total	Total	**Total**	Other
	£000	£000	**£000**	£000
Salaries and wages	**170,738**	164,593	169,894	164,593
Social Security costs	**15,820**	12,190	15,781	12,190
Pension costs - defined contribution plans				
Employer's contributions to NHS Pensions	**19,158**	18,581	19,158	18,581
Termination benefits	**129**	166	129	166
Agency/contract staff	**8,398**	9,400	8,398	9,400
Total gross staff costs	**214,243**	204,930	213,360	204,930

	GROUP		FOUNDATION TRUST	
	2016/17	2015/16	**2016/17**	2015/16
	£000	£000	**£000**	£000
Analysed as				
Employee expense - Executive directors	**1,150**	**1,164**	**1,125**	**1,164**
Employee expense - Staff costs	**213,065**	**203,766**	**212,207**	**203,766**
Redundancy	**28**	**-**	**28**	**-**
Total gross staff costs is comprised of:	**214,243**	**204,930**	**213,360**	**204,930**

10.2 Directors' remuneration

	GROUP		FOUNDATION TRUST	
	2016/17	2015/16	**2016/17**	2015/16
	£'000	£'000	**£'000**	£'000
Directors' remuneration	**1,300**	1,307	**1,297**	1,307
Employer contribution to a pension scheme in respect of directors	**121**	124	**121**	124

	GROUP		FOUNDATION TRUST	
	2016/17	2015/16	**2016/17**	2015/16
	Number	Number	**Number**	Number
The total number of directors to whom benefits are accruing under defined benefit schemes	**9**	7	**6**	7

Further details on directors' remuneration can be found in the remuneration report.

10.3 Key management remuneration

Key management is defined as the executive and non-executive directors of the Foundation Trust. Further details of their remuneration can be found in the 2016/17 remuneration report published as part of the Foundation Trust's annual report.

NOTES TO THE ACCOUNTS

11 PENSION COSTS

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years". An outline of these follows:

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and are accepted as providing suitably robust figures for financial reporting purposes. The valuation of scheme liability as at 31 March 2017, is based on valuation data as 31 March 2016, updated to 31 March 2017 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.

NOTES TO THE ACCOUNTS

11 PENSION COSTS (CONTINUED)

The next actuarial valuation is to be carried out as at 31 March 2016. This will set the employer contribution rate payable from April 2019 and will consider the cost of the Scheme relative to the employer cost cap. There are provisions in the Public Service Pension Act 2013 to adjust member benefits or contribution rates if the cost of the Scheme changes by more than 2% of pay. Subject to this 'employer cost cap' assessment, any required revisions to member benefits or contribution rates will be determined by the Secretary of State for Health after consultation with the relevant stakeholders.

12 RETIREMENTS DUE TO ILL-HEALTH

During 2016/17 there were 10 (2015/16, 6) early retirements from the NHS Trust agreed on the grounds of ill-health. The estimated additional pension liabilities of these ill-health retirements will be £496,561 (2015/16: £190,450). The cost of these ill-health retirements will be borne by the NHS Business Services Authority - Pensions Division.

13 FINANCE INCOME - GROUP AND FOUNDATION TRUST

Finance income represents interest received on assets and investments in the period.

	2016/17	2015/16
	£000	£000
Interest on bank accounts	**28**	35
Total	**28**	35

14 FINANCE EXPENSES - GROUP AND FOUNDATION TRUST

Finance expenditure represents interest and other charges involved in the borrowing of money.

