









Annual Report

2015/16

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Foreword

Welcome to our Annual Report and Accounts for 2015/16. This has been a successful year where we have continued to focus on the delivery of safe, personal and effective care to the communities we serve.

In May 2016, the Care Quality Commission (CQC) published their report of the inspection they carried out in October 2015. The report recognised the great improvements we have made to ensure that our services are safe, effective, caring, responsive and well-led. The CQC report confirmed the Trust has a clear vision, objectives, values, operating principles and improvement priorities. The hospital services were supported by strong governance processes and staff demonstrated their involvement in the working of the Trust. A 'Harm free care' strategy, introduced 12 months ago has improved the way the Trust learns and improves its services. The report was also keen to point out that the Trust's Mortality rates have also improved year on year.

We hope that this report will give you a good indication of the progress we have made in all these areas over the course of the year.

Notably we have continued to work with our communities and all our stakeholders to ensure we listen and learn from your feedback, particularly given the challenges the National Health Service will continue to face in coming years.

Now we are facing the future with a focus on developing our services to provide sustainable integrated care pathways that meet the needs of our local community and provide a number of specialist services in the areas of greatest need for local families.

Essential to our success will be the continued support of our dedicated staff who continually rise to the challenge of the ever increasing demands we have experienced, in the Emergency Department; particularly over the winter.

Reports such as this one can only give a brief snapshot of a year in the life of an organisation, we hope you find it informative, and useful and, as always, would appreciate your feedback.



**Professor Eileen
Fairhurst**



Mr Kevin McGee

Performance overview

Introduction and Background

East Lancashire Hospitals NHS Trust (ELHT) was established in 2003 (Statutory Instrument 2002 No 2073) and is a large integrated health care organisation providing acute secondary healthcare for the people of East Lancashire and Blackburn with Darwen. Our population includes some of the most socially deprived areas of England.

We aim to deliver high quality, high value care and contribute to a health gain for our community. Located in Lancashire in the heart of north west England, with Bolton and Manchester to the South, Preston to the West and the Pennines to the East we have a combined population of approximately 530,000. We employ 7,500 staff, some of whom are internationally renowned and have won awards for their work and achievements. We offer care across five hospital sites, and various community locations, using state-of-the-art facilities.

- The Trust has a total of 1,079 beds, 25 theatres, two cardiac catheterisation laboratories, seven endoscopy rooms and operates five hospitals: Burnley General Hospital, Royal Blackburn Hospital, Clitheroe Community Hospital, Pendle Community Hospital and Accrington Victoria Community Hospital.

In addition to traditional NHS providers and private hospitals there are also a number of other independent sector healthcare providers who either operate small services within our footprint or in neighbouring areas where patients can have elective procedures. Our patients are also offered a range of specialist hospital services which are provided predominantly in Manchester and Liverpool.

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

Our absolute focus on our patients under the umbrella of our vision "to be widely recognised for providing safe, personal and effective care" was recognised in the Chief Inspector of Hospitals visit which took place in April and May 2014. From this inspection we were removed from "special measures" and rated as "requires improvement". In October 2015 the Trust underwent a further focused inspection by the CQC, from which both main hospital sites (Royal Blackburn and Burnley General hospitals) have now been rated as 'Good'.

The Chief Inspector of the Hospital team stated that our staff are caring, compassionate and respectful. They are wholeheartedly committed to the success of the organisation and are passionate about the services we provide. The Trust Board fundamentally believes we have the component parts to be able to provide high quality safe, personal and sustainable services to the local population.

The underlying performance position of the Trust has been good in 2015/16, with the exception of our compliance with the four-hour treatment target measured in the Emergency Department. Further details of our performance against key national, local access and treatment priorities can be found on page 10.

The Trust has successfully delivered cost savings over the past five years totalling in the region of £85 million. It is apparent that the National Health Service will continue to face growing demands on its services.



TRUST FACTFILE

- 1079 beds
- 25 theatres
- 2 cardiac catheterisation laboratories,
- 7 endoscopy rooms
- Sites:
 - Burnley General Hospital
 - Royal Blackburn Hospital
 - Clitheroe Community Hospital
 - Pendle Community Hospital
 - Accrington Victoria Community Hospital



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
- become a successful Foundation Trust.

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

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

In achieving the objectives our staff observe our operating principles:

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

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

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

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

Our services

We provide a full range of acute hospital and adult community services. We are a specialist centre for Hepatobiliary,

Royal Blackburn Hospital

provides a full range of hospital services to adults and children.

This includes:

- general, specialist medical and surgical
- full range of diagnostic (e.g. MRI, CT scanning) and support services.
- new operating theatres
- Urgent Care Centre
- Emergency Department
- state of the art inpatient facilities
- centralised outpatients department.

Burnley General Hospital

provides a full range of hospital services. This includes:

- general, specialist medical and surgical services
- full range of diagnostic (e.g. MRI, CT scanning) services
- specialising in elective treatments
- Urgent Care Centre for minor injuries and illnesses
- The Lancashire Women and Newborn Centre
- centralised consultant-led maternity unit
- Level 3 Neonatal Intensive Care Unit
- midwife-led birth centre
- purpose-built Gynaecology unit
- new East Lancashire Elective Centre (opening Autumn 2016)
- proposed Phase 8 development to include new specialist ophthalmology centre, inpatient and outpatient facilities

Pendle Community Hospital in Nelson provides

- inpatient intermediate care and medical beds
- medical and nursing care for people with long term conditions
- rehabilitation service for people following illness or injury.

Accrington Victoria Community Hospital

provides inpatient services and 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
- Inpatient Services
- Minor Injuries
- Occupational Therapy
- Outpatient Services
- Physiotherapy
- Renal Services
- 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 Day Unit service 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. The Trust also provides community services such as district nursing and health visiting in patients' homes.



Staff

The Trust is a major local employer. We recognise that our ongoing success is due to the hard work, dedication and commitment of all our staff and volunteers. During the course of the year the Trust has worked hard to recruit and retain staff, particularly nursing and medical staff.

Recognising that in order to provide consistent high standards of safe, personal and effective care means high staffing requirements at times of peak demand, the Trust continues to increase our Staff Bank and reduce the cost of agency staff.

As well as ensuring that we have the appropriate workforce numbers, the Trust has worked hard to recognise the importance of employee engagement. Our overall Organisational Development Strategy contains the Employee Engagement Strategy and a focussed staff engagement team is in place.

In addition to the information and data from the national NHS Staff Survey, we conduct more focussed surveys to enable staff to confidentially feedback their experience of working for the Trust. We do this regularly and then monitor the actions that have been taken to improve the staff experience.

Finance

Financial duties

The Trust reported a £7.9m revenue surplus as at 31st March 2016. £19.3m of this surplus relates to a technical gain following a capital to revenue exercise, supported by HM Treasury. The underlying in-year position for the Trust was a deficit of £11.5m. The surplus equates to 1.7% of turnover. This surplus is retained by the Trust and in the short term will help to improve the Trust's liquidity. The Trust delivered this outturn whilst continuing to support a significant

'safely releasing cost programme' (SRCP), improving the way it delivers services. In addition, the Trust achieved all its other financial duties as set out in the annual accounts from page 44 of this report.

Better Practice Payments Code

Although it is not a financial duty, Trusts are requested to ensure that 95% of undisputed invoices are paid within 30 days of receipt of the goods or invoice, whichever is the later. The Trust has improved upon last year's performance by improving the systems for processing payments.

Prompt Payments Code

The Trust continues to support the Department of Health's prompt payment code, an initiative developed by HM Treasury and the Institute of Credit Management (ICM). Details of this code can be found at www.promptpaymentcode.org.uk

Charges for information

The Trust does not make charges for information, save for those required in relation to medical records, in line with the relevant legislation. The Trust has complied with HM Treasury's

guidance on setting charges for information.

Investment Revenue

The Trust receives revenue from the interest earned on the management of its cash balances. Interest receivable in 2015-16 amounted to £178,000 compared with £239,000 earned in 2014-15.

Where our money comes from

In 2015-16 the Trust received total income of £467 million compared with £435 million in the previous year. Most of the Trust's income came from CCGs who purchase healthcare on behalf of their local populations. The Trust negotiates an annual contract with its CCGs for the payment of services. Much of this contract is driven by a nationally determined tariff.

For healthcare services provided to people living in East Lancashire and Blackburn with Darwen, the Trust received £363 million in 2015-16, with a further £104 million received for services to people from elsewhere.

Where our money goes

From a total spend of £462 million in 2015-16, £299 million or 65% was spent on the cost of salaries and wages. Throughout the year, the Trust employed an average of 6,863 staff including 532 doctors, 2,248 nurses, 1,243 healthcare assistants and 610 scientific and technical staff, 186 healthcare science staff, 2,037 administration and estate staff and seven board members.

A further £75 million was spent on clinical supplies and services such as drugs and consumables used in providing care to patients. In addition, the Trust spent £88 million on general costs relating to non-clinical, establishment, maintaining the premises and financing and capital-related costs.

The Trust has continued to invest in its healthcare facilities on all sites including the development of the Acute Medicine Unit B,

and significant investment in medical equipment including the investment to enable robotic-assisted, minimally-invasive surgery and IT equipment. The remainder of its estate investment focussed primarily on improving existing infrastructure and in continuing to rationalise the estate. In total the Trust invested £15.8 million in new building works, improvements and equipment across all its sites.

Counter Fraud

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

External Audit

The Trust appointed Grant Thornton to carry out the external audit of the 2015-16 accounts. The audit services provided in 2015-16 included the audit of the Trust's financial statements. The cost of these audits was £77,000.

Financial Outlook for 2016-17

The financial outlook for the National Health Service and the Trust continues to be extremely challenging. The effect of the wider economic position, combined with service pressures from increasing demand for services and public expectation means that Trusts must continue to drive efficiency savings. For 2016-17 the Trust will aim to release 3% of total resources as savings. After these savings the Trust is forecasting a £3.7m deficit as a result of savings not achieved in 2014-15. The focus in 2016-17 is on the achievement of a two-year transformational programme of £30m.

Over the next 12 months, the Trust will look continue to increase its focus on the pathways of care that it provides to patients. Improved outcomes for patients will support the Trust in driving productivity and efficiency gains, helping us to make the best of the resources that we have available to us.

The Trust will continue to develop and improve its sites and facilities.

Copies of the full accounts are available on request and enquiries should be addressed to:
Company Secretary
East Lancashire Hospitals NHS Trust
Royal Blackburn Hospital
Haslingden Road
Blackburn
BB2 3HH

Full accounts are also available on the Trust's website: www.elht.nhs.uk

Principal activities of the Trust

Our principal activities are to provide:

- elective (planned) operations and care to the local population in hospital and community settings
- non-elective (unplanned emergency or urgent) operations and care to the local population in hospital settings
- diagnostic and therapy services on an outpatient and inpatient basis to the local population in hospital and community settings
- specialist services within a network of regional and national organisations e.g. Level 3 Neonatal services, specialist surgery and cancer 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

All healthcare providers across the country are set a range of quality and performance targets by the Government, commissioners and regulators. 2015/2016 has been a challenging year for all providers due to increasing patient numbers, financial challenges, the increasing frailty of patients and service disruption due to industrial action. Generally though, our performance this year has been one of improvement, with many indicators being better than last year and compare very favourably with our local and national peers.

