East Lancashire Hospitals
NHS Trust
A University Teaching Trust

Annual Report 2022–23

Contents

Foreword

It is our pleasure to welcome you to East Lancashire Hospitals NHS Trust's Annual Report and Accounts for 2022-23. As we reflect on the past year, we are proud to share the successes and challenges of our organisation.

The Trust has always been at the forefront of providing exceptional health care for our patients both in our hospitals and in the community. This past year has been no exception, as our healthcare professionals have demonstrated unwavering dedication and resilience in the face of constant challenge.

This Annual Report provides an opportunity to reflect on our achievements and the progress we have made towards our goals. It also highlights the areas where we need to improve, and the steps we are taking to enhance our services.

Of course, COVID has never been far away. Throughout the year we have had a continuous flow of patients being cared for on our wards and in the community. We have made great progress though compared to previous years and this has been down to several factors – not least the incredible work carried out by our vaccination team. Everyone involved in the vaccination process should be incredibly proud of what they achieved.

As a Trust we have managed the risks presented by the virus through effective infection prevention and control (IPC) measures. We have had to stand down restrictions and then reintroduce them, often at short notice, but always with the purpose of keeping people safe. Thanks to the IPC team who offer unwavering support to colleagues, patients and their families to maintain safety.

The truth for 2022-23 is that all colleagues have managed relentless and intense pressure every single day – both in our hospitals and in our communities.

Those on the front line have faced record numbers of people looking for urgent and emergency care, with the pressure being felt particularly in December and January. However, with the able support of colleagues on wards, in the community and from corporate services too, the teams coped extremely well. Indeed our 4-hour performance remains good and in line with national expectation for next year and our ambulance handover times are amongst the best in the North West, despite the high demand.

Mid-year our focus was very clearly to eliminate routine elective waits of over 78-weeks, and we achieved this goal, providing relief and treatment to thousands of our patients who have been waiting for their care longer than any of us would have wanted. Whilst there is still some way to go, we have also made significant progress in improving our cancer waiting times. This has been achieved through considerable effort and the determination of the many teams involved, both clinical and non-clinical and we congratulate them all.

Like the rest of the NHS, a key area of focus was and remains our financial position – making sure we live within our means and using our increasingly scarce resources wisely. Notwithstanding the ongoing difficulties and pressures posed throughout the year, our finance team showed remarkable diligence and effectiveness throughout the year.

The next 12 months will no doubt be just as arduous, as we resume our attention on reducing our waiting lists for elective treatment and procedures, improving our colleagues' welfare and delivering on our financial expectations.

We are sure you will agree that East Lancashire Hospitals NHS Trust (ELHT) is like a family, and it is evident that each component plays a critical part to achieve all that we do. We should be very proud of the immense team effort that helps us deliver safe, personal and effective care every day.

It is important to remember this as the Trust, and the NHS as a whole, responds to any planned industrial action that is due to take place across the NHS and other public sector bodies. We are proud that the Trust has been able to carefully plan and manage the significant risks of a complex and difficult situation so comprehensively for our patients and their families. We also recognise that, for most people, the decision to take this kind of action is never done lightly. We have many colleagues across the wider health and social care system too, without whom we wouldn't make progress. The 1 July was a key milestone in this respect, with colleagues in the Lancashire and South Cumbria Integrated Care System (ICS) joining with colleagues in Clinical Commissioning Groups (CCGs) to become the Lancashire and South Cumbria Integrated Care Board (ICB).

Together we have started a long and complicated journey to transform services for everyone, but there has been good progress made on this with collaboration and learning across organisational boundaries for the benefit of patients and their families. It is encouraging to see everyone embracing these new ways of working in an open and energetic way. Indeed, our

mutual support and expertise have been tested like never before but as we look ahead, we are in a stronger position than ever to transform the lives of people across Pennine Lancashire.

ELHT itself is a learning organisation, committed to continuous improvement and throughout the year we have held improvement weeks, launched research and development programmes and delivered new ways of working 'on the ground' which has created better healthcare for local people. We are pleased to share this and even more pleased when this hard work is recognised as pioneering.

The Care Quality Commission (CQC) carried out an unannounced inspection in December 2022, as part of a national inspection of maternity services. They visited three sites - Rossendale and Blackburn Birthing Centres and Lancashire Women and Newborn Centre at Burnley. Feedback was very positive, with particular reference to risk management, multidisciplinary working and an overwhelmingly positive response from our patients. All three services were rated as good for safe and well led, with some evidence of outstanding practice mentioned in the reports. This is a fantastic achievement and yet again demonstrates our teams ongoing commitment to delivering safe, personal and effective care.

This year we were shortlisted for, and walked away with, a number of awards, two that epitomise ELHT were in the Health Service Journal (HSJ) Awards. One was for the End of Life and Bereavement Care Team which has carried out some incredible improvement work and were shortlisted for Quality Improvement Initiative of the Year. The other for our partnership with primary care colleagues, social care providers and commissioning colleagues across Pennine Lancashire to improve access to community services for care home residents. These are the kind of things that really make a difference to people's lives and for this reason ELHT is often singled out for recognition and praise within the NHS itself too.

Colleagues across all teams could not have worked any harder over the course of the year – the dedication and effort has been incredible and inspiring. Importantly, we are now working across Lancashire and South Cumbria with our neighbours and partners – including those in the private sector – to ensure we deliver services for patients in the most effective way together.

This has been boosted in recent months by a refreshed clinical strategy, which is one of the most important plans we have and provides a clear direction of what we can deliver as an organisation for the population of Pennine Lancashire and, indeed Lancashire and South Cumbria as a whole.

We are also working hard to deliver a new electronic patient records system, which is due to go live summer 2023. Our eLancs team have gone above and beyond to get the everything ready and to help prepare colleagues for the change.

Every year we report our progress on the annual NHS Staff Survey, and this year we are pleased to have been ranked third in the North West for colleagues recognising we are a good place to work and scoring above the national average in all nine areas, vying for position among the very best in some areas too. Almost 4,500 colleagues across the organisation completed the survey, with the results telling a positive story of our progress.

In total the Trust improved in 22 areas of the survey, with 67 areas remaining about the same and just three seeing a reduction, albeit still exceeding the national average. What was really pleasing was that there were improvements in areas we'd focused on following last year's results, including health and wellbeing support and flexible working for colleagues.

This has clearly been a key area for the Trust as we continue to recover from the COVID-19 pandemic, maintaining our efforts and determination to reduce waiting lists for elective treatment whilst also effectively managing unprecedented demand on urgent and emergency care undoubtedly takes its toll on the entire team.

It has been said many times, we have an excellent team here at ELHT – the best – and we want to continue to harness those great minds to make sure what we set out to deliver reflects what we think we can and should do. We know there is no-one more ambitious than our colleagues and that they will push and pull us further than we could ever hope to go.

We would like to thank everyone who has contributed to the success of ELHT over the past year, our colleagues, partner organisations, volunteers, patients and their families. Your hard work, dedication, and support have been invaluable to us.

We hope you find this report informative and insightful. We remain committed to providing high-quality safe, personal and effective services to our communities, and we look forward to working with all stakeholders to continue to our improvement journey.

Mr Shazad Sarwar
Chairman

Mr Martin Hodgson
Chief Executive

Working with Our Partners – Lancashire and South Cumbria Integrated Care System (ICS)

ELHT is a key part of the ICS, which is a partnership of all organisations that deal with improving care, health and wellbeing for the people of Lancashire and South Cumbria. This includes all the healthcare organisations and local authorities in the region who work together as an Integrated Care Partnership.

The Integrated Care Partnership (or ICP) works together to address the health, social care and public health needs of their communities, always making sure the public's voice is at the heart of decision-making. An integrated care strategy has now been agreed following extensive engagement and involvement with partners, colleagues and the public throughout 2022-23.

Partners include local authorities, NHS organisations, businesses, education, Healthwatch and voluntary, community, faith and social enterprise (VCFSE) organisations

As part of the Health and Social Care Act 2022, NHS Lancashire and South Cumbria Integrated Care Board (ICB) and the unitary and upper tier local authorities have a statutory duty to co-ordinate Lancashire and South Cumbria ICP together.

The first formal Lancashire and South Cumbria ICP meeting took place on Friday 30 September 2022, and it started with an opportunity for the members to hear from our residents.

Lancashire and South Cumbria is facing some very significant challenges. These include widening health inequalities, rising demand, pressure on quality and safety, staffing shortages, the wellbeing of our colleagues, and funding. These are well documented and have been exacerbated by the COVID-19 pandemic.

We must address these challenges with urgency.

We have seen that joining forces as equal partners can have huge benefits. Collaboration during the COVID-19 pandemic demonstrated what we can do together at scale to support our colleagues and patient care.

By working collaboratively, we will be much more likely to achieve our vision than if we work alone. This is because we will be able to better:

- Agree joint priorities and how to best join forces to deliver them
- Learn from and support each other
- Share skills and best practice
- Pool resources to support fragile services
- Provide flexible career paths across organisational boundaries
- Standardise our approach across Lancashire and South Cumbria to reduce variation and duplication
- Support the local economy and the environment to add social value.

The Chief Executive of NHS Lancashire and South Cumbria Integrated Care Board (ICB) has published an honest assessment of the state of the health and care system in the region. https://www.healthierlsc.co.uk/application/files/7616/7950/3448/07a_-_State_of_the_System_Report.pdf

The Lancashire and South Cumbria Provider Collaborative

Our partnership brings together the five provider NHS Trusts in Lancashire and South Cumbria to improve health and healthcare.

This is about working together to make sure patients, their families and communities benefit across the whole of the area.

The aim is to reduce health inequalities and improve services, outcomes and people's experiences of accessing healthcare. Our partnership also aims to ensure that Lancashire and South Cumbria is a great place to work.

The Provider Collaboration Board's vision, as agreed by the chairs and chief executives of the five Trusts, is to ensure:

- The best health and wellbeing of our population
- High-quality services
- A happy and resilient workforce
- Financial sustainability

This is known as the 'quadruple aim'.

The Provider Collaboration Board has agreed seven priorities:

- Develop a joint clinical vision
- Develop a joint vision for central (non-clinical) services
- Achieve parity of esteem between mental and physical health
- Recover and restore elective care and other operational services
- Improve the emergency and urgent care performance of the system
- Develop our leadership and ensure a great place to work with a resilient workforce
- Develop a clear financial strategy

There are many good examples of collaboration making a difference across Lancashire and South Cumbria, within both a clinical and non-clinical setting which you can read about LSC Provider Collaborative: Collaboration in action.

Examples of system working

Managing pressures and demand

Winter always sees great pressure on the health system. The winter of 2022-23 has been one of the most pressured the NHS has ever seen. In Lancashire and South Cumbria, the pressures within hospitals and in primary care have been managed reasonably well through a number of initiatives, such as the establishment of virtual wards and improvements to hospital discharge processes.

The Lancashire and South Cumbria system control centre (SCC) manages demand and capacity and ensures adequate oversight of operational pressures at all times, ensuring rapid decisions are made to respond to any emerging challenges. Bed occupancy in hospital remains high and delays in transfers from ambulance to hospital departments remain longer than they should be. In short, there are more people needing to get into hospital facing delays due to the time it takes to get people out of hospital. A rise in flu cases over winter also placed extra pressure on services, with growing hospital admissions, along with the unanticipated increase in the number of cases of children with invasive group A strep.

COVID-19

The system's response to COVID-19 has outlined the huge benefits of collaborating – together we were able to make a massive difference to the lives of local people and their families.

The Trusts supported each other to manage critical care capacity during time of huge pressure on NHS services, for example.

Pathology services also worked together to coordinate testing at scale. As one of 11 pilot sites for rapid saliva (LAMP) testing, by working collaboratively the service was set up in record time to enable mass testing of NHS colleagues.

Virtual outpatient appointments

At the beginning of the COVID-19 pandemic, it was necessary for all hospitals in Lancashire and South Cumbria to deliver virtual clinics. The four acute Trusts worked collaboratively to quickly put new digital systems in place.

The joined-up approach to using video consultations for scheduled clinic appointments received great feedback from both colleagues and patients.

Community diagnostic services

Patient waiting times for some diagnostic tests have improved because imaging services are being delivered as a collaborative network across the four hospital Trusts in Lancashire and South Cumbria.

During the COVID-19 pandemic in April 2020, 47% of patients were waiting over six weeks for their CT and MRI scans. This has now reduced to below 1% because the Trusts are working extremely hard to ensure patients have better access to diagnostics no matter where they live.

Part of this involves offering patients whose nearest hospital has longer waits access to a scan more quickly at a hospital with a smaller waiting list. This means some patients are travelling further to be seen more quickly.

The Diagnostic Imaging Network made up of the four hospital Trusts (Blackpool Teaching Hospitals NHS Foundation Trust, East Lancashire Hospitals NHS Trust, Lancashire Teaching Hospitals NHS Foundation Trust and University Hospitals of Morecambe Bay NHS Foundation

Trust), provides the following imaging scans: CT, MRI, X-Ray, DEXA, radionuclide and non-obstetric ultrasound.

By working together, elective imaging activity across the Network has increased. As of 31 March 2023, our network is delivering 137% MRI and 150% CT scanning activity compared to pre-COVID levels in 2019/20.

ChatBot - Managing waiting lists

Chatbot is an automated call system, which guides patients through a series of questions designed by NHS consultants and healthcare experts. The pilot saw 2,282 waiting list patients in Morecambe Bay and Preston receive a call asking about their health condition. 75 per cent of patients responded to either the automated call, or a follow-up call from a member of the service.

The 2022-23 Chatbot programme has now been rolled out to other hospitals and medical specialties in Lancashire and South Cumbria and aims to contact 30,000 patients before the end of March 2023.

So far, out of 17,299 patients contacted this year, 13,583 have been validated at a response rate of 79 per cent with almost 1,200 patients indicating they could leave the waitlist.

Chatbot was Shortlisted as a finalist in the 2023 HSJ Awards.

Elective care recovery

The proposed refresh of the Elective Recovery Programme was presented to the Provider Collaborative Board (PCB) on the 16 February 2023 and approved.

The four acutes Trusts have been working together to reduce waiting times for our patients requiring treatment.

Due to the impact of the junior doctor industrial action in March 2023, Lancashire and South Cumbria was not able to fully eliminate 78 week waits by the end of March 2023 but the work carried out, particularly in recent months, to reduce long waiters has been immense and should be acknowledged. From a position on the 1 January 2023 of 4,498 patients within the 78-week cohort, this reduced to 160 by the 31 March 2023. 74 of the 160 patients were unable to be treated due to capacity, with the remaining 84 not treated due to being complex or patient choice.

Mirroring the national trend, the number of patients waiting over 52 weeks is also reducing; 8,288 on the 26 March 2023 (unvalidated) compared with 10,646 on the 1 January 2023.

104-week waits were eliminated by the end of June 2022 in line with the national target.

We continue to work extremely hard to reduce wait times and are working towards ensuring everyone is treated within 65 weeks by the end of March 2024, as per the national target. This is only possible because the Trusts continue to focus great collective efforts to improve access to care. For example, hospitals with shorter waiting times are offering appointments to patients whose nearest hospital has longer waits. As of April 2023, nearly 2,000 patients had chosen to travel further to have a quicker appointment.

Both theatre utilisation and day case rates within Lancashire and South Cumbria are within the top quartile within England at 81 per cent and 82.5 per cent respectively.

A new approach to digital patient records begins

Hospitals across Lancashire and South Cumbria are looking at setting up a new system to allow patient records to be shared effectively regardless of which health service a patient has visited.

The establishment of a single, seamless electronic patient records (EPR) system comes on the back of the introduction of a shared care record, which has already been supporting patients by bringing data together from all our different providers of care.

This innovative approach will transform how information is stored and utilised and provide the foundations to improve clinical and care pathways as well as allowing hospitals to work together far more effectively.

There are numerous methods of recording and accessing patient information across hospitals in Lancashire and South Cumbria. The aim is to capture best practice and reduce variation across hospitals to allow staff, patients and their families to dedicate more time to treatment and recovery, by streamlining the process of accessing and utilising essential patient information.

The implementation of a single EPR system is considered a crucial milestone in advancing digital healthcare innovations and delivering integrated patient care throughout Lancashire and South Cumbria. By investing in a single system, we are making use of technology to offer the highest standard of care to patients, regardless of their location.

The EPR is the first of many ambitious steps in the Lancashire and South Cumbria Integrated Care Board's digital roadmap which promises more investment into technology and the rollout of more digital tools to improve care.

Collaborative bank

The five Trusts are developing a collaborative bank for nurses, midwives, health care assistants, allied health professionals and administrators. A collaborative bank is a Lancashire and South Cumbria-wide bank, with the Trusts working together to boost our temporary workforce and improve patient care.

We want to make working at the bank attractive to increase our temporary workforce, meaning more colleagues supporting our departments and each other.

A collaborative bank will also mean fairer, more consistent bank rates, with colleagues able to work seamlessly across different Trusts should they wish.

We also want to reduce our reliance on agencies, so we have a more stable, consistent workforce who have all had the same training and understand our consistent processes to enhance patient care.

Performance report

Performance Overview

Introduction and Background

Our patients are at the heart of everything we do at the Trust. We pride ourselves in delivering safe, personal and effective care that contributes to improving the health and lives of our communities.

As a leading provider of integrated healthcare services across East Lancashire and Blackburn with Darwen, we deliver a wide range of health services to a population of 566,000 people, many of which live in several of the most socially deprived areas of England. Our services cover an area of approximately 1,211 square kilometres.

We employ over 10,000 people, working across five hospitals and various community sites within our six geographical areas. These areas are Blackburn with Darwen, Burnley, Hyndburn, Pendle, Ribble Valley and Rossendale.

As well as providing a full range of acute, secondary and community services, the Trust is also a specialist centre. The specialist services provided are for hepatobiliary, head and neck and urological cancer services, as well as cardiology and vascular services. In addition, the Trust is a network provider of Level 3 Neonatal Intensive Care.

The Trust currently has 1,041 beds and treats over 700,000 patients a year from the most serious of emergencies to planned operations and procedures, using state-of-the-art facilities.

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).

Over 250 dedicated volunteers working across our services give their time and skills freely to support us. They work alongside Trust colleagues to provide practical support to our patients, their families and carers, and visitors to the Trust. Their enthusiasm and experience make a huge difference to our patients’ experience.

As a teaching organisation, we work closely with our major academic partners, the University of Central Lancashire, Lancaster University and Blackburn College. Together we nurture a workforce of tomorrow's doctors, nurses and allied health professionals.

There are two private finance initiative (PFI) schemes for parts of the buildings at Royal Blackburn Teaching Hospital and Burnley General Teaching Hospital sites. We are committed to improving and investing in our healthcare facilities, predominantly focusing on our on-going commitment to the Burnley General Teaching Hospital site.

As of July 2022, Clinical Commissioning Groups were abolished, and ICSs became operational statutory bodies as per the Health and Care Act 2022. Most of the Trust's services are now funded by Lancashire and South Cumbria Integrated Care Board and NHS England. The Trust continues to work alongside local partners to deliver the best possible care in the most appropriate locations for the people of East Lancashire.

In the meantime, we continue to do everything possible to provide safe, personal and effective care for anyone that needs it. Our colleagues are pivotal to our success and whilst the current landscape is difficult to navigate, if people understand what we're aiming for they can do their bit to contribute. That they are valued and encouraged as part of a positive culture will be critical to our success.

We have made some major changes to how we do things over the past year, particularly across the integrated care system, with the Integrated Care Board now embedded. 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

The purpose of the Performance Analysis section of the Annual Report is to provide readers with a detailed summary of the performance of the Trust over the year. This includes how the Trust measures performance, a detailed integrated performance analysis and long-term analysis of trends where appropriate. From this section readers will be able to gain a cohesive and consistent understanding of the performance of the Trust.

Chief Executive's Statement

As previously stated in the forward, there is always much to be proud of at ELHT, not least our amazing colleagues and the incredibly amount of effort and hard work they contribute every day and night throughout the year.

This part of the annual report aims to provide a comprehensive overview of the Trust's performance in delivering high-quality healthcare services to our patients and the wider community.

Our commitment to providing safe, personal and effective services remains at the heart of our operations, and this report highlights our achievements, challenges, and areas for improvement.

I hope that this review will provide valuable insights into our work and progress towards meeting our strategic goals.

Our performance this year has often been impacted by the adversity of the circumstances. We have not always been able to achieve the targets established prior to the pandemic, nor to deliver the level of service that we would aspire to for our patients. The Trust is proud to have performed well in comparison to other hospital trusts across many performance measures, however, I would like to thank our patients for their understanding and patience, and all our colleagues for their resilience, commitment and dedication to care for patients and their peers.

Below is a summary of our performance against some key access and quality metrics:

Access Headlines	• 74% of patients in A&E were admitted, transferred or discharged within 4 hours (new target 76% by March 2024).
	• The number of patients waiting over 62 days on a cancer pathway reduced from 479 patients in April 2022 to 168 patients by March 2023.
	• The 28-day Faster Diagnosis Standard was met since February 2023 at 79.63% and March 2023 at 77.3%.
	• 67% of patients were treated or discharged within 18 weeks of referral (target 92%) in 2023/4
	• No patient waited more than 78 weeks on a routine waiting list by end of March 2023
	• In March 2023 90.19% of patients received their diagnostic test within 6 weeks of referral compared to 82.24% in April 2022 (target 95% by March 25)
	• In March 2023, theatre utilisation was 84.4% was achieved against the 85% standard (capped) as per Getting It Right First Time (GIRFT) compared to 73.8% in April 2022
	• 97.2% compliance with 2-hour Urgent Community Response target across more than 5,000 responses against national target of 70%
	• Over 90% of patients safely supported to stay in their usual place of residence
	• Extended integrated front door model
	  – From 01/11/2022 our extended front door model has reviewed over 1,000 patients
	  – 325 prevented admissions with approx. cost saving of £202,800 (based on 1 night on AMU)
	  – Average length of stay in A&E under Intensive Home Support Service care is 119 minutes (against a department average of 566 minutes)
	• 92% average occupancy of virtual ward beds

Quality Headlines	• 1 MRSA against the target of 0 • 65 C. diff against the trajectory of 54 • 131 E coli against the trajectory of 135 • 31 serious incidents against a target of 0 • Summary Hospital-level Mortality Indicator 1.07 against the average of 100 (up to November 2022)

Sometimes, we may be tempted to focus only on our successes and overlook areas where we can make improvements. However, at ELHT, we are dedicated to ongoing improvement and constantly striving to progress in areas where we may not be meeting the necessary standards. To facilitate this, the Trust Board receives regular performance reports during each meeting, which feature comprehensive dashboards to highlight any areas that require attention or where there is room for improvement.

The Trust reported a £4.1 million financial performance deficit for the 2022-23 financial year against a breakeven financial plan. The deficit position relates solely to the uncertainty surrounding the cost of the 2022-23 Agenda for Change pay award, following its initial rejection on 14th April 2023, although it was subsequently accepted on 2nd May 2023.

The financial challenge facing the NHS has possibly never been greater than it is now. We are going to face these challenges head-on, but there are a couple of options we will not consider. Firstly, doing nothing is not an option and secondly, we will not compromise on the quality of our services and the safety of our patients and our colleagues. What we will do is focus on implementing a range of measures such as waste reduction, improving operational efficiency, increasing revenue streams, and most importantly working more collaboratively with our system partners. We have a great track record of coming together to solve problems and overcome difficulties.