	2016/17	2015/16
	£000	£000
Capital loans from the Department of Health	**624**	640
Finance leases	**21**	2
Other	**57**	-
Total interest expense	**702**	642

15 GAINS AND LOSSES - GROUP AND FOUNDATION TRUST

	2016/17	2015/16
	£000	£000
Loss on disposal of property, plant and equipment	**(16)**	(1)

NOTES TO THE ACCOUNTS

16.1 PROPERTY, PLANT AND EQUIPMENT - GROUP AND FOUNDATION TRUST

2016/17:	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant and machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2016	8,618	162,811	1,192	5,077	25,647	138	8,582	423	212,488
Additions purchased	-	6,103	596	4,464	1,251	-	1,215	-	13,629
Additions leased	-	-	-	-	1,730	-	-	-	1,730
Additions donated	-	22	-	(16)	94	-	-	-	100
Impairments charged to the revaluation reserve	(7)	(21,171)	(658)	-	-	-	-	-	(21,836)
Revaluation	551	17,211	449	-	-	-	-	-	18,211
Reclassifications	-	2,548	-	(4,904)	360	-	1,226	-	(770)
Disposals	-	-	-	-	(3,316)	(9)	-	-	(3,325)
At 31 March 2017	**9,162**	**167,524**	**1,579**	**4,621**	**25,766**	**129**	**11,023**	**423**	**220,227**
Depreciation at 1 April 2016	5,928	73,986	331	-	18,358	130	5,193	361	104,287
Disposals	-	-	-	-	(3,300)	(9)	-	-	(3,309)
Impairments charged to operating expenses	183	15,968	414	-	-	-	-	-	16,565
Provided during the year	-	1,483	14	-	1,216	1	502	20	3,236
Depreciation at 31 March 2017	**6,111**	**91,437**	**759**	**-**	**16,274**	**122**	**5,695**	**381**	**120,779**
Net book value									
NBV - Owned at 31 March 2016	2,690	87,563	861	5,070	5,183	8	3,382	60	104,817
NBV - Finance lease at 31 March 2016	-	-	-	-	1,528	-	-	-	1,528
NBV - Donated at 31 March 2016	-	1,262	-	7	578	-	7	2	1,856
Total at 31 March 2016	**2,690**	**88,825**	**861**	**5,077**	**7,289**	**8**	**3,389**	**62**	**108,201**
Net book value									
NBV - Owned at 31 March 2017	3,051	75,309	820	4,621	5,988	7	5,322	40	95,158
NBV - Finance lease at 31 March 2017	-	-	-	-	2,916	-	-	-	2,916
NBV - Donated at 31 March 2017	-	778	-	-	588	-	6	2	1,374
Total at 31 March 2017	**3,051**	**76,087**	**820**	**4,621**	**9,492**	**7**	**5,328**	**42**	**99,448**

NOTES TO THE ACCOUNTS

16.2 PROPERTY, PLANT AND EQUIPMENT - GROUP AND FOUNDATION TRUST

2015/16:	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant and machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2015	8,618	159,195	1,099	2,756	24,919	138	7,015	423	204,163
Additions purchased	-	2,883	93	3,917	502	-	1,410	-	8,805
Additions leased	-	-	-	-	125	-	-	-	125
Additions donated	-	-	-	7	22	-	-	-	29
Reclassifications	-	733	-	(1,603)	391	-	157	-	(322)
Disposals	-	-	-	-	(312)	-	-	-	(312)
At 31 March 2016	**8,618**	**162,811**	**1,192**	**5,077**	**25,647**	**138**	**8,582**	**423**	**212,488**
Depreciation at 1 April 2015	5,928	70,253	331	-	17,475	128	4,872	341	99,328
Disposals	-	-	-	-	(300)	-	-	-	(300)
Provided during the year	-	3,733	-	-	1,183	2	321	20	5,259
Depreciation at 31 March 2016	**5,928**	**73,986**	**331**	**-**	**18,358**	**130**	**5,193**	**361**	**104,287**
Net book value									
NBV - Owned at 31 March 2016	2,690	87,563	861	5,070	5,183	8	3,382	60	104,817
NBV - Finance lease at 31 March 2016	-	-	-	-	1,528	-	-	-	1,528
NBV - Donated at 31 March 2016	-	1,262	-	7	578	-	7	2	1,856
Total at 31 March 2016	**2,690**	**88,825**	**861**	**5,077**	**7,289**	**8**	**3,389**	**62**	**108,201**