Particular highlights this year have included;

- the designation of the Trust as a major Vascular Centre for Lancashire and South Cumbria, with the newly expanded Vascular Centre opening in February 2016
- the Trust continued to be within the expected tolerances for mortality rates

- all national cancer targets continue to be met
- the Trust has one of the lowest levels of complaints in the country
- the Trust continues to receive a high response rate and positive scores for the "Friends and Family Test";
- the Trust being rated "Good" for being 'open and honest' with its public and patients
- the Referral to Treatment time for our patients continues to achieve the target
- the Trust had the highest staff 'flu vaccination rate in the country
- the Trust had very low infection rates from MRSA and C.Difficile
- the Rossendale Birth Centre celebrating its 200th birth on the 26th May 2015
- the first robotic prostatectomy took place in the Trust on 1st June 2015
- the new Acute Medical Unit opened to patients on 1st October 2015
- the Trust showed much improved results in the NHS Inpatient Survey published in May 2015
- the Trust continues to ensure it is compliant with safeguarding training for working with children and adults
- the Trust has been voted as one of the best places to work in the NHS; it has had a staff nurse shortlisted as a rising star in the Nursing Times Awards; it has had multiple nomination successes at the 2015 North West Leadership Academy Recognition Awards and; the multi-disciplinary team on Critical Care have won a network award.

You can read about these and many more successes, in the section of this annual report titled, "Our highlights of 2015/16".

Our key challenges in year have been in relation to a number of key performance targets.

Accident and Emergency

The national target is that 95% of all patients are seen and treated or discharged within four hours of their arrival on the emergency or urgent care pathway. Factors affecting performance include discharges from wards, high number of attendances (particularly of acutely ill patients), increasing numbers of frail elderly patients, very sick patients requiring intensive support and people not using other services in the community appropriately such as GP services and pharmacies.

A combination of these factors meant that the Trust experienced significant difficulties in meeting the required target in the last year.

Overall, performance against the Accident and Emergency four-hour standard remains under the 95% target at 92.5%. However, this performance compares well with other NHS acute providers and peer organisations, and is higher than the overall national performance for the year (91.9%).

	Target	2013/14	2014/15	2015/16
Percentage of patients treated in four hours or less	95%	93.5%	94.5%	92.5%
Number of patients (non-elective)		63,966	64,763	64,126

Referral to Treatment (18 weeks)

95% of all patients referred to a consultant-led service should be seen and treated within 18 weeks. If we cannot meet this target patients have the right to go elsewhere for their treatment. Overall the Trust meets this target but continues to experience issues in some directorates in ensuring that this is the case for every patient. We have faced challenges in relation to clinical demand, staff workload, cancelled elective admissions, recruitment and patients choosing to delay treatment or failing to attend appointments. We have actively sought to engage with patients at the beginning of their elective care pathway to ensure that they are aware of their rights to treatment and their responsibility to take an active part in their care. We hope that this focussed interaction will contribute to an improvement in those specialties experiencing difficulties.

The Trust has introduced a new reporting and tracking system for all patients who are on a Referral to Treatment (RTT) pathway, allowing services to identify patient who may require additional input to move them along the pathway to meet the RTT standard.

The Trust continued to meet the ongoing pathway target set by the Trust Development Authority to ensure that no less than 92% of patients on an ongoing pathway, at any time, are waiting less than 18 weeks. Numbers treated (either via an admitted or non-admitted pathway) are monitored, but no longer subject to contractual targets. However, the Trust has struggled to ensure that 90% of patients on an admitted pathway are treated within 18 weeks, since August 2015.

	Target	2013/14	2014/15	2015/16
Percentage of patients treated within 18 weeks on an admitted pathway	90%	91.8%	91.3%	87.5%
Percentage of patients treated within 18 weeks on a non-admitted pathway	95%	98.86%	98.4%	98.4%
Percentage of patients on an ongoing pathway under 18 weeks	92%	96.26%	96.6%	96.7%

Cancer

There are a number of targets that relate to people who either have cancer or are suspected of having cancer and requiring treatment. Referrals for suspected cancer must be seen within 14 days and patients who are undergoing investigation and subsequent treatment following a diagnosis of cancer should receive their treatment within 62 days of their referral.

At times such as summer holidays or Christmas, patients may choose to delay their appointments, which can pose a challenge, so we are working to ensure that we offer people appointments as early as possible following referral, so we can reappoint them within the target period should they wish to delay. We are also working to ensure that the organisation of tests, outpatient appointments and multi-disciplinary team meetings to discuss the care plan for our patients with cancer are as efficient as possible to avoid undue delays.

The national cancer data relating to our surgeons has indicated that there are no issues with their performance when compared with the rest of the country. Our performance in the National Cancer Survey indicated that there were areas of care we could improve upon and we have developed and deployed action plans to ensure we can continue to improve the quality and timeliness of the care we provide

	Target	2013/14	2014/15	2015/16	
Percentage of patients seen in two weeks or less of an urgent GP referral for suspected cancer	93%	96%	96.3%	96.5%	**up to Feb 16
Percentage of patients seen in two weeks or less of an urgent referral for breast symptoms where cancer is not initially suspected	93%	96%	96.1%	95.5%	**up to Feb 16
Percentage of patients receiving treatment within 31 days of a decision to treat	96%	97.3%	98.2%	99.1%	**up to Feb 16
Percentage of patients receiving subsequent treatment for cancer within 31 days where that treatment is surgery	94%	98.5%	95.1%	98.3%	**up to Feb 16
Percentage of patients receiving subsequent treatment for cancer within 31 days where treatment is an anti-cancer drug regime	98%	99.5%	100%	99.8%	**up to Feb 16
Percentage of patients receiving treatment for cancer within 62 days of an urgent GP referral for suspected cancer	85%	85.57%	86%	88.0%	**up to Feb 16
Percentage of patients receiving treatment for cancer within 62 days of referral from an NHS Cancer Screening Service	90%	96.76%	95.9%	97.9%	**up to Feb 16

Stroke

Stroke is a growing issue across the UK, yet it is a preventable and treatable disease and is no longer perceived simply as a consequence of ageing that inevitably results in death or severe disability.

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. We continue to perform well in most areas of the “gold standard” but have continued to experience 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 in increasing demands for non-elective services and the availability of beds.

	Target	2013/14	2014/15	2015/16
Percentage of stroke patients spending > 90% of their stay on a stroke unit	80%	84.17%	80.18%	81.35%
Percentage of stroke patients admitted to a stroke unit within four hours	90%	50.46%	55.79%	52.44%
Percentage of patients with TIA at higher risk of stroke seen and treated within 24 hours	60%	94.79%	62.87%	63.27%

Infection prevention and control

By reducing infections we can save lives and reduce unnecessary pain and suffering. Everyone has a part to play in infection prevention and control and we have dedicated staff to support education and training of all staff to ensure we maintain the highest possible standards of cleanliness and reduce the incidence of infections.

The Trust had a target of a maximum of 28 cases of Clostridium Difficile for 2015/16. Unfortunately there were 29 cases across the course of the year. There was one case of MRSA, the same figure as last year.

Although nationally the focus is on MRSA and Clostridium Difficile there are more common infections such as urinary tract, respiratory tract and surgical site infections which require equal vigilance. We recognise that everyone has a part to play in infection prevention and control. Robust infection practice is a priority reinforced through mandatory staff training and regular ongoing audits of infection prevention and control measures.

We have continued to reinforce the need for strict hand hygiene protocols across our sites and continue with detailed monitoring at a directorate and divisional level, with the introduction of divisional performance dashboards. Our dedicated infection control meeting is also attended by very senior clinicians in each Division to continue to reinforce the Trust's commitment to delivering safe care at every patient interaction.

	Target	2013/14	2014/15	2015/16
Methicillin-resistant Staphylococcus aureus (MRSA)	0	4	1	1
Clostridium Difficile infections	28	24	32	29

Cancelled elective procedures

We recognise that it is extremely difficult for patients having planned operations to have their procedures cancelled and when this occurs we aim to rearrange the operation within the following 28 days. For April 2015 to March 2016, five patients with an elective admission date that had been cancelled by the hospital were not provided with another admission date within the 28-day standard. A full root cause analysis took place to understand the reasons for the delay and ensure we share the learning across the Trust.

Staff indicators

A considerable amount of work has taken place to focus on staff engagement, listening and learning from staff experience and increasing the number of frontline care staff to improve the safety of patients and their experience of our services. The Trust's performance against key staff indicator targets is set out in the Staff report section (page 40).

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 partners at Blackburn with Darwen and Lancashire County Councils, we have put a significant effort into highlighting alternatives to single occupier car journeys and we will be installing electric car charging points across the estate.

Link to the emerging 'Sustainability and Transformation Plan'

Within Lancashire and South Cumbria there are five health economies. ELHT is part of the 'Pennine Lancashire' health economy.

Lancashire and South Cumbria experience great inequality with an average life expectancy significantly worse than the national average. It is recognised that the majority of the required transformation will need to take place in these areas. There will be a need in some areas to transform service across Lancashire and potentially beyond.

Three requirements:

Financial improvement - We estimate there is a recurrent resource gap of £805m facing the Lancashire health and social care economy over the next five years (£250m in Pennine Lancashire, £100m in ELHT). We intend to close this gap by greater standardisation of our clinical processes, by rationalising our estates and continuing to transform our workforce.

Access standards – With the exception of the four-hour standard, ELHT's performance is robust. In the course of 2015-16 we have altered our acute pathway which has seen a marked improvement in our performance; however we need to improve access to out of general hospital beds and find more resilient solutions to our workforce needs.

Improvements to seven-day services will continue to help (particularly in weekend diagnostics) and the ability of partners to provide the same level of service through the entire week.

Transformation – As a health economy, we see variability in services and duplication across a range of health and social care providers. We are keen to accelerate transformation in those areas where it is pragmatic to do so. Programme Management Offices have been established at organisational, area and county level. The case for change has been described and we are now entering the 'solutions phase'. This is likely to lead to a consultation phase in 2017 followed by implementation from 2017 through to 2020.