As all colleagues continue to be under pressure, we anticipated that this would impact our National Staff Survey results, but I'm delighted to say that the overall results show that ELHT is a great place to work. The survey paints a picture of colleagues who enjoy their work and feel that they make a difference to the lives of our patients.

Headline figures show that 82.5% of colleagues reported that they enjoyed working with their colleagues, while 87.9% felt that their role made a difference to patients. The survey also revealed that colleagues feel supported in their work and health and wellbeing.

There were particular improvements related to the themes of "safe and healthy" and "always learning", which are areas the Trust has been working hard to improve over the last year. We pride ourselves on being a learning organisation that's committed to continually improving, so we will be inviting every colleague across the Trust to help us identify areas for improvement and develop action plans through a series of 'big conversations'. By working together, we will

create an even more positive work environment, delivering safe, personal and effective care to our communities.

Alongside thanking the outstanding ELHT family, 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 and respond to the pressures and demands on our services.

In conclusion, this performance report demonstrates the unwavering commitment of the Trust to provide high-quality care and services to our patients and their families. Despite the challenges posed, we have continued to deliver safe, personal and effective care and achieved significant improvements in key areas outlined in the report.

I am unremittingly proud and inspired by our dedicated colleagues and their tireless efforts to provide compassionate care and support to our communities. As we move forward, we remain focused on further enhancing our performance and building on our successes to ensure that our patients continue to receive the best possible care.

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 colleagues 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 colleagues 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.

Our services

As the Trust transitioned from COVID-19 during 2022-23, our clinical and support services rightly maintained their focus on delivering patient care whilst upholding the Trust's values through safe, personal and effective care. 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 2022-23 working closely with our teams and partner organisations.

Our emergency services continued to improve patient pathways through improved ambulance handover times, developing our Same Day Emergency Care (SDEC) Services and timely discharge processes on the wards. The elective care services prioritised clinically urgent procedures including cancer services and patients waiting over 78 weeks for their procedures. This was further strengthened by the national performance standard for eliminating over 78-week waits by March 2023. Some of our key achievements in 2022-23 included:

- Continued work on strengthening our surgical hub at the Burnley General Teaching Hospital (BGTH) site.
- The development of rapid diagnostic centre pathways for cancer treatment, working towards meeting the 75% of cancer diagnostics completed within 28 days from referral (28-day Faster Diagnostic Standard) by March 2024.
- The use of our critical care capacity at the Royal Blackburn Teaching Hospital (RBTH) site, including eight enhanced care beds for elective care.
- New workforce models implemented around advanced practice, including physician associates, as part of a growing multi-disciplinary team. An example of this is the increase in our consultant nurse posts within the acute frailty and stroke services.
- The initiation of a teledermatology service to manage urgent cancer referrals from GP within two weeks. This will be in place from April 2023.
- Enhanced focus on our theatre utilisation to meet the 85% standard (capped) as per Getting It Right First Time (GIRFT).
- A focus on Outpatient improvement resulting in the increased use of Patient Initiated Follow Ups and Virtual Consultations. Further plans are in place to improve this in 2023-24.
- A comprehensive review of our outpatient booking process, initiated in March 2023, to support the improvement plan in 2023-24.

- Implementing the Chatbot process for contacting patients about their appointments due to the long waits within elective care.
- Rated as Good with areas of outstanding practice across our three maternity sites at the most recent CQC inspection (October 2022).
- Introduced direct 111 referral pathway for paediatrics through the Children's Observation Assessment Unit (COAU).
- Achieved the green award for Family Integrated Care Accreditation from the Northwest Neonatal Network.
- Continued system wide collaboration on the ageing well pathway.
- Developing performance dashboards for pathology and radiology turnaround times to inform further improvement work in 2023-24 as part of the wider diagnostics improvement plan.
- Cancer pathway improvements in colorectal, urology, dermatology and upper gastrointestinal services. This has resulted in the reduction of the over 62-day cancer backlog for urgent GP referrals from 479 to 172 patients (as of 24 March 2023). This was a reduction of 64%, resulting in the Trust being stepped down from Tier 1 performance framework monitoring to Tier 2 by NHS England.
- Implementing the Ockenden report recommendations following a proactive review of our maternity standards.
- Collaborative working with Lancashire and South Cumbria Foundation Trust (LSCFT) and Pennine Lancashire commissioners to look at integrated models of care within Blackburn with Darwen.
- Direct access to Acute Frailty and continued improvement within our paediatric Same Day Emergency Care by NWAS.
- Telestroke service in place ensuring a 24/7 consultant assessment available for stroke patients attending the emergency department.
- Continued increase in 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.

- Further investment in diagnostic services for endoscopy and radiology at the Burnley General Hospital site, as well as Rossendale, for Community Diagnostic Care Services (CDC). This includes a further two endoscopy rooms which will be operational from April 2023.
- Following the successful implementation of the emergency care streamer tool implemented at Burnley General Teaching Hospital, Royal Blackburn Teaching Hospital Urgent Treatment Centres (UTCs) and at Accrington Victoria Hospital, the service offers appointments to patients, preventing unnecessary waits for urgent care. This reduces the time that 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. The focus in 2023-24 will be embedding these changes across all of our ward areas for timely and safe discharges.
- Sentinel Stroke National Audit Programme (SSNAP) performance continues to be strong, with active clinical leadership across the multi-disciplinary team (MDT). This ensures that our stroke patients receive high standards of care and an improved experience.
- A 7-day specialist input to our Transischaemic Ambulatory Response Area (TIARA) having a positive impact on patients accessing stroke services through admission avoidance and earlier clinical support
- Estate works commenced for the combined Heart Care Unit due to open late 2023-24.
- Set up of our Community Diagnostic Services (CDC) to improve diagnostic access and wait times.
- Productivity and improvement work within our endoscopy services, ensuring value from the investment made into the services.

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

Staff

This year has been challenging for colleagues as we continue to restore and recover our services post pandemic, whilst still experiencing the impact of COVID-19 infections on staff absence. With services opening up, and the resultant waiting lists, there is an increasing need for us to look after our workforce and foster wellbeing and belonging.

Looking after our people is critical and to address this the Trust needs more people, working differently, in a compassionate and inclusive culture. We have therefore reviewed our strategic people priority actions which map to the system workforce priorities, as developed by the Integrated Care Board and Provider Collaborative Board.

These actions which we are progressing in line with the Trust's People Strategy, ensure that we deliver against the aims of the NHS People Plan to develop further as a modern employer of choice:

- 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 and since the pandemic, recruitment activity increased significantly across the Trust, and ELHT now employs around 8,900 Whole Time Equivalent (WTE) staff, compared to 8,600 WTE staff this time last year. There has been increased international recruitment, which is seen as a short to medium term solution to the current workforce pressures. There has been a focus on retention, flex and agile working and on embedding the Trust's behaviour framework, to improve the experience of our workforce. The Trust's moving on survey provides useful feedback to ensure we are taking action to address any hotspot areas.

At a system level we have been an active member of the corporate collaboration workstream, leading on aspects including the development of Occupational Health and Wellbeing Services and the collaborative Bank and Agency project.

ELHT has made some good progress in addressing the inclusion and belonging agenda in the last year. We recognise that we still have more to do if we are to address all forms of inequalities and discrimination.

In support of this our staff networks are helping to address disparities and share the lived experience of our workforce so that we can tackle the root causes. They include our Black, Asian and Minority Ethnic (BAME) Network, Disability and Wellness Network (DaWN), Muslim Network, Women's Network and the LGBTQ+ and Mental Health Networks. Through the commitment of the members and leads, we have developed plans to improve staff experience through their lived experiences which evidence shows us, will benefit the wider workforce and the population we serve. In the past year we have also developed a Neurodiversity Task and Finish Group which has been instrumental in raising awareness of adjustments in support of the new Wellbeing Passport.

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 also be undertaken by our Disability and Wellness Network in the coming months to inform the Workforce Diversity Equality Standard (WDES) agenda. The Trust has benchmarked our progress and set ourselves new targets to drive forward this agenda.

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 fourth Festival of Inclusion, a virtual celebration of Community and were thrilled to host the Human Library. We are planning a different approach for next year, involving our networks and clinical divisions to deliver Belonging Roadshows. Whilst we know we have much more work to do, we hope that this approach supports greater accountability across ELHT.

We were very proud to launch our Leadership and Management Development Strategy which included a refreshed Coaching and Mentorship Strategy, including a Team Coaching approach. In the coming year our core leadership and core management pathways will launch,

ensuring a consistent approach and one that we hope will deliver culture change on our journey to outstanding.

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 People and Culture 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. In 2022, the Trust piloted Team Engagement Development (TED) which is a journey that complements our approach to improving employee experience through team level reflection and diagnostics driving team level improvement. Team effectiveness also supports wellbeing and innovation so is a critical part of our organisational development approach to support continuous improvement.

Financial duties

The Trust reported a £4.1 million financial performance deficit for the 2022-23 financial year against a breakeven financial plan. The deficit position relates solely to the uncertainty surrounding the cost of the 2022-23 Agenda for Change pay award, following its initial rejection on the 14 April 2023 although it was subsequently accepted on 2nd May 2023.

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, for NHS invoices (value and number) and for non-NHS invoices by value. The number of non-NHS invoices paid within 30 days was slightly below this target at 94%.

Where our money comes from

In 2022-23, the Trust received income of £738.1 million compared with £701.0 million in the previous year. Most of the Trust's income now comes via Integrated Care Boards (ICBs), which purchase healthcare on behalf of their local populations, with £689.4 million of income being generated from patient care activities.

Where our money goes

The Trust's total revenue operating expenditure for 2022-23 was £722.0 million compared with £679.6 million in the previous year. £510.0 million (71%) was spent on staff costs. Throughout the year the Trust employed an average of 8,738 permanent staff, as well as an average of 671 bank staff, 265 agency staff and 211 seconded junior doctors.

At £52.1 million, drugs costs were the next highest area of non-pay expenditure within the Trust. In addition, the Trust also incurred £44.4 million of clinical supplies and services, £28.5 million for premises and £21.7 million for clinical negligence 'insurance' premiums.

Capital Expenditure

The Trust has continued to invest in healthcare facilities in East Lancashire, receiving £7.6 million of funding for the replacement of part of the roof on the Royal Blackburn site, after Reinforced Autoclaved Aerated Concrete (RAAC) was identified within its structure, which needed to be removed. Work continued with a further £6.4m being spent on the preparatory work to transfer our patient records to an electronic patient record. Other significant areas of spend included £3.6m on the conversion of two old theatres on the Burnley site to state-of-the-art Endoscopy rooms, £3.4m on PFI lifecycle costs and £3.1m on medical equipment.

In total the Trust invested £32.5 million on new building works, improvements and equipment and information technology across all its sites with the accounting treatment of right of use leases being classified as capital expenditure from 1 April 2022 at a value of £9.9m.

Financial Outlook for 2023–24

The Trust is facing a significant financial challenge as we move into 2023-24. To incentivise an increased level of elective and outpatient activity, during 2023-24 the NHS will move to tariff incentivised schemes for all elective and outpatient procedures, with the remaining services including emergency care remaining on a fixed funding arrangement. Our income and expenditure plans for the year are based on the achievement of 109% of 2019-20 activity levels. With urgent and emergency care pathways payments remaining on a block contract, the Trust has a financial challenge to meet increased demand with limited resources.

The Trust is working to a £24.3 million deficit financial plan, which includes a Waste Reduction Programme of £54.6 million (7.4%). The Trust will endeavour to meet this challenging financial plan through its Waste Reduction Programme aligned to its improvement programme, working with system partners across Lancashire and South Cumbria, and through increased financial controls, however given the level of savings required, the achievement of a deficit plan of £24.3 million is significantly at risk.

Modern Slavery Act 2015 – Annual Statement 2022-23

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 2022-23 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).

The Trust is committed to taking all necessary actions to ensure compliance with legislation relating to equality, diversity, human rights, anti-corruption and anti-bribery. The Trust has a range of policies and statements in relation to these matters, including the aforementioned Modern Slavery Statement; Standards of Conduct Policy; and Anti-Fraud, Bribery and Corruption Policy.

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

Healthcare providers across the country are set a range of quality and performance targets by the Government, commissioners and regulators. 2022-23 has been a challenging year for all providers as we transitioned into the post COVID-19 operating context ensuring full restoration of services and pathways whilst maintaining patient and colleague wellbeing through the process.

Particular highlights in March 2023 as the final month of 2022-23 have included:

- The annual position for post 2 day E.coli bacteraemia was 131 which was below trajectory set at 135.
- The annual total for Klebsiellas is 34, which is below trajectory of 52.
- The Cancer 28-day faster diagnosis standard was achieved in February at 79.6%.
- There were no RTT >78 weeks at the end of March 23, thereby achieving the year-end target.
- Average fill rates for registered nurses/midwives and care staff remain above threshold, although continued to be challenging due to COVID and influenza impacting on sickness.
- Friends & family scores remain above the threshold for inpatients, outpatients and community.
- The overall Trust performance from the range of patient experience surveys was above the threshold of 90% for all of the four competencies.
- There were 71 delayed discharges at the end of March, below the trajectory of 79.
- There were 44 operations cancelled on the day (non-clinical). This continues to be below baseline.

You can read about these and many more successes, in the section of this annual report titled, “Our Highlights of 2022-23”.

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. The full year position for 2022-23 resulted in 74% of patients meeting this standard. Whilst this is not where the Trust would want to be, at a national level, our position has consistently been in the top 50% of performance demonstrating a wider challenge around emergency care services. The 2022-23 performance was better than previous year and there have been a number of schemes in place to improve performance for Urgent and Emergency Care (UEC) including:

- Continued partnership working with the North West Ambulance Service (NWAS) around ambulance handover delays resulting in strong performance (40% reduction in quarter 4)
- Increasing ambulance conveyances directly to our Same Day Emergency Care (SDEC) areas including paediatrics with good effect
- Establishing an appointment system based on clinical criteria in urgent care providing a more convenient service for patients whilst reducing waiting times in the emergency department as well as congestion due to high waits
- Partnership working with Lancashire and South Cumbria NHS FT towards managing mental health pathways including the 136 suite and patients with mental health care inpatient needs from the emergency department
- Establishing the Intensive Home Support Service (IHSS) in the emergency department supporting alternative pathways outside of the hospital to prevent unnecessary admissions
- Improved internal processes within UEC to provide timely care such as clinical triage times, zoning of clinical teams based on the case mix of patients in the department
- A Quality Improvement (QI) approach towards enhancing discharge for patients to their usual place of residence not requiring additional support as part of the multi-disciplinary team (MDT)
- The set up and successful delivery of our 2-hour Urgent Community Response (UCR) service avoiding unnecessary attendances in UEC with NWAS
- The set up and delivery of 135 virtual beds in the community acting as one of the reference sites given success to date
- Continued partnership working with primary care, social care and community services ensuring a collective effort towards delivering safe, personal and effect care for our patients

	Target	2019-20	2020-21	2021-22	2022-23
Percentage of patients treated in four hours or less (Trust)	95%	80.80%	84.60%	72.94%	74.00%
Number of patients (non-elective)		55,148	45,979	53,307	51,686

Continued reduction in emergency admissions since 2019-20 (a reduction of 6.3%). This is as a result of a number of admission avoidance schemes listed above.

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, 67.0% of patients did receive treatment within the 18-week target, which was a deterioration from 2021-22 (77.4%). As part of the planning process during 2022-23, all the services providing elective care reviewed the demand and capacity gaps with mitigation plans agreed. This will also inform the 2023-24 planning round ensuring a clear trajectory for delivering the national elective recovery standard.

The national elective recovery standard during 2022-23 was to eliminate over 78 week waits by March 2023. The Trust was able to deliver this and remains committed to sustain this standard into 2023-24 as part of the national elective recovery plan. In 2023-24, the focus will be on eliminating over 65 week waits by March 2024.

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 have their diagnostic confirmed within 28 days of referral (75% target), 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 (85% target). 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. During 2022-23, the Trust was placed on the Tier 1 performance framework for cancer services (top 20 worst performing – at third worst performing). This was measured on the total backlog of waits over 62 days since urgent GP referral for suspected cancer.

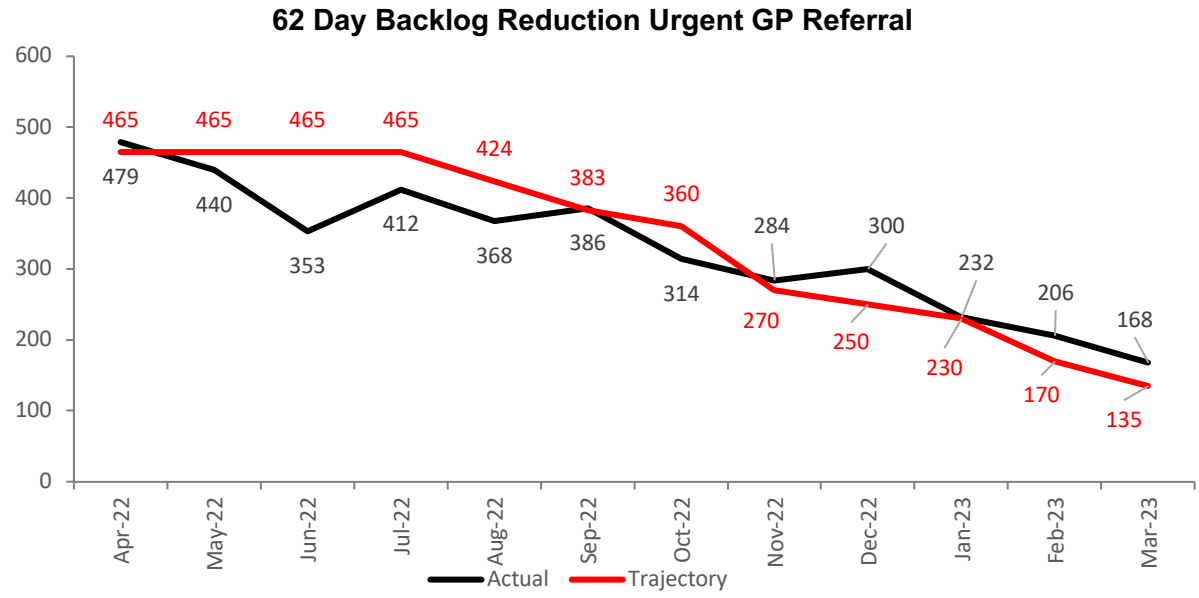
The Trust had several measures in place to recover this position including:

- A strong focus on pathways for the faster diagnosis standard within 28 days across all tumour sites
- Putting on additional clinical decision-making capacity in areas such as colorectal
- Reviewing clinical processes within tumour sites such as gynaecology, Upper Gastro-intestinal, Urology, Head & Neck and skin
- Improving diagnostic processes and capacity such as in endoscopy
- Developing new models of care such as Teledermatology to improve the 28 day faster diagnostic standard

	Target	2019–20	2020–21	2021–22	2022–23 (to Feb 22)
Percentage of patients seen in two weeks or less of an urgent GP referral for suspected cancer	93%	92.7%	94.1%	87.9%	84.1%
Percentage of patients seen in two weeks or less of an urgent referral for breast symptoms where cancer is not initially suspected	93%	93.7%	95.6%	79.7%	94.8%
Percentage of patients having their diagnosis communicated to them within 28 days of referral onto a suspected cancer pathway	75%	N/A	79.10%	73.80%	72.3%
Percentage of patients receiving treatment within 31 days of a decision to treat	96%	97.1%	95.0%	93.5%	91.7%
Percentage of patients receiving subsequent treatment for cancer within 31 days where that treatment is surgery	94%	91.1%	83.5%	90.5%	83.0%
Percentage of patients receiving subsequent treatment for cancer within 31 days where treatment is an anti-cancer drug regime	98%	99.6%	98.8%	98.8%	98.1%
Percentage of patients receiving treatment for cancer within 62 days of an urgent GP referral for suspected cancer	85%	77.0%	74.8%	67.6%	62.2%
Percentage of patients receiving treatment for cancer within 62 days of referral from an NHS Cancer Screening Service	90%	92.1%	84.7%	78.3%	75.5%

The resulting position for the year was that the 28-day standard was met since February 2023 at 79.63% and March 2023 at 77.3%. This resulted in a year end position of 72.3% (table above) as an aggregate.

In addition, the Trust has reduced its backlog of over 62 day waits for cancer treatment from 479 patients in April 22 to 168 patients by March 23. The performance position has improved immensely and sustained as can be seen from the graph below. NHSE stepped the Trust down to Tier 2 and is currently considering the Trust being de-escalated from the tier system altogether.



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 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. The service continues to monitor patient access to stroke wards first time. There is also now the Trans-Ischaemic Attack Rapid assessment service on

a 7-day basis (fully set up during quarter 4) which provides earlier access to specialist input and avoids hospital admission if clinically appropriate. Our ambition to be the best in this critical area remains which is further evidenced by the Royal Blackburn site awarded as 'B' and the Burnley General Hospital site as 'A' for the SSNAP performance during Quarter 3. Please see table below for the annual aggregated performance.

	Target	2019/20	2020/21	2021/22	2022/23
Percentage of stroke patients spending > 90% of their stay on a stroke unit	80%	87.10%	79.23%	78.50%	76.00% **SSNAP Verified Dec 22
Percentage of stroke patients admitted to a stroke unit within four hours	90%	55.23%	54.80%	50.67%	42.11% **SSNAP Verified Dec 21
Percentage of patients with TIA at higher risk of stroke seen and treated within 24 hours	60%	67.19%	69.24%	80.69%	80.65%

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 2022-23 the Trust had an objective to have no more than 54 cases of *Clostridium difficile* (c. diff) infection. We are over our objective for 2022-23, reporting 65 cases, 44 of which are HOHA and 21 COHA. There was one case of *Methicillin Resistant Staphylococcus Aureus* (MRSA) blood stream infection pre two days of admission this year; this was a contaminated sample this is a decrease from the two cases reported in 2021-22.

The Government ambition is to reduce gram-negative bloodstream infections by 50 % by 2024-25.

In 2022-23 our objectives for gram negative reduction were set at:

- no more than 135 *E. coli* cases, we reported 131 cases we are under our objective.
- no more than 52 cases of *Klebsiella* species, we reported 34 cases we are under our objective.
- no more than 7 *Pseudomonas aeruginosa* cases, we reported 13 cases we are over our objective.

