East Lancashire Hospitals
NHS Trust
A University Teaching Trust

Annual Report
2023–2024

ELHT. *Because that's who we are*

Safe | Personal | Effective

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Foreword

We are proud to introduce the East Lancashire Hospitals NHS Trust's Annual Report and Accounts for 2023-24 which we hope will give you an overview of our performance against some key targets, our efforts to recover our services, and an insight into some of the important developments that have taken place across the organisation during the year.

Again, it has been a year of significant pressures for the wider health and social care system, for ELHT as an acute Trust and of course for our colleagues. As ever they have shown outstanding commitment to do the best they can for our patients, sometimes in the face of substantially increased demand, so we would like to take this opportunity to thank them on behalf of all of us, whether we are in the NHS or dependant on it.

The Trust finished the financial year 2023-24 in a generally good place, despite the range and depth of challenges we have faced over the past 12 months.

Ongoing industrial action, remediation of Reinforced Autoclaved Aerated Concrete (RAAC) in our buildings and the implementation of an all-encompassing new electronic patient record (EPR) system are three huge and complex issues we have faced. This is before considering our 'business as usual' requirements.

The strikes have inevitably had an impact on our performance. We have, however, been able to protect some of the most urgent elective work, particularly for cancer patients; and we have maintained provision of safe, personal and effective services both in and out of hospital. That we have managed to do so is a tribute to the flexibility and sheer hard work of those colleagues who have not been on strike and on the goodwill of the unions who have allowed some striking members to continue to work, to maintain essential services. We completely respect the right of individuals to take part in industrial action and recognise that, for most people, taking the decision to do so is never done lightly or with any ease.

The Trust was proactive in surveying it's buildings for Reinforced Autoclaved Aeriated Concrete – known as RAAC, also referred to as 'crumbling concrete', identifying two areas in Royal Blackburn Teaching Hospital which was built in the 1970s.

The first was in the roof and the second in an admin block. A robust programme of work as well as safety inspections were put in place. Excellent progress has been made on the plans, with the RAAC in the roof now completely removed. A full inspection confirmed no deterioration in the area it

remains, and a plan to remove has be agreed. Suffice to say we are comfortably managing the risks and both patients and colleagues are safe.

In June, we successfully launched our new Electronic Patient Record, Cerner Millenium, helping us to deliver better, more co-ordinated care. Over the months, there have been a substantial amount of work to address 'teething' issues and to fully embed the system across the organisation.

The system will provide us with many benefits over the coming years, transforming the way work, organise our waiting lists and maximising the use of the capacity in our hospitals. However, the significant pressure on colleagues cannot go unmentioned. Everyone's continued efforts in working to improve and adapt the system, amongst everything else, is very much appreciated.

Over our winter months we saw incredible numbers of patients coming in for urgent and emergency care in either A&E at Royal Blackburn Teaching Hospital, urgent care at Burnley General Teaching Hospital or our minor injuries units at Accrington Victoria and Rossendale.

On average we are seeing around 100 more people every day than we were a year ago – when we were also talking about record numbers and relentless pressure on services. This means we're routinely seeing over 800 people every day across just this part of the Trust.

It feels very difficult to see when or how this might reduce to anything we might have previously considered as 'normal'. The truth is that Royal Blackburn is now one of the busiest A&E departments in England and this pressure shows no sign of slowing down.

There continues to be tremendous amount of effort from colleagues who have revised and reviewed plans, explored and initiated good practices and moved services to expand capacity. One area we have maximised is the use of virtual wards and out-of-hospital support, such as Home First and our Intensive Home Support Service. These services are integral to our provision, and we continue to build on them.

It would be remiss of me to focus only on the challenges we have faced. There have also been numerous positive developments, we'll use this space to mention only a selection, you can read more in the Highlights section of this Annual Report.

Our patients in Burnley and Rossendale reaped the benefits of two new community diagnostic centres (CDC) following a £1.2m investment from national funding allocated to reduce scan waiting times and bring services closer to patients' homes. Within three months the two units had delivered over 6,000 MRI scans and non-pregnancy-related ultrasounds, with Burnley's CDC seeing a 194% increase against their planned activity. The CDCs are instrumental in ensuring patients receive their

scans as quickly as possible which, in turn, means patients can be diagnosed and treated sooner, or their minds put at ease if the results are clear.

ELHT commemorated the NHS's 75th anniversary with a week-long celebration that brought colleagues, patients and community members together in gratitude and appreciation. NHS 75 Stories of heartwarming narratives were shared with national media outlets, in the run up to the birthday. These included tales of premature twins' care and a colleague's double lung transplant, highlighting the extraordinary work of ELHT. On the 5 July, iconic landmarks and hospital buildings were illuminated in blue, symbolising solidarity and appreciation for the NHS's invaluable service.

Beyond the hospital walls, tea parties and fundraising events organised by the hospital's charity ELHT&Me engaged the broader community, fostering a sense of solidarity and support. As the week drew to a close, a touching video captured the essence of gratitude, serving as a visual tribute to the tireless dedication of colleagues and the profound impact of the NHS on the lives of individuals across East Lancashire.

The Trust has welcomed the Chief Executives of two key NHS organisations to discuss and see first-hand, the innovation and improvements being carried out by colleagues. Danny Mortimer, Chief Executive of NHS Employers, met with senior leaders and heard about ELHT's innovative approach to people and culture, innovation and health equity.

During Chief Executive of NHS Providers, Sir Julian Harley's visit he met with colleagues from different roles within the organisation, who spoke of their pride to work at the Trust, in how they support their community, the important role the Trust holds, as an anchor institution, to improve the lives of local people and tackle inequalities.

As an acute Trust we have a key role to play within the Lancashire and South Cumbria system, which encompasses not only the commissioners and providers of NHS services, but also a range of partner organisations in local government and in the voluntary and independent sectors.

Many of the challenges we face as a Trust require solutions that can only be delivered if we work together and with a common purpose with our system partners. We will continue to be an active and enthusiastic member of the Provider Collaboration, committed to being making progress on working more closely and collaboratively too.

One of the big drivers for making changes and working across teams and services in the wider geographical patch is to see if we can improve services while make efficiencies to reduce our costs. It's also really important to create a system where access to health care is both high quality and

more equitable, effectively eradicating the notion of a ‘postcode lottery’ and simply working together to support people’s needs in the very best way we can.

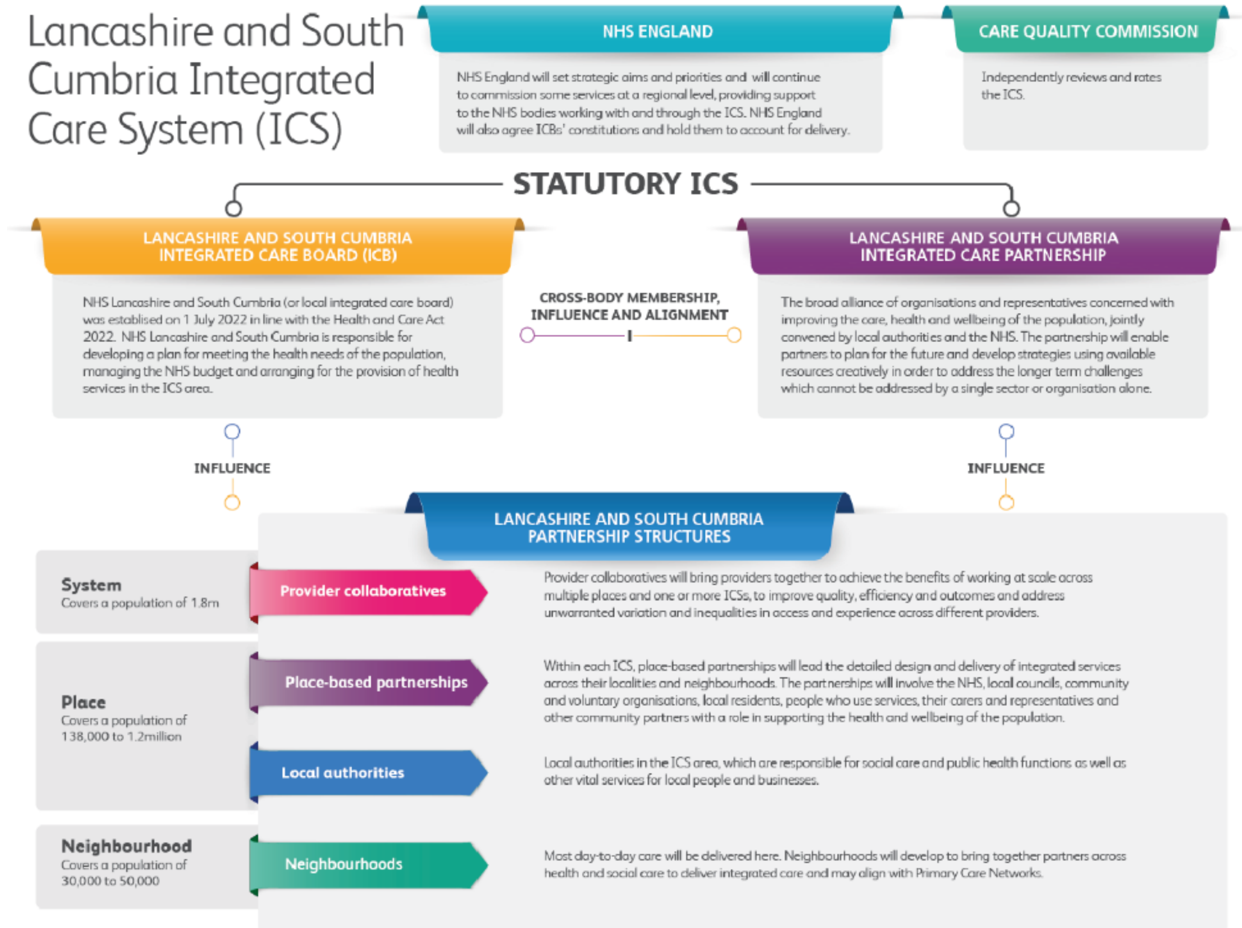
We would like to end by saying a huge thank you to all our colleagues and volunteers who deliver so much for our patients and their families every day. They have faced so many challenges over the last year with such enthusiasm and dedication.

Thanks also go to the executive team for their support and our non-executive directors for their valuable input. And finally, thank you to our colleagues and partners outside of ELHT and the organisations that work with us and support us to focus on providing safe personal and effective patient care.

Mr Shazad Sarwar
Chairman

Mr Martin Hodgson
Chief Executive

Working with our partners



The Integrated Care System and Integrated Care Partnership

The Integrated Care Partnership (ICP) is a statutory committee, jointly formed between the NHS ICB and the four upper-tier local authorities within the Lancashire and South Cumbria system. Its inaugural meeting took place in September 2022, bringing together partners from local authorities, NHS organisations, education, Healthwatch and voluntary, community, faith and social enterprise (VCFSE) organisations from across the system to support people to live healthier and more independent lives for longer.

Vision: We want people in Lancashire and South Cumbria to live longer, healthier, happier lives than they currently do

The ICP's purpose is to address the health, social care and public health needs of our communities, by building a shared purpose and common aspirations across the whole system, through which our system will tackle the most complicated issues affecting people's health and well-being that can only be solved by different organisations working together with communities.

Working across organisational boundaries, the partnership has developed an Integrated Care Strategy, to improve the health and wellbeing of our residents, by taking collective action.

The strategy takes account of expert advice from our local authority public health colleagues on population needs, captured within joint strategic needs assessments, and reflects both the health and wellbeing strategies that the health and wellbeing boards in Lancashire and South Cumbria have developed. It aligns with the NHS Joint Forward Plan developed by Lancashire and South Cumbria ICB.

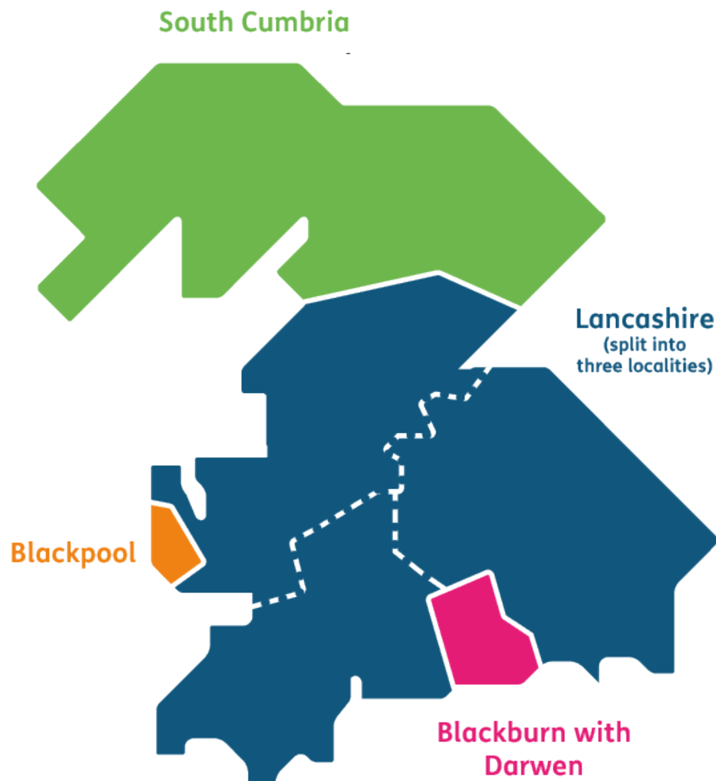
The strategy sets out our intention to take joined-up care action with our partners to enable our population to thrive by starting well, living well, working well, ageing well and dying well.

Whilst a significant amount of the strategy will be delivered through our four place-based partnerships on a neighbourhood, single-place or multi-place footprint, the ICP will also define a small number of systemwide priorities that we will focus on for the coming year to harness the opportunities of working in collaboration with all organisations within the NHS and our wider partners.

The ICP is one of our key vehicles to strengthen integrated working and tackle the most complex issues that cannot be solved by individual organisations through partnership working, where the potential achievements of working together are greater than the sum of the constituent parts.

Places

A place-based partnership is a collaboration of planners and providers across health, local authority and the wider community, who take collective responsibility for improving the health and wellbeing of residents within a place. Most people's day-to-day care and support needs will be met within a place and delivered in neighbourhoods.



There are four directors of health and care integration in the ICB for Lancashire and South Cumbria, in collaboration with six upper-tier local authorities: Blackburn with Darwen, Blackpool, Westmorland and Furness, Cumberland, Lancashire and North Yorkshire.

Our partnerships create a feeling of belonging to a place, where all partners are valued and respected, and mutual support is offered to all partners. This will be particularly significant in challenging times. It is important to acknowledge that residents are co-partners in the continued evolution of place-based partnerships and that social movements in communities can increase people's ownership of their health and well-being and mobilise communities to support each other.

The common purpose of a place-based partnership is to enable collaboration that will address specific place-based challenges and deliver within each place the parts of the integrated care strategy.

Making change which has a real and sustained impact on the health and care of the population takes time for many reasons. Societal inequalities, the state of the administrative infrastructure and the availability of the skills and workforce are all contributory factors in determining the rate of progress. The place partnerships have come through their first year following formation and much time has been spent establishing the right structures and networks. There is much reason for optimism. Key debates about how to keep the population healthy, how health and care services can best meet people's needs, and how to develop sustainable systems, are being addressed. Measuring the impact of this work is a challenge and making the improvements explicit, transparent, and monitorable is an area which will evolve as the partnerships mature.

Blackpool

Blackpool is an urban coastal area with a resident population of approximately 141,600 people. The town is well known for its thriving tourist economy along with a strong sense of local community, although the nature of the coastal community can also bring challenges around health and wellbeing.

With high levels of deprivation and a transient population, Blackpool residents have some of the most difficult health needs in the country and life expectancy is lower than the national average. Out of the top ten most deprived Lower Super Output Areas, based on IMD2019 (Index of Multiple Deprivation) rank, Blackpool is 2,3,4,5,6,7,8 & 9 out of the top 10 nationally. However, it is also a town with a very strong ethos and there are many exciting developments underway to ensure it remains a vibrant place.

Blackpool Place is committed to putting our residents at the heart of what we do, listening to people with lived experience, understanding their needs and co-designing solutions that work best for our communities. Our main ambition is to improve healthy life expectancy for the people of Blackpool.

The Blackpool Place-Based Partnership includes a wide range of health and care professionals from across different organisations and sectors. Colleagues from our local voluntary, community, faith and social enterprise sector are key members along with NHS, local authority and other organisations including Blackpool Teaching Hospitals NHS Foundation Trust, Blackpool Council, GPs as well as the Integrated Care Board.

The partnership comes together via the Blackpool Placed based Partnership Board, which provides a means for collaborative working to support the development and delivery of our health and care priorities for Blackpool. Examples of our programmes of work from 2023-24 include:

- **Priority Wards**. Analysis has been done to identify local community wards (or areas) where the levels of unplanned hospital admissions have been above expected levels, and which also fall within the 20 per cent of most deprived wards in England. The analysis identified five Priority Wards in Blackpool, these are: Bloomfield, Claremont, Talbot, Tyldesley and Park.

Working with voluntary sector partners, work has been undertaken to listen to and engage with residents in these local communities to get a better understanding and insight into their experiences of unplanned admissions to hospitals and the drivers behind these. As part of this programme, over 400 people shared their experiences and several themes were collated around the challenges facing people which may impact their need for urgent care, these included access to health and care, the cost-of-living crisis, and challenges of social isolation, amongst others.

As a direct result of this engagement, a programme of work has been developed to identify and tackle the opportunities that will have an immediate impact whilst helping to deliver longer-term change for our communities. The focus for this first year of work has been on respiratory conditions.

- **Youth Vaping.** Healthwatch Blackpool has engaged with residents across Blackpool on several topics and issues over the last year, with one of the key reports being on Youth Vaping in Blackpool. The Healthwatch team worked with Public Health colleagues to understand vaping behaviour and attitudes among young people in Blackpool, and to educate young people on Trading Standards and illicit vapes, to support people in making informed decisions.

The findings have been submitted to a national call for evidence and have been discussed in Parliament. They have also been raised with the Chief Medical Officer for England and impacted upon a national consultation.

As a result, the engagement and findings have successfully influenced a national policy to ban disposable vapes and change how they are marketed.

Locally, the findings influenced Trading Standards, resulting in illegal vaping products being seized by enforcement officers. Vaping recycling bins are now present in Blackpool secondary schools. Education has been provided on illicit vapes, Trading Standards and legislation, to help make informed decisions and 52 per cent of young people stated they want further education on vaping; Public Health are now co-designing new PSHE content for the curriculum, alongside children.

Feedback identified a gap in smoking cessation provision for young people wanting to quit vaping. As a result, the Blackpool service now offers behaviour-change support and conduct sessions in local colleges.

Healthwatch Blackpool has worked with residents to co-create some public-facing posters.

- **Community health and wellbeing showcase events.** The partnership is keen to promote the amazing work that is being done and the breadth of support available to residents. During 2023/24, the Place-based partnership organised two showcase events in the Blackpool Winter Gardens with the ‘Spring into Spring’ event in April and the ‘Active into Autumn’ event in September. These allowed residents to find out more about the services and support available to them. 35 organisations took part in April and 54 in September.
- **Integrated Neighbourhood Team development (INT).** Blackpool has a good history of health and care teams coming together to work collaboratively to support residents within their local communities. As part of our plans to bolster this and develop formal arrangements around a single Blackpool Integrated Neighbourhood team, partner organisations from health, social care and voluntary services have been working together to develop a future model for Blackpool and agree priority pieces of work that will support the health of our local residents.
- **Workforce.** With the Health and Social Care Career Academy already well established, we are now looking at local delivery of the aims and ambitions of the Lancashire and South Cumbria five-year health and workforce strategy to help support and enhance the existing work.

We are bringing together workforce leaders across Place to consider implementation plans for Blackpool in terms of delivering against the aspirations of the strategy and developing workstreams to benefit the “One workforce” of Blackpool such as initiatives around staff retention, resilience, and recruitment of hard-to-fill posts.

- **Place Development and staff sessions.** In developing the full team to support Blackpool Place, development sessions were held in October 2023 and January 2024 for all ICB and Primary Care Network staff that allocate all or some of their working time to Health and Care in Blackpool. These supported effective networking, population data analysis and agreed models of working going forward. We plan to continue these sessions over the next year and involve wider partner organisations so that broader discussions around place and next steps can be had.

Lancashire

Lancashire Place has a large population of c1.2 million spread across a large geographical footprint and due to its vast size has been divided into three sub-localities, North, Central and East Lancashire with residents served by one County Council and 12 district authorities, 3 for North, 4 for Central and 5 for East Lancashire footprints.

The needs and strengths of our population vary, and large health inequalities exist throughout the county with some of the neighbourhoods featuring in the top 10 per cent most deprived areas of the country. We must tailor our approach to ensure we are supporting our communities and residents to meet their specific needs and make the best use of our joint resources and collective assets.

Our vision in Lancashire Place is 'Living Better Lives in Lancashire', our ambition is to help the citizens of Lancashire to live longer, healthier and happier lives. We will do this by improving health and care services through integration and addressing health and well-being inequity across the Lancashire Place.

The following is a summary of key achievements and work during 2023/24.

- We have established an effective **Lancashire Place Partnership (Board)** that meets monthly and has good cross-sector representation including elected member involvement. The Partnership has approved the Lancashire Place Plan for 2024-25 developed with significant collaboration from the ten Health and Wellbeing Partnerships and guided by the three Integrated Place Leads and three Clinical and Care Professional Leads. A data-led approach has been used to select our key priorities, including targets that the Board will use to measure performance through our developing Performance Dashboard.
- We have linked our priorities for 2024-25 to the wider Transforming Care in the Community Programme and the ICB agreed transformation programmes of Creating Healthier Communities, Integrated Neighbourhood Working and Enhanced Care at Home. We are also

developing **Locality based plans** for each of the three priorities to reflect local needs in response to this work. Our Director of Health and Care Integration, Louise Taylor, has been appointed as the Senior Responsible Officer. We remain ambitious in balancing the focus on prevention as well as proactively responding to the growing complexity of the health and care needs of our population, including end-of-life. We are now working with our partners to deliver these ambitions and we are looking forward to sharing the progress made.

- Two Senior Operational Delivery Groups will now be established under the Lancashire Place Partnership to ensure that the business plan has grip and rigour and will ensure that partners can work in integrated ways to define and deliver the Lancashire Model. The Chairs of the Delivery Groups, Dr Sakthi Karunanithi the Director of Public Health, and Elaina Quesada Deputy Executive Director of Adult Services for Lancashire County Council will now become members of the Lancashire Place Partnership to ensure consistency and accountability. We will continue to work through our localities of North, Central and East Lancashire to deliver this on the ground. We will continue to develop our performance dashboard to ensure that relevant baselines and trajectories are identified so that we can see the difference that we are making for Lancashire residents.
- **Locally driven, data-led** priorities - A series of engagement workshops were held with partners between January and March 2023 across each of our localities (Central, North and East) to focus on what we at Place should prioritise to do together, and how we can we best work together for the benefit of our residents. These have been translated into clear plans for delivery in the year ahead and focus on the needs most pressing in that area (from early years to adults mental health, to homelessness and increasing activity).
- **Increased development** of the ten Health and Wellbeing Partnerships across our Place, which have been used as a mechanism for driving engagement and encouraging a deeper level of collaborative working between partners at a district level. The partnerships provide a forum to discuss strategic and operational coordination across services and include political, clinical, professional and community leaders from across our health and care system. They will have a pivotal role in the delivery of our priorities in the year ahead.
- Recruitment of three Clinical and Care Professional Leads appointed to provide overall leadership to the clinical and professional networks within Lancashire Place and specifically across our three localities.

- A focus on integration between services as well as the delivery of priorities. For example, we established the Central Lancashire Locality Transforming Community Services Board, chaired by Louise Taylor, the work of the Board is primarily focused upon:
    - Improving our delivery in the short and medium term, how we can work better together to support our residents in the community (priorities include phlebotomy, development of Care Connexions and District Nursing)
    - Designing integration options for the future, what the options are for the future provision of integrated community services in Central Lancashire

  Plans are underway to replicate this integration work where required in the other localities.
- **Connecting across our teams** – for example bringing our Public Health and Population Health Teams together across the Lancashire Place to maximise the benefit of joint planning, spending and delivery and we look forward to seeing the benefits of this joint work in delivery during the next year, for example around the co-ordinated health checks.
- **Connecting our decision-making -** the Lancashire Place Partnership now meets at regular intervals with the Lancashire Health and Wellbeing Board to fulfil their shared responsibility for the approval of the Better Care Fund and Joint Strategic Needs Analysis. We also hosted our first Partnership Chairs Meeting, bringing together Chairs of meetings sitting within the Lancashire Place footprint. This was very beneficial and further meetings will be scheduled throughout the year.
- We are supporting a review of the leadership and governance of the pooled fund (Better Care Fund) by Whole Systems Partnership commissioned by Lancashire County Council. We are pleased that an independent review of the Better Care Fund spending can now start that will be instrumental in advising future spending choices which will enable us to support more individuals to remain living independently in the community.
- We have contributed concrete proposals to support the ICB financial recovery which capitalise on the strengths of integrated working to ensure best value from the Lancashire Place pound. For example:
    - We have had a successful engagement with all 12 district councils via their Chief Executives to accelerate work on housing and around the Disabled Facilities Grant so that people can stay at home or be discharged home safely from hospital. We look forward to the outputs of this in the year ahead. From January 2023, the project testing the role of ‘Health and Housing

Co-ordinators' was launched, with a rollout across Lancashire throughout the year. This new role is to support timely hospital discharge where housing and accommodation-related issues are a barrier, with the coordinators sitting within their multi-agency Intermediate Care Allocation Teams. The impact has already been seen with rapid intervention for a person in hospital where their home conditions made it unsafe to discharge. Without the intervention the individual could have remained in hospital for a long time, impacting both their health, independence and well-being and the flow across the system.

  - As part of the work with the 12 district councils we have agreed to focus collaboratively on ways to improve and integrate our physical activity and leisure offer across our 12 district councils and with the Integrated Care Board. We know there are exciting opportunities for the benefits of exercise and activity on health outcomes, from prevention of poor health in the first place to avoiding the need for more intensive treatment by helping people manage their physical recovery/condition.

- **Engaging our staff and stakeholders -** We continue to publish a monthly newsletter; circulation has increased enabling us to communicate the great work ongoing across the Lancashire Place. This included the launch of the Lancashire Family Hubs Networks in late September 2023. The hubs help children, young people and families to get the information, advice and support they need in a local and convenient place. Support is available for all stages of family life, from pregnancy through to 19 years old or up to the age of 25 for those with special educational needs and disabilities (SEND). Each district of Lancashire has at least one family hub and there are plans to expand this network subject to national funding.

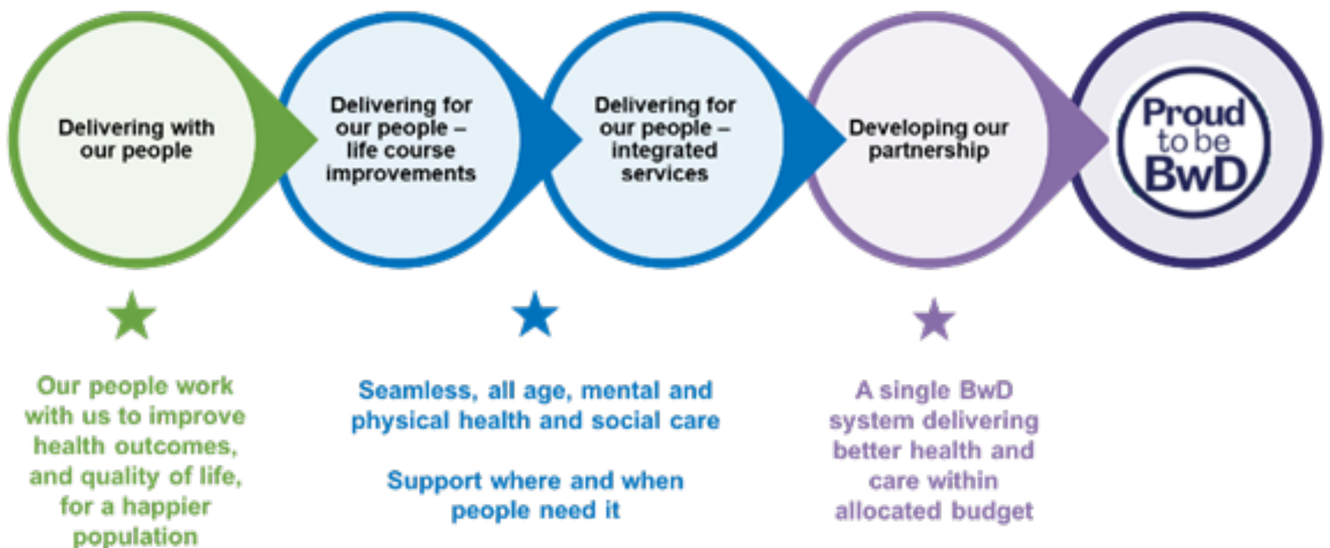
We end this year on a positive contribution and outcome to a Local Government Peer Review of adult services which has illustrated many strong examples of how some of our most vulnerable residents are supported, for example, carers, and where new technology can and is making a difference to the lives and outcomes of our residents. We will build on this good practice further in this next year.

Following the end of our foundational year, we now have systems in place to enable delivery, targets have been selected and plans for 24/25 are being refined to ensure we are reporting back our progress in terms of delivery and performance against those targets.