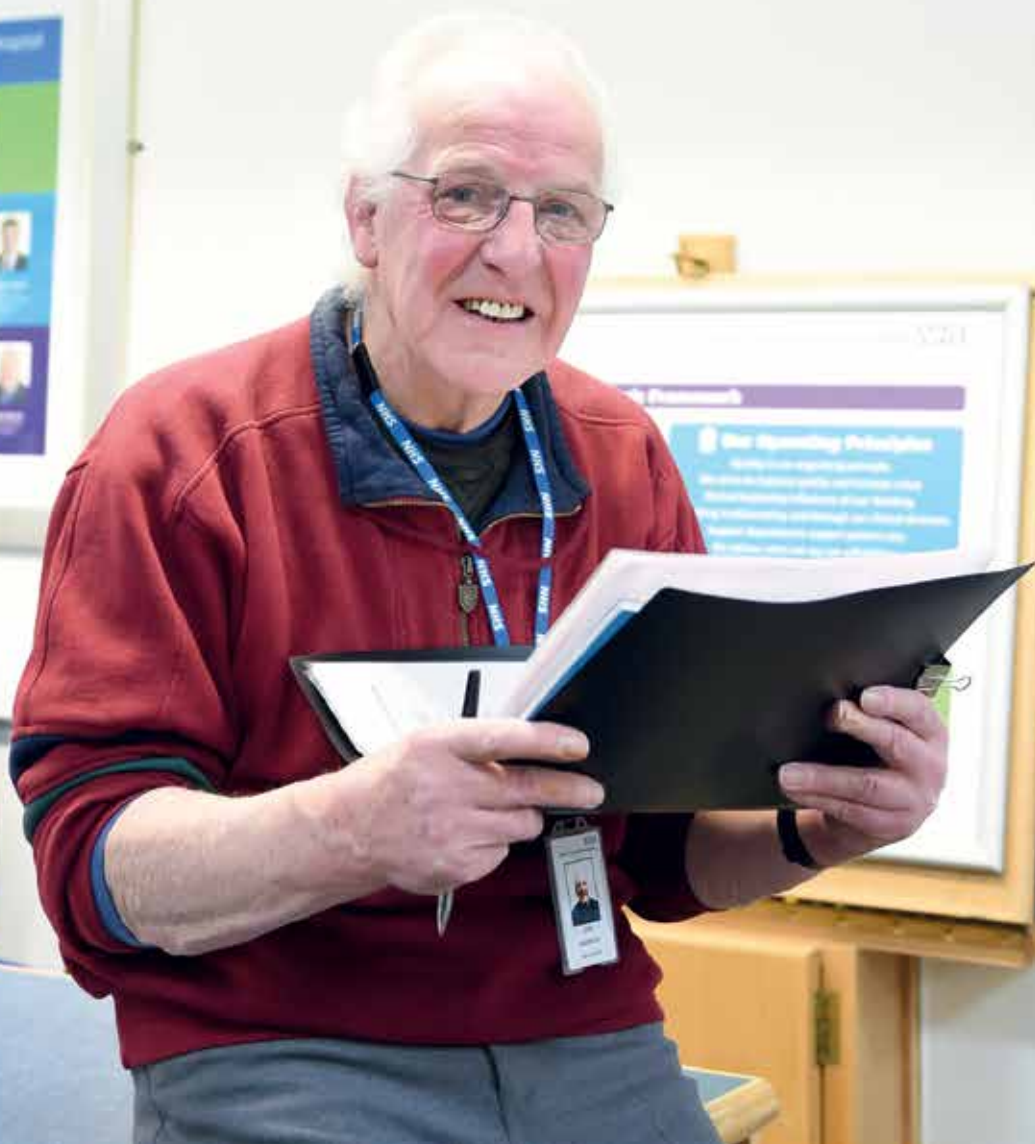
Local health and care system vision

The Pennine Lancashire leadership (ELHT, East Lancashire Clinical Commissioning Group, Blackburn with Darwen Clinical Commissioning Group, Lancashire Care NHS Foundation Trust, Blackburn with Darwen Council and Lancashire County Council) have confirmed an intention to work together on the formation of an accountable care system. Within this it is currently assumed that ELHT will continue as the single largest provider of secondary care services to the community of Pennine Lancashire. Working with key partners, ELHT is likely to help to provide solutions in elements of primary care and the development of neighbourhood services. In line with the Five Year Forward View this is likely to include adult social services.

Principal risks

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

Patient Advice & Liaison Services Welcome



Our highlights 2015/16



Trust named in Top 100 'Best Places to Work'

The Trust has featured in the 'Top 100 Health Service Journal (HSJ) & Nursing Times Best Places to Work' - an annual celebration of the UK's elite public sector healthcare employers. We were also one of only 42 selected Acute Trusts recognised as leading the way as a 'best place to work'.

This accolade was awarded following the results of our annual staff survey. This is compiled into reports about

Trusts that are made public by the NHS and the Picker Institute.

The Best Companies Group was able to use this information to analyse the organisations, determine who was in the top 100, and to create benchmark reports used by HSJ.

Our data was categorised into seven different core focus areas to determine how good we were in each of the areas.

The core focus areas are:

- Leadership and planning
- Corporate culture and communications
- Role satisfaction
- Work environment
- Relationship with supervisor
- Training and development
- Employee engagement and employee satisfaction.

Appointment of Staff Guardian

In September 2015, the Trust became only the third NHS Trust in the country to appoint to the influential Staff



Guardian position, an initiative subsequently followed by 20 other NHS Trusts.

Lynne Barton has held several senior management posts during a 22-year tenure with the Trust in

a career for the NHS that spans over 40 years. Her role as Staff Guardian involves responding to any staff who raise concerns and ensuring this is common practice across the organisation.



Urology Robot

The first robotic prostatectomy (removal of the prostate gland) using the Da Vinci robot commissioned by the Urology directorate took place on 1st June 2015 in theatres at the Royal Blackburn Hospital. The team, led by Clinical Director Mr Shahid Islam and Consultant Urological Surgeons Mr Mohan Pillai and Mr Mohammed Masaarane, are now carrying out around two surgeries a week with patients from East Lancashire and outside the area – making us the first Trust in

Lancashire to offer robotic-assisted urological surgery.

The robot brings with it huge clinical benefits for patients as it gives the surgeon the opportunity to remove the prostate gland with a high degree of precision. This more precise cancer removal results in less pain and shorter recovery period and hospital stay as the surgery is far less invasive; less requirement for radiotherapy; improved long term outcomes for continence and potency and a quicker return to normal activities.

200th birth at Rossendale Birth Centre

The Rossendale Birth Centre celebrated its 200th birth on 26th May with a baby boy born to mum, Hannah Ward.

The Rossendale Birth Centre, which is based alongside Rossendale Primary Care Centre, has two birth rooms, offers care

to women 24 hours a day and supports women during the night on an on-call basis.

Opened in 2011, the Centre continues to be a popular option for local mums with around 1 in 3 of all Rossendale births taking place at the unit.

Vascular Specialist Centre

Following the designation of the Trust as a major Vascular Interventional Centre for Lancashire and South Cumbria, the Vascular Specialist Centre opened in February 2016. The newly-expanded vascular service offers both an emergency and elective service thanks to the resources of highly-trained vascular surgeons, interventional radiologists and a full medical and nursing support team. The centre comprises an 18-bedded ward and a one-stop diagnostic service which allows specialist investigations to be performed at the same time as a specialist consultation.

Additionally, the ward sits alongside a refurbished operating theatre which combines X-ray and surgical operating equipment. This ultra-modern facility is known as a “hybrid theatre” and it enables the team at Blackburn to offer the best of open surgical and minimally invasive radiological procedures at the same time.

Both the ward and operating theatre are the result of significant investment by the Trust in the care of vascular patients and provide state-of-the-art specialist vascular care with additional consultants, nursing and support staff.



Nursing Times 'Rising Star' nomination for Sarah

Sarah Williams, a staff nurse in the Emergency Department at the Royal Blackburn Hospital, was shortlisted for the Rising Star award at the *Nursing Times Awards 2015*. Sarah, who qualified as a nurse in March 2014, was secretly nominated for the award by one of her patients, William Woodcock. He was under Sarah's care for a number of days on the Medical Assessment Unit where she worked prior to joining the Emergency Department in April 2015.

William's entry submission praised Sarah for her care and her "smile and friendly manner" adding that "although she was relatively newly qualified, the depth of her knowledge was staggering and she put me and my family at ease by explaining



everything that was happening. I honestly wouldn't be alive if it wasn't for the care and attention she showed to me and when I moved to a different ward she came up a week later to see how I was getting on."



End of life care improvements

The National Care of the Dying Audit of Hospitals, published by the Royal College of Physicians, examined the clinical care of over 9,000 end of life patients at NHS hospital Trusts across England and highlighted a number of improvements the Trust had made during the last two years.

Examining the care and compassion provided for 80 patients in the last days of life in East Lancashire, the Audit showed that the Trust is well above national average (41 per cent) in listening to the concerns of patients able to communicate their opinions. It also reported that the End of Life Care delivered was better than the national average for recognising the needs of persons important to the patient.

Redesigned Acute Medical Care

Phase one of the new Acute Medical Unit opened its doors in October 2015 following a full redesign of the way the Trust delivers acute medical care. The redesign, which is taking place in two phases, will see the former Medical Assessment Unit at the Royal Blackburn Hospital fully transformed into an 82 bedded acute medical unit to better co-ordinate the care needs of patients and meet demand.

The philosophy of the Acute Medical Care is to identify patients' needs at an early stage in their treatment and direct them to the correct

care pathway. In the first six months, over 15,000 patients passed through the unit with patients experiencing fewer ward moves than before; 45% of patients discharged directly from the Unit and a smaller number of patients being readmitted to hospital within seven days.



New Midwife-led Sonography Service



The Trust launched a new Midwife-led Sonography Service in February 2016 which aims to quickly detect foetal growth restriction in mums-to-be and reduce stillbirths.

The service is run by midwife, Julie Dimpleby, whose role is to scan mums-to-be who are referred by community midwives following growth concerns when their baby is measured at antenatal appointments. Julie spent a year completing a course at Birmingham University in 'Third Trimester Foetal Surveillance' and

carrying out hours of clinical practice within the department – all fitted round her regular working role. The result is that women no longer have to wait for a departmental ultrasound scan appointment, which can cause additional stress and anxiety, and are seen within 72 hours – with 35 slots available each week, this is often much quicker. Julie can then identify any growth restricted babies and, with the consultant team, put a management plan in place for a safe delivery immediately.

Significant improvement in Inpatient Survey

The Trust improved significantly in the national NHS Inpatient Survey following results published in May 2015.

The survey, carried out by the Picker Institute on behalf of the Trust, asked respondents 60 questions relating to the patient journey and also gives them the opportunity to rate their overall experience. The results showed a significant improvement in a number of areas including cleanliness of hospital toilets; availability of hand wash gels; presence of nurses on duty; communication on what to expect to feel like following surgery; being treated with respect and dignity and the overall experience of their stay in hospital.

The Trust also scored better than the national average when questioned about single sex bath and shower facilities; noise at night from staff; cleanliness of ward toilets and nurses talking in front of patients.

Team reduces pressure ulcers

The Burnley and Hyndburn District Nursing team set up a project to work jointly with a number of residential homes in their local areas (chosen because of the high prevalence of pressure ulcers or safeguarding concerns) to reduce pressure ulcers among the elderly residents.

After surveying care staff in the homes, they found that they often didn't know what pressure ulcer information to give to residents and families and hadn't had training on pressure ulcer prevention but were keen for more information and support.

The District Nurses used this

knowledge to put in place a number of changes:

- Developed pressure ulcer prevention booklets aimed specifically at care home staff and shared learning resources with care home managers
- A named district nurse allocated to each care home
- Dressing packs issued to allow care home staff to temporarily replace soiled or displaced dressings until a District Nurse can visit
- A warning system is in place to the care homes to be used when a resident requires a reposition change





Serenity Suite opened

A second Butterfly Serenity Suite opened at the Central Birth Suite at Burnley General Hospital.

The Serenity Suite is a room for families to use who have suffered either a stillbirth, mid-term or late-term pregnancy loss to spend time with their baby to say goodbye. A normal environment birth room is not appropriate at such a difficult time.

Joanne and Mark Edwards, whose son was stillborn at the Trust in March 2013, worked with staff and other families to raise funds to provide a second suite, raising more than £30,000 to refurbish and update the original serenity suite and provide miscarriage keepsakes and memory boxes for future patients.