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:

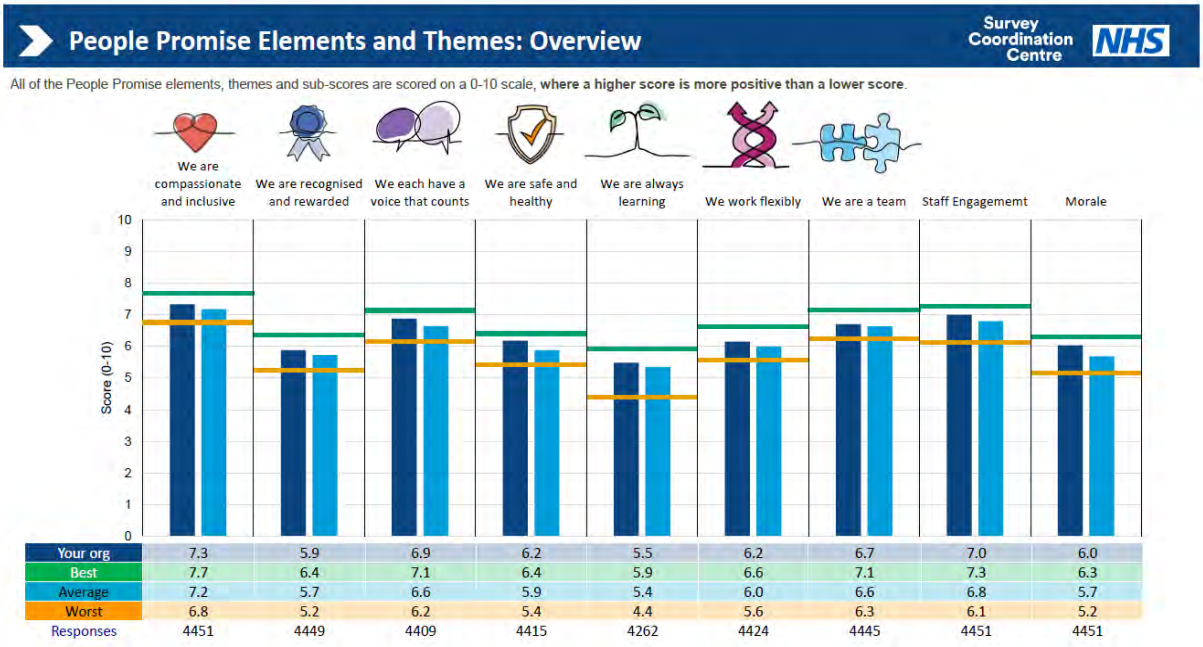
- Improving compliance with hand hygiene and glove usage, antimicrobial prescribing and recommencement of antimicrobial quarterly audits.
- Continuing the post infection review process to enable any lapses in care across the health economy to be identified and rectified.
- The Trust will continue with 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 results of the NHS staff survey 2022 demonstrated positive results for the Trust, as it scored above the national average across all nine themes. The survey, one of the largest of its kind in the world, is an important opportunity to ask colleagues about their experience of working at ELHT, what they think we do well and areas where we need to improve.

The questions are linked to the national NHS People Promise – a pledge to work together across a number of themes to improve the experience of working in the NHS for everyone.

The graph below outlines the theme results for the nine People Promise elements



The 2022 National Staff Survey demonstrated that the Trust has achieved an above average response rate. As in previous years, a full census was undertaken and a total of 9,239 staff were eligible to complete the survey. 4,461 staff returned a completed questionnaire, giving a response rate of 48%, which is significantly above the average of 44% for acute and community Trusts in England.

Key statistics included:

- 76.4% said the organisation respects individual differences
- 73.3% were able to make suggestions to improve the work of their team
- 70.5% said they have opportunities to improve their knowledge and skills
- 71.2% said colleagues are understanding and kind to them
- 77.8% said that care of patients and service users is the organisation's top priority
- 87.9% felt their role makes a difference to patients / service users.

The results also demonstrate a statistically significant improvement in two themes when compared with the previous year's results. The themes demonstrating the significantly higher scores compared to last year are: we are safe and healthy & we are always learning.

One area where there has been a significant improvement is around being safe and healthy, an area the Trust has worked hard to improve over the past year. There has been an increase in wellbeing conversations, additional support with cost of living including temporary increases in mileage allowances and free tea and coffee and a focus on colleague appreciation and wellbeing support.

Working flexibly and always learning were another two themes that showed improvement.

The table below outlines the significance testing People Promise elements:

People Promise elements	2021 score	2021 respondents	2022 score	2022 respondents	Statistically significant change?
We are compassionate and inclusive	7.4	5104	7.3	4451	Not significant
We are recognised and rewarded	6.0	5196	5.9	4449	Not significant
We each have a voice that counts	6.9	5016	6.9	4409	Not significant
We are safe and healthy	6.1	5056	6.2	4415	Significantly higher
We are always learning	5.1	4825	5.5	4262	Significantly higher
We work flexibly	6.1	5158	6.2	4424	Not significant
We are a team	6.7	5114	6.7	4445	Not significant
Themes					
Staff Engagement	7.0	5207	7.0	4451	Not significant
Morale	6.0	5197	6.0	4451	Not significant

Whilst the scores for the nine themes were above the national average, there was a notable fall in some of the scores within the themes, particularly regarding dissatisfaction with levels of pay.

Broadly the results show that, as an organisation, we continue to commit to improving the support we provide for our most important asset, our colleagues. 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.

64% of respondents would recommend the Trust as a place to work and 64% 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 colleagues 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 colleague engagement and satisfaction by continuing to embed our People Strategy.

Complaints

As a result of complaints made in the year 2022-23 and those investigated by the Parliamentary and Health Service Ombudsman, action has been taken Trust wide and within Divisions to ensure that concerns raised lead to positive improvements and lessons are shared. These are disseminated through Ward meetings, Share to Care 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; and 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 formal complaints now 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, further changes have been made to the sign-off process to ensure that the response is now checked divisionally, centrally, and clinically prior to sign off by the Chief Executive Officer/Deputy Chief Executives or Chief Nurse. In addition, as far as possible, the process takes place electronically to reduce the time taken

from draft response to signature. The process has been found to minimise delays and ensures that all written responses that are sent to complainants are robust. Work continues to improve the feedback process to gain further insight into areas which may be subject to review, and complainants are contacted by the Patient Experience Team for anonymous feedback on their experience of making a complaint.

Work continues within the Customer Relations Team and Divisions to reduce the numbers of outstanding complaints and the average length from formal date to closure. This involves weekly meetings to monitor progress of all complaints and ad hoc meetings for assurance of actions to close 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 2022-23 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 Integrated Care Board and underpinning structures have now been established and key priorities have been developed across the System.

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 has continued to extend 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.

The In and Out of Hospital 'Cells' have continued to function effectively as part of a system-wide structure to ensure a rapid and co-ordinated response to the many challenges that have presented during and post-pandemic. 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 and this has been further refined during 2021-22 and key early priorities have been identified. The Trust's Clinical Strategy covering the five-year period 2022-27 was published this year and aligns to system plans and local Place-based priorities. Our strategy was developed by senior clinician with wide engagement with all staff and key partners. 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) has continued to work on local priorities during 2022-23 as new NHS structures within the ICB have formed. New PLACE arrangements have been established for Lancashire and Blackburn with Darwen, and key delivery programmes have transferred into new arrangements. Local partnership arrangements have thus changed, but the momentum and commitment by local partners during this transition has enabled us to make good progress on a number of local priorities during 2022-23.

There have been numerous examples of excellent joint working across traditional boundaries, for instance on developing the local Ageing Well programme, 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.

Our social media platforms continue to be a valuable communications and engagement tool. They have enabled the Trust to reach large audiences quickly and easily, meaning information on health care choices, preventative measures, and updates on infection control guidance within the hospitals, can be shared rapidly to a large number of people.

Twitter and Facebook offer a space in which we can publicly share our plans and developments and celebrate the skills and professionalism of our colleagues. These stories are, in turn, picked up and reported by local, regional and national media outlets.

Facebook in particular provides an effective and engaging method of two-way contact with our patients and the public. By targeting community concern groups and sharing information, we have been able to build trust and strengthen relationships within the communities we serve. LinkedIn continues to support us in driving traffic to our website, raising awareness of our brand and engaging with a more professional audience and helping promote the Trust as an employer of choice.

The Communications team recently undertook an audit of the Trust's corporate social media accounts to look at brand consistency, improve performance, and to identify emerging trends, so our social media strategy can be adapted to better meet the needs of our target audiences. A new framework for activity has been developed for the corporate accounts for 2023-24, to establish engaging and relevant content for the intended audience of each platform.

The current corporate social media account population figures are:

- Facebook – 18,154 page likes
- Twitter – 10,400 followers
- LinkedIn – 7,722 followers

The Trust also has multiple service accounts which are managed and maintained by service representatives.

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. Regular meetings are held between the Trust and these organisations and representatives are invited to take part in quality improvement projects. 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.

Collaborative and partnership working continues to be essential for the Trust and the system to achieve its goals of delivering high-quality, patient-centred care.

Below is a list of boards and groups we are part of, which illustrates the level of commitment and importance the Trust places on partnership and collaborative working:

Lancashire and South Cumbria (LSC) System

- LSC Integrated Care Partnership (ICP)
- LSC Integrated Care Board (ICB)
- LSC Provider Collaboration Board (PCB)
- LSC Clinical Programmes Board (including workstreams related to LSC system priorities, for example Stroke, urology, vascular, CAMHS, head and neck cancer, diagnostics etc).
- LSC System Co-ordination Centre (SCC)

Pennine Lancashire

- Accident and Emergency Delivery Board
- Intermediate Tier Delivery Board

Place

- Blackburn with Darwen Place Partnership
- Health and Well-being Boards/Partnerships
- Lancashire Place Partnership (including East Lancashire Partnership Delivery arrangements)

By working together across the system, we can improve coordination of care, enhance patient safety, and support the development of innovative solutions to healthcare challenges.

Collaboration also provides the ability to facilitate the sharing of knowledge, resources, and expertise, leading to better coordination of care and more effective use of our resources.

Partnership working has demonstrated to improve the safety of our patients by enabling us to identify and mitigate risks more effectively. Working with primary care providers, local authorities, community services and the voluntary sector helps us to make sure our patients receive the right care in the right place at the right time, reducing the risk of adverse events and unnecessary hospital admissions and re-admissions.

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 The partnership arrangements across the Integrated Care System (ICS) for Lancashire and South Cumbria, including the Provider Collaboration Board and the Place-based partnership for Pennine Lancashire do not deliver the anticipated benefits resulting in improved health and wellbeing for our communities.

2a The Trust is unable to deliver on safe, personal and effective care in line with the requirements of the NHS Constitution and relevant legislation, and Patient Charter.

2b The Trust fails to meet the required statutory requirements and compliance associated with health and safety legislation and is therefore subject to formal legal action via regulatory bodies such as the Health and Safety Executive.

3 The Trust cannot fulfil the requirements of the NHS Constitution, relevant legislation, Patient Charter and the recommendations of the Lancashire and South Cumbria ICS Health Equalities Commission in relation to reducing health inequalities.

4a The volume of activity that the Trust is able to deliver is insufficient to achieve the required targets and eradicate backlogs.

4b The Trust is unable to see, treat and discharge/admit/transfer patients within the prescribed timeframes due to:

- the volume and complexity of their needs,
- the unavailability of alternative consistent services in the community,

- lack of workforce and
- lack of flow within the organisation.

5a Failure to develop a compassionate inclusive, wellbeing and improvement focused culture will impede our ability to attract and retain the right workforce

5b Recruitment, retention and workforce planning/redesign fail to deliver the Trust objectives and strategies (including the Clinical Strategy).

6 The Trust is unable to achieve a recurrent sustainable financial position. The Trust fails to align its strategy to the wider system and deliver the additional benefits that working within the wider system should bring.

7 The Trust fails to deliver the strategic objectives set out in its NHS Green Plan.

8 The Trust's transition towards increased digitisation of records and communication disrupts the current clinical and operational service delivery to such a degree that it increases the risk of harm to patients. The reliance on digital systems also increases the impact upon the services should the Trust be subject to a Cyber-attack or significant infrastructure failure.

9 The Trust's Strategy deployment mechanisms/key delivery and improvement programmes and Improvement Practice do not sufficiently support delivery on agreed outcomes and building capability.

The Trust's assessment of risks 2a, 2b, 4a, 4b, 5b, 6, 7 and 8 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 are 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, Chief Executive

Date: 28 June 2023

Accountability report

Corporate Governance Report

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

The Chief Executive of NHS England 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)	Chief Executive
Date	28 June 2023	

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), Chief Executive Date: 28 June 2023

M. Brown (electronically signed), Executive Director of Finance Date: 28 June 2023

ANNUAL GOVERNANCE STATEMENT

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 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. The system of internal control has been in place in East Lancashire Hospitals NHS Trust for the year ended 31 March 2023 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

3. The way in which the 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.

4. 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.

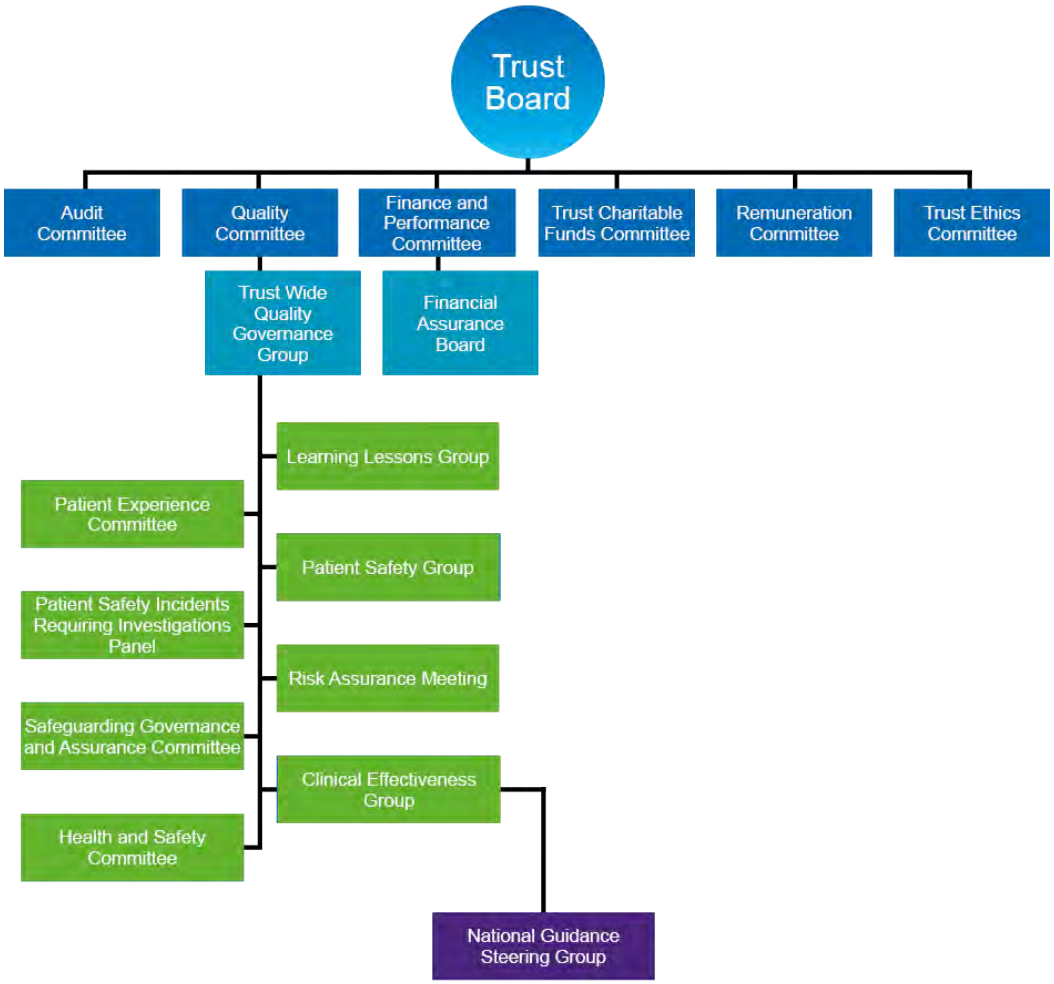
d) Attendance at Chief Executive forums and other appropriate local, regional and national conferences.

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

5. 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.



6. The above Board and Committee structure continued to be in effect during the 2022-23. The Trust Wide Quality Governance Group (TWQG) continued to meet throughout the year as a permanent Committee and reports into the Quality Committee.
7. A new Patient Safety Incidents Requiring Investigation (PSIRI) Panel was established at the start of the 2022-23 year, replacing the previous Serious Incidents Requiring Investigation Panel. The activities and findings of the PSIRI panel are reported through to the Quality Committee and to the Trust Board.
8. Matters relating to Infection Prevention and Control (IPC) continued to be addressed through 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.
9. In addition, the Financial Assurance Board (FAB) continued to report into the Finance and Performance Committee throughout 2022-23.
10. The Trust Ethics Committee, originally established during the COVID-19 pandemic as a Sub-Committee of the Trust Board in May 2020; continued to meet as and when required during 2022-23. This Committee is 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.

Board and Committee Attendance Records and Scope of Work

11. 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.
12. 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.

Name	Role	2022-2023				
		May	July	Nov	Jan	Mar
Professor Fairhurst	Chairman (to 31 October 2022)	Y	Y			
Mr S Sarwar	Chairman (from 5 December 2022)				Y	Y
Mrs Anderson	Non-Executive Director (Interim Chairman from 1 November 2022 to 4 December 2022)	Y	Y	Y	Y	Y
Mr Hodgson	Chief Executive (from 9 August 2022) Interim Chief Executive (until 8 August 2022)	Y	Y	Y	Y	Y
Mrs Atkinson	Executive Director of Service Development and Improvement (from 10 February 2023) Interim Director of Service Development (until 10 February 2023)	Y	Y	Y	Y	Y
Professor Baldwin	Non-Executive Director	Y	A	Y	Y	A
Mr Barnes	Non-Executive Director	A	Y	Y	Y	Y
Mrs Brown	Executive Director of Finance	Y	Y	A	Y	Y
Dr Dad	Associate Non-Executive Director		Y	Y	Y	Y
Mrs Gilligan	Chief Operating Officer	Y	Y	D	Y	Y

Y = Attended. D = Deputy attended. A = Apologies received

13. 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	2022-2023				
		Apr	Jun	Jul	Aug	Jan
Mr Smyth	Non-Executive Director (Committee Chair)	Y	Y	Y	Y	Y
Professor Baldwin	Non-Executive Director	Y	A	Y	Y	Y
Mr Rehman	Non-Executive Director	Y	Y	Y	Y	Y

14. 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	2022-2023									
		Apr	May	Jun	Jul	Sep	Oct	Nov	Jan	Feb	Mar
Mrs Anderson	Non-Executive Director (Committee Chair until 31 December 2022)	Y	Y	Y	Y	Y	Y	A	Y	A	Y
Miss Malik	Non-Executive Director (Committee Chair from 1 January 2023)	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Mr Husain	Executive Medical Director	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Mr McDonald	Executive Director of Integrated Care, Partnerships and Resilience	Y	Y	Y	Y	D	Y	A	Y	D	Y
Mr Moynes	Executive Director of HR and OD (to 31 December 2022)	D	D	D	D	Y	A	Y			
Mr Murphy	Chief Nurse (from 20.03.2023)										Y
Mrs Quinn	Executive Director of People and Culture (from 1 January 2023)	D	Y	Y	D	Y	A	A	Y	Y	Y
Mrs Patel	Associate Non-Executive Director	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Mrs Douglas	Executive Director of Nursing (to 31 July 2022)	D	Y	Y							
Mrs Molyneaux	Interim Chief Nurse (from 1 August 2022 to 17 March 2023)				Y	D	Y	Y	D	Y	
Mr Wedgeworth	Associate Non-Executive Director	Y	Y	A	Y	A	Y	Y	Y	Y	Y

15. 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	2022-2023											
		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Mr Barnes	Non-Executive Director (Committee Chair)	Y	Y	Y	Y	Y	Y	A	Y	Y	Y	Y	Y
Mrs Atkinson	Executive Director of Service Development and Improvement (from 10 February 2023) / Interim Director of Service Development (until 10 February 2023)	Y	Y	Y	Y	D	Y	Y	Y	D	Y	Y	Y
Mrs Anderson	Non-Executive Director	A	Y	Y	Y	A	Y	A	Y	Y	Y	Y	Y
Mrs Brown	Executive Director of Finance	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Mrs Gilligan	Chief Operating Officer	Y	Y	D	Y	Y	Y	Y	Y	Y	Y	Y	Y
Mr Hodgson	Chief Executive (from 9 August 2022) / Interim Chief Executive (until 8 August 2022)	A	Y	Y	A	A	Y	Y	Y	A	Y	Y	A
Mr McDonald	Executive Director of Integrated Care, Partnerships and Resilience	Y	Y	Y	Y	Y	Y	Y	A	A	Y	Y	Y
Mr Rehman	Non-Executive Director	Y	Y	Y	Y	Y	Y	Y	Y	A	Y	Y	Y

16. 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	2022-2023	
		Dec	Jan
Mr Husain	Executive Medical Director (Committee Chair)	Y	D
Mrs Anderson	Non-Executive Director	Y	Y
Professor Baldwin	Non-Executive Director	Y	Y
Mrs Molyneaux	Executive Director of Nursing Interim Chief Nurse (from 1 August 2022 to 17 March 2023)	Y	Y

Board Performance and Effectiveness

17. 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 2022-23 there were 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.
18. 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.
19. 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.

20. 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.
21. The Trust has a Clinical Strategy in place and has continued to work through the 2022-23 year with the Board and Divisions to ensure that it reflects the priorities across the Integrated Care System, Provider Collaborative Board and Place Based Partnerships. The strategy is also reflective of the challenges and opportunities that have arisen as the Trust seeks to restore activity and transform the way that it works to ensure that it continues to deliver safe, personal and effective care and to fulfil its role as an anchor institution and, as an integrated care organisation, to impact positively on population health management.
22. The Board held a strategy session, with input from Clinical Divisions, on 13 April 2022 to continue this work and has engaged with staff, patients and our system partners to finalise its 5-year strategy and immediate plans for the forthcoming year.
23. 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.
24. 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

25. 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.
26. 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.
27. From the 1 of September 2022 the Trust formally appointed Mr Martin Hodgson as Chief Executive who had previously been acting as Interim Chief Executive from 1st of September 2021.

Quality Governance

28. The Chief Executive has responsibility for safeguarding the Trust's quality standards. In carrying out these obligations they and the Trust Board adhere to the NHS Codes of Conduct and Accountability.

29. 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.
30. Quality monitoring occurs through our Clinical Governance structure, reporting to the Board via the Quality Committee. The Quality Committee is informed by the TWQG, Patient Safety Incidents Requiring Investigation (PSIRI) Panel, Clinical Effectiveness Group (CEG), Patient Experience Group (PEG), Patient Safety Group (PSG), Health and Safety Committee (H&SC), Risk Assurance Meeting (RAM), Internal Safeguarding Board and Infection Prevention and Control Sub-Committee. 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

31. The Trust has robust systems to manage and learn from incidents. The Board receives a regular written report on patient safety and 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. Updates are also provided as to what lessons have been learnt as a consequence of the incident investigation process and how these lessons have been translated to deliver improvements in the quality and safety of services.
32. The Trust also has a PSIRI 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 incidents meeting the Local and National priority outline in the Trusts Patient Safety Incident Response Plan 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 organisation during the year and provides assurance to the Quality Committee on the matters within the remit of its terms of reference.

33. Incidents are reported in accordance with the NHS England Patient Safety Incident Response Plan (PSIRP) and no significant control issues have been identified as a result of the incidents investigated during the course of the year.

34. On 1 December 2021 the Trust as an early adopter, started reporting incidents in accordance with the new Patient Safety Incident Response Framework (PSIRF), which is nationally replacing the Serious Incident Framework (SIF) in August 2023. 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 of neck of 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).

35. Under PSIRF, authority has moved from the ICB to the Trust Board for the overview and approval of external reported investigations reports and safety improvement actions in 2022-23.