NOTES TO THE ACCOUNTS

16.3 PROPERTY, PLANT AND EQUIPMENT - GROUP AND FOUNDATION TRUST (CONTINUED)

Assets totalling £106k have been donated by Bolton NHS Charitable Fund. These are:

	£'000
Heart Scanning Equipment	16
Ultrasound Machine	43
Video Laryngoscope	9
Operating Table	13
Dementia Software	6
Patient Hoist	5
Building work - conversion of bathroom into relatives room	14

Assets are depreciated evenly over the estimated life given in the table below:

	Life (Years)
Software Licences	**2 - 5**
Buildings excluding dwellings	**2 - 88**
Dwellings	**53 - 63**
Plant & Machinery	**7 - 16**
Transport Equipment	**10 - 15**
Information Technology	**8 - 8**
Furniture and Fittings	**12-12**

At 31 March 2017 no land, buildings or dwellings were valued at open market value.

The date of the latest revaluation of land and buildings was 31 March 2017. The valuation was carried out by Cushman and Wakefield, a RICS registered individual. The valuation was completed using a "modern equivalent assets - alternate site" basis on the grounds that this was a more appropriate method of calculation. The decision to use this basis for the first time was approved by the Audit Committee on behalf of the Board in February 2015.

From 1 April 2016, the valuation of the Trust's Buildings assets has been completed net of VAT. This assumes that any reconstruction of property assets with equivalent service potential to the existing estate would be procured through a special purpose vehicle, namely Integrated Facilities Management (IFM) Bolton Ltd, in a way that would allow VAT to be recovered in full

The overall effect of the revaluation was a decrease in the value of Land and Buildings of £20,190k. This is shown in the accounts as detailed below

Impairment charged to SOCIE	16,565	note 8
Impairment charged to revaluation reserve	21,836	note 28
Revaluation charged to revaluation reserve	(18,211)	note 28
Total decrease in value of land and buildings	20,190	

NOTES TO THE ACCOUNTS

17 INTANGIBLE ASSETS - GROUP AND FOUNDATION TRUST

2016/17:	**Computer software - purchased**
	£000
Gross cost at 1 April 2016	**3,148**
Additions purchased	**797**
Additions - donations of physical assets (non-cash)	**6**
Reclassifications	**770**
Gross cost at 31 March 2017	**4,721**
Amortisation at 1 April 2016	**1,858**
Provided during the year	**374**
Amortisation at 31 March 2017	**2,232**
Net book value	
Purchased	**2,453**
Donated	**36**
Total at 31 March 2017	**2,489**

Prior year:

2015/16:	Computer software - purchased
	£000
Gross cost at 1 April 2015	2,472
Additions purchased	328
Additions - donations of physical assets (non-cash)	26
Disposals	322
Gross cost at 31 March 2016	3,148
Amortisation at 1 April 2015	1,578
Provided during the year	280
Amortisation at 31 March 2016	1,858
Net book value	
Purchased	1,248
Donated	42
Total at 31 March 2016	1,290

NOTES TO THE ACCOUNTS

18 CAPITAL COMMITMENTS - GROUP AND FOUNDATION TRUST

Contracted capital commitments at 31 March not otherwise included in these financial statements:

	2016/17	2015/16
	£000	£000
Property, plant and equipment	**1,974**	1,317
Total	**1,974**	1,317

19 INVENTORIES - GROUP AND FOUNDATION TRUST

	2016/17	2015/16
	£000	£000
Drugs	**1,074**	1,042
Consumables	**1,765**	1,490
Energy	**47**	82
Other	**441**	396
Total	**3,327**	3,010
of which held at net realisable value:	**3,327**	3,010

The Foundation Trust does not have any non-current inventories.