Blackburn with Darwen

Approximately 155,000 people live in Blackburn with Darwen. The borough is well known for its manufacturing history and is a place where vibrant towns are surrounded by glorious, rolling countryside. Where a strong heritage is celebrated with an exciting new cultural scene, it is a place with an 'anything is possible' attitude and a deep sense of community pride. However, its post-industrial revolution legacy means that residents face several challenges economically, with estimates that around 36% of the borough's residents live in the most deprived areas nationally. As a result of these challenges, people's health; well-being and life expectancy are lower than the national average, with many residents having one or more long-term health conditions by the time they are in their 50s.

Blackburn with Darwen (BwD) Place has defined its key ambitions for its Place-Based Partnership (PBP). These ambition statements act as a unifying purpose that underpins the work of our PBP.



Examples of the work in 2023-2024 are outlined below.

Delivering with our people:

- Agreement on a collaborative approach to co-production and engagement across our Partnership and established a multi-agency Insight, Communications and Engagement Group to drive our work forward.

- Developed our Population Health Intelligence and Priority wards approach.
    - Establishment of a Population Health programme focussed on reducing health inequalities in residents who experience above-average numbers of hospital attendances and admissions, across 11 priority wards.
    - Working with Healthwatch, we have commissioned priority wards insight work and we have engaged with over 500 residents which has informed targeted, rapid improvement work focussing on three wards initially, to support prevention, earlier intervention and keep people safe and well at home.
    - Our engagement has driven change in the neighbourhood model of care, including the delivery priorities for our Primary Care Neighbourhoods and Integrated Neighbourhood Teams. It has also supported a greater understanding of population needs and behaviour.
- Utilisation of community insight (through priority wards and Family Hub parent groups) was used to develop winter communications and an engagement plan. This focused on deep engagement, focus group discussions and messages targeted to insight and community demographics.

Delivering for our people – Integrated services

- Continued evolution of our Primary Care Neighbourhoods and Integrated Neighbourhood Teams on the back of our recent neighbourhood review, supported by the Local Government Association – an action plan is in development across all partners and includes working to ensure embedding of community mental health provision within our model.
- Development of our approach to transforming community care programme ensuring alignment with our Health and Wellbeing Strategy and target operating model of adult health and care service delivery. This has included overseeing the development of proposals to transfer adult physical community health and child and adolescent mental health services between ELHT and LSCFT, to reduce variation in service provision between BwD and East Lancashire and the wider LSC footprint; provide a more resilient service offer and improve patient outcomes, in line with the ICB’s strategic objectives and transformation programmes.
- Strengthening our Intermediate Care provision through Albion Mill – working to deliver a reconfigured operating model for Albion Mill intermediate care facility, with ambitions to have 35 beds fully operational by September 2024.
- Ongoing maximisation of our Better Care Fund to drive service integration and improved outcomes for residents.

Delivering for our people – Life course improvements

- Start Well – building a strong partnership with our Family Hubs including delivery of vaccinations and immunisations, emotional and mental health and well-being and preparation for SEND review, working closely with parents/carers to raise awareness of health services and support, we have supported Family hubs and Children centres in BwD to work with all four Primary care networks to ensure that flu vaccinations are at a more local level and therefore accessible.
- **Live Well** – The focus has remained on reducing ill health and tackling inequalities ensuring healthier hearts and healthy minds for all residents and in particular for vulnerable people. Currently supporting the development of a BwD Mental well-being, Mental Health, Suicide and Self-Harm Strategy/action plan; a BwD Learning Disability and Autism Big Plan and a Carers Strategy/action plan. Also working to increase delivery and uptake of health checks and enhanced health checks.
- **Age Well** – Working to embed the BwD Positive Ageing Framework, including working with partner organisations to encourage the adoption of the Age Friendly Employer Pledge. Dementia action plan in development. Enhanced our focus on frailty within our Integrated Neighbourhood Teams, with a plan to roll out frailty identification training across primary care and neighbourhood teams.
- **Die Well** – Completion of Getting to Outstanding review and action plan for implementation in 2024-25. Commissioned Healthwatch to undertake insight work about Dying Well in BwD, this insight is informing the action plan development and delivery.

Developing our Partnership

- The Place-based Partnership Board has been in place since April 2023 and includes a wide range of leaders from different organisations and sectors. The Board has enabled us to co-design and deliver on our ambitions across our key work programmes.
- The purpose of the board is two-fold:
  - To provide a vehicle for collaborative working and delivery of health and care services within BwD, connecting all partners to make joint recommendations as to the effective deployment of resources to drive integration and improved health outcomes.
  - To promote collective responsibility across all partners for the planning and delivery of health and care services within BwD.

South Cumbria

The Place has a population of over 186,000 spread across a large geographic footprint, with a mixture of coastal, rural and densely populated areas.

Uniquely in the Lancashire and South Cumbria ICB, the South Cumbria Place is not co-terminus with any local authority. Since the formation of unitary authorities in April 2023, the South Cumbria Place includes:

- The geography of the newly created Westmorland and Furness Council, excluding the Eden district.
- The area around Millom which is within the newly created Cumberland Council.
- The areas around Bentham which is within the newly created North Yorkshire Council.

There is a large variation in levels of deprivation, with some wealthy and some highly disadvantaged communities, which results in significant differences in healthy life expectancy, outcomes and experience across the place.

During 2023/24, the Place has held a regular Place Partnership Forum which includes a wide range of health and care professionals from different organisations and sectors, including colleagues from the voluntary, community, faith and social enterprise sectors as well as the NHS, local councils, police, fire and rescue, and large private sector organisations. This forum has enabled us to co-design the scope and ambitions of our key work programmes.

Examples of these are:

- Poverty Truth Commissions: Partners launched two Poverty Truth Commissions: one in Barrow-in-Furness and one in South Lakes. These brought together people with lived experience of struggling with poverty and leaders in the area to understand the nature of poverty, the underlying issues that create poverty and explore creative ways to address these.
- Priority Wards: We have worked with the voluntary sector to engage with communities in the Central and Hindpool wards of Barrow-in-Furness, to understand why so many people have needed an urgent hospital admission. The work has identified four key themes: self-harm, COPD, diabetes and diseases affecting children and young people. We are working with partners to provide direct support in these areas, including:
  - Enhanced health checks through our Primary Care Networks.
  - Identifying cancers at an earlier stage by improving our screening uptake.
  - Introducing an accessible model of respiratory care by taking our specialists into the community to identify undiagnosed and poorly managed respiratory diseases.
- **Supporting unpaid carers:** Healthwatch engaged with residents across South Cumbria to understand the experiences and concerns of our unpaid carers. We have agreed on several actions which focus on identifying carers, improving direct access and signposting to support offers, and supporting carers in our workplaces.
- **Integrated Care Communities (ICC):** These are teams from health and voluntary organisations who work together to improve a person's independence, quality of life, the risk of hospital admission and supporting discharge from hospital. There are four Integrated Care Communities: Barrow and Millom, Mid Furness, Grange and Lakes, Kendal, and East. Each has different areas of focus that are tailored to meet the needs of their community, with examples of the work including:
  - GPs offering health checks in warm hubs and community centres.
  - Junior citizen workshops to provide awareness of the effects of vaping.
  - Menopause cafes, with specialist input from GPs and health and wellbeing coaches, including yoga teachers.
  - Dementia cafes.
  - "Stepping Stones", supporting isolated individuals with Parkinson's disease

- Live Longer Better programme to support residents with long-term medical conditions who would benefit from an increase in physical activity.
- Rural Health Inequalities Project focusing on agricultural workers, frail elderly and housebound, and migrant workers in the hospitality industry. Members of the team regularly attend farmers markets and agricultural shows to offer health checks, information and advice to the farming community.
- Digital directories of services, enabling partners to share details of what services and activities they offer and how people can access them.

- **Mental health and wellbeing:** We offer mental health support through different approaches, including peer support workers, healthy lifestyle coaches, and specialized clinicians. If hospitalization becomes necessary, we provide support to help people return home safely and quickly, with rehabilitation and supported living care packages.
- **Workforce:** Health and care partners in South Cumbria are working collaboratively to create a workforce for the future. We are participating in events with schools and colleges to raise awareness of the different career opportunities within health and care, enabling young people from more deprived communities to access jobs in health and care, and making it easier for people to move between different health and care organisations. Our large NHS, local council and private industry partners are also working together to support the health and well-being of our workforce, with enhanced health checks and tailored support for employees.

Partnership working with the Voluntary, Community, Faith and social Enterprise (VCFSE) sector

The VCFSE sector plays an important role in improving health outcomes across Lancashire and South Cumbria ICB and directly within our four Places. In May 2023 L&SC ICB set out a commitment to work in close collaboration with the VCFSE sector when the ICB Board signed a partnership agreement with the VCFSE sector. This provides a strong foundation and shared set of commitments to creating a more equitable strategic relationship and collaborative approach for the future.

The sector not only deliver some critical services, such as social prescribing that contribute to keeping people healthy and out of hospital, but also are important partners in developing and transforming services for the future. This will improve health and wellbeing outcomes for the population of Lancashire & South Cumbria.

We are working with the VCFSE Alliance and the wider Assembly to build effective and sustainable partnerships with a wide range of VCFSE organisations to strengthen our partnership arrangements. VCFSE leadership is now embedded within our governance structures, contributing to the delivery of the key strategic objectives. This includes a VCFSE partner member on the ICB Board.

Together with the VCFSE Sector, we can transform our health and care system into one focused on people, communities, prevention and early action. This will be integral to the recovery and transformation plans of the LSC ICB in the next year.

Performance Report

Performance Overview

Introduction and Background

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

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

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

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

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

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

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

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

There are two private finance initiative (PFI) schemes for parts of the buildings at Royal Blackburn Teaching Hospital and Burnley General Teaching Hospital sites. We are committed to improving and

investing in our healthcare facilities, predominantly focusing on our on-going commitment to the Burnley General Teaching Hospital site.

Most of the Trust's services are funded by Lancashire and South Cumbria Integrated Care Board and NHS England. The Trust continues to work alongside local partners to deliver the best possible care in the most appropriate locations for the people of East Lancashire.

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

We have made some major changes to how we do things over the past year, particularly across the integrated care system. Yet again, this annual report describes a transforming organisation and how our place within the integrated care system has advanced and strengthened over the course of the year.

Performance Analysis

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

Chief Executive's Statement

The Trust experienced yet another challenging year with the need to balance the delivery of quality patient care with a significant increase in demand for the Trust's resources and the need to do so whilst maintaining a sustainable financial position.

Despite these pressures a huge amount of work has been undertaken by our teams and positive progress has been made on our 65-week cancer waits and the 62-day cancer target, and as a result, we ended the year ahead of our original trajectories.

The extent of the operational pressures we have faced has remained consistently high throughout the year, and we continue to see delays to the flow of patients through our hospitals.

Patients are experiencing longer waits than they should expect, from arriving in the emergency department through to being discharged, which is a symptom of a health and care system working at the limits of its capacity.

We are by no means alone in this, and nor can we solve it solely through our own actions as a Trust. Regular conversations and meetings take place with our health and care system partners as to what further steps can be taken and what support we may be able to access to alleviate these ongoing pressures.

We work together with all health and care partners to continue to build on the system response, recognising that some of this will take longer to have an impact. Our colleagues continue to do an amazing job in the face of these challenges, however working in this context for such a prolonged period is undoubtably having an impact on our workforce.

The National NHS Staff Survey helps us to understand how it feels to work in the Trust through the responses provided. This year just under 4,400 colleagues shared their experiences and we appreciate that they took the time out of their busy days to do that.

As a general overview, compared to recent years ELHT scored significantly better in five questions, similar on about 80 and worse on 12 questions. It is easy to gravitate to where our scores have declined, however, to stay the same or improve in 85 areas is no mean feat in the current complex and challenging climate.

It is also important to acknowledge that 2023, on the back of 2020, 2021 and 2022, brought an incredible amount of big and difficult challenges that have impacted on the experience of colleagues.

These include of course our response to and subsequent recovery from the pandemic as well as the relentless focus on clearing the backlog of people on our waiting lists, but also the implementation of a new and complex Electronic Patient Record, the removal of crumbling concrete (RAAC) from our buildings and ongoing industrial action.

We have also seen widespread industrial action across the NHS as a response to the ongoing dispute between health unions and the Government about pay and conditions.

Inevitably there was a consequence to these strikes, and many planned operations and appointments were postponed.

However, we did everything we could to minimise disruption to get everyone we possibly could into hospital for whatever they needed. Every single person, procedure, appointment, was carefully considered and only cancelled last minute because we had refused to give up on finding a way for it to go ahead.

As briefly mentioned, we have seen major digital developments coming online this year. The largest of which was a new Electronic Patient Record rolled out across the organisation.

The Cerner Millenium system transformed the way the Trust worked by removing any reliance on paper and out-dated systems, replacing them instead with live and up-to-date digital notes with multiple, seamless access points.

The implementation has not been without its teething problems, but to everyone who managed the programme, delivered it and opened themselves up to new ways of working in already challenging and pressured environments – thank you, it is hugely appreciated.

It is vital that we continue to deliver these ambitious developments to secure services for the future that our patients expect and deserve and help to make us an organisation that our fantastic colleagues are proud to be part of.

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

Access Headlines	
	• 78.81% of patients in A&E were admitted, transferred, or discharged within 4 hours in March 2024 (new target 77% by March 2025). • The number of patients waiting over 62 days on a cancer pathway to 132 patients by March 2024, below trajectory of 155. • The Cancer 28-day faster diagnosis standard of 75% was achieved in all months except for September and October • In February 2024, 57.5% of patients were treated or discharged within 18 weeks of referral (non-admitted pathways). • In February 2024, 45.6% of patients were treated or discharged within 18 weeks of referral (admitted pathways). • At the end of March 2024, 191 patients had an ongoing pathway over 65 weeks. • No patient waited more than 78 weeks on a routine waiting list as at February 2024 month end. • In February 2024, 93.9% of patients received their diagnostic test within 6 weeks of referral compared to 89.9% in February 2023 (target 95% by March 25). • In February 2024, theatre utilisation achieved was 82.8% against the 85% standard (capped) as per Getting It Right First Time (GIRFT). This performance is in the top quartile nationally. • 91.68% compliance with 2-hour Urgent Community Response target against national target of 70% (February 2024). Since the service commenced in ED we have assessed 2031 patients (to end of February 2024). We have prevented 621 confirmed admissions to AMU. • The average Length of stay in ED for this cohort of patients is 110 minutes compared to 718 mins department average for those who don't access this service. • The readmission rate for the patients the service deflected from ED is 6.4% compared to the trust readmission rate for the same age range of which is 13% • The IHSS service continues to exceed the national target of 70% 2 hour Urgent Community Response with a monthly average achievement of 97%+.

	• In February 2024, theatre utilisation achieved was 82.8% against the 85% standard (capped) as per Getting It Right First Time (GIRFT) compared to 85.6% in February 2023. This performance is in the top quartile nationally. • 91.68% compliance with 2-hour Urgent Community Response target against national target of 70% (February 2024). • Since the service commenced in ED we have assessed 2,031 patients (to end of February 2024). • We have prevented 621 confirmed admissions to AMU. • The average Length of stay in ED for this cohort of patients is 110 minutes compared to 718 mins department average for those who don't access this service. • The readmission rate for the patients the service deflected form ED is 6.4% compared to the trust readmission rate for the same age range of 13%. • The IHSS service continues to exceed the national target of 70% 2-hour Urgent Community Response with a monthly average achievement of 97%+. • The Hospital at Home service which was launched on 29/09/2022 has accepted 16,070 with 90.4% of those admitted to the Virtual Ward remaining in their usual place of residence. ELHT has both the highest capacity and highest utilisation rate of virtual ward/Hospital at Home 'beds' of all providers across the ICB footprint. • Our Home First pathway took home 3198 patients in 2022/23 which was the sixth year of delivering the home assessment service. We have seen an increase in the number of home first visits year on year over the six years of delivery from 925 patients to 3198 patients.
Quality Headlines	• 4 MRSA against the target of 0 (Apr 23-Feb 24) • 85 C. diff against the trajectory of 53 (Apr 23-Feb24) • 125 E coli against the trajectory of 129 (Apr 23-Feb 24) • 43 serious incidents against a target of 0 (Apr 23-Feb 24)

In conclusion, our performance report highlights the Trust's commitment to provide high-quality care and services to our patients and their families.

Through continued partnership with primary care, social care, mental health and community services, we have consistently delivered safe, personal, and effective care while achieving significant improvements in key areas.

I remain immensely proud and inspired by our dedicated colleagues and their tireless efforts. As we move forward, we are committed to further enhancing our performance and building on our successes to ensure our patients continue to receive the best possible care.

Task Force on Climate related financial disclosures

The Trust Board approved its Green Plan in January 2022, and which outlines how the Trust plans to work towards Net Zero. It covers the period 2022 to 2025. This forms part of the key strategic aims and deliverables of the Trust.

The Trust's Green Plan shows its commitment to supporting staff, patients and the wider community in reducing carbon emissions, in line with its role as an anchor institution. The detailed plan covers nine areas of focus and is underpinned by the Trust's Clinical, Quality, Financial and Estates strategies. It is available on our Trust Internet site.

Our carbon emissions are measured, independently, each year to determine progress against plan. This is overseen by the Audit Committee and an Executive senior responsible officer. The plan is delivered through key stakeholder engagement across the Trust, as well as collaboration with other organisations in our system, covering health, social care and supply chain.

An annual report detailing progress against plan and key actions is presented to the Audit Committee, and in turn, the Chair of the Audit Committee updates the Trust Board of progress.

Vision and values

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

We will do this by achieving our objectives to:

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

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

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

In achieving the objectives our colleagues observe our operating principles:

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

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

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

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

Our services

It has been another challenging year, dominated by high demand for our services and complex operational pressures. Our staff have continued to work tirelessly to deliver safe, personal, and effective care for our patients.

Throughout 2023-24 we have remained focused on the restoration and recovery of our services following the covid pandemic whilst managing the impact of industrial action and the implementation of an Electronic Patient Record.

Whilst we have seen good progress and are delivering well against all the national standards patients are still waiting longer that we would like.

The Trust remains extremely proud and grateful to all our colleagues for the services they delivered during this difficult time. Patient safety and experience has remained our priority throughout 2023-24 working closely with our teams and partner organisations.

Some of our key achievements in 2023-24 included:

- Implementation of an Electronic Patient Record, which will allow us to improve all aspects of patient care, including safety, effectiveness, patient-centeredness, communication, education, timeliness, efficiency, and equity It will also eventually lead to the elimination of the need to keep paper records and will allow our clinical teams access to patient records from anywhere at any time enabling innovations such as remote consultations.
- Implemented the Chatbot process for contacting patients about their appointments due to the long waits within elective care. The National Validation Programme will continue through 2024/25 with the further development of the Patient Engagement Portal (PEP+)
- East Lancashire Child and Adolescent Service has been successful in achieving a further 3 years as an accredited service for QNCC - Quality Network for Community Child and Adult Mental Health Services (CAMHS) from The Royal College of Psychiatrists. We are one of the three CAMHS services nationally who are accredited by the college.
- The Gynaecology service have made significant progress in the implementation a new post-menopausal bleeding pathway, the results of this will mean that less women who are referred to the service having to undergo outpatient procedures.

- Our CAMHS service have been successful in securing and implementing the Wave 9 Mental Health in Schools Service. The Wave 9 Mental Health in Schools Service is part of a broader initiative to enhance mental health support for children and young people in educational settings.
- ELHT is one of six Baby Friendly Initiative (BFI) sites nationally to pilot and implement the paediatric UNICEF BFI standards for inpatients, the UNICEF UK Baby Friendly Initiative has developed standards specifically for hospital-based children's services. These standards aim to enhance care around infant feeding and relationship building within hospital settings for babies under one year of age and those who are breastfeeding beyond one year and require hospital care outside of maternity and neonatal services
- In winter 2023 the ELHT Paediatric team successfully piloted the children's virtual ward. Virtual wards provide an alternative to traditional hospital-based care, enabling earlier supported discharge and reducing the need for hospital admissions.
- We tendered and have been awarded the contract for the 0-19 universal service. From 1st April 2024 we will be providing this service which covers Health Visiting and School Nursing across Blackburn with Darwen.
- ELHT has achieved national accreditation from the British Society for Gynaecological Endoscopy (BGSE) as a specialist centre for Endometriosis.
- Patient Experience Team, Estates & Facilities and Paediatrics worked collaboratively to train students at a local high school to enable them to undertake mini-PLACE assessments (Patient Led Care Assessments of the Care Environment) on the Children's Unit at Royal Blackburn Hospital. 10 students actively participated in evaluating the Children's Ward, Children's Observation & Assessment Unit and Children's Outpatients. The aim is to continue collaborating with the school to extend the reviews to other hospital sites.
- Refurbishment of our Theatre Suite on the Royal Blackburn Hospital site.
- Expanding workforce models implemented around advanced practice as part of a growing multi-disciplinary team. An example of this is the anaesthetic associates within our Surgical and Anaesthetic Services, and we have been successful in the recruitment of advanced clinic practitioners and consultants within our Head and Neck Services
- Expansion of the Urology Investigation Unit within a new location in the Victoria Wing on the Burnley site, which has meant an increase in capacity.

- Introduction of the new Breast Pain Service**,** this is a one stop clinic that any patient suffering breast pain can be referred.
- Successful bid through NHS England to purchase ophthalmology equipment for the OCT community eye screening digital surveillance pathway, this equipment will enable patients across Lancashire to be monitored within the community setting for macular degeneration and be referred on to the hospital only when treatment is required.
- Improvement in our Cancer performance, reducing the number of patients waiting over the 62-day standard.
- The endoscopy department have successfully maintained their Joint Advisory Group (JAG) accreditation following a recent assessment. The JAG accreditation scheme is a patient-centred and workforce-focused scheme based on the principle of independent assessment against recognised standards. The service received some outstanding feedback from the assessors including the following:
    - The service has an excellent team model demonstrated by a supportive and encouraging culture.
    - The service has an excellent 'operational grip' across all sites, and this is demonstrated through clear management and meeting structures.
    - The leadership team has a clear vision and purpose that is fully supported by the Trust. This includes a clear plan to develop the service further.
    - The pathway for assessing patients with cognitive impairment is exemplary. This should be shared widely across the endoscopy community once audited.
    - There is a strong camaraderie within the workforce. Staff work cohesively as a team supported by strong effective nursing leadership and management.
    - The practice facilitators provide outstanding support and training for the workforce.
    - Excellent training environment for both endoscopists and endoscopy nurses
- In 2023-24 the Lancashire and South Cumbria Operational Delivery Network (ODN) for Hepatitis C has continued to work collaboratively with all partner providers and organisations across Lancashire and South Cumbria, outreaching into both the community and criminal justice settings with a focus on health inequalities and disparities.
- The ODN has successfully launched projects in Pharmacy testing, ED testing in Blackpool and patient access to eliminate Hepatitis C as a major public Health threat ahead of the World

Health Organisation global target of 2030. In March 2024, the ODN received delivery of their own mobile clinical unit which will allow the ODN to increase its outreach efforts and greater flexibility, ensuring more patients are seen and treated.

- We have continued to develop our Lung Cancer pathways and have introduced a new Lung Nodule Clinic as a nurse led service. The respiratory service welcomed a new Consultant to the team, who also supports the Intensive Home Support Service in Community.
- In December 2023 the Respiratory and Cardiology teams were able to deliver activity at the Clinical Diagnostic Centre in Rossendale, offering an alternative location for patients requiring appointments for diagnostic testing. This service has received positive feedback from Healthwatch.
- Collaborative working with Lancashire and South Cumbria Foundation Trust (LSCFT) and Pennine Lancashire commissioners to look at integrated models of care within Blackburn with Darwen
- Despite an increase in demand and pressures across our emergency department our Sentinel Stroke National Audit Programme (SSNAP) performance continues to be strong, with active clinical leadership across the multi-disciplinary team (MDT). This ensures that our stroke patients receive high standards of care and an improved experience.
- Working with our Emergency Department, Northwest Ambulance Service, and Improvement Team colleagues to improve our handover times from arrival to the department and handover to the ED clinical teams.
- Following the successful implementation of the NHS Digital Streaming and Redirection implementation in winter of 2021-22 across our Urgent Treatment Centres there has been continued collaboration with health care partners to enable the tool to offer alternative service to patients to meet the needs of our patients, e.g. dental service, Primary Care and SDEC access. We have seen an increase in the number of patients utilising the tool and provided with appointments which supports effective demand management in the departments thus reducing the waiting times.
- Implementation of Teledermatology service which specialises in the early detection of skin cancer.

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

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

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

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

- General, specialist medical and surgical services
- 13 theatres, two obstetric and one procedures room (including robotic-assisted surgery)
- Full range of diagnostic (for example MRI, CT scanning) services.
- Urgent care centre for minor injuries and illnesses
- The Lancashire Women and Newborn Centre, comprising of:
    - Centralised consultant-led maternity unit
    - Level 3 neonatal intensive care unit
    - Midwife-led birth centre.
    - Purpose-built gynaecology unit
- Lancashire Elective Centre
- Six endoscopy rooms

- Fairhurst Building including a new specialist ophthalmology centre, maxillo-facial department, and outpatient facilities.
- Rakehead Rehabilitation Unit for specialised neuro-rehabilitation pathway
- Renal dialysis services (provided by Lancashire Teaching Hospitals NHS Foundation Trust)
- Rainbows Child Development Centre
- East Lancashire child and adolescent service, CAMHS service.
- Children's daycase ward.
- Community Diagnostic Clinics

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

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

Clitheroe Community Hospital provides:

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

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

Pendle Community Hospital in Nelson provides:

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

Rossendale Community Hospital provides:

- Outpatient services
- Community Diagnostic Clinics

Staff

This year has been challenging for colleagues in terms of ongoing service recovery, pressures across the Trust, as well as personal pressures relating to cost of living.

Our colleagues are our main asset – we cannot deliver great services to our communities without them, so it is essential that we look after their health and wellbeing.

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

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

ELHT continues to promote system collaboration and is leading the development of corporate collaboration including with Occupational Health, and the collaborative Bank and Agency project. This has developed and 2023/24 has seen ELHT be identified as host for the OneLSC and will support this endeavour to bring together key services as part of the system transformation and recovery plans.

The Trust is a major local employer and sees itself as an anchor organisation within the local area. Recruitment activity has increased significantly across the Trust, and ELHT now employs around 9,270 Whole Time Equivalent (WTE) staff, compared to 8,900 WTE staff this time last year. There has been further planned international recruitment, which is seen as a short to medium term solution to the current workforce pressures. As a result of this the Trust has developed a Stay and Thrive offer to support our internationally educated workforce, including pastoral care, structured induction, and onboarding, informed by our international and overseas staff network.

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

During the 2023-24 period the focus on retention, flexible and agile working and on further embedding the Trust's behaviour framework, to improve the experience of our workforce. The Trust's moving on survey provides useful feedback to ensure we are taking action to address any hotspot areas. Stay conversations were also trialled in an area of the Trust.

Equality Standards

Equality Delivery System (EDS 2022)

The Equality Delivery System 2022 is the foundation of equality improvement within the NHS and helps support our organisation to demonstrate that we are complying with our duties under the Equality Act 2010. The EDS framework enables the Trust to work with patients, public, staff, staff networks and trade unions to review and develop our services, workforces, and leadership.

The new approach to completion of the EDS includes working as a system to review practice, data and insights to create interventions and action plans in response to the findings. This can contribute to delivery of health equity and to addressing inequalities in elective recovery as well as delivery on the CORE20PLUS5 approach.

During the period 2023/24, ELHT piloted the EDS 2022 with the system to introduce shared external panels including patient and community groups to scrutinise submissions, provide grading and feedback. The pilot provided a lot of learning about the ways in which the complexity of system working, and the use of external panels needs to be planned for the 2024/25 process. The 2024/25 process will therefore benefit from this learning and forward planning to develop meaningful actions and targets.

The Trust is reviewing the Terms of Reference for the Inclusion Group and has a new Health Inequalities Committee, which will therefore clarify their responsibilities for the 2024/25 period in respect of EDS goals for the year ahead.

Accessible Information Standards (AIS)

ELHT continues to monitor the number of patients who have a reported communication need under this Standard. AIS information forms part of the Trust's 'Policy and Guidance for the Production of Patient Information 2023', which is in line with national guidance.

The Trust is re-establishing an AIS improvement group following the roll out of the electronic patient record in 2023/24. The communications team have an ongoing project to make changes to the website and intranet site to ensure it is accessible. Work is underway to remind colleagues of the importance of communicating effectively with all patients and this is expected to continue into the future.

Workforce Race Equality Standard (WRES)

The WRES collection for 2023 has highlighted key areas for concern to be addressed, around recruitment, namely the likelihood of appointment from shortlisting, career progression in clinical roles (middle to upper levels), career progression in non-clinical roles (lower to upper levels), BAME colleagues accessing non-mandatory training and discrimination experienced from manager or colleague.

The Trust has developed a detailed and integrated EDI improvement action plan which identifies key actions which will be undertaken over the next 12 months, and maps to the national EDI Improvement Plan. These actions form part of our strategic objectives linked to delivery of the People Plan. The data and action plan are available on the ELHT website which can be viewed here: Equality, Diversity and Inclusion :: East Lancashire Hospitals NHS Trust (elht.nhs.uk)

ELHT has committed to becoming anti-racist which is a key strategic priority for 2023/ 24 and beyond. The Trust has a Clinical Quality Academy project on anti-racism which is sponsored by the Chief Executive and led clinically and operationally by the co-chairs of the Black, Asian and Minority Ethnic (BAME) Network and allies.