Awards success

Rachel Thorpe, midwife at Burnley General Hospital, was awarded the 'Birth Professional' of the Year award at the national 'Butterfly Awards' which celebrate Survivors and Champions of Baby Loss.

Rachel was nominated by Joanne Edwards who she first met in 2013 when she delivered Joanne's baby Luke who was stillborn as a result of the rare chromosome disorder Trisomy 13. Joanne and husband Mark went on to set up the charity 'Friends of Serenity' raising funds to help other families who have lost babies. The charity won awards for 'Best Cherished Keepsake' for the memory boxes and miscarriage keepsakes for parents and families that they provide and 'Best Charity Support Organisation' for their support and fundraising in enabling the Trust to open the second Butterfly Serenity Suite.



Care to Make a Difference

The Trust's recruitment campaign for doctors and nurses continued with recruitment to key vacancies across the Trust.

Work is being carried out to ensure that we retain as many of these staff members as possible, particularly student nurses. This was supported

by a rise in the number of apprentices recruited to work in supporting areas across the organisation. The Trust ran a number of medical and non-medical careers days for local schools and colleges to promote the Trust as a local employer with a range of roles.

Flu vaccination uptake is best

83.5% members of staff at the Trust showed their commitment to patient safety by receiving the flu vaccination, giving the Trust its highest uptake rate ever, placing it as one of the top Acute Trusts in the country.

This was more than last year's figure of 80.1% and far surpassed the national target of 75%, ensuring the Trust received its additional funding for winter pressures.





First Bereavement Midwife

Louise Bardon was appointed in August 2015 as the Trust's first dedicated Bereavement Support Midwife.

Louise takes a strategic role ensuring that the care being delivered: she is also a link between the midwives on the ward and families and signposts to external organisations.

Louise also works with and supports families who provide the department with charitable donations, including memory boxes and cold cots and use their experiences to help improve the service provided to families who have suffered a stillbirth or pregnancy loss.



Refer-to-Pharmacy initiative

'Refer-to-Pharmacy', an innovative electronic tool which sees patients receiving a bespoke appointment with their local community pharmacist on discharge from hospital, officially launched in December 2015.

'Refer-to-Pharmacy', which has the backing of the Royal Pharmaceutical Society, is the first of its kind in England. It sees inpatients visited by a hospital pharmacist or pharmacy technician before discharge.

An electronic referral appointment set up with the community pharmacist with all their medication information for when they return home, to ensure that they are taking their medicines correctly.





Success of 1-1 Care

The Trust has been part of a national quality improvement project to enhance the quality and experience for patients receiving 1-to-1 care. Alongside this, there has been a focus on reducing the cost of spending for agency and bank nursing. In total, 16 Trusts around the country are involved in this project with ELHT ranked as one of the most successful organisations in achieving this aim.

Following a successful trial, best practice interventions are being rolled out across all ward areas which include: coding on E-Roster, patient information leaflet, risk assessment tool, nurse pocket cards with standard rules, activity log and communication aids to assist nurses discussing 1-1 care with the patient's relatives and families.

Critical Care Network Award



The multi-disciplinary team of Doctors, Nurses and Pharmacy staff on the Critical Care Unit, led by Critical Care Consultants Dr Justin Roberts and Dr Paul Dean, received the Sarah Brookfield Award from the Lancashire and South Cumbria Critical Care Network Award in recognition of their successful research to improve the effectiveness of sepsis medication.



One of the best for children

The Trust was rated one of the best in England by children, parents and carers who took part in the first-ever Children and Young People's Inpatient Survey conducted by the Care Quality Commission (CQC) with results published in July 2015.

The Trust received a rating of 'better than expected' in communicating with children and parents about their child's hospital stay; keeping parents/carers informed and providing advice about caring for children after



discharge.

A score of 9.9 out of 10 was also achieved in the rating of safety of younger children aged seven and under.

Bereavement care champion

Trust Night porter John Jackson, received the title 'Bereavement Care Champion' from colleagues led by Chaplaincy & Bereavement



Care Manager Rev. Andrew Horsfall and Bereavement Care Nurse, Erin Bolton, in recognition for the compassionate care he provides for patients' families visiting the Royal Blackburn Hospital.

John volunteered to stand up at an event to launch the Trust's Bereavement Care Strategy in October 2015, telling 100 guests why his job means so much to him.



Trust rated 'good' for openness and honesty

The Trust was rated 'good' for its openness and honesty in the first national 'Learning from Mistakes League' published by the Department of Health in March 2015.

The 'Learning from Mistakes League' ranks 230 NHS Trusts up and down the country against three 'key findings': fairness and effectiveness of procedures for reporting errors; near misses and incidents; staff confidence and security in reporting unsafe clinical practice, and percentage of staff able to contribute towards improvements at work.

The rating was based on anonymous data gathered from the 2015 NHS Staff Survey and the National Reporting and Learning System. The Trust was considered to have 'good' levels of both openness and transparency. Initiatives to embed a culture of honesty and openness throughout the Trust have seen departments holding regular 'Share to Care' meetings to determine where improvements can be made.

Award for Trust MSK service



The Trust's Integrated MSK, Pain & Rheumatology Service - a new service model that includes a single point of access for all MSK, Orthopaedic, and Pain & Rheumatology referrals - was awarded a prestigious Best Practice Award from British Society for

Rheumatology.

The service topped the category of 'Service Configuration and Pathways' for a successful piece of work in close partnership with East Lancashire and Blackburn with Darwen Clinical Commissioning Groups.

Falls Response Service success

Following a successful year-long pilot in 2015, the Falls Response Service which sees an Occupational Therapist (OT) work alongside a paramedic responding to emergency calls from patients in the community who have fallen, became a permanent service in January 2016.

The service is currently running

Monday to Friday with plans to extend this to become a seven day service until 10pm each night.

The service means that patients who often have a long wait for an ambulance can be seen and triaged by the OT and paramedic partnership far more quickly, with 78% of all patients now remaining in their own home after the intervention.



Directors' report

Our Trust Board comprises the Chairman, six Non-Executive Directors and five Executive Directors as detailed in the Board profile below. The Director of Human Resources and Organisational Development, the Director of Service Development and the 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 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 the NHS Trust Development Authority, acting on behalf of the Secretary of State for Health. 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 10 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 the Chief Executive and Non-Executive Directors following a competitive interview process. The Medical Director, Dr Damian Riley, has been the only substantive Executive Director appointed in the year under review.

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

Eileen Fairhurst was appointed to the Trust on 9th February, 2014. She is a highly experienced Chair and has chaired a number of large, complex public and third sector organisations.

Eileen has been awarded an MBE in recognition of her contribution to the NHS.

Qualifications

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

Mr Kevin McGee, Chief Executive, September 2014 to present**Experience**

Kevin is a qualified accountant with over 20 years' experience of working within healthcare, with 15 years' experience at executive level. Prior to joining East Lancashire Hospital NHS Trust, he held a range of roles including Chief Executive of George Eliot Hospital NHS Trust, Director of Finance and Chief Operating Officer in large acute hospitals and Director of Commissioning and Performance Management at a Teaching Primary Care Trust.

Qualifications

BA (Hons)
MSc

Member of the Chartered Institute of Public Finance and Accountancy

Mr Peter Rowe, Non-Executive Director, 2013 to present, Vice Chairman February 2015 to present**Experience**

Peter Rowe was appointed on 1st April 2014. He qualified as a pharmacist in 1974 and has held posts in hospitals, the community and Health Authorities in most regions in England. Peter retired from the NHS and the Department of Health at the end of 2011 and now works on a consultancy basis for the NHS Commissioning Board, the pharmaceutical industry and the private sector.

Peter was a Non-Executive Director of Skills for Health until March 2013.

Peter's appointment will expire in 2017.

Qualifications

Member of the Royal Pharmaceutical Society

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

Stephen Barnes was appointed to the Trust Board on 1 January 2015.

He has been a local government chief executive in Lancashire for the past 22 years and prior to that was a director of finance in local government for six years.

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


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

Stephen's appointment will expire in 2017


Qualifications

Member of the Chartered Institute of Public Finance and Accountancy

Mrs Elizabeth Sedgley, Non-Executive Director, 2009 to present

	<p>Experience</p> <p>Elizabeth was appointed in January 2009 and is a self-employed accountant with 16 years' experience of industry and general practice. Her client-base has included companies and unincorporated businesses across a wide range of industries such as the construction trade, chemical sales and web-based retailers. Elizabeth is Chair of the Audit Committee.</p> <p>Elizabeth's appointment will expire in 2017.</p>	<p>Qualifications</p> <p>Fellow of the Association of Chartered Certified Accountants</p>
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Mr Richard Slater, Non-Executive Director, January 2015 to present

	<p>Experience</p> <p>Richard leads the Blackburn-based Northpoint Media group of businesses. Among its brands are Lancashire Business View magazine, Red Rose Awards, Fettle Events and Limitless PR & Marketing.</p> <p>He has previously served as a Non-Executive director at East Lancashire Chamber of Commerce and charity Curious Minds.</p> <p>Richard's appointment will expire in 2017.</p>	<p>Qualifications</p> <p>BSc (Hons) Cert Ed.</p> <p>Member of the Professional Publishers Association Member of the Chartered Institute of Public Relations</p>
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Mr David Wharfe, Non-Executive Director, 2013 to present

	<p>Experience</p> <p>David was appointed in May 2013. He is an experienced Finance Director, having held a number of senior and Board level posts in NHS across the country since 1990.</p> <p>In 2002 he joined the newly-established Ashton, Leigh and Wigan Primary Care Trust as Director of Finance and Deputy Chief Executive, before being appointed to the post of Director of Finance and Contracting at NHS Lancashire in June 2011, a post he held until his retirement in March 2013.</p> <p>David joined the Trust in 2013 and his appointment will expire in 2017.</p>	<p>Qualifications</p> <p>BA (Hons) Member of the Chartered Institute of Management Accountants</p>
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Mr Jonathan Wood, Deputy Chief Executive and Director of Finance, 2009 to present

	<p>Experience</p> <p>Jonathan Wood started at the Trust in September 2009, and was previously Director of Finance at North Cumbria University Hospitals Trust, having joined there from NHS North West. Prior to this he worked with Salford Royal Hospital NHS Trust. He joined the NHS in 1992 on the North Western Regional Finance Training Scheme and qualified as an accountant in 1996.</p>	<p>Qualifications</p> <p>BA (Hons)</p> <p>Member of the Chartered Institute of Public Finance and Accountancy</p>
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Mrs Christine Pearson, Director of Nursing, January 2014 to present**Experience**

Chris trained at North Manchester General Hospital and qualified as a Registered General Nurse in 1984. In 1986 she decided to undertake district nurse training and, following completion of this, practiced in Rochdale until 1997.

Following positions in education, professional development and locality management, she moved to North Manchester Primary Care Trust as Associate Director of Nursing. In 2006 she took up post as Associate Director of Quality & Professional Practice in Manchester Community Health.

She moved to Salford Royal Hospitals NHS Trust in April 2011 as Deputy Director of Nursing.