19.1 INVENTORIES RECOGNISED IN EXPENSES - GROUP AND FOUNDATION TRUST

	2016/17	2015/16
	£000	£000
Drug inventories consumed	**14,311**	14,266
Supplies and services clinical consumed	**6,516**	5,201
Supplies and services non clinical consumed	**1,471**	1,645
TOTAL Inventories recognised in expenses	**22,298**	21,112
Write-down of inventories recognised as an expense	**39**	31

NOTES TO THE ACCOUNTS

20 TRADE AND OTHER RECEIVABLES

20.1 Trade and other receivables	GROUP		FOUNDATION TRUST	
	2016/17	2015/16	**2016/17**	2015/16
	£000	£000	**£000**	£000
Current				
NHS receivables - revenue	**3,663**	3,146	**3,663**	3,146
Provision for the impairment of receivables	**(626)**	(362)	**(626)**	(362)
Prepayments - other	**3,344**	2,627	**3,278**	2,627
Accrued income	**7,823**	713	**7,823**	713
PDC dividend receivable	**455**	81	**455**	81
VAT receivable	**330**	1,150	**386**	1,150
Other receivables	**2,901**	1,541	**2,901**	1,541
Total current trade and other receivables	**17,890**	8,896	**17,880**	8,896
Non-current				
Provision for the impairment of receivables	**(112)**	(125)	**(112)**	(125)
Other receivables	**598**	662	**598**	662
Total non-current trade and other receivables	**486**	**537**	**486**	**537**

20.2 Ageing of non-impaired receivables past their due date

	2016/17	2015/16
	£000	£000
0-30 days	**2,683**	2,171
30-60 days	**721**	377
60-90 days	**252**	356
90-180 days	**589**	589
180-360 days	**1,004**	399
	5,249	3,892

NOTES TO THE ACCOUNTS

20.3 Provision for impairment of receivables - Group and Foundation Trust

	2016/17	2015/16
	£000	£000
Balance at 1 April	**487**	1,788
Increase in provision	**251**	6
Amounts utilised	**-**	(535)
Unused amounts reversed	**-**	(772)
Balance at 31 March	**738**	487

Receivables impaired during the period relate to the:

movement in the provision for bad debt on the injury cost recovery scheme.
movement in the provision for bad debt on trade receivables.

20.4 Ageing of impaired receivables - Group and Foundation Trust

	2016/17	2015/16
	£000	£000
0-30 days	**-**	-
30-60 days	**13**	6
60-90 days	**36**	10
90-180 days	**166**	52
Over 180 days	**523**	419
Total	**738**	487

NOTES TO THE ACCOUNTS

21 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash at bank, in hand and cash equivalents. Cash equivalents are readily convertible investments of known value which are subject to an insignificant risk of change in value.

	GROUP		FOUNDATION TRUST	
	2016/17	2015/16	**2016/17**	2015/16
	£000	£000	**£000**	£000
Balance at 1 April	**1,470**	5,265	**1,470**	5,265
Net change in year	**5,555**	(3,795)	**5,251**	(3,795)
Balance at 31 March	**7,025**	1,470	**6,721**	1,470
Made up of				
Cash with the Government Banking Service	**7,018**	1,464	**6,717**	1,464
Cash at commercial banks and in hand	**7**	6	**4**	6
Cash and cash equivalents as in statement of financial position	**7,025**	1,470	**6,721**	1,470

Third party assets held by the foundation trust

Bolton NHS Foundation Trust held cash and cash equivalents which relate to monies held by the foundation trust on behalf of patients or other parties. This has been excluded from the cash and cash equivalents figure reported in the accounts.

	2016/17	2015/16
	Bank	Bank
	£000	£000
Balance at 1 April	**34**	40
Gross inflows	**46**	42
Gross outflows	**(54)**	(48)
Balance at 31 March	**26**	34

NOTES TO THE ACCOUNTS

22 TRADE AND OTHER PAYABLES

	GROUP		FOUNDATION TRUST	
	2016/17	2015/16	**2016/17**	2015/16
	£000	£000	**£000**	£000
Current				
NHS payables - revenue	**1,258**	2,449	**1,258**	2,449
Other trade payables - capital	**3,237**	2,042	**3,237**	2,042
Other trade payables - revenue	**4,380**	3,423	**4,167**	3,423
Other taxes payable	**4,143**	3,635	**4,099**	3,635
Other payables	**4,621**	4,807	**4,621**	4,807
Accruals	**10,961**	10,036	**10,911**	10,036
Total	**28,600**	26,392	**28,293**	26,392

Other payables include:
Outstanding pension contributions of £2,639,439 at the 31 March 2017 (£2,570,909 at 31 March 2016).