Workforce Disability Equality Standard (WDES)

The data collated for ELHT during 2022 highlighted concerns specifically relating to three important aspects of experience. This shows that our disabled colleagues have a poorer experience than other colleagues in respect of presenteeism and their experience of harassment, bullying or abuse and were less likely to report their last incident of harassment, bullying or abuse than other Trusts when we were benchmarked. The actions detailed in the subsequent action plan reflect this, with a focus on ensuring that managers are explicit to colleagues in terms of support relating to disabilities. The data and action plan are available on our website which can be viewed here: Equality, Diversity and Inclusion :: East Lancashire Hospitals NHS Trust (elht.nhs.uk). The Disability and Wellness Network

(DaWN), LGBTQ+ and Mental Health Networks and Neurodiversity Task and Finish Group have also contributed to the action plans and to the progress made.

Gender Pay Gap

The most recently published data from ELHT is from March 2023 and demonstrates that:

- The average hourly rate of pay details a 22.51% pay gap between male and female colleagues, which is a small decrease from 22.92%.
- Our median pay gap for 2023 is 6.96% per cent and represents a small increase of 0.08% from 2022.
- The Trust employs more women than men in every quartile. The lower quartile represents the lowest salaries in the Trust and the upper quartile represents the highest salaries.
- In the lowest paid quartile 78.88% are women and in the highest paid quartile, 70.73% are women.
- The 'Median gender pay gap using bonus pay' was 0% as all consultants were paid the same bonus for the Clinical excellence awards.

A full breakdown can be found on the Trust's website. The Women's Network continues to promote career development, career coaching and further analysis will be undertaken to identify further actions to reduce the gender pay gap, particularly when the clinical excellence awards are reintroduced. A local scheme is being developed.

EDI Improvement Activity

The EDI Integrated action plan provides an overview of the plans in place to deliver greater inclusion and belonging as the Trust aims to develop an outstanding culture of inclusion and compassion. Through the commitment of the staff network cochairs, members and leads, we have developed plans to improve staff experience which evidence shows us, will benefit the wider workforce and the population we serve.

Achievements in 2023/24:

- Development of Wellbeing Passport supported by reasonable adjustments training.
- Fifth Festival of Inclusion focused on Compassionate and Inclusive Leadership
- Introduction of Autism, Learning Difficulties and Neurodiversity mandatory training
- Launched anti-racism charter and commitment to achieve bronze status
- Continued to improve diverse representation of Freedom to Speak Up Ambassadors
- Discover Islam Conference

Leadership and Management

In 2023/24 the Trust developed a leadership strategy with five priorities and launched its core and modular leadership and management development offer, based on a new leadership framework reflecting our vision, values and cultural aspirations. In addition, manager's wellbeing has been the focus on Project M, which offers bitesize learning and peer support. The Trust has piloted compassionate conversations training with NHS Resolution, developed an additional cohort of internal coaches and has two trainers trained to deliver a leaders wellbeing programme. This speaks to the challenges faced by leaders and managers as they balance quality, safety, workforce and cost. Team development and team leader facilitation skills is delivered through the Team Engagement Development tool, using a diagnostic tool for team leaders to engage their teams with.

Employee engagement

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

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

As an organisation we are committed to improving engagement. Our strategy is led by the Executive Director of People and championed by the Chief Executive as the chair of the employee engagement and experience sponsor group which has enabled ELHT to drive the organisation forward by highlighting the importance of employee engagement as well as implementing evidence-based interventions to enhance it, recognising that colleague engagement has been challenging this year with a slight decrease in the levels reported by staff.

We have devised, implemented, and embedded a systematic approach to engage and empower our employees through a compassionate, inclusive and participative approach which supports an environment whereby our workforce demonstrates high levels of advocacy involvement and motivation, working together towards our shared vision of being widely recognised for providing safe personal and effective care. We will continue to look at ways to improve this in 2024/25, particularly in our planned 'Year of Improvement'.

The Trust provides colleagues with information and updates in a variety of formats and also seeks ongoing feedback and improvement ideas:

- Weekly Teams Brief for all colleagues to hear directly from the Executive Team and to raise any questions which if they cannot be answered on the day are responded to.
- Shout outs to spotlight good practice.
- Senior Leaders regularly meet as a Senior Leadership Group to escalate any patient and staff safety issues with a focus spot to ensure good practice, risks and issues are shared.
- SPE+ training on continuous improvement
- Nursing and Quality led Senior Support and Share visits
- Back to the floor visits by Executive Team
- Patient Safety Walkrounds
- Chief Executive's blog
- ELHT Facebook page for social and community updates
- Newsletters and staff bulletins
- Well service newsletters and offers
- Leadership newsletter
- OLI – intranet

The Trust was successful in its application to be part of Cohort 2 for the People Promise Exemplar and has commenced the 30, 60, 90-day activities with NHS England to increase the experience of our staff so more feel engaged and choose to stay as part of the ELHT family.

Financial duties

The Trust reported a £15.4 million adjusted financial performance deficit for the 2023-24 financial year against a revised planned deficit of £0.6m, but in line with the target set by NHSE. However, despite this deficit the Trust continues to meet its break-even duty where the cumulative position is a £4.7 million surplus.

Better Payments Practice Code

Although it is not a financial duty, the Trust met the Better Payment Practice Code target by paying more than 95% of undisputed invoices within 30 days of receipt of the goods or invoice, whichever is the later, for NHS invoices (value and number) and for non-NHS invoices by value. The number of non-NHS invoices paid within 30 days was slightly below this target at 91%.

Where our money comes from

In 2023-24, the Trust received operating income of £773.7 million compared with £738.1 million in the previous year. Most of the Trust's income now comes via Integrated Care Boards (ICBs), which purchase healthcare on behalf of their local populations, with £731.5 million of income being generated from patient care activities.

Where our money goes

The Trust's total revenue operating expenditure for 2023-24 was £790.6 million compared with £722.0 million in the previous year. £542.6 million (69%) was spent on staff costs. Throughout the year the Trust employed an average of 9,073 permanent staff, as well as an average of 785 bank staff, 188 agency staff and 203 seconded junior doctors.

At £55.3 million, drugs costs were the next highest area of non-pay expenditure with the Trust also incurring £50.8 million of clinical supplies and services, £31.6 million for premises and £22.4 million for clinical negligence 'insurance' premiums.

Capital Expenditure

The Trust has continued to invest in healthcare facilities in East Lancashire, receiving £4.5 million to convert an area of office space in Royal Blackburn Hospital into a ward area in 2023-24. Within 2023-24 the replacement of part of the roof on the Royal Blackburn site, after Reinforced Autoclaved Aerated Concrete (RAAC) was identified was completed.

After two years preparatory work the electronic patient record went live in June 2023. A further £3.9 million was spent on the electronic patient record in year which was primarily around staffing and additional kit with a further £1 million being spent on digital and data resources.

The electrical infrastructure work continued into 2023-24 at a cost of £1.2 million, and the multifaith room at Burnley General Hospital was completed.

In total the Trust invested £34.0 million on new building works, improvements, equipment, and information technology across all its sites; within this £10.1 million is accounted for as PFI lifecycle costs and included £2.2 million on right of use leases being classified as capital expenditure.

Financial Outlook for 2024–25

The Trust is facing a significant financial challenge as we move into 2024-25. To incentivise an increased level of elective and outpatient activity, during 2024-25 the trust will remain on incentivised schemes for all elective and outpatient procedures, with the remaining services including emergency care remaining on a fixed funding arrangement. Our income and expenditure plans for the year are based on the achievement of 109% of 2019-20 activity levels. With urgent and emergency care pathways payments remaining on a block contract, the Trust has a financial challenge to meet increased demand with limited resources.

The Trust is working to a £30.3 million deficit financial plan, which includes a Waste Reduction Programme of £57.8 million (7.7% of operational expenditure). The Trust will endeavour to meet this challenging financial plan through its Waste Reduction Programme aligned to its improvement programme, working with system partners across Lancashire and South Cumbria, and through increased financial controls, however given the level of savings required, the achievement of a deficit plan of £30.3 million is significantly at risk.

Modern Slavery Act 2015 – Annual Statement 2023–24

In accordance with the Modern Slavery Act 2015, East Lancashire Hospitals NHS Trust (ELHT) agreed the final statement regarding the steps it has taken in the financial year 2023-24 to ensure that Modern Slavery (i.e. slavery and human trafficking), is not taking place in any part of its own business or any of its supply chains. The full statement can be found on the Trust's website (www.elht.nhs.uk).

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

Principal activities of the Trust

Our principal activities are to provide:

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

Performance summary

Healthcare providers across the country are set a range of quality and performance targets by the Government, commissioners, and regulators. 2023-24 has been a particularly challenging year but highlights have included:

- The Cancer 28-day faster diagnosis standard of 75% March 2023 – February 2024 performance was 77.9%.
- Reduction in the Cancer 62-day backlog year end position with a year-end submission of 132 against a trajectory of 155
- At the end of March 2024, 191 patients had an ongoing pathway over 65 weeks against a trajectory of 628.
- Achievement of 77.96% against the Emergency Care 4-hour target of 76% for March 2024
- Friends & family scores remain above the threshold for inpatients, outpatients, and community.
- The overall Trust performance from the range of patient experience surveys was above the threshold of 90% for all the four competencies.
- The Trust continues to perform well in most areas of the “gold standard” but has experienced difficulties in meeting the required target that patients attending our services with the signs and symptoms of stroke are admitted to our specialist stroke beds within four hours of arrival. This is reflective of the pressures seen across the country for non-elective services and the availability of beds. In Q3 of 2023-24 (latest data) both the Acute and Rehabilitative services managed to achieve a SSNAP score of A. (Q4 not available until June 24)
- Month on month improvement in our patients waiting for diagnostics tests performance. In February 2024, 93.9% of patients received their diagnostic test within 6 weeks of referral compared to 89.9% in February 2023 (target 95% by March 25).
- 91.68% compliance with our 2-hour Urgent Community Response target against national target of 70% (February 2024).
- The Trust has been in the top quartile nationally for both our capped and uncapped theatre utilisation performance.

Non-Elective Recovery – Urgent and Emergency Care

Non-Elective Recovery requirements for 2023-24 was the Trusts achieved a minimum of 76% for patients to be seen and treated, or discharged, within four hours of their arrival on the emergency or urgent care pathway and an improvement in ambulance handover times by March 2024.

The Trust achieved 77.96% of patients meeting this standard, we were one in only four Trusts in the Northwest to achieve this target. There have been several schemes in place to improve performance for Urgent and Emergency Care (UEC) including:

- Continued partnership working with the NorthWest Ambulance Service (NWAS) around ambulance handover times.
- Escalation process when the Trust is experiencing significant demand.
- Daily Executive led meeting with Divisional teams to support decision making.
- Increasing ambulance conveyances directly to our Same Day Emergency Care (SDEC) areas including a direct pathway for paediatrics with good effect.
- Increasing Emergency Care footprint.
- Increasing clinical acute medical input into Emergency Care
- Expanding the appointment system based on clinical criteria in urgent care, in providing a more convenient service for patients whilst reducing waiting times in the urgent treatment centres, as well as congestion due to high waits, this now includes NWAS being able to access appointments for patients,
- Towards the end of Q4 the Emergency Team introduced a new Acuity Triage tool to help support management of patients to alternative pathways
- Intensive Home Support Service (IHSS) in the emergency department supporting alternative pathways outside of the hospital to prevent unnecessary admissions.
- Delivery of our 2-hour Urgent Community Response (UCR) service avoiding unnecessary attendances in UEC with NWAS
- Successful utilisation of our Virtual Wards. The Trust has both the highest capacity and highest utilisation rate of virtual ward/Hospital at Home ‘beds’ of all providers across Lancashire and South Cumbria.
- Continued partnership working with primary care, social care and community services ensuring a collective effort towards delivering safe, personal and effect care for our patients.

	2019-20	2020-21	2021-22	2022-23	2023-24
Percentage of patients treated in four hours or less (Trust)	80.80%	84.60%	72.94%	74.00%	77.96%

Our ambulance handover performance

Our Emergency Department is one of the busiest in the Northwest region and has one of the highest numbers of ambulance attendances across the Northwest region, as a result the Emergency Department has experienced challenges with handover times. In response to this Our Urgent and Emergency Care teams alongside our NWAS colleagues have been working collaboratively to effectively manage the demands on services by improving patient pathways direct to our Same Day Emergency Care (SDEC) services and working with the support of the improvement team on handover times from patient arrival to being handed over to the care of the emergency care team, in addition to working in partnership to reduce the number of conveyances to the department.

Elective Recovery

The national elective recovery standard during 2023-24 was to eliminate over 65week waits by March 2024 and the Trust had a plan to do so, however, due to the on-going industrial action and emergency pressures it became necessary for Trusts to review trajectories for achieving this target. A revised trajectory of 628 patients waiting 65 weeks by March 2024, the final submission was 191 against this trajectory.

This will has also help to inform the 2024-25 planning round ensuring a clear trajectory for delivering the national elective recovery standard on eliminating over 65 week waits by September 2024.

Cancer

During 2023-24 the Cancer Waiting Times (CWT) standards were reduced from 11 targets to a set of 3 targets, combining multiple standards to achieve this.

Description	Standard
28 Day Faster Diagnosis Standard (FDS)	75%
31 Day combined Decision to Treat to Treatment	94%
62 Day combined Referral to Treatment	85%

The 31 day and 62-day targets have combined the previously reported separate targets for 62 days of GP referred, suspected upgrades and screening patients into one combined target.

The Trust is committed to ensuring that our patients receive timely and effective treatment in line with the national targets and guidance. During 2023-24 reducing the 62-day backlog remained a priority both nationally and within the Trust; unfortunately, we did see a significant increase in our

62-day backlog during Q2 which was a pattern seen across other trusts nationally, however at ELHT utilising some enhanced performance management the backlog was brought in line with our trajectory in November 2023 and have been below trajectory since January. The Trust had several measures in place to recover this position including:

- A strong focus on pathways for the faster diagnosis standard within 28 days across all tumour sites.
- Putting on additional clinical decision-making capacity in areas such as colorectal.
- Improving diagnostic processes and capacity such as in endoscopy.
- Developing new models of care such as Teledermatology to improve the 28-day faster diagnostic standard.
- Introducing enhanced performance management tools for all standards.

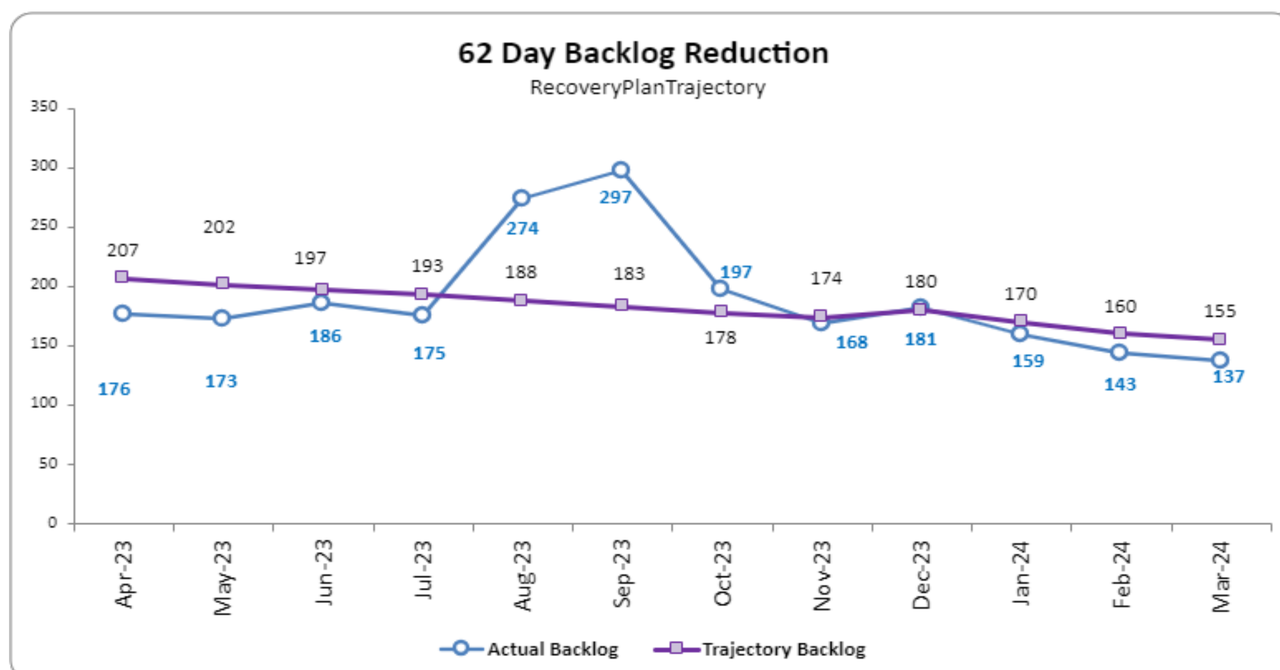
	Target	**2019-20**	**2020-21**	**2021-22**	**2022-23**	**2023-24 (up to Feb 24)**
Percentage of patients seen in two weeks or less of an urgent GP referral for suspected cancer	93%	92.7%	94.1%	87.9%	85.01%	No longer reported
Percentage of patients seen in two weeks or less of an urgent referral for breast symptoms where cancer is not initially suspected	93%	93.7%	95.6%	79.7%	95.12%	No longer reported
Percentage of patients having their diagnosis communicated to them within 28 days of referral onto a suspected cancer pathway	75%	N/A	79.10%	73.80%	75.82%	78.07%
Percentage of patients receiving treatment within 31 days of a decision to treat	96%	97.1%	95.0%	93.5%	91.19%	Now combined standard
Percentage of patients receiving subsequent treatment for cancer within 31 days where that treatment is surgery	94%	91.1%	83.5%	90.5%	83.71%	Now combined standard

	Target	2019-20	2020-21	2021-22	2022-23	2023-24 (up to Feb 24)
Percentage of patients receiving subsequent treatment for cancer within 31 days where treatment is an anti-cancer drug regime	98%	99.6%	98.8%	98.8%	98.28%	Now combined standard
Percentage of patients receiving treatment for cancer within 31 days of a decision treatment (**new combined standard**)	94%	N/A	N/A	N/A	N/A	90.65%
Percentage of patients receiving treatment for cancer within 62 days of an urgent GP referral for suspected cancer	85%	77.0%	74.8%	67.6%	59.52%	Now combined standard
Percentage of patients receiving treatment for cancer within 62 days of referral from an NHS Cancer Screening Service	90%	92.1%	84.7%	78.3%	71.29%	Now combined standard
Percentage of patients receiving treatment for cancer within 62 days of urgent referral for suspected cancer (**new combined standard** for classic GP referral, upgrade and screening)	85%	N/A	N/A	N/A	N/A	64.81%

During 2023-24, the 28-day FDS standard was met with exception of September and October 2023, the year-end position is 78.07%.

62-day and 31-day performance was not met but has seen a significant improvement since October 2023.

In addition, the Trust has reduced its backlog of over 62 day waits for cancer treatment from 176 patients in April 23 to 132 patients by March 24, against a trajectory of 155 with a peak in September 2023 of 297 patients.



Stroke

The National Institute for Health and Care Excellence (NICE) stroke quality standard provides a description of what a high-quality stroke service should look like. The Sentinel Stroke National Audit Programme (SSNAP) is a major national healthcare quality improvement programme. SSNAP measures both the processes of care (clinical audit) provided for stroke patients, as well as the structure of stroke services (organisational audit) against evidence based standards and in doing so it measures how well stroke care is being delivered. The Trust contributes to SSNAP and continues to perform well in most areas of "gold standard care". The Trust continues to face challenges meeting the required standard that patients attending and with acute strokes are admitted to our Acute Stroke Unit within four hours of arrival in the Emergency Department (ED). This is reflective of the pressures seen in the ED across the country for non-elective services and the availability of beds. The stroke team and members of the Multi-Disciplinary Team (MDT) are actively working with the Quality Improvement team at the Trust to make and sustain actions to improve.

In 2023-24 There has been a marked improvement in our Transient Ischaemic Attack (TIA) services provision against national guidance compared to previous years. This was achieved by improving our pathway and increasing service capacity to ensure that patients were seen within 24 hours from referral to outpatient TIA appointment. The service continues to monitor patient access to the stroke team either from ED, GP or in hospital stroke to improve the rapid assessment, diagnosis and treatment. There is also a new Trans-Ischaemic Attack Rapid Assessment (TIARA) which provides earlier access to specialist input and avoids hospital admission if clinically appropriate. We are the

first Trust in the Lancashire and South Cumbria ISNDN to offer this service on a 7-day basis (fully set up during quarter 4 2022-23).

Our ambition is to be the best Trust delivering “gold standard care” nationally and is further evidenced by both the Royal Blackburn Hospital and the Burnley General Hospital sites being awarded ‘A’ for the SSNAP performance during Quarter 3 (2023-24).

Please see table below for the annual aggregated performance.

	Target	2019/20	2020/21	2021/22	2022/23	2023/24
Percentage of stroke patients spending > 90% of their stay on a stroke unit	80%	87.10%	79.23%	78.50%	74.20%	76.17% **SSNAP Verified Dec 23
Percentage of stroke patients admitted to a stroke unit within four hours	90%	55.23%	54.80%	50.67%	39.88%	36.13% **SSNAP Verified Dec 23
Percentage of patients with TIA at higher risk of stroke seen and treated within 24 hours	60%	67.19%	69.24%	80.69%	80.65%	N/A

Infection prevention and control

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

In 2023-24 the Trust had a tolerance for no more than 53 cases of *Clostridium difficile* (c. diff) infection. Actual cases for the year totalled 101; 81 Hospital Onset Healthcare Associated (HOHA) and 20 Community Onset Healthcare Associated (COHA). This is an 84% increase in HOHA cases compared to 2022-23.

There were six (HOHA & COHA) cases of *Methicillin Resistant Staphylococcus Aureus* (MRSA) blood stream infection in 2023-24 against a tolerance of 0 cases. This is a 200% increase from the two cases reported in 2022-23.

No tolerance was officially set for MSSA in 2023/24. We completed the year with 57 HOHA cases which is a 63% increase on previous years (35 HOHA cases in 20220-23 and 30 HOHA cases in 2021-22).

There was a government ambition to reduce gram-negative bloodstream infections by 50 % by 2024-25. This was part of a 5-year plan which was extended during COVID19.

The Trust had an 18% increase in 2021-22 followed by a 16% reduction in 2022-23: 2% above the original baseline figure from 2016. Going forward, the Trust now needs to make a reduction of 67% by 2024-25.

	2016	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Ecoli	69	53	66	70	54	79	70	73
P.aeruginosa	0	3	8	7	9	3	5	8
Klebsiella species	24	18	23	16	21	28	20	28
Total number of HOHA cases	93 (BASE FIGURE)	74	97	93	84	110	95	109
% reduction from base figure of 93 cases		20% reduction	4% increase	no change	10% reduction	18% increase	2% increase	17% increase

In 2023-24, a review of Methicillin Sensitive Staphylococcus aureus (MSSA) and Gram-negative bloodstream infections (GNBSI), consisting of, (Escherichia coli (E.coli), Klebsiella species, Pseudomonas aeruginosa) was undertaken by the Infection Prevention and Control Team. 20% of the total COHA and HOHA cases were reviewed quarterly. Themes and trends were collated and shared with Divisions to highlight any changes or improvements required to reduce avoidable GNBSI & MSSAs to support the NHS Long Term plan.

In 2023-24 the Trust's tolerance level for gram negatives were set at no more than:

- 129 (HOHA & COHA) *E. coli* cases; the total for this period was 134 cases; 5 cases over the trajectory, a 6% increase from 2022-23.
- 41 cases of *Klebsiella* species; the total for this period was 49 cases; 8 cases over trajectory, a 44% increase from 2022-23.
- 7 *Pseudomonas aeruginosa* cases; the total for this period was 15 cases; 8 cases over trajectory, a 15% increase from 2022-23.

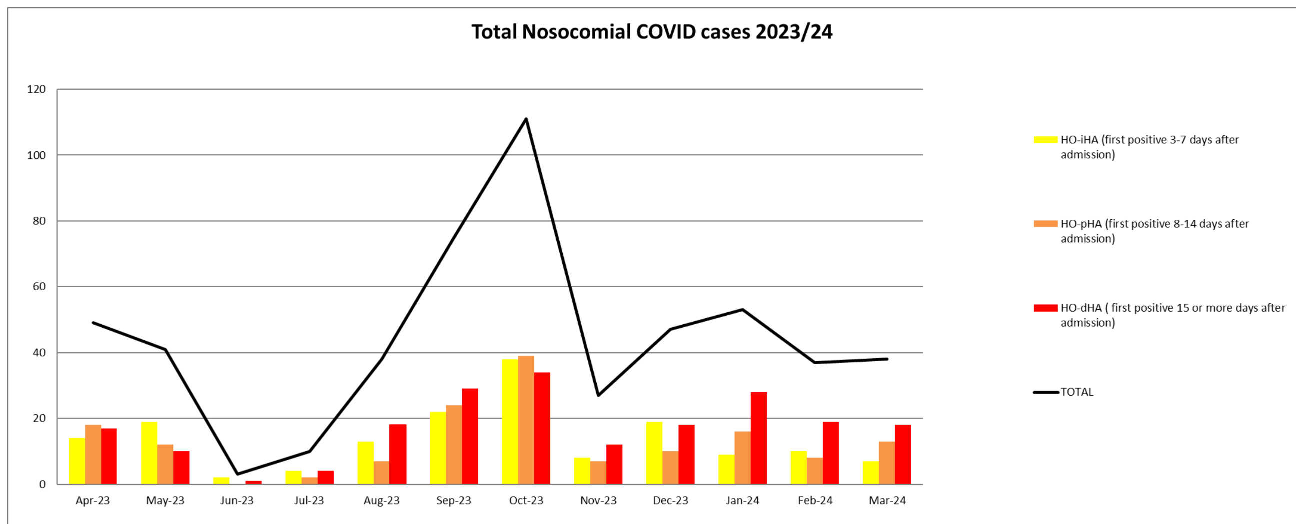
In 2023-24, the Trust was required to report in hospital COVID-19 cases. These cases were split into three categories for determining the attribution of Hospital- Onset cases:

a. Hospital-Onset Indeterminate Healthcare-Associated (HO-iHA) – First positive specimen date 3-7 days after admission to Trust

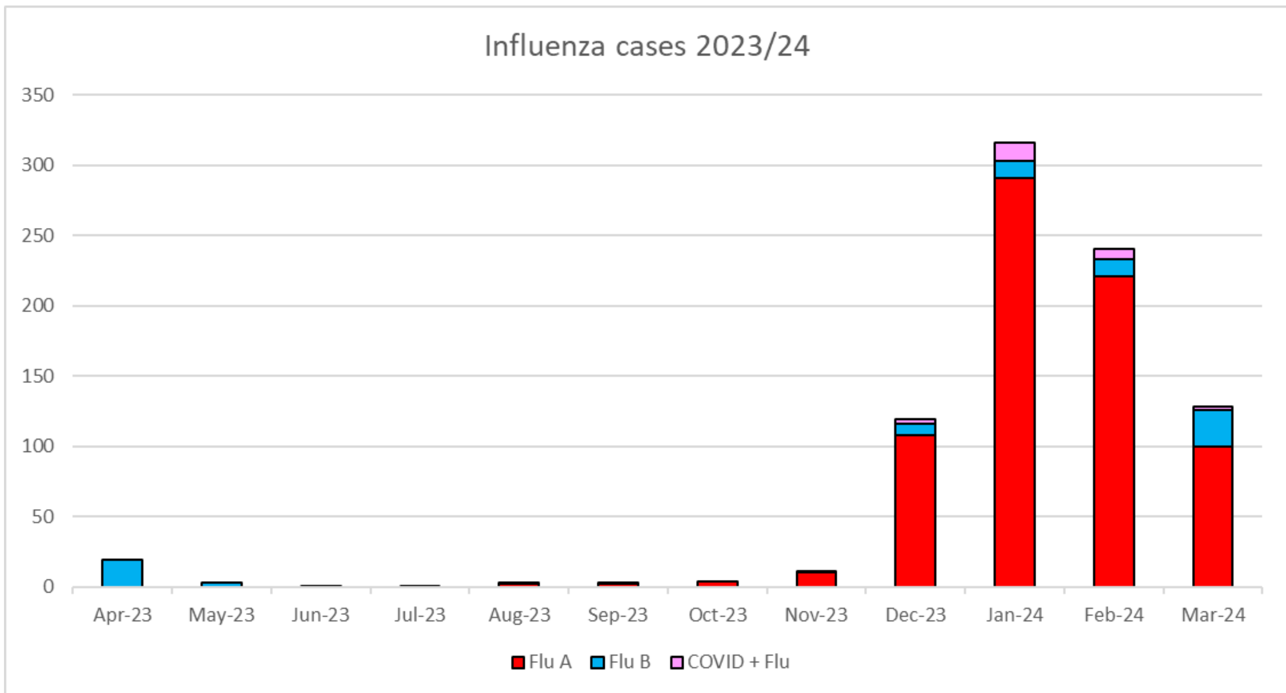
b. Hospital-Onset Probable Healthcare-Associated (HO-pHA) – First positive specimen date 8-14 days after admission to Trust

c. Hospital-Onset Definite Healthcare-Associated (HO-dHA) – First positive specimen date 15 or more days after admission to Trust.

