East Lancashire Hospitals
NHS Trust
A University Teaching Trust

ANNUAL REPORT AND ACCOUNTS

2021/2022

Safe | Personal | Effective

East Lancashire Hospitals NHS Trust Annual Report 2021-22

Contents

Foreword	**3**
Working with our partners - Lancashire and South Cumbria Integrated Care System (ICS)	8
Performance Report	**14**
Performance Overview	15
Performance Analysis	16
Accountability Report	**52**
Corporate Governance Report:	53
a) Statement of the Accountable Officer	53
b) Statement of Directors Responsibilities	54
c) Annual Governance Statement	55
d) Directors' Report	95
Remuneration and Colleague Report	119
Finance Report/Statements	**139**
Quality Report	143
Annual Accounts 2021-22	144
Parliamentary Accountability and Audit Report	175
Our Highlights 2021-22	181
Glossary of Terms	193

Foreword

Foreword

Welcome to East Lancashire Hospitals NHS Trust's Annual Report and Accounts for 2021/2022. This update provides an annual summary of the activity that has taken place across the Trust during this period, including how we have managed our budgets during the financial reporting period.

Of course, looking back across the period, the Trust, wider health and social care system in Lancashire and South Cumbria, the NHS as a whole and, indeed, our communities in Pennine Lancashire continued to battle against the impact of COVID-19.

The pandemic touched every element of life for our colleagues, patients and local people. We lost a great number of people, but it is always important to say that we cared for a great many more, enabling them to recover and return home.

We are hugely proud of the contribution of everyone across the whole Trust, both in hospital settings and across the community, including in people's homes.

What is also clear from this overview and the highlights of the year is that the stress and challenge of the pandemic provided a foundation for us all to innovate and develop. Where we were unable to operate in traditional ways we found and created new ones.

It is another source of great pride that, despite the overwhelming impact of the virus, our colleagues, working with partner organisations and residents, continued to find ways to succeed, always putting patients and their families first. Indeed, this collaborative working achieved national recognition by securing sickness "Best Use of Integrated Care and Partnership Working in Patient Safety Award" in the HSJ Patient Safety Awards. Local health professionals from primary and secondary care services, along with the voluntary sector, worked together to create the Pennine Lancashire Virtual COVID-19 Ward. During the pandemic the ward helped over 2,000 people from becoming seriously ill or hospitalised with severe COVID-19 or worse.

The whole team response at the Trust continues to be outstanding and we can never thank our NHS colleagues enough for the most incredible amount of hard work delivered by them day and night, week in and week out.

East Lancashire has experienced some of the highest numbers of people infected during various 'waves' of the pandemic. This, alongside a surge in demand for other services such as our emergency and urgent care pathways has required a considerable amount of energy and input from many multidisciplinary teams to safely manage and sustain.

Thankfully, the last 12 months have resulted in a reduced number of inpatients being treated for COVID, albeit the Delta and Omicron variants delivered different challenges and spikes in the number of infected people needing treatment and care.

During this time, the high rate of infection in the community created staffing issues across the Trust as colleagues required to self-isolate or care for family with the virus.

We also faced the annual winter pressure, finding respite through enhanced systems and processes and improving patient flow even when faced with huge demand and pressure on services. Part of this was focusing on waiting times and working with colleagues at North West Ambulance Service on efficient handovers between paramedics and the A&E team.

There was a renewed focus through 2021-22 to further progress our elective care recovery programme, while at the same time working to ensure those who had already waited for a considerable time were treated as soon as possible. The Lancashire Elective Centre on the Burnley General Teaching Hospital site, played a huge part in enabling elective surgery and treatments to continue, including throughout the various 'waves' of the pandemic. We continue to work as one NHS across Lancashire and South Cumbria (and the North West) to deliver vital services. Mutual aid remains an invaluable tool to ensure the sickest patients are prioritised and treated in the most appropriate place.

Online outpatient appointments, expanding and improving the Advice and Guidance service for GPs, extending the patient transport service and other innovative ways of delivering services have helped to support people to receive the care they need in a timely way.

Out in our communities, our colleagues have continued to work in collaboration with partners in community health services and settings to support people to receive treatment and care at home where possible and when admitted to hospital to return as soon as possible.

We have successfully ploughed on to deliver new developments such as an extension to our emergency department which has created 13 additional bays for treating people who present with 'major' illness or injury and the upper floor providing an improved environment for colleagues to work in. Most recently we have implemented our patient streaming tool within our Urgent Treatment Centres and Minor Injuries Unit. Early indications are that it is proving a great success for both patients and those working in the unit.

In addition, we continued delivering an extremely robust and efficient vaccination programme, being the lead employer for recruiting people as part of the Lancashire and South Cumbria

vaccination team. This programme has made and continues to make an incredible impact on reducing infections across our region.

There is no doubt that we are blessed with very special colleagues indeed. They just go above and beyond, further and faster, in the most compassionate and caring way, each and every single day and night. Needless to say, during the pandemic our colleagues had experiences which will stay with them forever. For some it will be impossible to unsee the things that they might prefer to forget, which makes the wellbeing of our colleagues as important now as it has ever been and the reason why we will maintain the consistently high level of wellbeing support provision.

The Trust was fortunate to secure a huge grant from NHS Charities Together. Not only was this invested in assisting both individuals and teams' wellbeing requirements, but also in funding a second therapy dog. Alfie an apricot Cockerpoo – named after a suggestion made by several colleagues on our private, staff-only Facebook group – was unveiled by the Duchess of Cambridge during the Royal visit to our Clitheroe Community Hospital Site. Alfie is currently in training to join Jasper, our award-winning therapy dog, to provide well deserved 'cuddle time' and holistic care for those in need. Jasper is renowned throughout the organisation for making an impact wherever he visits, improving colleagues' psychological, emotional and social wellbeing.

Just one of the ways in which we can measure the impact of pressures on our workforce is through the results of the annual, national NHS Staff Survey. The anonymous survey provides valuable insight into how it really feels to work in the NHS and what could be improved.

This year we saw our highest ever response rate of 58 percent of colleagues (5,265 people in total) which is a real testament to how motivated staff are to share their views.

This year the themes in the national survey were changed to align with the NHS People Promise, so it is not possible to make a year-on-year comparison. It was extremely pleasing to note, however, that the Trust scored at or above average in eight of the themes, and below average in just one. We will now examine the results in more detail to help shape our key priority areas for improvement over the coming year.

It important to us as a Trust to create an inclusive environment for everyone from our patients and their families to our colleagues and a concerted focus on health inequalities, diversity and inclusion has never been more important.

Our teams have worked hard to focus on inclusion and over the last year we have either strengthened existing or established new networks including Minority Ethnic (BAME), Disability and Wellness, LGBT+, Mental Health and Women's. The networks have focussed on improving the experience of minority groups so that colleagues have confidence to be themselves at work regardless of their protected characteristics. The Trust was honoured to be shortlisted for the "NHS Race Equality Award" in the national HSJ Awards. It was powerful acknowledgment of the very important work our BAME Network has undertaken to overcome barriers and drive forward a positive change in the organisation.

The year also saw the unveiling of our 'inclusion wall' at our Royal Blackburn Teaching Hospital site, visually highlighting the diversity of our workforce and emphasising how valuable each individual is to the organisation.

As we head into 2022-23, we are looking forward to the opportunities for us to further accelerate innovation and service transformation, not just within our Trust but across our Integrated Care System (ICS). One example of this is the implementation of one of the biggest programmes on the Trust's horizon: an electronic patient record (EPR). This new system has the potential to completely transform the way the Trust works, with vast benefits for both colleagues and patients and their families.

At ELHT the programme will be known as 'eLancs' and is designed to improve patient care across the health and social care system in the area by replacing paper-based notes and records with a new suite of digital tools and technologies. The programme is patient focussed, clinically led and digitally enabled and will be launched in November 2022.

We continue to be inspired by the all the teams working across ELHT's services, in their ability to deliver safe, personal and effective care for our patients, while demonstrating our Trust values. We thank each and every one of them for all they have achieved in 2021-22.

Professor Eileen Fairhurst MBE

Chairman

Mr Martin Hodgson

Interim Chief Executive

Working with our partners

Lancashire and South Cumbria Integrated Care

Responding to the COVID-19 pandemic

Over the last 12 months, we have continued to work with our colleagues in the CCGs in Lancashire and South Cumbria, along with partners across the Integrated Care System to manage the local response to COVID-19.

NHS partners continued to work with Local Resilience Forums (LRFs) in Lancashire and Cumbria, which include partners from the NHS, local authorities, social care, education, police, fire and armed forces. Working together, these partnerships helped to manage the response to COVID-19, which this year focused on:

- Changes to national guidance
- Rollout of the COVID-19 vaccination and testing programmes
- Communicating key messages
- Continuing priority work programmes.

Examples of system working

Hospital and Out of Hospital incident response cells in Lancashire and South Cumbria which were established in 2020/21 continued to operate under the North West Regional incident command structure.

The Hospital cell covered elective care, tertiary services, critical care, cancer, paediatrics, mutual aid and clinical prioritisation. The Out of Hospital cell coordinated the work of community services, mental health, learning disabilities and primary care. It also worked with social care, with a Care Sector sub-cell run jointly with the Lancashire LRF and with connections to Cumbria.

A Joint Hospital and Out of Hospital cell chaired by Kevin McGee, Chief Executive of Lancashire Teaching Hospitals and the Provider Collaboration, was strengthened to enable collective system decision making with revised membership, which included the involvement of Directors of Adult Social Care from local authorities.

The **Gold Command Winter Pressures Room** was established in preparation for the second wave of the pandemic in 2020 and continued to support local NHS operational activity and winter pressures. As a tactical support service, it monitors and analyses pressure on individual trusts and organisations – including A&E attendances, COVID-19 cases, people awaiting a COVID-19 test result before admission, staff sickness, bed capacity, discharge delays, and queueing ambulances. Data is looked at from a system perspective, and capacity is redistributed to where it is needed most.

Work at the command room, as well as the System Vaccinations Operations Centre (SVOC), is ongoing seven days a week through collaboration between all CCGs and trusts, NHSEI leads and ICS executives. It has made a major difference in terms of collaborative working and system thinking for the benefit of patients.

The **Lancashire and South Cumbria Personal Protective Equipment (PPE) and Consumables Policy Group** has continued to operate throughout 2021/22, coordinating the usage and capacity planning for health services across the region.

The PPE and Consumables Policy Group has worked effectively as a joint forum for debating, testing and implementing approaches to the use of PPE, including 'fit-testing' of equipment and clear facemasks.

System-wide staff notices and information have been circulated to inform the wearing of face coverings across all healthcare settings (hospital trusts, GP practices, dentists), including information for the wearing of face coverings by patients and visitors. These have been re-circulated as necessary in response to changes in the national guidance on the wearing of face coverings.

Antigen testing has become firmly embedded within the national response to COVID-19. Routine asymptomatic testing programmes, using rapid lateral flow testing, have been established across the health and care sectors, in education and in workplaces. They have also become universally available to members of the public, who can order free lateral flow tests via the national testing portal, their local pharmacy or by having them delivered by post to their home.

Lancashire and South Cumbria is one of the few areas across the country to successfully embed the LAMP saliva testing regime across its hospital trusts and these tests have become the primary asymptomatic staff testing programme. This was achieved by a close working partnership with the University of Central Lancashire.

The **COVID-19 vaccination programme** – the largest in history – was well established by April 2021, both nationally and across Lancashire and South Cumbria.

The COVID-19 Vaccination Programme Board, established in November 2020, continued to provide oversight during 2021/22 as well as strategic direction to make sure the local offer met public need and was fit for purpose.

In addition to many fixed sites in Lancashire and South Cumbria, NHS teams have gone to extraordinary lengths to take the vaccine to different communities, with pop-up and mobile services, including buses and street teams, often delivered through partnerships with religious and community groups as well as council services. This hyper-local approach has proved invaluable to increase uptake in many health inclusion groups.

NHS teams have been able to react quickly as the programme expanded to under-18s, vaccinating children in schools, and then the rollout of boosters and also third doses for those whose immune systems mean they need more protection.

In response to the emerging Omicron variant of the COVID-19 virus, the government announced the acceleration of the winter booster programme. Capacity doubled in the space of a week with daily vaccines moving from 10,000 a day to 20,000. A call out for support saw a reinvigoration of the vaccine response with many volunteers and retired clinicians returning to support the booster programme.

East Lancashire Hospitals NHS Trust itself celebrated the milestone of delivering 200,000 COVID vaccine doses in August 2021.

Pulse oximetry at home and COVID-19 virtual ward services were launched across Lancashire and South Cumbria in 2020/21 to monitor vulnerable patients with COVID-19 in their own homes.

In response to the successful vaccination programme and the COVID-19 variants that emerged during 2021/22, the services have continually adapted their patient criteria so that those most at risk from complications are offered the service

The services have also expanded to include a lighter-touch pathway for lower-risk patients, where patients are contacted by text message and offered a pulse oximeter to self-monitor their oxygen saturation levels at home during the course of their illness. This allows them to easily self-refer into the service or contact NHS 111 if they have any concerns.

COVID-19 virtual wards remain in place and provide an enhanced level of virtual monitoring and care overseen by hospital clinicians, usually for those patients who are receiving treatment to help them recover from COVID-19 whilst in their own home. This enables people to be discharged earlier from hospital or can prevent a hospital admission altogether.

Urgent and emergency care has been a priority across the healthcare system over the last 12 months, against a backdrop of the challenge to restore services, meet new care demands and reduce the care back logs that are a direct consequence of the pandemic, whilst supporting staff recovery and taking further steps to address inequalities in access, experience and outcomes.

Through the Urgent and Emergency Care Network (UECN) in Lancashire and South Cumbria, the ICS along with each local A&E Delivery Board submitted responses in September and October 2021 to NHSEI for the system flow assurance process for Place Based Partnerships and ICSs.

In response to the continuing demand on services, system partners have come together through the joint cell to develop and implement surge plans. These have increased capacity across hospital and out-of-hospital services, with a particular focus upon enhancing discharge arrangements and improving flow.

Preparing for the future

This year has seen significant national developments in relation to health and care reorganisation and emerging guidance for delivering integrated care for the benefit of our population and staff. This will ultimately result in the closedown of eight CCGs and the establishment of the Integrated Care Board (ICB) in Lancashire and South Cumbria. The Health and Care Bill (2021) defined the new NHS bodies as Integrated Care Boards (ICBs) which would replace CCGs, and the partnerships as Integrated Care Partnerships (ICPs).

All NHS provider trusts are expected to be part of a provider collaborative in order to help set system priorities and allocate resources. In Lancashire and South Cumbria, a Provider Collaboration Board (PCB) was established.

Below are some examples of how East Lancashire Hospitals NHS Trust worked with partners to prepare for the future:

Among the health and care partnership work programmes were those focused on **mental health in both children and young people and adults.** Both the Child and Adolescent Mental Health Services (CAMHS) and adult mental health services remained open and accessible during the pandemic. Indeed, services saw a significant increase in the number of referrals.

Improving Access to Psychological Therapy (IAPT) services across Lancashire and South Cumbria continued to work towards expanding access and maintaining existing referral to treatment time and recovery standards in line with national targets.

Digital plans continued at pace, with the ongoing response to COVID-19 accelerating the spread and adoption of digital solutions over the last 12 months. Systems include Badgernet which has been deployed across maternity services including within East Lancashire Hospitals NHS Trust and work is well underway to implement electronic patient records (EPR) for acute and community services. Badgernet is the system-wide Maternity Information System which is also being used by Lancashire Teaching Hospitals and University Hospitals of Morecambe Bay, with Blackpool Teaching Hospitals due to go live in summer 2022.

East Lancashire Hospitals NHS Trust is also part of the **Lancashire and South Cumbria Pathology Collaboration**, working towards the formation of a single pathology service for the area. At the end of March 2022, work was paused to allow time for further comments and consultation from those involved.

The New Hospitals Programme also entered an important phase in early 2022, with the announcement of the shortlist. The programme team has collected information on everything, from what future clinical and technological developments might be needed in new hospital facilities, to potential land availability and building specifications. Thousands of patients, staff and stakeholders have been involved in conversations to start building a picture of how new hospital facilities should operate.

The shortlisted proposals were for new facilities at Royal Lancaster Infirmary and Royal Preston Hospital, with options including two new hospitals and partial rebuilds and refurbishment.

Performance report

Performance Overview

East Lancashire Hospitals NHS Trust was established in 2003 and is a large integrated health care organisation providing acute secondary and community healthcare for the people of East Lancashire and Blackburn with Darwen. Our population includes patients who live in several of the most socially deprived areas of England.

We aim to deliver high quality, high value care and contribute to a health gain for our community. Located in Lancashire in the heart of North West England, with Bolton and Manchester to the South, Preston to the West and the Pennines to the East we have a combined population of approximately 530,000. We employ over 8,000 staff, some of whom are internationally renowned and have won awards for their work and achievements.

We offer care across five hospital sites, and various community locations, using state-of-the-art facilities. In addition, our patients are also offered a range of specialist hospital services which are provided either by the Trust, neighbouring Trusts, with some being delivered in Manchester.

The majority of the Trust's services are funded by NHS East Lancashire and Blackburn with Darwen Clinical Commissioning Groups (CCGs) and NHS England. The Trust continues to work alongside our commissioners and local authorities to deliver the best possible care in the most appropriate locations for the people of East Lancashire.

Our absolute focus on patients as part of our vision "to be widely recognised for providing safe, personal and effective care" has been demonstrated in the Trust's continued progress and being rated 'Good with areas of outstanding' by the Care Quality Commission (CQC).

Undoubtedly, 2021/22 has been the most difficult year for the Trust, the system and the NHS as a whole. COVID-19 remained, in various degrees, the main focus of our attention. We had to adjust and adapt to new ways of working and our colleagues, organisation and system responded strongly.

Thanks to the hard work, adaptability and dedication of our colleagues and partner organisations, we have been able to begin to return to our business-as-usual role of providing emergency, planned and community care to the communities we serve, though this has been a huge challenge.

Crucially, we are continuing to capitalise on the chance to innovate in the face of the ever-evolving virus. We have made some major changes to how we do things, particularly across the integrated care system, which are now embedded for the long term. Yet again, this annual report describes a transforming organisation and how our place within the integrated care system has advanced and strengthened over the course of the year.

Performance Analysis

Chief Executive's Statement

I have been in the post of Interim Chief Executive since September 2021, however, while this is a new role for me, I have been at the Trust for almost 10 years.

The thing that makes ELHT so great is its people. We have an extremely diverse workforce and the richness that this brings to our ELHT Family is incredible. The contribution that each individual makes to the organisation is equally recognised and appreciated and I am humbled by how everyone has come together over the last two years during a time of unprecedented pressure and significant challenges.

My colleagues have achieved some incredible things despite the pandemic, and you will be able to read about this in our round-up on page 138. I want to express my sincere thanks to everyone at ELHT whether paid members of the Team, or our amazing volunteers for their unfaltering commitment and dedication to doing their bit to provide safe, personal and effective care to our local community.

The Trust reported a one per cent financial performance surplus for the 2021-22 financial year, which is in line with the 2019-20 financial plan.

We have outlined the fantastic work that ELHT has been involved in as an integral part of the Integrated Care System. The value that partnership working across Lancashire and South

Cumbria has for our patients is undeniable and I am fully committed to the work of the System both on a Pennine Lancashire and a Lancashire and South Cumbria footprint.

I am also delighted that the highest number of our workforce ever completed their National Staff Survey for 2021. With 58 percent of staff (5,265 individuals) completing the survey, it is a real testament to the value that we as leaders hold for the survey – but our workforce also clearly feels that their opinions matter and that they know we will action their feedback to make continuous improvements.

Notwithstanding the challenges, there have also been a significant number of successes to celebrate but the highlight of the year must be our Royal Visit by the Duke and Duchess of Cambridge to our Clitheroe Community Hospital. To be able to shine the spotlight on our amazing community colleagues in this way was truly incredible.

Looking to the future, I am feeling really positive about the direction in which ELHT is travelling. Throughout the last 12 months, our challenges have been significant, but Team ELHT has risen to that challenge and continues to passionately uphold our core values. To ensure we stay focused on those values, we have launched a behavioural framework that clearly lays out what our expectations are from our colleagues.

Alongside thanking the outstanding Team ELHT, I also want to thank everyone who has supported us over the last 12 months. I want to give a special thanks to our local community for their patience and understanding whilst we manage these pressures.

Vision and values

Our vision and values

Our vision is to be widely recognised for providing safe, personal and effective care.

We will do this by achieving our objectives to:

- put safety and quality at the heart of everything we do
- invest in and develop our workforce
- work with key stakeholders to develop effective partnerships
- encourage innovation and pathway reform and deliver best practice

Our objectives are underpinned by our values. We have committed in all our activities and interactions to:

- put patients first
- respect the individual
- act with integrity
- serve the community, and
- promote positive change.

In achieving the objectives our staff observe our operating principles:

- Quality is our organising principle
- We strive to improve quality and increase value
- Clinical leadership influences all our thinking
- Everything is delivered by and through our clinical divisions
- Support departments support patient care
- We deliver what we say we will deliver
- Compliance with standards and targets is a must; this helps secure our independence and influence
- We understand the world we live in, deal with its difficulties and celebrate our successes.

Our staff are committed to delivering these challenges by continually improving the quality of the services we provide to meet the needs of our local population. Our improvement priorities for the year were to:

- reduce mortality
- avoid unnecessary admissions
- enhance communication and engagement
- deliver reliable care
- ensure timeliness of care.

Reducing Mortality	Safe
Avoiding unnecessary admissions	Safe
Enhancing communications and engagement	Personal
Delivering reliable care	Effective
Timeliness of care	Effective

Our services

Our services

Despite the continued challenges as a result of COVID-19 during 2021-22, clinical and support services successfully delivered patient care whilst upholding the Trust's values through ensuring safe, personal and effective care within the operating constraints. The Trust remains extremely proud and grateful to all our colleagues for the services they delivered during this difficult time. Patient safety and care remained our priority throughout the evolving pandemic working closely with our teams and partner organisations.

The Trust remained focused on ensuring safe patient access to both our emergency and elective care services prioritising clinically urgent procedures including cancer services. The Trust delivered on its trajectory of reducing the over 52 week waits from Referral To Treatment (RTT). Some of our key achievements in 2021-22 included

- Strengthening our elective care model as a surgical hub at the Burnley General Teaching Hospital (BGTH) site.
- The development of rapid diagnostic centre pathways for non-site-specific cancers, lower gastrointestinal (GI), upper GI and pancreatic cancer services. This has supported the reduction in time from referral to diagnosis in key areas such as our pancreatic pathways.
- Expansion of our critical care capacity at the Royal Blackburn Teaching Hospital (RBTH) site to include eight enhanced care beds for elective care. This brought the bed base to 32 from 24 ensuring additional resilience for both elective and emergency care services.
- New workforce models implemented ensuring a multidisciplinary approach to care through redesigning roles such as advanced clinical practitioners for minor surgical procedures in orthopaedics and general surgery, specialist nurses in colorectal and skin services
- The initiation of Teledermatology to manage urgent cancer referrals from GP within two weeks.
- Strengthening our established robotic services in surgery including colorectal, urology, head and neck and gynaecology. Further expansion planned to our hepato-pancreato-biliary service in 2022-23.
- Promoting the use of virtual appointments across a range of specialties to reduce the need for face-to-face appointments making it more convenient for patients to

receive specialist care without the need to travel to the hospital. An example is the use of digital technology such as AccuRX which is a virtual application system that enables patients to have on screen consultation with their clinician. The system sends the patient a link through a text message which then enables them to join at the allocated time of their appointment without the need to travel to the hospital. The system also has the ability to enable patients to either text or email their clinician for advice. Services are also able to send link to health and wellbeing information through text messages.

- Patient Initiated Follow Up (PIFU) appointments being rolled out to promote patient and carer involvement – patients can initiate an appointment with a clinician within a specified time if they had concerns or if they felt their condition had deteriorated without the need to be referred again for the same condition by their GP.
- Fractured neck of femur pathway improved with active therapy input in line with the NICE guidance providing a clear framework for the management of care.
- System wide collaboration on the ageing well pathway.
- Improved turnaround times for histology from 6.8 weeks to 4.7 weeks as a result of additional capacity and active recruitment to vacancies that have been difficult to fill.
- New state of the art CT scanner and SPECT CT gamma camera at RBTH site supporting diagnostic pathways.
- New angiography and interventional radiology suite at RBTH.
- Proactive review of our maternity standards based on the national Ockenden report recommendations.
- Collaborative working with Lancashire and South Cumbria Foundation Trust (LSCFT) and Pennine Lancashire commissioners to provide services for Children and Young People living with eating disorders.
- Improved diagnostic pathway and capacity for children with Attention Deficit Hyperactive Disorder (ADHD) within Community Neurodevelopmental Paediatric service enhanced with a dedicated nursing workforce supporting the paediatricians for timely reviews and support for Children and Young People, parents and carers.
- Direct access to paediatric Same Day Emergency Care by NWAS in place.
- Strengthening our out of hours Telestroke service ensuring that there is a 24/7 consultant assessment available for stroke patients attending the emergency department.

- Increasing capacity for managing the backlog in our endoscopy services as a key diagnostic area ensuring patients with clinically urgent conditions including suspected cancer are seen as quickly as possible.
- Emergency care streamer tool implemented at Burnley General Teaching Hospital, Royal Blackburn Teaching Hospital Urgent Treatment Centres (UTCs) and at Accrington Victoria Community Hospital. This national tool enables a clinical assessment process to be undertaken of all self-presenting patients ensuring appropriate clinical priority and care including a booked appointment where appropriate so that patients can return to be seen by a clinician for less urgent conditions. This reduces the time some patients have to wait to be seen by a clinician in the department.
- Discharge care bundles continued to be rolled out to ensure timely and effective care. This ensures that patients have their discharge planning on admission and follows the national guidelines on best practice.
- Sentinel stroke national audit programme (SSNAP) continues to be strong and therefore high performing with active clinical leadership across the multi-disciplinary team (MDT). This ensures that our stroke patients receive high standards of care and improved experience.
- Trans ischaemic attack rapid assessment (TIARA) service in place five days a week – TIA service remains at seven days. This ensures rapid access to the MDT to provide the much-needed care at this critical time
- Full refurbishment of the second cardiology catheter laboratory ensuring timely procedures with the latest equipment to improve clinical outcomes.
- New equipment for the endoscopy units enabling the team to carry out timely complex and routine procedures. The equipment also provides a good training opportunity for our colleagues to enhance their clinical skills.
- New software for endoscopy that will improve reporting of the diagnostic procedures whilst meeting the Joint Advisory Group (JAG) requirements. JAG quality assures endoscopy service provision based on a number of high-quality standards.
- The emergency department was shortlisted for collaborative working with the North West Ambulance Service (NWAS) at the Health Service Journal (HSJ) awards for working on a project to reduce ambulance handover times.
- The Trust continues to host the operational delivery network (ODN) for hepatitis C for Lancashire and South Cumbria. The national drive is to eradicate hepatitis C

(Hep C) in the UK by 2030. The ODN is committed to deliver improved outcomes for patients with Hep C, enabling the ODN to be ranked 6th out of 22 networks nationally during 2021-22. This has been a huge improvement from the previous years when the ODN was ranked 22nd out of 22 in the country.

We provide a full range of acute hospital and adult community services. We are a specialist centre for hepatobiliary and pancreatic surgery and interventional vascular centre.

Royal Blackburn Teaching Hospital provides a full range of hospital services to adults and children. This includes:

- General and specialist medical services
- Elective and emergency surgery
- Full range of diagnostic (for example, MRI, CT scanning) and support services
- Eleven operating theatres including robotic assisted surgery
- Urgent care centre
- Emergency department
- Surgical ambulatory emergency care unit (SAECU)
- Children's observation and assessment unit
- Children's ward incorporating high dependency unit (HDU)
- Two cardiac catheterisation laboratories
- Three endoscopy rooms
- A range of inpatient facilities
- Centralised outpatients' department
- Renal dialysis services (provided by Lancashire Teaching Hospitals NHS Foundation Trust)

Burnley General Teaching Hospital provides a full range of elective hospital services. This includes:

- General, specialist medical and surgical services
- 13 theatres, two obstetric and one procedures room (including robotic-assisted surgery)
- Full range of diagnostic (for example MRI, CT scanning) services. There were two new scanners deployed during September 2020 to support the site
- Urgent care centre for minor injuries and illnesses

- The Lancashire Women and Newborn Centre, comprising
  - Centralised consultant-led maternity unit
  - Level 3 neonatal intensive care unit
  - Midwife-led birth centre
  - Purpose-built gynaecology unit
- Lancashire Elective Centre
- Four endoscopy rooms
- Fairhurst Building including a new specialist ophthalmology centre, maxillo-facial department and outpatient facilities
- Rakehead Rehabilitation Unit for specialised neuro-rehabilitation pathway
- Renal dialysis services (provided by Lancashire Teaching Hospitals NHS Foundation Trust)
- Rainbows Child Development Centre
- East Lancashire child and adolescent service, CAMHS service.
- Children's day case ward.

Accrington Victoria Community Hospital provides a minor injuries unit for the local population. The hospital also has access to dedicated specialist services together with a range of outpatient services. Many consultants and specialties use this busy facility which allows local people to be seen within their community. Services include:

- Audiology clinics
- Minor injuries
- Occupational therapy
- Outpatient services
- Physiotherapy
- Renal services (provided by Lancashire Teaching Hospitals NHS Foundation Trust)
- X-Ray.

Clitheroe Community Hospital provides:

- 32-bed inpatient ward on the first floor
- Outpatient clinics and other services on the ground floor, including a restaurant for visitors
- Inpatient and rehabilitation services for people 16 years old or over
- Outpatient facility sees patients of any age as requested by the consultants

Our outpatient services are also provided at a range of local community settings, enabling patients to access care closer to their homes wherever appropriate.

Pendle Community Hospital in Nelson provides

- Rehabilitation service for people following illness or injury
- Two 24 bed rehabilitation wards
- A 24-bed stroke rehabilitation unit
- East Lancashire community stroke team
- Outpatient services

Trust statement on covid-19
and its impact on the Trust

Trust Statement on COVID-19 and its impact on the Trust

2021-22 remained challenging as the national changes around COVID-19 transition (living with COVID-19) were implemented. The Trust response to this along with the other organisations within the ICS continued as per the national guidelines ensuring the safe delivery of care for both COVID-19 and non-COVID patients. The Trust continued with its Incident Command and Control arrangements for the management of the COVID-19 outbreak activating the escalation process as the triggers for the inpatient COVID-19 admissions increased. These arrangements continued throughout the year providing a clear governance and support structure across the organisation.

The Trust Executive meetings supported the effective oversight of the incident and provided a space for any other relevant Trust business not related to the COVID-19 outbreak to be conducted and managed.

An information cascade system was also established to ensure all key priority services received a verbal communication of COVID-19 Bulletins. This included:

- Assessment units (including ambulatory pathways, surgical ambulatory emergency care unit (SAECU), paediatrics and maternity)
- Critical care
- Emergency medicine
- Medical handover
- Patient services
- Theatres

The Operational Co-ordination Centres for the relevant key priority areas were responsible for implementing this verbal cascade system.

The Trust had implemented clear pathways for emergency care and clinically urgent cases including cancer surgery across its sites. Controlled entry and exit points remained to ensure safety through prevention and containment of COVID-19 exposure. All service areas had red (COVID-19) and green (non-COVID-19) pathways in place. Urgent elective care cancellations were largely minimised due to the pandemic and patients were booked based on the national clinical urgency codes. However, despite our best efforts in booking urgent patients, there were unfortunately patients delayed due to the rise of the pandemic and associated delays.

Dedicated wards continued to care for both red and green pathway patients ensuring safe, personal and effective care under challenging circumstances. The inpatient areas were supported by the leadership teams ensuring the right level of resources were in place including access to wellbeing schemes. Services were maintained and delivered safely during this time following both the national and local guidelines. All services continued with the restoration and recovery plan in 2021-22 with executive support in preparation for returning to normal activity levels similar to 2019-20 and as mentioned previously, reducing the backlog caused by the pandemic.

The Trust ensured safe and equitable services for its community throughout the pandemic. This was achieved through ensuring emerging policies and procedures throughout the pandemic had clear clinical, operational and corporate service oversight as well as scrutiny. This included the effective management of pathways for vulnerable patients ensuring a case management approach both in the hospital as well as our community services. The Trust also launched its new Health Equity strategy in quarter four (Q4) of 2021-22.

The Trust's priority remains to ensure equity service provision for its richly diverse community across East Lancashire.

Our people

Our people

Colleagues across the Trust have been under increasing pressure since the response to COVID-19 began, and there will be further challenges ahead as we continue to manage restoration of services as well as any further increases in infection rates. Looking after our people is critical and to address this, the Trust needs more people, working differently, in a compassionate and inclusive culture.

The actions we will take as part of the Trust's People Strategy, will ensure that we deliver against the aims of the NHS People Plan:

- Looking after our people – with evidence based and timely health and wellbeing support for everyone.
- Belonging in the NHS – with a particular focus on tackling the discrimination that some staff face and ensuring equality for all.
- New ways of working and delivering care – making effective use of the full range of our people's skills and experience.
- Growing for the future – how we recruit and keep our people, and welcome back colleagues who want to return.

The Trust is a major local employer and sees itself as an anchor organisation within the local area. During the course of the pandemic, recruitment activity increased significantly across the Trust, with ELHT now employs around 8,600 WTE staff compared to a figure of 7,900 WTE staff this time last year.

ELHT has made great progress in addressing the Inclusion agenda in the last year. Our five staff networks, Black, Asian and Minority Ethnic (BAME) Network, Disability and Wellness Network (DaWN), Women's Network, LGBTQ+ and Mental Health have fully established and have developed plans to improve staff experience through their individual experiences which we know, evidence shows us, will benefit the wider workforce and the population we serve. Significant work by our BAME network through the 'Let's talk about race' research and The Big BAME Conversation feedback has led to key commitments by the Board in the Workforce Race Equality Standard (WRES) action plan, to strive to make ELHT an anti-racist organisation. Similar work will be undertaken by our Disability and Wellness Network in the coming months to inform the Workforce Diversity Equality Standard (WDES) agenda also.

The establishment of our network Freedom to Speak Up Champions has enabled staff to have additional confidence in being able to raise concerns and we look forward to extending this further. We celebrated our third Festival of Inclusion virtually again with the theme of 'Civility and Respect' and look forward to our fourth this year with a theme of 'Community'. Whilst we know we have much more work to do, we are confident that we are now seeing the seeds of real change.

Employee engagement

At ELHT we believe our employees are our greatest asset, and we all have a part to play in setting and achieving our vision, values and key priorities.