Qualifications

BA (Hons)
MSc

Dr Damian Riley, Medical Director, July 2015 to Present**Experience**

Dr Riley was formerly Regional Medical Director at NHS England (North) where he led a number of service and quality reviews for hospitals in the north of England. He also championed improvements in dementia, stroke and cancer care for patients.

In a previous role as Medical Director of West Yorkshire PCTs, he led in a number of areas including extending access to general practice, leading the turnaround programme for West Yorkshire and urgent care, leading service redesign programme for diabetes care in Leeds, and was the clinical lead during the establishment of NHS 111 services in Yorkshire and Humber. Dr Riley is a clinical assessor and trainer for the National Clinical Assessment Service.

Dr Riley, who studied medicine at the University of Manchester, also has over 20 years' experience as a GP in diverse and challenging communities.

Qualifications

MBChB
BSc (Hons)
DCH
DoccMed
MRCGP

Mrs Gillian Simpson, Director of Operations, October 2014 to present**Experience**

Beginning October 2014 Gill Simpson took up the reins as the Trust's Executive Director of Operations, taking responsibility for the day-to-day operations at the Trust's five hospitals, including emergency and urgent care.


Born at Queens Park Hospital and educated at St. Wilfrid's School in Blackburn, Gill completed her nurse training at Burnley General Hospital and has a Bachelor of Science (BSc) degree in Nursing Studies.

Gill's 30-year NHS career encompasses roles as a staff nurse and ward sister before health service management with responsibility for hospital and community services. Her most recent role was as Divisional General Manager at the Trust since December 2010.


Qualifications

BSc (Hons)

Mr Martin Hodgson, Director of Service Development (Non-Voting), November 2009 to present

	<p>Experience</p> <p>Martin Hodgson 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.</p> <p>Martin takes a lead role in the service development, planning and contracting agenda.</p>	<p>BA (Hons) Postgraduate Diploma in Human Resource Management</p>
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Mr Kevin Moynes, Director of HR & OD (Non-Voting), October 2013 to present ,

	<p>Experience</p> <p>Kevin joined the Trust on 1st October 2013 as the Interim Director of HR and Organisational Development. He joined the NHS in 1978, qualifying as a Registered Nurse (RGN) in 1981 and later as a Registered Sick Children's Nurse (RSCN) in 1986. He obtained his Master's Degree in Nursing from the University of Bradford in 1993.</p> <p>In addition to his NHS experience, Kevin has worked in the USA and the Middle East and has held a Director of Nursing post within the hospice sector. Kevin leads the Trust's agenda relating to HR and OD with a key focus on Staff Engagement, Staff Health and Well-being, Recruitment and Retention, Learning and Development and Leadership and Talent Management.</p>	<p>RGN RSCN MSc MCIPD</p>
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Dr Ian Stanley, Interim Medical Director, February 2014 to June 2015**Mr Mohammed Shazad Sarwar, Non-Executive Director, 2013 to August 2015**



Directors' Statements and Register of Interests

So far as each Director is aware, there is no relevant audit information of which the Trust's auditor is unaware. Each Director has taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Trust auditor is aware of that information, including making enquiries of his/her fellow directors and the auditor for that purpose, and has taken such other steps for that purpose as are required by his/her duty as a director to exercise reasonable care, skill and diligence. After making enquiries, the Directors have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

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

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

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

Each Director is:

- of good character
- has the qualifications, skills and experience which are necessary for carrying on the regulated

activity or (as the case may be) for the relevant office or position

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

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

Name and title	Interest Declared	Date last updated
Professor Eileen Fairhurst Chairman	Professor in Public Health, University of Salford Trustee, Beth Johnson Foundation	15.4.2016
Kevin McGee Chief Executive	Positive Nil Declaration	15.4.2016
Stephen Barnes Non-Executive Director	Chair of Nelson and Colne College	18.4.2016
Peter Rowe Non-Executive Director	Director, Rowe Creative Ltd	18.4.2016
Elizabeth Sedgley Non-Executive Director	Accountant for various local firms	20.4.2016
Richard Slater Non-Executive Director	Positive Nil Declaration	20.4.2016
David Wharfe Non-Executive Director	Positive Nil Declaration	20.4.2016
Christine Pearson Director of Nursing	Positive Nil Declaration	18.4.2016
Damian Riley Medical Director	National Clinical Assessment Service Clinical Assessor and Trainer (small amounts of work are undertaken in this role and funded by NCAS Member of British Medical Association Registered with General Medical Council Spouse employee, GP in Dyneley House Surgery, Skipton Sister is an employee of pharmaceutical company Novartis	15.4.2016
Gillian Simpson Director of Operations	Spouse's business (Simpsons Furniture, Colne) – provides cots for NICU at Burnley General Hospital	15.4.2016
Jonathan Wood Director of Finance	Positive Nil Declaration	18.4.2016
Martin Hodgson Director of Service Development	Positive Nil Declaration	15.4.2016
Kevin Moynes Director of Human Resources & Organisational Development	Governor of Nelson and Colne College	15.4.2016



Directors'
report

Membership and Shadow Governors' Report

Composition of the Shadow Governors

As an aspirant Foundation Trust, the organisation has Shadow Governors to represent the views of local people and help the Trust to shape its plans for the future. This means discussing matters such as the Annual Report and Accounts as well as keeping members informed.

Governors also meet with people in their local community or staff group to help report back to the Trust on what happens in developing ideas in the Trust and also to listen to ideas and opinions from members of the public and staff. The Shadow Governors were elected by the public and Trust staff.


This year, the Good Governance Institute (GGI) was appointed by the Trust to undertake an independent review of the Shadow Council of Governors model as part of ensuring best practice. The exploration of possibilities for the Shadow Governor function has become more relevant given potential changes to the NHS Foundation Trust model.

The GGI suggested that Shadow Governors maintain and enhance their input as lay representatives of the Trust. The Trust needs for lay input into many activities such as appointments of staff, disciplinary hearings, incident reviews and quality visits. The Shadow Governors meet bi-monthly and agree if any actions from their meeting need to be submitted to the Trust Board and its sub-Committees.

Our Shadow Council of Governors is currently made up of 13 elected individuals, 10 Public Shadow Governors and three Staff Shadow Governors. A brief biography of our Shadow Council members can be found below.

	<p>Mr Brian Parkinson, Rossendale</p> <p>Having spent 46 years in the retail motor industry, Brian feels he can bring significant private sector experience to the role of Governor. Brian's reasons for becoming a Governor include the belief that public sector organisations must deliver best practice whilst managing the resource constraints of recent public sector funding reductions.</p>
	<p>Mr David Whyte, Hyndburn</p> <p>David is a retired manager, who previously worked in the theatre and music industry and is also a qualified English teacher. He has carried out voluntary work for the Trust and is concerned with ensuring that local communities have their views fed into the work of the Trust. His area of interest as a governor is in the monitoring and improvement of services for the benefit of patients.</p>
	<p>Mrs Marion Ramsbottom, Blackburn with Darwen</p> <p>Marion is a former Non-Executive Director of ELHT and is a Trustee of Age UK Blackburn with Darwen Charity Board and also the Chair of Age UK Blackburn with Darwen Trading Board. Marion also works as an Associate Manager for Lancashire Care Foundation Trust, where she comes into regular contact with patients, their carers and family members. Marion's reasons for becoming a Governor include the desire to contribute the views of the population into future plans for the Trust, ensuring the delivery of high quality care to the local population.</p>
	<p>Mrs Feroza Patel, Blackburn with Darwen</p> <p>Feroza has served as a Governor for her local primary and secondary schools. She has also been a volunteer for Surestart Blackburn West where she developed a parent forum and also 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's interests as a Governor include working with the community to develop services and improve the overall patient experience.</p>
	<p>Mr Graham Parr, Pendle</p> <p>Graham has a wealth of experience in senior positions within the NHS, including Executive and Non-Executive Director roles and more recently has served as the Chair of an NHS Foundation Trust. He is an Associate Member of two local mental health Trusts, which brings him into regular contact with service users and their families and is the Chairman of The Board of Trustees East Lancashire Hospice. Graham is also a Magistrate and a Trustee/Director of Coldwell Activity Centre. His reasons for becoming a Governor at ELHT are to provide a link in the community between the Trust Board and patients, to provide constructive challenge and scrutiny of the Trust and also to ensure that services provided to the local community are of the highest possible standard.</p>
	<p>Mrs Vicky Bates, Pendle</p> <p>Vicky is a retired healthcare professional with over 20 years' experience working as a nurse, midwife and health visitor. In addition she has experience in teaching nurses and health visitors and has worked as a health development worker within the voluntary sector. Vicky is Chair of her local Parish Council where she represents the views of her local community. She believes that the role of Governor will provide a unique opportunity to be involved in the change and development of the Trust for the benefit of the patient.</p>

	<p>Canon James Duxbury, Ribble Valley</p> <p>James is a retired parish clergyman, who has 20 years' experience as a member of the General Synod of the Church of England. Part of his role within the General Synod he was elected as Church Commissioner, representing all parish clergy in the Church of England. He has also been a member of the Board of Finance Executive, Pastoral Committee and Chairman of the Property Committee for the Diocese of Blackburn. James is looking forward to using his skills and experience to ensure that local communities are represented effectively during development of the Trust strategy.</p>
	<p>Mrs Brenda Redhead, Ribble Valley</p> <p>Brenda is a retired secondary school science teacher and until recently served as Vice-Chair of her local Parish Council. She has been the parish representative on the Parish Councils Liaison Committee and possesses skills in absorbing and evaluating information in preparation for action. Brenda also volunteers as a road safety trainer at her local primary school and a walks leader for Dales Rail. Her reasons for becoming a Governor include the belief that hospital services should be accountable to their users and consider the views of patients.</p>
	<p>Mr Anthony (Tony) Harrison, Burnley</p> <p>Tony was the Chair of Burnley, Pendle and Rossendale Primary Care Trust from 2004 to 2006, a member of the Community Health Council and a member of the Lancashire Health Scrutiny group. Tony has experience working for a mental health charity and has chaired Mental Health Committees; he is also a member of the Health Working Party at Burnley Borough Council.</p>
	<p>Mrs Christina Yates, Burnley</p> <p>Christina is a Tenant Board Member at Calico Homes. Before retirement she worked in banking and finance and latterly as a warden in a sheltered housing complex. She has previously run a transport charity and oversaw the transfer of the assets to another charity upon its winding up. Her reasons for becoming a governor include wanting to put across the views of patients, ensuring the public have a say in future service developments and making ELHT the first choice hospitals for the population of East Lancashire.</p>
	<p>Mr Karl Cockerill, healthcare assistants and other support staff</p> <p>Karl has worked as part of the NHS for 18 years; his current role within the Trust is as an Assistant Practitioner within the Community Services Division. He has experience of working on staff engagement and organisational change projects. Karl is also Mediation Co-ordinator for the Trust. His reasons for becoming a Governor include ensuring that the views of staff are represented at Trust Board level and promoting staff engagement throughout the Trust.</p>
	<p>Mrs Lee Barnes, scientific, therapeutic and technical</p> <p>Lee has over 10 years' experience as a Physiotherapist in the Trust. She is a former union representative and has championed staff views and campaigned for positive change. She believes that all staff have a significant contribution to make to the success of the Trust. Lee became a Governor so that she could ensure that the ideas, experiences and concerns of staff are communicated and considered. She is also interested in promoting the work which staff are doing to the Board and wider community.</p>