In 2023-24, there were a total of 529 cases from the above compared to 862 cases in 2022-23; a decrease of 39%.



In 2023-24, there have been 848 positive cases of Influenza from both admission and inpatient swabs. This is a 55% reduction of cases compared to 2022-23 (1868 total cases). This year, the Trust saw its peak of inpatient Influenza cases in January, slightly later than the peak in the previous reporting year (2022-23) which was seen in December 2022. The majority of cases were Influenza A, the same as previous years.



This year saw an increase in Measles cases nationally. Between 01.03.24 and 31.03.24 there have been 43 suspected Measles cases tested in the microbiology laboratory at ELHT. These were a mixture of samples taken by GPs, ELHTs Emergency Department or urgent care areas and ELHT inpatient areas, of the 43, 15 went on to test positive. 8 of these were from the Emergency Department or urgent care areas and 1 case was from an ELHT inpatient area, the remaining 6 samples were from GPs.

For the 9 cases identified within ELHT contact tracing was undertaken and letters were sent out to both patients and GPs to inform them of the potential risk. 4 of these contacts went on to test positive for Measles.

Staff contact tracing was completed by Occupational Health.

The Trust continues to reinforce the need for high standards of infection prevention, including strict hand hygiene protocols across our sites and continue with detailed monitoring at a both directorate and divisional levels via divisional performance dashboards. The dedicated infection prevention and control meetings are attended by appropriate clinical representatives from each division to continue to reinforce the Trust’s commitment to delivering safe, personal and effective care.

East Lancashire NHS Trust will continue to take action to reduce nosocomial infection rates and in turn the quality of its services by:

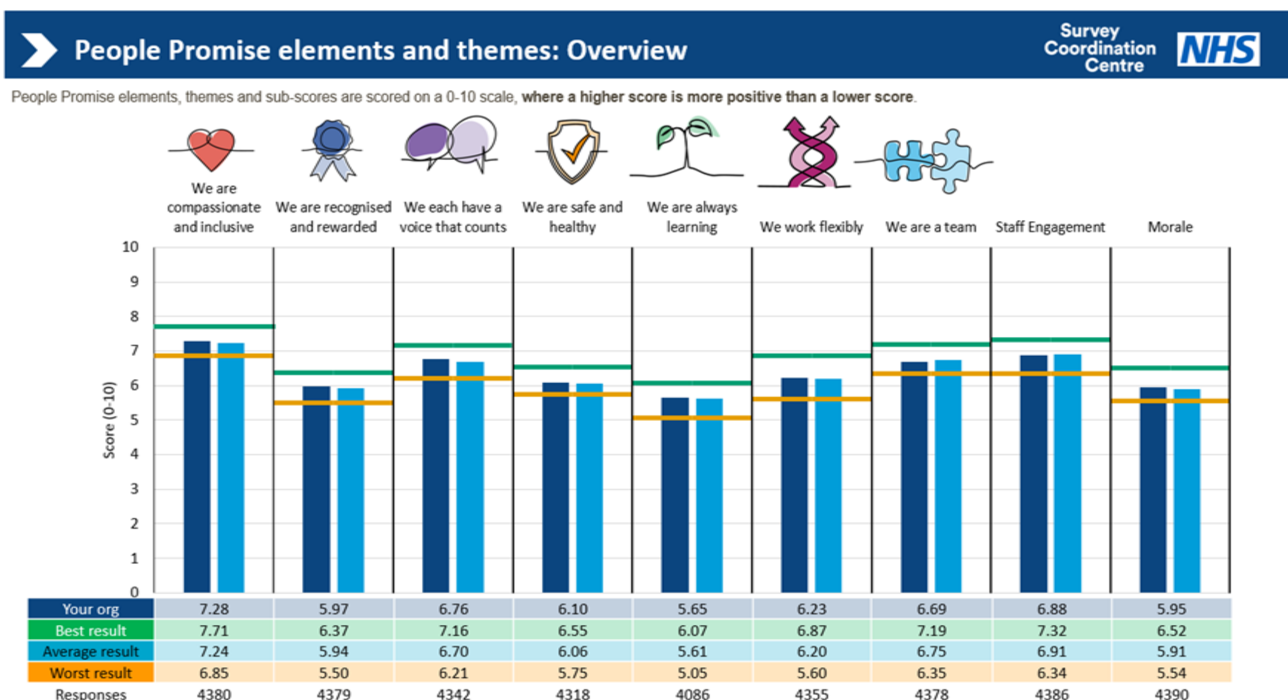
- Improving compliance with hand hygiene and glove usage and antimicrobial prescribing.
- Increasing its offer for staff training.
- Continuing to undertake audits for assurance and improvement purposes.
- Undertaking patient safety reviews and escalating cases which have resulted in harm for further review via the necessary channels. In line with the Patient Safety and Incident Response Framework.

Staff Experience indicators

The results of the NHS staff survey 2023 demonstrated some positive results along with areas for improvement. The Trust scored above the national average across seven of the nine themes. The themes scoring below average where “We are a team” and “Staff Engagement”. The survey, one of the largest of its kind in the world, is an important opportunity to ask colleagues about their experience of working at ELHT, what they think we do well and areas where we need to improve.

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

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



	We are compassionate and inclusive	We are recognised and rewarded	We each have a voice that counts	We are safe and healthy	We are always learning	We work flexibly	We are a team	Staff Engagement	Morale
Your org	7.28	5.97	6.76	6.10	5.65	6.23	6.69	6.88	5.95
Best result	7.71	6.37	7.16	6.55	6.07	6.87	7.19	7.32	6.52
Average result	7.24	5.94	6.70	6.06	5.61	6.20	6.75	6.91	5.91
Worst result	6.85	5.50	6.21	5.75	5.05	5.60	6.35	6.34	5.54
Responses	4380	4379	4342	4318	4086	4355	4378	4386	4390

The 2023 National Staff Survey demonstrated that the Trust has achieved an average response rate. As in previous years, a full census was undertaken and a total of 9,779 staff were eligible to complete the survey. 4,396 staff returned a completed questionnaire, giving a response rate of 45%, which is equal to the average of 45% for acute and community Trusts in England.

Key statistics included:

- 91.3% said they are trusted to do their job.
- 88.6% felt their role makes a difference to patients / service users.
- 81.3% said they enjoy working with the colleagues in their team.
- 75.4% said that care of patients and service users is the organisation's top priority.
- 74.8% said that my organisation respects individual differences.
- 71.7% were able to make suggestions to improve the work of their team.

The results demonstrate a statistically significant improvement in two themes when compared with the previous year's results. The themes demonstrating the significantly higher scores compared to last year are that we are recognised and rewarded and we are always learning.

The results demonstrate a statistically significant deterioration in two themes when compared with the previous year's results. The themes demonstrating the significantly lower scores compared to last year are that we each have a voice that counts and staff engagement.

The table below outlines the significance testing People Promise elements:

People Promise elements	2022 score	2022 respondents	2023 score	2023 respondents	Statistically significant change?
We are compassionate and inclusive	7.33	4451	7.28	4380	Not significant
We are recognised and rewarded	5.88	4449	5.97	4379	Significantly higher
We each have a voice that counts	6.88	4409	6.76	4342	Significantly lower
We are safe and healthy	6.18	4415	-	-	-
We are always learning	5.48	4262	5.65	4086	Significantly higher
We work flexibly	6.16	4424	6.23	4355	Not significant
We are a team	6.70	4445	6.69	4378	Not significant
Themes					
Staff Engagement	7.01	4451	6.88	4386	Significantly lower
Morale	6.03	4451	5.95	4390	Not significant

Whilst the scores for seven of the nine themes were above the national average, there was a notable fall in some of the scores within the themes, particularly regarding manager development, building psychological safety to speak up, job demands and resources, managing conflict in teams.

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

62% of respondents would recommend the Trust as a place to work and 59% of respondents would recommend it as a place for care or treatment, with both scores above the national average.

As a Trust we will strive to further improve our colleague engagement and satisfaction by continuing to embed our People Strategy.

Complaints

The Trust complaints activity in the year 2023-24 reflected the challenges faced by staff within all areas of the organisation. Increased demand on services and subsequent waiting times can effective timeliness of care and the overall positive experience leading to complaints. However, this still provides the Trust with an opportunity to review how services are provided, strengthen how it communicates and engages with patients, carers, and the public.

The main subjects/themes remain relatively unchanged from former years and relate to: clinical care and treatment; communication with patients and families; and delays and cancellations of treatment or appointments. Many concerns raised are handled informally and are resolved at a ward or department level. This has maintained the reduction in the numbers of formal complaints over the last four years and has led to the remaining formal complaints now relating to more complex clinical issues.

The identified learning from concerns and complaints are disseminated through Ward meetings, Share to Care Meetings, Divisional Quality and Safety Meetings, patient stories and reports to the Quality Committee and Trust Board.

As a result of feedback about the complaints process and to ensure that our correspondence meets the expected standards, further changes have been made to the sign-off process to ensure that the response is now checked divisionally, centrally, and clinically prior to sign off by the Chief Executive Officer/Deputy Chief Executives or Chief Nurse. In addition, as far as possible, the process takes place electronically to reduce the time taken from draft response to signature. The process has been

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

Work continues within the Customer Relations Team and Divisions to reduce the numbers of outstanding complaints and the average length from formal date to closure. This involves weekly meetings to monitor progress of all complaints and ad hoc meetings for assurance of actions to close the most longstanding complaints.

Key Performance Indicators have been introduced to track the progress of complaints and identify where investigations are delayed, in order that the reasons for delays and the areas of concern can receive additional focus and support to achieve timely resolution of complaints.

The complaints process is under review to ensure that alignment of all aspects of complaints handling (for example triage process, tracking, monitoring, quality assurance and sign off process) are undertaken as efficiently as is necessary to provide complainants with effective and timely responses to the issues raised.

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

Environmental efforts

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

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

The development of the new £15.6 million ophthalmology unit, general outpatients, maxillofacial department and ancillary services facility at BGTH was assessed for its environmental performance using the building Research Establishment Environment Assessment Method (BREEAM) healthcare toolkit. This evaluated the procurement, design, construction and operation of that development against a range of targets based on performance benchmarks. The focus was on sustainable value

across a range of categories, with the most influential factors including reduced carbon emissions, low impact design, adaption to climate change, ecological value and biodiversity protection. This development was rated as 'Very Good' against the BREEAM standards.

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

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

Lancashire and Cumbria Integrated Care System

In 2023-24 the Lancashire and South Cumbria Integrated Care System (ICS) continued to work to improve the delivery of more integrated health and care to the 1.7 million population in the geographical area in order to reduce clinical variability, address health inequalities, improve access standards and quality generally, and be more efficient in the use of resources. The Integrated Care Board and underpinning structures are now established and working at pace to deliver key priorities across the System.

The Trust's Executive Directors continue to be heavily involved in helping to shape and respond to the needs of the local population in line with national priorities, guidance and new models of care. The work of the Executive team has continued to extend to broader leadership roles at a 'system' level, playing pivotal roles in cancer services, hyper acute stroke, vascular surgery services, pathology reconfiguration and the broader configuration of diagnostics services. The Trust has also been confirmed as the lead of 'One LSC' services incorporating key integration of central support services across the system. During 2024/25 the Trust will establish the infrastructure in which to take forward 'One LSC' on behalf of providers within the system.

The In and Out of Hospital 'Cells' have continued to function effectively as part of a system-wide structure to ensure a rapid and co-ordinated response to the many challenges that have presented post-pandemic.

Our system-wide process with partners within the ICS and also at a local level within Place-based partnerships has allowed us to rapidly recover and restore elective care pathways post-pandemic.

ICS Governance arrangements have strengthened further this year, ensuring collaborative working between all partners. The ICB Board and a Provider Collaboration Board (PCB) have continued to work to ensure a cohesive approach to key strategic and delivery work programmes. A number of the Trust's Executive Directors hold 'Lead Director' roles for the PCB to further support integrated working across the system.

During 2023-24, key priorities have been further developed and delivered in line with the 2020-21 ICS Clinical Strategy and the Trust's aligned Clinical Strategy published in 2022. The key focus of both strategies is to build in clinical strengths and further embed integrated working to ensure that both the Trust and the wider system deliver excellent healthcare and outstanding clinical performance.

Local health and care system vision

New PLACE arrangements are now established for Lancashire and Blackburn with Darwen, and key delivery programmes and priorities identified. The Trust has aligned our priorities to work at PLACE and through local partnership arrangements we have make good progress on a number of local priorities during 2023-24.

There have been numerous examples of excellent joint working across traditional boundaries, for instance on the Frailty pathway which is an integrated system wide approach to providing the very best care to those considered frail and/or vulnerable. We have jointly developed integrated emergency care plans developed (plans on a page) with partners, with a clear focus continued in-reach into care homes to support people in their local surroundings and further work on discharges at different points in the emergency care pathway as part of our integrated community and acute hospital offer to our patients.

We have also continued to see improvements in our interface with our ambulance services to reduce patients coming to hospital unnecessarily and with wider community partners to help manage pressure on our emergency departments by directing more patients into community and out of hospital pathways, rather than hospital admission.

Stakeholder Engagement

Any patient or carer of a patient is welcome to attend our Public Participation Panel (PPP) to give us their views about the services we provide and work with us to improve them. Set up in 2018, PPP

meetings offer the opportunity for independent observers to make a meaningful contribution to the development of Trust services.

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

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

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

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

Following an audit of the Trust's social media presence, the Communications Team launched a profile on NextDoor, a developing community platform which is helping the Trust to reach local audiences. In East Lancashire almost 68,000 people have signed up to NextDoor enabling the Trust to engage with them about important organisation and health messages.

The current corporate social media account population figures are:

- Facebook – 22,242 followers
- Twitter – 10,700 followers
- LinkedIn – 9,156 followers
- Nextdoor – 67,644 members

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

The Trust holds virtual stakeholder events on a regular basis, offering a platform for the Chair and Executive Directors to provide comprehensive updates on Trust activities and initiatives. Attendees are actively encouraged to engage by posing questions to the panel, fostering an environment of transparency and dialogue.

In addition, stakeholders receive a detailed briefing bi-monthly, including a copy of the CEO Board report. This comprehensive document encapsulates the latest news and updates regarding Trust activities, categorised under the pillars of Safe, Personal, and Effective.

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

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

The Trust works closely with Healthwatch Lancashire and Healthwatch Blackburn with Darwen and with the Carers Services for East Lancashire and Blackburn with Darwen. Regular meetings are held between the Trust and these organisations and representatives are invited to take part in quality improvement projects. The Trust continues to be involved in and contribute to Healthwatch projects.

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

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

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

Lancashire and South Cumbria (LSC) System

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

Pennine Lancashire

- Urgent and Emergency Care Delivery Board
- Intermediate Tier Delivery Board

Place

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

By working together across the system, we can improve coordination of care, enhance patient safety, and support the development of innovative solutions to healthcare challenges. Collaboration also provides the ability to facilitate the sharing of knowledge, resources, and expertise, leading to better coordination of care and more effective use of our resources.

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

Principal risks

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

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

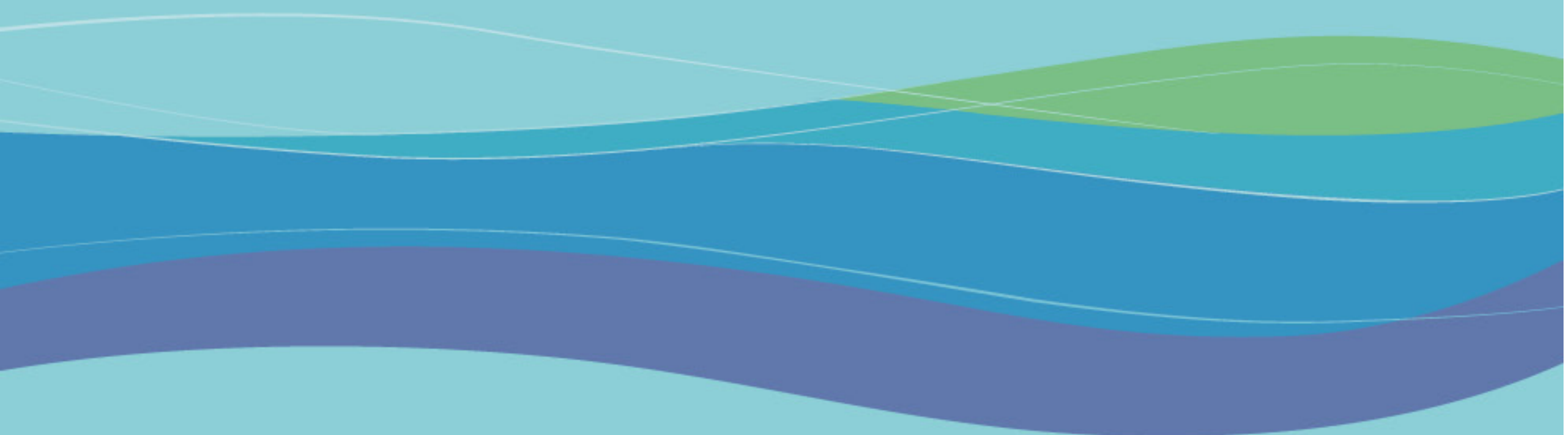
1. The strategies and partnership arrangements across the Integrated Care System (ICS) for Lancashire and South Cumbria, do not align and/or deliver the anticipated benefits resulting in improved health and wellbeing for our communities.
2. The Trust is unable to fully deliver on safe, personal and effective care in line with the requirements of the NHS Constitution, relevant legislation and Patient Charter.
3. A risk to our ability to deliver the National access standards as set out in the 2023-24 Operational Planning Guidance from NHS England for elective and emergency care pathways and thereby creating potential health inequalities for our local community as an unintended consequence.
4. The Trust is unable to deliver its objectives and strategies (including the Clinical Strategy) as a result of ineffective workforce planning and redesign activities and its ability to attract and retain staff through our compassionate inclusive, wellbeing and improvement focused culture.
5. The Trust is unable to achieve a recurrent sustainable financial position. The Trust fails to align its strategy to the wider system and deliver the additional benefits that working within the wider system should bring.

The Trust's assessment of risks 2,3 and 5 was that these were the highest risks with the most significant impact and likelihood.

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

Signed: *M. A. Hodgson (signed electronically)*
Martin Hodgson, Chief Executive
Date: 27 June 2024

Accountability Report



Corporate Governance Report

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

The Chief Executive of NHS England has designated that the Chief Executive should be the Accountable Officer of the Trust. The relevant responsibilities of Accountable Officers are set out in the NHS Trust Accountable Officer Memorandum. These include ensuring that:

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

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

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

Signed	*M. A. Hodgson, (signed electronically)*	Chief Executive
Date	27 June 2024	

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

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

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

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

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

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

By order of the Board

M. A. Hodgson (signed electronically), Chief Executive Date: 27 June 2024

M. Brown (signed electronically), Executive Director of Finance Date: 27 June 2024

Annual Governance Statement 2023-24

Scope of responsibility

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

The purpose of the system of internal control

2. The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of East Lancashire Hospitals NHS Trust; to evaluate the likelihood of those risks being realised and the impact should they be realised; and to manage them efficiently, effectively and economically. The system of internal control has been in place in East Lancashire Hospitals NHS Trust for the year ended 31 March 2024 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

3. The way in which the Chief Executive of the Trust maintains a sound system of internal control which supports the achievement of the Trust's policies, aims and objectives, whilst safeguarding the public funds and departmental assets include:

   a) Ensuring that the accounts of the Trust that are presented to the Board for approval are prepared under principles and in a format directed by the Secretary of State with the approval of the Treasury.

   b) Ensuring that the accounts disclose a true and fair view of the Trust's finances.

   c) Ensuring that managers at all levels have a clear view of their objectives and the means to assess achievements in relation to those objectives, have well defined responsibilities for making the best use of resources, have the training, information and access to expert

advice they need to exercise their responsibilities effectively and are appraised and held to account for the responsibilities assigned to them.

d) Ensuring the Trust achieves value for money from the resources available to it, avoiding waste and extravagance in the Trust's activities.

e) Ensuring the implementation of any recommendations affecting good practice.

f) Ensuring the National Audit Office is provided with information it requests and that the Trust co-operates with external auditors in their enquiries.

g) Ensuring internal audit arrangements comply with the NHS Internal Audit Manual.

h) Ensuring prompt action is taken in response to concerns raised by internal or external audit.

i) Ensuring the Executive Director of Finance properly discharges their responsibilities for the effective and sound financial management and information and that the Trust meets the financial objectives set by the Secretary of State for Health and Social Care and the assets of the Trust are properly safeguarded.

j) Ensuring that the Codes of Conduct and Accountability are promoted to and observed by staff.

k) Ensuring appropriate advice is tendered to the Board on all matters of financial probity and regularity and all considerations of prudent and economical administration, efficiency and effectiveness.

l) Ensuring that the appropriate action is taken if the Board or Chairman contemplates a course of action which I consider would infringe the requirements of propriety and regularity or adversely affect my responsibility for obtaining value for money from the Trust's resources.

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

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

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

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

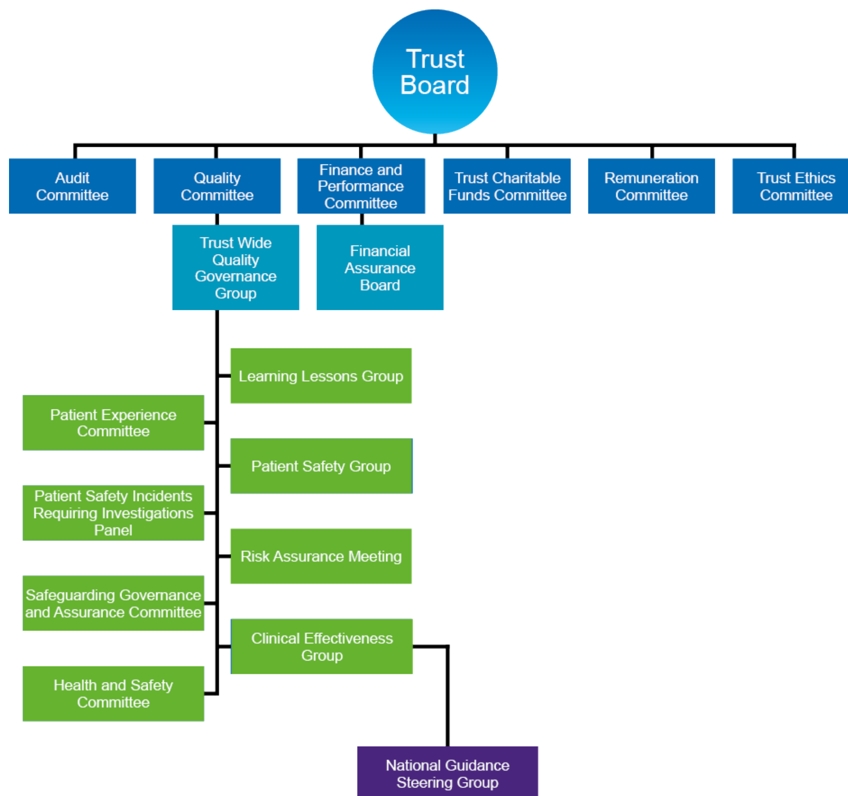
d) Attendance at Chief Executive forums and other appropriate local, regional and national conferences.

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

The Governance Framework of the Trust

Board Committee Structure

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



6. The above Board and Committee structure continued to be in effect during the 2023-24 financial year. The Trust Wide Quality Governance Group (TWQG), initially established during the COVID-19 pandemic, temporarily ceased its activities from 4 July 2023 as it was considered to be a duplicate meeting and an additional pressure on clinical staff during a period of high activity. The TWQG has subsequently been restarted in February 2024, under Executive leadership to triangulate governance assurance.

7. The Patient Safety Incidents Requiring Investigation (PSIRI) Panel continued to meet throughout the 2023-24 year. The activities and findings of the PSIRI panel continue to be reported through to the Quality Committee and to the Trust Board.

8. Matters relating to Infection Prevention and Control (IPC) continued to be addressed as required through the Quality Committee. Healthcare Associated Infections (HCAI) reports were also provided to Divisional Quality and Safety Board (DQSB) meetings.

9. In addition, the Financial Assurance Board (FAB) continued to report into the Finance and Performance Committee throughout 2023-24.

10. In September 2023 the Trust established a new People and Culture Committee as a formal Sub-Committee of the Board. The Committee is chaired by a Non-Executive Director and is attended by the Executive Director of People and Culture, the Executive Director of Finance, the Executive Director of Service Development and Improvement and Executive Medical Director and Chief Nurse on rotation.

11. The Trust Ethics Committee, originally established during the COVID-19 pandemic as a Sub-Committee of the Trust Board in May 2020; continued to meet as and when required during 2023-24. This Committee is chaired by the Trust's Executive Medical Director and is also attended by the Chief Nurse, a number of Non-Executive Directors, Trust Senior Managers, the Director of Public Health from the Local Authority and an independent ethics expert.

Board and Committee Attendance Records and Scope of Work

12. The Trust Board is responsible for monitoring the overall programme for management of risk across the organisation and its activities and decides the risk appetite of the Trust. The Trust Board sets the strategic direction of the Trust and receives regular reports on the performance of the Trust in meeting its objectives.

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

Y Attended D Deputy attended A Apologies received

Name	Role	2023-24					
		May	Jul	Sep	Nov	Jan	Mar
Mr S Sarwar	Chairman	Y	Y	Y	Y	Y	Y
Mr Hodgson	Chief Executive	Y	Y	Y	Y	Y	Y
Mrs Anderson	Non-Executive Director	Y	Y	Y	Y	Y	
Mrs Atkinson	Executive Director of Service Development and Improvement	Y	Y	Y	Y	Y	Y
Professor Baldwin	Non-Executive Director	Y	A	Y	Y	Y	A
Mr Barnes	Non-Executive Director (until 31 December 2023)	Y	Y	Y	Y		
Mrs Brown	Executive Director of Finance	Y	Y	Y	Y	Y	Y
Dr Dad	Associate Non-Executive Director (until 30 June 2023)	Y					
Mrs Gilligan	Chief Operating Officer / Deputy Chief Executive	Y	Y	D	Y	Y	Y
Mrs Hatch	Associated Non-Executive Director (from 1 December 2023)					Y	Y
Mr Husain	Executive Medical Director / Deputy Chief Executive	Y	Y	Y	Y	Y	Y
Miss Malik	Non-Executive Director	Y	Y				
Mr McDonald	Executive Director of Integrated Care, Partnerships and Resilience	Y	Y	Y	Y	Y	Y
Mr Murphy	Chief Nurse	Y	Y	Y	Y	A	Y
Mrs Quinn	Executive Director of People and Culture	Y	Y	D	Y	Y	D
Mrs Patel	Associate Non-Executive Director (until 30 June 2023)	Y					
Mrs C Randall	Non-Executive Director (from 1 September 2023)			Y	Y	Y	Y
Mr Rehman	Non-Executive Director	Y	Y	Y	Y	Y	Y
Mrs L Sedgley	Non-Executive Director (from 1 September 2023)			A	Y	Y	Y
Mr Smyth	Non-Executive Director	Y	Y	Y	Y	A	Y
Miss Wright	Joint Executive Director of Communications and Engagement (ELHT and BTHT)	Y	Y	D	Y	D	Y

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

Name	Role	2023-24				
		Apr	Jun	Jul	Oct	Jan
Mr Smyth	Non-Executive Director (Committee Chair until July 2023)	Y	Y	Y	Y	Y
Mr Rehman	Non-Executive Director (Committee Chair from October 2023)	Y	Y	Y	Y	Y
Professor Baldwin	Non-Executive Director	A	A	A	A	Y

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

Name	Role	2023-24									
		Apr	May	Jun	Aug	Sep	Oct	Nov	Jan	Feb	Mar
Mrs C Randall	Non-Executive Director (Committee Chair from September 2023)					Y	Y	Y	Y	Y	A
Miss Malik	Non-Executive Director (Committee Chair until August 2023)	Y	Y	Y	Y						
Mrs Anderson	Non-Executive Director	Y	A	A	Y	Y	A	Y	Y	Y	Y
Mrs Hatch	Associated Non-Executive Director (member from January 2024)								Y	Y	Y
Mr Husain	Executive Medical Director	D	Y	Y	Y	Y	Y	Y	D	Y	Y
Mr McDonald	Executive Director of Integrated Care, Partnerships and Resilience	Y	Y	Y	Y	D	Y	Y	Y	Y	Y
Mr Murphy	Chief Nurse	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y

Name	Role	2023-24									
		Apr	May	Jun	Aug	Sep	Oct	Nov	Jan	Feb	Mar
Mrs Patel	Associate Non-Executive Director (until 30 June 2023)	Y	Y	Y							
Mrs Quinn	Executive Director of People and Culture	D	Y	Y	D	Y	D	Y	A	D	D
Mr R Smyth	Non-Executive Director (member from August 2023)				Y	A	Y	Y	Y	Y	Y

16. The role of the Finance and Performance Committee is to provide assurance on the delivery of the financial plans approved by the Board for the current year, develop forward plans for subsequent financial years for consideration by the Board and examine in detail risks to the achievement of national and local performance and activity standards. It maintains an overview of the financial and performance risks recorded on the Board Assurance Framework.