Pension contributions are paid a month in arrears.

23 BORROWINGS - GROUP AND FOUNDATION TRUST

	Current		Non-current	
	2016/17	2015/16	**2016/17**	2015/16
	£000	£000	**£000**	£000
Capital loans from Department of Health	**1,368**	1,368	**22,457**	15,867
Obligations under finance leases	**531**	-	**-**	-
Total	**1,899**	1,368	**22,457**	15,867

The Foundation Trust has three loans with the Department of Health which total £23,825k.

£14,459k - To fund "Making it Better" developments within Women's and Children's. The loan has a fixed rate of 3.75% and has been taken out over a 20 year term and is due to be fully repaid by October 2029.

£1,300k - To fund the purchase of land for a Car Park. The loan has a fixed rate of 1.26% and has been taken out over a 10 year term and is due to be fully repaid by December 2022.

£8,066k - To fund Estate Strategy. The loan is for £24,500k with £8,066k drawn down at 31 March 2017 the balance to be drawn down in the next 3 years. The loan has a fixed rate of 2.22% and has been taken out over a 25 year term and is due to be fully repaid by November 2040.

NOTES TO THE ACCOUNTS

24 FINANCE LEASE OBLIGATIONS - GROUP AND FOUNDATION TRUST

Finance leases are for medical equipment used within the Trust. This is for a Managed Facilities Service in radiology that commenced in July 2010. The capital value of the assets provided to date under this facility is £4,736,652. The facility is for a 15 year term.
As the 31 March 2016 the finance lease was a receivable balance of £539k, this was part of prepayments in note 20.1

Amounts payable under finance leases:	**Minimum lease payments**		**Present value of minimum lease payments**	
	2016/17	2015/16	**2016/17**	2015/16
	£000	£000	**£000**	£000
Within one year	**560**	-	**560**	-
Less future finance charges	**(29)**	-	**(29)**	
Present value of minimum lease payments	**531**	-	**531**	-
Included in:				
Current borrowings	**531**	-	**531**	-
Non-current borrowings	**-**	-	**-**	-
	531	-	**531**	-

25 PROVISIONS - GROUP AND FOUNDATION TRUST

	Current		**Non-current**	
	2016/17	2015/16	**2016/17**	2015/16
	£000	£000	**£000**	£000
Pensions- Early departure costs	**1**	2	**46**	48
Other legal claims	**96**	121	**440**	399
Other	**923**	509	**-**	-
Total	**1,020**	632	**486**	447

NOTES TO THE ACCOUNTS

25 PROVISIONS - GROUP AND FOUNDATION TRUST (CONTINUED)

	Pensions relating to other staff	Legal claims	Other	Total
	£000	£000	£000	£000
At 1 April 2016	50	520	509	**1,079**
Change in the discount rate	1	56	-	**57**
Arising during the year	-	94	414	**508**
Utilised during the year	(5)	(125)	-	**(130)**
Reversed unused	-	(14)	-	**(14)**
Unwinding of discount	1	5	-	**6**
At 31 March 2017	**47**	**536**	**923**	**1,506**
Expected timing of cash flows:				
not later than one year	1	96	923	**1,020**
later than one year and not later than five years	5	79	-	**84**
later than five years	41	361	-	**402**
TOTAL	**47**	**536**	**923**	**1,506**

£119,612,000 is included in the provisions of the NHS Litigation Authority at 31 March 2017 in respect of clinical negligence liabilities of the Trust (31 March 2016: £104,724,618).

Legal Claims include £76,260 for Employer's and Occupiers' Liability cases and £461,326 for Permanent Injury Benefits. The items shown for Employer's and Occupiers' Liability cases relate to cases that have more than a 50% chance of being settled. Claims that have a remote chance of being settled are classed as contingent liabilities and disclosed in note 29.