Our people are at the heart of everything that we do, striving for excellence and driving up standards of care. We want our staff to enthuse pride in their service and similarly for our patients and carers to be proud of us as their local health provider.

As an organisation we are committed to improving employee engagement and empowerment. Our strategy led by the Chief Executive and championed by the Director of Human Resources and Organisational Development (HR and OD) has enabled ELHT to drive the organisation forward by highlighting the importance of employee engagement as well as implementing evidence-based interventions to enhance it.

We have devised, implemented and embedded a systematic approach to engage and empower our employees through a compassionate, inclusive and participative approach which supports an environment whereby our workforce demonstrates high levels of advocacy involvement and motivation, working together towards our shared vision of being widely recognised for providing safe personal and effective care.

Our financial duties

Financial duties

The Trust reported a £0.02 million adjusted financial performance surplus for the 2021-22 financial year. This is in line with the 2021-22 financial plan.

Better Payments Practice Code

Although it is not a financial duty, the Trust met the Better Payment Practice Code target by paying more than 95% of undisputed invoices within 30 days of receipt of the goods or invoice, whichever is the later.

Where our money comes from

In 2021-22, the Trust received income of £701.1 million compared with £656.8 million in the previous year. Most of the Trust's income comes from Clinical Commissioning Groups (CCGs) who purchase healthcare on behalf of their local populations with £652.7 million of income generated from patient care activities.

Where our money goes

In 2021-22, the Trusts total revenue operating expenditure was £682.1 million compared with £667.2 million in the previous year. £472.7 million (69%) was spent on staff costs. Throughout the year the Trust employed an average of 8,570 permanent staff, as well as an average of 590 bank staff, 262 agency staff and 210 seconded junior doctors.

At £46.8 million, drugs costs were the next highest area of expenditure with the Trust also incurring £46.2 million on clinical supplies and services, £26.6 million on premises and £20.3 million on clinical negligence 'insurance' premiums.

Capital Expenditure

The Trust has continued to invest in healthcare facilities in East Lancashire, receiving £9.0 million of funding from the Urgent and Emergency Care Programme to further develop the Royal Blackburn Teaching Hospital site and £3.9 million of funding to implement an Electronic Patient Record to aid the Trust's drive for transformation of clinical practice and the seamless integration of patient-care pathways across the health and care economy. A further £5.0 million of funding was made available nationally including £1.4 million for an MRI scanner at Rossendale Primary Health Care Centre.

In total the Trust invested £30.0 million on new building works, improvements and equipment and information technology across all its sites.

Financial Outlook for 2022-23

During 2022-23 the NHS will continue to operate on fixed funding arrangements, managed at an ICS level. There main financial priorities are attached to the elective recovery programme, unknown impact of Covid in 2022-23 and the high inflation rates.

The Trust is working to a £17.5m deficit financial plan, which includes a Waste Reduction Programme of £28.8 million (5%). The Trust will endeavour to meet this challenging financial plan for 2022-23 with system partners across Lancashire and South Cumbria.

Modern Slavery Act 2015 - Annual Statement 2021-22

In accordance with the Modern Slavery Act 2015, East Lancashire Hospitals NHS Trust (ELHT) agreed the final statement regarding the steps it has taken in the financial year 2021-22 to ensure that Modern Slavery (i.e. slavery and human trafficking), is not taking place in any part of its own business or any of its supply chains. The full statement can be found on the Trust's website (www.elht.nhs.uk).

Principal activities of the Trust

Our principal activities are to provide:

- Elective (planned) operations and care to the local population in our hospitals and community settings
- Non–elective (emergency or urgent care) operations and care to the local population in hospital settings
- Diagnostic, therapy and rehabilitation services on an outpatient and inpatient basis to the local population in both hospital and community settings
- Specialist services within a network of regional and national organisations for example, Level 3 Neonatal services, Interventional Vascular Centre and specialist Hepatobiliary and Pancreatic Centre.
- ELHT also provides robotic-assisted surgery within urology, colorectal and head and neck services.
- Learning and development opportunities for staff and students.
- Additional services commissioned where agreement has been reached on service delivery models and price.
- Support services to deliver the above activity and support the activity of other local health providers where these have been commissioned and agreement has been reached on service delivery models and price.

Performance summary

Performance summary

Healthcare providers across the country are set a range of quality and performance targets by the Government, commissioners and regulators. 2021-22 has been a challenging year for all providers due to increasing patient numbers, high acuity, financial challenges and the increasing frailty of patients requiring urgent care.

Particular highlights in March 2022 as the final month of 2021-22 have included:

- There were no medication errors causing serious harm.
- There was no confirmed post two-day MRSA bacteraemia in the month.
- Average fill rates for registered nurses/midwives and care staff remain above threshold, although continue to be extremely challenging. Fill rates for registered nurses/midwives and care staff for day and care staff at night showed significant deterioration.
- The complaints rate remains below threshold.
- The Hospital Standardised Mortality Ratio (HSMR) has decreased and is 'within expected levels'.
- The emergency readmission rate was within the normal range.

You can read about these and many more successes, in the section of this annual report titled, "Our Highlights of 2021-22".

Our key challenges in the year have been in relation to several key performance targets.

Accident and Emergency

The national target stipulates that 95% of all patients are seen and treated, or discharged, within four hours of their arrival on the emergency or urgent care pathway. Factors affecting performance include high numbers of attendances to our emergency department (ED), (particularly of acutely ill patients), increasing numbers of frail elderly patients, very sick patients requiring intensive support and people not using other services in the community appropriately such as GP services and pharmacies. Our attendances to the ED increased in 2021-22 compared to 2019-20, particularly between January and March 2022 (by 17%), due in large part to an increase in our COVID-19 numbers and acuity. The number of discharges from our wards was also affected during this time as a number of wards had to be dedicated to COVID-19 patients limiting availability of non-COVID capacity. This resulted in higher wait times in the ED causing overcrowding. The team ensured that safe care and staffing levels were maintained throughout this challenging period, supported by several initiatives as described in this report. This includes our same

day emergency care services (SDEC), designed to prevent patients from being admitted to the hospital and managed safely on an ambulatory pathway. The table below shows that our non-elective activity (emergency admissions) reduced by 4.4% compared to 2019-20 demonstrating the effectiveness of our SDEC care model despite an 8% increase in our emergency attendances during the same period.

A combination of these factors meant that the Trust experienced significant difficulties in meeting the required target in 2021-22. Overall, performance against the accident and emergency four-hour standard remains under the 95% target at 72.9% for 2021-22. An improvement plan is in place as we transition to the proposed new national standards for 2022-23 including 12 hours total time in department from arrival to discharge, transfer or admission.

	Target	2018/19	2019/20	2020/21	2021/22
Percentage of patients treated in four hours or less (Trust)	95%	81.10%	80.80%	84.60%	72.94%
Number of patients (non-elective)		59,238	55,148	45,979	53,307

Referral to Treatment (18 weeks)

Due to the challenges faced during the COVID-19 pandemic, the Trust has been unable to meet the 92% national target for Referral to Treatment (RTT). However, 77.4% of patients did receive treatment within the 18-week target, which was an improvement from 2020-21 (69.3%). The Trust is committed to reducing the numbers of patients waiting 52 weeks or more for treatment throughout 2022-23 as part of the national elective recovery plan.

	Target	2018/19	2019/20	2020/21	2021/22 to Feb 22
Percentage of patients on an ongoing pathway under 18 weeks	92%	92.30%	85.33%	69.30%	77.36%

Cancer

There are a number of targets that relate to patients who either have cancer or are suspected of having cancer and require treatment. Two of these targets relate to patients with suspected cancer, who must be seen within 14 days of referral, and patients who are undergoing investigation and subsequent treatment following a diagnosis of cancer, who should receive their treatment within 62 days of their referral. A more extensive list of targets can be seen in the table below.

The Trust is committed to ensuring that our patients receive timely and effective treatment in line with the national targets and guidance. The past 12 months have been very challenging for cancer performance despite all efforts towards improving our pathways to deliver timely care and reduce unnecessary delays. This has been exacerbated by factors such as patient availability for treatment due to COVID related issues and the need to deliver care within the national guidelines for COVID prevention and workforce challenges, as colleagues were affected with COVID resulting in reduced treatment capacity. However, all clinically urgent and cancer patients were prioritised throughout the pandemic. The Trust did not meet seven out of the eight cancer wait time standards during 2021-22 and recorded deterioration in its performance compared to previous years. An improvement plan is in place in line with the national recovery plan for elective care for 2022-23.

	Target	2018/19	2019/20	2020/21	2021/22 to Jan 22
Percentage of patients seen in two weeks or less of an urgent GP referral for suspected cancer	93%	94.1%	92.7%	94.1%	87.3%
Percentage of patients seen in two weeks or less of an urgent referral for breast symptoms where cancer is not initially suspected	93%	91.8%	93.7%	95.6%	80.3%
Percentage of patients having their diagnosis communicated to them within 28 days of referral onto a suspected cancer pathway	75%	N/A	N/A	79.1%	72.4%
Percentage of patients receiving treatment within 31 days of a decision to treat	96%	98.1%	97.1%	95.0%	93.2%

	Target	2018/19	2019/20	2020/21	2021/22 to Jan 22
Percentage of patients receiving subsequent treatment for cancer within 31 days where that treatment is surgery	94%	93.0%	91.1%	83.5%	90.1%
Percentage of patients receiving subsequent treatment for cancer within 31 days where treatment is an anti-cancer drug regime	98%	99.9%	99.6%	98.8%	98.6%
Percentage of patients receiving treatment for cancer within 62 days of an urgent GP referral for suspected cancer	85%	83.7%	77.0%	74.8%	69.3%
Percentage of patients receiving treatment for cancer within 62 days of referral from an NHS Cancer Screening Service	90%	95.7%	92.1%	84.7%	80.9%

Stroke

The National Institute for Health and Care Excellence (NICE) stroke quality standard provides a description of what a high-quality stroke service should look like. The Trust continues to perform well in most areas of the "gold standard" but has experienced difficulties in meeting the required target that patients attending our services with the signs and symptoms of stroke are admitted to our specialist stroke beds within four hours of arrival. This is reflective of the pressures seen across the country due to COVID-19 for non-elective services and the availability of beds. However, there has been a marked improvement in our transient ischaemic attack (TIA) services compared to previous years. This was achieved by improving our pathway and increasing service capacity to ensure that patients were seen within 24 hours from referral to outpatients for TIA appointments. Our overall performance for stroke services remains strong across Lancashire and South Cumbria.

	Target	2017/18	2018/19	2019/20	2020/21	2021/22
Percentage of stroke patients spending > 90% of their stay on a stroke unit	80%	89.0%	87.42%	87.10%	79.23%	80.13% **SSNAP Verified Dec 21
Percentage of stroke patients admitted to a stroke unit within four hours	90%	63.9%	62.71%	55.23%	54.80%	53.43% **SSNAP Verified Dec 21
Percentage of patients with TIA at higher risk of stroke seen and treated within 24 hours	60%	53.9%	68.62%	67.19%	69.24%	80.69%

Infection prevention and control

Reducing avoidable healthcare associated infections is a key part of the Trust's harms reduction strategy. Everyone has a part to play in infection prevention and control, and our team is dedicated to supporting the ongoing education and training of all staff to ensure we maintain the highest possible standards of cleanliness and reduce the incidence of infections.

In 2019-20 changes were made to the reporting algorithm whereby the number of days to identify hospital onset healthcare associated (HOHA) cases reduced from ≥ 3 to ≥ 2 days following admission and the addition of a prior healthcare exposure element for community onset healthcare associated (COHA) cases. In 2021-22 the Trust had an objective to have no more than 67 cases of Clostridium difficile (c. diff) infection. We are under our objective for 2021-22, reporting 56 cases, 35 of which are HOHA and 21 COHA. There were two cases of Methicillin Resistant Staphylococcus Aureus (MRSA) blood stream infection post two days of admission this year - this is a decrease from the three cases reported in 2020-21.

The Government ambition to reduce gram-negative bloodstream infections by 50% by 2021 has been revised and the aim is now to deliver a 25% reduction by 2021-2022, with the full 50% by 2024-25.

In 2021-22 our objectives for gram negative reduction were set at:

- no more than 142 E. coli cases, we reported 158 cases.
- no more than 35 cases of Klebsiella species, we reported 55 cases.
- no more than 8 Pseudomonas aeruginosa cases, we reported 6 cases.

We have continued to reinforce the need for high standards of infection prevention, including strict hand hygiene protocols across our sites, and continue with detailed monitoring at a directorate and divisional level via divisional performance dashboards. Our dedicated infection prevention and control meetings are attended by appropriate clinical representatives from each division to continue to reinforce the Trust's commitment to delivering safe care at every patient interaction.

East Lancashire NHS Trust intends to take actions to improve these rates and so the quality of its services by:

- Improving compliance with hand hygiene, antimicrobial prescribing and recommencement of antimicrobial quarterly audits.
- Continuing the post infection review process to enable any lapses in care across the health economy to be identified and rectified.
- The Trust will continue with its current approach of zero tolerance to hospital acquired infections and will aim to further reduce this rate year on year and so improve the quality of its services and patient experience.

Staff Experience indicators

The 2021 National Staff Survey demonstrated that the Trust has achieved its best ever response rate. As in previous years, a full census was undertaken and a total of 9,062 staff were eligible to complete the survey. 5,265 staff returned a completed questionnaire, giving a response rate of 58%, which is significantly above the average of 46% for combined acute and community Trusts in England, and shows a clear improvement from the response rate of 55% (4,795) in the 2020 survey.

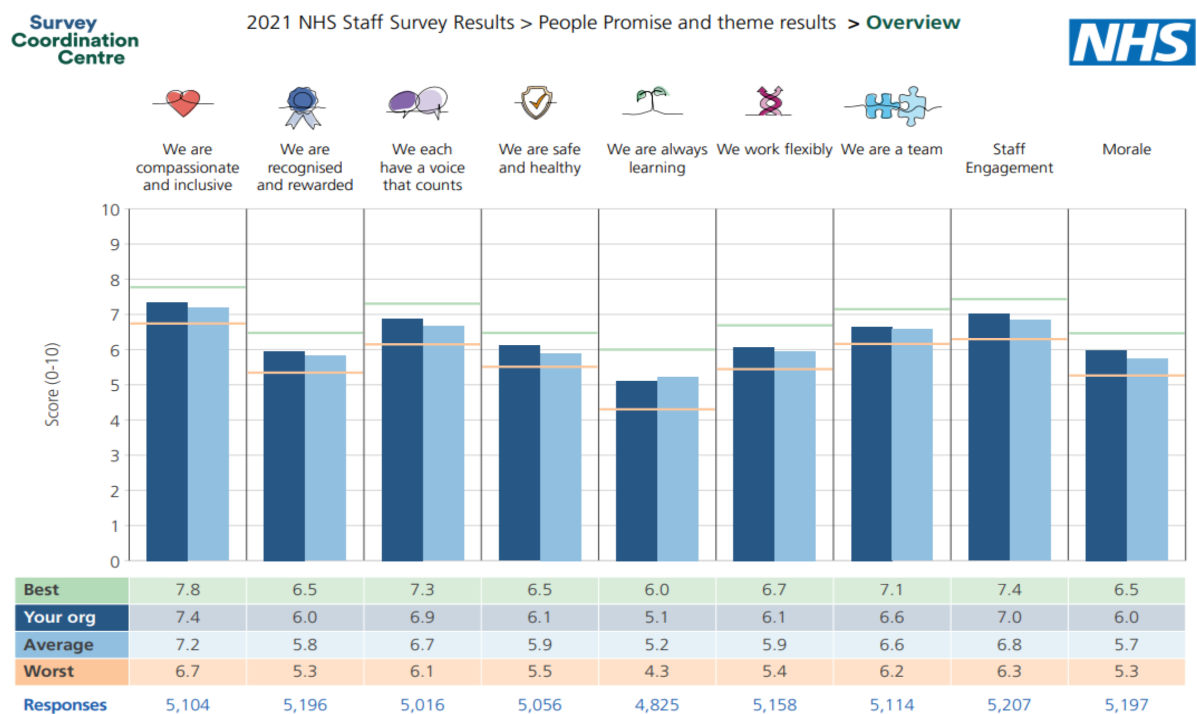
This is a clear indication that staff engagement has improved within the last 12 months and it can be seen that the response rate has significantly improved as a trend over the last 5 years by 14.8%.

The Trust staff satisfaction responses scored ‘above average’ for seven out of the nine themes when compared with all combined acute and community Trusts.

The Trust staff satisfaction responses scored ‘average’ for one of the nine themes when compared with all combined acute and community Trusts, which was “we are a team”.

The Trust staff satisfaction responses scored ‘below average’ for one of the nine themes when compared with all combined acute and community Trusts, which was “we are always learning”.

The graph below outlines the theme results for the nine staff engagement indicators:



	We are compassionate and inclusive	We are recognised and rewarded	We each have a voice that counts	We are safe and healthy	We are always learning	We work flexibly	We are a team	Staff Engagement	Morale
Best	7.8	6.5	7.3	6.5	6.0	6.7	7.1	7.4	6.5
Your org	7.4	6.0	6.9	6.1	5.1	6.1	6.6	7.0	6.0
Average	7.2	5.8	6.7	5.9	5.2	5.9	6.6	6.8	5.7
Worst	6.7	5.3	6.1	5.5	4.3	5.4	6.2	6.3	5.3
Responses	5,104	5,196	5,016	5,056	4,825	5,158	5,114	5,207	5,197

The results show that, as an organisation, we continue to commit to improving the support we provide for our most important asset, our staff. We know that high levels of employee engagement and satisfaction directly and indirectly influence the quality of patient care and customer satisfaction in our hospitals and clinics.

65% of respondents would recommend the Trust as a place to work and 69% of respondents would recommend it as a place for care or treatment, with both scores above the national average.

It is a positive sign that so many staff would recommend the Trust as a place for care or treatment and as a good place to work. As a Trust we will strive to further improve our staff engagement and satisfaction by continuing to embed our People Strategy.

Complaints

As a result of complaints made in the year 2021-22 and those investigated by the Parliamentary and Health Service Ombudsman (PHSO), action has been taken Trust-wide to ensure that any concerns raised lead to positive improvements and that lessons are shared. These are disseminated through ward meetings, divisional quality and safety meetings, patient stories and reports to the Quality Committee and Trust Board.

The main subjects of complaints in the year relate to:

- Clinical care and treatment
- Communication with patients and families
- Delays and cancellations of treatment or appointments

Many concerns raised are handled informally and are resolved at a ward or department level. This has maintained the reduction in the numbers of formal complaints over the last four years and has led to the remaining complaints relating to more complex clinical issues.

As a result of feedback about the complaints process, and in order to ensure that our correspondence meets the expected standards, changes have been made to the sign-off process to ensure that responses are checked divisionally, centrally, and clinically prior to final approval by the Trust's Chief Executive. In addition, to reduce the time taken from draft response to sign-off, the process takes place electronically where possible. The feedback and reduction in the number of complainants expressing dissatisfaction following receipt of a written response suggests that these changes to the process have been effective. Work continues to further improve the feedback process to gain insight into areas which may be subject to review.

The Customer Relations Team and divisions continue to work to reduce the numbers of outstanding complaints and the average time taken to respond to them. This involves weekly meetings to monitor progress of all complaints and additional meetings with the Chief Nurse for assurance in relation to any actions in place for the most longstanding complaints.

Training continues with different staff groups involved in complaints handling, including medical, nursing and administration staff to raise awareness of staff responsibilities, complaints policy, local resolution and response writing.

Environmental efforts

The Trust aims to limit the impact of its activities on the environment by complying with all relevant legislation and regulatory requirements.

Together with our local authority partners at Blackburn with Darwen and Lancashire County Councils, we have put significant effort into highlighting alternative ways of getting to and from our sites, including ensuring that bus routes provide access to the Trust to and from local population centres. The Trust also has a green travel plan that is reviewed and monitored by a Sustainable Development Committee, with membership across all divisions.

The development of the new £15.6 million ophthalmology unit, general outpatients, maxillofacial department and ancillary services facility at BGTH was assessed for its environmental performance using the building Research Establishment Environment Assessment Method (BREEAM) healthcare toolkit. This evaluated the procurement, design, construction and operation of that development against a range of targets based on performance benchmarks. The focus was on sustainable value across a range of categories, with the most influential factors including reduced carbon emissions, low impact design, adaption to climate change, ecological value and biodiversity protection. This development was rated as ‘Very Good’ against the BREEAM standards.

The Trust records and reports the impact its activities have on the environment. As part of the monitoring and reporting of greenhouse gas emissions, the Trust submits an annual emissions report under the EU Emissions Trading System (EU ETS) scheme. The Carbon Reduction Commitment Energy Efficiency Scheme (CRCEES) is another compliance tool that monitors the Trust against its carbon reduction target. Moreover, the Estates Returns Information Collection (ERIC) data submissions to NHS Digital generate performance information in comparison with other NHS Trusts across energy, water, waste, business travel and transport. This information feeds into the Model Health Programme (formerly Model Hospital).

The Trust has also used the Sustainable Development Unit self-assessment tool to establish progression across all its sustainable development goals. This informs the Trust of any areas where comprehensive action plans are required and where more resources will need to be applied.

Lancashire and Cumbria Integrated Care System.

In 2021-22 the Lancashire and South Cumbria Integrated Care System (ICS) continued to work to improve the delivery of more integrated health and care to the 1.7 million population in the geographical area in order to reduce clinical variability, address health inequalities, improve access standards and quality generally, and be more efficient in the use of resources.

The Trust's Executive Directors were heavily involved in helping to shape and respond to the needs of the local population in line with national priorities, guidance and new models of care. The work of the Executive team extended to broader leadership roles at a 'system' level, including playing pivotal roles in the following workstreams: cancer services, hyper acute stroke, vascular surgery services, pathology reconfiguration and the broader configuration of diagnostics services. They were also pivotal in supporting our system-wide response to the ongoing demands of the COVID-19 pandemic.

The In and Out of Hospital 'Cells' have continued to function effectively as part of a system-wide structure to ensure a rapid and coordinated response to the many challenges that have presented during and post-pandemic. This has included enhancing Critical Care capacity, maintaining elective activity as much was possible and delivering the COVID-19 vaccination programme. Our system-wide process with partners within the ICS and also at a local level within Place-based partnerships has allowed us to rapidly recover and restore elective care pathways post-pandemic.

ICS Governance arrangements have strengthened further this year, ensuring collaborative working between all partners and that they are fully reflective of the content of the White Paper 'Integration and Innovation: working together to improve health and social care for all' which was published in February 2021. These include an ICS Board and a Provider Collaboration Board (PCB) led by an independent Chair. The PCB comprises the Chairs and Chief Executives of the five NHS Trusts within the Lancashire and South Cumbria ICS and works to ensure a cohesive approach to the recommencement of work programmes and the recovery and restoration of services following the reduction in the incidence of COVID-19. A number of the Trust's Executive Directors hold 'Lead Director' roles for the PCB.

In 2020-21 the ICS produced its Clinical Strategy. The Trust's previous Clinical Strategy covered the five-year period 2016-21 and the vast majority of our aims and objectives were achieved or will be completed within 2022. A new Trust Clinical Strategy is being developed for 2022-2027, led by senior clinicians. This new Strategy aligns to the ICS Clinical Strategy and focuses on restoration of services in both emergency and elective care by building on our clinical strengths and our history of a proud and caring staff to deliver excellent healthcare and outstanding clinical performance. The Trust plans to extend its focus beyond helping people recover from ill health or injury by seeking to play a part in addressing the health and wellbeing of its local population and to drive health equity through whole system pathways of care.

Local health and care system vision

The Pennine Lancashire leadership (ELHT, East Lancashire Clinical Commissioning Group, Blackburn with Darwen Clinical Commissioning Group, Lancashire and South Cumbria Care NHS Foundation Trust, Blackburn with Darwen Council and Lancashire County Council) have continued to work effectively together in 2021-2022 to further develop the Integrated Care Partnership (ICP).

These partnership arrangements aim to secure improved sustainable outcomes for our population. The partnership approach extends between the NHS, Local Authorities, the third sector and patient groups.

Partners have continued to work together to develop and implement integrated neighbourhood teams and to develop high quality, seamless care delivered across the various agencies in Pennine Lancashire at a locality level.

There have been numerous examples of excellent joint working across traditional boundaries, for instance on developing the Ageing Well programme locally, the establishment of virtual wards and the development of a two-hour urgent community response. Staff from ELHT have continued to in-reach into care homes to support people in their local surroundings and to provide training and advice within the wider system.

A fantastic example of integrated working was the advent of the COVID virtual ward where senior clinicians from secondary and primary care worked seamlessly to care for patients with COVID-19 in the community setting thereby preventing admission to the extremely pressured hospital. This clinical model received regional and national plaudits and has

provided an exemplar to develop further integrated clinical pathways and the virtual ward model in 2022 and beyond.

The experience of dealing with the pandemic has brought partners more closely together than ever before and relationships have never been stronger. This provides the bedrock to further develop the ICP.

Stakeholder Engagement

Any patient or carer of a patient is welcome to attend our Public Participation Panel (PPP) to give us their views about the services we provide and work with us to improve them. Set up in 2018, PPP meetings offer the opportunity for independent observers to make a meaningful contribution to the development of Trust services.

A patient or staff story is presented at each public Board meeting. Patients/carers attend in person to relate their experience and identified opportunities for change/improvement direct to the Board. In addition to routine media activity, we work with patients from across the Trust to share their experience of our services. Stories from a purely patient perspective regularly appear in national and local publications.

The good relationships with the local, regional and national media provide an opportunity to publicly share our plans and developments and celebrate the skill and professionalism of our staff. Our social media accounts are proving an effective and engaging method of two-way contact. The Trust's average reach per week across its social media platform as are:

- Facebook – 39,116
- Twitter impressions – 231,525
- Instagram impressions – 398

Patient representatives are routinely involved in quality improvement (QI) projects. For example, the Frailty Care Pathway project, Electronic Patient Record project, development of an information booklet for patients, family and carers and the End-of-Life Steering Group.

To ensure our local MPs are appropriately updated with Trust activity they are invited to attend regular meetings with our Chief Executive.

The Trust works closely with Healthwatch Lancashire and Healthwatch Blackburn with Darwen and with the Carers Services for East Lancashire and Blackburn with Darwen. During normal times, regular meetings are held between the Trust and these organisations and representatives are invited to take part in quality improvement projects. These meetings have been continuing virtually, using Microsoft Teams. The Trust continues to be involved in and contribute to Healthwatch projects.

The Trust has established partnerships with the University of Central Lancashire (UCLan) and Blackburn, Burnley and Nelson and Colne colleges which help us attract local young people to come and work at the Trust. The Trust will benefit from students and graduates from UCLan's Medical School as well as IT, HR and Finance and other administrative professions.

The Trust works closely with the CCGs to ensure that issues raised by GPs and local healthcare providers via the CCG "Connect" mailbox, are investigated and responded to.

We are continuously working closely with our NHS partners. For example, in the Pennine Lancashire Together a Healthier Future programme, we are part of:

1. Partnership Leadership Forum
2. Transformation Steering Group
3. Care Professionals Board
4. Finance and Investment Group
5. Joint Cost Improvement/Quality, Innovation, Productivity and Prevention (QIPP) Plans
   Out of hospital working groups around development of the Integrated Neighbourhood Teams
6. On a wider Lancashire and South Cumbria footprint, we are part of the Integrated Care Partnership Board
7. Provider Collaboration Board
8. Acute and Specialist work stream
9. Working groups on ICS priorities, for example Stroke, urology, vascular, CAMHS, head and neck cancer, diagnostics etc.

Principal risks

The Trust has identified and assessed its risk areas and put in place mitigation strategies.

The Board Assurance Framework and Corporate Risk Register are regularly presented to the senior leadership and to the Directors at the Trust Board. The main risks outlined on the Board Assurance Framework during last year were:

1. Service Development and improvement schemes fail to deliver their anticipated benefits, thereby impeding the Trust's ability to deliver safe personal and effective care.
2. Recruitment, retention and workforce planning fail to deliver the Trust objectives.
3. Lack of effective engagement within the partnership organisations of the Integrated Care System (ICS) for Lancashire and South Cumbria and the Integrated Care Partnership (ICP) for Pennine Lancashire results in a reduced ability to improve the health and wellbeing of our communities.
4. The Trust fails to achieve a recurrent sustainable financial position and appropriate financial risk rating in line with the Single Oversight Framework. The Trust fails to achieve financial balance, at the end of the latter half of the financial year (H2).
5. The Trust fails to earn significant autonomy and maintain a positive reputational standing as a result of failure to fulfil regulatory requirements.

The Trust's assessment of risks 1, 2, 4 and 5 was that these were the highest risks with the most significant impact and likelihood.

Various actions were undertaken to reduce and mitigate the risks and the detail of those is provided in the Board Assurance Framework which is published as part of the Trust Board Reports. The Annual Governance Statement which follows later in the document describes the risk approach for the Trust and provides details of risk management across the organisation and gives more details about the significant risks that the Trust encountered in the year.

Signed: **Martin A. Hodgson** (electronically signed)
Martin Hodgson, Interim Chief Executive
Date: 17 June 2022

Accountability Report

Corporate Governance Report

STATEMENT OF THE CHIEF EXECUTIVE'S RESPONSIBILITIES AS THE ACCOUNTABLE OFFICER OF THE TRUST

The Chief Executive of NHS Improvement, in exercise of powers conferred on the NHS Trust Development Authority, has designated that the Chief Executive should be the Accountable Officer of the Trust. The relevant responsibilities of Accountable Officers are set out in the NHS Trust Accountable Officer Memorandum. These include ensuring that:

- there are effective management systems in place to safeguard public funds and assets and assist in the implementation of corporate governance
- value for money is achieved from the resources available to the trust
- the expenditure and income of the trust has been applied to the purposes intended by Parliament and conform to the authorities which govern them
- effective and sound financial management systems are in place and
- annual statutory accounts are prepared in a format directed by the Secretary of State to give a true and fair view of the state of affairs as at the end of the financial year and the income and expenditure, other items of comprehensive income and cash flows for the year.

As far as I am aware, there is no relevant audit information of which the trust's auditors are unaware, and I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the entity's auditors are aware of that information.

To the best of my knowledge and belief, I have properly discharged the responsibilities set out in my letter of appointment as an Accountable Officer.

Signed **Martin A. Hodgson** (electronically signed), Interim Chief Executive

Date 17 June 2022

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

The directors are required under the National Health Service Act 2006 to prepare accounts for each financial year. The Secretary of State, with the approval of HM Treasury, directs that these accounts give a true and fair view of the state of affairs of the trust and of the income and expenditure, other items of comprehensive income and cash flows for the year. In preparing those accounts, the directors are required to:

- apply on a consistent basis accounting policies laid down by the Secretary of State with the approval of the Treasury
- make judgements and estimates which are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts and
- prepare the financial statements on a going concern basis and disclose any material uncertainties over going concern.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the trust and to enable them to ensure that the accounts comply with requirements outlined in the above-mentioned direction of the Secretary of State. They are also responsible for safeguarding the assets of the trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

The directors confirm that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for patients, regulators and stakeholders to assess the NHS trust's performance, business model and strategy.

By order of the Board

Martin A. Hodgson (electronically signed), Interim Chief Executive Date: 17 June 2022

M Brown (electronically signed), Executive Director of Finance Date: 17 June 2022

Annual Governance Statement 2021-22

Scope of responsibility

1. As Accountable Officer and Chief Executive of East Lancashire Hospitals NHS Trust, I have responsibility for maintaining a sound system of internal control that supports the achievement of the 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 Trust is administered prudently and economically and that resources are applied efficiently and effectively. I also have responsibility for safeguarding the Trust's quality standards. In carrying out these obligations I and the Trust Board adhere to the NHS Codes of Conduct and Accountability. I also acknowledge my responsibilities as set out in the NHS Trust Accountable Officer Memorandum.

The purpose of the system of internal control

2. 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 East Lancashire Hospitals NHS 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.
3. There is sufficient energy and momentum across the Trust in effectively minimising and managing risks by strengthening and developing integrated and agile risk management systems and processes which are wrapped around appropriate governance, scrutiny, assurance and oversight. Datix is the principal risk management system while risk registers are used as repositories for risks. As a general principle, the Trust will seek to eliminate or effectively control all risks to patients, staff, and other stakeholders including those which pose a threat to its reputation.
4. The system of internal control has been in place in East Lancashire Hospitals NHS Trust for the year ended 31 March 2022 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

5. The way in which the Interim Chief Executive of the Trust maintains a sound system of internal control which supports the achievement of the Trust's policies, aims and objectives, whilst safeguarding the public funds and departmental assets include:
   a) Ensuring that the accounts of the Trust that are presented to the Board for approval are prepared under principles and in a format directed by the Secretary of State with the approval of the Treasury.
   b) Ensuring that the accounts disclose a true and fair view of the Trust's finances.
   c) Ensuring that managers at all levels have a clear view of their objectives and the means to assess achievements in relation to those objectives, have well defined responsibilities for making the best use of resources, have the training, information and access to expert advice they need to exercise their responsibilities effectively and are appraised and held to account for the responsibilities assigned to them.
   d) Ensuring the Trust achieves value for money from the resources available to it, avoiding waste and extravagance in the Trust's activities.
   e) Ensuring the implementation of any recommendations affecting good practice.
   f) Ensuring the National Audit Office is provided with information it requests and that the Trust co-operates with external auditors in their enquiries.
   g) Ensuring internal audit arrangements comply with the NHS Internal Audit Manual.
   h) Ensuring prompt action is taken in response to concerns raised by internal or external audit.
   i) Ensuring the Executive Director of Finance properly discharges her responsibilities for the effective and sound financial management and information and that the Trust meets the financial objectives set by the Secretary of State for Health and Social Care and the assets of the Trust are properly safeguarded.
   j) Ensuring that the Codes of Conduct and Accountability are promoted to and observed by staff.
   k) Ensuring appropriate advice is tendered to the Board on all matters of financial probity and regularity and all considerations of prudent and economical administration, efficiency and effectiveness.
   l) Ensuring that the appropriate action is taken if the Board or Chairman contemplates a course of action which I consider would infringe the requirements of propriety and regularity or adversely affect my responsibility for obtaining value for money from the Trust's resources.

6. As Accountable Officer, the Chief Executive has fulfilled these duties by:

a) Continuing to review and realign the responsibilities of the Executive Directors

b) Maintaining the Board focus, through my Chief Executive Report, on actions taken to address any areas of slippage on performance and advise the Board of emergent national and regional priorities.

c) Ensuring there is effective partnership between the Trust and the wider health economy and beyond and establishing processes to ensure that I and the senior management team have effective working relationships with our partner organisations', the Care Quality Commission (CQC), local commissioners and social care providers, local and regional education partners, local councils and MPs, other NHS providers including Trusts and GPs and the public.

d) Attendance at Chief Executive forums and other appropriate local, regional and national conferences.