Name	Role	2023-24									
		Apr	Jun	Jul	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Mr Barnes	Non-Executive Director (Committee Chair until October 2023)	Y	Y	A	A	Y	Y				
Mrs L Sedgley	Non-Executive Director (Committee Chair from November 2023)				Y	Y	Y	Y	Y	Y	Y
Mrs Atkinson	Executive Director of Service Development and Improvement	Y	A	Y	Y	Y	Y	Y	Y	Y	Y
Mrs Anderson	Non-Executive Director	Y	A	Y	Y	A	Y	Y	Y	Y	Y
Mrs Brown	Executive Director of Finance	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Mrs Gilligan	Chief Operating Officer	Y	D	Y	Y	Y	Y	Y	Y	D	Y
Mr Hodgson	Chief Executive	Y	Y	Y	Y	Y	Y	A	Y	Y	Y
Mr McDonald	Executive Director of Integrated Care, Partnerships and Resilience	Y	A	Y	A	Y	Y	Y	Y	Y	D
Mr Rehman	Non-Executive Director	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y

17. The remit of the People and Culture Committee is to provide assurance to the Board on all aspects of the delivery of the Trust's People Strategy, and that workforce related risks are being appropriately managed and that the evidence to support that assurance is scrutinised in detail, on behalf of the Board.

Name	Role	2023-24			
		Sep	Nov	Jan	Mar
Mrs Anderson	Non-Executive Director	Y	Y	Y	Y
Mrs Atkinson	Executive Director of Service Development and Improvement	Y	Y	Y	Y
Mrs Brown	Executive Director of Finance	Y	A	A	A
Mrs Hatch	Associate Non-Executive Director (from 1 December 2023)			Y	Y
Mr Husain	Executive Medical Director	Y	Y	Y	Y
Mr Murphy	Chief Nurse	A	A	A	A
Mrs Quinn	Executive Director of People and Culture	Y	Y	Y	D
Mr Rehman	Non-Executive Director	A	A	A	A
Mr Smyth	Non-Executive Director	Y	Y	Y	Y

18. The remit of the Ethics Committee was to provide a mechanism within the Trust for the discussion of ethical issues which may have had an impact on how clinical practice was delivered, ensuring that care continued to be provided in a fair and equitable way.

Name	Role	2023-24
		Feb
Mr Husain	Executive Medical Director (Committee Chair)	Y
Mrs Anderson	Non-Executive Director	Y
Professor Baldwin	Non-Executive Director	Y
Mr Murphy	Chief Nurse	Y

Board Performance and Effectiveness

19. The Board is committed to continuous improvement and development. The Trust has, in the past (from 2015 to 2020) worked with the Good Governance Improvement (GGI). During this work particular attention was paid to the well-led framework as well as other governance matters to ensure the Trust's ongoing improvements in corporate and clinical governance. During 2023-24 there were bi-monthly Board development and strategy session discussions around the challenges of the evolving health sector landscape and the opportunities for the organisation to continue on its journey of delivering safe, personal and effective care to the population of East Lancashire and indeed the Lancashire and South Cumbria population whilst improving our governance systems and processes and providing increasingly robust assurance.

20. The Trust Board considers the success of each Trust Board meeting in public at the conclusion of the meeting with particular focus on whether Board members have had sufficient focus on aspects such as patient experience, quality, risk and partnership working.

21. The last formal inspection of the Trust was within Maternity services over 2 and 3 November 2022. This inspection visited Lancashire Women's and New-born Centre in Burnley and Blackburn and Rossendale Birthing Centres which were all confirmed as Good, in both the Safe and Well-led domain. The CQC acknowledged elements of outstanding practices across all three sites. No formal inspection has taken place since this time.

22. However, the CQC completed a registration inspection of the Urgent and Emergency Care Department (UEC) on 4 October 2023. This was in support of the Trust's request to be registered for the provision of the assessment and treatment of patients subject to the Mental Health Act. The CQC have notified the Trust that following this inspection, they are happy to support this registration status for the short-term management of patients on the emergency care pathway only. The CQC have agreed with the Executive Teams recommendation that at this stage further work is necessary to support the safe delivery of care to this vulnerable patient group in our acute ward settings. The work to address this is on-going.

23. The last comprehensive Care Quality Commission (CQC) inspection took place from 28 August to 27 September 2018. The CQC visited the Trust to conduct a series of inspections concluding with a 'Well-Led' review. Following their review, the report was published on 12 February 2019 and the Trust was rated as being Good overall, with areas of outstanding.

24. The Trust has a clear vision, objectives, values, operating principles and improvement priorities. The hospital services are supported by strong governance processes including well managed risk registers and processes feeding into the Trust Board. This ensures a robust overview of the risks within the organisation. There is on-going work to enhance the Board Assurance Framework and risk management in the Trust and this is included in the action plan from the CQC Well Led Review which is regularly monitored through the Quality Committee.

25. The Trust has a Clinical Strategy in place and has continued to work through the 2023-24 year with the Board and Divisions to ensure that it reflects the priorities across the Integrated Care System, Joint Committee of the Provider Collaboration Board (JCPCB) and Place Based Partnerships. The strategy is also reflective of the challenges and opportunities that have arisen as the Trust seeks to restore activity and transform the way that it works to ensure that it continues to deliver safe, personal and effective care and to fulfil its role as an anchor institution and, as an integrated care organisation, to impact positively on population health management. Plans are underway for the Clinical Strategy to be reviewed and updated in 2024-25 to ensure it accurately reflects the challenges and opportunities at Trust and system level.

26. The Trust's strategy deployment process brings together planning and delivery, to ensure there is a 'golden thread' from the NHS Long Term Plan, National Planning guidance, Healthier Lancashire and South Cumbria plans, the Pennine Plan, ELHT's Clinical Strategy, the corporate Operational Plan and the individual Clinical Divisional and Directorate operational delivery plans.

27. The Trust has a track record of delivery against our Clinical Strategy and Service Development and Improvement plans, delivered in conjunction with our partners, to make a tangible difference to patient care. Recent examples of this are the ongoing development of the Emergency Pathway, including the developments of Same Day Emergency Care pathways and reviews and improvements of the Frailty pathway and end of life care. The Trust Board has undertaken a programme of Board development with an external partner since 2015 and this has elements of both self and external assessment. The Board is committed in its support of continuous learning and professional development; is clear on roles and accountabilities in relation to Board governance and there are clearly defined and understood processes, for escalating and resolving issues and managing performance. The Trust Board ensures that it actively engages with its patients, staff and other stakeholders as appropriate on quality, operational and financial performance. Reports are taken to the Trust Board at each meeting on matters of performance and through the assurance committees of the Trust.

Highlights of Board Committee Reports

28. The Audit Committee has been active throughout the year in providing assurance on governance, risk management, the control environment and the integrity of the financial statements. Reports have been considered in detail from management representatives where "limited assurance" opinions have been given by the internal audit service. Audit Committee members assess the strength of assurances received from a number of sources over the course of the year. These sources include but are not limited to:

    a) Internal Audit Reports
    b) External Audit Reports
    c) Anti-Fraud Service Reports
    d) The Quality Committee
    e) The Finance and Performance Committee
    f) The People and Culture Committee
    g) External reviews commissioned by the Trust
    h) Management responses to internal audit reports, providing updates on actions taken to address any recommendations given as a result of audits.
    i) Media reports
    j) Learning from other organisations
    k) Reports from internal service providers.

29. The Trust Board has additionally considered a number of annual reports, including, but not limited to those in relation to Emergency Preparedness Resilience and Response, Winter Planning and the recommendations of national reports.

Quality Governance

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

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

32. Quality monitoring occurs through our Clinical Governance structure, reporting to the Board via the Quality Committee. The Quality Committee is informed by the TWQG, Patient Safety Incidents Requiring Investigation (PSIRI) Panel, Clinical Effectiveness Group (CEG), Patient Experience Group (PEG), Patient Safety Group (PSG), Health and Safety Committee (H&SC), Risk Assurance Meeting (RAM), Internal Safeguarding Board and Infection Prevention and Control Sub-Committee. Divisional Directors or their agreed deputies attend and report at these committees. Reporting in Divisions replicates this corporate structure to ensure consistent reporting from 'floor to Board'.

Safe

Incident Management

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

34. The Trust also has a Patient Safety Incidents Requiring Investigations (PSIRI) Panel, chaired by a Non-Executive Director. The Panel reviews the investigations undertaken as a result of Never Events and incidents meeting the Local and National priority outline in the Trusts Patient Safety Incident Response Plan (PSIRP) to ensure that a thorough review is completed, the Duty of Candour is observed and that learning from incidents is circulated appropriately across the organisation. The Panel had senior representatives from local commissioning organisation during the year and provides assurance to the Quality Committee on the matters within the remit of its terms of reference.

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

36. Since 1 December 2021 the Trust has been reporting incidents in accordance with the new Patient Safety Incident Response Framework (PSIRF), which is nationally replacing the Serious Incident Framework (SIF). Under this new framework the Trust are now only required to external report the following incidents:

    a) Incidents meeting Never Event criteria

    b) Patient deaths identified as being more likely than not due to problems in care following a case record review

    c) Mental Health related homicides

    d) Maternal and neonatal deaths that meet the current ‘Each Baby Counts’ criteria

    e) From November 2023 the Trust identified three new Local Priorities which are required to be externally reported.

i. Medication Errors – Anticoagulant
ii. Issues with Discharge Planning – Acute to IHSS or Care Homes
iii. Safeguarding Patients with Learning Disabilities – Inappropriate use of the Mental Capacity Act.

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

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

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

40. To further support learning across the Trust from incident investigations the Trust have developed a several processes to help inform staff of safety improvements that have been implemented to improve safety. These include:

a) A quarterly Patient Safety Bulletin which highlights learning from completed Patient Safety Incident Investigations and is shared across the Trust in the Trusts News Bulletin.
b) ELHT Patient Safety Alerts which are safety critical and require actions to be taken and coordinated by relevant clinical staff for areas across the Trust and implementation monitored at the Trusts Patients Safety Group
c) A Patient Safety Sharepoint site which provides information on National and Local guidance for incident management, outcome reports of Patient Safety Incident Investigations, National and Local patient safety alerts and bulletin and information on training.

Risk Management Strategy, Policy and Plan

41. There is sufficient energy and momentum across the Trust in effectively minimising and managing risks by strengthening and developing integrated and agile risk management systems and processes which are wrapped around appropriate governance, scrutiny, assurance and oversight. Datix is the principal risk management system while risk registers are used as repositories for risks. As a general principle, the Trust will seek to eliminate or effectively control all risks to patients, staff, and other stakeholders including those which pose a threat to its reputation.

42. The Trust's Risk Management Framework was approved in March 2021 which sets out the Trust's approach regarding the management of its risks from 'floor to Board'.

43. The Trust acknowledges it statutory and regulatory duties and is fully committed to implementing a proportionate, aligned, comprehensive, embedded and dynamic approach to managing its strategic and operational risks. In this context, the Trust adopts the common, fundamental principle of risks being eliminated, or where this cannot be achieved, driven to as low as is reasonably practicable.

44. The Trust uses Equality Impact Assessments as part of its policy development and ratification process. Policies are assessed against the equality standards and are integrated into the process through the Incident and Policy Team, checking the standards, layout and content for approval. Oversight and assurance are provided at the TWQG.

45. Sharing the learning through risk related issues, incidents, complaints and claims is an essential component to maintaining the risk management culture within the Trust. Learning is shared in a wide variety of ways at departmental, divisional and corporate levels through a number of face-to-face meetings, bulletins, internal patient safety alerts and regular updates provided to wards.

46. Learning is acquired from a variety of sources including:
    a) Analysis of incidents, complaints and claims and identification of trends with appropriate mitigating actions
    b) External inspections
    c) Internal and external audit reports
    d) Clinical audits
    e) Outcome of investigations and inspections relating to other organisations
    f) Quality Improvement Programmes

Personal

Learning from Complaints and Patient Experience

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

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

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

Effective

Clinical Effectiveness

50. The Trust has a Clinical Audit and Effectiveness Team (CAET) which reports regularly to the Clinical Effectiveness Group (CEG), which is a sub-committee of the Quality Committee monitoring the quality and safety of care against national best practice indicators. CEG also escalates through to the TWQG and the Lessons Learnt Group (LLG). Divisional Clinical Effectiveness Groups are established to ensure activity is monitored at a divisional level, with learning, assurance or areas for improvement reported through to CEG. As a working group reporting through to CEG, the National Guidance Steering Group (NGSG) coordinates all relevant standards internally and monitors implementation. This group coordinates and monitors the implementation of National Institute for Clinical Excellence (NICE) guidance and quality standards.

51. The Clinical Effectiveness Framework was established to support the Trust quality strategy, its commitment to quality improvement and to ensure that in alignment with the wider quality and safety frameworks it informs and is informed by clinical effectiveness activity.

    The key processes of clinical effectiveness are:

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

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

    The objectives of this framework are to:

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

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

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

52. During 2023-24, ELHT has initiated over 450 clinical audit projects of which 57 are included in the NHS England Quality Accounts list (this includes 39 mandatory topics as part of the National Clinical Audit Patient Outcome Programme (NCAPOP). The Clinical Audit & Effectiveness Team works with clinical leads to ensure audit activity is completed, learning from outcomes captured and shared, assurance established or recommendations for improvement agreed and monitored.

53. During 2023-24, 154 new NICE Guidelines and Quality Standards were published along with current guidance updates, all have been circulated to the relevant specialties and services for review, evaluation of compliance and implementation.

54. During 2023-24, GIRFT activity continued to focus support on learning at an ICB level aiming to promote joint working to reduce network variation utilising national audit and model hospital data. Early in 2024 ELHT joined cohort 3 of the GIRFT Further Faster programme aimed at delivering rapid clinical transformation in support of reducing 52 week waits. The CAET continues to coordinate and support the clinical divisions with their GIRFT activity.

55. During 2023-24 the CAET coordinated participation in 7 National Confidential Enquiry studies, with 2 new studies set to commence in 2024-25.

56. An annual summary of the work of the Clinical Audit and Effectiveness Department is reported to the Quality Committee.

Quality Improvement

57. In order to support the delivery of safe, personal and effective care the Trust has a robust process for the identification and agreement of key improvement priorities. The improvement priorities fall into five key areas: Quality, People, Non-Elective Care, Elective Care and Outpatients. Each of the areas has an Executive Lead and members of the Improvement Hub Team assigned to support delivery. Progress and assurance on improvement plans has been reported to both the Quality Committee and Finance and Performance Committee.

58. During 2023-24 the Improvement Hub team has sought to further embed the SPE+ (Improving Safe, Personal and Effective Care) improvement method. The six phases are noted to be: Understand; Co-Design, Test and Adapt; Embed; Spread and Sustain. The team have supported a number of multi-agency Improvement Weeks, including the North West Ambulance Collaborative and Engineering Better Care Programme focussing on supporting the emergency pathway and delivery of the Emergency Care Improvement Plan, as well as improving the Frailty Pathway, generating learning both across the Pennie Lancashire Placed-based Partnership and wider Lancashire and South Cumbria Integrated Care System. An Executive Improvement Wall has been established, which is reviewed weekly at Executive level with teams. The wall covers all key strategies and delivery programmes and is an opportunity to build improvement focus within the organisation.

59. During 2023-24 the organisational improvement training offer has continued to be delivered across the organisation. We have continued to support professionals in training to develop and participate in quality improvement projects. The Trust also supports 146 Year 4 Medical Students from the University of Central Lancashire (UCLan) to be trained with Improvement methodology which is aligned to the wider Trust Improvement priorities.

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

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

62. Regular updates are provided at ward level to share the learning and improvement work that has been initiated.

Data Quality

63. The Trust reviews the Secondary Uses Service data quality dashboards and the data quality summary dashboard provided by Dr Foster. We also have online reports for key data quality risks.

64. We work with NHS England and the Integrated Care System to manage any data quality issues.

65. East Lancashire Hospitals NHS Trust submitted records during 2023-24 to the Secondary Uses Service for inclusion in the Hospital Episode Statistics which are included in the latest published data.

66. The Trust undertakes a regular review at specialty level of all patients which includes quality and accuracy of elective waiting time data.

67. The Trust has been working closely with NHS England to improve the quality of the Emergency, Inpatient and Outpatient National Datasets.

Discharge of Statutory Functions

68. As Accountable Officer my enquiries have confirmed that there are arrangements in place for the discharge of statutory functions and that the arrangements have been checked for irregularities and they are legally compliant. The Trust has taken action to ensure that the estate is statutorily compliant and that compliance processes are audited and monitored through the Estates and Facilities Quality and Safety Board and Trust Quality Committee. The Trust has confirmed compliance with Emergency Planning, Resilience and Response (EPRR) requirements in line with the Civil Contingencies Act 2004 and has substantial compliance with the associated EPRR standards.

69. The Trust Board endorses the Trust's risk management and governance policies and processes which clearly identify the Board's responsibilities and accountability arrangements. These are reflected in the Trust's Standing Orders and Standing Financial Instructions, the Scheme of Reservation and Delegation and the Trust's Performance Accountability Framework. These are, in turn, repeated in the internal guidance and policies of the organisation.

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

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

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

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

74. Where a risk has been reviewed and scored at Directorate and or Divisional meetings as being an 'extreme' risk, scoring 15 or above, the risk is presented at the Risk Assurance Meeting (RAM) for discussion, challenge, review and scrutiny and, where approved, is escalated to the Executive Risk Assurance Group (ERAG) which strengthens the executive oversight of risk and monitors assurances for the effective operational management of key risks by means of interrogating evidence and risk treatment solutions, as well as providing senior management overview of issues of concern and their co-ordination. If it is determined by ERAG that the risk

presents a threat to the strategic and or operational objectives of the Trust, it is approved for escalation onto the Corporate Risk Register for Board monitoring and review. Executive Leads are appointed by ERAG for each risk approved as scoring 15 or above so as to ensure risk types remain accurate, review dates are maintained, scores reflect the actual level of risk and control measures, and assurances are being well managed and mitigated.

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

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

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

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

79. The Chief Nurse provides professional leadership to nursing, midwifery and allied health professional staff within the organisation and provides senior leadership along with the Executive Medical Director, to the organisation in relation to patient safety and quality of service delivery. They are supported by the Director of Nursing, Divisional Directors of Nursing, Head of Midwifery and Chief Allied Health Professional within the clinical divisions, who ensure there is a continuing focus on the delivery of safe, personal and effective care. As a senior leadership team, they ensure that there are sufficient appropriately qualified nursing and midwifery staff deployed on a daily basis to meet the levels of capacity and acuity and to meet safe staffing requirements.

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

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

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

83. The Executive Director of Integrated Care, Partnerships and Resilience is the Accountable Emergency Officer under the 2004 Civil Contingencies Act and the Trust Lead for Emergency Preparedness, Resilience and Response. The Trust also has a nominated Non-Executive Director with oversight of EPRR within their specific duties. From 1 April 2024 the Executive Director of Integrated Care, Partnerships and Resilience commenced a part-time secondment to the LSC ICB.

84. The Executive Director of People and Culture is responsible for the management of risks within their areas of operational responsibility, especially those risks associated with employee relations, organisational change, health and wellbeing, bullying, harassment, and culture. They are responsible for ensuring provision of employment services across the Trust and ensuring that there is a systematic approach to managing the risks around the employee lifecycle.

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

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

87. All staff are required to complete Core Skills Training (CST) and any essential to role training identified by their line manager. All managers have access to live CST compliance reports via the Learning Hub. Staff and their managers will receive 90, 60 and 30-day reminders of any CST due, enabling them to schedule this in. Recovery of CST and appraisals has been ongoing since they were paused for a period during the Covid pandemic. We have seen new CST requirements in year reflecting our commitment to Freedom to Speak Up and Autism, Learning Difficulties and Neurodiversity. Compliance is monitored monthly through reports and also is a feature of Divisional Performance Meetings which were reinstated.

88. As part of the appraisal process all staff have the opportunity to contribute to their development via the Learning and Development Journey and are able to further support their personal and professional development using the e-portfolio area of the Learning Hub. The Appraisal Framework enables a full discussion and appraisal of contribution/performance, wellbeing/ belonging and career aspiration and development which is captured. Appraisal compliance is celebrated with an award for 90% compliance and compliance is reported as part of quarterly Workforce Assurance updates to the relevant board sub-committee.

89. Appraisal is earmarked for further improvement activity in year and whilst there are changes anticipated with the Learning Management System due to the wider system working, the Trust has undertaken stakeholder listening to develop plans to continuously improve its effectiveness. Training continues to be delivered monthly for all those new to carrying them out.

90. To further support career development, the Transformation, Organisational Development, and Inclusion team have offered career coaching, interview skills and support with application form completion. This has been targeted where there are disparities and so have been advertised at key points in our inclusion and calendar and with key groups. In addition, specific support and development has been designed as part of a wider ‘Stay and Thrive’ package to support International Recruits.

91. The Agency Group meets monthly to review and identify appropriate actions to ensure maximum use and productivity of our workforce and reduce the requirement for agency cover. These groups report into the Finance and Performance Committee to review agency spend and receive assurance that risks and hotspot areas are being addressed in order to reduce agency spend in line with the target set by NHS England. There are multiple workstreams which underpin our programme to reduce agency spend and ensure the most effective use of our resources.

92. The Trust has achieved compliance with the NHSE agency cap in November 2023 and maintained this through the remainder of the 2023-24 financial year, alongside further Divisional controls around agency usage, which have achieved significant reductions in spend.

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

The Risk and Control framework

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

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

96. Good risk management and practice across all levels of the Trust is a critical success factor. Risk is inherent in everything the Trust does, from treating its patients, determining service priorities, managing people and projects, purchasing and using medical equipment or

technology, taking informed decisions from future strategies or even deciding not to take any action at all. It takes account of statutory and regulatory compliance and strives to continuously improve quality of care, allowing for the establishment of multidisciplinary standards and best practice guidance to enhance professional development. Increasing expectations of patients, greater clarity of roles and responsibilities and devolving decision making as close to the patient as is reasonably practicable, affects the entire spectrum of managing risks and service delivery.

97. The risk management framework, whilst remaining diverse in nature, is measured intensively in an effort to continuously improve the quality and quantity of risks held and proactively influence, promote and drive a positive risk management culture and high standards of risk management performance across services. The Trust continues its ongoing work to strengthen the management of its strategic and operational risks in line with organisational strategy, values, objectives, targets and its Board Assurance Framework.

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

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

a) the outcome of key consultative documents
b) existing or proposed changes to statutory legislation and regulatory standards
c) guidance issued by professional bodies
d) contractual obligations and targets
e) influence and activity of external regulatory agencies and NHS bodies
f) outcomes of case law, public inquiry and coroners reviews
g) statistical and trend analysis
h) the effectiveness of policy and or procedural controls and key performance indicators

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

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

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

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

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

n) evaluation of staff competencies and training

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

p) engagement with stakeholders and partner organisations

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

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

   a) result in death

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

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

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

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

102. The Trusts key strategic risks in 2023-24 were:

   a) BAF Risk 1: The strategies and partnership arrangements across the Integrated Care System (ICS) for Lancashire and South Cumbria, do not align and/or deliver the anticipated benefits resulting in improved health and wellbeing for our communities.

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

c) BAF Risk 3: A risk to our ability to deliver the National access standards as set out in the 2023-24 Operational Planning Guidance from NHS England for elective and emergency care pathways and thereby creating potential health inequalities for our local community as an unintended consequence.

d) BAF Risk 4: The Trust is unable to deliver its objectives and strategies (including the Clinical Strategy) as a result of ineffective workforce planning and redesign activities and its ability to attract and retain staff through our compassionate inclusive, wellbeing and improvement focused culture.

e) BAF Risk 5: The Trust is unable to achieve a recurrent sustainable financial position. The Trust fails to align its strategy to the wider system and deliver the additional benefits that working within the wider system should bring.

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

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

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

a) Independent assurance provided to or requested by the Audit Committee from internal and external auditors.

b) Independent assurance provided to the Quality Committee and supporting sub-committees from external reviews, inspections and assessments and monitoring of subsequent action plans to address any gaps identified.

c) Review by internal departments such as the Quality and Safety Unit with Clinical Effectiveness, Clinical Audit and Divisional teams and Directorates reporting to Board sub-committees and the Senior Leadership Group.

d) Rapid responsive reviews of areas of clinical practice in response to incidents, complaints and concerns whether these are raised internally by staff or externally by stakeholders such as Coroners and Commissioners.

106. The Trust continues to actively engage with a wide variety of stakeholders to consult and communicate with them on issues of mutual concern. The Trust recognises that there are significant benefits to be gained from this engagement. The Trust also proactively engages with statutory and other stakeholders on a regular basis including staff, Healthwatch, Local Community Groups, Local Overview and Scrutiny Committees and local education providers.

Workforce Strategies

107. The Trust's People Strategy agreed in January 2020 was developed to support the delivery of the Trust's Clinical and Quality Strategies, the priorities of the Lancashire and South Cumbria Integrated Care System (ICS) and the Pennine Lancashire Integrated Care Partnership (ICP). It is also cognisant of the aims and recommendations of key publications:

a) NHS Long Term Plan

b) NHS People Plan 2020-21

c) NHS Improvement Developing Workforce Safeguards

d) Letter to Chairs and CEOs May 2019 and November 2020 "Improving Our People Practices"

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

The People and Culture strategic priority themes:

1) Looking after our people

2) Belonging in the NHS

3) Growing for the future

4) Developing new roles and new ways of working

The Trust's People Plan will be updated in 2024-25 as part of the strategic framework. The Trust has contributed to the development of system strategic planning, particularly in relation to the One LSC development as more granular plans have been developed around centralised services for corporate and support services.

108. The Trust has a divisionally owned, multi-disciplinary annual workforce plan which is developed through the annual planning round and overseen by Executive Director of Service Development and Improvement. This triangulates the plans with Trust strategies and key service developments to ensure that we have the right staff with the right skills at the right place and time. The Trust Board has oversight of the workforce plan which is signed off annually by the Chief Executive and Executive Team. The People and Culture Committee provides assurance to the Board and receives regular reports detailing workforce related metrics, activity and risks.

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

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

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

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

113. Workforce controls at a Trust and system level have been introduced in 2023-24 as part of the system's focus to reduce the financial deficit and meet the required waste reduction plan targets. This is part of a wider set of grip and control measures introduced.

CQC Registration

114. The Trust remains registered unconditionally with the Care Quality Commission to provide the following regulated activities:

    a) Diagnostic and screening procedures
    b) Family planning services
    c) Management of supply of blood and blood derived products
    d) Maternity and midwifery services
    e) Nursing care
    f) Surgical procedures
    g) Termination of pregnancies
    h) Treatment of disease, disorder or injury

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

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

117. The Trust received an inspection of its Maternity services from the National CQC Maternity Inspectorate team in November 2022. All maternity services were inspected across multiple acute and community sites and focused on the Safe and Well Led Key Lines of Enquiry. The Trust's maternity services were confirmed as rated Good in both domains in January 2023.

118. Following an application to extend the Trust's registration to include the assessment and treatment of patients subject to the Mental Health Act, the CQC undertook an onsite registration inspection visit in October 2023. The Trust provided evidence to demonstrate the safe pathways of care are in place to support this group of patients whilst on the emergency pathway and the CQC confirmed the extension to the Trust's registration had been granted in February 2024. This extension of registration is subject to a condition which restricts the provision of care to the emergency pathway and does not extend to patients who are admitted to wards.

Declarations of Interest

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

NHS Pension Scheme Statement of Compliance

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

Diversity and Equality

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

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

123. A Culture and Belonging Dashboard is under development at the request of the newly established People and Culture Committee.

124. Several staff networks have been established to increase engagement with staff with protected characteristics and these include Black, Asian and Minority Ethnic (BAME) Network, Disability and Wellbeing (DAWN) Network, Muslim Employee Network, LGBTQ+ and Mental Health Networks, Neurodiversity Task and Finish Group, Veterans Network, Women's Network, and an International and Overseas Network. In addition, we have extended our scope to include network groups that enable greater belonging. A Christian Network has been established recently and a Multi-Faith Network and Carer's Network are being scoped.

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

126. The Trust has an Inclusion Group which reports into the People and Culture Committee and oversees the progress of the EDI Improvement Plan. One of the new priorities for 2024 has been the development of an Anti-Racist Statement and programme. This is part of the Trust's Clinical Quality Academy, using improvement science to underpin a programme of cultural transformation. This links to the Trust's ambitions to become a compassionate and inclusive employer of choice and to develop health equity.

127. Since 2019, the Trust has an annual Festival of Inclusion which has a focus for a week, on all areas of Equality, Diversity and Inclusion aimed at increasing awareness, understanding, tolerance and respect. This had a theme of Inclusive Leadership in 2023, with insightful events, from inspirational guest speakers (including Michael West, Nova Reid, Roger Kline, Juliette Burton, and Mike Bedford) to more reflective insightful sessions. The keynote speakers focused on inclusive and compassionate leadership culture which improves retention, supporting us to grow our workforce, deliver the improvements to services set out in our Long-Term Plan, and reduce the costs of filling staffing gaps.

128. The Trust has established a Leadership Strategy Steering Group including inclusive talent management and career development including targeted offers to address disparities in the experience of colleagues with protected characteristics in relation to appointment into senior roles and access to career development opportunities. This reports to the People and Culture Committee and to Board. The Trust also launched the Leadership Forum during the festival of inclusion week, with a focus on compassionate leadership.