36. A key focus under the new PSIRF over the last year has been the improvement of support and engagement with Patients, Families and Carers who have been affected by the most serious incidents. The Trust has strengthened our offer of support through the availability of a Family Liaison Officer (FLO), provided with an opportunity to meet with the lead Patient Safety Incident Investigation to develop the Terms of Reference and provide the voice of the patient/family in the investigation process and report.

37. As part of the National Patient Safety Strategy, Health Education England have developed a National Patient Safety e-learning package to enable staff to have a greater understanding of patient safety culture and systems. The Trust has made the National Patient Safety Training Level 1 mandatory every three years for all Trust including bank staff and Level 2 mandatory every three years for all clinical staff and senior managers. The training is available on the Trust's Learning Hub and compliance is monitored at the Trusts Patient Safety Group. Completion of the training will help to ensure our staff are as safe as possible for patients.

Risk Management Strategy, Policy and Plan

38. 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.
39. The Trust's Risk Management Framework was approved in March 2021 which sets out the Trust's approach regarding the management of its risks from 'floor to Board'.
40. The Trust acknowledges it statutory and regulatory duties and is fully committed to implementing a proportionate, aligned, comprehensive, embedded and dynamic approach to managing its strategic and operational risks. In this context, the Trust adopts the common, fundamental principle of risks being eliminated, or where this cannot be achieved, driven to as low as is reasonably practicable.
41. 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 Incident and Policy Team, checking the standards, layout and content for approval. Oversight and assurance are provided at the TWQG.
42. 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, internal patient safety alerts 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

43. The Trust has maintained its commitment to build upon patient experience, focusing on the key interactions that patients and families have told us are important to them, such as ensuring their voice is heard, their dignity maintained and to be treated with kindness. The Trust has also enhanced how patients and families influence our service developments, and patient safety initiatives. This has been achieved through targeted patient/public collaboration and complemented by the adoption of PSIRF. Establishing the patient voice is present in more decision-making meetings, such as the Quality Committee. Having their direct participation in corporate governance meetings, and the development and implementation of the Trust's Quality Strategy.

44. The Patient Experience Team have worked in parallel with colleagues Trust-wide to embed best practice of patient engagement, ensuring patients/the public are engaged at the earliest opportunity in respect of service re-design. That any service initiatives proactively consider health inequality and has equity at its core. In addition, digital technology is utilised to enable wide engagement and assist analysis of data, and to aid that intelligence being feedback into the organisation at the earliest opportunity to facilitate improvements. One such example is the Trust's Bereavement Survey, which is immediately available to relatives, providing them the opportunity to share their experience of our end-of-life care. The feedback is instantly available for colleagues to act upon. As a result, the Trust has evidenced improvements in end-of-life care.

45. The requirements of responding to patients and their family's concerns and complaints is well understood within the Trust. Over the past year the Trust sought to build upon this through the implementation of the Parliamentary and Health Service Ombudsman's Complaints Standards Framework (CSF), which sets out best practice guidance in the management of concerns and complaints. In response to the CSF the Trust has provided more concerns and complaints resolution training for colleagues. For our most serious and complex complaints and incidents we have strengthened our offer of support to complainant, patient and/or family through the availability of a Family Liaison Officer (FLO). The FLO provides the complainant, patients and/or family with a single point of contact for any questions and updates on the investigation into complex complaints and incidents.

Effective

Clinical Efectiveness

The Trust has a Clinical Audit and Effectiveness Team (CAET) 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. CEG also escalates through to the TWQG and the Lessons Learnt Group (LLG). Divisional Clinical Effectiveness Groups are established to ensure activity is monitored at a divisional level, with learning, assurance or areas for improvement reported through to CEG. As a working group reporting through to CEG, the National Guidance Steering Group (NGSG) coordinates all relevant standards internally and monitors implementation. This group coordinates and monitors the implementation of National Institute for Clinical Excellence (NICE) guidance and quality standards.

46. During 2022-23 the Clinical Effectiveness Framework has been established to support the Trust quality strategy, its commitment to quality improvement and to ensure that in alignment with the wider quality and safety frameworks it informs and is informed by clinical effectiveness activity.

    The key processes of clinical effectiveness are:

    - National Guidelines & Standards (NICE)
    - National Recommendations (NCE)
    - Clinical Audit
    - Get It Right First Time (GIRFT)

    Through the implementation of evidence-based practice, measuring and learning from the outcomes of the care provided, ELHT can monitor its clinical effectiveness, identify risks and implement actions to improve patient care in a collaborative and systemic way.

    The objectives of this framework are to:

    - Provide an overview of our clinical effectiveness processes
    - To establish roles and responsibilities in relation to clinical effectiveness
    - Ensure a consistent and pro-active approach to clinical effectiveness management across the organisation.
    - Ensure all key stakeholders understand our processes for monitoring and optimising the quality of our services

- Ensure care and services are evidence based and achieve the required standards
- Measure and report on key quality metrics and outcomes consistently
- Ensure that care is patient focused with continuous learning and improvement
- Ensure an integrated approach to quality governance linking clinical effectiveness, patient safety and risk and patient experience to improve patient outcomes and care
- Meet our legal, statutory and financial requirements i.e. the National Clinical Audit Patient Outcome Programme (NCAPOP), Commissioning for Quality and Innovation (CQUIN) as well as other external accreditations of clinical services etc.

The Clinical Effectiveness Framework will support the implementation of the Trusts strategic aims, its quality strategy and the delivery of care according to our organisation's values and quality culture.

47. During 2022-23, ELHT has initiated over 355 clinical audit projects of which 65 are included in the NHS England Quality Accounts list (this includes 28 mandatory topics as part of the National Clinical Audit Patient Outcome Programme (NCAPOP). The Clinical Audit & Effectiveness Team works with clinical leads to ensure audit activity is completed, learning from outcomes captured and shared, assurance established or recommendations for improvement agreed and monitored.
48. During 2022-23, 166 new NICE Guidelines and Quality Standards were published along with current guidance updates, all have been circulated to the relevant specialties and services for review, evaluation of compliance and implementation.
49. During 2022-23, GIRFT activity recommenced post COVID, there was a change in focus to support learning at an ICB level aiming to focus on joint working to reduce network variation utilising national audit and model hospital data. The CAET continues to coordinate and support the clinical divisions with their GIRFT activity.
50. During 2022-23 the CAET coordinated participation in 6 National Confidential Enquiry studies, with 3 new studies set to commence in 2023-24
51. An annual summary of the work of the Clinical Audit and Effectiveness Department is reported to the Quality Committee.

Quality Improvement

52. 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. Progress and assurance on improvement plans has been reported to both the Quality Committee and Finance and Performance Committee.

53. During 2022-23 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. An Executive Improvement Wall has been established, which is reviewed weekly at Executive level with teams. The wall covers all key strategies and delivery programmes and is an opportunity to build improvement focus within the organisation.
54. During 2022-23 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.
55. 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.
56. 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. At the last CQC inspection, the outcome of the inspection was that the Trust was awarded an overall rating of ‘good’ with some areas rated as ‘outstanding’.
57. 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

58. The Trust 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.
59. We work closely with the Commissioning Support Unit and Integrated Care System to manage any data quality issues.
60. East Lancashire Hospitals NHS Trust submitted records during 2022-23 to the Secondary Uses Service for inclusion in the Hospital Episode Statistics which are included in the latest published data.
61. The Trust undertakes a weekly review at specialty level of all patients which includes quality and accuracy of elective waiting time data.
62. 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

63. 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.
64. 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.
65. 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.

66. 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.

67. The risk management framework and process is based on the identification, assessment, management, monitoring, control and review of risks. In order to separate unacceptable risks from those that are acceptable, it is essential risks are evaluated in a consistent manner. Risks are analysed by combining estimates of consequence (severity) against the likelihood of occurrence, in the context of existing controls, using a traditional 5 x 5 risk scoring matrix. Prior to considering a response to a risk i.e. in terms of whether the risk can be avoided, reduced, transferred, accepted or tolerated, the Trust decides the level of risk it is willing to accept for a perceived benefit. The degree to which risks are considered acceptable or not is specifically outlined within the Trust's Risk Appetite Statement. Risks may be specific, relating to a particular issue, or generic, focusing on the total risk which the Trust is prepared to tolerate at any given time.

68. All risks are recorded using DATIX, the Trust approved electronic incident and risk management system. A review of risk registers and risk management performance is undertaken at Directorate and or Divisional meetings. All risks reviewed and scored between 1 and 6 as being 'low' to 'moderate' risks are managed locally at operational level by wards, teams and or departmental managers and are recorded on a local risk register. Risks scoring between 8 and 12 as being 'high' risks are managed at divisional level with assurances sought through divisional structures that the risk is being mitigated and is recorded on the divisional risk register.

69. Where a risk has been reviewed and scored at Directorate and or Divisional meetings as being an 'extreme' risk, scoring 15 or above, the risk is presented at the Risk Assurance Meeting (RAM) for discussion, challenge, review and scrutiny and, where approved, is escalated to the newly created Executive Risk Assurance Group (ERAG) which has been set up with the aim of strengthening assurances for the effective operational management

of key risks by means of interrogating evidence and risk treatment solutions, as well as providing senior management overview of issues of concern and their co-ordination. If it is determined by ERAG that the risk presents a threat to the strategic and or operational objectives of the Trust, it is approved for escalation onto the Corporate Risk Register for Board monitoring and review. Executive Leads are appointed by ERAG for each risk approved as scoring 15 or above so as to ensure risk types remain accurate, review dates are maintained, scores reflect the actual level of risk and control measures, and assurances are being well managed and mitigated.

70. Risks approved onto the Corporate Risk Register that are being suitably managed or mitigated that result in a reduction in risk scoring to below 15 are recommended for de-escalation from the Corporate Risk Register to be managed at local, operational level until such time as further control measures are implemented and the target score is achieved, sustained and the risk is closed or tolerated. If, after being de-escalated, the risk score increases over time to being 15 or above, the same process applies. An overview of risk management performance, along with a more detailed review of risks scoring 15 or above that are approved onto the Corporate Risk Register, is included within regular reports submitted to the Board, the Audit Committee, the Finance and Performance Committee and the Quality Committee for monitoring and review.

71. The Committees above, along with a supportive governance infrastructure, are collectively responsible for the management of corporate and clinical risks. The Executive Medical Director has lead responsibility for the risk management process and of ensuring a robust risk management process remains in place and is thoroughly embedded across the Trust.

72. The Executive Medical Director is supported by members of the Executive Team in providing leadership regards the risk management process. The Trust's Risk Appetite Statement, along with the Corporate Risk Register, aligns itself to the Board Assurance Framework which enables strategic and operational oversight of the key risks to achieving the objectives of the Trust. Each area is mapped out and measured against the Care Quality Commission's '*essential standards of quality and safety*' and key lines of enquiry (KLOE).

73. 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. Up until late 2022 the Caldicott Guardian reported to the Executive Medical Director, however as of quarter three of 2022-23 the role of Caldicott Guardian is now fulfilled by the Executive Medical Director. The Caldicott Guardian is the senior person responsible for protecting the confidentiality of patient and service-user information and enabling appropriate information-sharing.

74. The Chief Nurse provides professional leadership to nursing, midwifery and allied health professional 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, Divisional Directors of Nursing, Head of Midwifery and Chief Allied Health Professional 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.
75. The CQC action plan is regularly monitored, and the Trust meets with the CQC on a regular basis.
76. 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).
77. The Chief Operating Officer is responsible for the overall management of all patient services, ensuring that all key access targets are met.
78. 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 & Response. The Trust also has a nominated Non-Executive Director with oversight of EPRR within their specific duties.
79. The Executive Director of HR and OD/Executive Director of People and Culture is responsible for the management of risks within their areas of operational responsibility, especially those risks associated with employee relations, 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.

80. 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.

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

82. 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. CST and appraisals were paused for a period during the Covid pandemic, but have since been reinstated, with renewed focus applied to achieve required levels of compliance which is monitored monthly.

83. 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 was reviewed to provide the opportunity for an individual health and wellbeing conversation during the pandemic, in order to ensure that staff have the support required to remain healthy and well. It has been further enhanced to include an assessment of how well an individual meets the behaviour framework. This enables a full discussion and appraisal of contribution/ performance, wellbeing/belonging and career aspiration and development which is captured. Appraisal compliance is celebrated with an award for 90% compliance and compliance is reported as part of quarterly Workforce Assurance updates to the relevant board committee.

84. 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 in line with the target set by NHS England. There are multiple workstreams which underpin our programme to reduce agency spend and ensure the most effective use of our resources.

85. The PCB collaborative Bank & Agency group meet weekly to identify agency spend reductions to align our rates and harmonisation of bank processes. Findings are reported back to the provider collaborative steering group weekly.

The Risk and Control framework

86. The risk management framework is the means to identifying and addressing risks present in relation to the provision of corporate and clinical services and seeks to disentangle process, operational outcomes and strategic risks. For the risk management process to remain effective, the Board are explicit with regards its appetite for risks and in clarifying the tolerances it has set in its delegation of roles to management, committees, partners and other stakeholders.

87. Risk management is an essential component of the continuous quality improvement programme, embracing good working practices, processes and systems-based learning. It embeds the routine collection of relevant information, its critical analysis and subsequent feedback to and assignment of appropriate action to clinicians and managers with the common desire to deliver safe, personal and effective service provision with minimal risk to patients and provide a safe, healthy work environment for staff. The risk management framework connects all elements of good governance and controls assurance. It encompasses all aspects of high-quality service provision such as quality assurance strategies, continuous quality improvements, clinical effectiveness, audits and organisational and staff development.

88. Good risk management and practice across all levels of the Trust is a critical success factor. Risk is inherent in everything the Trust does, from treating its patients, determining service priorities, managing people and projects, purchasing and using medical equipment or technology, taking informed decisions from future strategies or even deciding not to take any action at all. It takes account of statutory and regulatory compliance and strives to continuously improve quality of care, allowing for the establishment of multidisciplinary standards and best practice guidance to enhance professional development. Increasing expectations of patients, greater clarity of roles and responsibilities and devolving decision making as close to the patient as is reasonably practicable, affects the entire spectrum of managing risks and service delivery.

89. The risk management framework, whilst remaining diverse in nature, is measured intensively in an effort to continuously improve the quality and quantity of risks held and proactively influence, promote and drive a positive risk management culture and high

standards of risk management performance across services. The Trust continues its ongoing work to strengthen the management of its strategic and operational risks in line with organisational strategy, values, objectives, targets and its Board Assurance Framework.

90. The aim of the risk management process is to provide a supportive framework that ensures the integration of risk management into all service activities across the Trust, as well as policy making, planning and the decision-making process. It seeks to minimise the likelihood of adverse incidents to staff, patients and others, patient experience and outcomes, complaints and claims through the effective identification, assessment, management, control and review of risks from using the services and assets of the Trust. The risk management framework is continuously reviewed and maintained, providing assurances to the Board that strategic and operational risks are being managed effectively. The risk management process plays an integral part of our culture of learning and improvement which in turn, improves the credibility, reputation, finance and commercial viability of the Trust.

91. The risk management framework and process is driven by a range of external and internal factors that include, but are not limited to:

    a) the outcome of key consultative documents

    b) existing or proposed changes to statutory legislation and regulatory standards

    c) guidance issued by professional bodies

    d) contractual obligations and targets

    e) influence and activity of external regulatory agencies and NHS bodies

    f) outcomes of case law, public inquiry and coroners reviews

    g) statistical and trend analysis

    h) the effectiveness of policy and or procedural controls and key performance indicators

    i) the use and review of clinical and non-clinical risk assessments

    j) monitoring and auditing the robustness of organisational and governance frameworks, existing clinical and non-clinical management systems and processes

    k) changes or developments to organisational strategy, objectives, service delivery models, job design, finances, information technology and building infrastructures etc.

l) results from external or internal audits, inspections, staff and patient satisfaction surveys, behavioural observations etc.

m) learning from accidents, incidents and near misses, patient experience, complaints and claims

n) evaluation of staff competencies and training

o) being responsive to any external activities that may present a threat to any objectives or business continuity

p) engagement with stakeholders and partner organisations

92. Accepting risk, or risk acceptance, is the concept whereby a decision has been taken to acknowledge and live with the consequences of a potential risk, rather than taking steps to mitigate or avoid it. It is a conscious decision to accept the possibility of a negative outcome, based on a cost benefit analysis or other factors such as tolerance of uncertainty or the feasibility of risk mitigation measures in so much as the potential loss from identified and accepted risk is considered bearable.

93. Areas of risk that have been agreed as being not acceptable are any acts, decisions or statements that:

a) result in death

b) is illegal and or a breach in statutory and or regulatory compliance

c) are a contravention of Trust Standing Orders or Financial Instruction

d) would result in significant loss of Trust assets or resources

e) constitute wilful neglect or contravention of policy and or procedural controls

94. The introduction of a new Total Quality Management System in the new financial year will support the risk management framework in further strengthening staff and patient outcomes.

95. The Trusts key strategic risks in 2022-23 were:

a) BAF Risk 1: The partnership arrangements across the Integrated Care System (ICS) for Lancashire and South Cumbria, including the Provider Collaboration Board and the Place-based partnership for Pennine Lancashire do not deliver the anticipated benefits resulting in improved health and wellbeing for our communities.

b) BAF Risk 2a: The Trust is unable to fully deliver on safe, personal and effective care in line with the requirements of the NHS Constitution and relevant legislation, and Patient Charter.

c) BAF Risk 2b: The Trust fails to meet the required statutory requirements and compliance associated with health and safety (H&S) legislation and is therefore subject to formal legal action via regulatory bodies such as the Health and Safety Executive.

d) BAF Risk 3: The Trust cannot fulfil the requirements of the NHS Constitution, relevant legislation, Patient Charter and the recommendations of the Lancashire and South Cumbria ICS Health Equalities Commission in relation to reducing health inequalities.

e) BAF Risk 4a: The volume of activity that the Trust is able to deliver is insufficient to achieve the required elective care targets and eradicate backlogs.

f) BAF Risk 4b: The Trust is unable to see, treat and discharge/admit/transfer emergency care patients within the prescribed timeframes due to: the volume and complexity of their needs, the unavailability of alternative consistent services in the community, lack of workforce (links to BAF 5b) and lack of flow within the organisation.

g) BAF Risk 5a: Failure to develop a compassionate inclusive, wellbeing and improvement focused culture will impede our ability to attract and retain the right workforce.

h) BAF Risk 5b: Recruitment, retention and workforce planning/redesign fail to deliver the Trust objectives and strategies (including the Clinical Strategy).

i) BAF Risk 6: The Trust is unable to achieve a recurrent sustainable financial position. The Trust fails to align its strategy to the wider system and deliver the additional benefits that working within the wider system should bring.

j) BAF Risk 7: The Trust fails to deliver the strategic objectives set out in its NHS Green Plan.

k) BAF Risk 8: The Trust's transition towards increased digitisation of records and communication disrupts the current clinical and operational service delivery to such a degree that it increases the risk of harm to patients. The reliance on digital systems also increases the impact upon the services should the Trust be subject to a Cyber-attack or significant infrastructure failure.

l) BAF Risk 9: The Trust's Improvement Practice and Management System (including strategy deployment framework and associated key delivery and improvement programmes) do not sufficiently build improvement capability and support delivery on agreed outcomes.

96. The Finance and Performance Committee and Quality Committee agendas were structured to specifically focus on 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.

97. Apart from regular monthly reviews via the ERAG, Committees and the Board, the Trust carries out an annual review of its BAF and risk appetite.

98. 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.

99. 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.

Workforce Strategies

100. 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 & 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"

The Trust regularly reviews the strategic priorities to ensure that our actions are targeted to the areas of risk. A new People and Culture Delivery and Governance Meeting tracks progress against four themes which map to the NHS People Plan, and encompasses 14 strategic priorities.

The People and Culture strategic priority themes:

1) Looking after our people

2) Belonging in the NHS

3) Growing for the future

4) Developing new roles and new ways of working

101. The Trust has a divisionally owned, multi-disciplinary annual workforce plan which is developed through the Business Planning process and overseen by Executive Director of Service Development and Improvement and triangulates these plans with Trust strategies and key service developments to ensure that we are able to ensure 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 quarterly (or as required), through the Workforce Assurance Board (which reports into the Finance & Performance Committee), as a consequence of changing service need which is identified on an on-going basis through the improvement case process.

102. 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 Workforce Assurance Board 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.

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

104. 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 ICB to support workforce transformation and delivery of these methodologies.

105. 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

106. 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

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

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

109. On the 27 February 2023, the Trust submitted an application via the CQC portal to register as a mental health provider on the Royal Blackburn Teaching Hospital site. The application is being processed by an Inspector and the Trust is hopeful to receive confirmation of the registration and is taking all appropriate steps to support patients with mental health needs.

Declarations of Interest

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

NHS Pension Scheme Statement of Compliance

111. 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

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

113. Metrics to support progress against the Workforce Race Equality Standard (WRES), Workforce Diversity Equality Standard (WDES), Gender Pay Gap (GPG), Rainbow Badge Accreditation action plans are being improved in order to provide assurance.

114. Six 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 Wellbeing Network, Muslim Network, LGBTQ+ and Mental Health. There are plans to extend our staff networks to include a Carers Network, Internal/ Overseas Staff Network and there is a Neurodiversity Task and Finish Group.

115. 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.

116. 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. In addition, the Women's Network Chair carried out a Big Conversation to explore the experience of women in the workplace and a report was shared with the Inclusion Group which reports into Board.

117. 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. This had a theme of Community in 2022, with Executive hosted safe spaces and keynote speakers focused on the priority actions from our WRES, WDES, GPG and Rainbow Badge actions.

118. The Trust has established a Leadership Strategy Steering Group including inclusive talent management and career development including targeted offers to address disparities in the experience of colleagues with protected characteristics in relation to appointment into senior roles and access to career development opportunities. This reports to the Workforce Assurance Group and to Board.

119. The Trust is committed to the development of an inclusive culture with an emphasis on belonging and is part of the Integrated Care Board's Inclusion Delivery Board which oversees delivery of the Belonging Framework.

Sustainable Development

120. 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.

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

122. 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.

123. The Trust has also adopted the Building Research Establishment Environment Assessment Method (BREEAM) healthcare toolkit for all significant new and refurbishment building projects. The most recent example is the new Emergency Department and Acute Medical Unit development (phase six) at the Royal Blackburn Teaching Hospital site which opened in late 2020.

124. The ICB are currently developing a Green Plan Committee that will be catalysts for a shared ICB strategy that will focus on nine themes: Workforce and System, Sustainable models of care, digital transformation, travel and transport.

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

125. 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

126. 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 all regulatory and statutory requirements. This includes 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 program. The Trust has a suite of Information Governance and Data Security policies to ensure patient, staff and organizational information is managed and processed accordingly.

127. The Data Security and Protection Toolkit sets out standards for maintaining high levels of security and confidentiality information. Our Information Governance Assessment report for 2022/23 is ongoing with the final submission due at the end of June 2023. 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. 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

128. 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 2022 which was independently verified and is working on the 2023 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 NHSE 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 continues to work with the PFI suppliers to replace any outstanding devices on their systems.

129. Dedicated Information Governance, Subject Access Request, expanded Cyber and FOI teams exist within the Informatics Department and a report is produced to each month's IG steering group regarding progress. Information Governance 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.