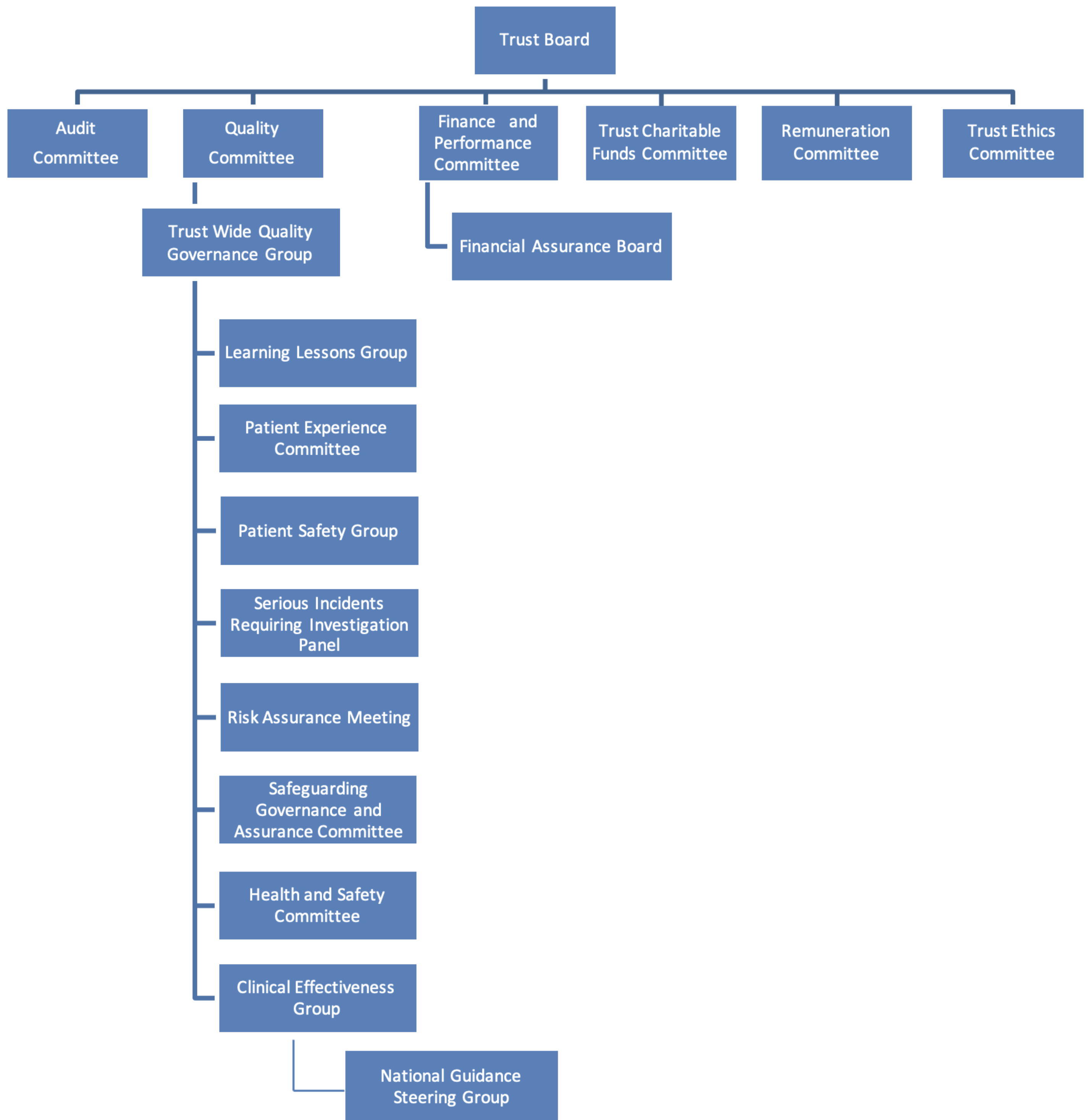
e) Attendance and pro-active participation at the meetings in relation to the Pennine Lancashire Integrated Care Partnership (ICP) and the Lancashire and South Cumbria Integrated Care System (ICS).

The Governance Framework of the Trust

Board Committee Structure

7. The Trust Board has overall responsibility for setting the strategic direction of the Trust and managing the risks to delivering that strategy. All committees with risk management responsibilities have reporting lines to the Trust Board.

8. The below Board and Committee structure continued to be in effect during the early part of the 2021-22 year due to the ongoing COVID-19 pandemic. The Trust Board and its immediate sub-committees continued in their original form, however their subsequent reporting committees operated with streamlined agendas and shorter meetings in order to release some capacity for senior managers to focus attention on the response to the pandemic. The Trust Wide Quality Governance Group (TWQG) continued throughout the year and had become a permanent Committee, which reports into the Quality Committee.


Trust Board
Audit Committee
Quality Committee
Finance and Performance Committee
Trust Charitable Funds Committee
Remuneration Committee
Trust Ethics Committee
Trust Wide Quality Governance Group
Financial Assurance Board
Learning Lessons Group
Patient Experience Committee
Patient Safety Group
Serious Incidents Requiring Investigation Panel
Risk Assurance Meeting
Safeguarding Governance and Assurance Committee
Health and Safety Committee
Clinical Effectiveness Group
National Guidance Steering Group

9. The Serious Incidents Requiring Investigation Panel continued to meet throughout the 2021-22 year. During the 2021-22 year the Trust has become a pilot for the Patient Safety Incident Response Framework (PSIRF), this is reported through to the Quality Committee and Trust Board.
10. Matters relating to Infection Prevention and Control (IPC) were addressed on a daily basis through the Incident Command and Control meetings and on a monthly basis through the Quality Committee. Healthcare Associated Infections (HCAI) reports were also provided to Divisional Quality and Safety Board (DQSB) meetings.
11. In addition, the Financial Assurance Board (FAB), which reports into the Finance and Performance Committee was stood down throughout the pandemic but has been re-established in quarter three of the 2021-22 year.
12. As a result of the COVID-19 pandemic the Trust established an Ethics Committee as a Sub-Committee of the Trust Board in May 2020; this Committee has been chaired by the Trust's Executive Medical Director and is attended by a number of Non-Executive Directors, Trust Senior Managers, the Director of Public Health from the Local Authority and an independent ethics expert. The Committee has several times since its inception but had only met once during 2021-22 as it has been agreed that the Committee will only take place when required going forward.

Board and Committee Attendance Records and Scope of Work

13. The Trust Board is responsible for monitoring the overall programme for management of risk across the organisation and its activities and decides the risk appetite of the Trust. The Trust Board sets the strategic direction of the Trust and receives regular reports on the performance of the Trust in meeting its objectives.
14. The Board recognises that its long-term sustainability depends upon the delivery of its strategic objectives, within these agreed parameters and also that the relationship with staff, patients, contractors and the public and stakeholders is key to the Trust's success. As such ELHT upholds a duty of care to ensure that Health and Safety is not compromised and therefore as such the Trust will not accept risks that result in a negative impact on Health and Safety. However, within regulatory constraints, the Trust has a greater appetite to take considered risks to pursue innovation and challenge and take opportunities where positive gains can be anticipated regarding organisational issues.

Y	Attended	D	Deputy attended	A	Apologies received

Name	Role	2021-22						
		May	June	July	Sept	Nov	Jan	Mar
Professor Fairhurst	Chairman	Y	Y	Y	Y	Y	Y	A
Mr McGee	Chief Executive/Accountable Officer (until 31 August 2021)	Y	Y	Y				
Mr Hodgson	Deputy Chief Executive/Executive Director of Service Development (to 31 August 2021) Interim Chief Executive (from 1 September 2021)	Y	Y	Y	Y	Y	Y	Y
Mrs Anderson	Non-Executive Director	Y	Y	A	Y	Y	Y	A
Mrs Atkinson	Interim Director of Service Development						Y	Y
Professor Baldwin	Non-Executive Director	Y	Y	Y	A	A	Y	Y
Mr Barnes	Non-Executive Director	Y	Y	Y	A	Y	Y	Y
Mrs Brown	Executive Director of Finance	Y	Y	Y	Y	Y	Y	Y
Mr Catherall	Associate Non-Executive Director (until 17 August 2021, Mr Catherall resigned formally from the Board in February 2022)	Y	Y	Y				
Mrs Gilligan	Chief Operating Officer	Y	Y	Y	Y	Y	Y	Y
Mr Husain	Executive Medical Director	Y	A	Y	Y	Y	Y	Y
Miss Malik	Non-Executive Director	Y	Y	Y	Y	Y	Y	Y
Mr McDonald	Executive Director of Integrated Care, Partnerships and	Y	Y	Y	Y	A	Y	Y

Name	Role	2021-22						
		May	June	July	Sept	Nov	Jan	Mar
	Resilience							
Mr Moynes	Executive Director of HR and OD	Y	Y	Y	Y	Y	Y	Y
Mrs Patel	Associate Non-Executive Director	Y	A	Y	Y	Y	A	Y
Mrs Pearson	Executive Director of Nursing	Y	Y	Y	Y	Y	Y	Y
Mr Rehman	Non-Executive Director	Y	Y	Y	Y	Y	Y	Y
Mr Smyth	Non-Executive Director	Y	Y	Y	Y	Y	Y	Y
Mr Wedgeworth	Associate Non-Executive Director	Y	Y	Y	Y	Y	Y	Y
Miss Wright	Executive Director of Communications and Engagement	Y	Y	Y	Y	Y	Y	Y

15. The Audit Committee is the high-level risk committee operating on behalf of the Board and concerns itself with the function and effectiveness of all risk committees. It is charged with ensuring that the Board and Accountable Officer gain the assurance they need on governance, risk management, the control environment and the integrity of the financial reporting

Name	Role	2021-22				
		Apr	June	August	Oct	Jan
Mr Smyth	Non-Executive Director (Committee Chair)	Y	Y	Y	Y	Y
Professor Baldwin	Non-Executive Director	Y	Y	A	Y	Y
Mr Barnes	Non-Executive Director	Y	Y			
Mr Rehman	Non-Executive Director	Y	Y	Y	Y	Y

16. The Quality Committee provides assurance to the Board that all aspects of the delivery of safe, personal and effective care are being appropriately governed and that the evidence to support that assurance is scrutinised in detail on behalf of the Board.

Name	Role	2021-22										
		Apr	June 1	June 2	July	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Mrs Anderson	Non-Executive Director (Committee Chair)	Y	A	Y	Y	Y	Y	Y	Y	Y	Y	Y
Mr Husain	Executive Medical Director	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Miss Malik	Non-Executive Director	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Mr McDonald	Executive Director of Integrated Care, Partnerships and Resilience	Y	Y	Y	Y	A	Y	Y	Y	Y	Y	Y
Mr Moynes	Executive Director of HR and OD	D	D	A	A	D	D	D	D	D	A	D
Mrs Patel	Associate Non-Executive Director	Y	Y	Y	Y	Y	Y	Y	Y	A	Y	Y
Mrs Pearson	Executive Director of Nursing	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Mr Wedgeworth	Associate Non-Executive Director	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y

17. The role of the Finance and Performance Committee is to provide assurance on the delivery of the financial plans approved by the Board for the current year, develop forward plans for subsequent financial years for consideration by the Board and examine in detail risks to the achievement of national and local performance and

activity standards. It maintains an overview of the financial and performance risks recorded on the Board Assurance Framework.

Name	Role	2021-22								
		Apr	June	July	Aug	Sept	Nov	Dec	Jan	Feb
Mr Barnes	Non-Executive Director (Committee Chair)	Y	Y	Y	Y	Y	Y	Y	Y	Y
Mrs Atkinson	Interim Director of Service Development							Y	Y	Y
Mrs Anderson	Non-Executive Director	Y	A	Y	A	Y	Y	Y	Y	Y
Mrs Brown	Executive Director of Finance	Y	Y	Y	A	Y	Y	Y	Y	Y
Mr Catherall	Associate Non-Executive Director (until 17 August 2021, Mr Catherall resigned formally from the Board in February 2022)	Y	Y	Y	Y					
Mrs Gilligan	Chief Operating Officer	Y	Y	Y	Y	Y	Y	A	Y	Y
Mr Hodgson	Deputy Chief Executive/Executive Director of Service Development (to 31 August 2021) Interim Chief Executive (from 1 September 2021)	Y	A	Y	Y	A	Y	D	Y	Y
Mr McDonald	Executive Director of Integrated Care, Partnerships and Resilience	Y	Y	Y	Y	A	A	Y	Y	A
Mr Rehman	Non-Executive Director	Y	Y	Y	Y	Y	Y	Y	Y	Y

18. The remit of the Ethics Committee was to provide a mechanism within the Trust for the discussion of ethical issues arising from COVID-19 which may have had an impact on

how clinical practice was delivered, ensuring that care continued to be provided in a fair and equitable way.

Name	Role	2021-22
		Jan
Mr Husain	Executive Medical Director (Committee Chair)	Y
Mrs Anderson	Non-Executive Director	Y
Professor Baldwin	Non-Executive Director	Y
Mrs Pearson	Executive Director of Nursing	Y

Board Performance and Effectiveness

19. The Board is committed to continuous improvement and development. The Trust has worked with the Good Governance Institute (GGI) since 2015 when it carried out an independent review of the Board's performance. A resultant action plan was developed and completed which paid particular attention to the well-led framework as well as other governance matters to ensure the Trust's ongoing improvements in corporate and clinical governance. Part of the work focused on a measurement of the Board against the Good Governance Institute Matrix of Board Maturity and the action plan was developed to promote and evidence evolution of behaviours and processes. During 2021-22 the Board continued to work with the Good Governance Institute and had several Board development and strategy session discussions around the challenges of the evolving health sector landscape and the opportunities for the organisation to continue on its journey of delivering safe, personal and effective care to the population of East Lancashire and indeed the Lancashire and South Cumbria population whilst improving our governance systems and processes and providing increasingly robust assurance.
20. The Trust Board considers the success of each Trust Board meeting in public at the conclusion of the meeting with particular focus on whether Board members have had sufficient focus on aspects such as patient experience, quality, risk and partnership working.

21. The Care Quality Commission (CQC) carried out a Well Led Review of the Trust on the 25 and 26 September 2018. The outcome of the review has resulted in the Trust being awarded an overall rating of “Good” with areas of “Outstanding” by the regulator.
22. The Trust has a clear vision, objectives, values, operating principles and improvement priorities. The hospital services are supported by strong governance processes including well managed risk registers and processes feeding into the Trust Board. This ensures a robust overview of the risks within the organisation. There is on-going work to enhance the Board Assurance Framework and risk management in the Trust and this is included in the action plan from the CQC Well Led Review which is regularly monitored through the Quality Committee.
23. The Trust has a Clinical Strategy in place and has worked throughout the second half of the 2021/22 year with the Board and Divisions to refresh the strategy to reflect the priorities across the Integrated Care System, Provider Collaborative Board and Place Based Partnership. The strategy is also reflective of the challenges and opportunities which the COVID-19 pandemic has presented as we seek to restore services and transform the way that we work to ensure we continue to deliver safe, personal and effective care and recognising our role as an anchor institution and, as an integrated care organisation, impacting positively on population health management.
24. The Board held a strategy session, with input from Clinical Divisions, on 13 April 2022 to continue this work and work is now planned to engage with staff, patients and our system partners to finalise the five-year strategy and immediate plans for the forthcoming year.
25. The Trust’s strategy deployment process brings together planning and delivery, to ensure there is a ‘golden thread’ from the NHS Long Term Plan, National Planning guidance, Healthier Lancashire and South Cumbria plans, the Pennine Plan, ELHT’s Clinical Strategy, the corporate Operational Plan and the individual Clinical Divisional and Directorate operational delivery plans.
26. The Trust has a track record of delivery against our Clinical Strategy and Service Development and Improvement plans, delivered in conjunction with our partners, to make a tangible difference to patient care. Recent examples include the restoration and expansion of our elective services, ongoing redesign and improvement of our emergency care pathway and the rapid development of new out of hospital services to support our COVID-19 response including the development of our COVID virtual ward and long-COVID services. The Trust Board has undertaken a programme of Board development with an external partner since 2015 and this has elements of both self

and external assessment. The Board is committed in its support of continuous learning and professional development; is clear on roles and accountabilities in relation to Board governance and there are clearly defined and understood processes, for escalating and resolving issues and managing performance. The Trust Board ensures that it actively engages with its patients, staff and other stakeholders as appropriate on quality, operational and financial performance. Reports are taken to the Trust Board at each meeting on matters of performance and through the assurance committees of the Trust.

Highlights of Board Committee Reports

27. The Audit Committee has been active throughout the year in providing assurance on governance, risk management, the control environment and the integrity of the financial statements. Reports have been considered in detail from management representatives where "limited assurance" opinions have been given by the internal audit service. Audit Committee members assess the strength of assurances received from a number of sources over the course of the year. These sources include but are not limited to:
    a) Internal Audit Reports
    b) External Audit Reports
    c) Anti-Fraud Service Reports
    d) The Quality Committee
    e) The Finance and Performance Committee
    f) External reviews commissioned by the Trust
    g) Management responses to internal audit reports, providing updates on actions taken to address any recommendations given as a result of audits.
    h) Media reports
    i) Learning from other organisations
    j) Reports from internal service providers.
28. The Trust Board has additionally considered a number of annual reports, including, but not limited to those in relation to Infection Control, Emergency Planning, Winter Planning and the recommendations of national reports.
29. Until the 31 August 2021 the Trust's Chief Executive was jointly appointed for the Trust and Blackpool Teaching Hospitals NHS Foundation Trust and was also the cell lead for the ICS Hospital Cell. From the 1 September 2021 the Trust has appointed an

Interim Chief Executive who has been the Deputy Chief Executive for a number of years prior.

Quality Governance

30. The Trust is committed to the continuous improvement of the quality of care given to local people and, in so doing, achieving our organisational aim 'to be widely recognised for providing safe, personal and effective care'. All Executive Directors have responsibility for Quality Governance across their spheres of activity and the Executive Medical Director is the delegated lead for Quality on the Board overall.

31. Quality monitoring occurs through our Clinical Governance structure, reporting to the Board via the Quality Committee. The Quality Committee is informed by the TWQG, Serious Incidents Requiring Investigation (SIRI) Panel, Clinical Effectiveness Group (CEG), Patient Safety and Experience Group (PSG), Health and Safety Committee (H&SC), Internal Safeguarding Board and Infection Prevention and Control Sub-Committee. During the continued COVID-19 pandemic these sub-committees have reported directly through the TWQG to ensure relevant governance and escalation is in place. Divisional Directors or their agreed deputies attend and report at these committees. Reporting in Divisions replicates this corporate structure to ensure consistent reporting from 'floor to Board'.

Safe

Incident Management

32. The Trust has robust systems to manage and learn from incidents. The Board receives a regular written report on serious incidents requiring investigation at each meeting held in public where new incidents are reported and an update is given in relation to the progress of the management of incidents, including Duty of Candour and what lessons have been learnt as a consequence of the incident investigation process and how the lessons have been translated to deliver improvements in the quality and safety of services.

33. The Trust also has a SIRI Panel, chaired by a Non-Executive Director, and an Extra-ordinary Panel for Pressure Ulcers to support the management of these. The Panel reviews the investigations undertaken as a result of Never Events and Serious Incidents to ensure that a thorough review is completed, the Duty of Candour is observed and that learning from incidents is circulated appropriately across the organisation. The Panel had senior representatives from local commissioning

organisations during the year and provides assurance to the Quality Committee on the matters within the remit of its terms of reference.

34. Incidents are reported in accordance with the NHS England Serious Incident Framework (SIF) and no significant control issues have been identified as a result of the incidents investigated during the course of the year.

35. On 1 December 2021 the Trust started reporting incidents in accordance with the new Patient Safety Incident Response Framework (PSIRF), which is replacing the SIF, as an early adopter. Under this new framework the Trust are now only required to external report the following incidents:
    a) Incidents meeting Never Event criteria
    b) Patient deaths identified as being more likely than not due to problems in care following a case record review
    c) Mental Health related homicides
    d) Maternal and neonatal deaths that meet the current ‘Each Baby Counts’ criteria
    e) Trust Five Local Priorities (Falls leading to fracture neck a femur, 104 cancer breach causing harm, communication issues with do not attempt cardiopulmonary resuscitation (DNACPR), Emergency Department internal transfers and nil by mouth in vulnerable adults).

36. Under the new PSIRF, authority has moved from the CCG to the Trust Board for the overview and approval of external reported investigations reports and safety improvement actions and this will be in place for 2022-23.

Patient Safety Specialists

37. As part of the introduction of the National Patient Safety Strategy, in November 2021 we established Patient Safety Specialist roles as part of our Quality Governance team and as referenced above, in December 2021 we transferred from the SIF (2015) as an Early Adopter for the PSIRF.

Risk Management Strategy, Policy and Plan

38. The Trust's Risk Management Framework was approved in March 2021 and includes escalation and governance arrangements from `Ward to Board`. The Risk Management Framework (RMF) has been designed to act as a Policy, Strategy and Procedure to replace the previous Risk Management Policy and was launched Trust Wide in April 2021.

39. The Trust is committed to implementing a structured, standardised, systematic, integrated, comprehensive, performance-based and whole-system approach to managing both operational and strategic risks. The Trust's risk management process which includes establishing the context, risk identification, assessment, prioritisation, monitoring and review is:
    - a) Based on best available information, for example, data.
    - b) Systematic, consistent, timely and underpinned by a structured enterprise-wide approach that seeks to contribute to efficiency and reliable results.
    - c) Transparent and inclusive and involves appropriate stakeholders at all levels of the organisation.
    - d) Enhanced training delivered digitally and face to face throughout the Trust.
    - e) Dynamic, iterative and responsive to change.
    - f) Capable of continual improvement and enhancement in patient care and safety.
    - g) Wrapped around the values of the Trust – Value-Based Risk Management.
    - h) Focused on encouraging staff to continuously scan the horizon for emerging risks and to ensure appropriate mitigations are in place.
    - i) Driven by the need to develop and strengthen staff capacity and capability in risk management through education and training.
    - j) Underpinned by a succinct Risk Management Framework which is available on the Trust's intranet system for staff to access, explore and utilise.

40. The Trust uses Equality Impact Assessments as part of its policy development and ratification process. Policies are assessed against the equality standards and are integrated into the process through the Trust's Policy Council. In the temporary absence of the Policy Council due to the COVID-19 pandemic, the Trust has regularly reviewed its policies in the TWQG and has sought assurance from Policy Owners that policies are fit for purpose to be granted extensions due to the pandemic.

41. Sharing the learning through risk related issues, incidents, complaints and claims is an essential component to maintaining the risk management culture within the Trust. Learning is shared in a wide variety of ways at departmental, divisional and corporate

levels through a number of face-to-face meetings, bulletins and regular updates provided to wards.

Learning is acquired from a variety of sources including:

a) Analysis of incidents, complaints and claims and identification of trends with appropriate mitigating actions
b) External inspections
c) Internal and external audit reports
d) Clinical audits
e) Outcome of investigations and inspections relating to other organisations
f) Quality Improvement Programmes

Personal

Learning from Complaints and Patient Experience

42. The Trust has focused on continuing to improve responses to patients and families' concerns and complaints; through strengthening the communication with complainants and providing rigorous investigations that understand the causes of the dissatisfaction. As stated within this document, complaints and the learning from them are closely aligned to incident reporting and Quality Improvement, so not only the individual and area will learn from identified issues, but the organisation as a whole. Key to the Trust's approach is to keep the patient central to the process.

43. Patient Experience is pivotal in all aspects of how the Trust deliver patient care, and to the wider support of their families; with the Patient Experience team supporting staff to enhance all parts of their interactions with patients. The Patient Experience team gather, share and utilise patient experience metrics collated from sources such as Friends and Family Test, national surveys regarding Inpatient, Maternity, Urgent / Emergency Care and Children and Young People. They are also involved in analysing local surveys, where patients and carers have given their views; helping staff to interpret the information into genuine service improvements.

44. The Public Participation Panel (PPP) is well embedded within the organisation with members actively involved in several meetings and projects with staff, some of these being:

a) Nutrition and Hydration Group – working to ensure we consistently deliver and improve nutrition and hydration for vulnerable adults.

b) End of Life Care Strategy and Operational Group – enabling our staff and developing process to consistently deliver excellent care for our patients, and their loved ones

c) Patient Safety and Experience Group – contributing the review, monitoring, and challenge of the Trust's governance.

45. The Children and Young People's Forum are working in partnership with a local secondary school and Healthwatch Blackburn with Darwen to strengthen the influence of the services young people receive.

Effective

Clinical Effectiveness

46. The Trust has a Clinical Effectiveness Team which reports regularly to the Clinical Effectiveness Group (CEG), which is a sub-committee of the Quality Committee monitoring the quality and safety of care against national best practice indicators. For the past 12 months during the COVID-19 pandemic the sub-committees has reported directly through the TWQG to ensure relevant governance and escalation is still managed. We have established a National Guidance Steering Group (NGSG) to coordinate all relevant standards internally and monitor implementation. This group coordinates and monitors the implementation of National Institute for Clinical Excellence (NICE) guidance. Having identified areas for improvement, the Quality Improvement team supports clinical teams in the implementation of improvement and action plans and measuring the effectiveness of tests of change on an on-going basis. An annual summary of the work of the Clinical Audit and Effectiveness Department is reported to the Quality Committee.

47. The Trust acknowledges the value of utilising best practice evidence and benchmark data to improve outcomes. As such, the Clinical Divisions are actively engaged in the Getting It Right First Time (GIRFT) programme and utilising the Right Care and Model Hospital data. The Trust reviewed the current systems and processes which support the engagement in these programmes and GIRFT is co-ordinated through our wider Clinical Audit and Effectiveness Team.

Quality Improvement

48. In order to support the delivery of safe, personal and effective care the Trust has a robust process for the identification and agreement of key improvement priorities. The improvement priorities fall into five key areas: Quality, People, Non-Elective Care,

Elective Care and Outpatients. Each of the areas has an Executive Lead and members of the Improvement Hub Team assigned to support delivery. The Quality priorities include the Harms Reduction Programme (Falls, Deteriorating Patient, Maternity Neonates, SAFER Surgery, Medication Errors, Hand Hygiene), Nutrition and Hydration, End of Life Care and a range of projects identified by Divisional Teams linking to Clinical Effectiveness (reliability) and Patient Experience. Progress and assurance on improvement plans has been reported to both the Quality Committee and Finance and Performance Committee.

49. During 2021-22 the Improvement Hub team has sought to further embed the SPE+ (Improving Safe, Personal and Effective Care) improvement method. The six phases are noted to be: Understand; Co-Design, Test and Adapt; Embed; Spread and Sustain. The team have supported a number of multi-agency Improvement Weeks (#LSCTogether) focussed on supporting the emergency pathway and delivery of the Emergency Care Improvement Plan, generating learning both across the Pennie Lancashire Placed-based Partnership and wider Lancashire and South Cumbria Integrated Care System.

50. During 2021-22 the organisational improvement training offer has been redesigned and relaunched and we have continued to support professionals in training to develop and participate in quality improvement projects. The Trust also supports 80 Year 4 Medical Student from the University of Central Lancashire (UCLan) to undertake an improvement project which have been aligned to the wider Trust Improvement priorities.

51. Staff from across the Trust have over 300 improvement projects currently registered on the Trust Improvement Register. The Improvement Register is available via PowerBI to view, enabling sharing of good practice. The monthly Trust Improvement Report Out is run virtually and enables staff to come and present their Improvement Projects and results/learning.

52. The Trust has adopted the Care Quality Commission (CQC) methodology of assessment to use on a regular basis to understand how quality governance arrangements are working across all spheres of activity by undertaking mini assessments. Regular meetings with the CQC enhance a wider understanding of our progress and ensure that we can access learning from other organisations. The Trust was last inspected by the CQC in August/September 2018. The outcome of the inspection was that the Trust was awarded an overall rating of ‘good’ with some areas rated as ‘outstanding’.

53. Regular updates are provided at ward level to share the learning and improvement work that has been initiated within the organisation following the identification of challenges, serious incidents and/or common themes.

Data Quality

54. The Trust has a monthly Contracting and Data Quality Group. The group reviews the Secondary Uses Service data quality dashboards and the data quality summary dashboard provided by Dr Foster. We also have online reports for key data quality risks with named leads for each data quality risk and an overall data quality log, including risk scoring.
55. We work closely with the local Clinical Commissioning Groups, Commissioning Support Unit and Integrated Care System to manage any data quality issues.
56. East Lancashire Hospitals NHS Trust submitted records during 2021-22 to the Secondary Uses Service for inclusion in the Hospital Episode Statistics which are included in the latest published data.
57. The Trust undertakes a weekly review at specialty level of all patients which includes quality and accuracy of elective waiting time data.
58. The Trust has been working closely with NHS England and NHS Improvement (North West) to improve the quality of the Emergency Care Dataset.

Discharge of Statutory Functions

59. As Accountable Officer my enquiries have confirmed that there are arrangements in place for the discharge of statutory functions and that the arrangements have been checked for irregularities and they are legally compliant. The Trust has taken action to ensure that the estate is statutorily compliant and that compliance processes are audited and monitored through the Estates and Facilities Quality and Safety Board and Trust Quality Committee. The Trust has confirmed compliance with Emergency Planning, Resilience and Response (EPRR) requirements in line with the Civil Contingencies Act 2004 and has substantial compliance with the associated EPRR standards.
60. The Trust Board endorses the Trust's risk management and governance policies and processes which clearly identify the Board's responsibilities and accountability arrangements. These are reflected in the Trust's Standing Orders and Standing Financial Instructions, the Scheme of Reservation and Delegation and the Trust's

Performance Accountability Framework. These are, in turn, repeated in the internal guidance and policies of the organisation.

61. Scrutiny by the Trust's Non-Executive Directors and internal and external auditors provide assurance on the systems and operation of the processes for internal control across the whole of the Trust's activities including probity in the application of public funds and in the conduct of the Trust's responsibilities to internal and external stakeholders.

62. In addition to the Committees outlined in the diagram earlier in this document which have Non-Executive Director membership, the Trust also has the Senior Leadership Group. The function of this group is to provide a forum by which the senior staff in the organisation can assist in the development of strategies to present to the Board; monitor operational delivery against the Trust's strategic objectives and policies; advise the Board on the emerging risks to operational and strategic objectives; and the mitigation plans being deployed to ensure the delivery of safe, personal and effective care.

63. The Trust risk management process clearly identifies a score-based system in allocating responsibility for reviewing and scrutinising risks to specific committees and individuals. Directorate and Divisional risk registers are reviewed and discussed at appropriate directorate and divisional meetings. The Corporate Risk Register, the Trust-wide Risk Register and Board Assurance Framework are also sighted at appropriate meetings which include Risk Assurance Meeting, Quality Committee and the Trust Board. Risk register reports are reviewed and scrutinised at the above meetings to provide assurance as well as consistently confirm the Trust's attachment to the robust scrutiny, governance and oversight of our risk management culture. Whilst risks scoring 1-8 and 9-12 are managed at Directorate and Divisional levels respectively, those scoring 15 and above are escalated by the Divisions for consideration by the Risk Assurance Meeting for inclusion onto the Trust Corporate Risk Register. The risks on the Corporate Risk Register and the Board Assurance Framework are linked and they inform each other. The Trust received an internal audit report within the financial year in relation to its risk management systems which identified areas for improvement and development. The Trust is addressing the recommendations and it is monitored through the Audit Committee.

64. The Board has in place established risk management groups and supporting governance structures that together are responsible for identifying, assessing, managing and reporting the risks associated with clinical, corporate, financial and

information governance. The Medical Director has the lead responsibility for the risk management processes including the development and implementation of the Board Assurance Framework, Risk Management Framework and associated learning and development to ensure all staff are appropriately trained and supported thereby ensuring our risk management processes are thoroughly embedded across the organisation.

65. The Executive Medical Director is supported by the members of the Executive Team in providing leadership to the risk management process. Executive Directors are lead directors for the strategic risks on the Board Assurance Framework. In this way the senior leaders in the organisation have an operational and strategic oversight of the key risks to achieving the Trust's strategic objectives. The Trust Board receives a regular update on recommended changes to the Board Assurance Framework and takes into account the progress of mitigation plans, positive assurances received since the last report to the Trust Board, and gaps in assurance identified in the period. In addition, the Sub-Committees of the Trust continue to undertake deep dives of the risks on the Board Assurance Framework (BAF). Work to refine the BAF was carried out in quarter 4 of the 2020-21 year and a revised BAF was presented to the Board in March 2021 for approval. The Board is currently carrying out an annual review of the BAF risks that has commenced in quarter 4 of the 2021-22 financial year with a view to providing a revised version of the BAF to the sub-committees and the Trust Board in quarter one of 2022-23. As part of the review the Board will also revisit the risk appetite statement for the organisation, which was last revised in quarter two of the 2021-22 year.

66. The Executive Medical Director, as Responsible Officer, reports directly to the Chief Executive Officer. The Executive Medical Director has oversight of the systems and processes to ensure there is strong clinical education across the whole of the organisation, that medical revalidation arrangements are robust and effective and that the professional standards required of our medical staff are met, addressing any shortcomings effectively within the guidance issued by the General Medical Council. The Caldicott Guardian, who reports to the Executive Medical Director, is the senior person responsible for protecting the confidentiality of patient and service-user information and enabling appropriate information-sharing.

67. The Executive Director of Nursing provides professional leadership to nursing and midwifery staff within the organisation and provides senior leadership along with the Executive Medical Director, to the organisation in relation to patient safety and quality

of service delivery. They are supported by the Director of Nursing and Divisional Directors of Nursing within the clinical divisions, who ensure there is a continuing focus on the delivery of safe, personal and effective care. As a senior leadership team, they ensure that there are sufficient appropriately qualified nursing and midwifery staff deployed on a daily basis to meet the levels of capacity and acuity and to meet safe staffing requirements.

68. The CQC action plan is regularly monitored, and the Trust meets with the CQC on a regular basis.

69. The Executive Director of Finance is accountable to the Trust Board and Chief Executive for the Trust's financial risk management activities. They are responsible for ensuring that the Trust carries out its business of providing healthcare within sound Financial Governance arrangements that are controlled and monitored through robust audit and accounting mechanisms that are open to public scrutiny on an annual basis. She also has delegated responsibility for 'Registration Authority'. The Executive Director of Finance is the Board lead for Information Security and the Senior Information Risk Officer (SIRO).

70. The Chief Operating Officer is responsible for the overall management of all patient services, ensuring that all key access targets are met.

71. The Executive Director of Integrated Care, Partnerships and Resilience is the Accountable Emergency Officer under the 2004 Civil Contingencies Act and the Trust Lead for Emergency Preparedness, Resilience and Response. The Trust also has a nominated Non-Executive Director with oversight of EPRR within their specific duties.