	<p>Mr Peter Dales, managers, senior managers and others</p> <p>Peter has worked for the Trust for over 30 years and is currently employed as the Partnership Officer; the link between the unions and Trust management. Before this, Peter was the Procurement Manager for Pharmacy Services. In addition to his day-to-day role within the Trust Peter is the Staff Side Secretary for the Joint Negotiation and Consultative Committee (JNCC). Peter's motivation for becoming a Governor include the need to involve staff in Trust decision-making and ensuring that staff are able to provide the best quality of care to our patients.</p>
<p>Mr Bertie Fernando, Shadow Staff Governor (08/04/2013 to 03/03/2016)</p>	
<p>Mr Gary Knighton, Shadow Staff Governor (08/04/2013 to 08/06/2015)</p>	
<p>Mr Andrew Driver, Shadow Staff Governor (08/04/2013 to 05/01/2015)</p>	
<p>Mrs Audrey Foy, Shadow Public Governor (02/10/2013 to 19/05/2016)</p>	
<p>Mrs Yvonne Ratcliffe, Shadow Public Governor, (02/10/2013 to 07/01/2015)</p>	
<p>Mrs Jennifer Slater, Shadow Public Governor (28/02/2013 to 18/03/2016)</p>	

The Shadow Governors have been very active within the Trust and have been involved in a range of activities over the course of the past year. These include:

- CQC visit preparation meetings
- CQC-style mini-inspections
- PLACE Assessment training and visits
- Interviews for senior Trust positions, including director posts
- Interviews for consultant appointments
- Dementia Strategy meetings
- Bereavement Strategy Group meetings
- Cancer Peer Review panels
- Staff Engagement Sponsor Group meetings
- Employee of the Month selection panels
- STAR Award judging
- Nurse recruitment days
- British Orthopaedic Association Professional review panel
- Shadowing of Trust Executive Team members
- Foundation Trust Network Development sessions
- Various stakeholder and member events
- Integrated Care Group Patient Safety Walk-rounds
- Future Hospitals Programme work with the Royal College of Physicians
- Falls Prevention Scheme work
- Trust Signage Group meetings
- Patient Engagement schemes
- Nutrition and Hydration Steering Group meetings
- End of Life Care Steering Group meetings
- Outpatient Department meetings
- Improvements to patient discharge letters
- Employee Appeal panels

The Shadow Governors are keen to hear the views of the population that they represent and can be contacted through the Company Secretariat Team at trustgovernors@elht.nhs.uk



Our Membership

Membership of our Trust is open to anyone aged 16 or over who lives in Blackburn, Burnley, Hyndburn, Pendle, Rossendale, the Ribble Valley and the rest of England.

There are two categories of members for our Trust:

- public
- staff

Membership means that local people and those using our services can turn the affinity they have with their hospital and community services into tangible involvement and improved outcomes. Local communities, patients and staff, through their elected representatives, join with the Trust in deciding how we will work to improve services, enhance the experience of our patients and respond to local needs. As we seek to extend our membership base we will canvass individuals' areas of interest and seek to involve our active members in appropriate development groups.

We aim to have a membership which is representative of the population we serve. Being a member is a voluntary role and there is no financial benefit or cost.

Permanent members of staff with more than 12 months' service automatically become members. Membership is voluntary and staff can opt out at any time.

We want to involve members in influencing the future of our Trust and members are invited to attend meetings and events on a regular basis. It is up to individual members how involved they are - they can be involved as little or as much as they want and may opt just to receive a newsletter to keep up-to-date with developments.

Remuneration 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 current members are:

Professor Eileen Fairhurst
Mr Stephen Barnes
Mr Peter Rowe
Mr Richard Slater
Mr David Wharfe
Mr Mohammed Shazad Sarwar (until August 2015)

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, from page 24 to page 28. The interests and details of the Trust Board are disclosed in the Directors' Register of Interests at page 30 of 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 on pages 52, 53 and 54 of the Financial Statements and Report section of this Annual Report.



Quality report



Our Quality Account

The Trust has published its Annual Quality Account in line with Department of Health 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.

Staff report

Staff numbers & composition

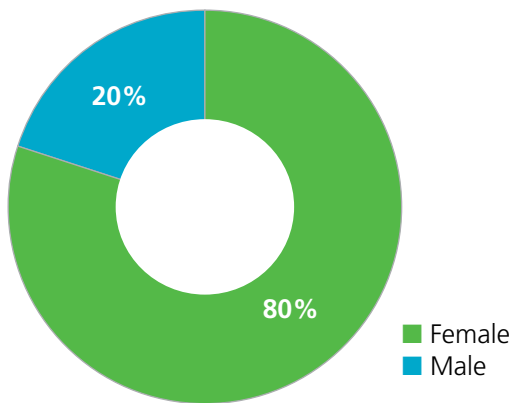
The Trust is a major local employer. The whole-time-equivalent (WTE) workforce is 6,893. During the course of the year the Trust has worked hard to recruit and retain staff. The Trust now employs 110 WTE more than at the end of 2014/5. Our workforce consists of the following staff groups:

Staff Group	WTE	% of Workforce
Nursing and Midwifery (including students)	2,259	33%
Medical and Dental	529	7.5%
Additional Professional Scientific and Technological	177	2.5%
Healthcare Scientists	131	2%
Allied Health Professionals	533	8%
Additional Clinical Services	1,208	17.5%
Administrative & Clerical (including senior managers)	1,461	21%
Estates and Ancillary	595	8.5%
Total	6,893	

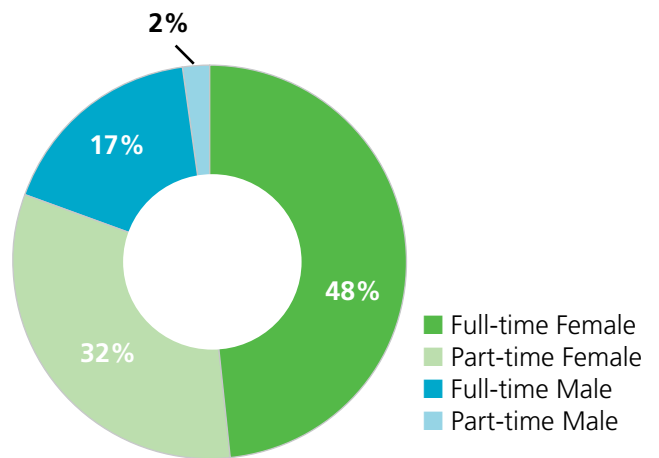
The Trust is fully committed to eliminating gender inequality and continues to monitor the gender profile of the workforce. The current profile is typical of other NHS organisations:

Staff Group	% Male	% Female
Nursing and Midwifery (including students)	6%	94%
Medical and Dental	63%	37%
Additional Professional Scientific and Technological	25%	75%
Healthcare Scientists	33%	67%
Allied Health Professionals	20%	80%
Additional Clinical Services	13%	87%
Administrative & Clerical (inc senior managers)	16%	84%
Estates and Ancillary	48%	52%
Total	20%	80%

Gender (%)

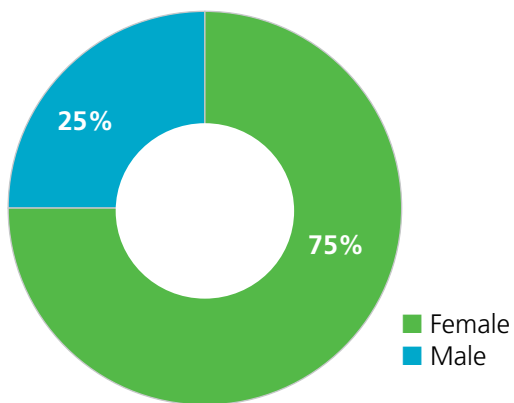


Employee category (%)

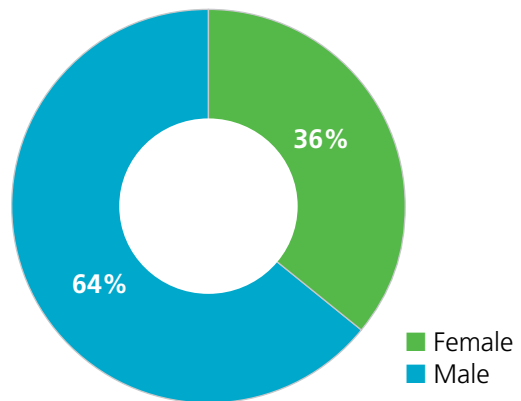


The following illustrates the gender profile of the Trust Senior Managers & Directors:-

Senior Managers – Band 8+ (%)



Directors (%)



Sickness

The Trust continues to work hard to improve the health & wellbeing of its staff and to minimise absence due to sickness. Unfortunately the Trust has experienced a slight deterioration in its sickness absence rates when compared with 2014/15. This mirrors a regional and national trend.

	2013/14	2014/15	2015/16
Sickness Absence %	3.98%	4.71%	4.85%

The Trust monitors sickness absence rates on a monthly basis in the workforce scorecard element of the integrated performance report.

Staff policies

East Lancashire Hospitals Trust recognises that good employment practices foster employee engagement, access to skills and development and support the delivery of safe, personal and effective care to our patients.

The Trust has developed a full range of employment policies to support staff throughout the employee life cycle. Policies are regularly reviewed in line with employment legislation and employment best practice. Policies are assessed to ensure that there is equality of opportunity for all job applicants and staff, including those who provide services as volunteers. Specific policies have been developed to support staff with disabilities aimed at supporting their recruitment and their employment in the Trust.

From April 2015, in line with the rest of the NHS, ELHT adopted a new Workforce Race Equality Standard (WRES). The WRES has been developed to support NHS organisations in ensuring that staff from Black and Minority Ethnic backgrounds have equal access to career opportunities and receive fair treatment in the workplace. The Trust employs a number of policies to protect staff from discrimination.

The Trust employs policies to facilitate resolution to employment disputes in line with ACAS guidance. Staff are encouraged to 'speak out' if they have concerns in the workplace. In 2014/15 we introduced the role of 'Staff Guardian' to highlight the importance of raising concerns in the Trust.

The Trust has policies in place to ensure that staff have access to appropriate training, qualifications and access to continuing professional development; and staff are supported to develop their skills and grow their experience in line with any future roles that maybe expected of them.

The Trust recognises a number of trade unions, with whom we consult on workforce training and development issues. In 2014/15 we continued our systematic approach to engage and empower our employees in order to support our vision 'to be widely recognised for providing safe, personal and effective care'.

All our policies are consistent with our responsibilities under the Equality Act 2010.

The Trust has a strong commitment to the delivery of education, training, and learning and development opportunities to ensure all our staff have the skills necessary to fulfil their role and contribute to excellent patient care. In addition to our ongoing mandatory training programmes, which are tailored for staff groups, we offer coaching and mentorship for personal and professional development.



Staff
report

Financial statements and report

Financial review for the year ending 31 March 2016

Financial duties

The Trust reported a £7.9m revenue surplus as at 31st March 2016. £19.3m of this surplus relates to a technical gain following a capital-to-revenue exercise, supported by HM Treasury. The underlying in-year position for the Trust was a deficit of £11.5m. The surplus equates to 1.7% of turnover. This surplus is retained by the Trust and in the short term will help to improve the Trust's liquidity. The Trust delivered this outturn whilst continuing to support a significant Safely Releasing Cost Programme (SRCP), improving the way it delivers services. In addition, the Trust achieved all its other financial duties as detailed below.