130. As part of the eLancs programme, the Trust is implementing Cerner Millennium as our integrated electronic patient record system (go live date 16-19 June 2023) 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 ePR. ELHT leads on the procurement of the Medisight Ophthalmology system which will be fully implemented in ELHT in 2023.

131. The Trust has also procured a state-of-the-art secure cloud-based data warehouse – Bedrock and is transitioning all existing data warehouse infrastructure and building new data routes for the Millennium 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. The objective with this platform is to provide a *single pane of glass* approach to data.

132. The Trust is accelerating the development of a digital and data strategy focusing on

skills development, infrastructure refresh and innovation; to develop the eLancs programme after the first step of Millennium implementation in June 2023. As the NHS enters a period of financial complexities and look to our corporate teams to realise efficiencies across the ICB, digital and data is being reviewed to determine how it can support the transformation of services.

133. 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 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.

Annual Quality Account

134. 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.

135. 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 two years. The Quality Account will be

reviewed by and approved on behalf of the Trust Board (under delegated authority) by the Audit Committee prior to release for publication by 30th June 2023.

136. 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) 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.

c) A rolling programme of audits on quality reporting systems and metrics.

d) 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.

137. The Trust utilises its quality and risk associated committee structure to routinely review the data and information that is included within the Quality Account Report. This provides the Board with assurance that the Quality Account 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.

138. The Quality priorities for 2022-23 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) Treatment problem/issues, Diagnosis failure/problem in relation to cancer
b) Nutrition (Nil by Mouth) in Vulnerable Adults
c) Communication with patients and Families with regards to DNACPR
d) Falls
e) Transfer and handover of patients from ED department

Review of Effectiveness

139. 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.

140. 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, like other organisations the NHS, was facing a number of challenging issues and wider organisational factors, particularly with regard to the ongoing pandemic recovery response, financial challenges and increasing collaboration across organisations and systems

141. During the year the Trust had 13 internal audits undertaken, of those, five audits received substantial assurance opinions, two received moderate assurance opinions, four received limited assurance opinions and two were reviews without an assurance rating.

142. 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.

143. 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 performance management reports

d) NHS England 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.

144. 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 2022-23.

Significant Issues

145. The following issues have prejudiced the achievement of the priorities set during 2022-23 for the Trust:

a) Financial Position: The Trust reported a £4.1 million financial performance deficit for the 2022-23 financial year against a breakeven financial plan. The deficit position relates solely to the uncertainty surrounding the cost of the 2022-23 Agenda for Change pay award, following its initial rejection on the 14 April 2023 although it was subsequently accepted on 2nd May 2023. The contracting arrangements within 2022-23 consisted of a block contract 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 during 2022-23. Of highest priority during this time, remains 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.

iii. Exploring opportunities for workforce transformation across clinical roles.

iv. Exploring opportunities to deliver services across the ICS footprint to support fragile services.

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 Workforce Assurance 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.

vii. Increased advertising through the BMJ for all medical posts.

viii. Increased internal bank recruitment to reduce reliance on agency supply and work across the Provider Collaborative to secure a collaborative bank solution. Collaborative work with providers across the ICS, to undertake an agency reduction programme to ensure consistent rates within the cap. 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.

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. Work to understand impact of local health determinants on staff attendance considering 82% of the workforce live within the local population.

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 2022-23.

d) Health & Wellbeing

i. The Trust’s EASE (Early Access to Support for Employees) 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 & Wellbeing Strategy Action Plan identifies 6 key themes to holistically support people at work. These are Leadership & Management, Data & Communication, Healthy Working Environment, Mental health, MSK and Healthy Lifestyles.

iii. Leading on work across the ICS to ensure that there is a consistent offer to staff across Lancashire and South Cumbria and that we are able to implement the 'Growing Occupational Health and Wellbeing' model.

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 of our Same Day Emergency Care services to include direct ambulance conveyances to reduce patient delay avoiding the emergency department based on clinical need. The acute frailty model is multi-disciplinary led with increased senior clinical decision-making capacity through our frailty consultant nurses and Allied Health Professionals. The Children's Observation and Assessment Unit piloted the virtual ward model with success.

ii. Our ambulance handover remains strong across the North West region with zero tolerance for over 60 minute delays ensuring ambulance crews are released to continue serving our communities in a timely manner.

iii. Further enhancement of our escalation protocols to respond to emergency care surge managing the high number of patients in the Emergency Department and reducing the 12 hour wait from time of arrival to discharge, admission or transfer.

iv. To strengthen our admission avoidance, the Trust has a dedicated IHSS team in the emergency department providing patients with safe support at home to meet their clinical needs more appropriately.

v. Our virtual ward model was implemented successfully with the capacity of 135 beds by quarter 4 2022-23.

vi. Our ward processes include a standardised discharge care bundle supported

by board round effectiveness, multi-disciplinary meetings following board rounds supported by our dedicated discharge team ensuring safe and timely discharges.

vii. A ward level discharge dashboard to support and embed improvements.

viii. Our commitment to staff wellbeing continued throughout the year ensuring targeted support for areas with high flow related pressures with escalation capacity to mitigate risks. This included a temporary increase in our bed base across the community and acute areas of 53 beds during winter 2022-23.

ix. Our community services ensured strengthened support for patients living in care homes to prevent hospital attendances where clinically appropriate.

x. Discharge processes (pathway 0) improvement plan continued throughout 2022/23 with plans to strengthen and embed in 2023-24.

Conclusion

146. 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 2023 and up to the date of approval of the annual report and accounts.

147. 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). Chief Executive
Date: 28 June 2023

DIRECTORS' REPORT

As of 31 March 2023, 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 three Associate Non-Executive Directors. The Executive Director of People and Culture, the 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 England, 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 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 the Information Governance section of the Annual Governance Statement.

Voting Board members

Shazad Sarwar

Chairman, December 2022 to present

Experience

Shazad joined the ELHT Trust Board as Chair on 5 December 2022. He has an extensive amount of experience both in the NHS and externally, as well as a wealth of Board and senior management expertise in community engagement, corporate governance, performance and risk management.

Shazad has previously been a Non-Executive Director (NED) on the ELHT Trust Board. He is a former Deputy Chair of Airedale NHS Foundation Trust, where he led the CQC Board Assurance Committee, following their Care Quality Commission inspection. He was also a NED at neighbouring mental health and community Trust, Lancashire and South Cumbria NHS Foundation Trust (LSCFT) from December 2018 until joining ELHT as Chairman, where he was the Chair of the Finance and Resources Committee and Board lead for Equality, Diversity and Inclusion (EDI). Shazad was most recently appointed as NED on the Greater Manchester Integrated Care Board (ICB) in February 2022 and chairs both the Remuneration Committee and the People Committee and is the Board lead for Net Zero.

Outside of the NHS, Shazad also holds a range of portfolio roles. He has been an Independent Member of the Joseph Rowntree Foundation's Audit Committee from 2019 to 2023 and Lay Member of the Lord Chancellor's Magistrates Advisory Committee for Cumbria and Lancashire from 2016 to 2023. He was also a NED at Together Housing Group from 2021-2022 and is a member of the Risk Management and Audit Committee at the same Group from January 2023.

He served as an Independent Member of the Lancashire Police Authority, where he led on strategic planning and performance, and is now Managing Director at a niche consultancy, specialising in strategic support and advice to the private, public and third sectors across the UK and Europe.

Qualifications

Law LLB

Martin Hodgson

Chief Executive, August 2022 to present

Experience

Martin first 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.

Previously Martin was Director of Service Development where he took 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).

Martin has 30 years' experience working in healthcare, with 18 of those being at executive level. In September 2021 Martin assumed the role of Accountable Officer at the Trust.

Martin was appointed Chief Executive on 9 August 2022 after holding the role on an interim basis since 1 September 2021.

Qualifications

BA (Hons), Postgraduate Diploma in Human Resource Management

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.

Stephen Barnes

Non-Executive Director, January 2015 to present

Experience

Stephen 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 year in January 2022.

Qualifications

Member of the Chartered Institute of Public Finance and Accountancy

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.

Peter Murphy

Chief Nurse, 20 March 2023 to present

Experience

Peter Murphy joined the Trust in March 2023 from Blackpool Teaching Hospital NHS Foundation Trust where he held the role of Executive Director of Nursing, Midwifery, AHP and Quality.

He completed his Nurse Training in 1991 and has worked in a large number of roles within nursing across a number of organisations.

Peter is married to Fiona, with three children, Ben Sam and Anna, who have all fled the nest and two dogs.

Qualifications

Registered Nurse, MA Management, PGD Nursing Management

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)

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

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

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 previously worked as a Clinical Advisor to the Parliamentary and Health Service Ombudsman, he is a trained case manager for the Practitioner Performance Advice service (formerly National Clinical Assessment Service, NCAS) and case investigator and is Responsible Officer and Caldicott Guardian for ELHT.

Qualifications

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

Sharon Gilligan

Chief Operating Officer, October 2020 to present

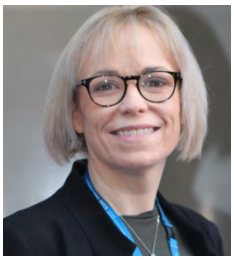
Experience

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

Executive Director of Service Development and Improvement, from 10 February 2023 to present.

Experience

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 worked in several roles, including Head of Contracting, Associate Director of Service Development and Interim Executive Director of Service Development and Improvement. She was substantively appointed to the latter role in February 2022.

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

Qualifications

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

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.

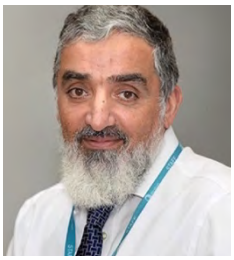
Mike has been the Chairman of Healthwatch Lancashire, Chief Executive of Hyndburn Borough Council and Chair of Blackburn College, and has held senior executive positions both locally and nationally. He now serves as an assistant priest at Blackburn Cathedral. He is the Non-Executive Director representative 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



Dr Fazal Dad

Associate Non-Executive Director, July 2022 to present

Experience

Fazal is the Principal and Chief Executive of Blackburn College, a position he has held since January 2019. He has over 30 years' experience in Further Education, previously working in three different FE Institutions in the West Midlands.

Previous posts held by Fazal include Part Time Lecturer, Senior Lecturer, Head of Department, Assistant Principal and Deputy Principal.

Fazal has two Masters Degrees and a PhD in Leadership and Management from Worcester University. He has participated in a range of expert panels across the country and has helped to shape national policy on Study Programmes, Professional Teaching Standards and the Post 16 Maths Review. Fazal is also a reviewer with the QAA and a part-time Ofsted Inspector.

Qualifications

PhD, MA

Kate Quinn

Executive Director of People and Culture,

January 2023 to present

Experience

Kate joined the Trust in January 2017 leading the workforce agenda for the Healthier Pennine Lancashire programme and then acting as Operational Director of HR and OD.

She has 37 years working in various roles across the NHS, within Primary Care, Mental Health and Acute Trusts. She has fulfilled a number of roles regionally and worked nationally on the Breaking Through programme which is where her passion for an inclusive culture comes from. Kate leads the People and Culture function whose priorities are attraction and retention of the workforce, staff engagement and wellbeing and creating a culture of belonging and compassionate leadership. She is a member of the Lancashire LEP Skills Advisory Panel, Chair of the Lancashire and South Cumbria HRD Network and a Director of the Board of The Lancashire and Cumbria Institute of Technology as ELHTs representative.

Qualifications

Chartered Member CIPD

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 across both East Lancashire Hospitals and Blackpool Teaching Hospitals NHS Foundation Trust where she is also a member of both Executive Teams and Trust Boards.

A former journalist with strong personal connections to both East Lancashire and the Fylde Coast, 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 Greater Manchester Fire and Rescue Service, latterly moving into the office of the Mayor of Greater Manchester Andy Burnham.

Since joining the NHS, Shelley has brought her significant experience of strategic and crisis communications management to bear on the response to covid, as well as enabling the communications teams across both Trusts to come together to work as one, with new skills and innovative approaches being delivered for the benefit of colleagues, patients and their families and the Lancashire and South Cumbria system as a whole.

Qualifications

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

Board members who have left the Trust during the 2022-23 financial year:

- Professor Eileen Fairhurst, Chairman
- Mrs Christine Douglas, Chief Nurse
- Mrs Julie Molyneaux, Interim Chief Nurse
- Mr Kevin Moynes, Executive Director of Human Resources and Organisational Development

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	Role	Interest Declared	Date last updated/ confirmed
Shazad Sarwar	Chairman (from 05 December 2022)	• Committee member of Together Housing Group (from 01 September 2021) • Non-Executive Director member of the Greater Manchester Integrated Care Board (from 01 February 2022) • Managing Director of Msingi Research Ltd. (from 01 July 2015)	01 Jan 2023
Martin Hodgson	Chief Executive (from 01 September 2022) Interim Chief Executive (until 31 August 2022)	• 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)	08 Mar 2023
Patricia Anderson	Non-Executive Director Interim Chairman (from 01 November 2022 to 04 December 2022)	• 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 May 2019 to 01 October 2019) - during this time Mrs Anderson took a leave of absence from the Trust Board at ELHT • Partnership of East of London Collaborative – Assignment of 1.5 days per month (from 01 December 2020 until 01 February 2021)	21 Feb 2023
Kate Atkinson	Executive Director of Service Development and Improvement (from 10 February 2023) Interim Executive Director of Service Development and Improvement (to 10 February 2023)	• 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 (from 01 April 2022 to 31 March 2026)	08 Mar 2023
Professor Graham Baldwin	Non-Executive Director	• Director of Centralan Holdings Limited • Director of UCLan Overseas Limited • Director of Lancashire Enterprise Partnership • Treasurer of MillionPlus • Member of Universities UK • Deputy Chair and Director of UCEA • Chair of University Vocational Awards Council • Chair of Lancashire Innovation Board • Chair of Maritime Skills Commission	21 Feb 2023
Stephen Barnes	Non-Executive Director	• Chair of Nelson and Colne College (to 01 May 2023) • Member of the National Board of the Association of Colleges (from to 01 May 2023) • Chair of the National Council of Governors at the Association of Colleges (to 01 May 2023) • Chair of the Nelson Town Regeneration / Deal Board	21 Feb 2023

Name	Role	Interest Declared		Date last updated/ confirmed
Michelle Brown	Executive Director of Finance	• Spouse is a paramedic at NWAS • Vice Chair of Governors at St Catherine's RC Primary School, Leyland • Labour Councillor – Clayton West and Cuerden Ward		08 Mar 2023
Dr Fazal Dad	Associate Non-Executive Director (from 01 July 2022)	• Principal and Chief Executive at Blackburn College • Director at The Lancashire Colleges • Board Member at Lancashire Skills and Employment Board • Ofsted Inspector	• Trustee of Agnes Eccles Art Award Fund • Quality Assurance Agency (QAA) Reviewer • Quality Assurance Agenda Board Trustee and Director	29 Mar 2023
Sharon Gilligan	Chief Operating Officer Deputy Chief Executive (from 01 January 2023)	• Positive nil declaration		20 Feb 2023
Jawad Husain	Executive Medical Director Deputy Chief Executive (from 10 November 2021)	• Spouse is a GP in Oldham		20 Feb 2023
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 July 2020) • Investigations Committee Panel Chair at Nursing and Midwifery Council (NMC) - Independent Contractor (until 30 July 2021) • First cousin is a GP • Brother-in-law is a registered nurse employed by Lancashire and South Cumbria Care NHS Foundation Trust		21 Feb 2023
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 (to 27 October 2023)		21 Feb 2023
Peter Murphy	Chief Nurse	• Spouse works at Liverpool University Foundation Trust		24 Mar 2023
Feroza Patel	Associate Non-Executive Director	• Positive nil declaration		20 Feb 2023
Kate Quinn	Executive Director of People and Culture (from 01 January 2023)	• Director at Lancashire Institute of Technology • Governor at Goosnargh Oliverson's Church of England Primary School		21 Feb 2023

Name	Role	Interest Declared	Date last updated/ confirmed
Khalil Rehman	Non-Executive Director	• Director at Salix Homes Ltd • Director at Medisina Foundation • NED at Leeds Community Healthcare Trust (from 01 December 2020)	07 Apr 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 Teaching Hospitals NHS Foundation Trust (as from 04 February 2019) • Chair elect of Board of Governors at Bury Grammar School as of December 2022, will commence as Chair of Board of Governors on 27 March 2023	20 Feb 2023
Michael Wedgeworth	Associate Non-Executive Director	• Board member of Inspire Motivate Overcome (IMO) Charity	08 Mar 2023
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 January 2021)	• Post held jointly with Blackpool Teaching Hospitals NHS Foundation Trust	20 Feb 2023
Professor Eileen Fairhurst MBE	Chairman (to 31 October 2022)	• Honorary Doctorate UCLan awarded 2018 • Visiting Professor at Chester University • Member of the Good Governance Institute Faculty	13 Apr 2022
Christine Douglas	Executive Director of Nursing / Chief Nurse (to 31 July 2022)	• Seconded to Manchester Health Care Commissioning as Clinical/Nursing Board member for 4 days per month (from 01 December 2019)	31 Mar 2022
Julie Molyneaux	Interim Chief Nurse (from 01 August 2022 to 16 March 2023)	• Positive nil declaration	20 Feb 2023
Kevin Moynes	Executive Director of Human Resources and Organisational Development (to 31 December 2022)	• Spouse is a very senior manager at Health Education England (from 02 October 2017) • Governor of Nelson and Colne College (until 01 February 2018) • Joint Appointment as Executive Director of HR and OD at East Lancashire Hospitals NHS Trust and Blackpool Teaching Hospitals NHS Foundation Trust (10 October 2018 until 31 January 2022)	14 Apr 2022

Remuneration and staff 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 (to 31 October 2022)
- Mr Shazad Sarwar (from 5 December 2022)
- Mrs Patricia Anderson (Non-Executive Director from 1 July 2018 to 10 May 2019 and 3 October 2019 to date)
- Professor Graham Baldwin
- Mr Stephen Barnes
- Dr Fazal Dad (Non-voting Associate Non-Executive Director) (from 1 July 2022)
- Miss Naseem Malik
- Mrs Feroza Patel
- Mr Khalil Rehman
- 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			2022-23				2021-22			
			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 nearest £100)	(bands of £2,500)	(bands of £5,000)
Executive Directors	From / Started	To / Left	£000	£	£000	£000	£000	£	£000	£000
Chief Executive * Mr M Hodgson	01/04/2022	31/03/2023	255-260	0	100-102.5	355-360	240-245	0	97.5-100	340-345
Executive Director of Finance Mrs M Brown	01/04/2022	31/03/2023	160-165	0	40-42.5	200-205	155-160	0	55-57.5	210-215
Executive Director of Communications and Engagement ** Ms S Wright	01/04/2022	31/03/2023	60-65	0	15-17.5	75-80	60-65	0	12.5-15	75-80
Executive Medical Director and Joint Deputy Chief Executive *** Mr J Husain	01/04/2022	31/03/2023	270-275	300	0	270-275	260-265	0	0	260-265
Executive Director of Nursing Ms C Douglas (was Pearson)	01/04/2022	31/07/2022	50-55	0	0	50-55	150-155	0	0	150-155
Interim Chief Nurse Mrs J Molyneaux	01/08/2022	17/03/2023	55-60	100	0	55-60	0	0	0	0
Chief Nurse Mr P Murphy	20/03/2023	31/03/2023	5-10	0	0-2.5	5-10	0	0	0	0
Executive Director of Human Resources and Organisational Development ** Mr K Moynes	01/04/2022	31/12/2022	50-55	0	0	50-55	65-70	700	0	65-70
Executive Director of People and Culture Mrs K Quinn	01/01/2023	31/03/2023	30-35	0	7.5-10	40-45	0	0	0	0
Executive Director of Integrated Care, Partnerships and Resilience Mr T McDonald	01/04/2022	31/03/2023	135-140	0	35-37.5	170-175	135-140	0	50-52.5	185-190
Chief Operating Officer and Joint Deputy Chief Executive **** Mrs S Gilligan	01/04/2022	31/03/2023	150-155	100	37.5-40.0	190-195	150-155	0	65-67.5	215-220
Director of Service Development and Improvement * Mrs K Atkinson	01/04/2022	31/03/2023	125-130	0	100-102.5	225-230	105-110	0	40-42.5	145.150

* Mr M Hodgson was permanently appointed as Chief Executive with effect from 20 August 2022. Mrs K Atkinson was permanently appointed as Director of Service Development and Improvement with effect from 10 February 2023.

** 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 more than one organisation.

The banding for the Executive Director of Communications and Engagement's total salary in 2022-23 was £155,000 - £160,000, working as a joint director for the Trust and Blackpool Teaching Hospitals NHS Foundation Trust.

The banding for the Executive Director of Human Resources and Organisational Development's total salary in 2022-23 was £105,000 - £110,000, working as a joint director for the Trust and the Provider Collaborative Board.

*** For the Executive Medical Director, the remuneration includes £128,521 relating to his clinical role. It also includes £20,000 for the additional duties relating to the Deputy Chief Executive role which was reduced to £10,000 upon the introduction of the Joint Chief Executive role on the 23 December 2022.

**** Mrs S Gilligan commenced in the role of Joint Deputy Chief Executive from 23 December 2022 with the total salary including £10,000 for the additional duties relating to that role.

Post Held			2022-23				2021-22			
			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 nearest £100)	(bands of £2,500)	(bands of £5,000)
Non-Executive Directors	From / Started	To / Left	£000	£	£000	£000	£000	£	£000	£000
Chair Professor E Fairhurst	01/04/2022	31/10/2022	30-35	200	0	30-35	50-55	800	0	50-55
Chair Mr S Sarwar	06/12/2022	31/03/2023	15-20	100	0	15-20	0	0	0	0
Non-Executive Director * Ms Patricia Anderson	01/04/2022	31/03/2023	15-20	0	0	15-20	10-15	0	0	10-15
Non-Executive Director Professor G Baldwin	01/04/2022	31/03/2023	10-15	0	0	10-15	10-15	0	0	10-15
Non-Executive Director Mr S Barnes	01/04/2022	31/03/2023	10-15	0	0	10-15	10-15	0	0	10-15
Non-Executive Director Mrs N Malik	01/04/2022	31/03/2023	10-15	0	0	10-15	10-15	0	0	10-15
Associate Non-Executive Director Ms F Patel	01/04/2022	31/03/2023	10-15	0	0	10-15	10-15	0	0	10-15
Non-Executive Director Mr K Rehman	01/04/2022	31/03/2023	10-15	0	0	10-15	10-15	0	0	10-15
Non-Executive Director Mr R Smyth	01/04/2022	31/03/2023	10-15	0	0	10-15	10-15	0	0	10-15
Associate Non-Executive Director Mr F Dad	01/07/2022	31/03/2023	5-10	0	0	5-10	0	0	0	0
Associate Non-Executive Director Mr M Wedgeworth	01/04/2022	31/03/2023	10-15	0	0	10-15	10-15	0	0	10-15

* Ms P Anderson acted as interim Chairman from 1 November 2022 to 5 December 2022.

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 2022-23 was £270,000 - £275,000 (2021-22: £260,000 - £265,000) with the Executive Medical Director also performing a clinical role. This is an increase of 3.8%.