72. The Executive Director of HR and OD is responsible for the management of risks within their areas of operational responsibility, especially those risks associated with health and wellbeing, bullying, harassment and culture. They are responsible for ensuring provision of employment services across the Trust and ensuring that there is a systematic approach to managing the risks of employment checks and professional clinical registration.

73. Each clinical division is further supported by Quality and Safety Leads working with the divisions and reporting to the Associate Director of Quality and Safety, who reports to the Executive Medical Director and Executive Director of Nursing.

74. The Trust supports the whole workforce to ensure they are appropriately trained and equipped to manage risk relevant to their role and requirements.

75. All staff are required to complete Core Skills Training (CST) and any essential to role training identified by their line manager. All managers have access to live CST

compliance reports via the Learning Hub. Staff and their managers will receive 90, 60 and 30-day reminders of any CST due, enabling them to schedule this in. However, owing to the need to ensure sufficient operational capacity to manage the COVID-19 pandemic, the decision was made to temporarily step down the requirement for training that was not 'essential to role'. Similarly, the need to undertake appraisals was halted during the pandemic. Both CST and appraisal compliance have since been reinstated and renewed focus is being applied to achieve required levels of compliance.

76. As part of the appraisal process all staff have the opportunity to contribute to their development via the Learning and Development Journey and are able to further support their personal and professional development using the e-portfolio area of the Learning Hub. The Appraisal framework has also been reviewed to provide the opportunity for an individual health and wellbeing conversation in order to ensure that staff have the support required to remain healthy and well.

77. The Agency Group meets monthly to review the detail and identify appropriate actions to ensure maximum use and productivity of our workforce. These groups report into the Executive Oversight Committee that meets monthly to review agency spend and receive assurance that risks, and hotspot areas, are being addressed in order to reduce agency spend. There are multiple workstreams which underpin our programme to reduce agency spend and ensure the most effective use of our resources.

The Risk and Control framework

78. The Trust Risk Management Framework supports the development of an organisation-wide and integrated risk management culture that not only embeds an awareness of safety and risk alertness across all levels of the Trust but empowers staff to frequently scan the horizon for emerging risks. This is also underpinned by an enterprise-wide and consistent approach which includes appropriate ranking, grading, prioritisation, management, escalation and governance of risks in accordance with best practices. This equally ensures that both operational and strategic risks are consistently managed and mitigated to acceptable or tolerable levels. Significant residual risks are openly accepted, monitored and managed by systematically addressing any gaps in control via action plans while reducing their potential impact to both individuals and the organisation as far as reasonably practicable. Analysis of the severity and likelihood of risks determines their overall ratings, level of management and governance. The overarching performance management framework for risk management within the organisation endeavours to ensure that there are appropriate controls in place to

mitigate and manage any risks to the delivery of key performance targets. National priorities highlighted either by NHS England/Improvement or the Care Quality Commission are systematically reported to the Trust Board while risks to the achievement of strategic objectives are monitored through the Board Assurance Framework.

79. The objective of the Risk Management Framework is to support the development of a culture that not only embeds an awareness of safety and risk across all levels of the organisation but ensures the application of a consistent approach to a risk management process, thus allowing risks to be ranked and graded in order that they may be prioritised. This minimises and mitigates risk to acceptable levels. Where significant risks remain, we can openly accept and monitor those risks, systematically addressing any gaps in control measures and reducing their impact to both individuals and the organisation so far as reasonably practicable. This is done in line with the Trust's Risk Appetite which has been revised in July 2021 and is due for an annual review by the Board in quarter 1 of 2022-23.

80. The identification of risk to the organisation achieving its objectives is undertaken by staff at all levels of the organisation. The Trust focuses on a proactive identification of risks although staff may also identify risks reactively from the following internal and external sources:
    a) Non-Clinical Risk Assessments
    b) Incident reports, Deep Dives, Internal Reviews, Walkabouts etc.
    c) Complaints/Patient Experience or Claims Audits and workplace surveys
    d) Clinical risk assessments
    e) Patient satisfaction surveys
    f) External/Internal Audits, Coroner Reports, External Visits,
    g) Regulatory Agency notices (e.g. CQC Reports, Safety Notices e.g. Medicines and Healthcare Products Regulatory Agency (MHRA))
    h) National Enquiry Reports, Benchmarking and Key Performance Indicators.
    i) Financial
    j) Staff COVID-19 Risk Assessments

81. An acceptable risk is one which the Trust Board or the Senior Leadership Group and the Divisions are prepared to accept provided that acceptable mitigation is put in place to address any negative impacts to the achievement of its objectives. Once a risk has been accepted, staff choose from a range of tools often referred as the 4Ts (Treat, Tolerate, Terminate and Transfer) as to how best to effectively control and mitigate the

risk. Risk treatment is closely linked to prioritisation which is underpinned by available information and sound judgements. Deciding what is an acceptable risk involves identifying and assessing risks in relation to the impact. A risk is deemed acceptable when there are adequate control mechanisms in place and the risk has been mitigated and managed, as far as is considered to be reasonably practicable.

82. As a general principle the Trust will seek to eliminate or control all risk which has a potential to harm its patients, staff, and other stakeholders, which would result in loss of public confidence in the Trust and/or its partner agencies and/or would prevent the Trust from carrying out its functions on behalf of its local population. However, the following list identifies areas which would never be deemed to be acceptable:

83. Any act, decision or statement which:
    a) would result in death
    b) would be illegal and/or breach of legislation
    c) would contravene Trust Standing Orders or Standing Financial Instructions
    d) would result in significant loss of Trust assets or resources
    e) would constitute wilful contravention of Trust policies or procedures

84. The risk grading system in use is adapted from the National Patient Safety Agency "Risk Matrix for Risk Managers" and uses a scoring mechanism of a 5x5 grid approach to grade risks in respect of consequence and likelihood. The Trust uses DATIX to record incidents and risks and access to this system is via the Trust intranet, a web-based package and an application for mobile users.

85. Each entry onto the DATIX system is allocated a manager to review and action the risk and monitor the effectiveness of the risk mitigation plan. Low and moderate risks (those scoring 1-8) are managed at a local level by wards and teams and the department manager using appropriate controls. These are recorded on the local risk register. Significant risks (those scoring 9-12) are managed at a divisional level with assurance being sought through divisional structures and recorded on divisional risk registers. Extreme risks scoring 15 or above escalated by the Divisions, are presented at the Risk Assurance Meeting for approval for inclusion onto the Corporate Risk Register. The Trust has clear risk governance arrangements in place which offer the platform for risks to be discussed, challenged, reviewed, scrutinised, approved and where necessary the score of the risk including title and description may be modified. These mechanisms leverage the opportunity for informed scrutiny, accountability and oversight in line with the Principles of Good Governance. Risks included on the

corporate risk register are monitored via the Senior Leadership Group, TWQG, Quality Committee and the Trust Board.

86. Directorate and Divisional risk registers are reviewed and discussed at Directorate and Divisional Quality and Safety Meetings and the Divisional Management Board respectively in line with the Trust Risk Management Framework. The Trust-wide Risk Register and the Corporate Risk Register are both regularly reviewed, scrutinised and monitored at the Risk Assurance Meeting with the latter presented to other sub-committees of the Board as articulated above. The Trust focuses on ensuring that risks are locally led, owned and managed, thereby prioritising local ownership and engagement as tools for effective risk management and embedding an effective risk awareness culture across the organisation. It is everyone's responsibility from 'ward to board' to actively manage risks. However, it is the responsibility of the risk lead/handler to regularly refresh and update them as well as ensuring that appropriate actions are in place to mitigate them.

87. The Trusts key strategic risks in 2021-22 were:

a) BAF Risk 1: Service Development and improvement schemes fail to deliver their anticipated benefits, thereby impeding the Trust's ability to deliver safe personal and effective care.
b) BAF Risk 2: Recruitment and workforce planning fail to deliver the Trust objectives
c) BAF Risk 3: Lack of effective engagement within the partnership organisations of the Integrated Care System (ICS) for Lancashire and South Cumbria and the Integrated Care Partnership (ICP) for Pennine Lancashire results in a reduced ability to improve the health and wellbeing of our communities.
d) BAF Risk 4: The Trust fails to achieve a recurrent sustainable financial position and appropriate financial risk rating in line with the Single Oversight Framework. The Trust fails to achieve financial balance, at the end of H2.
e) BAF Risk 5: The Trust fails to earn significant autonomy and maintain a positive reputational standing as a result of failure to fulfil regulatory requirements.

88. The Finance and Performance Committee and Quality Committee agendas were structured to specifically focus various elements of the BAF risks within their remits. Summary reports from the Committees continued to be provided to the Trust Board to ensure that the Trust Board, both through the BAF, and the reports of sub-committees were continually sighted on the risks and the actions being taken to mitigate them and the positive assurances being received in a timely manner.

89. The Trust tests for gaps in assurance via the following actions:

a) Independent assurance provided to or requested by the Audit Committee from internal and external auditors
b) Independent assurance provided to the Quality Committee and supporting subcommittees from external reviews, inspections and assessments and monitoring of subsequent action plans to address any gaps identified
c) Review by internal departments such as the Quality and Safety Unit with Clinical Effectiveness, Clinical Audit and Divisional teams and Directorates reporting to Board sub-committees and the Senior Leadership Group.
d) Rapid responsive reviews of areas of clinical practice in response to incidents, complaints and concerns whether these are raised internally by staff or externally by stakeholders such as Coroners and Commissioners.

90. During June 2021, a comprehensive engagement exercise was undertaken to agree improvement priorities for the following 12 months in line with the implementation of PSIRF.

91. The engagement exercise comprised of 3 virtual workshops:
a) 11 June 2021 – Senior Team (Senior Leadership Group/Quality Committee/Quality Governance Team/Improvement Hub Team)
b) 18 June 2021 – All staff
c) 28 June 2021 – Patients and Partners

92. The workshops provided an opportunity to review progress made against quality priorities from the last 3 years and will identify key future improvement priorities for the next 12 months.

93. The Trust continues to actively engage with a wide variety of stakeholders to consult and communicate with them on issues of mutual concern. The Trust recognises that there are significant benefits to be gained from this engagement. The Trust also proactively engages with statutory and other stakeholders on a regular basis including staff, Healthwatch, Clinical Commissioning Groups, Local Overview and Scrutiny Committees and local education providers. Under normal circumstances the Trust would hold regular stakeholder events throughout the year and invite stakeholders to meet with the senior leadership teams to ensure transparency of decision-making processes and appropriate consultation takes place. However, during the past year this has continued to be a challenge due to the need to minimise footfall on the hospital sites and ensure adequate social distancing measures remain adhered to.

Workforce Strategies

94. The Trust's People Strategy agreed in January 2020 was developed to support the delivery of the Trust's Clinical and Quality Strategies, the priorities of the Lancashire and South Cumbria Integrated Care System (ICS) and the Pennine Lancashire Integrated Care Partnership (ICP). It is also cognisant of the aims and recommendations of key publications:
    a) NHS Long Term Plan
    b) NHS People Plan 2020-21
    c) NHS Improvement Developing Workforce Safeguards
    d) Letter to Chairs and CEOs May 2019 and November 2020 "Improving Our People Practices"

95. The Trust has a divisionally owned, multi-disciplinary annual workforce plan which is developed through the Business Planning process, and triangulates these plans with our Clinical Strategy, Waste Reduction Programme, key service developments, guidance from bodies such as the Royal Colleges and incorporates the outputs of the annual professional judgement reviews in respect of registered and non-registered nurse and midwifery staffing in line with the guidance from the National Quality Board (NQB) to ensure that we deploy the right staff with the right skills at the right place and time. The Trust Board has oversight of the workforce plan which is signed off annually by the Chief Executive and executive leaders. The Finance and Performance Committee acts as an assurance committee of the Board and receives regular reports detailing workforce related metrics. In addition to the annual workforce planning cycle, the workforce plan is a dynamic plan which is reviewed as and when required, as a consequence of changing service need which is identified on an on-going basis through the business case process.

96. To ensure that the Trust effectively deploys its workforce, we have developed detailed action plans in respect of minimising the need for agency usage and increasing our e-Rostering levels of attainment and oversight of this is held at Executive level through the Agency Group meetings that reports into the Finance and Performance Committee through the quarterly workforce report. The Trust has also embedded an electronic job planning process which provides evidence of available clinical capacity across the seven-day working week and assurance is provided through the Integrated Performance Report which is considered by the Finance and Performance Committee on an exception basis and by the Board bi-monthly.

97. Daily staffing huddles continue to be operated to enable any gaps to be anticipated and filled, ensuring that safe staffing levels are maintained.

98. The Trust continues to develop new and enhanced roles in its future workforce using evidence-based tools and data, adopting the Health Education England 'Star' tool to support wider workforce transformation. This is further supported across the Trust and across the Integrated Care System (ICS) using the Workforce Repository and Planning Tool (WRaPT) which is an activity-based workforce capacity and demand modelling tool which allows managers to test scenarios and develop new models of care. This ensures that the Trust has a workforce plan which is safe and sustainable. There are plans to build capacity and capability across the ICP to support workforce transformation and delivery of these methodologies.

99. The Trust also actively benchmarks its performance against key workforce indicators through the data held in the Model Hospital and the Board has oversight of all of all workforce issues and risks through monthly reporting through the Board Sub-Committee's and Senior Leadership Group.

CQC Registration

100. The Trust remains registered unconditionally with the Care Quality Commission to provide the following regulated activities:
    a) Diagnostic and screening procedures
    b) Family planning services
    c) Management of supply of blood and blood derived products
    d) Maternity and midwifery services
    e) Nursing care
    f) Surgical procedures
    g) Termination of pregnancies
    h) Treatment of disease, disorder or injury

101. The Trust is rated as 'good' with some areas of 'outstanding' following the most recent CQC inspection in August and September 2018.

102. The Trust is fully compliant with the registration requirements of the Care Quality Commission.

103. During 2021-22 the following services participated in informal Transitional Monitoring virtually with the CQC. These informal reviews did not change the ratings of the organisation and did not raise any patient safety concerns.
    a) Urgent and Emergency Care
    b) Maternity services

c) Medical services

Declarations of Interest

104. The Trust has published on its website a register of interests, including gifts and hospitality, for decision-making staff (as defined by the Trust) within the past twelve months, as required by the 'Managing Conflicts of Interest in the NHS' guidance and can be found on the Trust's website under 'Publication Scheme' (Section 6: Lists and Registers).

NHS Pension Scheme Statement of Compliance

105. 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.

Diversity and Equality

106. Control measures are in place to ensure that all the organisation's obligations under equality, diversity and human rights legislation are complied with through the Trust Inclusion Group which reports to Board.

107. Metrics to support progress against the Workforce Race Equality Standard (WRES) and Workforce Diversity Equality Standard (WDES) action plans are being improved in order to provide assurance.

108. Five staff networks have been established to increase engagement with staff with protected characteristics and these include: Black, Asian and Minority Ethnic (BAME) Network, Disability and Wellness, LGBTQ+, Women's and Mental Health. There are plans to extend our staff networks.

109. In response to staff feedback, the Trust has established a number of Freedom to Speak up Champions across the organisation, drawn from staff networks, working with the Staff Guardian, to promote confidence in staff speaking out where they experience any form of discriminatory behaviour.

110. Two reports have been produced by the BAME network highlighting staff experience in relation to race and racism and the recommendations from these reports have informed key actions as part of the WRES action plan.

111. During COVID-19, all staff have been offered COVID-19 risk assessments to support their health and wellbeing with a particular emphasis on BAME heritage staff due to their increased vulnerability of COVID-19 and its effects. All staff have been offered and encouraged to take up the COVID-19 vaccine, again with particular emphasis on BAME heritage staff.

Since 2019, the Trust has an annual Festival of Inclusion which has a focus for a week, on all areas of Equality, Diversity and Inclusion aimed at increasing awareness, understanding, tolerance and respect.

Sustainable Development

112. The Trust has undertaken risk assessments and has plans in place with take account of the 'Delivering a Net Zero Health Service' report under the Greener NHS Programme. The Trust ensures that its obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

113. In March 2022 the Board approved the Trust's NHS Green Plan, which is aligned to the overarching ICS Green Plan.

114. The Trust is improving the performance of its estate by upgrading or replacing aged and dilapidated stock with new or refurbished buildings with inherently better energy performance.

115. The Trust has also adopted the Building Research Establishment Environment Assessment Method (BREEAM) healthcare toolkit for all significant new and refurbishment building projects.

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

116. The Audit Committee is charged with reviewing the economy, efficiency, and effectiveness of the use of resources throughout the course of the year and ensuring that there is a robust system of integrated governance and internal control across all spheres of the Trust's activity. Having reviewed the regular reporting of the Audit Committee on its activities presented to the Trust Board I am satisfied that it has met these requirements during the course of the year and assisted in the further development and improvement in the embedding of internal control systems. Together with the comprehensive programme of quality improvement work for the care of patients reporting to the Quality Committee and the Trust Board I am satisfied that there are clear lines of governance and accountability within the Trust for the overall

quality of clinical care and these are reflected in the achievements highlighted in the Trust's annual Quality Account.

Information governance

117. We aim to deliver a high standard of excellence in Information Governance by ensuring that information is collated, stored, used and disposed of securely, efficiently and effectively and that all of our processes adhere to legal requirements. Including completion of Data Protection Impact Assessments, annual Information Governance (IG) training for all staff and specialised training for those in specialist roles, contract reviews and a comprehensive information asset management programme. The Trust has a suite of Information Governance and Data Security policies to ensure patient, staff and organisational information is managed and processed accordingly.

118. The Data Security and Protection Toolkit sets out standards for maintaining high levels of security and confidentiality information. Our Information Governance Assessment report for 2021-22 is ongoing with the final submission due at the end of June 2022. The status for the 2020/21 DS&P toolkit is 'All standards met'. The Data Security and Protection framework and workplan is overseen by the Information Governance Steering Group (IGSG) which is chaired by the trusts SIRO. The IGSG reports into the Trust's Audit Committee, however as a result of the COVID-19 pandemic the IGSG was stepped down throughout the course of the pandemic and will be recommenced in March 2022. The Trust has reported a total of six information governance incidents to the Information Commissioner's Office (ICO) during the reporting period with no requirement from the ICO for further action by the Trust.

Data Quality and Governance

119. The Trust continued to invest significantly over the past 12 months in cyber defences to ensure personal data is kept as secure as possible, with major investments in software and hardware as required. The Trust has been successful in bidding for central capital monies to further enhance its cyber defences with a specific focus on medical devices which have been identified by the National Cyber Security Centre as a potential threat vector for all NHS organisations. Additional investment and focus upon Cyber defences have been applied during the past year, with a particular reference to the new and emerging hybrid working practices and the declining geopolitical situation. The Trust successfully submitted its DSP toolkit for 2021 which was independently verified and is working on the 2022 submission with MIAA. The

procurement of new systems, in particular, clinically based systems, is led by a 'Cloud First' approach and supported by detailed Data Protection Impact Assessment (DPIA) and Digital Technology Assessment Criteria (DTAC) assessments and robust contract monitoring approaches. Although many of the electronic systems in the Trusts are legacy, regular Business Continuity and Data Quality Audits take place and such audits are available for review. All patching and system updates are tested prior to roll out and ELHT responds to Care Cert alerts well within the required timescales. New backup systems are now in place and additional investment in storage provides further resilience with a 'immutable' backup solution recently purchased. The Trust has replaced all unsupported operating system on ELHT managed PCs from its networks and is working with the Private Finance Initiative (PFI) suppliers to replace any outstanding devices on their systems.

120. Dedicated Information Governance, Subject Access Request, expanded Cyber and Freedom of Information (FOI) teams exist within the Informatics Department and a report is produced to each month's IG steering group regarding progress. The Head of IG continues to work alongside system partners to build upon learning from other providers and optimise opportunities for development. Weekly Data Quality reviews take place and data quality issues are addressed by on call and full-time staff during 'down times'. All systems have audit trails and regular reports are produced and access checked to ensure compliance.

121. The Trust is now in the process of implementing Cerner Millennium as our integrated electronic patient record system (identified as a key risk in last year's report – go live date 12 November 2022) and has also implemented cloud based electronic observation systems, new paging system and recently signed for a cloud based patient flow system that will integrate with the Cerner Electronic Patient Record (ePR). During 2021, the Trust procured and implemented BadgerNet – an end-to-end maternity system and Solus – a new JAG accredited endoscopy system. Recently, along with the other acute providers in the region, ELHT led on the procurement of the Medisight Ophthalmology system which will be fully implemented in the new financial year across the region.

122. The Trust has also procured a state-of-the-art secure cloud-based data warehouse – Bedrock and is currently transitioning all existing data warehouse infrastructure and building new data routes for the Cerner ePR. This will give ELHT a stable, real time, integrated and comprehensive data platform on which to report activity, quality and outcomes data, provide instant information for clinicians and managers and support

the delivery of public health initiatives across our region.

123. The new systems allow for enhanced roles-based access controls and audit. All clinical systems have a full Clinical Safety Case completed by the Chief Nursing Information Officer (CNIO) and her team and these are available for review and audit. Any breaches of data security are initially managed by the IG team and escalated to the Data Protection Officer (DPO), Senior Information Risk Owner (SIRO) and Caldicott Guardian. Advice is sought from the ICO as required. A full training programme regarding patient confidentiality, Information Governance and Cyber Security is undertaken by staff with compliance numbers produced monthly. The Informatics department issues regular and timely cyber alert emails to staff and undertakes simulated 'phishing' attacked to manage and review compliance. Finally, the Trust commissions external agencies to undertake regular system penetration tests to understand system vulnerabilities and has procured a local pen test toll for regular reviews.

Cyber Security Incidents escalated to the ICO 2021-21

124. There was one cyber security incident that during 2021 – 2022 that was escalated to the ICO. Following a review of the Trusts response, the limited scope of the incident and the fact that the incident was identified through pro-active vulnerability checks by the Trust, which indicated effective data security measures, no further action was taken.

Annual Quality Account

125. 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.

126. The Trust publishes an annual Quality Account which is typically subject to a review by the Trust’s External Auditors, who are able to provide independent assurance on the data that is published and the systems that are used to collate the information presented in the Quality Account and in reports to the Board and its Committees on a regular basis. The Quality Account is also reviewed and commented upon by our health and social care partners to ensure that there is a consistent view on the quality both of the data that is published and the quality of the patient experience of our services. However, due to the changes to the reporting requirements stemming from

the COVID-19 pandemic, there was no requirement for the Quality Account to be reviewed by external auditors in the last year. The Quality Account will be reviewed by and approved on behalf of the Trust Board (under delegated authority) by the Quality Committee prior to release for publication by 30 June 2022.

127. Among the controls in place to ensure the accuracy of data used in both the Quality Account and ongoing internal and external reporting of data are:
   a) Specific policies on the recording of data and quality indicators including
      i. Incident report and Investigation Policies
      ii. Patient Safety Incident Response Plan
      iii. Risk Management Policy
      iv. Clinical Records Policy
      v. Production of Patient Information
      vi. Information Governance Policy
      vii. Clinical Audit Policy
   b) Continued development and expansion of near real-time dashboard reporting systems with reporting of quality indicators at every level from ward to Board.
   c) Training programmes to ensure staff have the appropriate skills to record and report quality indicators including training on software and hardware systems, Information Governance Toolkit training and corporate and departmental induction and mandatory training. Whilst only 'specific to role' training continued to be mandated throughout the COVID-19 pandemic there has been a drive to improve compliance against the IG core skills training modules in the final quarter of 2021-22 which will continue throughout 2022-23.
   d) A rolling programme of audits on quality reporting systems and metrics.
   e) Alignment of the internal audit, clinical audit and counter fraud work plans on a risk-based approach linked to the Board Assurance Framework and the Corporate Risk Register.

128. The Trust utilises its quality and risk associated committee structure to routinely review the data and information that is included within the Quality Report. This provides the Board with assurance that the Quality Report presents a balanced view of the action taken by the Trust in year to ensure the provision of high quality, safe, personal and effective services.

129. The Quality priorities for 2021-22 continued in line with the Trust's Quality Strategy. This included a comprehensive rolling programme of quality improvement initiatives which strived to reduce avoidable harm. With a focus on:

a) Discharge
b) Falls
c) Deteriorating Patients Management
d) Pressure Ulcers
e) Sepsis
f) Safe Transfers of Care

Review of Effectiveness

130. As Accountable 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 Trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on the information provided in this annual report, as well as the content of the quality report attached to the 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 Trust Board, the Audit Committee and the Quality Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

131. The Head of Internal Audit opinion by Mersey Internal Audit found that: Substantial Assurance had been provided for the year, that that there was a good system of internal control designed to meet the organisation's objectives, and that controls were generally being applied consistently. It was recognised that the Trust had progressed in a number of areas, such as the enhancements made to its Board Assurance Framework. In addition, it was clear that the Trust had recognised that it needed to make improvements to the timeliness of responses to implementing previous internal audit recommendations and had strengthened its internal processes to support this.

132. During the year the Trust had 16 internal audits undertaken, of those, eight audits received substantial assurance opinions, seven received moderate assurance opinions and one received no opinion. There were no audits receiving limited assurance opinions.

133. The Assurance Framework and the internal auditor's opinion on the effectiveness of the systems and processes supporting the Assurance Framework provide me with evidence that the effectiveness of controls that manage the risks to the organisation in

achieving its principal objectives have been reviewed.

134. My review is also informed by internal and external information including:

a) Detailed reports from the Trust's internal auditors (Mersey Internal Audit Agency) and external auditors (Mazars)
b) Performance and financial reports to the Trust Board and its subcommittees
c) NHS England/ Improvement performance management reports
d) NHS England/Improvement Area Team performance management reports
e) Clinical Commissioning Groups performance management reports
f) Governance reports to the Quality Committee, Audit Committee and Trust Board
g) Compliance with action plans as part of our performance management arrangements
h) Information Governance risk assessment against the Information Governance Toolkit
i) Feedback from local and national staff and patient surveys
j) The work of the Executive team within the organisation who have responsibility for the development and maintenance of the internal control framework within their portfolios.

135. Where reports have identified limitations in assurance these have been acted upon and in relation to auditors' reports have been monitored by the Audit Committee. The Trust Board and its subcommittees have been actively engaged in the on-going development and monitoring of the Assurance Framework and will continue to shape the iterative development of the Assurance Framework and its associated risk management systems and processes throughout 2021-22.

Significant Issues

136. The following issues have prejudiced the achievement of the priorities set for 2021-22 for the Trust:

a) Financial Position: The Trust was able to meet its financial objectives for 2021-22 delivering a £17,000 surplus and living within the Lancashire and South Cumbria Integrated Care System financial envelope. In addition, the Trust lived within its Capital Resource Limit and met its Better Payment Practice Code of paying suppliers within 30 days. The contracting regime of a fixed block contract that were set by NHS England/Improvement during the pandemic continued within the 2021-22 financial year with additional income earned to cover Elective Recovery excess costs.

b) Workforce Supply: Ensuring the supply of both permanent and contingent workforce continued to be a challenge and during 2021-22 in the context of the COVID pandemic. Of highest priority during this time, has been the impact on staff Health and Wellbeing both in terms of COVID related sickness and the impact of working to meet the increased demand and needs of patients and their families during this time.

i. Supporting staff recovery at the same time as enabling increased activity to deliver the recovery of elective work.
ii. Ongoing recruitment of international nurses through the Global Learners Programme.
iii. Use of and provision of mutual aid across partner organisations.
iv. Hosting of a Lancashire and South Cumbria Reservists scheme to assist deployment of a contingent and flexible workforce.
v. Redeployment of staff across the organisation to areas in greater need.
vi. The Trust continues to actively monitor time to hire figures in monthly Agency Group meetings which allows us to manage avoidable delays as well as highlight areas for process improvement. Further improvement work is underway to refine and embed improvements made during COVID.
vii. Increased advertising through the BMJ for all medical posts.
viii. Increased internal bank recruitment to reduce reliance on agency supply – significant Healthcare Assistant Bank has continued during 2021-22 although COVID has meant continued greater reliance on agency use. The Trust has continued to increase agency to bank conversion for medical staff.
ix. Regular reviews of all medical rotas against establishment and budget and review of long-term agency workers in line with recruitment activity.
x. Ongoing collaboration across Trusts in the North West in relation to options such as a collaborative medical bank and harmonisation of rates.

c) Supporting Attendance: The Trust has a detailed action plan in place to address sickness absence and has identified high impact areas to support improvement, as outlined below:

i. Implementation of supportive approaches to managing COVID related absences.
ii. Revision of the attendance policy to incorporate feedback from staff networks. particularly in relation to disability.

iii. ‘e-learning’ developed and implemented for managers in 2021-22.

d) Health and Wellbeing

i. The Trust’s Early Access to Support for Employees (EASE) Service continues to be used to support staff with their health and wellbeing. It is an early intervention service provided by Occupational Health for all staff affected by musculoskeletal (MSK) or mental health (MH) conditions.

ii. The Staff Health and Wellbeing Strategy Action Plan identifies six key themes to holistically support people at work. These are Leadership and Management, Data and Communication, Healthy Working Environment, Mental health, MSK and Healthy Lifestyles.

iii. During COVID there has been an increased focus on supporting staff health and wellbeing through individual risk assessments, track and trace support, delivery of the COVID vaccination and flu programmes and increased psychological support to staff.

iv. As we emerge from the pandemic the Trust continues to emphasise building on existing health and wellbeing interventions and building workforce recovery into the ongoing elective restoration programme.

e) Patient Flow: Mitigating actions taken include:

i. Strengthening our Same Day Emergency Care facilities for:
   - Older Persons Rapid Assessment
   - Medical Ambulatory Emergency Care
   - Surgical Ambulatory Emergency Care
   - Children’s Observation and Assessment Unit

ii. A strong focus on our discharge process including “ask yourself: why not home and why not today” initiative alongside ward coaching improvement work around effective board rounds.

iii. Establishing a daily “Every Day Matters” check point meeting which is multidisciplinary based looking at discharges for today and the next 48 hours. The meeting also ensures plans are in place for the next treatment step to eliminate delays. This is supported by a Trust wide and ward level patient tracking list enhancing discharge team communication.

iv. Building resilience in our flow planning triggered by COVID-19 towards managing safe patient flows. This included a high level of responsiveness for converting COVID – 19 to Non-Covid wards based on the level of incidence

whilst adhering to the national guidelines for Infection Prevention and Control (IPC). Some examples include further admission avoidance pathways through our community teams based in the Emergency Department (Intensive Home Support Service), speciality in-reach and reduction in length of stay (LOS).

v. Continued arrangements for supporting and monitoring our patient flow discharge and long length of stay.

vi. The established IDS service supporting the out of hospital flow of patients including the commissioning of care home admission and selection service for Pennine Lancashire.

vii. Good progress with embedding the national hospital discharge policy and operating model published by the Department of Health and Social Care and continue contributing across the ICS for Lancashire and South Cumbria and the ICP for Pennine Lancashire in relation to hospital discharge.

viii. An established Home First Pathway as our default discharge pathway.

Conclusion

137. In line with the guidance on the definition of the significant control issues I have no significant internal control issues to declare within this year's statement. The system of internal control has been in place in East Lancashire Hospitals NHS Trust for the year ended 31 March 2022 and up to the date of approval of the annual report and accounts.

138. My review confirms that East Lancashire Hospitals NHS Trust has a generally sound system of governance and stewardship that supports the achievement of its policies, aims and objectives.

Signed: **Martin A. Hodgson** (electronically signed)
Interim Chief Executive
Date: 17 June 2022

Directors' Report

As of 31 March 2022, The Trust Board comprises the Chairman, six Non-Executive Directors and five Executive Directors with voting rights as detailed in the Board profile below. In addition, the Trust has two Associate Non-Executive Directors. The Director of Human Resources and Organisational Development, the Interim Executive Director of Service Development and Improvement, Executive Director of Integrated Care, Partnerships and Resilience, Executive Director of Communications and Engagement and the Director of Corporate Governance/Company Secretary also attend the Trust Board to give advice within their professional remits. The Trust Board functions as a corporate decision-making body and Executive and Non-Executive Directors are full and equal members.

The Trust Board provides strategic leadership to the Trust and ensures that the Trust exercises its functions effectively, efficiently and economically. The Board monitors the arrangements to maintain the quality and safety of the Trust's services, including ensuring processes are in place for managing risks.

Non-Executive and Associate Non-Executive Directors have a particular role in scrutinising the performance of the Trust's management in meeting agreed objectives and ensuring that robust systems of financial control and risk management are in place. The Non-Executive Directors of the Trust are appointed by NHS Improvement, acting on behalf of the Secretary of State for Health and Social Care. They are each appointed for a four-year term which may be renewed subject to satisfactory performance. Non-Executive Directors are not employees of the Trust and do not have responsibility for day-to-day management; this is the role of the Chief Executive and Executive Directors but as a 'unitary Board', Executive and Non-Executive Directors share equal responsibility for the Board's decisions, and all share responsibility for the direction and control of the organisation.

The Trust Board meets six times a year and meetings are open to the public except when confidential information is being discussed. Details of public Board meetings are available, including minutes and papers from previous meetings, on the Trust Board section of our website (www.elht.nhs.uk).

The Trust Board delegates its authority to take decisions about the Trust and its services in accordance with a Scheme of Delegation which is available on our website within the publication section in our Standing Orders and Standing Financial Instructions.

The Executive Directors are appointed by a committee comprising of the Interim Chief Executive and Non-Executive Directors following a competitive interview process.

Information on personal data related incidents that have been formally reported to the Information Commissioner's Office (ICO) can be found in section 124 of the Annual Governance Statement.

Our Trust Board

Voting Board members

Professor Eileen Fairhurst MBE, Chairman, February 2014 to present Experience

Eileen Fairhurst was appointed to East Lancashire Hospitals Trust in February 2014. She is a highly experienced Chairman and has chaired a number of large, complex public and third sector organisations, including Acute, Specialised Mental Health and Primary Care Trusts.

Within six months of being appointed, she led the Trust out of Special Measures and the Trust now has a CQC rating of 'Good'. She established Salford PCT in 2001 which became one of the highest performing PCTs in the country.

Subsequently, she was Chairman of NHS Greater Manchester, the largest PCT cluster in England.

Eileen has a national profile for partnership working and the governance of organisations. Her partnership working in health has involved regeneration of localities. Her expertise in the practice of regeneration is mirrored in her academic profile with a number of publications and conference presentations.

Eileen has always ensured that perspectives of patients and communities contribute to service developments. She has championed a number of whole systems innovative service re-design programmes, including mental health, children's and women's health, urgent care and the Greater Manchester Healthier Together programme.

Over the years she has been a regular contributor to development programmes for NEDs and Aspirant Executive Directors and Chairs and to national conferences on Governance and leadership.