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

130. The Trust is working collaboratively with the ICS system partners around Inclusion and belonging. The Trust worked with system partners to test out the system approach to the Equality Delivery System 2022 which tests three domains. A system report will be produced with the learning from each system partner. In addition, the system put forward key areas of focus for collaborative working, noting the variation in practices and experience across the system. This includes the following six projects which we are committed to taking forward together:

- Cultural awareness training and resources
- Reasonable adjustments – transforming and standardising our approach to implementing RAs in a timely way.
- Inclusive Recruitment – working with the ONE LSC recruitment programme to design in inclusive practice into our collaborative approach – one approach, policy, training, resources.
- Delivering on Anti-Racism – a collective and continuous improvement-based approach to anti-racism and supporting orgs to receive recognition for the NW BAME Antiracist Framework
- Staff Network Chair development
- Reciprocal Mentoring and living libraries.

Sustainable Development

131. The Trust has undertaken risk assessments on the effects of climate change and severe weather and has developed a Green Plan following the guidance of the Greener NHS Programme. The Trust ensures that its obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

132. In March 2022 the Board approved the Trust's NHS Green Plan (https://elht.nhs.uk/about-us/our-green-plan), which is aligned to the overarching ICS Green Plan. The plan sets out our Net Zero ambitions with associated delivery plans.

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

134. On 1 July 2022, the NHS in England became the first health system to embed net zero into legislation, through the Health and Care Act 2022

135. The Trust has given a commitment via our local Green Plan for the emissions we control directly (the NHS Carbon Footprint), we will reach net zero by 2040, The Trust's emissions target for 2022–23 was 14.05%, we have achieved 13.28% so will have a stretch target during 2024-25.

136. The Trust has also adopted the Building Research Establishment Environment Assessment Method (BREEAM) healthcare toolkit for all significant new and refurbishment building projects. The most recent example is the Simulation suite at Burnley General Hospital Teaching Hospital site which opened in late 2023. We are currently installing LED lighting at

the Burnley General site and Clitheroe community hospital the full installation will be completed in spring 2023. During 2023 we installed real-time energy monitoring and control across all of our sites, we have achieved a significant reduction in energy costs, our focus going forward will be to use the technology to determine priority areas for capital expenditure to reduce our carbon emissions to achieve the 2040 target.

137. In collaboration with our PFI partners we will determine how we can use roofs and ground space to support onsite renewable energy generation opportunities across the estate.

138. The ICB have developed a Green Plan and a Green Plan Committee that will be catalysts for a shared ICB strategy that will focus on nine themes: Workforce and System, Sustainable Models of Care, Digital Transformation, Travel and Transport, Estates and Facilities, Medicines, Supply Chain and Procurement, Foot and Nutrition and Climate Change Adaptation.

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

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

Information governance

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

141. The Data Security and Protection Toolkit sets out standards for maintaining high levels of security and confidentiality information. Our Information Governance Assessment report for 2023-24 is ongoing with the final submission due at the end of June 2024. The status for the 2022-23 DS&P toolkit is 'All standards met'. The Data Security and Protection framework and workplan is overseen by the Information Governance Steering Group (IGSG) which is chaired by the trusts SIRO. The IGSG reports into the Trust's Audit Committee. The Trust has reported a total of seven information governance incidents to the Information Commissioner's Office (ICO) during the reporting period.

Data Quality and Governance

142. The Trust continues to invest significantly in cyber defences to ensure personal data is kept as secure as possible, with major investments in software and hardware as required. The Trust used central capital monies to further enhance its cyber defences with a specific focus on medical devices which have been identified by the National Cyber Security Centre as a potential threat vector for all NHS organisations. Additional investment and focus upon cyber defences have been applied during the past year, with a particular reference to the new and emerging hybrid working practices and the declining geopolitical situation. This has included the deployment of multi-factor authentication to access systems and a secure mobile working solution. The Trust successfully submitted its DSP toolkit for 2023 which was independently verified and is working on the 2024 submission with MIAA. The procurement of new systems, in particular, clinically based systems, is led by a 'Cloud First' approach and supported by detailed Data Protection Impact Assessment (DPIA) and Digital Technology Assessment Criteria (DTAC) assessments and robust contract monitoring approaches. Although many of the electronic systems in the Trusts are legacy, regular Business Continuity and Data Quality Audits take place and such audits are available for review. All patching and system updates are tested prior to roll out and ELHT responds to NHSE Care Cert alerts well within the required timescales. The Trust continues to replace all unsupported operating system on ELHT managed PCs from its networks and continues to work with the PFI suppliers to replace any outstanding devices on their systems.

143. Dedicated Information Governance, Subject Access Request, expanded Cyber and FOI teams exist within the Informatics Department and a report is produced to each month's IG steering group regarding progress. Information Governance continues to work alongside system partners to build upon learning from other providers and optimise opportunities for development. Weekly Data Quality reviews take place and data quality issues are addressed

by on call and full-time staff during 'down times'. All systems have audit trails and regular reports are produced and access checked to ensure compliance.

144. As part of the eLancs programme, the Trust implemented Oracle/Cerner Millennium as our integrated electronic patient record system in June and is working through the optimisation and stabilisation of the system.

145. The Trust continues to develop the cloud-based data warehouse – Bedrock and is transitioning all existing data warehouse infrastructure and building new data routes for the Millennium ePR. This helps build upon ELHT's reporting capabilities. The objective with this platform is to provide a '*single pane of glass'* approach to data.

146. The Trust is accelerating the development of a data & digital strategy focusing on skills development, infrastructure refresh and innovation; to take the eLancs programme into the next ten years. As the NHS enters a period of financial complexities and look to our corporate teams to realise efficiencies across the ICB, data and digital is being reviewed to determine how it can support the transformation of services.

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

Annual Quality Account

148. The directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 (as amended) to prepare Quality Accounts for each financial year.

149. The Trust publishes an annual Quality Account which is reviewed and commented upon by our health and social care partners to ensure that there is a consistent view on the quality both of the data that is published and the quality of the patient experience of our services. However, due to the changes to the reporting requirements stemming from the COVID-19 pandemic, there was no requirement for the Quality Account to be reviewed by external auditors in the last three years. The Quality Account will be reviewed by and approved on behalf of the Trust Board (under delegated authority) by the Audit Committee prior to release for publication by the 30 June 2024.

150. Among the controls in place to ensure the accuracy of data used in both the Quality Account and ongoing internal and external reporting of data are:

    a) Specific policies on the recording of data and quality indicators including;
        i. Incident report and Investigation Policies
        ii. Patient Safety Incident Response Plan
        iii. Risk Management Policy
        iv. Clinical Records Policy
        v. Production of Patient Information
        vi. Information Governance Policy
        vii. Clinical Audit Policy
    b) Training programmes to ensure staff have the appropriate skills to record and report quality indicators including training on software and hardware systems, Information Governance Toolkit training and corporate and departmental induction and mandatory training.
    c) A rolling programme of audits on quality reporting systems and metrics.
    d) Alignment of the internal audit, clinical audit and counter fraud work plans on a risk-based approach linked to the Board Assurance Framework and the Corporate Risk Register.

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

152. The Quality priorities for 2023-24 continued in line with the Trust's Quality Strategy. This included a comprehensive rolling programme of quality improvement initiatives which strived to reduce avoidable harm. With a focus on:

    a) Treatment problem/issues, Diagnosis failure/problem in relation to cancer
    b) Nutrition (Nil by Mouth) in Vulnerable Adults
    c) Communication with patients and Families with regards to DNACPR
    d) Falls
    e) Transfer and handover of patients from ED department

Review of Effectiveness

153. As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the NHS Trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on the information provided in this annual report, as well as the content of the quality report attached to the annual report and other performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Trust Board, the Audit Committee and the Quality Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

154. The Head of Internal Audit opinion by Mersey Internal Audit found that: Moderate Assurance had been provided for the year, that there is an adequate system of internal control, however, in some areas weaknesses in design and/or inconsistent application of controls puts the achievement of some of the organisation's objectives at risk. It was recognised that the Trust, like other organisations the NHS, was facing a number of challenging issues and wider organisational factors, particularly with regard to the ongoing pandemic recovery response, financial challenges and increasing collaboration across organisations and systems.

155. During the year the Trust had 12 internal audits undertaken, of those, three audits received substantial assurance opinions, six received moderate assurance opinions and three were reviews without an assurance rating.

156. The Assurance Framework and the internal auditor's opinion on the effectiveness of the systems and processes supporting the Assurance Framework provide me with evidence that the effectiveness of controls that manage the risks to the organisation in achieving its principal objectives have been reviewed.

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

a) Detailed reports from the Trust's internal auditors (Mersey Internal Audit Agency) and external auditors (Mazars)

b) Performance and financial reports to the Trust Board and its subcommittees

c) NHS England performance management reports

d) NHS England Area Team performance management reports

e) Clinical Commissioning Groups performance management reports

f) Governance reports to the Quality Committee, People and Culture Committee, Audit Committee and Trust Board

g) Compliance with action plans as part of our performance management arrangements

h) Information Governance risk assessment against the Information Governance Toolkit

i) Feedback from local and national staff and patient surveys

158. The work of the Executive team within the organisation who have responsibility for the development and maintenance of the internal control framework within their portfolios.

159. Where reports have identified limitations in assurance these have been acted upon and in relation to auditors' reports have been monitored by the Audit Committee. The Trust Board and its subcommittees have been actively engaged in the on-going development and monitoring of the Assurance Framework and will continue to shape the iterative development of the Assurance Framework and its associated risk management systems and processes throughout 2023-24.

Significant Issues

160. The following issues have prejudiced the achievement of the priorities set during 2023-24 for the Trust:

a) Financial Position: The Trust reported a £15.4 million financial performance deficit for the 2023-24 financial year which was in line with the agreed planned deficit. Additional non-recurrent income was received to support the financial position. There are financial pressures around the excess demand on urgent and emergency care pathways. The Trust expects to continue in a deficit position through the course of 2024–25. However, as a Trust we are working hard to deliver the necessary financial improvements, many of which will require system-wide working and collaboration across the ICS.

b) Supporting Attendance: The Trust works with colleagues to support attendance and reduce sickness levels:

i. Work to understand local Population Health data and the impact on staff attendance, considering 82% of the workforce live within the local population.

ii. Revision of the attendance policy to incorporate feedback from staff networks. particularly in relation to disability.

iii. 'e-learning' developed and implemented for managers in 2022-23, with revised face-to-face training reinstated in 2023-24, along with manager peer support.

c) Health & Wellbeing

i. Leading on work across the ICS to ensure there is a consistent offer for colleagues across Lancashire and South Cumbria and that we implement the 'Growing Occupational Health and Wellbeing' four strategic drivers of: improving the Occupational Health and Wellbeing Services strategic identity, improving services across systems, growing and developing our Occupational Health and Wellbeing people and workforce and building on the impact and evidence base.

ii. Our Staff Health & Wellbeing Strategic Action Plan identifies seven key themes to holistically support colleagues to feel healthy, happy and well at work. These themes are: Leadership & Management, Data insights, Professional wellbeing support, Improving personal health and wellbeing, Relationships, Fulfilment at work and Environment.

iii. The Trust's EASE (Early Access to Support for Employees) Service continues to be used to support staff with their health and wellbeing. It is an early intervention service provided by Occupational Health for all staff affected by musculoskeletal (MSK) or mental health (MH) conditions which form the two biggest reasons for sickness absence.

d) Patient Flow: Mitigating actions taken include:

i. Strengthening our admission avoidance pathways with our:

- Two-hour Urgent Care Response (2UCR) – to support admission avoidance, ELHT's average monthly achievement of 97% exceeds the national target of 70%.
- Virtual Wards (including Hospital at Home) allows patients to receive the care they need at home safely rather than in hospital. Building on the success of the virtual ward, the Trust has now begun a new test for change around the 'Hospital at Home' model of care. This is being managed under the Clinical Quality Academy Improvement Programme. The design is to support the reduction of hospital admissions, or earlier safe discharges, with the ethos of hospital level care delivered closer to home.
- Intensive Home Support Service (IHSS) based within the ED Department providing patients with safe support at home to meet clinical needs, this continues to be a successful part of the non-elective pathway ensuring that people who can be cared for in a home environment can be safely transitioned to a community team with the necessary wrap around services.
- Our community teams have continued to provide support for patients living in care homes to prevent hospital attendances where clinically appropriate.

ii. Ambulance handover times have increased due to demand into the Emergency Care, improvement work is still on-going and an NWAS and ELHT collaborative approach is underway.

iii. Same Day Emergency Care services (SDEC) – we continue to strengthen our pathways into our SDEC areas and have expanded our direct pathways from NWAS into our Children's Observation and Assessment Unit

iv. Ward Processes and Escalation

- Further enhancement and extension of our escalation capacity
- With the introduction of our Electronic Patient Record (EPR) our discharge bundle is now referred to as the discharge check list. Moving from a paper-based format to electronic gives us a greater opportunity monitor compliance towards the checklist being completed, ensuring the patient received a Safe, Personal and Effective discharge.
- Ward level discharge dashboard now available to review good practices and areas for improvement.

Conclusion

161. In line with the guidance on the definition of the significant control issues I have no significant internal control issues to declare within this year's statement. The system of internal control has been in place in East Lancashire Hospitals NHS Trust for the year ended 31 March 2024 and up to the date of approval of the annual report and accounts.

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

Signed: *M. A. Hodgson (signed electronically),* Chief Executive

Date: 27 June 2024

Directors' Report

As of 31 March 2024, The Trust Board comprises the Chairman, six Non-Executive Directors and five Executive Directors with voting rights as detailed in the Board profile below. In addition, the Trust has three Associate Non-Executive Directors. The Executive Director of People and Culture, the Executive Director of Service Development and Improvement, Executive Director of Integrated Care, Partnerships and Resilience, Executive Director of Communications and Engagement and the Director of Corporate Governance/Company Secretary also attend the Trust Board to give advice within their professional remits. The Trust Board functions as a corporate decision-making body and Executive and Non-Executive Directors are full and equal members.

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

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

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

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

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

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

Voting Board Members

Shazad Sarwar
Chairman, December 2022 to present

Experience

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

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

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

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

Qualifications

Law LLB

Martin Hodgson

Chief Executive, August 2022 to present

Experience

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

Martin was previously the Director of Service Development, where he took a lead role in the development of strategy, planning and working with partners to improve services both in the Lancashire and South Cumbria Integrated Care System (ICS) and the Pennine Lancashire Integrated Care Partnership (ICP).

Martin has over 30 years' experience working in healthcare, with 20 of those being at executive level. In September 2021 Martin assumed the role of Accountable Officer at the Trust.

Martin was appointed Chief Executive on 9 August 2022 after holding the role on an interim basis since 1 September 2021. As well as ensuring the Trust has recovered after the COVID-19 Pandemic to achieve all required operational and financial targets, he has overseen a number of important developments to the Trust's digital, estate, education and research infrastructures, as well as introducing some important changes to clinical and corporate governance processes.

Qualifications

BA (Hons), Postgraduate Diploma in Human Resource Management

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

Experience

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

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

Trish is currently Chair of the People and Culture Committee and has previously chaired the Quality Committee.

Qualifications

BA Joint Honours, CQSW/DipSW, ASW

Professor Graham Baldwin

Non-Executive Director, January 2020 to present

Experience

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

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

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

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

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

Qualifications

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

Peter Murphy

Chief Nurse, 20 March 2023 to present

Experience

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

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

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

Qualifications

Registered Nurse, MA Management, PGD Nursing Management

Khalil Rehman

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

Experience

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

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

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

Khalil holds a first degree from UCL, an MSc from the Bartlett School, UCL and graduated from executive programs at Harvard Medical School and INSEAD Global Business School. He is currently a non-executive director at Salix Homes and non-executive director and chair of the Audit Committee at Leeds Community Healthcare Trust.

Khalil is Chair of the Audit Committee.

Qualifications

MSc, B Eng (Hons)

Liz Sedgely

Non-Executive Director, 1 September 2023 to present

Experience

Liz is a Fellow of the Chartered Association of Certified Accountants in England and Wales and has a remarkable career spanning two decades.

During this time, she has operated a highly successful management consultancy firm, offering expert accountancy and strategic finance support to a wide array of public sector organisations and businesses, spanning sectors such as construction, chemical sales, communications, and web-based retail.

For the past six years, Liz has held the position of a Non-Executive Director and the Deputy Chair at the University Hospitals of Morecambe Bay NHS Foundation Trust.

Her journey with the Trust is not new, as she previously served as a non-Executive Director and the Audit Committee Chair for an eight-year tenure. In her new capacity, Liz took over as the Chair of the Finance and Performance Committee in November 2023.

Liz has a keen interest in understanding and improving the patient's experience and helping to develop seamless care between hospital and community settings for the benefit of patients.

Catherine Randall

Non-Executive Director, 1 September 2023 to present

Experience

Catherine has an impressive career spanning over 38 years, with a wealth of leadership experience in national safeguarding for NHS England, as a former Chief Nurse and through providing important support at East Lancashire Hospitals Trust in the response to COVID-19.

In addition to her career, Catherine holds the title of Honorary Professor at the University of Central Lancashire (UCLan) and was awarded the honoured of Queen's Nurse in 2022.

Catherine's extensive qualifications encompass a diverse range of healthcare roles, including registered nurse, midwife, family planning nurse, health visitor, and Nye Bevan graduate and brings her expertise from working within the NHS at local, regional and national levels.

Her areas of particular focus include transformation, quality and safety, palliative, End of Life care, safeguarding, and a commitment to incorporating the lived experiences of individuals into healthcare decision-making.

In her new role, Catherine is the Chair of the Trust's Quality Committee, further advancing her mission to enhance healthcare quality and patient experiences.

Qualifications

RGN, RM, HV, BA (Hons)

Melissa Hatch

Associate Non-Executive Director, 1 December 2023 to present

Experience

Melissa has gained extensive senior management experience within the third sector - organisations that are not for profit and non-governmental. Her time at Age Concern, the Royal Voluntary Service and more recently at Citizens Advice, demonstrated her skills in steering organisational strategy, service development, overseeing whistleblowing investigations, and managing stakeholder relationships.

A fervent advocate for equality and diversity, Melissa played a pivotal role in establishing the Windrush Initiatives Community Interest Company. Over her three-year directorship, she collaborated with health, education, housing, and judicial services, addressing inequality and empowering black and multiheritage communities.

Melissa is a member of the Trust's Quality Committee and People and Culture Committee.

Richard Smyth,

Non-Executive Director, March 2017 to present

Experience

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

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

Richard is currently the Chair of the Trust's Charitable Funds Committee and has previously chaired the Audit Committee.

Qualifications

BA (Hons), Member of the Law Society

Mr Jawad Husain

Deputy Chief Executive/Executive Medical Director, February 2020 to Present

Experience

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

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

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

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

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

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

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

Qualifications

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

Michelle Brown

Executive Director of Finance, August 2019 to present

Experience

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

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

Qualifications

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

Sharon Gilligan

Chief Operating Officer, October 2020 to present

Experience

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

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

Qualifications

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

Kate Atkinson

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

Experience

Kate joined the NHS in 2000 as an NHS General Management Trainee. Since that time, she has held a variety of roles including as a commissioner of adult and emergency services in Manchester and as an Operational Manager at Pennine Acute NHS Hospitals.

Kate moved to East Lancashire Hospitals NHS Trust in 2008 and during her 16 years here has worked in several roles, including Head of Contracting, Associate Director of Service Development, Associate Director of Improvement and Interim Executive Director of Service Development and Improvement. She was substantively appointed to the latter role in February 2022.

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

Qualifications

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

Tony McDonald

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

Experience

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

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

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

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

Qualifications

MA, Postgraduate Diploma in Management

Kate Quinn

Executive Director of People and Culture, January 2023 to present

Experience

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

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

Qualifications

Chartered Member CIPD

Shelley Wright

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

Experience

Shelley Wright joined the Trust in January 2021 as Executive Director of Communications, which is a joint role across both East Lancashire Hospitals and Blackpool Teaching Hospitals NHS Foundation Trust where she is also a member of both Executive Teams and Trust Boards.

A former journalist with strong personal connections to both East Lancashire and the Fylde Coast, Shelley joined from Lancashire and South Cumbria NHS Foundation Trust where she was Executive Director of Communications and prior to this she was Director of Communications for Greater Manchester Fire and Rescue Service, latterly moving into the office of the Mayor of Greater Manchester Andy Burnham.

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

Qualifications

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

Board members who have left the Trust during the 2023-24 financial year

- Stephen Barnes, Non-Executive Director
- Dr Fazal Dad, Associate Non-Executive Director
- Naseem Malik, Non-Executive Director
- Feroza Patel, Associate Non-Executive Director
- Michael Wedgeworth MBE, Associate Non-Executive Director

Directors' Statements and Register of Interests

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

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

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

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

Each Director is:

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

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

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/ Confirmed
Shazad Sarwar Chairman	• Committee member of Together Housing Group (from 01.09.2021) • Non-Executive Director member of the Greater Manchester Integrated Care Board (from 01.02.2022). • Managing Director of Msingi Research Ltd. (from 01.07.2015) • Member of Prince's Trust Health and Care Advisory Board	15.05.2024
Martin Hodgson Chief Executive	• Spouse is the Chief Operating Officer at Liverpool University Hospital NHS Foundation Trust.	08.04.2024
Patricia Anderson Non-Executive Director	• Spouse is a retired Consultant Psychiatrist formerly employed at Mersey Care NHS Trust. • Assignment with Knowsley Clinical Commissioning Group, supporting the Accountable Officer for a period of six months (10.05.2019 to 01.10.2019). During this time Mrs Anderson took a leave of absence from the Trust Board at ELHT. • Partnership of East of London Collaborative – Assignment of 1.5 days per month (from 01.12.2020 until 01.02.2021)	15.05.2024
Kate Atkinson Executive Director of Service Development and Improvement	• Brother is the Clinical Director of Radiology at the Trust • Sister-in-law is a Trauma and Orthopaedic Consultant at the Trust • Parent Governor at Blacko Primary School (from 01.04.2022 to 31.03.2026)	15.05.2024

Name and Title	Interest Declared	Date last updated/ Confirmed
Professor Graham Baldwin Non-Executive Director	• Director of Centralan Holdings Limited • Director of UCLan Overseas Limited • Director CY IPS Ltd • Director UCLan Cyprus • Director UCLan Professional Services Ltd • Deputy Chair and Director of UCEA • Chair of Maritime Skills Commission • Member of Universities UK • Chair of MillionPlus • Chair of University Vocational Awards Council • Chair of Lancashire Innovation Board • Member Preston Regeneration Board • Member Burnley Town Board • Member Burnley Economic Recovery Board	23.05.2024
Michelle Brown Executive Director of Finance	• Spouse is a paramedic at NWAS • Vice Chair of Governors at St Catherine's RC Primary School, Leyland • Labour Councillor – Clayton West and Cuerden Ward	15.05.2024
Sharon Gilligan Chief Operating Officer and Deputy Chief Executive	• Positive nil declaration	15.05.2024
Melissa Hatch Associate Non-Executive Director (01.12.2023)	• Nil declaration (awaiting confirmation)	15.05.2024
Jawad Husain Executive Medical Director and Deputy Chief Executive	• Spouse is a GP in Oldham	23.04.2024

Name and Title	Interest Declared	Date last updated/ Confirmed
Tony McDonald Executive Director of Integrated Care, Partnerships and Resilience	• Spouse is an employee of Oxford Health NHS Foundation Trust • Member of Board of Trustees for Age Concern Central Lancashire Charity (to 27.10.2023) • Undertaking the role as Portfolio Director for Community Transformation for Lancashire and South Cumbria Integrated Care Board commencing 1st April 2024 for 12 months in addition to ELHT Executive Director role.	01.04.2024
Peter Murphy Chief Nurse	• Spouse works at Liverpool University Foundation Trust.	15.05.2024
Kate Quinn Executive Director of People and Culture	• Director at Lancashire Institute of Technology • Governor at Goosnargh Oliverson's Church of England Primary School	15.05.2024
Catherine Randall Non-Executive Director	• Executive Director Derian House Lead for Clinical Services • Independent Chair of the Safeguarding Board • Independent Chair at Blackburn Church of England	15.05.2024
Khalil Rehman Non-Executive Director	• Director at Salix Homes Ltd • Director at Medisina Foundation. • NED at Leeds Community Healthcare Trust • Vice Chair of Seacole Group • TSI Caritas Ltd • NED at UCLan • Interim Director of Finance at Touchstone Support Ltd, Charity with links to the NHS in neighbouring system	31.05.2024

Name and Title	Interest Declared	Date last updated/ Confirmed
Liz Sedgley Non-Executive Director	• Self Employed Accountant Liz Sedgley FCCA Accountancy and Management Consultancy • Governor at Nelson and Colne Colleges Group • Husband is Financial Controller at Select Medical Ltd	29.04.2024
Richard Smyth Non-Executive Director	• Spouse is a Patient and Public Involvement and Engagement Lay Leader for the Yorkshire and Humber Patient Safety Translational Research Centre, based at Bradford Institute for Health Research, Bradford Royal Infirmary. • Spouse is a Non-Executive Director at Lancashire Teachings Hospitals Foundation Trust as from 04.02.2019. • Chair of Board of Governors at Bury Grammar School as of 27 March 2023.	15.05.2024
Shelley Wright Joint Director of Communications and Engagement for East Lancashire Hospitals NHS Trust (ELHT) and Blackpool Teaching Hospitals NHS Foundation Trust (BFWH)	• Post held jointly with Blackpool Teaching Hospitals NHS Foundation Trust	24.04.2024

Members of the Trust Board who left the Trust during the 2023–24 year

Name and Title	Interest Declared	Date last updated
Stephen Barnes Non-Executive Director	• Chair of Nelson and Colne College (to 01.05.2023) • Member of the National Board of the Association of Colleges (from to 01.05.2023). • Chair of the National Council of Governors at the Association of Colleges (to 01.05.2023) • Chair of the Nelson Town Regeneration / Deal Board	21.02.2023
Dr Fazal Dad Associate Non-Executive Director (from 01.07. 2022)	• Principal and Chief Executive, Blackburn College • Ofsted Inspector • Quality Assurance Agency (QAA) Reviewer • Board Member at Lancashire Skills and Employment Board • Director at The Lancashire Colleges • Trustee of Agnes Eccles Art Award Fund • Quality Assurance Agenda Board Trustee and Director	29.03.2023
Naseem Malik Non-Executive Director	• Independent Assessor- Student Loans Company- Department for Education – Public Appointment. • Fitness to Practice, Panel Chair: Health and Care Professions Tribunal Service (HCPTS) – Independent Contractor (until 31.07.2020) • Investigations Committee Panel Chair at Nursing and Midwifery Council (NMC) - Independent Contractor (until 30.07.2021). • Relative (first cousin) is a GP. • Relative (brother-in-law) is a registered nurse employed by Lancashire and South Cumbria Care NHS Foundation Trust.	21.02.2023

Name and Title	Interest Declared	Date last updated
Feroza Patel Associate Non-Executive Director	• Positive Nil Declaration	20.02.2023
Michael Wedgeworth Associate Non-Executive Director	• Board member of Inspire Motivate Overcome (IMO) Charity	08.03.2023

Remuneration and Staff Report

Remuneration and Staff Report

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

- Professor Graham Baldwin (Committee Chair from 28 March 2024)
- Mr Shazad Sarwar (until 27 March 2024)
- Mrs Patricia Anderson
- Mr Stephen Barnes (until 31 December 2023)
- Dr Fazal Dad (Non-voting Associate Non-Executive Director) (until 30 June 2023)
- Mrs Melissa Hatch (Non-voting Associate Non-Executive Director) (from 1 December 2023)
- Miss Naseem Malik (until 31 August 2023)
- Mrs Feroza Patel (Non-voting Associate Non-Executive Director) (until 30 June 2023)
- Mrs Catherine Randall (from 1 September 2023)
- Mr Khalil Rehman
- Mrs Elizabeth Sedgley (from 1 September 2023)
- Mr Richard Smyth

The Remuneration Committee was chaired by the Trust Chairman until 27 March 2024, with Professor Baldwin taking over chairmanship of the Committee on 28 March 2024. Information on the term of office of each Non- Executive Director is provided in the Directors Report section of this Annual Report. The interests and details of the Trust Board are disclosed in the Directors' Register of Interests section earlier this Annual Report.

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

In assessing any pay awards during the course of the year, the members of the Committee have had due regard both for the average salary of the executive director in peer organisations and the changes in remuneration agreed as part of the Agenda for Change pay scheme. The Executive Directors have received changes in their remuneration only in cases that relate to changes in their executive and operational duties and in line with peer organisations.