For employees as a whole, the average salary and allowances remuneration in 2022-2023 was £43,100 (2021-22: £44,699). 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 -3.6%.The relationship to the remuneration of the organisation's workforce is disclosed in the below table.

	2022-23			2021-22		
	25th Percentile	Median	75th Percentile	25th Percentile	Median	75th Percentile
Total remuneration (£)	23,936	30,766	43,842	21,208	27,813	40,178
Salary component of total remuneration (£)	22,994	28,058	37,633	20,330	27,780	39,027
Pay ratio information	11.4 : 1	8.9 : 1	6.2 : 1	12.4 : 1	9.4 : 1	6.5 : 1

In 2022-23, 1 (2021-22: 4) employee received remuneration in excess of the highest-paid director. Remuneration ranged from £8 to £365,360 (2021-22: £8– £319,642).

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)

	Real increase in pension completed at pension age*	Real increase in pension lump sum completed at pension age*	Total accrued pension completed at pension age at 31 March 2023	Lump sum at pension age related to accrued pension at 31 March 2023	Cash Equivalent Transfer Value at 31 March 2023	Real Increase/(Decrease) in Cash Equivalent Transfer Value	Cash Equivalent Transfer Value at 31 March 2022
Name and title	(Bands of £2,500)	(Bands of £2,500)	(Bands of £5,000)	(Bands of £5,000)			
Mr M Hodgson	5-7.5	5-7.5	80-85	175-180	1,635	104	1,454
Mrs M Brown	2.5-5	0	50-55	95-100	970	40	880
Ms S Wright *	0-2.5	0	5-10	0	86	6	54
Mr T McDonald	2.5-5	0	50-55	95-100	831	30	758
Mrs S Gilligan	2.5-5	0	40-45	65-70	718	31	646
Mrs K Atkinson	5-7.5	7.5-10	35-40	70-75	613	79	500
Mrs K Quinn **	0-2.5	0	20-25	45-50	424	6	370
Mr P Murphy ***	0-2.5	0	60-65	165-170	1,316	1	1,242

* For the Joint Executive Director of Communications and Engagement, Shelley Wright, the real increases shown in the table above, as well as the pension related benefits in the table of salaries and allowances, have been adjusted to take account of the joint sharing arrangement with Blackpool Teaching Hospitals NHS Foundation Trust.

** The Executive Director of People and Culture, Kate Quinn started in post on the 1 January 2023 the real increase shown in the table above, as well as the pension related benefits in the table of salaries and allowances have been adjusted to reflect the time in post (01/01/2023 to 31/03/2023).

*** The Chief Nurse, Peter Murphy started in post on the 20 March 2023 the real increase shown in the table above, as well as the pension related benefits in the table of salaries and allowances have been adjusted to reflect the time in post (20/03/2023 to 31/03/2023)

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 accumulated 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.

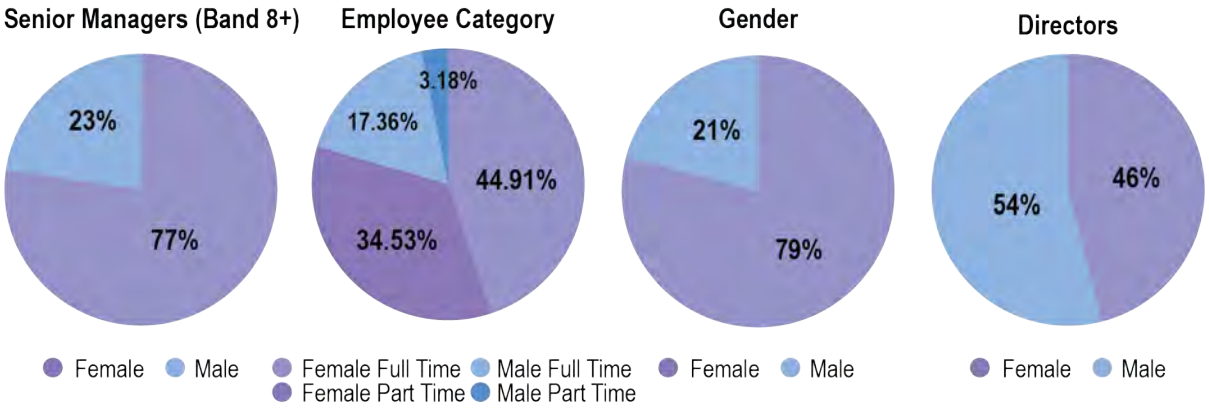
Further information on how pension liabilities are treated can be found in note 8.3 of the Trust annual accounts.

Staff numbers and composition

The Trust is a major local employer and we employ nearly 10,000 people. During the course of the year the Trust has worked hard to recruit and retain staff. Turnover for 2022-23 was 6.63%, compared to 8.15% in 2021-22.

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	79%	21%
Additional Clinical Services	86%	14%
Administrative and Clerical	79%	21%
Allied Health Professionals	75%	25%
Estates and Ancillary	49%	51%
Healthcare Scientists	63%	37%
Medical and Dental	38%	62%
Nursing and Midwifery Registered	94%	6%
Students	100%	0%
Grand Total	**78%**	**22%**



Sickness

Sickness absence in 2022-23 stood at 6.45% which is 0.20% lower compared to 2021-22 (6.65%). However, 0.92% of the sickness in 2022-23 was related to COVID-19, therefore without this, it is reasonable to assume that the Trust sickness rate would have stood at 5.53%.

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.

Staff Policies

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

Specific policies have been developed to support individuals 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 remains one of the key priorities of the NHS People Plan and People Promise. 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.

We have continued to embed our Flex Manifesto, which was agreed and endorsed by the Executive team in July 2021. 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. A system is now in place for people to request flexible

working, which enables us to review and report on our long-term flex ambitions – since launching, over 90% of flexible working requests processed have been approved and implemented. A number of wards across our divisions are also piloting ward-based rostering, where the team work together to set their own rota.

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 staff 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. The Trust continues to train Freedom to Speak up Champions 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 continued to develop its employee relations policies, embedding a just and learning culture and has developed strong systems 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, has been established for over 18 months, reviewing all cases and ensuring that they are handled in a timely manner and relevant support is offered to all involved. This sits alongside a Professional Standards Group, which provides oversight of any cases relating to medics, ensuring that issues are dealt with and support is offered in a timely manner.

The Trust recognises a number of trade unions, whom we work closely in partnership with, both informally and through our formal negotiation and consultation meetings. Partnership working is greatly valued as essential to the effective development of Trust policy and engagement.

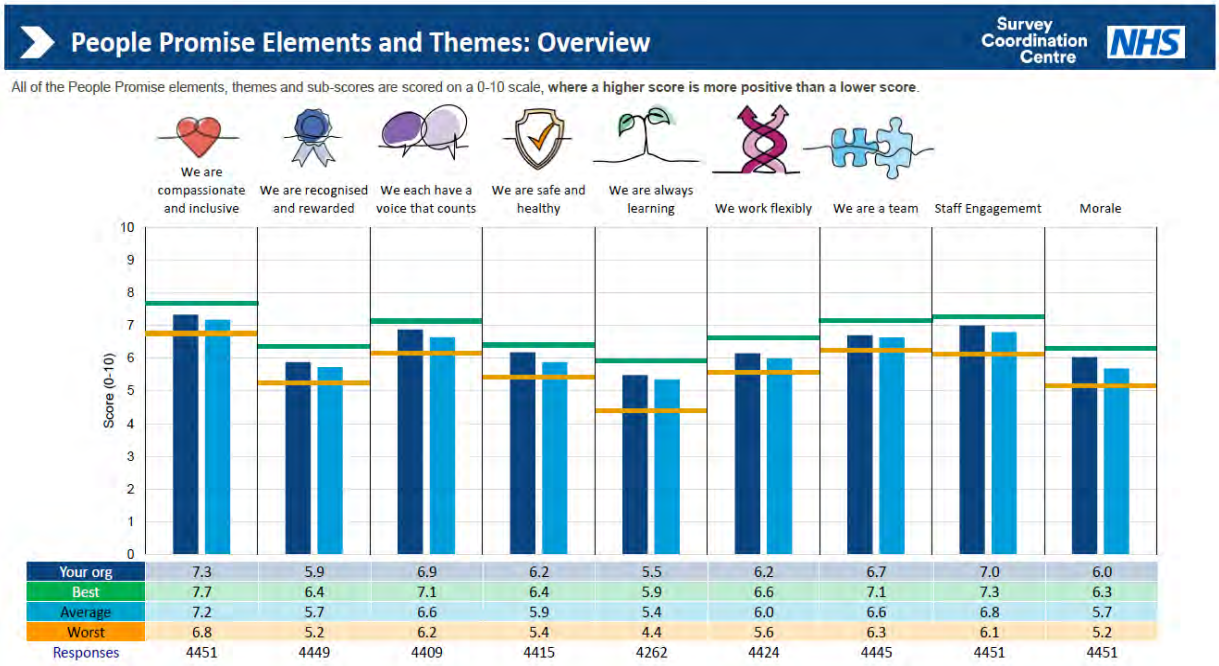
The Trust has a strong commitment to the delivery of education and research which sits under the Directorate of Education, Research and Innovation (DERI). The DERI strategy is underpinned by individual education, research and innovation plans that align to ELHT strategic vision, local and national agendas. All learners and colleagues 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 core skills training,

which are tailored for staff groups, we offer a wide range of clinical and non-clinical development opportunities, supported by coaching and mentorship for personal and professional development.

Staff Experience Indicators

The results of the NHS staff survey 2022 demonstrated positive results for the Trust, as it scored above the national average across all nine themes. The survey, one of the largest of its kind in the world, is an important opportunity to ask colleagues about their experience of working at ELHT, what they think we do well and areas where we need to improve.

The questions are linked to the national NHS People Promise – a pledge to work together across a number of themes to improve the experience of working in the NHS for everyone. The graph below outlines the theme results for the nine People Promise elements and themes:



The 2022 National Staff Survey demonstrated that the Trust has achieved an above average response rate. As in previous years, a full census was undertaken and a total of 9,239 staff were eligible to complete the survey. 4,461 staff returned a completed questionnaire, giving a response rate of 48%, which is significantly above the average of 44% for acute and community Trusts in England.

Key statistics included:

- 76.4% said the organisation respects individual differences.
- 73.3% were able to make suggestions to improve the work of their team.
- 70.5% said they have opportunities to improve their knowledge and skills.
- 71.2% said colleagues are understanding and kind to them.
- 77.8% said that care of patients and service users is the organisation's top priority.
- 87.9% felt their role makes a difference to patients / service users.

The results also demonstrate a statistically significant improvement in two themes when compared with the previous year's results. The themes demonstrating the significantly higher scores compared to last year are: we are safe and healthy &=and we are always learning.

One area where there has been a significant improvement is around being safe and healthy, an area the Trust has worked hard to improve over the past year. There has been an increase in wellbeing conversations, additional support with cost of living including temporary increases in mileage allowances and free tea and coffee and a focus on colleague appreciation and wellbeing support. Working flexibly and always learning were another two themes that showed improvement.

The table below outlines the significance testing People Promise elements:

People Promise elements	2021 score	2021 respondents	2022 score	2022 respondents	Statistically significant change?
We are compassionate and inclusive	7.4	5104	7.3	4451	Not significant
We are recognised and rewarded	6.0	5196	5.9	4449	Not significant
We each have a voice that counts	6.9	5016	6.9	4409	Not significant
We are safe and healthy	6.1	5056	6.2	4415	Significantly higher
We are always learning	5.1	4825	5.5	4262	Significantly higher
We work flexibly	6.1	5158	6.2	4424	Not significant
We are a team	6.7	5114	6.7	4445	Not significant
Themes					
Staff Engagement	7.0	5207	7.0	4451	Not significant
Morale	6.0	5197	6.0	4451	Not significant

Whilst the scores for the nine themes were above the national average, there was a notable fall in some of the scores within the themes- particularly regarding dissatisfaction with levels of pay.

Broadly the results show that, as an organisation, we continue to commit to improving the support we provide for our most important asset, our colleagues. 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.

64% of respondents would recommend the Trust as a place to work and 64% 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 colleagues 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 colleague engagement and satisfaction by continuing to embed our People Strategy.

Staff numbers and costs (subject to audit)

Staff costs	2022-23			2021-22
	Permanently employed	Other	Total	Total
	£000s	£000s	£000s	£000s
Salaries and wages	369,471	15,663	385,134	358,593
Social security costs	43,236	0	43,236	37,224
Apprentice Levy	1,815	89	1,904	1,802
NHS Pensions Scheme	41,822	0	41,822	38,862
Pension cost - employer contributions paid by NHSE on provider's behalf (6.3%)	18,339	0	18,339	17,039
Pension cost - other	246	0	246	121
Termination benefits	17	0	17	0
Temporary staff	0	21,202	21,202	20,556
Total employee benefits	**474,946**	**36,954**	**511,900**	**474,197**
Employee costs capitalised	1,933	11	1,944	1,494
Gross employee benefits excluding capitalised costs	**473,013**	**36,943**	**509,956**	**472,703**

Staff numbers	2022-23			2021-22
	Permanently employed	Other	Total	Total
	Number	Number	Number	Number
Average staff numbers				
Medical and dental	729	313	1,042	1.000
Administration and estates	1,466	155	1,621	1,537
Healthcare assistants and other support staff	2,877	272	3,149	3,122
Nursing, midwifery and health visiting staff	2,608	385	2,993	2,915
Scientific, therapeutic and technical staff	901	22	923	905
Healthcare Science Staff	146	0	146	142
Other	11	0	11	11
Total average staff numbers	**8,738**	**1,147**	**9,885**	**9,632**
Of the above - staff engaged on capital projects	36	0	36	28

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 2023, for more than £245 per day and that last longer than six months are:

	Number
No. of existing engagements as of 31 March 2023	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 2022 and 31 March 2023, 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 2022 and 31 March 2023	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 2022 and 31 March 2023.

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.	12

No payments have been made during 2022-23 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 2022-23, there were two exit payments totalling £17,000 consisting of one voluntary redundancy payment for £12,000 and one HM Treasury approved non-compulsory redundancy related and non-contractual payment of £5,000.

Consultancies

In 2022-23, Trust expenditure on consultancy was £375,000 (2021-22: £1,294,000).
This matches the year end finance submission to NHSE.

Trade Union Activities

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
26	21.85

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	0
1-50%	21
51-99%	0
100%	5

Percentage of pay bill spent on facility time

	Figures
Total cost of facility time	£190,431
Total pay bill	£509,956,000
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), Chief Executive

Date: 28 June 2023

Finance report

Financial review for the year ending 31 March 2023

Financial duties

The Trust reported a £4.1 million adjusted financial performance deficit for the 2022-23 financial year against a breakeven financial plan. The deficit position relates solely to the uncertainty surrounding the cost of the 2022-23 Agenda for Change pay award, following its initial rejection on 14th April 2023, although it was subsequently accepted on 2 May

	2022-23	2021-22
Break-even duty – 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 2022-23, the Trust received income of £738.1 million compared with £701.0 million in the previous year. Most of the Trust's income now comes via Integrated Care Boards (ICBs), which purchase healthcare on behalf of their local populations, with £689.4 million of income being generated from patient care activities.

Where our money goes

The Trust's total revenue operating expenditure for 2022-23 was £722.0 million compared with £679.6 million in the previous year. £510.0 million (71%) was spent on staff costs. Throughout the year the Trust employed an average of 8,738 permanent staff, as well as an average of 671 bank staff, 265 agency staff and 211 seconded junior doctors.

At £52.1 million, drugs costs were the next highest area of non-pay expenditure within the Trust. In addition, the Trust also incurred £44.4 million of clinical supplies and services, £28.5 million for premises and £21.7 million for clinical negligence 'insurance' premiums.

Capital Expenditure

The Trust has continued to invest in healthcare facilities in East Lancashire, receiving £7.6 million of funding for the replacement of part of the roof on the Royal Blackburn site, after Reinforced Autoclaved Aerated Concrete (RAAC) was identified within its structure, which needed to be removed. Work continued with a further £6.4m being spent on the preparatory work to transfer our patient records to an electronic patient record. Other significant areas of spend included £3.6m on the conversion of two old theatres on the Burnley site to state-of-the-art Endoscopy rooms, £3.4m on PFI lifecycle costs and £3.1m on medical equipment.

In total the Trust invested £32.5 million on new building works, improvements and equipment and information technology across all its sites with the accounting treatment of right of use leases being classified as capital expenditure from 1st April 2022 at a value of £9.9m.

Revaluation of land and buildings

A revaluation of the Trust estate has been carried out as at 31 March 2023, resulting in a £12.6 million increase in the value of these assets at the end of the financial year. £7.6 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 11 to the annual accounts.

External Financing Limit

The External Financing Limit (EFL) is used to measure how well the Trust manages its cash resources and is a threshold against which the Trust is permitted to underspend. In 2022-23, the Trust matched the overall cash limit set by DHSC of £25.2 million.

Capital Resource Limit

The Capital Resource Limit (CRL) is used to measure how well the Trust controls its spending on capital schemes which the Trust is not permitted to exceed. In 2022-23, the capital investment made by the Trust matched the limit set by DHSC of £42.3 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, for NHS invoices (value and number) and for non-NHS invoices by value. The number of non-NHS invoices paid within 30 days was slightly below this target at 94%.

Payments made to non-NHS organisations (value)

	2022–23	2021–22
Total invoices paid (£m)	**378.9**	**419.5**
Total invoices paid in target (£m)	**368.7**	**407.0**
Percentage achievement	**97.3%**	**97.1%**

Finance income

The Trust receives income from the interest earned on the management of its cash balances. Finance income in 2022-23 amounted to £1.6 million, compared with £0.1 million earned in 2021-22.

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 2022-23 accounts at a cost of £89,400.

Financial Outlook for 2023-24

The Trust is facing a significant financial challenge as we move into 2023-24. To incentivise an increased level of elective and outpatient activity, during 2023-24 the NHS will move to tariff incentivised schemes for all elective and outpatient procedures, with the remaining services including emergency care remaining on a fixed funding arrangement. Our income and expenditure plans for the year are based on the achievement of 109% of 2019-20 activity levels. With urgent and emergency care pathways payments remaining on a block contract, the Trust has a financial challenge to meet increased demand with limited resources.

The Trust is working to a £24.3 million deficit financial plan, which includes a Waste Reduction Programme of £54.6 million (7.4%). The Trust will endeavour to meet this challenging financial plan through its Waste Reduction Programme aligned to its improvement programme, working with system partners across Lancashire and South Cumbria, and through increased financial controls, however given the level of savings required, the achievement of a deficit plan of £24.3 million is significantly at risk.

Annual Accounts

The Trust's auditors have issued an unqualified report on these accounts. A full copy of the Annual Accounts 2022-23 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.

Our highlights 2022–23

Maternity services positive inspection

In November the Care Quality Commission carried out an unannounced inspection, as part of a national inspection of maternity services. They visited three sites - Rossendale and Blackburn Birthing Centres and Lancashire Women and Newborn Centre at Burnley. Feedback was very positive, with particular reference to risk management, multidisciplinary working and an overwhelmingly positive response from our patients.

All three services were rated as good for safe and well led, with some evidence of outstanding practice mentioned in the reports. This is a fantastic achievement and yet again demonstrates our teams ongoing commitment to delivering safe, personal and effective care.

Giving HOPE

Two midwives have been recognised for their work to create connection boxes for women who are at risk of being separated from their baby at birth.

Louise Slater, a midwife working in drug services and Natalie Woodruff, a Perinatal Mental Health Midwife received the National Safeguarding Star for Outstanding Practice award from NHS England.

They have been instrumental in implementing HOPE boxes at ELHT, which aim to minimise the trauma parents experience when they are separated from their baby at birth due to a court decision.

The boxes help families capture important memories prior to separation and promote ongoing connection between them and their baby post-separation whilst the court proceedings consider longer term plans for the child.

Trust gains UNICEF UK Baby Friendly award

The Trust was awarded the prestigious Baby Friendly Award from the UK Committee for UNICEF (UNICEF UK) Baby Friendly Initiative. The Baby Friendly Initiative, set up by Unicef and the World Health Organisation, is a global programme which provides a practical and effective way for health services to improve the care provided for all mothers and babies. The award is given to organisations after an assessment by a Unicef team has shown that recognised best practice standards are in place. The Trust began working towards the UNICEF Neonatal Baby Friendly Initiative accreditation seven years ago and the journey has been incredibly important for the Trust to ensure it is providing excellent care and support around infant feeding and relationship building to families and involving parents as partners in care.

New funding for online brain injury support scheme

A successful scheme to help brain injury and stroke survivors was rolled out through Lancashire and South Cumbria, thanks to new funding from a national charity. The Neuro Rehabilitation OnLine (NROL) programme, which is jointly run by the Trust and the University of Central Lancashire, has received nearly £180,000 from brain injury recovery charity SameYou to expand the pilot project.

SameYou was awarded funding from The National Lottery Community Fund, which enabled the scheme to be rolled out through Lancashire and South Cumbria.

New hydroTherapy service introduced

Patients receiving critical care in East Lancashire benefit from access to a new hydrotherapy service to support their rehabilitation.

It is aimed at patients who have been on the critical care unit for an extended period of time and the first therapy session took place at Royal Blackburn Teaching Hospital in August to support a patient with motor neurone disease.

Hydrotherapy benefits the patient by creating a sense of weightlessness and the warm water provides joint and muscular pain relief. This enables therapists to utilise various muscle strengthening and joint range of movement techniques in the water and it is a relaxing calming environment to lift mood and help critical illness wellbeing.

COVID vaccination centres in East Lancashire officially close

Colleagues were thanked for their hard work at the mass vaccination hubs at Barbara Castle Way, Blackburn and Charter Walk Shopping Centre, Burnley when they officially closed.

The two centres were the last remaining vaccination centres out of the seven mass sites established across the Lancashire and South Cumbria region during the pandemic.

The sites administered over 4.3 million vaccines across Lancashire and South Cumbria including first, second and booster doses with 86% of high-risk and eligible people taking up the offer of their vaccine. The team also administered up to 28,500 vaccines to people in their own homes or via pop-up clinics.

Generous donation

The Trust was able to introduce 127 defibrillators across the organisation, thanks to the generosity of the Issa Foundation.

The Foundation, led by local entrepreneurs Zuber and Mohsin Issa, Co-CEOs of EG Group, donated a staggering £350,000 for the equipment on behalf of the Trust's charity ELHT&Me.

The Issa Foundation Trust were able to visit Royal Blackburn Teaching Hospital to see their donation in action and hear how the equipment was making an incredible difference to local people.

'Virtual wards' prevent thousands of hospital admissions and help to free-up much-needed beds

A community-based service launched by East Lancashire Hospital NHS Trust (ELHT) is giving patients the opportunity to be treated at home instead of being admitted to hospital.

The community-based - Hospital at Home - uses an Intensive Home Support Service (IHSS) to initially assess patients from their own home. Depending on the condition of the patient, they will be treated, given the necessary equipment and monitored and supported from home - their 'virtual ward' - instead of being admitted into hospital.

Hospital at Home proved its success in its first months of operation by attracting more than 2,000 patient referrals. After an initial assessment by the IHSS, only 10% needed to be admitted to hospital.

The community teams at ELHT work non-stop to support patients in their own homes, and the 'virtual ward' was introduced during the COVID-19 pandemic to initially provide support and consultations remotely.