Eileen has been awarded an MBE in recognition of her contribution to the NHS. A former Professor in Public Health at the University of Salford, she has an international research profile. She is a Founding Fellow of the British Society of Gerontology.

Her contributions to both academic research and the NHS have been acknowledged with a number of academic honours; in July 2007 she received an Honorary DSc from the University of Salford and, in December 2018, an Honorary Doctorate from UCLan. Currently, as a Visiting Professor at the University of Chester, she is developing programmes on governance in the public sector.

Qualifications
BA (Econ), PhD, DSc, Fellow of the Royal Society of Medicine

Mr Kevin McGee, Chief Executive, September 2014 to 31 August 2021 Experience

Chief Executive – Joint appointment with Blackpool Teaching Hospitals NHS Foundation Trust (from 1 May 2019 to 31 August 2021)

Kevin is a qualified accountant with over 35 years' experience working in healthcare, with 23 of those years being at executive level.

Prior to joining East Lancashire Hospitals NHS Trust, Kevin held a range of roles including Chief Executive at both George Eliot Hospital NHS Trust and Heart of Birmingham Primary Care Trust.

He has also held a range of Director positions, including Director of Finance and Chief Operating Officer in large acute hospitals, and Director of Commissioning and Performance Management at a Teaching Primary Care Trust.

Kevin sits on the North West Leadership Academy Board and is a strong advocate of Compassionate Leadership. Kevin also sits on the Senior Leadership Forum for Pennine Lancashire and chairs the Lancashire and South Cumbria Chief Executives' Provider Forum. Recently Kevin has become a member of the Advisory Committee on Clinical Excellence Awards (ACCEA) and sits on the National Guardian's Office Advisory Working Group.

Kevin received an Honorary Fellowship from UCLan to acknowledge the significant contribution made to the development of the University's School of Medicine through the instrumental strategic support he has provided to UCLan's partnership with ELHT.

In October 2019, East Lancashire Hospitals NHS Trust (ELHT) and Blackpool Teaching Hospitals NHS Foundation Trust (BTHFT) agreed to work in closer collaboration, with Kevin McGee as the Chief Executive and Accountable Officer of both Trusts. Kevin undertook this role on a temporary basis from 1 May 2019, with the role being made permanent from October 2019.

During the pandemic Kevin led the Hospital Cell for Lancashire and South Cumbria.

Mr Martin Hodgson, Interim Chief Executive, September 2021 to present Experience

Martin joined the Trust in November 2009, from Central Manchester University Hospitals NHS Foundation Trust, where he was Executive Director of Children's Services. He has considerable operational management experience and of implementing major strategic change, including the reconfiguration of children's services across Manchester.

Martin takes a lead role in the development of strategy, planning and working with partners to improve services both in the Lancashire and South Cumbria Integrated Care System (ICS) and the Pennine Lancashire Integrated Care Partnership (ICS).

Prior to taking up the role as Interim Chief Executive Martin was the Trust's Deputy Chief Executive/Executive Director of Service Development.

Qualifications

BA (Hons), Postgraduate Diploma in Human Resource Management

Mrs Patricia Anderson, Non-Executive Director, June 2018 to May 2019 and October 2019 to Present (Leave of absence taken May 2019 to October 2019) **Experience**

Trish has over 30 years of experience working in health and social care services and has enjoyed roles across a wide range of settings, including executive Board appointments. She has proven ability in both the provision and the commissioning of services, strong negotiation and influencing skills, in addition to a strong working knowledge of the key challenges that the NHS is facing. In addition, Trish is skilled in identifying and managing risks within and across organisations. She is clear that the overall goal is to improve health outcomes for the local population and recognises that the Trust will be judged on that delivery.

Trish was the Accountable Officer for Wigan Borough CCG until her early retirement in mid-2018, contributing greatly to the development of a strategic commissioning function across the CCG and the Local Authority. She is keen to maintain her links to the NHS whilst championing quality patient services and is committed to working in a supportive capacity as a Non-Executive Director at the Trust, providing a constructive perspective as a member of the Board.

Qualifications

BA Joint Honours, CQSW/DipSW, ASW

Professor Graham Baldwin, Non-Executive Director, January 2020 to present Experience

Graham is the Vice-Chancellor at the University of Central Lancashire (UCLan). As Vice- Chancellor, Graham is responsible for the leadership and management of the University within the principles laid down by the Board of Governors.

Graham is a member of Universities UK, Treasurer of MillionPlus (The Association for Modern Universities) and Deputy Chair of the University and College Employers Association. He also Chairs the Department for Transport's Maritime Skills Commission.

He returned to UCLan in 2019 after spending five years as the Vice-Chancellor of Solent University in Southampton, where he oversaw the development and opening of a number of complex and industry-leading programmes and facilities, including a new indoor sports complex and nursing and maritime simulation centres.

Graham's previous roles have included the Deputy Vice-Chancellor at UCLan and Dean of Academic Development and Director for Cumbria. In addition to academic roles, Graham has been employed as the National Skills Research Director for the Nuclear Decommissioning Authority.

Graham has also worked closely with partner institutions, particularly in Hong Kong, China and the Middle East, and he received an Outstanding Foreign Expert Award from Hebei Province, China. He has previously been appointed as Honorary Professor at Hebei University in Baoding and was appointed as a Visiting Professor by the National Academy for Education Administration, Beijing. Graham is a member of the Trust's Audit Committee.

Qualifications

BA (Hons), PGCE, MSc, Ph.D.

Mr Stephen Barnes, Non-Executive Director, January 2015 to present Experience

Stephen Barnes was appointed to the Trust Board on 1 January 2015. He has been a local government chief executive in Lancashire for the past 22 years and prior to that was a director of finance in local government for six years.

Stephen is an accountant by profession, a past President of the North West and North Wales region of the Chartered Institute of Public Finance and Accountancy and a past Examiner of the final part of the Professional Accountancy Examination.

During his time in Local Government, Stephen has gained broad experience in strategic leadership, partnership working and joint venture initiatives across the private sector, including economic development and regeneration services and community development and engagement.

Stephen is also currently chair of Nelson and Colne college and a board member of the Association of Colleges and chair of the Nelson Town Deal Regeneration Board
Stephen was reappointed for a further two years in January 2021.

Qualifications
Member of the Chartered Institute of Public Finance and Accountancy

Miss Naseem Malik, Non-Executive Director, September 2016 to present Experience

Naseem started her public sector career in Local Government. She is a former Commissioner at the IPCC and has held NED roles at Blackburn with Darwen Primary Care Trust and Lancashire Care NHS Foundation Trust.

Naseem is also a qualified (non-practicing) solicitor

Qualifications
BA (Hons), Postgraduate Diploma in Business Administration.

Mr Khalil Rehman, Non-Executive Director, February 2021 to present (Associate Non- Executive Director, non-voting, January 2020 to January 2021)
Experience

With a passion for tackling inequalities and improving the lives and well-being of others, Khalil has spent his career at the intersections of finance, social impact and digital innovation across the private, public and third sectors. He brings over 18 years board and corporate governance experience alongside a sense of curiosity, inclusivity, and compassion.

Khalil has a background in delivering humanitarian projects, public health and global healthcare services across Africa and South Asia and other developing countries. He is currently leading a US and UK philanthropic and social investment foundation delivering Global Health and Social Care in developing countries.

He was previously Chief Executive of an international health charity and Director of Finance and IT of a leading North West based social care charity. Prior to this, he spent 10 years in investment banking in Mergers and Acquisitions and corporate finance advisory roles, followed by a stint in academia at one of the world's top universities as a Research Fellow in social care and post graduate teaching.

Khalil holds a first degree from UCL, an MSc from the Bartlett School, UCL and graduated from executive programs at Harvard Medical School and INSEAD Global Business School.

He is currently a non-executive director at Salix Homes and non-executive director and chair of the Audit Committee at Leeds Community Healthcare Trust.

Khalil is a member of the Audit Committee.

Qualifications
MSc, B Eng (Hons)

Mr Richard Smyth, Non-Executive Director, March 2017 to present Experience

Richard is a recently retired solicitor with 40 years' experience of regulatory issues and criminal litigation. He has had a highly successful career as a criminal lawyer and held senior positions in well-known law firms representing a wide range of clients including global corporations and professional individuals.

His work has included compliance, governance and risk management advice as well as conducting serious and complex cases mainly within the context of business and finance.

Richard is the Chair of the Audit Committee.

Qualifications
BA (Hons), Member of the Law Society

Mr Jawad Husain, Deputy Chief Executive/Executive Medical Director, February 2020 to Present

Experience

Jawad joined East Lancashire Hospitals NHS Trust as Executive Medical Director in February 2020.

Jawad is a practicing urological surgeon with extensive general management experience. He also has a strong track record of achievements in change management, service improvement and innovation. He is a team player with a reputation for building successful partnerships, developing strategy and leading delivery within a complex environment. A visible leader, able to engage with colleagues on all levels with integrity and enthusiasm.

Jawad started his career as a consultant urological surgeon at Wrightington, Wigan and Leigh NHS FT in 2002. He has been trained in the North West region and has a sub-speciality interest in management of stone diseases. Jawad established a fully comprehensive stone service at his organisation and helped develop the urological department.

He takes a special interest in patient safety and clinical governance. Jawad strongly believes in value-based leadership and helped in embedding a culture which empowered staff and engaged them in improving safety, quality and performance.

He has developed strong relationships with various stakeholders in Lancashire and South Cumbria and has worked to deliver a high-quality service during the COVID-19 pandemic. Jawad chaired the Surgical North West Sector for Healthier Together and has been instrumental in leading the group to design and deliver pathways for management of surgical patients. His collaborative working across organizational boundaries is reflective of his leadership skills in bringing people together to deliver the best in them.

Jawad takes a keen interest in teaching and training and has been the Surgical Tutor for the Royal College of Surgeons. He has been an examiner for the University of Manchester Medical School and mentor for the medical students, educational and clinical supervisor for urology and surgical trainees, and a panel member for National Selector for core surgical trainees.

He is a Clinical Advisor to the Parliamentary and Health Service Ombudsman, case manager for the Practitioner Performance Advice service (formerly National Clinical Assessment Service, NCAS) and case investigator and Responsible Officer.

Qualifications

MB, BS, FRCS (I), FRCS (Urol), Membership of BAUS, MPS, BMA

Mrs Michelle Brown, Executive Director of Finance, August 2019 to present

Experience

Michelle joined the Trust in December 2006 from Calderstones NHS Trust, where she was Assistant Director of Finance. She was substantively appointed to the role of Executive Director of Finance for the Trust in September 2019, having ten years' experience in the Deputy Director position. She is a qualified accountant and member of the Chartered Institute of Public Finance and Accountancy (CIPFA).

An alumnus of the National Financial Management Training Scheme, Michelle has trained and worked in a number of NHS organisations across North Wales and Lancashire, including North Wales Health Authority, Glan Clwyd and Wrexham Maelor hospitals and Burnley Healthcare NHS Trust.

Qualifications

BA (Hons), Member of the Chartered Institute of Public Finance and Accountancy

Mrs Christine Douglas MBE, Chief Nurse/Executive Director of Nursing, January 2014 to present

Experience

Chris is a Registered Nurse with experience in a variety of clinical settings and has worked in acute hospitals, community and primary care services. She has held management and leadership positions as well as roles within education and professional development.

Chris commenced as Chief Nurse at East Lancashire Hospitals NHS Trust in January 2014, where she provides professional leadership to all Trust nurses, midwives and Allied Health Professionals. She takes a shared leadership role for Quality and Patient Safety and is the Executive Lead for Safeguarding.

Chris was awarded the MBE in 2022 in recognition of her 40+ years' service to the NHS.

Qualifications

BA (Hons), MSc, RGN, DNCert

Sharon Gilligan, Chief Operating Officer, October 2020 to present

Experience

Sharon joined the Trust in December 2017. She has considerable operational management experience and has held Executive Director posts in two Acute Trusts before joining the Trust. Sharon spent much of her career in various roles at Newcastle and Tyne Hospitals NHS Trust before taking up her Executive posts including the Trust Service Improvement Lead and the Directorate manager for the Regional Neurosciences Centre.

Sharon has a track record for delivery and is passionate about excellent patient care and staff development.

Qualifications

BA (Hons), Post Graduate Certificate in Management Practice, Post Graduate Diploma in Management Practice, MBA.

Kate Atkinson, Interim Executive Director of Service Development and Improvement, from 7 October 2021.

Kate joined the NHS in 2000 as an NHS General Management Trainee. Since that time, she has held a variety of roles including as a commissioner of adult and emergency services in Manchester and as an Operational Manager at Pennine Acute NHS Hospitals. Kate moved to East Lancashire Hospitals NHS Trust in 2008 and during her 13 years here has been the Head of Contracting, Associate Director of Service Development and more latterly the Associate Director of Improvement.

Kate is a local resident and is passionate about living and working in East Lancashire.

Qualifications

BA (Hons), MSc Information Management, MSc Healthcare Management.

Kevin Moynes, Executive Director of HR and OD, October 2013 to present (Joint appointment with Blackpool Teaching Hospitals NHS Foundation Trust from 1 October 2018 to 31 January 2022)

Experience

Kevin joined the Trust on 1 October 2013 as the Interim Director of HR and Organisational Development. He joined the NHS in 1978, qualifying as a Registered Nurse (RGN) in 1981 and later as a Registered Sick Children's Nurse (RSCN) in 1986. He obtained his master's degree in Nursing from the University of Bradford in 1993.

In addition to his NHS experience, Kevin has worked in the USA and the Middle East and has held a Director of Nursing post within the hospice sector. Kevin leads the Trust's agenda relating to HR and OD with a key focus on Staff Engagement, Staff Health and Well-being, Recruitment and Retention, Learning and Development and Leadership and Talent Management.

In October 2018 Kevin commenced in the role of Joint Strategic Director of HR and OD role for the Trust and Blackpool Teaching Hospitals NHS Foundation Trust which he held until 31 January 2022.

Qualifications

RGN, RSCN, MSc, MCIPD

Tony McDonald, Executive Director of Integrated Care, Partnerships and Resilience, December 2020 to present Experience

Tony joined East Lancashire Hospitals NHS Trust as a Divisional General Manager in October 2015 and prior to his current role, was Deputy Director then Director of Operations at the Trust.

With 25 years' experience working across public services, Tony has held senior roles in primary and secondary care, physical and mental health services and health and social care in London, Oxfordshire and Lancashire including joint posts spanning the NHS and Local Government.

Tony's current role includes Executive leadership for community and intermediate care services as well as Estates and Facilities, Emergency Preparedness and Technology Enabled Care.

Tony is passionate about integrated care and ensuring services are designed, delivered and developed in partnership with our patients, local communities, staff and partner organisations.

Qualifications

MA, Postgraduate Diploma in Management

Feroza Patel, Associate Non-Executive Director, April 2019 to present Experience

Prior to being appointed as an Associate Non-Executive Director Feroza was one of the Trust's Shadow Public Governors for Blackburn with Darwen. During her time as a Shadow Governor Feroza had worked with the Trust to work with staff and other patient representatives to develop services and improve the overall patient experience.

She also has experience as a Governor for her local primary and secondary schools and worked as a volunteer for SureStart Blackburn West where she developed a parent forum and sat on the Local Management Board.

She has previously worked as a teaching assistant within primary school education where she was the parental involvement leader, managed the parents committee and organised community health events.

Feroza is a member of the Trust's Quality Committee and has also recently accepted the role of Health and Wellbeing Guardian.

Mr Michael Wedgeworth MBE, Associate Non-Executive Director (Non-Voting), April 2017 to present

Experience

Mike Wedgeworth MBE joined the Trust in April 2017.
Mike has been the Chairman of Healthwatch Lancashire, Chief Executive of Hyndburn Borough Council and Chair of Blackburn College, and has held senior executive positions both locally and nationally. He now serves as an assistant priest at Blackburn Cathedral. He is the Non-Executive Director representative for the Lancashire and South Cumbria Integrated Care Systems Board.

Mike was awarded the MBE in 2010 for services to Further Education and the Community of Lancashire and is committed to the values of the NHS, and public services generally, and is very aware of the need to provide safe, personal and effective care to patients.

Mike is a member of the Trust's Quality Committee and the NED champion for Maternity Services. He is also the Chair of the Trust's Serious Incidents Requiring Investigation (SIRI) panel.

Qualifications

BSc, MA.

Miss Shelley Wright, Executive Director of Communications and Engagement (Non- Voting), January 2021 to present (Joint appointment with Blackpool Teaching Hospitals NHS Foundation Trust)

Experience

Shelley Wright joined the Trust in January 2021 as Executive Director of Communications which is a joint role also overseeing the communications portfolio at Blackpool Teaching Hospitals NHS Foundation Trust.

Shelley joined from Lancashire and South Cumbria NHS Foundation Trust where she was Executive Director of Communications and prior to this she was Director of Communications for the Mayor of Greater Manchester Andy Burnham and Greater Manchester Fire and Rescue Service.

A former journalist with strong personal connections to both East Lancashire and Blackpool, Shelley uses her significant experience of crisis communications to support both Trusts in their response to COVID as well as leading across all areas of communications activity internally, externally and as part of the wider Lancashire and South Cumbria healthcare system.

Qualifications

National Council for the Training of Journalists (NCTJ) Pre-entry Certificate and Professional Certificate.

Board members who have left the Trust during the 2021-22 financial year

- Mr Kevin McGee, Chief Executive
- Mr Harry Catherall, Associate Non-Executive Director

Directors' Statements and Register of Interests

So far as each Director is aware, there is no relevant audit information of which the Trust's auditor is unaware. Each Director has taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Trust auditor is aware of that information, including making enquiries of his/her fellow directors and the auditor for that purpose, and has taken such other steps for that purpose as

are required by his/ her duty as a director to exercise reasonable care, skill and diligence. After making enquiries, the Directors have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

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

The Directors believe that the annual report and accounts taken as a whole are fair, balanced and understandable and provide the information necessary for patients, regulators and other stakeholders to assess the NHS Trust's performance, business model and strategy.

It is the Board's belief that each Director is a fit and proper person within the definitions in the Health and Social Care Act 2008 (Regulation of Regulated Activities) (Amendment) Regulations 2014.

Each Director is:

- of good character
- has the qualifications, skills and experience which are necessary for carrying on the regulated activity or (as the case may be) for the relevant office or position
- is capable by reason of their health, after reasonable adjustments are made, of properly performing tasks which are intrinsic to the carrying on of the regulated activity or (as the case may be) the office or position for which they are appointed or, in the case of an executive director, the work for which they are employed
- not responsible for, been privy to, contributed to or facilitated any misconduct or mismanagement (whether unlawful or not) in the course of carrying on a regulated activity, or discharging any functions relating to any office or employment with a service provider, and
- not prohibited from holding the relevant office or position, or in the case of an individual from carrying on the regulated activity, by or under any enactment.

There are no company directorships or other significant interests held by directors which may conflict with their management responsibilities other than those disclosed below:

Name and Title	Interest Declared	Date last updated
Professor Eileen Fairhurst MBE Chairman	• Honorary Doctorate UCLan awarded 2018 • Visiting Professor, Chester University • Members of the Good Governance Institute Faculty	13.04.2022
Martin Hodgson Interim Chief Executive (from 01.09.2021) Deputy Chief Executive Officer/Executive Director of Service Development (until 31.08.2021)	• Spouse is the Chief Operating Officer at Liverpool University Hospital NHS Foundation Trust. • Spouse's son worked at University Hospitals of Morecambe Bay NHS Foundation Trust (from November 2019 to October 2021)	19.04.2022
Patricia Anderson Non-Executive Director	• Accountable Officer at Wigan Borough CCG (until 31.05.2018). • Public Sector Director on One Partnership (LIFTCO) (January 2015 until 31.05.2018) • Spouse is a recently retired Consultant Psychiatrist formerly employed at Mersey Care NHS Trust. • Assignment with Knowsley Clinical Commissioning Group, supporting the Accountable Officer for a period of six months (10.05.2019 to 01.10.2019). During this time Mrs Anderson took a leave of absence from the Trust Board at ELHT. • PELC Partnership of East of London Collaborative 1.5 days per month (from 01.12.2020 until 01.02.2021)	04.04.2022

Name and Title	Interest Declared	Date last updated
Kate Atkinson Interim Director of Service Development and Improvement (from 07.10.2021)	• Brother is the Clinical Director of Radiology at the Trust • Sister-in-law is a Trauma and Orthopaedic Consultant at the Trust • Parent Governor at Blacko Primary School. Four-year term from 01/04/2022 to 31/03/2026. The school has no direct connection with the Trust	11.05.2022
Professor Graham Baldwin Non-Executive Director	• Director of Centralan Holdings Limited • Director of UCLan Overseas Limited • Deputy Chair and Director of UCEA • Chair of Maritime Skills Commission • Member of Universities UK • Treasurer of Million Plus • Chair of University Vocational Awards Council	31.03.2022
Stephen Barnes Non-Executive Director	• Chair of Nelson and Colne College. • Member of the National Board of the Association of Colleges (from 02.03.2017). • Chair of the National Council of Governors at the Association of Colleges • Chair of the Nelson Town Regeneration / Deal Board	31.03.2022
Michelle Brown Executive Director of Finance	• Spouse is a paramedic at North West Ambulance Service	11.05.2022

Name and Title	Interest Declared	Date last updated
Sharon Gilligan Chief Operating Officer	• Positive nil declaration	31.03.2022
Jawad Husain Executive Medical Director	• Spouse is a GP in Oldham	31.03.2022
Naseem Malik Non-Executive Director	• Independent Assessor- Student Loans Company- Department for Education - Public Appointment. • Fitness to Practice, Panel Chair: Health and Care Professions Tribunal Service (HCPTS) - Independent Contractor (until 31.07.2020) • Investigations Committee Panel Chair at Nursing and Midwifery Council (NMC) - Independent Contractor (until 30.07.2021). • Relative (first cousin) is a GP. • Relative (brother-in-law) is a registered nurse employed by Lancashire and South Cumbria Care NHS Foundation Trust.	31.03.2022
Tony McDonald Executive Director of Integrated Care, Partnerships and Resilience	• Spouse is an employee of Oxford Health NHS Foundation Trust • Member of Board of Trustees for Age Concern Central Lancashire Charity	31.03.2022

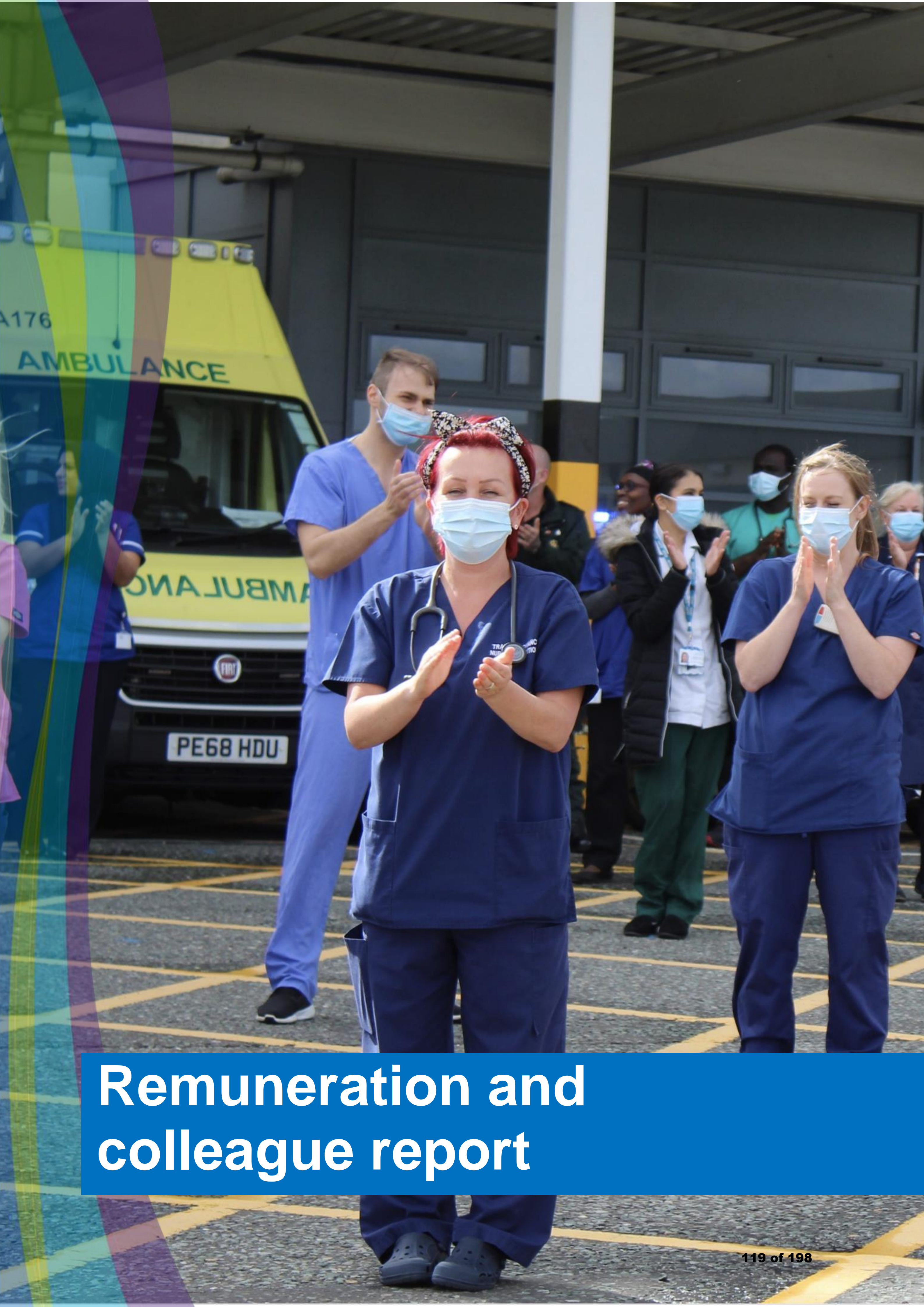
Name and Title	Interest Declared	Date last updated
Kevin Moynes Executive Director of Human Resources and Organisational Development	• Spouse is a very senior manager at Health Education England (from 02.10.2017) • Governor of Nelson and Colne College (until 01.02.2018). • Joint Appointment as Executive Director of HR and OD at East Lancashire Hospitals NHS Trust and Blackpool Teaching Hospitals NHS Foundation Trust (10.10.2018 until 31.01.2022)	14.04.2022
Feroza Patel Associate Non-Executive Director	• Positive Nil Declaration	31.03.2022
Christine Douglas Executive Director of Nursing	• Seconded to Manchester Health Care Commissioning as Clinical/Nursing Board member for 4 days per month (from 01.12.2019)	31.03.2022
Khalil Rehman Non-Executive Director	• Director at Salix Homes Ltd • Director at Medisina Foundation. • NED at Leeds Community Healthcare Trust (from 01.12.2020)	07.04.2022
Richard Smyth Non-Executive Director	• Spouse is a Patient and Public Involvement and Engagement Lay Leader for the Yorkshire and Humber Patient Safety Translational Research Centre, based at Bradford Institute for Health Research, Bradford Royal Infirmary. • Spouse is a Non-Executive Director at Lancashire Teachings Hospitals Foundation Trust as from 04.02.2019.	06.04.2022

Name and Title	Interest Declared	Date last updated
Michael Wedgeworth Associate Non-Executive Director	• Board member of Inspire Motivate Overcome (IMO) Charity	31.03.2022
Shelley Wright Joint Director of Communications and Engagement for East Lancashire Hospitals NHS Trust (ELHT) and Blackpool Teaching Hospitals NHS Foundation Trust (BFWH) (from 04.01.2021)	• Post held jointly with Blackpool Teaching Hospitals NHS Foundation Trust	26.04.2022

Members of the Trust Board who left the Trust during the 2021/22 year

Name and Title	Interest Declared	Date last updated
Harry Catherall Associate Non-Executive Director (until 10.01.2022)	• Member STAR Multi Academy Trust former Tauheedul Academy Trust • Former Chief Executive Blackburn with Darwen Council. • Interim Chief Executive at St Helens Council (from 07.10.2019 to 11.03.2020) • Interim Chief Executive of Oldham Council (from 26.08.2021). This position was made permanent in January 2022, and Harry subsequently stepped down from the Trust Board.	10.01.2022

Name and Title	Interest Declared	Date last updated
Kevin McGee Joint Chief Executive Officer and Accountable Officer for East Lancashire Hospitals NHS Trust (ELHT) and Blackpool Teaching Hospitals NHS Foundation Trust (BFWH) (From 01.10.2019 until 31.08.2021)	• Spouse is the Director of Finance and Commercial Development at Warrington and Halton Hospitals NHS Foundation Trust • Honorary Fellow at University of Central Lancashire • Interim Chief Executive, Blackpool Teaching Hospitals NHS Foundation Trust (from 01.05.2019), this became a permanent appointment across both Trust's on 01.10.2019. • Lancashire and South Cumbria Hospital Cell Lead from 01.04.2020	26.02.2021



Remuneration and colleague report

Remuneration and Colleague Report

The Trust's Remuneration Committee has overarching responsibility for the remuneration, arrangements for the appointment and agreement of termination packages for Executive Directors and senior managers. The members of the Committee are the Non-Executive Directors of the Trust. The members are:

- Professor Eileen Fairhurst
- Mrs Patricia Anderson (Non-Executive Director from 1 July 2018 to 10 May 2019 and 3 October 2019 to date)
- Professor Graham Baldwin (Non-Executive Director from 1 January 2020)
- Mr Stephen Barnes
- Mr Harry Catherall (Non-voting Associate Non-Executive Director from 1 July 2019)
- Miss Naseem Malik
- Mrs Feroza Patel (Non-Voting Associate Non-Executive Director from 1 July 2019)
- Mr Khalil Rehman (Non-voting Associate Non-Executive Director from 1 January 2020 to 31 January 2021, Non-Executive Director from 1 February 2021 to present)
- Mr Richard Smyth
- Mr Michael Wedgeworth (Non-voting Associate Non-Executive Director)

The Remuneration Committee is chaired by the Trust Chairman. Information on the term of office of each Non- Executive Director is provided in the Directors Report section of this Annual Report. The interests and details of the Trust Board are disclosed in the Directors' Register of Interests section earlier this Annual Report.

The Remuneration Policy of the Trust states that it does not make awards on performance criteria. Performance in the role of Directors is assessed separately by the Chief Executive Officer in relation to an Executive Director's role in leading the organisation and achieving performance objectives and by the Chairman of the Trust in relation to performance as a member of the Trust Board. The Trust will review its remuneration policy within the next three months to ensure that the policy covers the approach on the remuneration of directors for future years.

In assessing any pay awards during the course of the year, the members of the Committee have had due regard both for the average salary of the executive director in peer organisations and the changes in remuneration agreed as part of the Agenda for Change pay scheme. The

Executive Directors have received changes in their remuneration only in cases that relate to changes in their executive and operational duties and in line with peer organisations.

The employment contracts of Executive Directors are not limited in term and notice periods are six months. The only provision for early termination is in relation to gross misconduct.

Financial information relating to remuneration can be found later in the tables later in this section.

Remuneration Report

Trust Board members, as the Trust's senior managers, being those persons in senior positions having authority or responsibility for directing or controlling the major activities of the Trust. This means those who influence the decisions of the entity as a whole rather than the decisions of individual directorates or departments. There are no annual performance-related bonuses or long-term performance-related bonuses payable to Trust Board members and since Non-Executive Board members do not receive pensionable remuneration, there are no entries in respect of their pensions.

Salaries and allowances (subject to audit)

Post Held	From / Started	To / Left	2021/22 Salary (bands of £5,000) £000	2021/22 Expense payments (taxable) **(to nearest £100)** £	2021/22 All pension-related benefits (bands of £2,500) £000	2021/22 TOTAL (bands of £5,000) £000	2020/21 Salary (bands of £5,000) £000	2020/21 Expense payments (taxable) (to the nearest £100) £	2020/21 All pension-related benefits (bands of £2,500) £000	2020/21 TOTAL (bands of £5,000) £000
Executive Directors										
Joint Chief Executive Officer and Accountable Officer * Mr K McGee	01/04/2021	31/08/2021	55-60	1,800	5-7.5	60-65	130-135	9,200	297.5-300	435-440
Executive Director of Finance Mrs M Brown	01/04/2021	31/03/2022	155-160	0	55-57.5	210-215	150-155	0	140-142.5	295-300
Joint Executive Director of Communications and Engagement * Ms S Wright	01/04/2021	31/03/2022	60-65	0	12.5-15	75-80	15-20	0	2.5-5	15-20
Executive Medical Director/Interim Deputy Chief Executive ** Mr J Husain	01/04/2021	31/03/2022	260-265	0	0	260-265	240-245	0	300-302.5	540-545
Executive Director of Nursing Mrs C Pearson	01/04/2021	31/03/2022	150-155	0	0	150-155	145-150	100	0	145-150
Interim Chief Executive (formerly Executive Director of Service Development/Deputy Chief Executive Officer) *** Mr M Hodgson	01/04/2021	31/03/2022	240-245	0	97-5-100	340-345	220-225	0	357.5-360	580-585

Post Held	From / Started	To / Left	2021/22				2020/21			
			Salary (bands of £5,000) £000	Expense payments (taxable) (to nearest £100) £	All pension-related benefits (bands of £2,500) £000	TOTAL (bands of £5,000) £000	Salary (bands of £5,000) £000	Expense payments (taxable) (to the nearest £100) £	All pension-related benefits (bands of £2,500) £000	TOTAL (bands of £5,000) £000
Executive Directors										
Joint Executive Director of Human Resources and Organisational Development * Mr K Moynes	01/04/2021	31/03/2022	65-70	700	0	65-70	70-75	1,500	0	75-80
Executive Director of Integrated Care, Partnerships and Resilience Mr T McDonald	01/04/2021	31/03/2022	135-140	0	50-52.5	185-190	40-45	0	32.5-35	75-80
Chief Operating Officer Mrs S Gilligan	01/04/2021	31/03/2022	150-155	0	65-67.5	215-220	75-80	0	57.5-60	135-140
Interim Director of Service Development and Improvement Mrs K Atkinson	01/11/2021	31/03/2022	105-110	0	40-42.5	145-150	0	0	0	0

*The remuneration disclosed in the table above represents the Trust's share of the remuneration for those individuals holding a position in the Trust. Additional disclosures are made below in respect of the total salary of individuals engaged in staff-sharing arrangements across all organisations, all of whom worked as joint directors for the Trust and Blackpool Teaching Hospitals NHS Foundation Trust in 2021-22.

The banding for the Joint Chief Executive Officer and Accountable Officer's total salary was £110,000 - £115,000.
The banding for the Joint Executive Director of Communications and Engagement's total salary was £125,000 - £130,000.