In January 2009 the Trust signed an agreement with the NHSLA that in the event of the Trust (i) choosing to leave the CNST voluntarily and (ii) in the event of insolvency, the Trust would be required to compensate the NHSLA for all outstanding clinical negligence claims i.e. lump sum liability.

NOTES TO THE ACCOUNTS

26 OTHER FINANCIAL LIABILITIES - GROUP AND FOUNDATION TRST

	2016/17	2015/16
	£000	£000
Deferred income - goods and services	1,097	-
TOTAL OTHER CURRENT LIABILITIES	**1,097**	-

27 MOVEMENTS IN 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. Additional PDC may also be issued to NHS foundation trusts by the Department of Health. A charge, reflecting the cost of capital utilised by the NHS foundation trust, is payable to the Department of Health as the public dividend capital dividend.

	2016/17	2015/16
	£000	£000
Public Dividend Capital as at 1 April	**102,271**	102,090
Public dividend capital received *	**1,021**	4,281
Public dividend capital repaid	**-**	(4,100)
Public Dividend Capital as at 31 March	**103,292**	102,271

* In 2016/17 the Trust received £1,021k Public Dividend Capital for IT investment.

28 MOVEMENTS ON REVALUATION RESERVE - GROUP AND FOUNDATION TRUST

Increases in asset values arising from revaluations are recognised in the revaluation reserve, except where, and to the extent that, they reverse impairments previously recognised in operating expenses, in which case they are recognised in operating income. Subsequent downward movements in asset valuations are charged to the revaluation reserve to the extent that a previous gain was recognised unless the downward movement represents a clear consumption of economic benefit or a reduction in service potential.

	2016/17	2015/16
	£000	£000
Revaluation reserve at 1 April	**31,255**	31,259
Impairments	**(21,836)**	-
Revaluations	**18,211**	-
Asset disposal	**(28)**	(4)
Revaluation reserve at 31 March	**27,602**	31,255

NOTES TO THE ACCOUNTS

29 CONTINGENT LIABILITIES - GROUP AND FOUNDATION TRUST

	2016/17	2015/16
	£000	£000
Other (Employer's and Occupiers' legal claims)	**(2,633)**	(65)
Total	**(2,633)**	(65)

30 FINANCIAL INSTRUMENTS

30.1 Financial assets by category

	Group		**Foundation Trust**	
	Loans and receivables		**Loans and receivables**	
	31 March 2017	31 March 2016	**31 March 2017**	31 March 2016
	£000	£000	**£000**	£000
Trade and other receivables	**11,114**	5,601	11,114	5,601
Cash at bank and in hand	**7,025**	1,470	6,721	1,470
Total	**18,139**	7,071	17,835	7,071

30.2 Financial liabilities by category

	Group		**Foundation Trust**	
	31 March 2017	31 March 2016	**31 March 2017**	31 March 2016
	£000	£000	**£000**	£000
Trade and other payables	**19,132**	8,183	18,919	8,183
Finance lease obligations	**531**	-	531	-
Borrowings excluding finance lease	**23,825**	17,235	23,825	17,235
Provisions under contract	**461**	419	461	419
Total	43,949	25,837	43,736	25,837

NOTES TO THE ACCOUNTS

30 FINANCIAL INSTRUMENTS CONTINUED

30.3 Maturity of financial liabilities

	GROUP		FOUNDATION TRUST	
	2016/17	2015/16	**2016/17**	2015/16
	£000	£000	**£000**	£000
In one year or less	**21,051**	9,571	**20,838**	9,571
In more than one year but not more than two years	**1,388**	1,388	**1,388**	1,388
In more than two years but not more than five years	**6,446**	4,269	**6,446**	4,269
In more than five years	**15,064**	10,609	**15,064**	10,609
Total at 31 March	**43,949**	25,837	**43,736**	25,837

30.4 Financial risk management

Financial Reporting Standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. Because of the continuing service provider relationship that the NHS Trust has with Clinical Commissioning Groups and the way those Clinical Commissioning Groups are financed, the NHS Trust is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which the financial reporting standards mainly apply. The NHS Trust has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the NHS Trust in undertaking its activities.