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

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

Remuneration Report

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

Salaries and allowances (subject to audit)

Post Held	From / Started	To / Left	2023-24				2022-23			
			Salary (bands of £5,000) £000	Expense payments (taxable) (to nearest £100) £	All pension-related benefits (bands of £2,500) £000	TOTAL (bands of £5,000) £000	Salary (bands of £5,000) £000	Expense payments (taxable) (to the nearest £100) £	All pension-related benefits (bands of £2,500) £000	TOTAL (bands of £5,000) £000
Executive Directors										
Chief Executive Mr M Hodgson	01/04/2023	31/03/2024	235-240	0	60-62.5	295-300	255-260	0	100-102.5	355-360
Executive Director of Finance Mrs M Brown	01/04/2023	31/03/2024	165-170	0	0	165-170	160-165	0	40-42.5	200-205
Executive Director of Communications and Engagement * Ms S Wright	01/04/2023	31/03/2024	65-70	0	15-17.5	85-90	60-65	0	15-17.5	75-80
Executive Medical Director and Joint Deputy Chief Executive ** Mr J Husain	01/04/2023	31/03/2024	280-285	0	0	280-285	270-275	300	0	270-275
Chief Nurse Mr P Murphy	01/04/2023	31/03/2024	155-160	0	0	155-160	5-10	0	0-2.5	5-10

Executive Director of People and Culture Mrs K Quinn	01/04/2023	31/03/2024	140-145	0	32.5-35	175-180	30-35	0	7.5-10	40-45
Executive Director of Integrated Care, Partnerships and Resilience Mr T McDonald	01/04/2023	31/03/2024	140-145	0	0	140-145	135-140	0	35-37.5	170-175
Chief Operating Officer and Joint Deputy Chief Executive **** Mrs S Gilligan	01/04/2023	31/03/2023	165-170	0	0	165-170	150-155	100	37.5-40	190-195
Director of Service Development and Improvement Mrs K Atkinson	01/04/2023	31/03/2023	140-145	0	72.5-75	215-220	125-130	0	100-102.5	225-230

* The remuneration disclosed in the table above represents the Trust's share of the remuneration for the Joint Executive Director of Communications and Engagement holding a position in the Trust. The banding for the total salary in 2023-24 was £170,000 - £175,000, working as a joint director for the Trust and Blackpool Teaching Hospitals NHS Foundation Trust.

** For the Executive Medical Director / Joint Deputy Chief Executive, their salary includes £137,082 relating to his clinical role. It also includes £10,000 for the additional duties relating to the Joint Deputy Chief Executive role.

**** For the Chief Operating Officer / Joint Deputy Chief Executive, their salary includes £10,000 for the additional duties relating to the Joint Deputy Chief Executive role.

Salaries and allowances (subject to audit)

Post Held	From / Started	To / Left	2023-24				2022-23			
			Salary (bands of £5,000) £000	Expense payments (taxable) (to nearest £100) £	All pension-related benefits (bands of £2,500) £000	TOTAL (bands of £5,000) £000	Salary (bands of £5,000) £000	Expense payments (taxable) (to the nearest £100) £	All pension-related benefits (bands of £2,500) £000	TOTAL (bands of £5,000) £000
Non-Executive Directors										
Chair Mr S Sarwar	01/04/2023	31/03/2024	55-60	0	0	55-60	15-20	100	0	15-20
Non-Executive Director Ms Patricia Anderson	01/04/2023	31/03/2024	10-15	0	0	10-15	15-20	0	0	15-20
Non-Executive Director Professor G Baldwin	01/04/2023	31/03/2024	10-15	0	0	10-15	10-15	0	0	10-15
Non-Executive Director Mr S Barnes	01/04/2023	31/12/2023	5-10	0	0	5-10	10-15	0	0	10-15
Non-Executive Director Mrs N Malik	01/04/2023	31/08/2023	5-10	0	0	5-10	10-15	0	0	10-15
Associate Non-Executive Director Ms F Patel	01/04/2023	30/06/2023	0-5	0	0	0-5	10-15	0	0	10-15

Non-Executive Director Mr K Rehman	01/04/2023	31/03/2024	10-15	0	0	10-15	10-15	0	0	10-15
Non-Executive Director Mr R Smyth	01/04/2023	31/03/2024	10-15	0	0	10-15	10-15	0	0	10-15
Associate Non-Executive Director Dr F Dad	01/04/2023	30/06/2023	0-5	0	0	0-5	5-10	0	0	5-10
Associate Non-Executive Director Ms M Hatch	01/12/2023	31/03/2024	0-5	0	0	0-5	0	0	0	0
Non-Executive Director Ms C Randell	01/09/2023	31/03/2024	5-10	0	0	5-10	0	0	0	0
Non-Executive Director Ms E Sedgley	01/09/2023	31/03/2024	5-10	0	0	5-10	0	0	0	0

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

Fair Pay Disclosure (subject to audit)

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

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

The banded remuneration of the highest paid director/member in the Trust in the financial year 2023–24 was £280,000 – £285,000 (2022–23: £270,000 – £275,000) with the Executive Medical Director also performing a clinical role. This is an increase of 3.7%.

For employees as a whole, the average salary and allowances remuneration in 2023-24 was £45,327 (2022-23: £43,100). The percentage change in average employee remuneration (based on total for all employees on an annualised basis divided by full time equivalent number of employees) between years was 5.2%. The relationship to the remuneration of the organisation's workforce is disclosed in the below table.

	2023-24			2022-23		
	25th Percentile	Median	75th Percentile	25th Percentile	Median	75th Percentile
Total remuneration (£)	24,701	31,529	45,509	23,936	30,766	43,842
Salary component of total remuneration (£)	22,816	28,407	42,618	22,994	28,058	37,633
Pay ratio information	11.4 : 1	9.0 : 1	6.2 : 1	11.4 : 1	8.9 : 1	6.2 : 1

In 2023-24, 5 (2022-23: 1) employees received remuneration in excess of the highest-paid director. Remuneration ranged from £17 to £445,203 (2022–23: £8 – £365,360).

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

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

Director's Pensions (subject to audit)

Name and title	Real increase in pension completed at pension age (Bands of £2,500)	Real increase in pension lump sum completed at pension age (Bands of £2,500)	Total accrued pension completed at pension age at 31 March 2024 (Bands of £5000)	Lump sum at pension age related to accrued pension at 31 March 2024 Bands of £5000)	Cash Equivalent Transfer Value at 31 March 2024 £000	Real Increase/ (Decrease) in Cash Equivalent Transfer Value £000	Cash Equivalent Transfer Value at 31 March 2023 £000
Mr M Hodgson	0-2.5	60-62.5	90-95	255-260	2,234	402	1,635
Mrs M Brown **	0	35-37.5	50-55	140-145	1,250	160	970
Ms S Wright *	0-2.5	0	10-15	0	150	18	86
Mr T McDonald **	0	30-32.5	50-55	135-140	1,096	161	831
Mrs S Gilligan **	0	32.5-35	40-45	110-115	952	140	718
Mrs K Atkinson	2.5-5	40-42.5	40-45	115-120	940	246	613
Mrs K Quinn	2.5-5	0	25-30	50-55	564	78	424
Mr P Murphy ** ***	0	85-87.5	50-55	265-270	45	0	1,316

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

** The Director pension is affected by the Public Service Pensions Remedy and their membership between 1 April 2015 and 31 March 2022 was moved back into the 1995/2008 Scheme on 1 October 2023. Negative values are not disclosed and are represented by nil values in this table.

*** The Chief Nurse, Peter Murphy, took an element of their pension in 2023-24, which explains the reduction in the cash equivalent transfer value.

Cash Equivalent Transfer Values

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

Real Increase in CETV

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

Staff numbers and composition

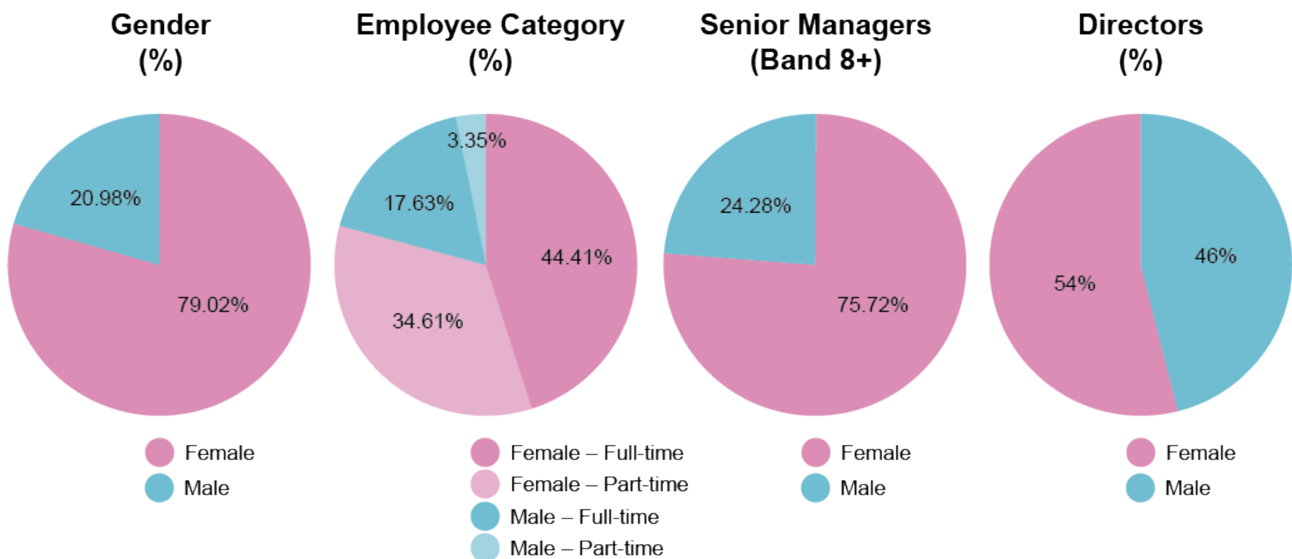
The Trust is a major local employer, and we employ nearly 10,000 substantive colleagues. During the course of the year the Trust has worked hard to recruit and retain staff, seeing a notable reduction in registered nursing vacancies.

Our overall vacancy rate at March 2024 is 4.53%, compared to 5.39% in March 2023. Turnover for 2023-24 was 6.00%, compared to 6.63% in 2022-23.

As with all NHS Trusts, ELHT rely on colleagues picking up work through our staff bank or, when key shifts cannot be filled, agency workers. In 2023-24, our agency spend had reduced by over £2.5m, compared to 2022-23 (circa £18.5m, compared to £21.2m).

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

Staff Group	Female	Male
Add Prof Scientific and Technic	78%	22%
Additional Clinical Services	87%	13%
Administrative and Clerical	80%	20%
Allied Health Professionals	76%	24%
Estates and Ancillary	50%	50%
Healthcare Scientists	64%	36%
Medical and Dental	39%	61%
Nursing and Midwifery Registered	94%	6%
Students	100%	0%
Grand Total	**79%**	**21%**



Sickness

Sickness absence in 2023-24 stood at 6.06% which is 0.39% lower compared to 2022-23 (6.45%) and 0.59% lower compared to 2021-22 (6.65%).

The Trust has implemented a range of initiatives to improve the health and wellbeing as well as bespoke initiatives and resources to support colleagues. This includes a colleague health and wellbeing online portal, Employee Assistance Programme, internal and external counselling support and support from the Trust Therapy Dog, Alfie.

The main two reasons for sickness absence remain anxiety/stress/depression and musculoskeletal injury. The Trust has specific services around these health issues, which gives access to support and advice within 24 hours of reporting sick and are currently undergoing an external review of mental health support, to ensure that it meets the needs of colleagues.

The Trust monitors sickness absence rates through the Workforce Dashboard, quarterly through the People & Culture Committee Workforce report and in the workforce scorecard element of the integrated performance report. Quarterly Divisional performance meetings also focus on attendance and wellbeing.

Staff Policies

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

Specific policies have been developed to support individuals with disabilities during the recruitment process and whilst in employment with the Trust and work continues to drive forward and embed an ambitious Trust agenda around flexible and agile working. This remains one of the key priorities of the NHS People Plan and People Promise. All our policies are consistent with our responsibilities under the Equality Act 2010 and are reviewed on a regular basis to ensure compliance and that they adhere to best practice.

We have continued to embed our Flex Manifesto and our vacancies are now advertised as ‘Happy to Talk Flex’. The Flexible Working Policy has been reviewed and updated and a resource portal promotes our ambitions with a range of case studies to promote innovative approaches such as team-based rostering. Colleagues are able to request flexible working through a system, which

enables us to review and report on our long-term flex ambitions – since launching, over 90% of flexible working requests processed have been approved and implemented.

The Trust has employed a Freedom to Speak Up Guardian team since 2014 and has successfully introduced the "If you see something say something" campaign which encourages all of our staff to speak out safely if they have any concerns. The Freedom to Speak Up Guardian team work independently alongside Trust leadership teams to support our organisation in becoming a more open and transparent place to work, where all staff are actively encouraged and enabled to speak up safely. The Trust continues to train Freedom to Speak up Ambassadors across Divisions and staff groups as a further way of encouraging staff to have the confidence to speak out. National Freedom to Speak Up training has also been made mandatory for all staff to understand how to raise and respond to concerns appropriately. The Trust Board is provided with regular information in a full board report twice a year about all concerns raised by our staff and what actions are being taken to address any problems.

The Trust has continued to develop its employee relations policies, embedding a just and learning culture and has developed strong systems to resolve matters informally and enabling colleagues to reflect and learn, ensuring that all colleagues are treated fairly throughout any formal procedures and that their health and wellbeing is maintained at all stages. A Case Review Group, overseen by a Non-Executive Director, has been established for over 18 months, reviewing all cases and ensuring that they are handled in a timely manner and relevant support is offered to all involved. This sits alongside a Professional Standards Group, which provides oversight of any cases relating to medics, ensuring that issues are dealt with and support is offered in a timely manner.

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

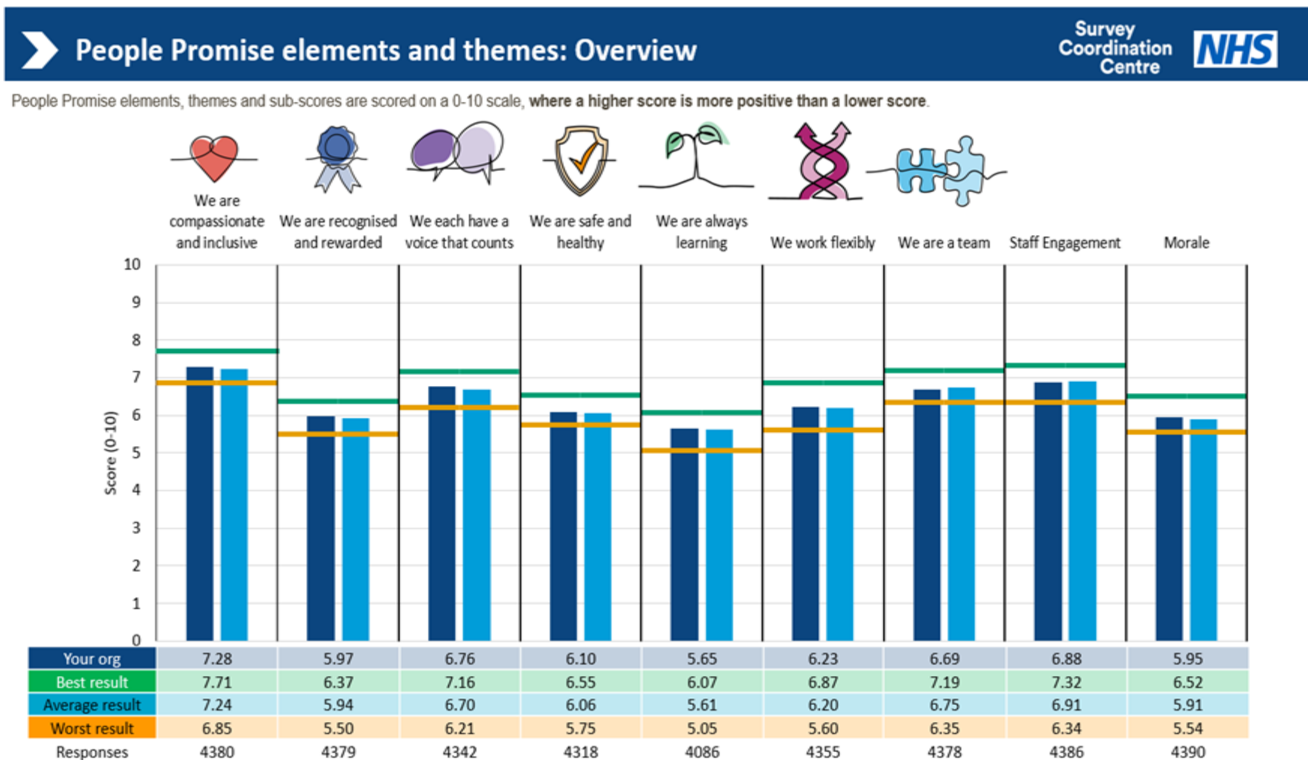
The Trust has a strong commitment to the delivery of education and research which sits under the Directorate of Education, Research and Innovation (DERI). The DERI strategy is underpinned by individual education, research and innovation plans that align to ELHT strategic vision, local and national agendas.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

Staff Experience indicators

The results of the NHS staff survey 2023 demonstrated some positive results along with areas for improvement. The Trust scored above the national average across seven of the nine themes. The themes scoring below average where “We are a team” and “Staff Engagement”. The survey, one of the largest of its kind in the world, is an important opportunity to ask colleagues about their experience of working at ELHT, what they think we do well and areas where we need to improve.

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

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



	We are compassionate and inclusive	We are recognised and rewarded	We each have a voice that counts	We are safe and healthy	We are always learning	We work flexibly	We are a team	Staff Engagement	Morale
Your org	7.28	5.97	6.76	6.10	5.65	6.23	6.69	6.88	5.95
Best result	7.71	6.37	7.16	6.55	6.07	6.87	7.19	7.32	6.52
Average result	7.24	5.94	6.70	6.06	5.61	6.20	6.75	6.91	5.91
Worst result	6.85	5.50	6.21	5.75	5.05	5.60	6.35	6.34	5.54
Responses	4380	4379	4342	4318	4086	4355	4378	4386	4390

The 2023 National Staff Survey demonstrated that the Trust has achieved an average response rate. As in previous years, a full census was undertaken and a total of 9,779 staff were eligible to complete the survey. 4,396 staff returned a completed questionnaire, giving a response rate of 45%, which is equal to the average of 45% for acute and community Trusts in England.

Key statistics included:

- 91.3% said they are trusted to do their job.
- 88.6% felt their role makes a difference to patients / service users.
- 81.3% said they enjoy working with the colleagues in their team.
- 75.4% said that care of patients and service users is the organisation's top priority.
- 74.8% said that my organisation respects individual differences.
- 71.7% were able to make suggestions to improve the work of their team.

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

The results demonstrate a statistically significant deterioration in two themes when compared with the previous year's results. The themes demonstrating the significantly lower scores compared to last year are: we each have a voice that counts and staff engagement.

The table below outlines the significance testing People Promise elements:

People Promise elements	2022 score	2022 respondents	2023 score	2023 respondents	Statistically significant change?
We are compassionate and inclusive	7.33	4451	7.28	4380	Not significant
We are recognised and rewarded	5.88	4449	5.97	4379	Significantly higher
We each have a voice that counts	6.88	4409	6.76	4342	Significantly lower
We are safe and healthy	6.18	4415	-	-	-
We are always learning	5.48	4262	5.65	4086	Significantly higher
We work flexibly	6.16	4424	6.23	4355	Not significant
We are a team	6.70	4445	6.69	4378	Not significant
Themes					
Staff Engagement	7.01	4451	6.88	4386	Significantly lower
Morale	6.03	4451	5.95	4390	Not significant

Whilst the scores for seven of the nine themes were above the national average, there was a notable fall in some of the scores within the themes, particularly regarding manager development, building psychological safety to speak up, job demands and resources, managing conflict in teams.

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

62% of respondents would recommend the Trust as a place to work and 59% of respondents would recommend it as a place for care or treatment, with both scores above the national average.

As a Trust, we will strive to further improve our colleague engagement and satisfaction by continuing to embed our People Strategy.

Staff numbers and costs (subject to audit)

Staff costs	**2023-24**			**2022-23**
	Permanently employed	**Other**	**Total**	**Total**
	£000s	**£000s**	**£000s**	**£000s**
Salaries and wages	392,912	16,183	409,095	385,134
Social security costs	50,098	0	50,098	43,236
Apprentice Levy	2,127	90	2,217	1,904
NHS Pensions Scheme	45,416	0	45,416	41,822
Pension cost – Employer contributions paid by NHSE on provider's behalf (6.3%)	19,864	0	19,864	18,339
Pension cost – Other	114	0	114	246
Termination benefits	0	0	0	17
Temporary staff	0	18,585	18,585	21,202
Total employee benefits	**510,531**	**34,858**	**545,389**	511,900
Employee costs capitalised	2,813	0	2,813	1,944
Gross employee benefits excluding capitalised costs	**507,718**	**34,858**	**542,576**	509,956

Staff numbers	2023-24			2022-23
	Permanently employed	Other	Total	Total
	Number	Number	Number	Number
Average staff numbers				
Medical and dental	765	345	1,042	1,042
Administration and estates	2,669	146	2,815	1,621
Healthcare assistants & other support staff	1,807	305	2,112	3,149
Nursing, midwifery & health visiting staff	2,749	357	3,107	2,993
Scientific, therapeutic and technical staff	918	22	940	923
Healthcare Science Staff	153	0	153	146
Other	11	0	11	11
Total average staff numbers	**9,073**	**1,176**	**10,249**	9,885
Of the above – Staff engaged on capital projects	36	0	36	36

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 2024, for more than £245 per day and that last longer than six months are:

	Number
No. of existing engagements as of 31 March 2024	0
Of which…	
No. that have existed for less than one year at time of reporting.	0
No. that have existed for between one and two years at time of reporting	0
No. that have existed for between two and three years at time of reporting	0
No. that have existed for between three and four years at time of reporting	0
No. that have existed for four or more years at time of reporting	0

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

All off-payroll engagements, or those that reached six months in duration, between 1 April 2023 and 31 March 2024, for more than £245 per day and that last for longer than six months:

	Number
No. of new engagements, or those that reached six months in duration, between 1 April 2023 and 31 March 2024	0
No. assessed as caught by IR35	0
No. assessed as not caught by IR35	0
No. engaged directly (via PSC contracted to department) and are on the departmental payroll	0
No. of engagements reassessed for consistency / assurance purposes during the year	0
No. of engagements that saw a change to IR35 status following the consistency review	0

Off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2023 and 31 March 2024.

No. of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year.	0
No. of individuals that have been deemed "board members, and/or, senior officials with significant financial responsibility", during the financial year. This figure includes both off-payroll and on-payroll engagements.	9

No payments have been made during 2023-24 to former senior managers and no compensation on early retirement or loss of office or other exit packages have been made during this period.

Exit packages (subject to audit)

During 2023-24 there were no exit payments.

Consultancies

In 2023-24, Trust expenditure on consultancy was £134,000 (2022-23: £375,000).

This matches the year end finance submission to NHSE.

Trade Union Activities

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
27	23.65

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	2
1-50%	20
51-99%	0
100%	5

Percentage of pay bill spent on facility time

	Figures
Total cost of facility time	£196,191
Total pay bill	£519,409,000
Percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0.04%

Paid trade union activities

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

Signed: *M. A. Hodgson (signed electronically),* Chief Executive

Date: 27 June 2024

Financial Report

Financial review for the year ending 31 March 2024

Financial duties

The Trust reported a £15.4 million adjusted financial performance deficit for the 2023-24 financial year against a revised planned deficit of £0.6m, but in line with the target set by NHSE. However, despite this deficit the Trust continues to meet its break-even duty where the cumulative position is a £4.7 million surplus.

	2023-24	2022-23
Break-even duty – The Trust must deliver a cumulative break-even position (before technical items)	✔	✔
Capital Resource Limit – The Trust must not exceed its resource limit	✔	✔
External Financing Limit – The Trust must not exceed its financing limit	✔	✔

Where our money comes from

In 2023-24, the Trust received operating income of £773.7 million compared with £738.1 million in the previous year. Most of the Trust's income now comes via Integrated Care Boards (ICBs), which purchase healthcare on behalf of their local populations, with £731.5 million of income being generated from patient care activities.

Where our money goes

The Trust's total revenue operating expenditure for 2023-24 was £790.6 million compared with £722.0 million in the previous year. £542.6 million (69%) was spent on staff costs. Throughout the year the Trust employed an average of 9,073 permanent staff, as well as an average of 785 bank staff, 188 agency staff and 203 seconded junior doctors.

At £55.3 million, drugs costs were the next highest area of non-pay expenditure with the Trust also incurring £50.8 million of clinical supplies and services, £31.6 million for premises and £22.4 million for clinical negligence 'insurance' premiums.

Capital Expenditure

The Trust has continued to invest in healthcare facilities in East Lancashire, receiving £4.5 million to convert an area of office space in Royal Blackburn Hospital into a ward area in 2023-24. Within

2023-24 the replacement of part of the roof on the Royal Blackburn site, after Reinforced Autoclaved Aerated Concrete (RAAC) was identified was completed.

After two years preparatory work the electronic patient record went live in June 2023. A further £3.9 million was spent on the electronic patient record in year which was primarily around staffing and additional kit with a further £1 million being spent on digital and data resources.

The electrical infrastructure work continued into 2023-24 at a cost of £1.2 million, and the multifaith room at Burnley General Hospital was completed.

In total the Trust invested £34.0 million on new building works, improvements, equipment, and information technology across all its sites; within this £10.1 million is accounted for as PFI lifecycle costs and included £2.2 million on right of use leases being classified as capital expenditure.

Revaluation of land and buildings

A revaluation of the Trust estate has been carried out as at 31 March 2024, resulting in a £11.8 million reduction in the value of these assets at the end of the financial year. £13.5 million of this valuation adjustment has been charged to operating expenses as a net impairment, although this is excluded from the adjusted financial performance of the Trust. Further detail is set out in note 11 to the annual accounts.

External Financing Limit

The External Financing Limit (EFL) is used to measure how well the Trust manages its cash resources and is a threshold against which the Trust is permitted to underspend. In 2023-24, the Trust remained within the overall cash limit set by DHSC of £49.6 million, undershooting it by £3.5 million.

Capital Resource Limit

The Capital Resource Limit (CRL) is used to measure how well the Trust controls its spending on capital schemes which the Trust is not permitted to exceed. In 2023-24, the capital investment made by the Trust matched the limit set by DHSC of £34.0 million.

Better Payment Practice code

Although it is not a financial duty, the Trust met the Better Payment Practice Code target by paying more than 95% of undisputed invoices within 30 days of receipt of the goods or invoice, whichever is the later, for NHS invoices (value and number) and for non-NHS invoices by value. The number of non-NHS invoices paid within 30 days was slightly below this target at 91%.

Payments made to non-NHS organisations (value)

	202324	2022-23
Total invoices paid (£m)	458.3	378.9
Total invoices paid in target (£m)	445.8	368.7
Percentage achievement	97.3%	97.3%

Finance income

The Trust receives income from the interest earned on the management of its cash balances. Finance income in 2023-24 amounted to £2.2 million, compared with £1.6 million earned in 2022-23.

Counter Fraud

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

External audit

The Trust appointed Mazars to carry out the external audit of the 2023-24 accounts at a cost of £141,000.

Financial Outlook for 2024-25

The Trust is facing a significant financial challenge as we move into 2024-25. To incentivise an increased level of elective and outpatient activity, during 2024-25 the trust will remain on incentivised schemes for all elective and outpatient procedures, with the remaining services including emergency care remaining on a fixed funding arrangement. Our income and expenditure plans for the year are based on the achievement of 109% of 2019-20 activity levels. With urgent and emergency care pathways payments remaining on a block contract, the Trust has a financial challenge to meet increased demand with limited resources.

The Trust is working to a £30.3 million deficit financial plan, which includes a Waste Reduction Programme of £57.8 million (7.7% of operational expenditure). The Trust will endeavour to meet this challenging financial plan through its Waste Reduction Programme aligned to its improvement programme, working with system partners across Lancashire and South Cumbria, and through increased financial controls, however given the level of savings required, the achievement of a deficit plan of £30.3 million is significantly at risk.

Annual Accounts

The Trust's auditors have issued an unqualified report on these accounts. A full copy of the Annual Accounts 2023-24 can be found at the end of this document.

Quality Report

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

Our highlights 2023–24

Hyndburn Rural District Nurses presented with Cavell Trust award

Hyndburn Rural District Nurses have been presented with a national award for providing exceptional patient care.

The team received a Cavell Star Award, which celebrates nurses, midwives, nursing associates and healthcare assistants who go above and beyond.

The Cavell Trust is a charity supporting UK nurses, midwives and healthcare support workers. They encourage nominations for awards for those who show exceptional care to colleagues, patients and patients' families.

East Lancashire Hospital Trust's veterans team shortlisted for a prestigious national award

The Veterans team at ELHT, who have so far supported more than 1,300 veterans since it was set up last year, were shortlisted in the Most Outstanding NHS/Healthcare category of the Services Awards 2023.

The Awards celebrate the very best of the Armed Forces and Emergency Services.

Over the past year the Veterans team has helped find accommodation for homeless veterans, found support for veterans in financial difficulty and worked with a vast network of charities and organisations to help support veterans in crisis. They have made it their mission to make sure veterans have the individualised patient-centred care they need to recover and thrive.

ELHT has previously gained the Trust Veteran Aware status and Employer Recognition Scheme Gold Award. The Veterans team has also been finalists in the HSJ Awards and the Best Team category at the Who Cares Wins Awards organised by The Sun in partnership with NHS Charities Together.

East Lancashire pancreatic cancer nurse wins NHS Parliamentary Award

Pancreas specialist nurse Vicki Stevenson-Hornby won the Nursing and Midwifery category at the prestigious NHS Parliamentary Awards on Wednesday, 5 July – the NHS's 75th birthday.

The Royal Blackburn Teaching Hospital-based nurse was recognised for her passion in raising awareness of pancreatic cancer and the need for early diagnosis.

Vicki – known as 'Vicki Pancreas' by colleagues owing to her passion for her work – even dyed her hair purple, the colour of Pancreatic Cancer Awareness Month, for the ceremony to further raise awareness of the disease.

Vicki has been instrumental in supporting the development of the Trust's diagnostic pathway for pancreatic cancer, helping reduce the time patients wait between referral and confirmed diagnosis.