The banding for the Joint Executive Director of Human Resource Director and Organisational Development total salary was £135,000 - £140,000.

** The Executive Medical Director commenced in the additional role of Interim Deputy Chief Executive from 27 October 2021. The remuneration includes £131,022 relating to his clinical role and £20,000 for the additional duties relating to his Chief Executive role.

*** Mr M Hodgson left the role of Executive Director of Service Development / Deputy Chief Executive Officer on the 31 August 2021 and commenced in his new role of Interim Chief Executive from 1 September 2021.

Post Held	From / Started	To / Left	2021/22				2020/21			
			Salary	Expense payments (taxable)	All pension-related benefits	TOTAL	Salary	Expense payments (taxable)	All pension-related benefits	TOTAL
			(Bands of £5,000)	(To nearest £100)	(Bands of £2,500)	(Bands of £5,000)	(Bands of £5,000)	(To the nearest £100)	(Bands of £2,500)	(Bands of £5,000)
			£000	£00	£000	£000	£000	£00	£000	£000
Non-Executive Directors										
Chair Professor E Fairhurst	01/04/2021	31/03/2022	50-55	800	0	50-55	40-45	700	0	40-45
Non-Executive Director Ms Patricia Anderson	01/04/2021	31/03/2022	10-15	0	0	10-15	15-20	0	0	15-20
Non-Executive Director Professor G Baldwin	01/04/2021	31/03/2022	10-15	0	0	10-15	5-10	0	0	5-10

Post Held	From / Started	To / Left	2021/22				2020/21			
			Salary (Bands of £5,000) £000	Expense payments (taxable) (To nearest £100) £00	All pension-related benefits (Bands of £2,500) £000	TOTAL (Bands of £5,000) £000	Salary (Bands of £5,000) £000	Expense payments (taxable) (To the nearest £100) £00	All pension-related benefits (Bands of £2,500) £000	TOTAL (Bands of £5,000) £000
Non-Executive Directors										
Non-Executive Director Mr S Barnes	01/04/2021	31/03/2022	10-15	0	0	10-15	10-15	0	0	10-15
Associate Non-Executive Director Mr H Catherall	01/04/2021	01/09/2021	5-10	0	0	5-10	10-15	0	0	10-15
Non-Executive Director Mrs N Malik	01/04/2021	31/03/2022	10-15	0	0	10-15	10-15	0	0	10-15
Associate Non-Executive Director Ms F Patel	01/04/2021	31/03/2022	10-15	0	0	10-15	10-15	0	0	10-15
Non-Executive Director Mr K Rehman	01/04/2021	31/03/2022	10-15	0	0	10-15	10-15	0	0	10-15
Non-Executive Director Mr R Smyth	01/04/2021	31/03/2022	10-15	0	0	10-15	10-15	0	0	10-15
Associate Non-Executive Director Mr M Wedgeworth	01/04/2021	31/03/2022	10-15	0	0	10-15	10-15	0	0	10-15

Since none of the members of the Trust Board included in the table above are members of stakeholder pension schemes, the Trust has not made any related contributions.

Fair Pay Disclosure (subject to audit)

No director received performance related pay or bonuses for their director related services.

East Lancashire Hospitals NHS Trust is required to disclose the relationship between the total remuneration of the highest-paid director against the 25th percentile, median and 75th percentile of remuneration of the organisation's workforce. Total remuneration of the employee at the 25th percentile, median and 75th percentile is further broken down to disclose the salary component.

The banded remuneration of the highest paid director / member in the Trust in the financial year 2021-22 was £260,000 - £265,000 (2020-21: £240,000 - £245,000) with the Medical Director also performing a clinical role. This is an increase of 8.2%.

For employees as a whole, the average salary and allowances remuneration in 2021-2022 was £44,158 (2020-21: £41,812). The percentage change in average employee remuneration (based on total for all employees on an annualised basis divided by full time equivalent number of employees) between years was 5.6%. The relationship to the remuneration of the organisation's workforce is disclosed in the below table. The calculations do not include external agency staff costs.

	25th Percentile	Median	75th Percentile	2020-21 Median
Total remuneration (£)	21,168	27,548	39,996	25,983
Salary component of total remuneration (£)	20,330	25,655	39,027	-
Pay ratio information	12.4%	9.5%	6.6%	9.3%

* Since the 25th and 75th percentiles and the salary component of total remuneration are new calculations for 2021-22, there are no comparatives for 2020-21.

In 2021-22, 4 (2020-21: 2) employees received remuneration in excess of the highest-paid director. Remuneration ranged from £8 to £319,642 (2020-21: £676 - £267,465).

Total remuneration for the purposes of the highest paid director calculation includes salary, non-consolidated performance-related pay, benefits-in-kind, but not severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

There have been no significant movements in either the ratios or average salaries and allowances from the previous financial year.

Director's Pensions (subject to audit)

Name and title	Real increase in pension completed at pension age* (Bands of £2,500)	Real increase in pension lump sum completed at pension age* (Bands of £2,500)	Total accrued pension completed at pension age at 31 March 2022 (Bands of £5,000)	Lump sum at pension age related to accrued pension at 31 March 2022 (Bands of £5,000)	Cash Equivalent Transfer Value at 31 March 2022 £000	Real Increase/(Decrease) in Cash Equivalent Transfer Value £000	Cash Equivalent Transfer Value at 31 March 2021 £000
Mr K McGee * **	0-2.5	0-2.5	100-105	305-310	0	(524)	2,481
Mr M Hodgson	5-7.5	5-7.5	75-80	165-170	1,454	97	1,321
Mrs M Brown	2.5-5	0-2.5	45-50	90-95	880	53	801
Mr J Husain **	0	0	20-25	65-70	0	(1,793)	1,775
Ms S Wright *	0-2.5	0	0-5	0	54	4	27
Mr T McDonald	2.5-5	0-2.5	45-50	90-95	758	40	696
Mrs S Gilligan	2.5-5	2.5-5	35-40	65-70	646	53	568
Mrs K Atkinson	0-2.5	2.5-5	30-35	55-60	500	31	0

* With the Executive Director of Human Resource Director, Kevin Moynes and Organisational Development and the Joint Executive Director of Communications and Engagement, Shelly Wright, working as joint directors for the Trust and Blackpool Teaching Hospitals NHS Foundation Trust, as well as the former Joint Chief Executive Officer and Accountable Officer, Kevin McGee, the real increases shown in the table above, represents the proportion attributable to the Trust.

** There is no CETV value on reaching Normal Pension Age

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures and the other pension details include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

Real Increase in CETV

This reflects the increase in CETV effectively funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another scheme or arrangement) and uses common market valuation factors for the start and end of the period.

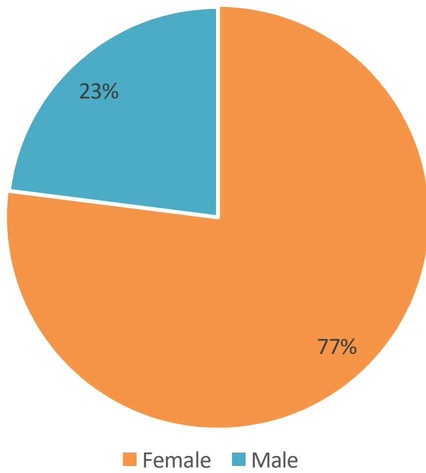
Further information on how pension liabilities are treated can be found in note 8.3 of the Trust annual accounts.

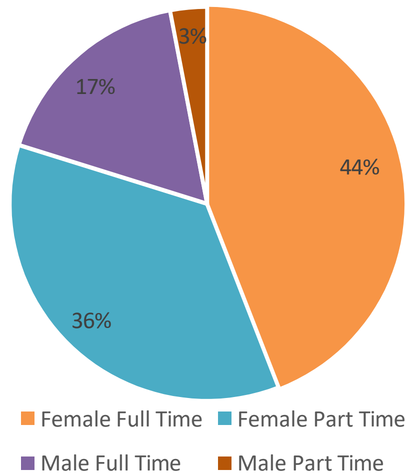
Workforce numbers and composition

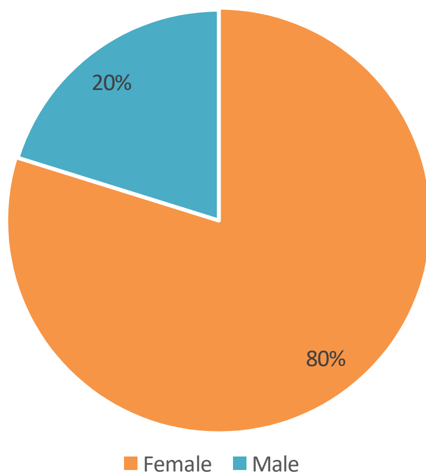
The Trust is a major local employer and we employ nearly 9,000 people. During the course of the year the Trust has worked hard to recruit and retain people. The Trust now employs 700 WTE more than at the end of 2020-21. People turnover for 2021-22 was 8.15%, compared to 7.74% in 2020-21.

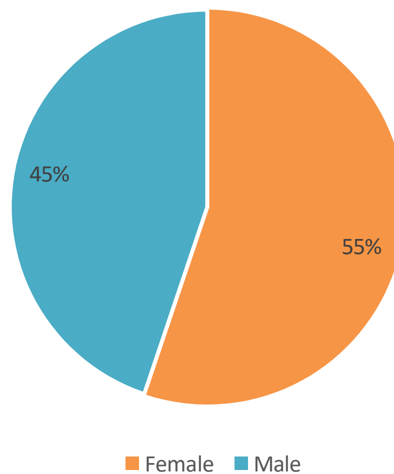
The Trust is fully committed to eliminating gender inequality and continues to monitor the gender profile of the workforce. The current profile is typical of other NHS organisations:

Staff Group	Female	Male
Add Prof Scientific and Technic	77%	23%
Additional Clinical Services	88%	12%
Administrative and Clerical	80%	20%
Allied Health Professionals	77%	23%
Estates and Ancillary	55%	45%
Healthcare Scientists	66%	34%
Medical and Dental	40%	60%
Nursing and Midwifery Registered	94%	6%
Students	100%	0%
Grand Total	**80%**	**20%**









Sickness

Sickness absence in 2021-22 stood at 6.65% which is 1.12% higher compared to 2020-21 (5.53%). However, 1.14% of the sickness in 2021-22 was related to COVID-19, therefore without this, it is reasonable to assume that the Trust sickness rate would have stood at 5.51%.

Staff sickness absence	2021-22 Number
Total days lost	118,140
Total staff years	8,441
Average working days lost (per WTE)	**14**

The Trust has implemented a number of initiatives to improve the health and wellbeing of its staff as well as bespoke initiatives and resources to support with the impact of the COVID-19 pandemic. Mental health related absence has seen a rise over the course of the pandemic and the Trust has been instrumental in shaping the creation of the Lancashire and South Cumbria Resilience Hub, which launched in September 2020 and provides fast track psychological interventions to our workforce and their families.

The Trust monitors sickness absence rates on a monthly basis in the workforce scorecard element of the integrated performance report and through a Quarterly Workforce Report to the Finance and Performance Committee.

People Policies

The Trust recognises that giving colleagues access to skills and development supports the delivery of safe, personal and effective care to our patients. The Trust continues to develop a full range of employment policies to support people throughout their time working at the Trust. These policies are regularly reviewed in line with employment legislation and best practice, and in partnership with staff side colleagues and our staff networks. Policies are assessed to ensure that there is equal opportunity for all job applicants and staff, including those who provide services as volunteers.

Specific policies have been developed to support people with disabilities during the recruitment process and whilst in employment with the Trust and work continues to drive forward and embed an ambitious Trust agenda around flexible and agile working. This is one of the key priorities of the NHS People Plan and People Promise. Our Flex Manifesto was agreed and endorsed by

the Executive team in July 2021 and significant flexible working related changes were introduced to the NHS terms and conditions of Service in September 2021. In response to this, all our vacancies are now advertised as ‘Happy to Talk Flex’, our Flexible Working Policy has been reviewed and updated and a resource portal has been launched to promote our ambitions. Work is underway to record, report and monitor all flexible working requests going forward which will enable us to measure short- and long-term progress with our flex ambitions.

The Trust has employed a Staff Guardian team since 2014 and has successfully introduced the “If you see something say something” campaign which encourages all of our colleagues to speak out safely if they have any concerns. The Staff Guardian team work independently alongside Trust leadership teams to support our organisation in becoming a more open and transparent place to work, where all staff are actively encouraged and enabled to speak up safely. In the last year, the Trust has trained a number of Freedom to Speak up Champions drawn from our staff networks as a further way of encouraging staff to have the confidence to speak out. The latest National Guardian Freedom to Speak Up Index published in May 2021 shows that ELHT is the best performing Trust within Lancashire and South Cumbria area in respect of our staff being most likely to ‘Speak Up’ about issues with a score of 80.8%.

The Trust has processes and policies in place to ensure that all learners and staff have access to appropriate training, educational qualifications and continuing professional development in order for them to develop their skills and competencies and deliver safe, personal, effective care.

The Trust has recently completed a significant piece of work to redevelop our Disciplinary Policy, incorporating the national work overseen by Baroness Dido Harding and incorporating Just Culture principles. Where appropriate, we aim to resolve matters informally and enabling colleagues to reflect and learn, ensuring that all colleagues are treated fairly throughout any formal procedures and that their health and wellbeing is maintained at all stages. A Case Review Group, overseen by a Non-Executive Director, is now well established to ensure that all cases are being handled in an appropriate manner and that we learn from any mistakes made, at all levels.

The Trust recognises a number of trade unions, with whom we consult on workforce training and development issues. In 2021-22 we continued our commitment to engage and empower our employees in order to support our vision ‘to be widely recognised for providing safe,

personal and effective care'. Partnership working has been central to response the COVID-19 pandemic, with considerable work done to ensure effective employee relations, in line with the national and regional Social Partnership Forums.

All our policies are consistent with our responsibilities under the Equality Act 2010 and are reviewed on a regular basis to ensure compliance and that they adhere to best practice.

The Trust has a strong commitment to the delivery of education and research which now sitsunder the new Directorate of Education, Research and Innovation (DERI). A combined strategy has been developed underpinned by individual education, research and innovation plans that align to ELHT strategic vision, local and national agendas. All learners and staff have access to training and development opportunities to ensure that they have the skills necessary to fulfil their role and contribute to excellent patient care. In addition to our ongoing mandatory training programmes, which are tailored for staff groups, we offer a wide range of clinical and non-clinical training opportunities supported by coaching and mentorship for personal and professional development.

Staff Engagement Indicators

The 2021 National Staff Survey saw the Trust achieve its best ever staff response rate of 58% with 5,265 respondents. This is significantly above the average of 46% for Combined Acute and Community Trusts in England and compares with a response rate of 55% (4,795) in the ELHT 2020 survey. This is an increase of 3% from the previous year's response rate and an indicator that staff engagement through employee voice has improved within the last 12 months and taking a longer-term analysis it can be seen that the response rate has significantly improved as a trend over the last five years by 14.8%.

The Trust staff satisfaction responses scored above average for seven of the nine themes when compared with all Combined Acute and Community Trusts. The Trust staff satisfaction responses scored average for one of the nine themes when compared with all Combined Acute and Community Trusts, which was "we are a team". The Trust staff satisfaction responses scored below average for one of the nine themes when compared with all Combined Acute and Community Trusts, which was "we are always learning".

The overall indicator for staff engagement score is seven, which is above average when compared with all Combined Acute and Community Trusts (Combined Acute and Community Trust average 6.8)

The results show that as an organisation we continue to maintain the support we provide for our most important asset, our staff. The results are also good news for patients as we know that high levels of employee engagement and satisfaction directly and indirectly influence the quality of patient care and customer satisfaction in our hospitals and clinics.

Staff numbers (subject to audit)

	2021-22			2020-21
	Permanently employed	Other	Total	Total
	£000s	£000s	£000s	£000s
Salaries and wages	343,093	15,500	358,593	337,661
Social security costs	37,224	0	37,224	33,238
Apprentice Levy	1,696	106	1,802	1,624
NHS Pensions Scheme	38,862	0	38,862	37,158
Pension cost - employer contributions paid by NHSE on provider's behalf (6.3%)	17,039	0	17,039	16,038
Pension cost - other	121	0	121	103
Temporary staff	0	20,556	20,556	15,832
Total employee benefits	**438,035**	**36,162**	**474,197**	**441,654**
Employee costs capitalised	1,288	206	1,494	554
Gross employee benefits excluding capitalised costs	**436,541**	**36,162**	**472,703**	**441,100**

Staff numbers	2021-22			2020-21
	Permanently employed	Other	Total	Total
	Number	Number	Number	Number
Average staff numbers				
Medical and dental	**699**	**301**	**1,000**	**957**
Administration and estates	**1,409**	**128**	**1,537**	**1,466**
Healthcare assistants and other support staff	**2,875**	**247**	**3,122**	**2,975**
Nursing, midwifery and health visiting staff	**2,549**	**366**	**2,915**	**2,805**
Scientific, therapeutic and technical staff	**885**	**20**	**905**	**906**

Staff numbers	2021-22						2020-21
	Permanently employed		Other		Total		Total
	Number		Number		Number		Number
Healthcare Science Staff	142		0		142		137
Other	11		0		11		11
Total average staff numbers	8,570		1,062		9,632		9,257
Of the above - staff engaged on capital projects	28		0		28		14

Off-payroll engagements

The Trust employs the services of some staff through invoicing arrangements, rather than through payroll. The numbers of these staff falling under the following criteria are shown below.

All off-payroll engagements as of 31 March 2022, for more than £245 per day and that last longer than six months are:

	Number
No. of existing engagements as of 31 March 2022	0
Of which…	
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

All staff paid through this arrangement are assessed for compliance with IR35.

All off-payroll engagements, or those that reached six months in duration, between 1 April 2021 and 31 March 2022, for more than £245 per day and that last for longer than six months:

	Number
No. of new engagements, or those that reached six months in duration, between 1 April 2021 and 31 March 2022	0
No. assessed as caught by IR35	0
No. assessed as not caught by IR35	0
No. engaged directly (via PSC contracted to department) and are on the departmental payroll	0
No. of engagements reassessed for consistency / assurance purposes during the year.	0
No. of engagements that saw a change to IR35 status following the consistency review	0

Off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2021 and 31 March 2022.

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.	10

No payments have been made during 2021-22 to former senior managers and no compensation on early retirement or loss of office or other exit packages have been made during this period.

Exit packages (subject to audit)

During 2021-22, there were no exit payments made to any member of staff.

Consultancies

In 2021-22, Trust expenditure on consultancy was £1,294,000 (2020-21: £852,000).
This matches the year end finance submission to NHSEI.

Trade Union Activities

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
29	27.5

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	1
1-50%	22
51%-99%	0
100%	6

Percentage of pay bill spent on facility time

	Figures
Total cost of facility time	£170,723
Total pay bill	£472.9m
Percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0.04%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as:
(total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100 5%

Signed: Martin A. Hodgson (electronically signed), Interim Chief Executive
Date: 17 June 2022

Finance report

Finance Report

Financial review for the year ending 31 March 2022

Financial duties

The Trust reported a £0.02 million adjusted financial performance surplus for the 2021-22 financial year. This is in line with the 2021-22 financial plan.

	2021-22	2020-21
Break-even duty	✔	✔
In year – the Trust must achieve an in-year revenue break-even position (before technical items)	✔	✔
Cumulative – the Trust must deliver a cumulative break-even position (before technical items)	✔	✔
Capital Resource Limit – the Trust must not exceed its resource limit	✔	✔
External Financing Limit – the Trust must not exceed its financing limit	✔	✔

Where our money comes from

In 2021-22, the Trust received income of £701.1 million compared with £656.8 million in the previous year. Most of the Trust's income comes from Clinical Commissioning Groups (CCGs) who purchase healthcare on behalf of their local populations with £652.7 million of income generated from patient care activities.

Where our money goes

In 2021-22, the Trusts total revenue operating expenditure was £682.1 million compared with £667.2 million in the previous year. £472.7 million (69%) was spent on staff costs. Throughout the year the Trust employed an average of 8,570 permanent staff, as well as an average of 590 bank staff, 262 agency staff and 210 seconded junior doctors.

At £46.8 million, drugs costs were the next highest area of expenditure with the Trust also incurring £46.2 million on clinical supplies and services, £26.6 million on premises and £20.3 million on clinical negligence 'insurance' premiums.

Capital Expenditure

The Trust has continued to invest in healthcare facilities in East Lancashire, receiving £9.0 million of funding from the Urgent and Emergency Care Programme to further develop the Royal Blackburn Teaching Hospital site and £3.9 million of funding to implement an Electronic Patient Record to aid the Trust's drive for transformation of clinical practice and the seamless integration of patient-care pathways across the health and care economy. A further £5.0 million of funding was made available nationally including £1.4 million for an MRI scanner at Rossendale Primary Health Care Centre.

In total the Trust invested £30.0 million on new building works, improvements and equipment and information technology across all of its sites. A summary is provided below:

	£m
Property land and buildings	**12.5**
PFI lifecycle costs	**3.6**
Information technology	**9.8**
Plant and equipment	**2.3**
Other capital costs	**1.8**
Total	**30.0**

Revaluation of land and buildings

A revaluation of the Trust estate has been carried out as at 31 March 2022, resulting in a £12.5 million increase in the value of these assets at the end of the financial year. £8.6 million of this valuation adjustment has been charged to operating expenses as a net impairment reversal, although this is excluded from the adjusted financial performance of the Trust. Further detail is set out in note 12.1 to the annual accounts.

External Financing Limit

The External Financing Limit (EFL) is used by DHSC to measure how well the Trust manages its cash resources and is a threshold the Trust is not permitted to overshoot. In 2021-22, the Trust matched the overall cash limit set by DHSC of £5.8 million.

Capital Resource Limit

The Capital Resource Limit (CRL) is used by DHSC to measure how well the Trust controls its spending on capital schemes with the Trust permitted to spend up to its CRL. In 2021-22,

the capital investment made by the Trust represented an underspend of £2.0 million against the CRL set by DHSC of £31.9 million.

Better Payment Practice code

Although it is not a financial duty, the Trust met the Better Payment Practice Code target by paying more than 95% of undisputed invoices within 30 days of receipt of the goods or invoice, whichever is the later.

Payments made to non-NHS organisations (value)

	2021-22	2020-21
Total invoices paid (£m)	419.5	356.5
Total invoices paid in target (£m)	407.0	350.4
Percentage achievement	97.1%	98.3%

Finance income

The Trust receives income from the interest earned on the management of its cash balances. Finance income in 2021-22 amounted to £0.1 million, compared with £0.1 million earned in 2020-21.

Counter Fraud

The Trust is committed to maintaining high standards of honesty, openness and integrity within the organisation. With this it supports the work of the National Fraud Initiative. The Trust has a designated accredited local counter fraud specialist.

External audit

The Trust appointed Mazars to carry out the external audit of the 2021-22 accounts at a cost of £89,400.

Financial Outlook for 2022-23

During 2022-23 the NHS will continue to operate on fixed funding arrangements, managed at an ICS level. There main financial priorities are attached to the elective recovery programme, unknown impact of Covid in 2022-23 and the high inflation rates.

The Trust is working to a £17.5m deficit financial plan, which includes a Waste Reduction Programme of £28.8 million (5%). The Trust will endeavour to meet this challenging financial plan for 2022-23 with system partners across Lancashire and South Cumbria.

Annual Accounts

The Trusts auditors have issued an unqualified report on these accounts. A full copy of the Annual Accounts 2021-22 can be found at the end of this document.

Quality Report

The Trust has published its Annual Quality Account in line with Department of Health and Social Care requirements and this is available on our website at www.elht.nhs.uk. This Annual Report should be read in conjunction with our Quality Account which provides further key information about the Trust and our performance against quality requirements. It also highlights our major successes in the financial year.

Annual accounts 2021-22

East Lancashire Hospitals

NHS Trust

East Lancashire Hospitals NHS Trust
Financial Statements
Year ended 31 March 2022

Safe | Personal | Effective

Foreword to the accounts

These accounts for the year ended 31 March 2022 have been prepared by the East Lancashire Hospitals NHS Trust in accordance with schedule 15 of the National Health Service Act 2006

Contents

	Page
Statement of Comprehensive Income (SoCI)	Page 1
Statement of Financial Position (SoFP)	Page 2
Statement of Changes in Taxpayers' Equity (SoCiTE)	Page 3
Statement of Cash Flows (SoCF)	Page 4
Notes to the accounts	
Accounting policies	Page 5
Income from patient care activities Other operating income	Page 14
Operating expenses Impairment of assets	Page 15
External audit Leases Employee benefits Retirements due to ill-health	Page 16
Pension costs	Page 17
Finance expenses Better Payment Practice Code Intangible assets Property, plant and equipment	Page 18
Inventories Receivables Cash and cash equivalents Trade and other payables	Page 21
Borrowings Other liabilities Clinical negligence liabilities Private finance initiative (PFI) schemes	Page 22
External financing Capital Resource Limit Breakeven duty	Page 24
Financial instruments	Page 25
Losses and special payments	Page 26
Related party transactions Contractual capital commitments Events after the reporting period	Page 27

Statement of Comprehensive Income

	Note	**2021-22 £000s**	2020-21 £000s
Operating income from patient care activities	2	**652,694**	566,973
Other operating income	3	**48,322**	89,699
Operating expenses	4	**(679,572)**	(667,173)
Operating surplus / (deficit)		**21,444**	(10,501)
Finance costs			
Finance income		**103**	75
Finance expenses	9	**(8,232)**	(9,249)
Public dividend capital dividends payable		**(2,912)**	(2,222)
Net finance costs		**(11,041)**	(11,396)
Other gains / (losses)		**103**	(505)
(Losses) from transfers by absorption		**(130)**	0
Surplus / (deficit) for the financial year		**10,376**	(22,402)

Other comprehensive income

Amounts that will not be reclassified subsequently to income and expenditure:			
Impairments		**(138)**	(1,649)
Revaluations		**1,960**	22
Total other comprehensive income / (expenditure) for the year		**1,822**	(1,627)
Total comprehensive income / (expenditure) for the year		**12,198**	(24,029)

Statement of Financial Position

	Note	**31 March 2022 £000s**	31 March 2021 £000s
Non-current assets			
Intangible assets	11	**23,976**	11,304
Property, plant and equipment	12	**239,319**	224,663
Receivables		**913**	1,027
Total non-current assets		**264,208**	236,994
Current assets			
Inventories	13	**8,668**	8,032
Receivables	14	**29,876**	23,319
Cash and cash equivalents	15	**63,285**	54,218
Total current assets		**101,829**	85,569
Current liabilities			
Trade and other payables	16	**(88,615)**	(76,565)
Borrowings	17	**(4,227)**	(3,026)
Provisions		**(1,097)**	(811)
Other liabilities	18	**(12,411)**	(7,957)
Total current liabilities		**(106,350)**	(88,359)
Total assets less current liabilities		**259,687**	234,204
Non-current liabilities			
Borrowings	17	**(91,192)**	(95,418)
Provisions		**(3,958)**	(4,317)
Total non-current liabilities		**(95,150)**	(99,735)
Total assets employed		**164,537**	134,469
Financed by:			
Taxpayers' equity			
Public dividend capital		**261,409**	243,539
Revaluation reserve		**12,573**	10,634
Income and expenditure reserve		**(109,445)**	(119,704)
Total taxpayers' equity		**164,537**	134,469

The notes on pages 5 to 27 form part of these accounts.

The financial statements on pages 1 to 4 and accompanying notes were approved by the Audit Committee on 14 June 2022 and were signed and authorised for issue on its behalf by:

Interim Chief Executive: *Martin A. Hodgson (signed electronically)* 17 June 2022

Mr Martin Hodgson

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2022

	Note	Public dividend capital £000s	Revaluation reserve £000s	Income and expenditure reserve £000s	Total reserves £000s
Taxpayers' equity at 1 April 2021		**243,539**	**10,634**	**(119,704)**	**134,469**
Surplus for the year		**0**	**0**	**10,376**	**10,376**
Transfers between reserves		**0**	**117**	**(117)**	**0**
Revaluations		**0**	**1,960**	**0**	**1,960**
Impairments	5	**0**	**(138)**	**0**	**(138)**
Public dividend capital received		**17,870**	**0**	**0**	**17,870**
Taxpayers' equity at 31 March 2022		**261,409**	**12,573**	**(109,445)**	**164,537**

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2021

	Note	Public dividend capital £000s	Revaluation reserve £000s	Income and expenditure reserve £000s	Total reserves £000s
Taxpayers' equity at 1 April 2020		205,610	12,261	(97,302)	120,569
(Deficit) for the year		0	0	(22,402)	(22,402)
Revaluations		0	22	0	22
Impairments	5	0	(1,649)	0	(1,649)
Public dividend capital received		37,929	0	0	37,929
Taxpayers' equity at 31 March 2021		243,539	10,634	(119,704)	134,469

Information on reserves

Public dividend capital
Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities. Additional PDC may also be issued to NHS trusts by the Department of Health and Social Care (DHSC). A charge, reflecting the cost of capital utilised by the Trust, is payable to the DHSC, as the annual PDC dividend, in two instalments, the second of which is payable in March based on the estimated dividend payable. Any difference to the actual dividend payable is settled in the following financial year.

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

Income and expenditure reserve
The balance of this reserve represents the accumulated surpluses and deficits of the Trust.

Statement of Cash Flows

	Note	**2021-22 £000s**	2020-21 £000s
Cash flows from operating activities			
Operating surplus / (deficit)		**21,444**	(10,501)
Depreciation and amortisation	4	**15,054**	12,886
Impairments and reversals	4	**(10,685)**	20,843
Income recognised in respect of capital donations		**(125)**	(1,713)
(Increase) / decrease in inventories		**(636)**	279
(Increase) / decrease in receivables		**(5,892)**	12,102
Increase in trade and other payables		**20,074**	19,005
Increase in other liabilities		**4,454**	6,452
(Decrease) / Increase in provisions		**(39)**	638
Net cash generated from operations		**43,649**	59,991
Cash flow from investing activities			
Interest received		**34**	40
Purchase of intangible assets		**(12,826)**	(7,137)
Purchase of property, plant and equipment		**(26,166)**	(21,636)
Proceeds from sales of property, plant and equipment		**134**	270
Net cash (used in) investing activities		**(38,824)**	(28,463)
Cash flows from financing activities			
Public dividend capital received		**17,870**	37,929
Movement in loans from the DHSC	17.1	**(200)**	(7,948)
Capital element of PFI payments	17.1	**(2,825)**	(3,786)
Interest paid		**(8,266)**	(9,282)
PDC dividend paid		**(2,337)**	(2,713)
Net cash generated from financing activities		**4,242**	14,200
Increase in cash and cash equivalents		**9,067**	45,728
Cash and cash equivalents at 1 April		**54,218**	8,490
Cash and cash equivalents at 31 March		**63,285**	54,218

£17.9m of Public dividend capital (PDC) received in 2021-22 has been used to fund specific capital projects.

Notes to the accounts

1. Accounting policies and other information

1.1 Basis of preparation

The Department of Health and Social Care (DHSC) has directed that the financial statements of the Trust shall meet the accounting requirements of the DHSC Group Accounting Manual (GAM), which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the GAM 2021-22 issued by the DHSC. The accounting policies contained in the GAM follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to the accounts.

1.2 Accounting convention

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

1.3 Going concern

These accounts have been prepared on a going concern basis. The financial reporting framework applicable to NHS bodies, derived from the HM Treasury Financial Reporting Manual, defines that the anticipated continued provision of the entity's services in the public sector is normally sufficient evidence of going concern. Management has a reasonable expectation that this will continue to be the case.

1.4 Sources of estimation uncertainty

The following are assumptions about the future and other major sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Non-current asset valuations

Valuation services are provided to the Trust by Cushman & Wakefield, a property services firm whose valuers are registered with the Royal Institution of Chartered Surveyors (RICS), the regulatory body for the valuation services industry. Following a full valuation of land and buildings as at 31 March 2020, Cushman & Wakefield has provided a desktop valuation of these assets as at 31 March 2022 to ensure that the carrying amount of these assets does not differ materially from current value. These valuations reflect the current economic conditions and the location factor for the North West of England.

Private Finance Initiative (PFI) - unitary payment

PFI annual contract payments are split between three elements, the payment for services, payment for property (comprising repayment of the liability, finance cost and contingent rental) and lifecycle replacement. The Trust has adopted the national PFI accounting guidance to determine the split between these elements.

Clinical negligence liabilities

The provisions of NHS Resolution in respect of clinical negligence liabilities relating to the Trust, as disclosed in the provisions note, are estimated by NHS Resolution on a case by case basis.

1.5 Critical judgements in applying accounting policies

The following are the judgements, apart from those involving estimations (see above) that management has made in the process of applying the Trust accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

PFI assets

The valuation for PFI buildings excludes VAT on the basis that the replacement of these assets would be carried out under a special purchase vehicle where VAT would be recoverable.

Segmental reporting

The Trust has one material segment, being the provision of healthcare, primarily to NHS patients. Divisions within the Trust all have similar economic characteristics with healthcare activity being undertaken via ward-based hospital care and through a range of primary care and community services.

Non-current asset valuations

Since 2017-18 the Trust has adopted an alternative site valuation model, whereby the valuation of its estate is based on the value of the modern equivalent asset required to deliver the services the Trust currently provides without taking account of the existing estate and its current utilisation.

1.6 Revenue from contracts with customers

Where income is derived from contracts with customers, it is accounted for under IFRS 15. The GAM expands the definition of a contract to include legislation and regulations which enables an entity to receive cash or another financial asset that is not classified as a tax by the Office of National Statistics (ONS).

Revenue in respect of goods/services provided is recognised when (or as) performance obligations are satisfied by transferring promised goods/services to the customer and is measured at the amount of the transaction price allocated to those performance obligations. At the end of the financial year, the Trust accrues income relating to performance obligations satisfied in that year. Where the Trust's entitlement to consideration for those goods or services is unconditional a contract receivable will be recognised. Where entitlement to consideration is conditional on a further factor other than the passage of time, a contract asset will be recognised. Where consideration received or receivable relates to a performance obligation that is to be satisfied in a future period, the income is deferred and recognised as a contract liability.

Revenue from NHS contracts

The main source of income for the Trust is contracts with commissioners for health care services. In 2021-22 and 2020-21, the majority of the Trust's income from NHS commissioners was in the form of block contract arrangements. The Trust receives block funding from its commissioners, where funding envelopes are set at a Integrated Care System level. For the first half of the 2020-21 comparative year these blocks were set for individual NHS providers directly, but the revenue recognition principles are the same. The related performance obligation is the delivery of healthcare and related services during the period, with the Trust's entitlement to consideration not varying based on the levels of activity performed.