The service proved so successful winning a national Health Service Journal Award, that ELHT continued to develop the concept to support other areas of the organisation to assist patient flow and ultimately improve patient experience.

Stakeholder event

The Trust held its first virtual stakeholder event in July, following postponement of live events during the pandemic.

Executive colleagues shared updates on services provided by the Trust, the challenges faced and the improvements made over the past year. Attendees included health and social care partners, third sector providers, community organisations, local authorities and education organisations were encouraged to ask questions which were answered by the panel during the session.

Changes to the Trust Board and Executive team

There have been a number of changes to the Trust Board during the year.

- Martin Hodgson was appointed as substantive Chief Executive Officer in August. A colleague who has been at ELHT for almost 13 years and acting Chief Executive since August 2021, Martin was successful following a robust recruitment centre which featured a central interview panel and both an internal and external stakeholder group, with an assessment team from across Pennine Lancashire, the Lancashire and South Cumbria system and the North West region.
- The Chair Professor Eileen Fairhurst announced her resignation in July to take up the same role at Northern Care Alliance NHS Foundation Trust in the neighbouring Greater Manchester system. Professor Fairhurst joined the Trust in 2014 and, since then, provided unwavering leadership and support to the Executive Team and the Trust.
- NHS England announced Shazad Sarwar as the new Chair of the Trust in November. Shazad, who was a Non-Executive Director (NED) at ELHT previously, joined the Trust Board in December. A local man who was brought up and continues to live in Pendle, Shazad was appointed following a robust assessment led by NHSE in line with the national NHS constitution and including colleagues from the Trust, the wider health and social care system in both Lancashire and South Cumbria and the North West, as well as partners from organisations who work closely with ELHT.
- The Trust appointed a new Chief Nurse, Peter Murphy, to the Board and Executive Team in September, after the former Chief Nurse, Christine Douglas moved to the Cheshire and Merseyside Integrated Care Board.
- Peter held a similar role at Blackpool Teaching Hospitals NHS Foundation Trust and is the senior responsible officer (SRO) for nursing on the Provider Collaborative Board.
- In December, the Trust supported a robust and thorough recruitment process to appoint Kate Quinn Executive Director of People and Culture after Executive Director of HR and OD, Kevin Moynes' departure. This included two stakeholder panels featuring colleagues from the Trust, the wider system and key partners, as well as a formal appointment panel.
- In December, colleagues in the Executive team were asked to indicate their expressions of interest in a second Deputy Chief Executive post agreed as part of the structure earlier in 2022. A robust process followed and Sharon Gilligan, Chief Operative Officer, was

appointed into the role with immediate effect. Similarly, to the existing Deputy Chief Executive and Executive Medical Director Jawad Husain, Sharon retains her current portfolio whilst taking on the extra designation. This will provide much needed capacity supporting the CEO and the wider senior management team, as well as providing leadership to the Trust and system.

Honouring our 'stars' with virtual staff award ceremony

Local NHS heroes were celebrated at the Trust's annual staff recognition awards. The STAR Awards this year were celebrated virtually and watched via a video link for all colleagues to join and support each other as the award nominations were read out and the winners announced.

The annual STAR Awards recognise the fantastic work and achievements of colleagues and volunteers at the Trust, with 15 coveted categories, including Clinical Team of the Year, Outstanding Achievement and Rising Star. Hosted by BBC breakfast show presenter, Graham Liver, the virtual event was streamed live, with over 1,500 viewers tuning in on the night to see who had won, rising to almost 3,000 in total so far.

The Trust also launched its brand-new Inclusivity Award this year. Celebrating colleagues who go above and beyond to ensure everyone has the same access to vacancies and treatment as each other. The first winner of this award is Registered Nurse and Practice Educator Samina Saboor.

New Year's Honours

Hospital Imam honoured

Hospital Imam Fazal Hassan received a special award from the Mayor of Blackburn with Darwen Council for his services during the pandemic. Imam Fazal Hassan was presented with the Mayoral Award by Mayor Councillor Suleman Khonat. The entire hospital chaplaincy team was praised for their services in a period where patients were often isolated from their family members due to COVID restrictions.

Joanne gets royal recognition

Medicine for Older People Matron, Joanne Mohammed, was awarded with a British Empire Medal for her work with raising awareness of disability. She received the award from the Lord-Lieutenant of Lancashire the Rt Hon Lord Shuttleworth at Lancaster Castle. After receiving her award Joanne said: "I love my job as a nurse and happy now to be different and an advocate for more accessible, inclusive workplaces."

Barry's outstanding contribution to Equality, Diversity and Inclusion

Assistant Director of Patient Experience, Barry Williams, has been presented with a Royal College of Nursing award to mark his outstanding contribution to the equality, diversity and inclusion agenda and the experience of BAME service users and staff across the health and social care sector.

The award forms part of the RCN North West's annual event to recognise and celebrate the outstanding contribution of nursing staff from BAME backgrounds who work in health and social care across the region.

This year's winners work across a range of settings including in hospitals and out in the community, and in clinical and non-clinical areas such as governance, general nursing, mental health and education. They were recognised for a variety of reasons including their commitment to ensure the BAME agenda is heard and acted upon in their organisations and supporting newly recruited nurses from the BAME workforce.

Trust's commitment to National Bereavement Care

ELHT became the 100th Trust to commit to the National Bereavement Care Pathways (NBCP), which works to provide high quality bereavement care to parents and families who experience pregnancy loss or the death of a baby.

As part of the pathway, colleagues will work in partnership with health professionals and others to minimise the risks of stillbirth and to ensure the families of those babies who do die receive the best possible care.

Signing up to the National Bereavement Care Pathways demonstrates the commitment to provide high quality bereavement care both nationally and locally. At ELHT it will provide an opportunity to highlight the excellent care that we strive to provide and any areas that we need to improve.

The Trusts that have implemented the pathways since its first pilots back in 2017 have seen huge improvements in bereavement care.

Charity wins prestigious award

The Trust's official charity, ELHT&Me, that 'makes a real difference to the lives of patients and colleagues' has been named as a winner at the Ribble Valley Business Awards.

ELHT&Me has funded a wide range of initiatives from state-of-the-art surgical robots to a specialist suite where bereaved parents can prepare to say goodbye to their baby, was named winner in the Not for Profit category.

More than 400 businesses and charities were nominated for awards across 18 categories with the winners announced at a glittering black-tie ceremony at Mytton Fold.

Celebrating with the Prince's Trust

A celebration event was held to showcase a partnership between ELHT and the Prince's Trust.

The Trust has been working with the charity since 2017, offering work experience and skills development to young people through its Get Into Hospital Services programme. Over 100 young people have now completed a work placement, giving them valuable hands-on experience – and a staggering 86% have gone on to secure further paid work with the organisation.

At the event the latest cohort shared their experiences and explained how the work placement had helped them. Those who have completed the latest Get Into Hospital Services programme included Oksana Darahan who fled to the UK from Ukraine to escape the war.

The partnership with the hospital is part of the Prince's Trust's efforts to help young people overcome challenges and achieve their potential. The placements are open to anyone aged 18-30 who is not in education, employment or training and who is interested in a career with the NHS. They are given a four week placement within clinical or non-clinical departments, are assigned a mentor and given support with activity such as CV writing and interview skills.

Rolling out a revolutionary digital programme

The Trust will officially switch from paper-based records to an electronic patient record (EPR) in a move that will transform the way colleagues work and provide lasting benefits for patients and their families.

The foundation work of what is a huge 10-year programme has been gradually progressing since July 2021 alongside a major project to upgrade the IT network infrastructure, improving capacity, speed and resilience. Recent months have also seen a steady introduction of a suite of new digital tools and technologies, like the BadgerNet system for parents-to-be and Patientrack for recording patient observations.

The switch on for the main EPR system, which is being developed by healthcare technology specialists Cerner, is planned for June 2023. Once live, it will provide doctors and nurses with more information about patients at their fingertips helping them to make better, more effective decisions, for example flagging up things like allergies and past histories – having a direct impact on the safety of our patients.

Electronic system revolutionises referrals

An innovative project led by a team at ELHT was highly commended at the NDL Community Awards, a celebration of public sector teams working towards digital transformation.

The project used Robotic Process Automation to manage referrals from GPs, which originally required manual retrieval and printing of referral paperwork before appointments. This was time-consuming, reducing the clinicians time spent caring for patients and it was an expensive process which wasted paper – approximately 83,000 sheets a month.

In a matter of days, the team was able to implement a new automated system which resolved these issues rapidly, managing an average of 15,000 e-referrals per month.

Patient records are then accessible on the clinical portal, allowing clinicians to view the referral letter electronically, rather than relying on a printed copy. They can then be seen well in advance of clinical appointments, enabling for better preparation, prioritising, and patient experience.

Three Lancashire and South Cumbria prisons cleared of Hepatitis C

Hepatitis C has been eliminated from three out of four Lancashire and South Cumbria prisons following a highly successful project. Thanks to a team of health professionals at the Trust HMP Preston, Wymott and HMP Kirkham are now free of the virus.

Over 2,500 prisoners were tested for Hepatitis C and 159 people have now been successfully treated after clinics were set up at HMP Preston, Wymott and Garth. The prisons were pinpointed for the project as they were found to have the highest cases of the virus in the area. The project has three main areas of focus – to encourage testing, to encourage and deliver treatment and finally, to educate. Whether an individual has tested positive for the virus or not, they take part in an education programme to raise awareness of the symptoms, the benefits of treatment and how to avoid transmission.

Hepatitis C, when left untreated can be fatal and the UK Health Security Agency (UKHSA) has pledged that the UK will be the first in the world to eliminate Hepatitis C by 2025 - five years ahead of a global target set by the World Health Organisation.

Research teams come out tops

The Trust's Research and Development teams were celebrating after being announced as winners at the NIHR Greater Manchester Health and Care Research Awards.

Two teams from ELHT came out top in both the 'Transforming Research Delivery' category and the 'Collaborating Working Accomplishment' category, which the team won alongside North West Ambulance Service (NWAS) NHS Trust and Lancaster University.

The awards, which were first held in 2013, are designed to recognise and celebrate research delivery achievements made during the year in Greater Manchester, East Cheshire and East Lancashire.

The first win was announced for the ELHT Reproductive Health Research Team, claiming the top prize for their work in setting up the GBS3 trial, which looks at whether testing pregnant women for Group B Streptococcus reduces the risk of infection in newborn babies compared to the current strategy in place in the UK. The team were commended on how they had fully integrated research into the clinical pathway for the benefit of patients.

The team were also successful in being shortlisted for the 'Putting Participants First' category, acknowledging their work on the CERM trial which investigates treatment which may improve pregnancy outcomes for women with recurrent miscarriage and chronic endometritis.

The success didn't stop there as the Research and Development team also won the 'Collaborating Working Accomplishment' category, in partnership with NWAS and Lancaster University. The award recognised excellent collaborative working on the End of Life Care planning training programme, breaking down barriers to achieve multidisciplinary working between NHS organisations and academic institutions to find innovative ways to achieve success.

Hospital Caterer of the Year

The Trust's Catering Team was a winner at the Vegetarian for Life's national awards. They were named Hospital Caterer of the Year at the Awards for Excellence in Vegetarian and Vegan Care Catering. A total of 14 rising stars in vegetarian and vegan care catering were honoured in a ceremony held in the Houses of Parliament.

ELHT is 'great place to work'

Colleagues at ELHT overwhelmingly feel valued by their team, make a difference to patients and have opportunities to improve themselves, according to the results of a major poll.

The results of the latest NHS staff survey were published and provided a blueprint for the Trust's improvement over the next 12 months in areas ranging from patient care to leadership and how colleagues are supported.

The staff survey – one of the largest of its kind in the world – is carried out across thousands of NHS organisations around the country. ELHT scored above the national average in every area when compared to other acute and community Trusts.

Headline figures show that 82.5% of colleagues reported that they enjoyed working with their colleagues, while 87.9% felt that their role made a difference to patients. The survey also revealed that colleagues feel supported in their work and health and wellbeing.

Appendices

Appendix 1

Glossary of Terms

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 England 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.

Appendix 2

East Lancashire Hospitals NHS Trust

Financial Statements

Year ended 31 March 2023

Foreword

These accounts for the year ended 31 March 2023 have been prepared by the East Lancashire Hospitals NHS Trust in accordance with schedule 15 of the National Health Service Act 2006.

Contents

Statement of Comprehensive Income

	Note	2022-23 £000s	2021-22 £000s
Operating income from patient care activities	2	**689,447**	652,694
Other operating income	3	**48,695**	48,322
Operating expenses	4	**(722,023)**	(679,572)
Operating surplus		**16,119**	21,444
Finance costs			
Finance income		**1,593**	103
Finance expenses	9	**(11,172)**	(8,232)
Public dividend capital dividends payable		**(3,517)**	(2,912)
Net finance costs		**(13,096)**	(11,041)
Other gains		**0**	103
(Losses) from transfers by absorption		**0**	(130)
Surplus for the financial year		**3,023**	10,376
Other comprehensive income			
Amounts that will not be reclassified subsequently to income and expenditure:			
Impairments		**(556)**	(138)
Revaluations		**5,627**	1,960
Other reserves movements		**2**	0
Total other comprehensive income for the year		**5,073**	1,822
Total comprehensive income for the year		**8,096**	12,198

Statement of Financial Position

	Note	31 March 2023 £000s	31 March 2022 £000s
Non-current assets			
Intangible assets	10	**30,982**	23,976
Property, plant and equipment	11	**260,323**	239,319
Right of use assets	12	**23,016**	0
Receivables		**838**	913
Total non-current assets		**315,159**	264,208
Current assets			
Inventories	13	**9,210**	8,668
Receivables	14	**48,237**	29,876
Non-current assets for sale and assets in disposal groups		**550**	0
Cash and cash equivalents	15	**44,882**	63,285
Total current assets		**102,879**	101,829
Current liabilities			
Trade and other payables	16	**(102,504)**	(88,615)
Borrowings	17	**(11,012)**	(4,227)
Provisions		**(792)**	(1,097)
Other liabilities	18	**(7,398)**	(12,411)
Total current liabilities		**(121,706)**	(106,350)
Total assets less current liabilities		**296,332**	259,687
Non-current liabilities			
Borrowings	17	**(103,271)**	(91,192)
Provisions		**(3,197)**	(3,958)
Total non-current liabilities		**(106,468)**	(95,150)
Total assets employed		**189,864**	164,537
Financed by:			
Taxpayers' equity			
Public dividend capital		**278,640**	261,409
Revaluation reserve		**17,644**	12,573
Income and expenditure reserve		**(106,420)**	(109,445)
Total taxpayers' equity		**189,864**	164,537

The notes on pages 5 to 29 form part of these accounts.

The financial statements on pages 1 to 4 and accompanying notes were approved by the Audit Committee on 22 June 2023 and were signed and authorised for issue on its behalf by:

Chief Executive: *Martin A. Hodgson (signed electronically)* 28 June 2023

Mr Martin Hodgson

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2023

	Note	Public dividend capital £000s	Revaluation reserve £000s	Income and expenditure reserve £000s	Total reserves £000s
Taxpayers' equity at 1 April 2022		**261,409**	**12,573**	**(109,445)**	**164,537**
Surplus for the year		**0**	**0**	**3,023**	**3,023**
Revaluations		**0**	**5,627**	**0**	**5,627**
Impairments	5	**0**	**(556)**	**0**	**(556)**
Public dividend capital received		**17,231**	**0**	**0**	**17,231**
Other reserves movements		**0**	**0**	**2**	**2**
Taxpayers' equity at 31 March 2023		**278,640**	**17,644**	**(106,420)**	**189,864**

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
Transfer 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

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	2022-23 £000s	2021-22 £000s
Cash flows from operating activities			
Operating surplus		**16,119**	21,444
Depreciation and amortisation	4	**22,757**	15,054
Impairments and reversals		**(7,570)**	(10,685)
Income recognised in respect of capital donations		**(41)**	(125)
(Increase) in inventories		**(542)**	(636)
(Increase) in receivables		**(20,054)**	(5,892)
Increase in trade and other payables		**9,067**	20,074
Increase / (decrease) in other liabilities		**(5,013)**	4,454
(Decrease) in provisions		**(1,023)**	(39)
Net cash generated from operations		**13,700**	43,649
Cash flow from investing activities			
Interest received		**1,525**	34
Purchase of intangible assets		**(9,205)**	(12,826)
Purchase of property, plant and equipment		**(17,371)**	(26,166)
Proceeds from sales of property, plant and equipment		**0**	134
Net cash (used in) investing activities		**(25,051)**	(38,824)
Cash flows from financing activities			
Public dividend capital received		**17,231**	17,870
Movement in loans from the DHSC		**(200)**	(200)
Capital element of lease liability repayments		**(6,235)**	0
Capital element of PFI payments		**(4,026)**	(2,825)
Interest paid		**(11,082)**	(8,266)
PDC dividend paid		**(2,740)**	(2,337)
Net cash generated from / (used in) financing activities		**(7,052)**	4,242
Increase in cash and cash equivalents		**(18,403)**	9,067
Cash and cash equivalents at 1 April		**63,285**	54,218
Cash and cash equivalents at 31 March		**44,882**	63,285

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 2022-23 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 an interim valuation of these assets as at 31 March 2023 to ensure that the carrying amount of these assets, as disclosed in the property, plant and equipment note, 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, as disclosed in the note analysing amounts payable to PFI operator. 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

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. Funding envelopes are set at an Integrated Care System (ICS) level. The majority of the Trust's income is earned from NHS commissioners in the form of fixed payments to fund an agreed level of activity.

In 2022-23 fixed payments are set at a level assuming the achievement of elective activity targets. These are termed 'aligned payment and incentive' contracts.

Elective recovery funding provides additional funding for the delivery of elective services. In 2022-23 elective recovery funding was included within the aligned payment and incentive contracts. In 2021-22 income earned by the system based on achievement of elective recovery targets was distributed between individual entities by local agreement and income earned from the fund was accounted for as variable consideration.

The Trust also receives income from commissioners under Commissioning for Quality Innovation (CQUIN) and Best Practice Tariff (BPT) schemes. Delivery under these schemes is part of how care is provided to patients. As such CQUIN and BPT payments are not considered distinct performance obligations in their own right; instead they form part of the transaction price for performance obligations under the overall contract with the commissioner.

In 2022-23 payment under these schemes is included in fixed payments from commissioners based on assumed achievement of criteria.

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 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, which reflect the total life of an asset and not the remaining life of an asset, 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 Trust
- it is expected to be used for more than one financial year
- the cost of the item can be measured reliably
- the item has cost of at least £5,000, or
- collectively, a number of items have a cost of at least £5,000 and individually have cost of more than £250, where the assets are functionally interdependent, had broadly simultaneous purchase dates, are anticipated to have similar disposal dates and are under single managerial control.

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 a finance cost 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	45	68
Plant & machinery	5	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.

The Trust received inventories including personal protective equipment from DHSC 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

A lease is a contract or part of a contract that conveys the right to use an asset for a period of time in exchange for consideration. An adaptation of the relevant accounting standard by HM Treasury for the public sector means that for NHS bodies, this includes lease-like arrangements with other public sector entities that do not take the legal form of a contract. It also includes peppercorn leases where consideration paid is nil or nominal (significantly below market value) but in all other respects meet the definition of a lease. The Trust does not apply lease accounting to new contracts for the use of intangible assets.

The Trust determines the term of the lease term with reference to the non-cancellable period and any options to extend or terminate the lease which the Trust is reasonably certain to exercise.

The Trust as lessee

At the commencement date of the lease, being when the asset is made available for use, the Trust recognises a right of use asset and a lease liability.

The right of use asset is recognised at cost comprising the lease liability, any lease payments made before or at commencement, any direct costs incurred by the lessee, less any cash lease incentives received. It also includes any estimate of costs to be incurred restoring the site or underlying asset on completion of the lease term.

The lease liability is initially measured at the present value of future lease payments discounted at the interest rate implicit in the lease. Lease payments includes fixed lease payments, variable lease payments dependent on an index or rate and amounts payable under residual value guarantees. It also includes amounts payable for purchase options and termination penalties where these options are reasonably certain to be exercised.

Where an implicit rate cannot be readily determined, the Trust's incremental borrowing rate is applied. This rate is determined by HM Treasury annually for each calendar year. A nominal rate of 0.95% applied to new leases commencing in 2022 and 3.51% to new leases commencing in 2023.

The Trust does not apply the above recognition requirements to leases with a term of 12 months or less or to leases where the value of the underlying asset is below £5,000, excluding any irrecoverable VAT. Lease payments associated with these leases are expensed on a straight line basis over the lease term. Irrecoverable VAT on lease payments is expensed as it falls due.

Subsequent measurement

In line with a HM Treasury interpretation of the accounting standard for the public sector, the cost model is considered to be an appropriate proxy for current value in existing use, in line with the accounting policy for owned assets

The Trust subsequently measures the lease liability by increasing the carrying amount for interest arising which is also charged to expenditure as a finance cost and reducing the carrying amount for lease payments made.

The liability is also remeasured for changes in assessments impacting the lease term, lease modifications or to reflect actual changes in lease payments. Such remeasurements are also reflected in the cost of the right of use asset. Where there is a change in the lease term or option to purchase the underlying asset, an updated discount rate is applied to the remaining lease payments.

Initial application of IFRS 16

IFRS 16 Leases as adapted and interpreted for the public sector by HM Treasury has been applied to these financial statements with an initial application date of 1 April 2022. IFRS 16 replaces IAS 17 Leases, IFRIC 4 Determining whether an arrangement contains a lease and other interpretations.

The standard has been applied using a modified retrospective approach with the cumulative impact recognised in the income and expenditure reserve on 1 April 2022. Upon initial application, the provisions of IFRS 16 have only been applied to existing contracts where they were previously deemed to be a lease or contain a lease under IAS 17 and IFRIC 4. Where existing contracts were previously assessed not to be or contain a lease, these assessments have not been revisited.

The Trust as lessee

For continuing leases previously classified as operating leases, a lease liability was established on 1 April 2022 equal to the present value of future lease payments discounted at the Trust's incremental borrowing rate of 0.95%. A right of use asset was created equal to the lease liability and adjusted for prepaid and accrued lease payments and deferred lease incentives recognised in the statement of financial position immediately prior to initial application. Hindsight has been used in determining the lease term where lease arrangements contain options for extension or earlier termination.

No adjustments have been made on initial application in respect of leases with a remaining term of 12 months or less from 1 April 2022 or for leases where the underlying assets has a value below £5,000. No adjustments have been made in respect of leases previously classified as finance leases.

2021-22 comparatives

Comparatives for leasing transactions in these accounts have not been restated on an IFRS 16 basis. Under IAS 17 the classification of leases as operating or finance leases still applicable to lessors under IFRS 16 also applied to lessees. In 2021-22 lease payments made by the Trust in respect of leases previously classified as operating leases were charged to expenditure on a straight line or other systematic basis.

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 1.70% in real terms (prior year: minus 1.30%).

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 2022-23.

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

IFRS 16 Leases – application of liability measurement principles to PFI and other service concession arrangements

From 1 April 2023, the measurement 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. Such remeasurements will be recognised as a financing cost. Under existing accounting practices, amounts relating to changes in the price index are expensed as incurred.

Initial application of these principles will be on 1 April 2023 using a modified retrospective approach with the cumulative impact taken to reserves. This is expected to result in an increased PFI liability on the statement of financial position. The effect of this has not yet been quantified.