The Trust's treasury management operations are carried out by the finance department, within parameters defined formally within the Trust's standing financial instructions and policies agreed by the Board of Directors. Trust treasury activity is subject to review by the Trust's internal auditors.

Currency risk

The Trust is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and sterling based. The Trust has no overseas operations. The Trust therefore has low exposure to currency rate fluctuations.

Interest rate risk

The Trust borrows from Government for capital expenditure, subject to affordability as confirmed by Monitor. The borrowings are for 1 – 25 years, in line with the life of the associated assets, and interest is charged at the National Loans Fund rate, fixed for the life of the loan. The Trust therefore has low exposure to interest rate fluctuations.

NOTES TO THE ACCOUNTS

30.5 Financial risk management

Credit risk

Because the majority of the Trust's income comes from contracts with other public sector bodies, the Trust has low exposure to credit risk. The maximum exposures as at 31 March 2017 are in receivables from customers, as disclosed in the Trade and other receivables note.

Liquidity risk

The Trust's operating costs are incurred under contracts with Clinical Commissioning Groups, which are financed from resources voted annually by Parliament. The Trust funds its capital expenditure from funds obtained within its prudential borrowing limit. The Trust is not, therefore, exposed to significant liquidity risks.

31 RELATED PARTY TRANSACTIONS - GROUP AND FOUNDATION TRUST

Details of related party transactions with individuals are as follows:

	Receipts from Related Party £ '000	Payments to Related Party £ '000	Amounts due from Related Party £ '000	Amounts owed to Related Party £ '000
University of Bolton	68	5	58	-
Bolton Hospice	837	-	82	-

The Department of Health is regarded as a related party. During the period, Bolton NHS Foundation Trust has had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department. These entities are listed below:

	Receipts from Related Party £ '000	Payments to Related Party £ '000	Amounts due from Related Party £ '000	Amounts owed to Related Party £ '000
Department of Health	2	12	459	10
Bolton CCG	197,109	-	1,182	1,120
NHS England	40,085	-	6,823	1
Wigan Borough CCG	16,919	-	285	112
Salford CCG	15,615	-	109	206
Bury CCG	9,189	-	63	191
Other CCG's & NHS England	4,937	10	1,288	43

NOTES TO THE ACCOUNTS

31 RELATED PARTY TRANSACTIONS - GROUP AND FOUNDATION TRUST (CONTINUED)

	Receipts from Related Party £ '000	Payments to Related Party £ '000	Amounts due from Related Party £ '000	Amounts owed to Related Party £ '000
Greater Manchester Mental Health Foundation Trust	1,469	165	12	86
Salford Royal NHS Foundation Trust	524	1,243	629	1,634
Central Manchester University Hospitals NHS Foundation Trust	795	1,166	308	743
Wrightington, Wigan And Leigh NHS Foundation Trust	242	961	71	211
The Christie Hospital NHS Foundation Trust	414	330	33	308
University Hospital Of South Manchester NHS Foundation Trust	91	311	15	182
Bridgewater Community Health Services NHS Foundation Trust	280	2	174	108
Other Foundation Trusts	314	366	136	132
Pennine Acute Hospitals NHS Trust	254	97	88	454
East Lancashire Hospital Trust	147	12	65	114
Other NHS Trusts	167	185	39	53
Health Education England	10,142	6	3	5
Public Health England	182	30	18	4

In addition, the Foundation Trust has had a number of material transactions with other Government Departments and other central and local Government bodies. Most of these transactions have been with the NHS Pension Scheme and the National Insurance Fund in respect of employee contributions. These entries are listed below:

	£ '000	£ '000	£ '000	£ '000
NHS Pensions Agency	-	19,158	-	2,639
NHS Litigation	-	7,998	-	-
NHS Property Services	104	2,416	9	24
Community Health Partnerships	-	2,981	28	511

The Foundation Trust has received revenue and capital benefit from purchases made by Bolton NHS Charitable Fund. The transactions are summarised below. The separate Trustees' Report and Accounts for Bolton NHS Charitable Fund are available on request.