	2015-16	2014-15
Break-even duty	✓	✓
In year – the Trust must achieve an in-year revenue break-even position (before technical items)	✓	✓
Cumulative – the Trust must deliver a cumulative break-even position (before technical items)	✓	✓
Capital Resource Limit – the Trust must not exceed its resource limit	✓	✓
External Financing Limit – the Trust must not exceed its financing limit	✓	✓
Rate of return – the Trust must generate a rate of return equal to 3.5% +/- 0.5%	✓	✓

Summary financial position

The Trust reported a £7.9m revenue surplus as at 31 March 2016 after the capital-to-revenue transfer. The revenue break-even position is reported as:

	2015-16	2014-15
	£000	£000
Total loss / (surplus) for the year	(£4,744)	£3,631
Add back exceptional items:		
Impairments reversals/(charge) to Statement of Comprehensive Income	(£3,096)	(£5,305)
Adjustments in respect of donated asset reserve	(£47)	£332
Underlying in-year surplus	(£7,887)	(£1,342)

Impairment charges

A full valuation of non-current assets was undertaken as at 1 April 2015, when the Trust changed its valuers to DTZ (Now Cushman and Wakefield), a team of quantity surveyors registered with the Royal Institution of Chartered Surveyors. Previous valuations had been undertaken by the District Valuer. The valuation reflects the current economic conditions and the location factor in the North West of England. The Trust also commissioned a desk-top valuation as at 31 March 2016 in line with the policy in order to accurately reflect the value of the estate.

Impairment charges include impairments and reversals of previous impairments as a result of demolishing parts of its redundant estate and a change in the method of revaluing the estate. Where a revaluation reserve balance existed for these assets, the impairment has been charged against its revaluation reserve. Where no such balance existed the impairment has been charged to expenses. The Trust also saw an increase in the market value of some of its buildings and in such cases the gain has been taken to expenses as a benefit to the statement of comprehensive income where the asset had been previously impaired and otherwise to the revaluation reserve.

External Financing Limit (EFL)

The EFL relates to the Department of Health's measure of how well the Trust manages its cash resources. Trusts are not permitted to overshoot their EFLs. In 2015-16 the Trust undershot its External Financing Limit (EFL) by approximately £23.4 million and therefore remained within the overall cash limit set by the Department of Health.

Capital Resource Limit (CRL)

The CRL relates to the Department of Health's measure on how well Trust's control their spending on capital schemes. Trusts are permitted to spend up to their CRL. In 2015-16, ELHT's CRL set by the Department of Health was £16.9 million. This represents the total that the Trust could invest in capital in 2015-16. The Trust under spent against this target by £1.4 million, an underspend on its capital programme. The cash associated with this underspend will be carried forward to 2016-17.

Better Practice Payments Code

Although it is not a financial duty, Trusts ensure that 95% of undisputed invoices are paid within 30 days of receipt of the goods or invoice, whichever is the later. The Trust has bettered last year's performance by improving how it processes payments.

Prompt Payments Code

The Trust continues to support the Department of Health's prompt payment code which is an initiative developed by HM Treasury and the Institute of Credit Management (ICM). Details of this code can be found at www.promptpaymentcode.org.uk

Payments made to non-NHS organisations (value)

	2015-16	2014-15
	£000	£000
Total invoices paid	£137,004	£134,478
Total invoices paid in target	£130,151	£123,172
Percentage achievement	95%	92%

Charges for information

The Trust does not make charges for information, save for those required in relation to medical records in line with the relevant legislation. The Trust has complied with HM Treasury's guidance on setting charges for information.

Investment revenue

The Trust receives revenue from the interest earned on the management of its cash balances. Interest receivable in 2015-16 amounted to £178,000, compared with £239,000 earned in 2014-15.

Where our money comes from

In 2015-16 the Trust received total income of £467 million compared with £435 million in the previous year. Most of the Trust's income came from CCGs who purchase healthcare on behalf of their local populations. The Trust negotiates an annual contract with local CCGs for the payment of services. Much of this contract is driven by a nationally-determined tariff.

For healthcare services provided to people living in East Lancashire and Blackburn with Darwen the Trust received £363 million in 2015-16, with a further £104 million received for services to people from elsewhere.

Where our money goes

From a total spend of £462 million in 2015-16, £299 million or 65% was spent on salaries and wages. Throughout the year the Trust employed an average of 6,863 staff, including 532 doctors, 2,248 nurses, 1,243 healthcare assistants and 610 scientific and technical staff, 186 healthcare science staff and 2,037 administration and estate staff.

£75 million was spent on clinical supplies and services such as drugs and consumables used in providing care to patients. In addition to this the Trust spent £88 million on non-clinical, establishment, maintenance and financing and capital-related items.

The Trust has continued to invest in healthcare facilities on all sites including the development of the Acute Medicine Unit B, and significant investment in medical equipment including robotic-assisted, minimally-invasive surgery and IT equipment. The remainder of its estate investment focussed primarily on improving existing infrastructure and in continuing to rationalise the estate. In total the Trust invested £15.8 million in new building works, improvements and equipment across all its sites. A summary is provided below:

	£m
Estate infrastructure and environmental improvements	5.3
PFI lifecycle costs	4.6
Information Technology equipment	2.4
Medical equipment	2.9
Other expenses including fees	0.6
Total	15.8

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 Grant Thornton to carry out the external audit of its 2015-16 accounts. The audit services provided in 2015-16 included the audit of the Trust's financial statements. The cost of these audits was £77,000.

Financial Outlook for 2016-17

The financial outlook for the National Health Service and the Trust continues to be extremely challenging. The effect of the wider economic position, combined with service pressures from increasing demand for services and public expectation, means that trusts must continue to drive efficiency savings. For 2016-17 the Trust will aim to release 3% of total resources as savings. After these savings the Trust is still forecasting a £3.7m deficit as a result of savings not achieved in 2014-15. The focus in 2016-17 is on the achievement of a two-year transformational programme of £30m.

Over the next 12 months, the Trust will continue to focus on the pathways of care that it provides to patients. Improved outcomes for patients will support the Trust in driving productivity and efficiency gains, helping us to make the best of the resources that we have.

The Trust will continue to develop and improve its sites and facilities.

Summary financial statements

These financial statements are summaries of the information contained in the annual Accounts of East Lancashire Hospitals NHS Trust for 2015-16. The Trust's auditors have issued an unqualified report on these accounts.

For a full understanding of the Trust's financial position and performance, full accounts are available on request and enquiries should be addressed to:

Company Secretary
 East Lancashire Hospital NHS Trust
 Royal Blackburn Hospital
 Haslingden Road
 Blackburn, BB2 3HH

Full accounts are also available on the Trust's website: www.elht.nhs.uk

Statement of comprehensive income for year ended 31 March 2016

Presented in £000s	2015-16		2014-15
Gross employee benefits	(298,592)		(286,817)
Other operating costs	(150,164)		(137,409)
Revenue from patient care activities	440,304		413,186
Other operating revenue	26,463		21,921
Operating surplus	18,011		10,881
Investment revenue	178		239
Other gains and (losses)	(21)		(76)
Finance costs	(8,644)		(9,953)
Surplus for the financial year	9,524		1,091
Public dividend capital dividends payable	(4,780)		(4,722)
Retained surplus / (deficit) for the year	4,744		(3,631)
Other comprehensive income			
Net gain on revaluation of property, plant & equipment 1	15,802		16,115
Impairments and reversals taken to the revaluation reserve 2	(23,990)		(1,321)
New PDC received	30		523
PDC repaid in year	(3,700)		0
Total other comprehensive income for the year	(11,858)		15,317
Total comprehensive income for the year	(7,114)		11,686
Financial performance for the year			
Retained surplus / (deficit) for the year	4,744		(3,631)
IFRIC 12 impairments and reversals	(11,262)		8,216
Non IFRIC 12 impairments	14,358		(2,911)
Adjustments in respect of donated government grant asset reserve elimination	47		(332)
Adjusted retained surplus	7,887		1,342

Statement of financial position as at 31 March 2016

Presented in £000s	31 March 2016	31 March 2015
Non-current assets		
Property, plant and equipment	282,650	288,442
Intangible assets	4,605	3,649
Trade and other receivables	1,172	1,158
Total non-current assets	288,427	293,249
Current assets		
Inventories	2,450	2,248
Trade and other receivables	21,021	20,529
Other financial assets	0	0
Cash and cash equivalents	32,165	30,984
Total current assets	55,636	53,761
Non-current assets held for sale	0	614
Total current assets	55,636	54,375
Total assets	344,063	347,624
Current liabilities		
Trade and other payables	(52,769)	(44,406)
Provisions	(1,322)	(722)
Borrowings	(3,399)	(1,827)
Capital loan from Department of Health	(200)	(850)
Total current liabilities	(57,690)	(47,805)
Net current assets	(2,054)	6,570
Non-current assets plus net current assets	286,373	299,819
Non-current liabilities		
Trade and other payables	(307)	(3,787)
Provisions	(3,482)	(2,738)
Borrowings	(111,815)	(115,213)
Capital loan from Department of Health	(1,600)	(1,800)
Total non-current liabilities	(117,204)	(123,538)
Total assets employed	169,169	176,281
Financed by:		
Taxpayers' equity		
Public dividend capital	174,173	177,843
Retained earnings	(44,932)	(51,679)
Revaluation reserve	39,928	50,117
Total taxpayers' equity	169,169	176,281

Statement of changes in taxpayers' equity for the year ended in 31 March 2016

Presented in £000s	Public dividend	Retained earnings	Revaluation reserve	Total reserves
Balance at 1 April 2015	177,843	(51,679)	50,117	176,281
Changes in taxpayers' equity for 2015-16				
Retained surplus for the year	0	4,744	0	4,744
Net gain on revaluation of property, plant, equipment	0	0	15,802	15,802
Impairments and reversals	0	0	(23,990)	(23,990)
Transfers between reserves	0	2,861	(2,861)	0
New PDC received - cash	30	0	0	30
PDC repaid in year	(3,700)	0	0	(3,700)
Other movements	0	(858)	860	2
Net recognised revenue for the year	(3,670)	6,747	(10,189)	(7,112)
Balance at 31 March 2016	174,173	(44,932)	39,928	169,169
Balance at 1 April 2014	177,320	(50,037)	37,312	164,595
Changes in taxpayers' equity for 2014-15				
Retained deficit for the year	0	(3,631)	0	(3,631)
Net gain on revaluation of property, plant, equipment	0	0	16,115	16,115
Impairments and reversals	0	0	(1,321)	(1,321)
Transfers between reserves	0	1,989	(1,989)	0
New PDC received - cash	523	0	0	523
Net recognised revenue for the year	523	(1,642)	12,805	11,686
Balance at 31 March 2015	177,843	(51,679)	50,117	176,281