The Trust also receives additional income outside of the block payments to reimburse specific costs incurred and, in 2020-21, other income top-ups to support the delivery of services. Reimbursement and top-up income is accounted for as variable consideration.

In 2021-22, the Elective Recovery Fund enabled systems to earn income linked to the achievement of elective activity targets including funding any increased use of independent sector capacity. Income earned by the system is distributed between individual entities by local agreement. Income earned from the fund is accounted for as variable consideration.

1.7 Other forms of income

Grants and donations

Government grants are grants from government bodies other than income from commissioners or trusts for the provision of services. Where a grant is used to fund revenue expenditure it is taken to the Statement of Comprehensive Income to match that expenditure. Where the grant is used to fund capital expenditure, it is credited to the consolidated statement of comprehensive income once conditions attached to the grant have been met. Donations are treated in the same way as government grants.

1.8 Expenditure on employee benefits

Short-term employee benefits

Salaries, wages and employment-related payments such as social security costs and the apprenticeship levy are recognised in the period in which the service is received from employees. The cost of annual leave entitlement earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry-forward leave into the following period.

Pension costs

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Both schemes are unfunded, defined benefit schemes that cover NHS employer, general practices and other bodies, allowed under the direction of Secretary of State for Health and Social Care in England and Wales. The schemes are not designed in a way that would enable employers to identify their share of the underlying scheme assets and liabilities. Therefore, the schemes are accounted for as though they are defined contribution schemes: the cost to the Trust is taken as equal to the employer's pension contributions payable to the scheme for the accounting period. These contributions are charged to operating expenses as they become due.

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

1.9 Expenditure on goods and services

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

1.10 Intangible assets

Recognition

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

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 when it meets the requirements set out in IAS 38.

Software

Software which is integral to the operation of hardware is capitalised as part of the relevant item of property, plant and equipment. Software which is not integral to the operation of hardware 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 where there are no restrictions on sale at the reporting date and where they do not meet the definitions of investment properties or assets held for sale.

Amortisation

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

Useful lives of intangible assets

Useful lives reflect the total life of an asset and not the remaining life of an asset, which range from 3 to 10 years.

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
- it is expected to be used for more than one financial year
- the cost of the item can be measured reliably
- the item has cost of at least £5,000, or
- collectively, a number of items have a cost of at least £5,000 and individually have cost of more than £250, where the assets are functionally interdependent, had broadly simultaneous purchase dates, are anticipated to have similar disposal dates and are under single managerial control.

Subsequent expenditure

Subsequent expenditure relating to an item of property, plant and equipment is recognised as an increase in the carrying amount of the asset when it is probable that additional future economic benefits or service potential deriving from the cost incurred to replace a component of such item will flow to the enterprise and the cost of the item can be determined reliably. Other expenditure that does not generate additional future economic benefits or service potential, such as repairs and maintenance is charged to the Statement of Comprehensive Income in the period in which it is incurred.

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.

Assets which are held for their service potential and are in use (ie operational assets used to deliver either front line services or back office functions) are measured at their current value in existing use. Assets that were most recently held for their service potential but are surplus with no plan to bring them back into use are measured at fair value where there are no restrictions on sale at the reporting date and where they do not meet the definitions of investment properties or assets held for sale.

Revaluations of property, plant and equipment are performed with sufficient regularity to ensure that carrying values are not materially different from those that would be determined at the end of the reporting period. Current values in existing use are determined as follows:

- Land and non-specialised buildings – market value for existing use.
- Specialised buildings – depreciated replacement cost on a modern equivalent asset basis.

For specialised assets, current value in existing use is interpreted as the present value of the asset's remaining service potential, which is assumed to be at least equal to the cost of replacing that service potential. Specialised assets are therefore valued at their depreciated replacement cost (DRC) on a modern equivalent asset (MEA) basis. An MEA basis assumes that the asset will be replaced with a modern asset of equivalent capacity and location requirements of the services being provided. Assets held at depreciated replacement cost have been valued on an alternative site basis where this would meet the location requirements.

Valuation guidance issued by the Royal Institution of Chartered Surveyors states that valuations are performed net of VAT where the VAT is recoverable by the entity. This basis has been applied to the Trust's Private Finance Initiative (PFI) scheme where the construction is completed by a special purpose vehicle and the costs have recoverable VAT for the Trust.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees. Assets are revalued and depreciation commences when the assets are brought into use.

IT equipment, transport equipment, furniture and fittings, and plant and machinery that are held for operational use are valued at depreciated historic cost where these assets have short useful lives or low values or both, as this is not considered to be materially different from current value in existing use.

Depreciation
Items of property, plant and equipment are depreciated over their remaining useful 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.

Revaluation gains and losses
Revaluation gains are recognised in the revaluation reserve, except where, and to the extent that, they reverse a revaluation decrease that has previously been recognised in operating expenses, in which case they are recognised in operating expenditure.

Revaluation losses are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to operating expenses. Gains and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'.

Impairments
In accordance with the 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 the impairment charged to operating expenses and the balance in the revaluation reserve attributable to that asset before the impairment.

An impairment that arises from a clear consumption of economic benefit or of service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss is reversed. Reversals are recognised in operating expenditure to the extent that the asset is restored to the carrying amount it would have had if the impairment had never been recognised.

Any remaining reversal is recognised in the revaluation reserve. Where, at the time of the original impairment, a transfer was made from the revaluation reserve to the income and expenditure reserve, an amount is transferred back to the revaluation reserve when the impairment reversal is recognised.

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

Private Finance Initiative (PFI) transactions

PFI transactions which meet the IFRIC 12 definition of a service concession, as interpreted in HM Treasury's FReM, are accounted for as 'on-Statement of Financial Position' by the Trust. In accordance with HM Treasury's FReM, the underlying assets are recognised as property, plant and equipment, together with an equivalent liability. Subsequently, the assets are accounted for as property, plant and equipment.

The annual contract payments are apportioned between the repayment of the liability, a finance cost, the charges for services and lifecycle replacement of asset components, which are capitalised where they meet the Trust's criteria for capital expenditure. The element of the annual unitary payment increase due to cumulative indexation is treated as contingent rent and is expensed as incurred.

The service charge is recognised in operating expenses and the finance cost is charged to finance costs in the Statement of Comprehensive Income.

Useful economic lives of property, plant and equipment

Useful lives reflect the total life of an asset and not the remaining life of an asset. The range of useful lives are shown in the table below:

	Min life Years	Max life Years
Buildings	60	90
Plant & machinery	3	25
Information technology	3	10
Other property, plant and equipment	3	25

1.12 Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is measured using the first in, first out (FIFO) method.

In 2020-21 and 2021-22, the Trust received inventories including personal protective equipment from the Department of Health and Social Care at nil cost. In line with the GAM and applying the principles of the IFRS Conceptual Framework, the Trust has accounted for the receipt of these inventories at a deemed cost, reflecting the best available approximation of an imputed market value for the transaction based on the cost of acquisition by the Department, with all such inventories expensed in year.

1.13 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 three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

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

1.14 Financial assets and financial liabilities

Recognition

Financial assets and financial liabilities arise where the Trust is party to the contractual provisions of a financial instrument, and as a result has a legal right to receive or a legal obligation to pay cash or another financial instrument. The GAM expands the definition of a contract to include legislation and regulations which give rise to arrangements that in all other respects would be a financial instrument and do not give rise to transactions classified as a tax by ONS.

This includes the purchase or sale of non-financial items (such as goods or services), which are entered into in accordance with the Trust's normal purchase, sale or usage requirements and are recognised when, and to the extent which, performance occurs, ie, when receipt or delivery of the goods or services is made.

Classification and measurement

Financial assets and financial liabilities are initially measured at fair value plus or minus directly attributable transaction costs except where the asset or liability is not measured at fair value through profit and loss. Fair value is taken as the transaction price, or otherwise determined by reference to quoted market prices or valuation techniques.

Financial assets and financial liabilities at amortised cost are those held with the objective of collecting contractual cash flows and where cash flows are solely payments of principal and interest. This includes cash equivalents, contract and other receivables, trade and other payables, rights and obligations under PFI arrangements and loans payable. All of the Trust's financial assets and financial liabilities are classified on this basis.

After initial recognition, these financial assets and financial liabilities are measured at amortised cost using the effective interest method less any impairment (for financial assets). The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

Interest revenue or expense is calculated by applying the effective interest rate to the gross carrying amount of a financial asset or amortised cost of a financial liability and recognised in the Statement of Comprehensive Income as finance income or expense. In the case of DHSC loans held, the effective interest rate is the nominal rate of interest charged on the loan.

Impairment of financial assets

For all financial assets measured at amortised cost including contract receivables and contract assets, the Trust recognises an allowance for expected credit losses.

The Trust adopts the simplified approach to impairment for contract and other receivables and contract assets measuring expected losses as at an amount equal to lifetime expected losses.

Expected losses are charged to operating expenditure within the Statement of Comprehensive Income and reduce the net carrying value of the financial asset in the Statement of Financial Position.

De-recognition

Financial assets are de-recognised when the contractual rights to receive cash flows from the assets have expired or the Trust has transferred substantially all the risks and rewards of ownership.

Financial liabilities are de-recognised when the obligation is discharged, cancelled or expires.

1.15 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. All Trust leases are operating leases.

The Trust as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially in other liabilities on the statement of financial position and subsequently as a reduction of rentals on a straight-line basis over the lease term. Contingent rentals are recognised as an expense in the period in which they are incurred.

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.

1.16 Provisions

The Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation.

Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using HM Treasury's discount rates. Early retirement provisions and injury benefit provisions both use the HM Treasury's pension discount rate of minus 1.30% in real terms (prior year: minus 0.95%).

Clinical negligence costs

NHS Resolution operates a risk pooling scheme under which the Trust pays an annual contribution to NHS Resolution, which, in return, settles all clinical negligence claims. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the Trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the Trust is disclosed in the provisions note but is not recognised in the Trust's accounts.

1.17 Public dividend capital

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

The Secretary of State can issue new PDC to, and require repayments of PDC from, the Trust. PDC is recorded at the value received.

A charge, reflecting the cost of capital utilised by the Trust, is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the Trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, with certain additions and deductions as defined in the PDC dividend policy issued by the Department of Health and Social Care. This policy is available at https://www.gov.uk/government/publications/guidance-on-financing-available-to-nhs-trusts-and-foundation-trusts.

In accordance with the requirements laid down by the DHSC (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.

1.18 Value added tax

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

1.19 Losses and special payments

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled. Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis.

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.

1.20 Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been adopted early in 2021-22.

1.21 Standards, amendments and interpretations in issue but not yet effective or adopted

IFRS 16 Leases

IFRS 16 Leases will replace IAS 17 Leases, IFRIC 4 Determining whether an arrangement contains a lease and other interpretations and is applicable in the public sector for periods beginning 1 April 2022. The standard provides a single accounting model for lessees, recognising a right of use asset and obligation in the statement of financial position for most leases: some leases are exempt through application of practical expedients explained below. For those recognised in the statement of financial position the standard also requires the remeasurement of lease liabilities in specific circumstances after the commencement of the lease term. For lessors, the distinction between operating and finance leases will remain and the accounting will be largely unchanged.

IFRS 16 changes the definition of a lease compared to IAS 17 and IFRIC 4. The Trust will apply this definition to new leases only and will grandfather its assessments made under the old standards of whether existing contracts contain a lease.

On transition to IFRS 16 on 1 April 2022, the Trust will apply the standard retrospectively with the cumulative effect of initially applying the standard recognised in the income and expenditure reserve at that date. For existing operating leases with a remaining lease term of more than 12 months and an underlying asset value of at least £5,000, a lease liability will be recognised equal to the value of remaining lease payments discounted on transition at the Trust’s incremental borrowing rate. The Trust’s incremental borrowing rate will be a rate defined by HM Treasury. Currently this rate is 0.95% but this may change between now and adoption of the standard. The related right of use asset will be measured equal to the lease liability adjusted for any prepaid or accrued lease payments. No adjustments will be made on 1 April 2022 for existing finance leases.

For leases commencing in 2022-23, the Trust will not recognise a right of use asset or lease liability for short term leases (less than or equal to 12 months) or for leases of low value assets (less than £5,000). Right of use assets will be subsequently measured on a basis consistent with owned assets and depreciated over the length of the lease term.

The Trust has estimated the impact of applying IFRS 16 in 2022-23 on the opening statement of financial position and the in-year impact on the statement of comprehensive income and capital additions as follows:

Estimated impact on 1 April 2022 Statement of Financial Position	**£000s**
Additional right of use assets recognised for existing operating leases	**19,376**
Additional lease obligations recognised for existing operating leases	**(19,376)**
Changes to other Statement of Financial Position line items	**0**
Net impact on net assets on 1 April 2022	**0**

Estimated in-year impact in 2022-23	**£000s**
Additional depreciation on right of use assets	**(5,646)**
Additional finance costs on lease liabilities	**(175)**
Lease rentals no longer charged to operating expenditure	**5,760**
Other impact on income / expenditure	**0**
Estimated impact on surplus/(deficit) in 2022-23	**(61)**

From 1 April 2022, the principles of IFRS 16 will also be applied to the Trust’s PFI liabilities where future payments are linked to the retail price index. The PFI liability will be remeasured when a change in the index causes a change in future repayments and that change has taken effect in the cash flow. Under existing accounting practices, amounts relating to changes in the price index are expensed as incurred. This is expected to increase the PFI liability on the statement of financial position upon transition to IFRS 16. The effect of this has not yet been quantified.

2.1 Income from patient care activities (by nature)

	2021-22	2020-21
	£000s	£000s
Acute services		
Block contract / system envelope income	**549,076**	485,812
Other clinical income	**1,783**	2,894
Community services		
Block contract / system envelope income	**45,253**	44,390
All trusts		
Additional pension contribution central funding	**17,039**	16,038
Elective recovery fund	**15,442**	0
Other clinical income	**24,101**	17,839
Total income from patient care activities	**652,694**	566,973

Other clinical income includes £6.0m of Elective+ funding (2020-21: nil).

2.2 Income from patient care activities (by source)

	2021-22	2020-21
	£000s	£000s
NHS England	**83,939**	85,029
Clinical Commissioning Groups *	**564,549**	479,756
Other NHS bodies	**3,988**	861
Other	**218**	1,327
Total income from patient care activities	**652,694**	566,973

All income from patient care activities relates to contract income.

3. Other operating income

	2021-22	2020-21
	£000s	£000s
Other operating income from contracts with customers:		
Education and training	**24,753**	15,157
Non-patient care services to other bodies	**6,990**	7,574
Reimbursement and top up funding *	**8,741**	51,187
Other contract operating income	**5,955**	3,131
Contributions to expenditure - consumables donated from DHSC group bodies for COVID response	**1,626**	10,706
Other non-contract operating income	**257**	1,944
Total other operating income	**48,322**	89,699
Total operating income	**701,016**	656,672

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

* As part of system top up funding, £71.6m of funding was received to cover the planned gap between the Trust's underlying cost base and block contract values and income from non-NHS sources (2020-21: £80.0m). For 2021-22, this funding was classified within income from Clinical Commissioning Groups in note 2.2, whereas £48.4m of this funding was included within reimbursement and top up funding as part of other operating income in 2020-21.

This replaced an arrangement which was in place during 2020-21 which provided prospective and retrospective top-ups based on actual financial performance, to ensure that Trusts could report a breakeven financial position.

4. Operating expenses

	2021-22	2020-21
	£000s	£000s
Purchase of healthcare from non-NHS and non-DHSC bodies	**10,839**	4,320
Staff and executive directors costs - *refer to note 8.1 for further detail*	**472,703**	441,100
Supplies and services - clinical	**46,233**	48,961
Supplies and services - general	**7,737**	8,464
Drugs costs	**46,798**	43,327
Establishment	**8,143**	6,465
Business rates paid to local authorities	**2,815**	2,912
Premises - other	**23,816**	18,138
Depreciation on property, plant and equipment	**11,562**	10,483
Amortisation on intangible assets	**3,492**	2,403
Net impairments	**(10,685)**	20,843
Movement in credit loss allowance: contract receivables / contract assets	**1,039**	3,453
Clinical negligence premium	**20,314**	18,058
Education and training	**4,240**	3,695
Rentals under operating leases	**9,914**	9,901
PFI charges to operating expenditure	**11,303**	14,616
Other operating expenses	**9,309**	10,034
Total operating expenses	**679,572**	667,173

Expenditure on clinical supplies and services includes £1.6m for the deemed cost of personal protective equipment purchased by the Department of Health and Social Care but passed to the Trust free of charge to use in response to the COVID 19 pandemic (2020-21: £10.7m) with the corresponding benefit recognised in other operating income.

Other operating expenses include £1.8m for car parking and security services (2020-21: £1.8m), £1.4m for transport services (2020-21: £1.2m), £1.3m for consultancy services (2020-21: £0.9m), £1.1m for outsourced financial services (2020-21: £1.0m), £0.3m for provisions arising in year (2020-21: £1.5m) and £0.3m for internal audit services (2020-21: £0.1m).

5. Impairment of assets

	2021-22	2020-21
	£000s	£000s
Net impairments charged to operating surplus / deficit resulting from:		
Changes in market price	**(10,685)**	20,843
Total net impairments charged to operating surplus / deficit	**(10,685)**	20,843
Impairments charged to the revaluation reserve	**138**	1,649
Total net impairments	**(10,547)**	22,492

Net impairments relate to the year end valuation of land and buildings provided by Cushman & Wakefield, the Trust’s external valuer.

6. External audit

Audit fees payable to the external auditor for the Trust's statutory audit were £89,400, inclusive of VAT (2020-21: £89,400). Other auditor remuneration in 2021-22 was nil (2020-21: nil).

There is no limitation on the auditor's liability for external audit work (2020-21: nil).

7. Leases

Trust as lessee (operating lease)

	Buildings	Other	2021-22 Total	2020-21 Total
	£000s	**£000s**	**£000s**	£000s
Operating lease expense				
Minimum lease payments	**6,360**	**3,554**	**9,914**	9,901
Total	**6,360**	**3,554**	**9,914**	9,901
Future minimum lease payments due:				
- not later than one year	**4,753**	**2,397**	**7,150**	6,960
- later than one year and not later than five years	**8,727**	**4,595**	**13,322**	17,215
- later than five years	**0**	**0**	**0**	0
Total	**13,480**	**6,992**	**20,472**	24,175

Property related lease arrangements predominantly relate to the occupation of eight Community Health Partnership (CHP) properties by the Trust's community based services. Lease arrangements were agreed for six of these properties in 2019-20 with a lease arrangement for one further property in 2020-21. The Trust expects to spend £1.1m in 2022-23 on a further CHP property in Accrington where the lease arrangement, which is based on the standard five year term, is yet to be agreed. Other future minimum lease payments include £3.7m relating to a managed equipment contract for Pathology services.

8.1 Employee benefits

	2021-22	2020-21
	£000s	£000s
Salaries and wages	**358,593**	337,661
Social security costs	**37,224**	33,238
Employer contributions to NHS Pensions	**38,862**	37,158
Employer contributions to NHS Pensions paid by NHSE on behalf of Trust	**17,039**	16,038
Other costs	**1,923**	1,727
Temporary agency staff	**20,556**	15,832
Total staff costs	**474,197**	441,654
Employee costs capitalised	**1,494**	554
Total staff costs excluding capitalised costs	**472,703**	441,100

8.2 Retirements due to ill-health

During 2021-22 there were 5 early retirements from the Trust agreed on the grounds of ill-health (2020-21: 6 early retirements). The estimated additional pension liabilities of these ill-health retirements is £0.5m (2020-21: £0.1m). The cost of these ill-health retirements will be borne by NHS Pensions.

8.3 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 for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

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

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary’s Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2022, is based on valuation data as 31 March 2021, updated to 31 March 2022 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 to 20.6% of pensionable pay.

The 2016 funding valuation also tested the cost of the Scheme relative to the employer cost cap that was set following the 2012 valuation. There was initially a pause to the cost control element of the 2016 valuations, due to the uncertainty around member benefits caused by the discrimination ruling relating to the McCloud case.

HMT published valuation directions dated 7 October 2021 (see Amending Directions 2021) that set out the technical detail of how the costs of remedy are included in the 2016 valuation process. Following these directions, the scheme actuary has completed the cost control element of the 2016 valuation for the NHS Pension Scheme, which concludes no changes to benefits or member contributions are required. The 2016 valuation reports can be found on the NHS Pensions website at https://www.nhsbsa.nhs.uk/nhs-pension-scheme-accounts-and-valuation-reports.

9. Finance expenses

	2021-22	2020-21
	£000s	£000s
Interest expenses		
Main finance costs on PFI obligations	**3,671**	3,941
Contingent finance costs on PFI obligations	**4,541**	5,308
Other interest expenses	**54**	17
Total interest expenses	**8,266**	9,266
Provisions - unwinding of discount	**(34)**	(17)
Total finance expenses	**8,232**	9,249

10. Better Payment Practice code

	2021-22		2020-21	
	Number	**£000s**	Number	£000s
Non-NHS payables				
Total non-NHS trade invoices paid in the year	**107,403**	**419,051**	93,095	356,505
Total non-NHS trade invoices paid within target	**103,588**	**406,953**	91,393	350,428
Percentage of non-NHS invoices paid within target	**96.4%**	**97.1%**	98.2%	98.3%
NHS payables				
Total NHS trade invoices paid in the year	**2,605**	**36,046**	2,322	32,037
Total NHS trade invoices paid within target	**2,476**	**35,140**	2,241	31,520
Percentage of NHS invoices paid within target	**95.0%**	**97.5%**	96.5%	98.4%

The '*Better payment practice code'* requires the NHS body to aim to pay all valid invoices by the due date or within 30 days of receipt of a valid invoice, whichever is later.

11. Intangible assets

	2021-22			2020-21
	Software licences	**Assets under construction**	**Total**	Total
	£000s	**£000s**	**£000s**	£000s
Gross cost at 1 April	**21,182**	**0**	**21,182**	14,481
Transfers by absorption	(325)	0	**(325)**	0
Additions - purchased	4,422	8,438	**12,860**	7,137
Reclassifications	0	3,629	**3,629**	(314)
Disposals/derecognition	0	0	**0**	(122)
Gross cost at 31 March	**25,279**	**12,067**	**37,346**	21,182
Amortisation at 1 April	**9,878**	**0**	**9,878**	7,607
Charged during the year	3,492	0	**3,492**	2,403
Reclassifications	**0**	0	**0**	(10)
Disposals/derecognition	0	0	**0**	(122)
Amortisation at 31 March	**13,370**	**0**	**13,370**	9,878
Net book value as at 31 March	**11,909**	**12,067**	**23,976**	11,304

12.1 Property, plant and equipment valuation information

For 2021-22, Cushman & Wakefield, the Trust's external valuer, has provided a desktop valuation of land and buildings as at 31 March 2022 on an alternative site valuation basis, which has resulted in a 6.1% increase in the value of land and buildings.

12.2 Property, plant and equipment (2021-22)

2021-22	Land £000s	Buildings £000s	Assets under construction £000s	Plant & machinery £000s	Information technology £000s	Other property, plant and equipment £000s	Total £000s
Cost or valuation:							
At 1 April 2021	**6,615**	**182,587**	**6,472**	**55,527**	**22,163**	**12,322**	**285,686**
Transfers by absorption	0	0	0	0	195	0	**195**
Additions	0	3,550	7,937	2,671	2,797	219	**17,174**
Reclassifications	0	0	(5,677)	0	2,048	0	**(3,629)**
Disposals / derecognition	0	0	0	(136)	0	(93)	**(229)**
Revaluation gains charged to the revaluation reserve	10	1,950	0	0	0	0	**1,960**
Revaluation losses charged to the revaluation reserve	0	(138)	0	0	0	0	**(138)**
Impairments charged to operating expenses	0	(579)	0	0	0	0	**(579)**
Reversal of impairments credited to operating expenses	529	10,735	0	0	0	0	**11,264**
Reversal of accumulated depreciation on revaluation	0	(4,453)	0	0	0	0	**(4,453)**
At 31 March 2022	**7,154**	**193,652**	**8,732**	**58,062**	**27,203**	**12,448**	**307,251**
Depreciation							
At 1 April 2021	**0**	**0**	**0**	**36,796**	**15,192**	**9,035**	**61,023**
Disposals / derecognition	0	0	0	(107)	0	(93)	**(200)**
Provided during the year	0	4,453	0	4,013	2,359	737	**11,562**
Reclassifications	0	0	0	0	0	0	**0**
Reversal of accumulated depreciation on revaluation	0	(4,453)	0	0	0	0	**(4,453)**
At 31 March 2022	**0**	**0**	**0**	**40,702**	**17,551**	**9,679**	**67,932**
Net book value at 31 March 2022	**7,154**	**193,652**	**8,732**	**17,360**	**9,652**	**2,769**	**239,319**
Asset financing:							
Owned	7,154	106,168	8,732	14,922	5,092	2,755	**144,823**
Donated	0	19	0	2,117	1	14	**2,151**
On-SoFP PFI contracts	0	87,465	0	321	4,559	0	**92,345**
Total at 31 March 2022	**7,154**	**193,652**	**8,732**	**17,360**	**9,652**	**2,769**	**239,319**

12.3 Property, plant and equipment (2020-21)

2020-21	Land	Buildings	Assets under construction	Plant & machinery	Information technology	Other property, plant and equipment	Total
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Cost or valuation:							
At 1 April 2020	**6,615**	**173,173**	**16,222**	**45,824**	**20,029**	**11,395**	**273,258**
Additions	**0**	**17,287**	**11,169**	**9,249**	**1,820**	**1,307**	**40,832**
Reclassifications	0	19,199	(20,919)	2,100	314	(380)	**314**
Disposals / derecognition	(290)	0	0	(1,646)	0	0	**(1,936)**
Revaluation gains charged to the revaluation reserve	0	22	0	0	0	0	**22**
Revaluation losses charged to the revaluation reserve	0	(1,649)	0	0	0	0	**(1,649)**
Impairments charged to operating expenses	0	(21,905)	0	0	0	0	**(21,905)**
Reversal of impairments credited to operating expenses	290	772	0	0	0	0	**1,062**
Reversal of accumulated depreciation on revaluation	0	(4,312)	0	0	0	0	**(4,312)**
At 31 March 2021	**6,615**	**182,587**	**6,472**	**55,527**	**22,163**	**12,322**	**285,686**
Depreciation							
At 1 April 2020	**0**	**0**	**0**	**34,728**	**12,923**	**8,352**	**56,003**
Disposals / derecognition	0	0	0	(1,161)	0	0	**(1,161)**
Provided during the year	0	4,278	0	3,229	2,259	717	**10,483**
Reclassifications	0	34	0	0	10	(34)	**10**
Reversal of accumulated depreciation on revaluation	0	(4,312)	0	0	0	0	**(4,312)**
At 31 March 2021	**0**	**0**	**0**	**36,796**	**15,192**	**9,035**	**61,023**
Net book value at 31 March 2021	**6,615**	**182,587**	**6,472**	**18,731**	**6,971**	**3,287**	**224,663**
Asset financing:							
Owned	6,615	98,014	6,472	15,822	2,596	3,269	**132,788**
Donated	0	18	0	2,438	2	18	**2,476**
On-SoFP PFI contracts	0	84,555	0	471	4,373	0	**89,399**
Total at 31 March 2021	**6,615**	**182,587**	**6,472**	**18,731**	**6,971**	**3,287**	**224,663**

13. Inventories

	31 March 2022	31 March 2021
	£000s	£000s
Drugs	**2,768**	2,570
Consumables	**5,744**	5,270
Energy	**156**	192
Total	**8,668**	8,032

Inventories recognised in expenses for the year were £103.1m (2020-21: £89.4m).

14. Receivables

	31 March 2022	31 March 2021
	£000s	£000s
Contract receivables	**23,729**	19,413
Allowance for impaired contract receivables	**(3,700)**	(2,802)
Prepayments	**5,987**	2,711
VAT receivable	**1,960**	1,343
PDC dividend receivable	**1,312**	1,887
Other receivables	**588**	767
Total - current	**29,876**	23,319

In total, £16.1m of current receivables are receivable from NHS and DHSC group bodies (31 March 2021: £13.1m).

15. Cash and cash equivalents

As at 31 March 2022, cash and cash equivalents of £63.3m (31 March 2021: £54.2m) were almost entirely represented by cash deposited with the Governing Banking Service with the balance of less than £0.1m represented by cash in hand (31 March 2021: less than £0.1m).

16. Trade and other payables - current

		Restated *
	31 March 2022	31 March 2021
	£000s	£000s
Trade payables *	**16,350**	10,371
Capital payables (including capital accruals)	**12,991**	21,015
Accruals *	**22,585**	17,126
Annual leave accrual	**13,161**	8,320
Social security costs	**5,424**	4,711
Other taxes payable	**4,246**	3,802
NHS Pension contributions payable	**5,433**	5,169
Other payables	**8,425**	6,051
Total	**88,615**	76,565

* Comparatives have been restated to reclassify £13.3m of balances for invoices received but not paid within trade payables which were previously included within accruals.

In total, £7.4m of current trade and other payables are payable to NHS and DHSC group bodies (31 March 2021 £3.8m).

17. Borrowings

	Current		Non-current	
	31 March 2022	31 March 2021	**31 March 2022**	31 March 2021
	£000s	£000s	**£000s**	£000s
DHSC loans	**201**	201	**400**	600
Obligations under PFI contracts	**4,026**	2,825	**90,792**	94,818
Total	**4,227**	3,026	**91,192**	95,418

17.1 Reconciliation of liabilities arising from financing activities (2021-22)

	DHSC loans	PFI schemes	Total
	£000s	£000s	£000s
Carrying value at 1 April 2021	**801**	**97,643**	**98,444**
Cash movements:			
Financing cash flows - payments and receipts of principal	**(200)**	**(2,825)**	**(3,025)**
Financing cash flows - payments of interest	**(10)**	**(3,671)**	**(3,681)**
Non-cash movements:			
Application of effective interest rate	**10**	**3,671**	**3,681**
Carrying value at 31 March 2022	**601**	**94,818**	**95,419**

17.2 Reconciliation of liabilities arising from financing activities (2020-21)

	DHSC loans	PFI schemes	Total
	£000s	£000s	£000s
Carrying value at 1 April 2020	**8,765**	**101,429**	**110,194**
Cash movements:			
Financing cash flows - payments and receipts of principal	**(7,948)**	**(3,786)**	**(11,734)**
Financing cash flows - payments of interest	**(28)**	**(3,941)**	**(3,969)**
Non-cash movements:			
Application of effective interest rate	**12**	**3,941**	**3,953**
Carrying value at 31 March 2021	**801**	**97,643**	**98,444**

18. Other liabilities

Other liabilities consists entirely of deferred income.

19. Clinical negligence liabilities

At 31 March 2022, £577.6m was included in provisions of NHS Resolution in respect of clinical negligence liabilities relating to the Trust (31 March 2021: £376.7m).

20. Private Finance Initiative (PFI) schemes

The Trust has two separate PFI schemes in operation on each of its main sites as detailed below:

Royal Blackburn Teaching Hospital - Single Site
This scheme has provided a single hospital site within the Blackburn locality and has been operational since July 2006. The contract term is 35 years.

20. Private Finance Initiative (PFI) schemes (continued)

Burnley General Teaching Hospital - Phase 5

The phase 5 unit on the Burnley General site has been in operation since May 2006 and accommodates hospital facilities including elective care, radiology, outpatients and renal services. The contract term is 30 years.

The contracts in place for these schemes are for the construction and provision of healthcare facilities. At the end of the agreement term the sites will revert back to the ownership of the Trust without the need for further payments. Both contracts include options for early termination where there has been a event of default by the Project Company. During the term of the contracts there is provision for planned replacement at regular intervals of components included in these facilities. This ensures that the assets are maintained in the required condition throughout the life of the contract. The Trust is charged for these lifecycle costs through the unitary payments although the charges remain fixed irrespective of the actual pattern of lifecycle costs incurred by the operators. Both contracts include provision for performance and availability deductions against the unitary charge. Unitary charges are subject to an annual inflation uplift which is linked to the published retail price index.

Under IFRIC 12, the assets are treated as assets of the Trust; the substance of the contracts is that the Trust has a finance lease and the payments made comprise two elements – imputed finance lease charges and service charges. As well as provision of the infrastructure assets, the contract for the Blackburn PFI also includes facilities management provision both for the PFI asset and parts of the wider estate, and managed equipment services. The contract for the Burnley PFI scheme also includes facilities management but just for the PFI asset.

20.1 Imputed "finance lease" obligations

The Trust has the following obligations in respect of the finance lease element of on-Statement of Financial Position (SOFP) PFI schemes:

	31 March 2022	31 March 2021
	£000s	£000s
Gross PFI obligations of which are due	**140,472**	140,227
- not later than one year	**8,210**	6,497
- later than one year and not later than five years	**31,006**	29,934
- later than five years	**101,256**	103,796
Finance charges allocated to future periods	**(45,654)**	(42,584)
Net PFI obligations of which are due	**94,818**	97,643
- not later than one year	**4,026**	2,825
- later than one year and not later than five years	**16,158**	16,565
- later than five years	**74,634**	78,253

20.2 Total on-SoFP PFI arrangement commitments

The Trust's total future obligations under these on-SoFP PFI schemes are as follows:

	31 March 2022	31 March 2021
	£000s	£000s
Total future payments committed in respect of PFI arrangements	**596,347**	589,971
- not later than one year	**27,129**	25,079
- later than one year and not later than five years	**115,470**	106,743
- later than five years	**453,748**	458,149

20.3 Analysis of amounts payable to PFI operator

	2021-22	2020-21
	£000s	£000s
Unitary payment payable to PFI operator	**25,079**	24,739
Consisting of:		
- Interest charge	**3,671**	3,941
- Repayment of finance lease liability	**2,825**	3,786
- Service element and other charges to operating expenditure	**7,340**	7,001
- Lifecycle costs	**6,702**	4,703
- Contingent rent	**4,541**	5,308
Other amounts paid to operator due to a commitment under the service concession contract but not part of the unitary payment	**2,033**	5,699
Total amount paid to service concession operator	**27,112**	30,438

21. External financing

	2021-22	2020-21
	£000s	£000s
Cash flow financing (from SOCF)	**5,778**	(19,533)
External financing requirement	**5,778**	(19,533)
External Financing Limit	**5,778**	32,091
Underspend against the External Financing Limit	**0**	51,624

The Trust is given an external financing limit against which it is permitted to underspend.

22. Capital Resource Limit

	2021-22	2020-21
	£000s	£000s
Gross capital expenditure		
Property, plant and equipment	**17,174**	40,832
Intangible assets	**12,860**	7,137
Total gross capital expenditure	**30,034**	47,969
Less: disposals of property, plant and equipment	**(29)**	(775)
Less: donated capital additions	**(125)**	(1,713)
Charge against the Capital Resource Limit	**29,880**	45,481
Capital Resource Limit	**31,867**	45,481
Underspend against the Capital Resource Limit	**1,987**	0

The Trust is given a Capital Resource Limit which it is not permitted to exceed.