	£ '000
Purchases made from Charitable Funds relating to capital assets transferred to the Trust	106

NOTES TO THE ACCOUNTS

32 THIRD PARTY ASSETS

The Trust held £26,267 cash and cash equivalents at 31 March 2017 (£34,219 at 31 March 2016) which relates to monies held by the NHS Trust on behalf of the SHO Induction Fund and patients. This has been excluded from the cash and cash equivalents figure reported in the accounts.

33 ANALYSIS OF INTER WHOLE OF GOVERNMENT BALANCES - GROUP AND FOUNDATION TRUST

	Current receivables £000	Income transactions £000	Current payables £000	Expenditure transactions £000
English NHS Foundation Trusts	1,378	4,129	3,404	4,544
English NHS Trusts	192	568	621	294
Health Education England	3	10,142	5	6
Department of Health	459	2	10	12
NHS England and English Clinical Commissioning Groups	9,750	283,854	1,673	10
Special Health Authorities	-	19	-	7,998
Public Health England	18	182	4	30
DH NDPBs	-	-	-	-
Other DH bodies	9	104	535	5,397
Total NHS Receivables/Payables	**11,809**	**299,000**	**6,252**	**18,291**
Other WGA bodies - Local Government	1,755	14,753	92	401
Other WGA bodies - Central Government	662	359	6,782	35,797
Total WGA Receivables/Payables at 31 March 2017	**14,226**	**314,112**	**13,126**	**54,489**

34 OTHER AUDITOR REMUNERATION

	2016/17 £000	2015/16 £000
The auditing of accounts of any associate of the Trust	**-**	-
Audit-related assurance services	**11**	10
Taxation compliance services	**56**	-
All other taxation advisory services	**9**	-
All other non-audit services	**7**	-
Total other auditor remuneration	**83**	10

The limitation on auditors liability is £1,000,000, KPMG that provides for limitation of the auditors' liability. KPMG completed the review of the Trusts quality accounts, this is treated as a non-audit service.

NOTES TO THE ACCOUNTS

34 LOSSES AND SPECIAL PAYMENTS - GROUP AND FOUNDATION TRUST

	2016/17		2015/16	
	Number of cases	**Value of cases**	Number of cases	Value of cases
	Number	**£000**	Number	£000
Losses				
Loss of cash due to overpayment of salaries	10	7	-	-
Bad debts - overseas visitors	15	37	-	-
Bad debts - other	10	1	-	-
Stores losses and damage to property	3	39	1	31
Total losses	38	84	1	31
Special payments				
Ex-gratia payments for loss of personal effects	23	8	18	3
Ex-gratia payments for personal injury with advice	20	105	18	78
Ex-gratia payments other	3	1	5	1
Total special payments	46	114	41	82
Total losses and special payments	84	198	42	113

There were no cases exceeding £300,000.
These amounts have been prepared on an accruals basis but exclude provisions for future losses.

36 EVENTS AFTER THE REPORTING PERIOD

On the 30th March 2017 Bolton NHS Foundation Trust Board approved the transfer of Estates, Facilities and Procurement to iFM Bolton Ltd. iFM Bolton Ltd would provide an operating healthcare facility from 1 April 2017.

On the 31st March 2017 the Trust and iFM Bolton signed the following documents:

- Operated Healthcare Facility Agreement
- Estates Management Agreement
- Asset Transfer Agreement for the transfer of assets relating to the Operated Healthcare Facility of Bolton NHS Foundation Trust
- 25 year Lease relating to land and property.

The above transactions occurred on 1 April 2017.

The value of the transfer was £41.4m and has been financed by the Trust with a loan for £29.0m and share capital of £12.4m.

These transaction will be reflected in the 2017/18 accounts and will have no impact on the net asset or net liabilities of the group.