2.1 Income from patient care activities (by nature)

	2022-23	2021-22
	£000s	£000s
Acute services		
Aligned payment & incentive (API) contract income * / system block income	**534,975**	549,076
High cost drugs income from Commissioners **	**22,030**	1,269
Other NHS clinical income	**377**	514
Community services		
Income from commissioners under API contracts * / system block income	**47,000**	45,253
All trusts		
Additional pension contribution central funding ***	**18,339**	17,039
Agenda for change pay award central funding ****	**17,392**	0
Elective recovery fund	**17,170**	15,442
Other clinical income	**32,164**	24,101
Total income from patient care activities	**689,447**	652,694

* Aligned payment and incentive contracts are the main form of contracting between NHS providers and their commissioners. More information can be found in the 2022-23 National Tariff payments system documents. (https://www.england.nhs.uk/publication/past-national-tariffs-documents-and-policies/).

** In 2021-22, £13.6m high cost drugs income was included within System block income for Acute services.

*** The employer contribution rate for NHS pensions increased from 14.3% to 20.6% (excluding administration charge) from 1 April 2019. Since 2019-20, NHS providers have continued to pay over contributions at the former rate with the additional amount being paid over by NHS England on providers' behalf. The full cost and related funding have been recognised in these accounts.

**** The cost to the Trust of this pay award, which is included within staff and executive directors costs in the operating expenses note and other payables in the payables note, has been estimated at £21.8m.

2.2 Income from patient care activities (by source)

	2022-23	2021-22
	£000s	£000s
NHS England	**111,150**	83,939
Clinical commissioning groups *	**137,558**	564,549
Integrated care boards *	**433,494**	0
Other NHS bodies	**2,158**	3,988
Other	**5,087**	218
Total income from patient care activities	**689,447**	652,694

All income from patient care activities relates to contract income.

* On 1 July 2022, Clinical Commissing Groups were dissolved and replaced by Integrated Care Boards.

3. Other operating income

	2022-23	2021-22
	£000s	£000s
Education and training	**27,241**	24,753
Non-patient care services to other bodies	**4,955**	6,990
Reimbursement and top up funding	**3,610**	8,741
Other contract operating income	**10,852**	5,955
Non-contract operating income	**2,037**	1,883
Total other operating income	**48,695**	48,322
Total operating income	**738,142**	701,016

4. Operating expenses

	2022-23	2021-22
	£000s	£000s
Purchase of healthcare from non-NHS and non-DHSC bodies	**9,034**	10,839
Staff and executive directors costs - *refer to note 8.1 for further detail*	**509,956**	472,703
Supplies and services - clinical	**44,440**	46,233
Supplies and services - general	**8,554**	7,737
Drugs costs	**52,108**	46,798
Establishment	**7,884**	8,143
Business rates paid to local authorities	**2,100**	2,815
Premises - other	**26,401**	23,816
Depreciation on property, plant and equipment	**17,848**	11,562
Amortisation on intangible assets	**4,909**	3,492
Net impairments	**(7,570)**	(10,685)
Clinical negligence premium	**21,664**	20,314
Education and training	**6,925**	4,372
Expenditure on short term leases	**415**	0
Rentals under operating leases	**0**	9,914
PFI charges to operating expenditure	**12,440**	11,303
Other operating expenses	**4,915**	10,216
Total operating expenses	**722,023**	679,572

Other operating expenses include £1.5m for transport services (2021-22: £1.4m), £1.2m for outsourced financial services (2021-22: £1.1m), £0.4m for consultancy services (2021-22: £1.3m), £0.1m for car parking and security services (2021-22: £1.8m) and £0.1m for internal audit services (2021-22: £0.3m).

5. Impairment of assets

	2022-23	2021-22
	£000s	£000s
Net impairments charged to operating surplus / deficit resulting from:		
Changes in market price	**(7,570)**	(10,685)
Total net impairments charged to operating surplus / deficit	**(7,570)**	(10,685)
Impairments charged to the revaluation reserve	**556**	138
Total net impairments	**(7,014)**	(10,547)

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 (2021-22: £89,400). Other auditor remuneration in 2022-23 was nil (2021-22: nil).

There is no limitation on the auditor's liability for external audit work (2021-22: nil).

7. Better Payment Practice code

	2022-23		2021-22	
	Number	**£000s**	Number	£000s
Non-NHS payables				
Total non-NHS trade invoices paid in the year	**99,960**	**378,859**	107,403	419,051
Total non-NHS trade invoices paid within target	**93,585**	**368,712**	103,588	406,953
Percentage of non-NHS invoices paid within target	**93.6%**	**97.3%**	96.4%	97.1%
NHS payables				
Total NHS trade invoices paid in the year	**2,314**	**36,148**	2,605	36,046
Total NHS trade invoices paid within target	**2,233**	**35,775**	2,476	35,140
Percentage of NHS invoices paid within target	**96.5%**	**99.0%**	95.0%	97.5%

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.

8.1 Employee benefits

	2022-23	2021-22
	£000s	£000s
Salaries and wages	**385,134**	358,593
Social security costs	**43,236**	37,224
Employer contributions to NHS Pensions	**41,822**	38,862
Employer contributions to NHS Pensions paid by NHSE on behalf of Trust	**18,339**	17,039
Other costs	**2,167**	1,923
Temporary agency staff	**21,202**	20,556
Total staff costs	**511,900**	474,197
Employee costs capitalised	**1,944**	1,494
Total staff costs excluding capitalised costs	**509,956**	472,703

8.2 Retirements due to ill-health

During 2022-23 there were 6 early retirements from the Trust agreed on the grounds of ill-health (2021-22: 5 early retirements). The estimated additional pension liabilities of these ill-health retirements is £0.4m (2021-22: £0.5m). 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.

Expected contributions to the Schemes for the 2023-24 financial are £45.6m. However, 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 2023, is based on valuation data as at 31 March 2022, updated to 31 March 2023 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 at 20.6% of pensionable pay.

The actuarial valuation as at 31 March 2020 is currently underway and will set the new employer contribution rate due to be implemented from April 2024.

9. Finance expenses

	2022-23	2021-22
	£000s	£000s
Interest expenses		
Main finance costs on PFI obligations	**4,183**	3,671
Contingent finance costs on PFI obligations	**6,892**	4,541
Other interest expenses	**140**	54
Total interest expenses	**11,215**	8,266
Provisions - unwinding of discount	**(43)**	(34)
Total finance expenses	**11,172**	8,232

10. Intangible assets

	2022-23			2021-22
	Software licences	Assets under construction	Total	Total
	£000s	£000s	£000s	£000s
Gross cost at 1 April	**25,279**	**12,067**	**37,346**	21,182
Transfers by absorption	0	0	**0**	(325)
Additions - purchased	2,241	9,763	**12,004**	12,860
Reclassifications	(178)	0	**(178)**	3,629
Gross cost at 31 March	**27,342**	**21,830**	**49,172**	37,346
Amortisation at 1 April	**13,370**	**0**	**13,370**	9,878
Charged during the year	4,909	0	**4,909**	3,492
Reclassifications	(89)	0	**(89)**	0
Amortisation at 31 March	**18,190**	**0**	**18,190**	13,370
Net book value as at 31 March	**9,152**	**21,830**	**30,982**	23,976

11.1 Property, plant and equipment valuation information

For 2022-23, Cushman & Wakefield, the Trust's external valuer, has provided an interim valuation of land and buildings as at 31 March 2023 on an alternative site valuation basis, which has resulted in a 6.5% increase in the value of land and buildings.

11.2 Property, plant and equipment (2022-23)

2022-23	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 2022	**7,154**	**193,652**	**8,732**	**58,062**	**27,203**	**12,448**	**307,251**
Additions	0	4,541	7,659	5,653	1,436	1,249	**20,538**
Reclassifications	0	837	(2,542)	1,705	178	0	**178**
Transfers to assets held for sale	(175)	(390)	0	0	0	0	**(565)**
Disposals / derecognition	0	0	0	(178)	0	(271)	**(449)**
Revaluation gains charged to the revaluation reserve	134	5,493	0	0	0	0	**5,627**
Revaluation losses charged to the revaluation reserve	0	(556)	0	0	0	0	**(556)**
Impairments charged to operating expenses	0	(2,635)	0	0	0	0	**(2,635)**
Reversal of impairments credited to operating expenses	508	9,697	0	0	0	0	**10,205**
Reversal of accumulated depreciation on revaluation	0	(4,830)	0	0	0	0	**(4,830)**
At 31 March 2023	**7,621**	**205,809**	**13,849**	**65,242**	**28,817**	**13,426**	**334,764**
Depreciation							
At 1 April 2022	**0**	**0**	**0**	**40,702**	**17,551**	**9,679**	**67,932**
Disposals / derecognition	0	0	0	(178)	0	(271)	**(449)**
Provided during the year	0	4,845	0	3,504	2,640	725	**11,714**
Reclassifications	0	0	0	0	89	0	**89**
Transfers to assets held for sale	0	(15)	0	0	0	0	**(15)**
Reversal of accumulated depreciation on revaluation	0	(4,830)	0	0	0	0	**(4,830)**
At 31 March 2023	**0**	**0**	**0**	**44,028**	**20,280**	**10,133**	**74,441**
Net book value at 31 March 2023	**7,621**	**205,809**	**13,849**	**21,214**	**8,537**	**3,293**	**260,323**
Asset financing:							
Owned	7,621	114,145	13,849	19,288	4,081	3,282	**162,266**
Donated	0	21	0	1,756	0	11	**1,788**
On-SoFP PFI contracts	0	91,643	0	170	4,456	0	**96,269**
Total at 31 March 2023	**7,621**	**205,809**	**13,849**	**21,214**	**8,537**	**3,293**	**260,323**

11.3 Property, plant and equipment (2021-22)

2021-22	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 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**
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**

12.1 Initial application of IFRS 16 to leases on 1 April 2022

IFRS 16 Leases as adapted and interpreted for the public sector by HM Treasury has been applied to leases in these financial statements with an initial application date of 1 April 2022. The standard has been applied using a modified retrospective approach without the restatement of comparatives. Practical expedients applied by the Trust on initial application are detailed in the leases accounting policy in note 1.15.

Reconciliation of operating lease commitments as at 31 March 2022 to lease liabilities under IFRS 16 as at 1 April 2022

	Total
	£000s
Operating lease commitments under IAS 17 at 31 March 2022	**20,472**
Impact of discounting at the incremental borrowing rate	**(288)**
IAS 17 operating lease commitment discounted at incremental borrowing rate	**20,184**
Less:	
Commitments for short term leases	**(19)**
Services included in IAS 17 commitment not included in the IFRS 16 liability	**(8,281)**
Other adjustments:	
Public sector leases without full documentation previously excluded from operating lease commitments	**5,799**
Other adjustments	**1,622**
Total lease liabilities under IFRS 16 as at 1 April 2022	**19,305**

Lease liabilities are included within borrowings in the statement of financial position, a breakdown of which is disclosed in note 17.2, including cash outflows.

12.2 Right of use assets

	Property	Plant & machinery	Total
2022-23	**£000s**	**£000s**	**£000s**
Cost or valuation			
At 1 April 2022	**0**	**0**	**0**
IFRS 16 implementation - adjustments for existing operating leases	15,006	4,299	**19,305**
Additions	8,571	0	**8,571**
Remeasurements of the lease liability	1,274	0	**1,274**
At 31 March 2023	**24,851**	**4,299**	**29,150**
Depreciation			
At 1 April 2022	**0**	**0**	**0**
Provided during the year	5,082	1,052	**6,134**
At 31 March 2023	**5,082**	**1,052**	**6,134**
Net book value at 31 March 2023	**19,769**	**3,247**	**23,016**

12.3 Maturity analysis of future lease payments at 31 March 2023

	Total
	£000s
Undiscounted future lease payments payable in:	
- not later than one year;	**7,461**
- later than one year and not later than five years;	**12,481**
- later than five years.	**5,197**
Total gross future lease payments	**25,139**
Finance charges allocated to future periods	**(2,049)**
Net lease liabilities at 31 March 2023	**23,090**

In total, £11.3m of future lease payments relate to DHSC group bodies.

12.4 Operating leases - prior year disclosures

	2021-22
	£000s
Operating lease expense	
Minimum lease payments	9,914
Total	**9,914**

12.4 Operating lease - prior year disclosures (continued)

	31 March 2022 £000s
Future minimum lease payments due:	
- not later than one year	7,150
- later than one year and not later than five years	13,322
Total	**20,472**

This note discloses costs incurred in 2021-22 and commitments as at 31 March 2022 for leases the Trust previously determined to be operating leases under IAS 17.

13. Inventories

	31 March 2023 £000s	31 March 2022 £000s
Drugs	**2,535**	2,768
Consumables	**6,484**	5,744
Energy	**191**	156
Total	**9,210**	8,668

Inventories recognised in expenses for the year were £71.7m (2021-22: £68.9m (restated)). Comparatives have been restated from £103.1m to remove expenses not related to inventories.

14. Receivables

	31 March 2023 £000s	31 March 2022 £000s
Contract receivables	**42,531**	23,729
Allowance for impaired contract receivables	**(3,288)**	(3,700)
Prepayments	**4,965**	5,987
VAT receivable	**2,269**	1,960
Other receivables	**1,760**	1,900
Total - current	**48,237**	29,876

In total, £33.2m of current receivables are receivable from NHS and DHSC group bodies (31 March 2022: £16.1m).

15. Cash and cash equivalents

As at 31 March 2023, cash and cash equivalents of £44.9m (31 March 2022: £63.3m) were almost entirely represented by cash deposited with the Governing Banking Service with a balance of less than £0.1m represented by cash in hand (31 March 2022: less than £0.1m).

16. Trade and other payables - current

		Restated *
	31 March 2023 £000s	31 March 2022 £000s
Trade payables	**11,352**	16,350
Capital payables (including capital accruals)	**17,857**	12,991
Accruals	**51,496**	30,254
Annual leave accrual	**5,359**	13,161
Social security costs	**5,410**	5,424
Other taxes payable	**4,830**	4,246
Pension contributions payable	**5,803**	5,433
Other payables	**397**	756
Total	**102,504**	88,615

* Comparatives have been restated to reclassify £7.7m of payroll related accruals previously included within other payables as accruals.

In total, £5.2m of current trade and other payables are payable to NHS and DHSC group bodies (31 March 2022 £7.4m).

17.1 Borrowings

	Current		Non-current	
	31 March 2023	31 March 2022	**31 March 2023**	31 March 2022
	£000s	£000s	**£000s**	£000s
DHSC loans	**201**	201	**200**	400
Obligations under PFI contracts	**3,710**	4,026	**87,082**	90,792
Lease Liabilities	**7,101**	0	**15,989**	0
Total	**11,012**	4,227	**103,271**	91,192

17.2 Reconciliation of liabilities arising from financing activities (2022-23)

	DHSC loans	Lease liabilities	PFI schemes	Total
	£000s	**£000s**	**£000s**	**£000s**
Carrying value at 1 April 2022	**601**	**0**	**94,818**	**95,419**
Cash movements:				
Financing cash flows - principal	(200)	(6,235)	(4,026)	**(10,461)**
Financing cash flows - interest	(7)	0	(4,183)	**(4,190)**
Non-cash movements:				
Impact of implementing IFRS 16 on 1 April 2022	0	19,305	0	**19,305**
Additions	0	8,571	0	**8,571**
Lease liability remeasurements	0	1,274	0	**1,274**
Interest charge arising in year	7	175	4,183	**4,365**
Carrying value at 31 March 2023	**401**	**23,090**	**90,792**	**114,283**

17.3 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 - principal	(200)	(2,825)	**(3,025)**
Financing cash flows - interest	(10)	(3,671)	**(3,681)**
Non-cash movements:			
Interest charge arising in year	10	3,671	**3,681**
Carrying value at 31 March 2022	**601**	**94,818**	**95,419**

18. Other liabilities

Other liabilities consists entirely of deferred income.

19. Clinical negligence liabilities

At 31 March 2023, £377.4m was included in provisions of NHS Resolution in respect of clinical negligence liabilities relating to the Trust (31 March 2022: £577.6m).

20.1 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
Through the construction of the phase 5 block, together with the energy and laundry centre, which have been operational since July 2006, this scheme has provided a single hospital site within the Blackburn locality. The contract term is 35 years.

20.1 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 and outpatient 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.

20.2 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 2023	31 March 2022
	£000s	£000s
Gross PFI obligations of which are due	**143,581**	140,472
- not later than one year	**8,670**	8,210
- later than one year and not later than five years	**34,063**	31,006
- later than five years	**100,848**	101,256
Finance charges allocated to future periods	**(52,789)**	(45,654)
Net PFI obligations of which are due	**90,792**	94,818
- not later than one year	**3,710**	4,026
- later than one year and not later than five years	**16,200**	16,158
- later than five years	**70,882**	74,634

20.3 Total on-SoFP PFI arrangement commitments

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

	31 March 2023	31 March 2022
	£000s	£000s
Total future payments committed in respect of PFI arrangements	**604,618**	596,347
- not later than one year	**29,355**	27,129
- later than one year and not later than five years	**124,947**	115,470
- later than five years	**450,316**	453,748

20.4 Analysis of amounts payable to PFI operator

	2022-23	2021-22
	£000s	£000s
Unitary payment payable to PFI operator	**27,089**	25,079
Consisting of:		
- Interest charge	**4,183**	3,671
- Repayment of finance lease liability	**4,026**	2,825
- Service element and other charges to operating expenditure	**7,564**	7,340
- Lifecycle costs	**4,424**	6,702
- Contingent rent	**6,892**	4,541
Other amounts paid to operator due to a commitment under the service concession contract but not part of the unitary payment	**2,946**	2,033
Total amount paid to service concession operator	**30,035**	27,112

21. External financing

	2022-23	2021-22
	£000s	£000s
Cash flow financing (from SOCF)	**25,173**	5,778
External financing requirement	**25,173**	5,778
External Financing Limit	**25,173**	5,778
Underspend against the External Financing Limit	**0**	0

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

22. Capital Resource Limit

	2022-23	2021-22
	£000s	£000s
Gross capital expenditure		
Property, plant and equipment	**20,538**	17,174
Intangible assets	**12,004**	12,860
Right of use assets	**9,845**	0
Total gross capital expenditure	**42,387**	30,034
Less: disposals of property, plant and equipment	**0**	(29)
Less: donated capital additions	**(41)**	(125)
Charge against the Capital Resource Limit	**42,346**	29,880
Capital Resource Limit	**42,346**	31,867
Underspend against the Capital Resource Limit	**0**	1,987

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

23.1 Breakeven duty - financial performance

	2022-23	2021-22
	£000s	£000s
Surplus for the year	**3,023**	10,376
Add back net impairments	**(7,570)**	(10,685)
Adjust losses on transfers by absorption	**0**	130
Remove impact of capital donations	**374**	300
Breakeven duty financial performance surplus / (deficit)	**(4,173)**	121

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	2022-23
	£000s	£000s	£000s
Breakeven duty in-year financial performance	2,478	121	(4,173)
Breakeven duty cumulative position	33,316	33,437	29,264
Operating income	1,224,128	701,016	738,142
Cumulative breakeven position as percentage of operating income	2.7%	4.8%	4.0%

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 (NHSE) 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, NHSE uses annual financial targets for NHS Trusts as the primary mechanism for financial control, which the Trust has met for 2022-23.

24.1 Financial instruments - financial risk management

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. Because of the continuing service provider relationship that the Trust has with Integrated Care Boards (ICBs), which replaced Clinical Commissioning Groups (CCGs) from 1 July 2022, and the way ICBs 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.

24.1 Financial instruments - financial risk management (continued)

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.

Liquidity risk
Operating costs are incurred under contracts with ICBs 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 2023	31 March 2022
	£000s	£000s
Financial assets held at amortised cost		
Trade and other receivables excluding non financial assets	**41,306**	21,530
Cash and cash equivalents	**44,882**	63,285
Total	**86,188**	84,815

	31 March 2023	31 March 2022
	£000s	£000s
Financial liabilities held at amortised cost		
Trade and other payables excluding non financial liabilities	**92,264**	78,945
Obligations under PFI contracts	**90,792**	94,818
Obligations under leases	**23,090**	0
Other borrowings	**401**	601
Total	**206,547**	174,364

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

24.3 Maturity of financial liabilities

	31 March 2023	31 March 2022
	£000s	£000s
In one year or less	**108,600**	87,363
In more than one year but not more than five years	**46,746**	31,412
In more than five years	**106,045**	101,256
Total	**261,391**	220,031

25. Losses and special payments

	2022-23		2021-22	
	Total value of cases	**Total number of cases**	Total value of cases	Total number of cases
	£000s		£000s	
Losses				
Cash losses	**1**	**8**	1	6
Stores losses and damage to property	**0**	**0**	0	1
Total losses	**1**	**8**	1	7
Special payments				
Ex gratia payments	**581**	**86**	578	69
Special severance payments	**5**	**1**	0	0
Total special payments	**586**	**87**	578	69
Total losses and special payments	**587**	**95**	579	76

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 (demised 1 July 2022)
NHS Blackpool Clinical Commissioning Group (demised 1 July 2022)
NHS East Lancashire Clinical Commissioning Group (demised 1 July 2022)
NHS England
NHS Resolution
NHS Lancashire and South Cumbria Integrated Care Board
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 2022-23, this reimbursement amounted to £0.2m (2021-22: £0.2m). The Charity also donated capital assets with a value of less than £0.1m to the Trust (2021-22: £0.1m).

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 2022 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 2023, the Trust had £7.1m of contractual capital commitments (31 March 2022: £11.9m), which are expected to have been met within a year and relate to capital building projects.

28. Events after the end of the reporting period

In March 2023 the government announced an additional pay offer for 2022-23, in addition to the pay award earlier in the year. £17.4m of additional funding was made available by NHS England (NHSE) for implementing this pay offer for 2022-23 which has been included in these accounts as guided by the Department of Health and Social Care and NHSE, although the Trust estimated the cost of the pay offer at £21.8m. In May 2023, the Government confirmed this offer will be implemented as a further pay award in respect of 2022-23 based on individuals in employment at 31 March 2023.

Otherwise, there are no material events after the end of the reporting period to disclose.

Appendix 3

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 2023, 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 2022/23 as contained in the Department of Health and Social Care Group Accounting Manual 2022/23, 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 statement:

- give a true and fair view of the financial position of the Trust as at 31 March 2023 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 2022/23; 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, and taking into account the requirements of the Department of Health and Social Care Group Accounting Manual, 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, 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 2022/23 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 public sector 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 Accountable 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.
- addressing the risk of fraud in revenue recognition specifically around year end
- addressing the risk of fraud in expenditure by performing testing of expenditure and accruals in the final quarter of the year.

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 2023.

On the basis of our work, having regard to the guidance issued by the Comptroller and Auditor General in January 2023, we have identified the following significant weakness in the Trust's arrangements for the year ended 31 March 2023.

In June 2022 we identified a significant weakness in relation to financial sustainability for the 2021/2022 year. In our view this significant weakness remains for the year ended 31 March 2023:

Significant weakness in arrangements – issued in a previous year	Recommendation
The Trust's deficit plan and reliance on identifying high levels of savings from its waste reduction programme 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 Accountable Officer's responsibilities, 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 January 2023.

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 England; 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

28 June 2023