23.1 Breakeven duty - financial performance

	2021-22	2020-21
	£000s	£000s
Surplus / (Deficit) for the year	**10,376**	(22,402)
Add back net impairments	**(10,685)**	20,843
Adjust (gains)/losses on transfers by absorption	**130**	0
Remove impact of capital donations	**300**	(1,443)
Adjusted financial performance surplus / (deficit)	**121**	(3,002)
Further adjustments	**0**	0
Breakeven duty financial performance surplus / (deficit)	**121**	(3,002)
Less gains on disposal of assets	**(104)**	0
Adjusted financial performance surplus/(deficit) for the purposes of system achievement	**17**	(3,002)

23.2 Breakeven duty - rolling assessment

	(2003-04 - 2008-09)	(2009-10 - 2013-14)	(2014-15 - 2018-19)
	£000s	£000s	£000s
Breakeven duty in-year financial performance	380	18,646	11,812
Breakeven duty cumulative position	380	19,026	30,838
Operating income	1,677,587	1,894,341	2,387,303
Cumulative breakeven position as percentage of operating income		1.0%	1.3%

	2019-20	2020-21	2021-22
	£000s	£000s	£000s
Breakeven duty in-year financial performance	5,480	(3,002)	121
Breakeven duty cumulative position	36,318	33,316	33,437
Operating income	567,456	656,672	701,016
Cumulative breakeven position as percentage of operating income	6.4%	5.1%	4.8%

The application of breakeven duty means that if a cumulative surplus or deficit is reported (greater than a materiality threshold of 0.5% of operating income), it should be recovered within the subsequent two financial years. NHS England and NHS Improvement (NHSEI) has provided guidance that the first year for consideration for the breakeven duty should be 2009-10.

While the cumulative breakeven position of 4.0% is above the 0.5% threshold, NHSEI uses annual financial targets for NHS Trusts as the primary mechanism for financial control, which the Trust has met for 2021-22.

24.1 Financial instruments - financial risk management

Financial reporting standard IFRS7 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 Trust has with Clinical Commissioning Groups (CCGs) and the way those CCGs are financed, the Trust is not exposed to the degree of financial risk faced by business entities. Financial instruments also play a much more limited role in creating or changing risk than would be typical of listed companies. As an NHS Trust, the 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 Trust in undertaking its activities.

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 Trust Board. Treasury activity is subject to review by the Trust's internal auditors.

Currency risk
The Trust is principally a domestic organisation with no overseas operations. As a consequence, the great majority of transactions, assets and liabilities are UK and sterling based meaning the Trust has low exposure to currency rate fluctuations.

Interest rate risk
The Trust borrows from government for capital expenditure, subject to affordability as confirmed by NHS England and NHS Improvement (NHSEI). Borrowings are typically made for up to 25 years, in line with the life of the associated assets, with interest fixed for the life of the loan at the National Loans Fund rate. The Trust therefore has low exposure to interest rate fluctuations.

Credit risk
Since the majority of income comes from contracts with other public sector bodies, the Trust has low exposure to credit risk. The maximum exposures are in receivables from customers, as disclosed in the trade and other receivables note.

24.1 Financial instruments - financial risk management (continued)

Liquidity risk

Operating costs are incurred under contracts with CCGs financed from resources voted annually by Parliament. The Trust also finances its capital expenditure from funds obtained within its capital resource limit. As a result, the Trust is not exposed to significant liquidity risks.

24.2 Financial instruments - carrying value

	31 March 2022	31 March 2021
	£000s	£000s
Financial assets held at amortised cost		
Trade and other receivables excluding non financial assets	**21,530**	18,405
Cash and cash equivalents	**63,285**	54,218
Total	**84,815**	72,623

	31 March 2022	31 March 2021
	£000s	£000s
Financial liabilities held at amortised cost		
Trade and other payables excluding non financial liabilities	**78,945**	68,052
Obligations under PFI contracts	**94,818**	97,643
Other borrowings	**601**	801
Total	**174,364**	166,496

The fair value of financial instruments is not considered to differ from their carrying values.

24.3 Maturity of financial liabilities

	31 March 2022	31 March 2021
	£000s	£000s
In one year or less	**87,363**	74,760
In more than one year but not more than five years	**31,412**	30,547
In more than five years	**101,256**	103,796
Total	**220,031**	209,103

25. Losses and special payments

	2021-22		2020-21	
	Total value of cases	**Total number of cases**	Total value of cases	Total number of cases
	£000s		£000s	
Losses				
Cash losses	**1**	**6**	1	3
Claims waived or abandoned	**0**	**0**	27	216
Stores losses and damage to property	**0**	**1**	1	2
Total losses	**1**	**7**	29	221
Special payments				
Ex gratia payments *	**578**	**69**	85	58
Total special payments	**578**	**69**	85	58
Total losses and special payments	**579**	**76**	114	279

* For 2021-22, this amount includes £0.5m relating to nationally funded overtime corrective payments made in 2021-22, which the Trust accrued for in 2020-21, but did not disclose as special payments in the 2020-21 accounts.

26. Related party transactions

During the year none of the Trust Board members or members of the key management staff, or parties related to any of them, has undertaken any material transactions with East Lancashire Hospitals NHS Trust.

The Department of Health and Social Care is regarded as a related party. During the year East Lancashire Hospitals NHS 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. Those entities where the value of transactions exceeds £5.0m, ordered alphabetically, are:

Community Health Partnerships
Health Education England
Lancashire Teaching Hospitals NHS Foundation Trust
NHS Blackburn with Darwen Clinical Commissioning Group
NHS Blackpool Clinical Commissioning Group
NHS East Lancashire Clinical Commissioning Group
NHS England
NHS Resolution
St Helens and Knowsley Teaching Hospitals NHS Trust

In addition, the Trust has had a number of notable transactions with other government departments and other central government bodies. Most of these transactions have been with Her Majesty's Revenue & Customs (HMRC) and the National Health Service Pension Scheme.

The Trust provides financial and administrative support to ELHT&ME, the charity for which the Trust is the corporate trustee. In 2021-22, this reimbursement amounted to £0.2m (2020-21: £0.1m). The Charity also donated capital assets with a value of £0.1m to the Trust (2020-21: £0.4m).

The financial statements of the Charity have not been consolidated within the financial statements of the Trust on the basis of immateriality, but the latest set of audited accounts of the Charity, relate to the year ended 31 March 2021 and are available on request from Trust Headquarters or via the Charity Commission website (https://www.gov.uk/government/organisations/charity-commission).

27. Contractual capital commitments

As at 31 March 2022, the Trust had £11.9m of contractual capital commitments (31 March 2021: £7.5m), all of which are expected to have been met within a year, with £9.4m relating to capital building projects.

28. Events after the end of the reporting period

There are no material events after the end of the reporting period to disclose.

Independent auditor’s report

Independent auditor's report to the Directors of East Lancashire Hospitals NHS Trust

Report on the audit of the financial statements

Opinion on the financial statements

We have audited the financial statements of East Lancashire Hospitals NHS Trust ('the Trust') for the year ended 31 March 2022, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Taxpayers' Equity, the Statement of Cash Flows, and notes to the financial statements, including the summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards as interpreted and adapted by HM Treasury's Financial Reporting Manual 2021/22 as contained in the Department of Health and Social Care Group Accounting Manual 2021/22, and the Accounts Direction issued by the Secretary of State with the approval of HM Treasury as relevant to NHS Trusts in England.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Trust as at 31 March 2022 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with the Department of Health and Social Care Group Accounting Manual 2021/22; and
- have been properly prepared in accordance with the requirements of the National Health Service Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities section of our report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of the Directors and the Accountable Officer for the financial statements
As explained more fully in the Statement of Directors' Responsibilities in Respect of the Accounts, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. The Directors are required to comply with the Department of Health and Social Care Group Accounting Manual 2021/22 and prepare the financial statements on a going concern basis, unless the Trust is informed of the intention for dissolution without transfer of services or function to another entity. The Directors are responsible for assessing each year whether or not it is appropriate for the Trust to prepare its accounts on the going concern basis and disclosing, as applicable, matters related to going concern.

As explained in the Statement of the Chief Executive's Responsibilities as the Accountable Officer of the Trust, the Accountable Officer is responsible for such internal control as the Accountable Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Accountable Officer is responsible for ensuring that the financial statements are prepared in a format directed by the Secretary of State.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the Trust, we identified that the principal risks of non-compliance with laws and regulations related to the National Health Service Act 2006 (as amended by the Health and Social Care Act 2012), and we considered the extent to which non- compliance might have a material effect on the financial statements.

We evaluated the Accounting Officer's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- discussing with management and the Audit Committee the policies and procedures regarding compliance with laws and regulations;
- communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- considering the risk of acts by the Trust which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- making enquiries of management and the Audit Committee on whether they had knowledge of any actual, suspected or alleged fraud;
- gaining an understanding of the internal controls established to mitigate risks related to fraud;
- discussing amongst the engagement team the risks of fraud; and
- addressing the risks of fraud through management override of controls by performing journal entry testing; reviewing management judgements and assumptions in significant accounting estimates, and reviewing any significant one-off or unusual transactions.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management and the Audit Committee. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

We are also required to conclude on whether the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. We performed our work in accordance with Practice Note 10: Audit of financial statements and regularity of public sector bodies in the United Kingdom, and Supplementary Guidance Note 01, issued by the Comptroller and Auditor General in April 2021.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on the Trust's arrangements for securing economy, efficiency and effectiveness in the use of resources

Matter on which we are required to report by exception

We are required to report to you if, in our opinion, we are not satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2022.

On the basis of our work, having regard to the guidance issued by the Comptroller and Auditor General in December 2021, we have identified the following significant weakness in the Trust's arrangements for the year ended 31 March 2022:

Significant weakness in arrangements	Recommendation
Financial plans for 2022/23 The Trust's latest submission for the 2022/23 financial plan is a £17.5m agreed deficit. This deficit position assumes a £28.8m programme of savings to be achieved in 2022/23, which represents 5% of the Trust's annual income. This planned deficit is in addition to the Trust's cumulative deficit position of £71m as at 31/3/2022. The Trust has delivered a financially balanced position over the past two years but this has largely been achieved through receipt of significant additional 'system' funding during the Covid-19 pandemic. There are no current plans for this additional system funding to be provided at the same level in 2022/23. In our view the Trust's deficit plan and reliance on identifying high levels of savings is evidence of weaknesses in the arrangements to deliver financial sustainability.	The Trust should continue to work collaboratively with its Lancashire & South Cumbria ICS partners and NHS England & Improvement to explore and agree sustainable, long-term plans to bridge its funding gaps and identify achievable savings.

Responsibilities of the Accountable Officer
As explained in the Statement of the Chief Executive's Responsibilities as the Accountable Officer of the Trust, the Accountable Officer is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in the use of the Trust's resources.

Auditor's responsibilities for the review of arrangements for securing economy, efficiency and effectiveness in the use of resources
We are required under section 21 of the Local Audit and Accountability Act 2014 (as amended) to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources, and to report where we have not been able to satisfy ourselves that it has done so. We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our work in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in December 2021.

Report on other legal and regulatory requirements

Opinion on other matters prescribed by the Code of Audit Practice
In our opinion:

- the parts of the Remuneration and Staff Report subject to audit have been properly prepared in accordance with the Accounts Direction made under the National Health Service Act 2006; and
- the other information published together with the audited financial statements in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception under the Code of Audit Practice

We are required to report to you if:

- in our opinion the Annual Governance Statement does not comply with the guidance issued by NHS Improvement; or
- we refer a matter to the Secretary of State under section 30 of the Local Audit and Accountability Act; or
- we issue a report in the public interest under section 24 and schedule 7(1) of the Local Audit and Accountability Act 2014; or
- we make a written recommendation to the Trust under section 24 and schedule 7(2) of the Local Audit and Accountability Act 2014.

We have nothing to report in respect of these matters.

Use of the audit report

This report is made solely to the Board of Directors of East Lancashire Hospitals NHS Trust, as a body, in accordance with part 5 of the Local Audit and Accountability Act 2014. Our audit work has been undertaken so that we might state to the Directors of the Trust 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 Directors of the Trust, as a body, for our audit work, for this report, or for the opinions we have formed.

Certificate

We certify that we have completed the audit of East Lancashire Hospitals NHS Trust in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice.

Karen Murray

Key Audit Partner
For and on behalf of Mazars LLP

One St Peter's Square
Manchester
M2 3DE

17 June 2022

Our highlights

Our Highlights 2021-22

SAFE

Our ‘Emergency Care Village’ dream moves closer

Our vision of developing an ‘Emergency Care Village’ moved a step further with the completion of a two-story extension to the Emergency Department at Royal Blackburn Teaching Hospital. This work, which also included the repurposing of a former admin corridor, has created 13 additional bays for treating people who present with ‘major’ illness or injury with the upper floor providing new facilities for colleagues. This is now enabling us to deliver a more streamlined service for our patients.

Emergency Department is “high performing” in challenging circumstances

Our Emergency Department at Royal Blackburn Teaching Hospital received high praise from the Royal College of Emergency Medicine for its performance, whilst managing extremely high attendances alongside the additional challenges caused by the COVID-19 pandemic.

The Department received an average score of 8.2 out of 10 for overall experience in the Urgent and Emergency Care Survey, a significant improvement on the score of 7.3 the department received in 2018.

Respondents also gave the department an average score of 8.9 for cleanliness and 9.3 out of 10 for treatment with respect and dignity.

Ground-breaking reconstructive head and neck surgery

ELHT surgeons successfully began treating patients with complex head, neck and oral cancers through ground-breaking microsurgery. Previously, East Lancashire residents had to travel outside of the region to undergo the extensive surgery. But two new surgeons, Mr Leo Vassiliou and Mr Panos Kyzas, were able to begin offering the complex procedure much closer to home.

The service is now one of the highest performing in the UK and we are the only Trust in the North West that has continued to offer uninterrupted, unchanged and state of the art treatment to its oral cancer patients since the COVID-19 pandemic began.

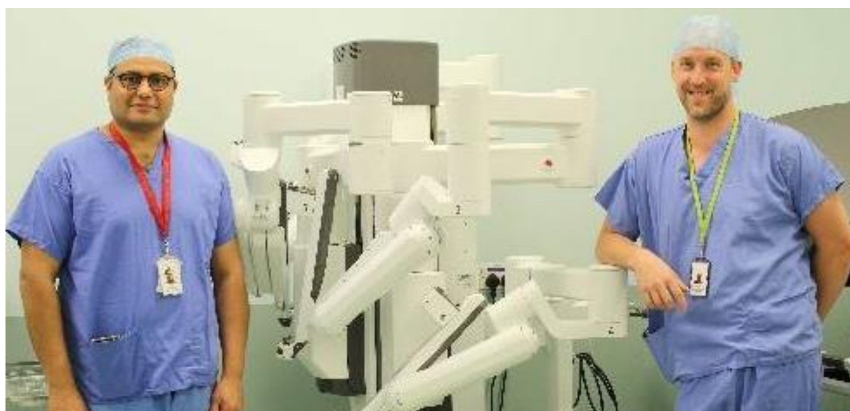
Partnership working at it's very best

We received national recognition and a Health Service Journal Patient Safety award for a new service called the Pennine Lancashire Virtual Covid Ward, developed in response to the COVID-19 pandemic.

The Virtual Covid Ward was quickly established by local health professionals from primary and secondary care services working together to create the "at home" service to respond to the big numbers of people seriously affected by COVID-19. It has helped over 2,000 people from becoming seriously ill or hospitalised with severe COVID-19 or worse.

Patients on the 'ward' are kept in touch with daily by health care professionals, either by phone, video consultation or if required a home visit. This has allowed patients to remain at home near loved ones and in their own environment, but the regular monitoring means they can also be admitted to hospital quickly should their condition deteriorate.

A robotic milestone for ELHT



Our robotic colorectal surgery programme that was set up in 2017 celebrated discharging its 100th major robotic cancer resection patient this year. Designed to bring cutting edge, advanced minimally invasive surgery for colorectal cancer to the people of East Lancashire and the wider region, we were the first Trust in the Lancashire and South Cumbria region to offer the surgery.

Since its launch, the hospital has taken on more complex cases to provide positive outcomes for patients with colorectal cancer. We now plan to set up a training unit so we can train not only established surgeons but also trainees so when they are ready to take on a Consultant post, they are fully prepared to offer this surgery.

Online 'Surgery School' launched

Our new online 'Surgery School' was launched as part of our Enhanced Recovery Programme. Patients can access the platform prior to surgery, such as how to prepare for their surgery, what to expect whilst in hospital and how to recover at home. There are a number of resources available including easy-to-follow videos.

The 'Surgery School' was originally delivered in person through classroom lessons but since the COVID-19 pandemic began, the Trust has needed to find new and innovative ways to deliver the information.

Your Enhanced Recovery Programme

Enhanced Recovery is an up to date programme that helps patients get better sooner after major surgery. The Enhanced Recovery Programme is evidenced based and has been proven to reduce the risk of complications. It is a package of care which covers the whole journey from the time your surgeon says you need surgery until you are back at home recovering.

Click through the buttons below to work through your Enhanced Recovery Programme.

Safe | Personal | Effective

PERSONAL

NHS Improvement Reappoints Chairman

NHS Improvement confirmed the reappointment of Professor Eileen Fairhurst as Chairman of the Trust for a further two-year period from 1 February 2022. Eileen became Chairman in February 2014 and during that time has overseen the improvement of the Trust to be taken out of ‘special measures’ and receive a Care Quality Commission (CQC) rating of ‘GOOD’ with areas of ‘OUTSTANDING’ and more recently steered us through the biggest challenge we have ever faced in COVID-19.

Honouring our 'stars' with virtual staff award ceremony

Our Staff Thank you and Recognition (STAR) Awards finally took place in September after plans were put on hold due to the pandemic.

Normally an evening black tie event, this year’s celebration was a more inclusive virtual celebration hosted by the CEO with awards being announced by the Executive Team.

Putting East Lancashire mothers in control of their labour pain relief

ELHT began offering Remifentanil, a Patient-Controlled Analgesia (PCA) for people in labour over four years ago.

This year, we reached the milestone of over 100 people having benefitted from using Remifentanil PCA since it came into use in the Trust, over half of these were first time mothers.

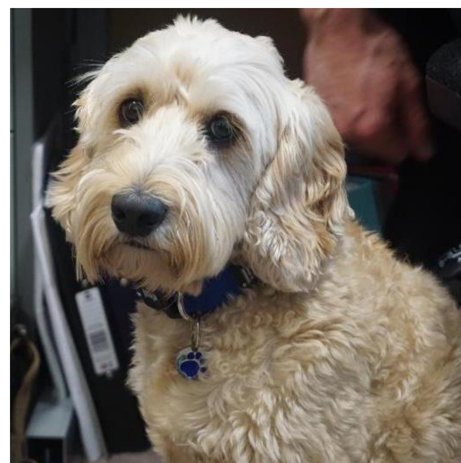
Remifentanil PCA is an ultra-short-acting pain killer that goes into a designated drip, controlled by the person in labour as and when they need the pain relief.

Closer colleagues than ever – how donating a kidney saved ELHT Surgeon's life

Consultant Trauma and Orthopaedic Surgeon, Andrew Sloan was given a second chance at life this year, after his colleague and Waiting List Clerk, Rebecca Brazendale, donated her kidney to him following his two-year wait on the national transplant list.

Following weeks of testing and support, Rebecca was found to be a match and the transplant surgery was able to go ahead in March this year, with both colleagues being admitted to the transplant ward at Manchester Royal Infirmary to undergo the surgery.

Therapy dog Jasper receives national award



Our therapy dog Jasper was recognised with a special award from the International Fund for Animal Welfare (IFAW) presented at the House of Lords.

New Year's Honours

Professor Singh, Consultant in Medicine for Older People and Kevin McGee, exiting Chief Executive, joined a privileged list of people highlighted for their extraordinary achievements from across the UK in the Queen's New Year's Honours list.

Professor Singh received a CBE for services to Equality and Inclusion in Healthcare and Kevin received an Order of the British Empire for his services to the NHS.

Blackburn sings Christmas with Gareth Malone

We were chosen to work with choirmaster Gareth Malone, to create a concert celebrating the work of NHS workers and the community spirit of Blackburn.

The programme, and the concert paid tribute to our workforce and members of the community, telling a range of moving stories about how the town, one of the hardest hit areas during the pandemic, pulled together and engendered a real team spirit.

The final concert, showcasing several members of our ELHT Family, was broadcast on BBC 2 on 23 December.

ELHT Chefs win top NHS cooking competition

Chefs Sanish Thomas and Sinto Mulavarickal were crowned National NHS Chef of the Year at the first ever NHS cooking competition. They scooped first place in the final by wowing judges with a delicious four-course menu.

The win also comes alongside a host of other recent accolades for the catering team, including winners of Best British Food 2021 and Hospital Catering Service of the Year.

‘Inclusion wall’ unveiled

A montage of photos and statements to showcase the diversity of colleagues across the Trust and their views on what inclusion means to them was unveiled at our Royal Blackburn Teaching Hospital site in September 2021.

Colleagues from across the Trust who came together to make their pledges towards being a fully inclusive organisation included a Medical Director, Mental Health Nurse Practitioner, Administration Assistant, Consultant, Midwife and many more.

Alongside the display is a clear overarching statement from the Trust that “We are proud that our #ELHTFamily is made up of colleagues with such diverse backgrounds, experiences and beliefs as this ensures that we are able to provide safe, personal and effective care to all across our communities.”

Take a virtual tour around our Muslim Prayer Room!

The Muslim Prayer Room in our Spiritual Care Centre, based at Royal Blackburn Teaching Hospital had the full ‘Google Maps’ treatment, with a new 360-degree virtual tour being made available to view online.

The tour was facilitated by the Muslim Council of Britain as part of the ‘Visit My Mosque’ initiative, which supported more than 250 mosques across the UK to hold open days. This year, despite the lockdown, #VisitMyMosque went virtual with a series of live virtual tours in June.

Named as Veteran Aware Trust

We were extremely proud to be named as a Veteran Aware Trust in recognition of our commitment to improving NHS care for veterans, reservists, members of the armed forces and their families.

The accreditation, from the Veterans Covenant Healthcare Alliance (VC HA), acknowledges our commitment to a number of key pledges, including ensuring that the armed forces community is never disadvantaged compared to other patients, in line with the NHS's commitment to the Armed Forces Covenant.

A Royal visit

The Duke and Duchess of Cambridge visited colleagues at Clitheroe Community Hospital, to hear about their incredible contributions caring for patients throughout the Covid-19 pandemic.

In their role as Royal Patrons for independent charity, NHS Charities Together, they heard how support from the hospital charity ELHT&Me, using a grant from NHS Charities Together, helped to support exhausted colleagues at the Trust, including funding a new therapy puppy, Alfie, who was introduced during their visit.

EFFECTIVE

Chosen to deliver online scheme

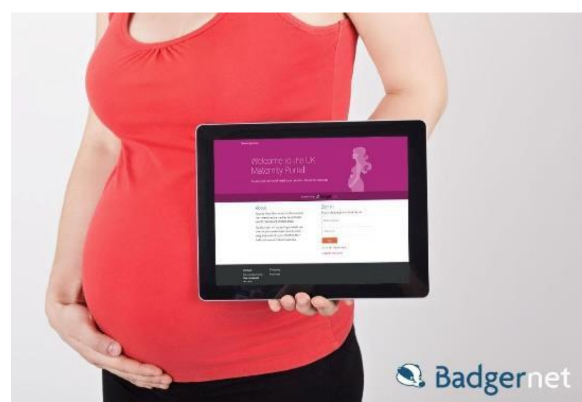
The Trust piloted an online tele-rehabilitation initiative, Neuro-Rehabilitation Online (N-ROL), to help support patients recovering from stroke and brain injuries. Giving patients access to online group-based Neuro-Rehabilitation in their own homes rather than having to attend hospital.

The N-ROL programme was funded by an ongoing campaign run by actress Emilia Clarke's charity, SameYou, in collaboration with University College London (UCL). The Trust was chosen by the charity to run the service due to our commitment to providing high quality rehabilitation and improving clinical services through research.

First steps on our EPR journey

We announced that we have chosen the Cerner Millennium EPR solution as our new Electronic Patient Record (EPR) system. The multi-million-pound investment will replace paper-based records and provide clinicians with instant and full access to a patient's history and treatments so they can make the best decisions about their patient's care. All patient information will be available electronically, on a screen, at any of our sites, or in any location, at any time, all of the time. The EPR system is on schedule to go live in November, 2022.

First ELHT 'Digital' babies born



As part of our digital revolution, our maternity services began recording details of our births using a new digital records system – BadgerNet. Accessible via a smartphone app or desktop computer, it replaces the need for traditional written notes and paper records.

The new system empowers families by giving them direct and easy access to their notes. Information can be shared to the new parents directly from the maternity system and records can be easily updated at each maternity visit. It also allows them to add their own information such as birthing plans.

Our maternity services are gold standard, again

Our Maternity Services maintained their UNICEF UK Baby Friendly Initiative (BFI) accreditation for yet another year. They first achieved the accolade in 1998 and were the first team to receive the 'Achieving Sustainability' BFI GOLD award in 2017. They were also the first team to revalidate the accreditation in both 2018 and 2021.

Hip-Hip hurray!

Our Orthopaedic team performed its first ever day case hip replacement surgery. An exciting new development as we progress in our aim to reduce patients' length of stay following an operation.

The Team have been focussing on reducing length of stay for hip and knee arthroplasty patients and the majority of patients are now staying in hospital for less than three days.

The patient arrived at Burnley General Teaching Hospital at 7.30am for his surgery and following input from a multidisciplinary team, he wasable to leave by 6.30pm the same day and continue his recovery at home.

Pancreatic Cancer Rapid Diagnostic Service wins top Macmillan award

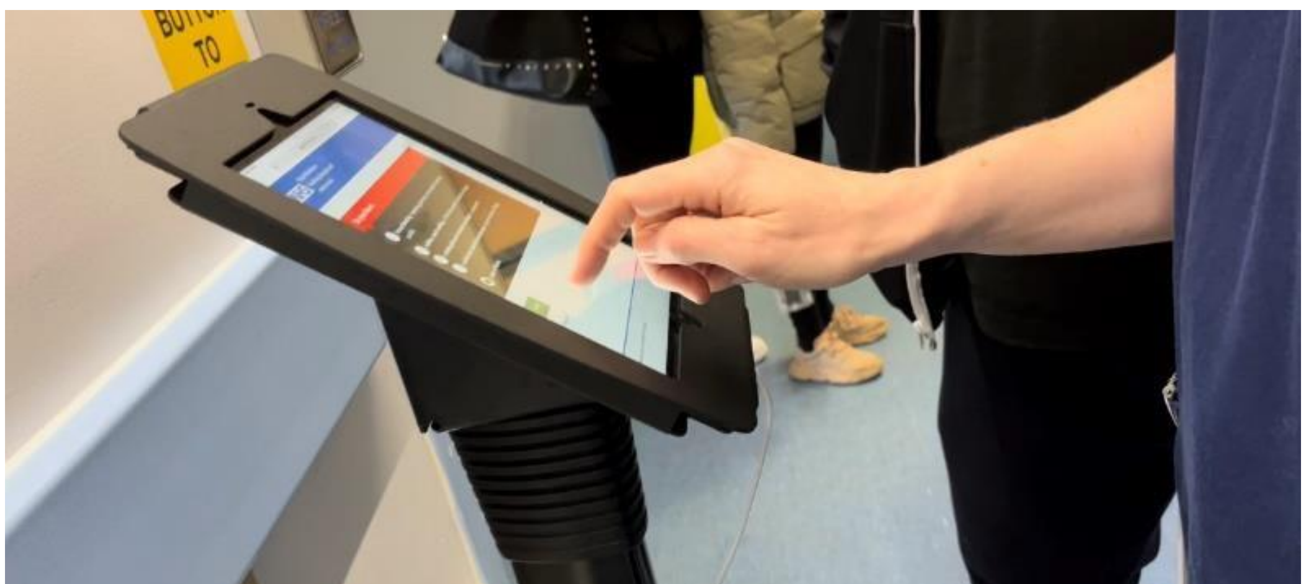
Our Pancreatic Cancer Rapid Diagnostic Service (RDS) received a Macmillan Professionals Excellence Award, in recognition of their outstanding contribution to cancer services. The service is part of a Lancashire and South Cumbria wide initiative designed to support earlier diagnosis in pancreatic cancer and came out top in the 'Integration Excellence' category.

New patient streaming tool a success

A new patient streaming tool was installed at our Urgent Treatment Centres at Royal Blackburn and Burnley General Teaching Hospitals, as well as the Minor Injuries Unit at Accrington Victoria Community Hospital.

The tool requires patients to enter the details of their illness or injury into an iPad device which, in turn, helps to determine how quickly someone needs to be seen. Those where clinical need is less urgent are then given an appointment within an appropriate timeframe and asked to return later at a specified time.

Within the first week of it being operational on our Burnley site, we saw significant improvements with the average time to triage each patient being 15.5 minutes and time waiting to see a clinician averaging at 46 minutes. Our performance against the National 4- Hour Standard also met the target at 95% for that first week.



Glossary

Glossary

Accruals basis

Under the accruals concept, expenses are recognised when incurred, not when the cash is actually paid out, and income is recognised when it is earned, not when the cash is actually received.

AGM

Annual General Meeting

Annual Governance Statement

A statement about the controls the NHS Trust has in place to manage risk.

Amortisation

The term used for depreciation of intangible assets-an example is the annual charge in respect of some computer software.

Annual accounts

Documents prepared by the NHS Trust to show its financial position. Detailed requirements for the annual accounts are set out in the Group Accounting Manual, published by the Department of Health and Social Care.

Annual report

A document produced by the NHS Trust, which summarises the NHS Trust's performance during the year and includes the annual accounts.

Asset

Something the NHS Trust owns-for example a building, some cash, or an amount of money owed to it.

Audit Opinion

The auditor's opinion on whether the NHS Trust's accounts show a materially true and fair view of its financial affairs. If the auditors are satisfied with the accounts, they will issue an unqualified audit opinion.

Board Assurance Framework/BAF

The main document that details the strategic risks of the Trust.

Breakeven

An NHS Trust has achieved breakeven if its income is greater than or equal to its expenditure.

Capital Resource Limit

An expenditure limit set by the Department of Health and Social Care for each NHS organisation, limiting the amount that may be spent on capital items.

Cash and cash equivalents

Cash includes cash in hand (petty cash) and cash at the bank. Cash equivalents are any other deposits that can be converted to cash straightaway.

Clinical Commissioning Group

The body responsible for commissioning all types of healthcare services across a specific locality.

Code of Audit Practice

A document issued by the National Audit Office and approved by parliament, which sets out how audits for the NHS Trust must be conducted.

Contingent asset or liability

An asset or liability which is too uncertain to be included in the accounts.

DTOC

Delayed Transfer of Care

EPRR

Emergency Preparedness, Resilience and Response. The Civil Contingencies Act (2004) required NHS organisations to show that they can deal with such incidents whilst maintaining services.

Group Accounting Manual

An annual publication from the Department of Health and Social Care which sets out the detailed requirements for the NHS Trust accounts.

Intangible asset

An asset that is without substance, for example, computer software.

International Financial Reporting Standards

The accounting standards that the NHS has adopted from April 2009.

International Standards on Auditing (United Kingdom and Ireland)

The professional standards external auditors must comply with when carrying out audit.

Inventories

Stock, such as clinical supplies.

IR35

IR35 legislation, also known as 'intermediaries legislation' is a set of rules that aid in the determination of the tax and national insurance that a candidate working through an intermediary should pay, based on the substance of that working arrangement.

Lean principles

Lean was born out of manufacturing practices but in recent time has transformed the world of knowledge work and management. It encourages the practice of continuous improvement and is based on the fundamental idea of respect for people. Womack and Jones defined the five principles of Lean manufacturing in their book "The Machine That Changed the World". The five principles are considered a recipe for improving workplace efficiency and include: defining value, mapping the value stream, creating flow, using a pull system, and pursuing perfection.

Non-current asset or liability

An asset or liability the NHS Trust expects to hold for more than one year.

Non-Executive Director

Non-Executive directors are members of the NHS Trust Board but do not have any involvement in day-to-day management of the NHS Trust. They provide the board with independent challenge and scrutiny.

Operating lease

An arrangement whereby the party releasing the asset is paying for the provision of a service (the use of the asset) rather than exclusive use of the asset.

Payables

Amounts the NHS Trust owes.

Primary Statements

The four main statements that make up the accounts: Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Taxpayers' Equity and Statement Of Cash Flows.

Private Finance Initiative/PFI

A way of funding a major capital investment, without immediate recourse to the public purse. Private consortia, usually involving large construction firms, are contracted to design, build, and in some cases manage new projects. Contracts typically last for 30 years, during which time the building is leased by the NHS Trust.

Public Dividend Capital

Taxpayers equity or the tax payers stake in the NHS Trust, arising from the Government's original investment in NHS trusts, when they were first created.

Receivables

Amount owed to the NHS Trust.

Remuneration Report

The part of the annual report that discloses senior officers' salary and pensions information.

Reserves

Reserves represent the increase in overall value of the NHS Trust since it was first created.

SAFER

A patient flow bundle from NHS Improvement which is based around five principles, they are: Senior review, All patients, Flow, Early discharge and Review.

Senior Information Risk Owner/SIRO

The establishment of the role of a SIRO within NHS organisations is one of several NHS Information Governance (IG) measures needed to strengthen information assurance controls for NHS information assets.

Sentinel Stroke Audit Programme/SSNAP

The Sentinel Stroke Audit Programme is the single source of stroke data in England, Wales and Northern Ireland.

Statement of Cash Flows

This shows cash flows in and out of the NHS Trust during the period.

Statement of Changes in Taxpayers' Equity

One of the primary statements-it shows the changes in reserves and public dividend capital in the period.

Statement of Comprehensive Income

The income and expenditure account, and the public sector equivalent of the profit and loss account. It shows what income has been earned in the year, what expenditure has been incurred and hence the surplus or deficit for the year.

Statement of Financial Position

Year-end statement prepared by all public and private sector organisations, which shows the net assets controlled by the organisation and how these have been funded. It is also known as the balance sheet.

Those Charged with Governance

Auditors terminology for those people who are responsible for the governance of the NHS Trust, usually the Audit Committee.

True and fair

It is the aim of the accounts to show a true and fair view of the NHS Trust financial position. In

other words, they should faithfully represent what has happened in practice.

Vital Signs

An NHSI improvement programme.