Statement of cash flows for the year ended 31 March 2016

Presented in £000s	2015-16	2014-15
Cash flows from operating activities		
Operating surplus	18,011	10,881
Depreciation and amortisation	9,878	11,999
Net impairments and reversals	3,096	5,305
Donated Assets received credited to revenue but non-cash	(192)	(529)
Interest paid	(8,611)	(9,906)
Dividend paid	(5,682)	(4,666)
(Increase) in inventories	(202)	(77)
Decrease in trade and other receivables	(6,573)	(992)
Decrease in other current assets	0	10
Increase in trade and other payables	3,752	1,714
Provisions utilised	(614)	(603)
Increase in provisions	1,925	(8)
Net cash inflow from operating activities	14,788	13,128
Cash flow from investing activities		
Interest received	178	239
Payments for property, plant and equipment	(5,584)	(8,747)
Payments for intangible assets	(1,992)	(1,863)
Payments for other financial assets	0	(51)
Proceeds of disposal of assets held for sale and PPE	137	1,427
Net cash (outflow) from investing activities	(7,261)	(8,995)
Net cash inflow/(outflow) before financing	7,527	4,133
Cash flows from financing activities		
Public dividend capital received	30	523
Public dividend capital repaid	(3,700)	2,000
Loans repaid to DH - capital investment loans repayment of principal	(850)	(1,300)
Capital element of payments in respect of on-SoFP PFI	(1,826)	(3,834)
Net cash (outflow) from financing activities	(6,346)	(2,611)
Net increase in cash and cash equivalents	1,181	1,522
Cash and cash equivalents at beginning of the period	30,984	29,462
Cash and cash equivalents at year end	32,165	30,984

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 2016, for more than £220 per day and that last longer than six months are:

	Number
Number of existing engagements as of 31 March 2016	17
Of which, the number that have existed:	
for less than one year at the time of reporting	7
for between one and two years at the time of reporting	8
for between two and three years at the time of reporting	2
for between three and four years at the time of reporting	0
for four or more years at the time of reporting	0

All staff paid through this arrangement are subject to a risk based assessment as to whether assurance is required that the individual is paying the right amount of tax and, where necessary, that assurance has been sought.

All off-payroll engagements between 1 April 2015 and 31 March 2016, for more than £220 per day and that last longer than six months:

	Number
Number of new engagements, or those that reached six months in duration, between 1 April 2014 and 31 March 2015	8
Number of new engagements which include contractual clauses giving East Lancashire Hospitals NHS Trust the right to request assurance in relation to income tax and National Insurance obligations	0
Number for whom assurance has been requested	8
Of which:	
assurance has been received	4
assurance has not been received	4
engagements terminated as a result of assurance not being received	0
Number of off-payroll engagements of Board members, and/or senior officers with significant financial responsibility, during the year	0
Number of individuals that have been deemed "Board members, and/or senior officers with significant financial responsibility" during the financial year. This figure includes both off-payroll and on-payroll engagements	8

To note that the 2014-15 comparative figures have changed with further assurance received since the production of the Annual Report.

Remuneration Report

Director's Pensions

The information contained in the Remuneration Report has been subject to audit. As Non-Executive members do not receive pensionable remuneration, there will be no entries in respect of pensions for Non-Executive members.

	Real Increase in pension in completed at pension age	Real Increase in Lump sum completed at pension age	Total accrued pension completed at pension age at 31 March 2015	Lump sum completed at pension age related to accrued pension at 31 March 2016	Cash Equivalent transfer Value at 31 March 2016	Real Increase in Cash Equivalent Transfer Value	Cash Equivalent Transfer Value at 31 March 2015
	(bands of £2,500)	(bands of £2,500)	(bands of £5,000)	(bands of £5,000)	£000	£000	£000
	£000	£000	£000	£000	£000	£000	£000
Mr K McGee	5 - 7.5	20 - 22.5	65 - 70	195 - 200	1,288	145	1,129
Mr J Wood	0 - 2.5	(0 - 2.5)	40 - 45	110 - 115	636	21	608
Dr I Stanley	0 - 2.5	(0 - 2.5)	40 - 45	115 - 120	663	19	636
Mrs C Pearson	0 - 2.5	2.5 - 5	50 - 55	155 - 160	1,046	29	1,005
Mrs G Simpson	7.5-10	25 - 27.5	50 - 55	150 - 155	972	170	792
Mr D Riley	2.5 - 5	7.5-10	30 - 35	90 - 95	605	71	504
Mr K Moynes	2.5 - 5	7.5-10	30 - 35	90 - 95	652	72	573
Mr M Hodgson	0 - 2.5	0 - 2.5	35 - 40	105 - 110	608	41	561

Cash Equivalent Transfer Values

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

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

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

Real Increase in CETV

This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another 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 in the Trust accounts can be found in the accounting policies in note 7.6 of the Trust accounts.

Post Held	From / Started	To / Left	2015/16				2014/15				
			Salary (bands of £5,000) £000	Expense payments (taxable) (to nearest £100) £00	All pension-related benefits (bands of £2,500) £000	TOTAL (bands of £5,000) £000	Salary (bands of £5,000) £000	Expense payments (taxable) (to the nearest £100) £00	All pension-related benefits (bands of £2,500) £000	TOTAL (bands of £5,000) £000	
Non Executive Directors											
Chair Prof E Fairhurst	01/04/15	31/03/16	20-25	0	0	25-30		20-25	4	0	20-25
Non Executive Director Mrs E Sedgley	01/04/15	31/03/16	5-10	0	0	5-10		5-10	0	0	5-10
Mr M S Sarwar Non Executive Director	01/04/15	31/08/15	0-5	0	0	5-10		5-10	0	0	5-10
Mr P Row Non Executive Director	01/04/15	31/03/16	5-10	0	0	5-10		5-10	4	0	5-10
Mr D Wharfe Non Executive Director	01/04/15	31/03/16	5-10	0	0	5-10		5-10	1	0	5-10
Stephen Barnes Non Executive Director	01/04/15	31/03/16	5-10	0	0	0-5		0-5	0	0	0-5
Richard Slater Non Executive Director	01/04/15	31/03/16	5-10	0	0	0-5		0-5	0	0	0-5
Executive Directors											
Chief Executive Mr K McGee	01/04/15	31/03/16	80-85	0	132.5-135	300-305		95-100	0	87.5-90	180-185
Interim Medical Director Dr I Stanley*	01/04/15	31/03/16	50-55	11	17.5-20	65-70		65-70	0	27.5-30.0	90-95
Director of Finance Mr J Wood	01/04/15	31/03/16	140-145	15	20-22.5	160-165		140-145	0	0-2.5	140-145
Chief Nurse Mrs C Pearson	01/04/15	31/03/16	120-125	0	2.5-5	120-125		115-120	0	342.5-345.0	460-465
Director of Operations Mrs G Simpson	01/04/15	31/03/16	120-125	0	175-177.5	295-300		25-30	0	30.0-32.5	60-65
Medical Director Mr D Riley	01/07/15	31/03/16	115-120	0	57.5-60	195-200		n/a	n/a	n/a	n/a
Human Resource Director Mr Kevin Moynes	01/04/15	31/03/16	110-115	0	42.5-45	155-160		n/a	n/a	n/a	n/a
Director of Service Development Martin Hodgson	01/04/15	31/03/16	125-130	58	30-32.5	160-165		n/a	n/a	n/a	n/a

No director received performance related pay or bonuses for their director related services. The Medical Directors received Clinical Excellence awards in relation to their non-director related roles.

East Lancashire Hospitals NHS Trust is required to disclose the relationship between the remuneration of the highest-paid director in the organisation and the median remuneration of the organisation's workforce.

The banded remuneration of the highest paid director in the Trust in the financial year 2015-16 was £165,000 – 170,000 (2014-15: £200,000 - £205,000). This was 6.9 times (2014-15 8.5 times) the median remuneration of the workforce, which was £24,000 (2014-15: £23,000).

The median pay calculation does not include external agency staff costs. All agency staff are paid via invoices and may include commission charges to the agencies.

	2015/16	2014/15
	Total	Total
Band of Highest Paid Directors	£165,000 - £170,000	£200,000 - £205,000
Total Remuneration		
Median Total Remuneration	£24,319	£23,805
Ratio	6.9:1	8.5:1

In 2015-16 28 employees (2014-15, 5 employees) received remuneration in excess of the highest-paid director. Remuneration ranged from £0 to £362,015 (2014-15 £153 to £328,136).

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.

Exit packages for the year 2015/16 are set out in notes 7.4 and 7.5 of the Annual Accounts (on page 19 of 33).

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


The Chief Executive of the NHS Trust Development Authority has designated that the Chief Executive should be the Accountable Officer to the Trust. The relevant responsibilities of Accountable Officers are set out in the Accountable Officers Memorandum issued by the Chief Executive of the NHS Trust Development Authority. 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 with the approval of the Treasury 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, recognised gains and losses and cash flows for the year.

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.

I confirm that, 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 trust's auditors are aware of that information.

I confirm that the annual report and accounts as a whole is fair, balanced and understandable and that I take personal responsibility for the annual report and accounts and the judgments required for determining that it is fair, balanced and understandable.



Kevin McGee
Chief Executive

1st June 2016

East Lancashire Hospitals NHS Trust - Annual Accounts 2015-16

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 the 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, recognised gains and losses and cash flows for the year. In preparing those accounts, 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.

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.

By order of the Board

1st June 2016..... ..... Chief Executive

1st June 2016..... ..... Finance Director

Glossary

Accruals basis

Under the accruals concept, expenses are recognised when incurred, not when the cash is actually paid out, and income is recognised when it is earned, not when the cash is actually received.

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 Manual For Accounts, published by the Department of Health.

Annual report

A document produced by the NHS Trust, which summarises the NHS Trust's performance during the year, which includes the annual accounts.

Asset

Something the NHS Trust owns—for example a building, some cash, or an amount of money owed to it.

Associate

An entity over which the NHS Trust has significant influence, for example, because they appoint some of its directors. If there is so much influence that the NHS Trust is able to control the other entity, then it is a subsidiary rather than an associate.

Audit Opinion

The auditor's opinion on whether the NHS Trust's accounts show a true and fair view of its financial affairs. If the auditors are satisfied with the accounts, they will issue an unqualified audit opinion.

Available for sale

Assets are classed as available for sale if they are held neither for trading, nor to maturity. An example of this would be an investment without a maturity date such as an ordinary share.

Statement of Financial Position

A 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.

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 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 Audit Commission and approved by parliament, which sets out how audits for Primary Care Trusts, NHS trusts and Strategic Health Authority's must be conducted.

Contingent asset or liability

An asset or liability which is too uncertain to be included in the 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.

Joint Venture

A contractual arrangement where there is an agreed sharing of control—for example, a pooled budget arrangement.

Manual for Accounts

An annual publication from the Department of Health which sets out the detailed requirements for NHS Trust accounts.

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 Change In Taxpayers Equity and Statement Of Cash Flows.

Private Finance Initiative

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.

Statement of Cash Flows

This shows cash flows in and out of the NHS Trust during the period.

Statement of change 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.

Annual Governance Statement

A statement about the controls the NHS Trust has in place to manage risk.

Subsidiary

An entity over which the NHS Trust has control, for example, because they appoint more than half of directors.

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.

Unrealised Gains and Losses

Gains and losses may be realised, or unrealised. Unrealised gains and losses are gains or losses that the NHS Trust has recognised in its accounts which are potential as they have not been realised.



This document is available in a variety of formats and languages.

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