She was put forward for the Award by local MPs Sir Jake Berry, Nigel Evans, Antony Higginbotham and Andrew Stephenson.

£2 million research project underway

The Trust is led a major UK research project after securing £2million of funding from the National Institute for Health Research. The grant was approved following a bid by a national team of clinicians, academics and patients, led by Mr Panos Kyzas, a Consultant Surgeon at the Trust.

The research looks into the use of antibiotics following surgery for mandible fractures, common facial fractures that often need surgery and carry a high risk of infection impacting over 6,000 people every year.

The trials, led by Mr Kyzos are taking place at various hospitals across the country, looking at different antibiotic approaches following surgery and is the UK's biggest oral and maxillofacial surgery research project.

Gold award for Charity Hub

ELHT's multi-purpose retail charity hub at Royal Blackburn Teaching Hospital has won a gold standard award just months after opening.

The hub was launched in December 2023 by the hospital's charity, ELHT&Me, providing a retail area for patients, visitors and colleagues as well as central office space for the charity's volunteers and co-ordinators.

It has now been named a gold standard winner at InfraRed's Creating Better Futures Awards, celebrating impactful projects within the InfraRed portfolio that focus on innovation, community need, collaboration and efficiency.

The hub was made possible thanks to a collective effort and support from local businesses and is located in the main entrance of Royal Blackburn Teaching Hospital.

New Urology Unit opens at Burnley General Teaching Hospital

A state-of-the-art Urology Unit which benefiting local communities and helping to attract the very best medical talent was opened at Burnley General Teaching Hospital.

The new Unit has seven rooms, including two treatment rooms, a new scanner, new digital flexible cystoscopes for the diagnosis and management of bladder cancers and new laser machines for the treatment of bladder cancers and kidney stones treatment.

It brings together all urology services in one place and will benefit patients for years to come, helping the Trust provide the highest levels of care and support, in a welcoming and comfortable environment.

An image of success for new community diagnostics centres

Patients in Burnley and Rossendale are reaping the benefits of two new community diagnostic centres (CDC) which are exceeding all expectations when it comes to the number of patients being scanned.

Burnley CDC delivered 1,678 non-pregnancy-related ultrasounds between 1 April and 30 July – a 194% increase against their planned activity.

The CDC in Rossendale also delivered 4,479 MRI scans and non-pregnancy-related ultrasounds in the same period – 11% over the predicted number.

The new Rossendale CDC became operational in October 2022 following a £1.2m investment from national funding allocated to reduce scan waiting times and bring services closer to patients' homes.

Burnley General Teaching Hospital awarded for commitment to patient safety by the National Joint Registry

Burnley General Teaching Hospital celebrated being named as a Quality Data Provider after successfully completing a national programme of local data audits run by the National Joint Registry (NJR).

The NJR monitors the performance and effectiveness of different types of joint replacement surgery – such as hip, knee, ankle, elbow and shoulder operations – in a bid to improve clinical outcomes for patients and standards of care across hospital Trusts.

It launched the 'NJR Quality Data Provider' certificate scheme to encourage best practice and offer hospitals a blueprint for reaching high quality standards relating to patient safety.

To achieve the award, colleagues at Burnley General Teaching Hospital had to achieve six ambitious targets during the NJR's mandatory national audit period for 2022-23, including compliance with the NJR's mandatory national audit aimed at assessing data completeness and quality within the registry.

The audit ensures that the NJR is collecting and reporting upon the most complete, accurate data possible across all hospitals performing joint replacement operations.

Quality award for support to international healthcare professionals

The Trust has been awarded the prestigious NHS Pastoral Care Quality Award for its support to international nurses and midwives.

The national award scheme was launched last year to recognise organisations with high-quality care and wellbeing support for new people joining the NHS from overseas.

The Trust has a dedicated recruitment and induction programme helping healthcare professionals from around the world start their career with the NHS in East Lancashire. The wrap-around care starts from the moment of interest and continues for as long as people need it, including personalised educational support as they complete professional UK assessments.

A dedicated team has been set up at the Trust to provide pastoral support. They take care of everything from travel arrangements and providing accommodation during their first two months, practical help with finding schools or opening a UK bank account through to support with local information about transport and places to eat.

Part of this unique support also helps them prepare for professional assessments in the UK that simulate clinical environments and patient scenarios which all registered nurses and midwives are likely to encounter. All recruits are expected to be able to assess, plan, implement and evaluate care for the different scenarios and each international recruit receives a personalised plan to support them in their learning and development.

The in-depth support is a key reason why the Trust attracts around 600 overseas nurse applicants every year, with 20 recruited every month.

Hospital hosts Olympic-style games

Colleagues caring for patients recovering from a stroke devised a creative way of supporting rehabilitation, inspired by the Invictus Games.

Marsden Ward at Pendle Community Hospital in Nelson hosted their own version of the Olympic Games, as a way of reminding patients anything is possible and encouraging exercise to support their recovery.

In true Olympic style, an opening ceremony was also held, featuring patients actively participating in their own Olympic torch relay, with Linda Readfearn, a former patient on Marsden Ward, on hand at the end of the relay to officially declare the event open.

From paper plate discus to help coordination and core stability through to bowls to support visual scanning and upper limb activity, a range of fun activities were put together by the team.

ELHT's culinary stars shine at NHS Chef 2023

Chefs at the Trust were crowned winners in the annual national NHS Chef competition for the second time in just three years.

Darby Hayhurst and Dylan Lucas, based at Royal Blackburn Teaching Hospital, were named Chefs of the Year 2023 after impressing judges with a winning menu that featured cauliflower prepared in three delectable ways, Moroccan spiced cakes, pan-fried duck and a choc, rock and pop crumble dessert.

They also emerged victorious in another two categories of the competition after scooping the top prize for the best regional plant-based dish and the best national plant-based dish.

The competition was not only about delighting the taste buds but also showcased exceptional culinary skills and the highest quality of healthcare cuisine – all within an NHS budget.

Dylan and Darby beat off stiff competition in knock-out rounds ahead of the prestigious final. Along the journey they took part in 24 different challenges and created 72 dishes.

The NHS Chef 2023 competition saw talented chefs from NHS Trusts across the country vying to create the most sumptuous and nutritious dishes. The restaurant-quality of food produced during the final round reflected the dedication, expertise, and enthusiasm required to serve tasty and wholesome meals to patients.

Now in its third year, the competition continues to gain prominence as it spotlights the invaluable contributions of chefs in the healthcare system.

Hospital's Head and Neck Team crowned East Lancashire's Public Health Hero

A team from ELHT was crowned Public Health Heroes after showing compassionate care during a family's difficult time.

The Head and Neck Team, based at Royal Blackburn Teaching Hospital, were recognised following a public appeal designed to encourage patients or their families to share examples of outstanding care as part of the Trust's annual Star Awards.

The Public Health Hero category attracted more than 65 nominations but the judges were overwhelmed by the nomination submitted by Jane Devanney after her mum Pauline was given the devastating diagnosis of mouth cancer just days after her husband of 48 years had died.

The annual Star Awards recognise the fantastic work and achievements of colleagues and volunteers at the Trust.

There were 15 coveted categories, including Clinical Team of the Year, Unsung Hero and Rising Star.

A particular highlight was the Public Health Hero as nominations for this award are from patients or their relatives and carers and recognises those who have made a significant and memorable difference to the lives and experiences of patients and their families.

Helping patients return home earlier

Over 14,000 East Lancashire residents have been supported to return home from hospital at the earliest opportunity through the Home First team at ELHT and Lancashire County Council. The team meet patients who are ready for discharge but may have aftercare needs, to see how they can be helped to remain at home safely.

They visit them at home, put in place equipment and organise support, working closely with a range of other community services including Supporting Together (home care), Age UK, Carers Link, hospice services and a range of community health services.

This has reduced unnecessary delays in hospital when individuals are well enough to leave.

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Glossary

Accruals basis

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

AGM

Annual General Meeting

Annual Governance Statement

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

Amortisation

The term used for depreciation of intangible assets-an example is the annual charge in respect of some computer software.

Annual Accounts

Documents prepared by the NHS Trust to show its financial position. Detailed requirements for the annual accounts are set out in the Group Accounting Manual, published by the Department of Health and Social Care.

Annual Report

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

Asset

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

Audit Opinion

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

Board Assurance Framework/BAF

The main document that details the strategic risks of the Trust.

Breakeven

An NHS Trust has achieved breakeven if its income is greater than or equal to its expenditure.

Capital Resource Limit

An expenditure limit set by the Department of Health and Social Care for each NHS organisation, limiting the amount that may be spent on capital items.

Cash and cash equivalents

Cash includes cash in hand (petty cash) and cash at the bank. Cash equivalents are any other deposits that can be converted to cash straightaway.

Clinical Commissioning Group

The body responsible for commissioning all types of healthcare services across a specific locality.

Code of Audit Practice

A document issued by the National Audit Office and approved by parliament, which sets out how audits for the NHS Trust must be conducted.

Contingent asset or liability

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

DTOC

Delayed Transfer of Care

EPRR

Emergency Preparedness, Resilience and Response. The Civil Contingencies Act (2004) required NHS organisations to show that they can deal with such incidents whilst maintaining services.

Group Accounting Manual

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

Intangible asset

An asset that is without substance, for example, computer software.

International Financial Reporting Standards

The accounting standards that the NHS has adopted from April 2009.

International Standards on Auditing (United Kingdom and Ireland)

The professional standards external auditors must comply with when carrying out audit.

Inventories

Stock, such as clinical supplies.

IR35

IR35 legislation, also known as ‘intermediaries legislation’ is a set of rules that aid in the determination of the tax and national insurance that a candidate working through an intermediary should pay, based on the substance of that working arrangement.

Lean principles

Lean was born out of manufacturing practices but in recent time has transformed the world of knowledge work and management. It encourages the practice of continuous improvement and is based on the fundamental idea of respect for people. Womack and Jones defined the five principles of Lean manufacturing in their book “The Machine That Changed the World”. The five principles are considered a recipe for improving workplace efficiency and include: defining value, mapping the value stream, creating flow, using a pull system, and pursuing perfection.

Non-current asset or liability

An asset or liability the NHS Trust expects to hold for more than one year.

Non-Executive Director

Non-Executive directors are members of the NHS Trust Board but do not have any involvement in day-to-day management of the NHS Trust. They provide the board with independent challenge and scrutiny.

Operating lease

An arrangement whereby the party releasing the asset is paying for the provision of a service (the use of the asset) rather than exclusive use of the asset.

Payables

Amounts the NHS Trust owes.

Primary Statements

The four main statements that make up the accounts: Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Taxpayers’ Equity and Statement Of Cash Flows.

Private Finance Initiative/PFI

A way of funding a major capital investment, without immediate recourse to the public purse. Private consortia, usually involving large construction firms, are contracted to design, build, and in some cases manage new projects. Contracts typically last for 30 years, during which time the building is leased by the NHS Trust.

Public Dividend Capital

Taxpayers equity or the tax payers stake in the NHS Trust, arising from the Government's original investment in NHS trusts, when they were first created.

Receivables

Amount owed to the NHS Trust.

Remuneration Report

The part of the annual report that discloses senior officers' salary and pensions information.

Reserves

Reserves represent the increase in overall value of the NHS Trust since it was first created.

SAFER

A patient flow bundle from NHS England which is based around five principles, they are: Senior review, All patients, Flow, Early discharge and Review.

Senior Information Risk Owner/SIRO

The establishment of the role of a SIRO within NHS organisations is one of several NHS Information Governance (IG) measures needed to strengthen information assurance controls for NHS information assets.

Sentinel Stroke Audit Programme/SSNAP

The Sentinel Stroke Audit Programme is the single source of stroke data in England, Wales and Northern Ireland.

Statement of Cash Flows

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

Statement of Changes in Taxpayers' Equity

One of the primary statements-it shows the changes in reserves and public dividend capital in the period.

Statement of Comprehensive Income

The income and expenditure account, and the public sector equivalent of the profit and loss account. It shows what income has been earned in the year, what expenditure has been incurred and hence the surplus or deficit for the year.

Statement of Financial Position

Year-end statement prepared by all public and private sector organisations, which shows the net assets controlled by the organisation and how these have been funded. It is also known as the balance sheet.

Those Charged with Governance

Auditors terminology for those people who are responsible for the governance of the NHS Trust, usually the Audit Committee.

True and fair

It is the aim of the accounts to show a true and fair view of the NHS Trust financial position. In other words, they should faithfully represent what has happened in practice.

Vital Signs

An NHSI improvement programme.

East Lancashire Hospitals NHS Trust
Financial Statements
Year Ended 31 March 2024

Data entered below will be used throughout the workbook:

Trust name	East Lancashire Hospitals NHS Trust
This year	2023-24
Last year	2022-23
This year ended	31 March 2024
Last year ended	31 March 2023
This year commencing:	1 April 2023
Last year commencing:	1 April 2022

Accounts 2023-24

Foreword to the accounts

These accounts for the year ended 31 March 2024 have been prepared by the East Lancashire Hospitals NHS Trust in accordance with schedule 15 of the National Health Service Act 2006

Retain 30 years
Destroy in conjunction with National Archive Instructions

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Statement of Comprehensive Income

	Note	**2023-24 £000s**	2022-23 £000s
Operating income from patient care activities	2	**731,468**	689,447
Other operating income	3	**42,223**	48,695
Operating expenses	4	**(790,574)**	(722,023)
Operating surplus / (deficit)		**(16,883)**	16,119
Finance costs			
Finance income		**2,235**	1,593
Finance expenses	9	**(49,659)**	(11,172)
Public dividend capital dividends payable		**(933)**	(3,517)
Net finance costs		**(48,357)**	(13,096)
Other gains / (losses)		**(4)**	0
Surplus / (deficit) for the financial year		**(65,244)**	3,023

Other comprehensive income

Amounts that will not be reclassified subsequently to income and expenditure:			
Impairments		**(1,056)**	(556)
Revaluations		**2,637**	5,627
Other reserves movements		**0**	2
Total other comprehensive income for the year		**1,581**	5,073
Total comprehensive (expense) / income for the year		**(63,663)**	8,096

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Statement of Financial Position

	Note	**31 March 2024 £000s**	31 March 2023 £000s
Non-current assets			
Intangible assets	10	**25,257**	30,982
Property, plant and equipment	11	**263,632**	260,323
Right of use assets	12	**19,060**	23,016
Receivables		**675**	838
Total non-current assets		**308,624**	315,159
Current assets			
Inventories	13	**9,969**	9,210
Receivables	14	**41,140**	48,237
Non-current assets for sale and assets in disposal groups		**475**	550
Cash and cash equivalents	15	**11,575**	44,882
Total current assets		**63,159**	102,879
Current liabilities			
Trade and other payables	16	**(68,103)**	(102,504)
Borrowings	17	**(19,086)**	(11,012)
Provisions		**(609)**	(792)
Other liabilities	18	**(1,522)**	(7,398)
Total current liabilities		**(89,320)**	(121,706)
Total assets less current liabilities		**282,463**	296,332
Non-current liabilities			
Borrowings	17	**(233,047)**	(103,271)
Provisions		**(2,912)**	(3,197)
Total non-current liabilities		**(235,959)**	(106,468)
Total assets employed		**46,504**	189,864
Financed by:			
Taxpayers' equity			
Public dividend capital		**309,890**	278,640
Revaluation reserve		**19,225**	17,644
Income and expenditure reserve		**(282,611)**	(106,420)
Total taxpayers' equity		**46,504**	189,864

The notes on pages 5 to 31 form part of these accounts.

The financial statements on pages 1 to 4 and accompanying notes were approved by the Audit Committee on 27 June 2024 and were signed and authorised for issue on its behalf by:

Chief Executive: *Martin A. Hodgson (signed electronically)* 10 July 2024

Mr Martin Hodgson

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2024

	Note	Public dividend capital £000s	Revaluation reserve £000s	Income and expenditure reserve £000s	Total reserves £000s
Taxpayers' equity at 1 April 2023		**278,640**	**17,644**	**(106,420)**	**189,864**
Application of IFRS 16 measurement principles to PFI liability on 1 April 2023		**0**	**0**	**(110,947)**	**(110,947)**
Deficit for the year		**0**	**0**	**(65,244)**	**(65,244)**
Revaluations		**0**	**2,637**	**0**	**2,637**
Impairments	5	**0**	**(1,056)**	**0**	**(1,056)**
Public dividend capital received		**48,826**	**0**	**0**	**48,826**
Public dividend capital repaid		**(17,576)**	**0**	**0**	**(17,576)**
Other reserves movements		**0**	**0**	**0**	**0**
Taxpayers' equity at 31 March 2024		**309,890**	**19,225**	**(282,611)**	**46,504**

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

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

Information on reserves

Public dividend capital

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

Revaluation reserve

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

Income and expenditure reserve

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

Statement of Cash Flows

	Note	**2023-24 £000s**	2022-23 £000s
Cash flows from operating activities			
Operating surplus/(deficit)		**(16,883)**	16,119
Depreciation and amortisation	4	**22,831**	22,757
Impairments and reversals		**19,385**	(7,570)
Income recognised in respect of capital donations		**(173)**	(41)
(Increase) in inventories		**(759)**	(542)
(Increase)/decrease in receivables		**11,976**	(20,054)
Increase/(decrease) in trade and other payables		**(23,797)**	9,067
(Decrease) in other liabilities		**(5,875)**	(5,013)
(Decrease) in provisions		**(511)**	(1,023)
Net cash generated from operations		**6,194**	13,700
Cash flows from investing activities			
Interest received		**2,051**	1,525
Purchase of intangible assets		**(7,557)**	(9,205)
Purchase of property, plant and equipment		**(34,926)**	(17,371)
Proceeds from sales of property, plant and equipment		**9**	0
Net cash (used in) investing activities		**(40,423)**	(25,051)
Cash flows from financing activities			
Public dividend capital received		**48,826**	17,231
Public dividend capital repaid		**(17,576)**	0
Movement in loans from the DHSC		**(200)**	(200)
Capital element of lease liability repayments		**(5,927)**	(6,235)
Capital element of PFI payments		**(12,276)**	(4,026)
Interest paid		**(6,461)**	(11,082)
PDC dividend paid		**(5,464)**	(2,740)
Net cash generated from / (used in) financing activities		**922**	(7,052)
(Decrease) in cash and cash equivalents		**(33,307)**	(18,403)
Cash and cash equivalents at 1 April		**44,882**	63,285
Cash and cash equivalents at 31 March		**11,575**	44,882

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Notes to the accounts

1. Accounting policies and other information

1.1 Basis of preparation

The Department of Health and Social Care (DHSC) has directed that the financial statements of the Trust shall meet the accounting requirements of the DHSC Group Accounting Manual (GAM), which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the GAM 2023-24 issued by the DHSC. The accounting policies contained in the GAM follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to the accounts.

1.2 Accounting convention

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

1.3 Going concern

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

1.4 Sources of estimation uncertainty

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

Non-current asset valuations

Valuation services are provided to the Trust by Cushman & Wakefield, a property services firm whose valuers are registered with the Royal Institution of Chartered Surveyors (RICS), the regulatory body for the valuation services industry. Following a full valuation of land and buildings as at 31 March 2020, Cushman & Wakefield has provided a desktop valuation of these assets as at 31 March 2024 to ensure that the carrying amount of these assets, as disclosed in the property, plant and equipment note, does not differ materially from current value. These valuations reflect the current economic conditions and the location factor for the North West of England.

Private Finance Initiative (PFI) - unitary payment

PFI annual contract payments are apportioned between the repayment of the liability including the finance cost, the charge for services and and lifecycle replacement of component assets, as disclosed in the note analysing amounts payable to PFI operator. The Trust has adopted the national PFI accounting guidance to determine the split between these elements.

Clinical negligence liabilities

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

1.5 Critical judgements in applying accounting policies

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

PFI assets

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

Segmental reporting

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

Non-current asset valuations

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

1.6 Revenue from contracts with customers

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

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

Revenue from NHS contracts

The main source of income for the Trust is contracts with commissioners for health care services. Funding envelopes are set at an Integrated Care System (ICS) level. The majority of the Trust's NHS income is earned from NHS commissioners under the NHS Payment Scheme (NHSPS) which replaced the National Tariff Payment System on 1 April 2023. The NHSPS sets out rules to establish the amount payable to trusts for NHS-funded secondary healthcare.

Aligned payment and incentive contracts form the main payment mechanism under the NHSPS. In 2023-24 API contracts contain both a fixed and variable element. Under the variable element, providers earn income for elective activity (both ordinary and day case), out-patient procedures, out-patient first attendances, diagnostic imaging and nuclear medicine, and chemotherapy delivery activity. The precise definition of these activities is given in the NHSPS. Income is earned at NHSPS prices based on actual activity. The fixed element includes income for all other services covered by the NHSPS assuming an agreed level of activity with 'fixed' in this context meaning not varying based on units of activity. Elements within this are accounted for as variable consideration under IFRS 15 as explained below.

High costs drugs and devices excluded from the calculation of national prices are reimbursed by NHS England based on actual usage or at a fixed baseline in addition to the price of the related service.

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

The Trust also receives income from commissioners under Commissioning for Quality Innovation (CQUIN) and Best Practice Tariff (BPT) schemes. Delivery under these schemes is part of how care is provided to patients. As such CQUIN and BPT payments are not considered distinct performance obligations in their own right; instead they form part of the transaction price for performance obligations under the overall contract with the commissioner and accounted for as variable consideration under IFRS 15. Payment for CQUIN and BTP on non-elective services is included in the fixed element of API contracts with adjustments for actual achievement being made at the end of the year. BPT earned on elective activity is included in the variable element of API contracts and paid in line with actual activity performed.

Where the relationship with a particular integrated care board is expected to be a low volume of activity (annual value below £0.5m), an annual fixed payment is received by the provider as determined in the NHSPS documentation. Such income is classified as ‘other clinical income’ in these accounts.

Elective recovery funding provides additional funding to integrated care boards to fund the commissioning of elective services within their systems. In 2023-24, trusts do not directly earn elective recovery funding, instead earning income for actual activity performed under API contract arrangements as explained above. The level of activity delivered by the trust contributes to system performance and therefore the availability of funding to the trust’s commissioners. In 2022-23 elective recovery funding for providers was separately identified within the aligned payment and incentive contracts.

1.7 Other forms of income

Grants and donations

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

1.8 Expenditure on employee benefits

Short-term employee benefits

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

Pension costs

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

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

1.9 Expenditure on goods and services

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

1.10 Intangible assets

Recognition

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

Internally generated intangible assets

Internally generated goodwill, brands, mastheads, publishing titles, customer lists and similar items are not capitalised as intangible assets. Expenditure on research is not capitalised. Expenditure on development is capitalised when it meets the requirements set out in IAS 38.

Software

Software which is integral to the operation of hardware is capitalised as part of the relevant item of property, plant and equipment. Software which is not integral to the operation of hardware is capitalised as an intangible asset.

Measurement

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

Subsequently intangible assets are measured at current value in existing use. Where no active market exists, intangible assets are valued at the lower of depreciated replacement cost and value in use where the asset is income generating. Revaluations gains and losses and impairments are treated in the same manner as for property, plant and equipment. An intangible asset which is surplus with no plan to bring it back into use is valued at fair value where there are no restrictions on sale at the reporting date and where they do not meet the definitions of investment properties or assets held for sale.

Amortisation

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

Useful lives of intangible assets

Useful lives, which reflect the total life of an asset and not the remaining life, range from 3 to 15 years.

1.11 Property, plant and equipment

Recognition

Property, plant and equipment is capitalised where:

- it is held for use in delivering services or for administrative purposes
- it is probable that future economic benefits will flow to, or service potential be provided to, the Trust
- it is expected to be used for more than one financial year
- the cost of the item can be measured reliably
- the item has cost of at least £5,000, or
- collectively, a number of items have a cost of at least £5,000 and individually have cost of more than £250, where the assets are functionally interdependent, had broadly simultaneous purchase dates, are anticipated to have similar disposal dates and are under single managerial control.

Subsequent expenditure

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

Measurement

Valuation

All property, plant and equipment assets are measured initially at cost, representing the costs directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management.

Assets which are held for their service potential and are in use (ie operational assets used to deliver either front line services or back office functions) are measured at their current value in existing use.

Assets that were most recently held for their service potential but are surplus with no plan to bring them back into use are measured at fair value where there are no restrictions on sale at the reporting date and where they do not meet the definitions of investment properties or assets held for sale.

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

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

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

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

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

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

Depreciation

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

Revaluation gains and losses

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

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

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

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

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

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

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

	Min life	Max life
	Years	Years
Buildings	45	68
Plant & machinery	5	25
Information technology	5	10
Other property, plant and equipment	3	26

1.12 Private Finance Initiative (PFI) transactions

PFI transactions which meet the IFRIC 12 definition of a service concession, as interpreted in HM Treasury’s FReM, are accounted for as ‘on-Statement of Financial Position’ by the Trust. Annual contract payments to the operator (the unitary charge) are apportioned between the repayment of the liability including the finance cost, the charges for services and lifecycle replacement of components of the asset.

Initial recognition
In accordance with HM Treasury’s FReM, the underlying assets are recognised as property, plant and equipment, together with an equivalent liability. Initial measurement of the asset and liability are in accordance with the initial measurement principles of IFRS 16 (see leases accounting policy).

Subsequent measurement
Assets are subsequently accounted for as property, plant and equipment and/or intangible assets as appropriate.

The liability is subsequently reduced by the portion of the unitary charge allocated as payment for the asset and increased by the annual finance cost. The finance cost is calculated by applying the implicit interest rate to the opening liability and is charged to finance costs in the Statement of Comprehensive Income. The element of the unitary charge allocated as payment for the asset is split between payment of the finance cost and repayment of the net liability.

Where there are changes in future payments for the asset resulting from indexation of the unitary charge, the Trust remeasures the PFI liability by determining the revised payments for the remainder of the contract once the change in cash flows takes effect. The remeasurement adjustment is charged to finance costs in the Statement of Comprehensive Income. The service charge is recognised in operating expenses in the Statement of Comprehensive Income.

Initial application of IFRS 16 liability measurement principles to PFI and LIFT liabilities

IFRS 16 liability measurement principles have been applied to PFI, LIFT and other service concession arrangement liabilities in these financial statements from 1 April 2023. The change in measurement basis has been applied using a modified retrospective approach with the cumulative impact of remeasuring the liability on 1 April 2023 recognised in the income and expenditure reserve.

Comparatives for PFI, LIFT and other service concession arrangement liabilities have not been restated on an IFRS 16 basis, as required by the DHSC Group Accounting Manual. Under IAS 17 measurement principles which applied in 2022/23 and earlier, movements in the liability were limited to repayments of the liability and the annual finance cost arising from application of the implicit interest rate. The cumulative impact of indexation on payments for the asset was charged to finance costs as contingent rent as incurred.

1.13 Leases

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

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

The Trust as lessee

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

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

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

Where an implicit rate cannot be readily determined, the Trust's incremental borrowing rate is applied. This rate is determined by HM Treasury annually for each calendar year. A nominal rate of 3.51% applied to new leases commencing in 2023 and 4.72% to new leases commencing in 2024.

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

Subsequent measurement

In line with a HM Treasury interpretation of the accounting standard for the public sector, the cost model is considered to be an appropriate proxy for current value in existing use, in line with the accounting policy for owned assets. The Trust subsequently measures the lease liability by increasing the carrying amount for interest arising which is also charged to expenditure as a finance cost and reducing the carrying amount for lease payments made.

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

Initial application of IFRS 16

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

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

The Trust as lessee

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

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

1.14 Inventories

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

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

1.15 Cash and cash equivalents

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

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

1.16 Financial assets and financial liabilities

Recognition

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

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

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

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

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

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

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

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

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

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

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

1.17 Provisions

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

Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using HM Treasury’s discount rates. Early retirement provisions and injury benefit provisions both use the HM Treasury’s post employment benefits discount rate of 2.45% in real terms (prior year: 1.70%).

Clinical negligence costs

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

1.18 Public dividend capital

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

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

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

In accordance with the requirements laid down by the DHSC (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the "pre-audit" version of the annual accounts. The dividend thus calculated is not revised should any adjustment to net assets occur as a result the audit of the annual accounts.

1.19 Value added tax

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

1.20 Losses and special payments

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

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

1.21 Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been adopted early in 2023-24.

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

IFRS 17 on insurance contracts has been adopted by the Treasury FReM from 1 April 2025. There are limited options for early adoption.

IFRS 18 on presentation and disclosure in financial statements has not yet been adopted by the Treasury FReM, but is expected to be effective for an entity's first annual IFRS financial statements for periods beginning on or after 1 January 2027. Early adoption is not permitted.

2.1 Income from patient care activities (by nature)

	2023-24	Restated * 2022-23
	£000s	£000s
Acute services		
Income from commissioners under API contracts - variable element**	**158,833**	0
Income from commissioners under API contracts - fixed element**	**354,748**	525,416
High cost drugs income from commissioners	**46,753**	22,030
Other NHS clinical income	**392**	377
Mental health services		
Other clinical income from mandatory services	**9,555**	9,559
Community services		
Income from commissioners under API contracts ** / system block income	**56,735**	47,000
All trusts		
Additional pension contribution central funding ***	**19,864**	18,339
Pay award central funding ****	**290**	17,392
Elective recovery fund (comparative only)	**0**	17,170
Other clinical income	**84,298**	32,164
Total income from patient care activities	**731,468**	689,447

* Prior year figures have been restated to separately identify income relating to mental health services previously included within API contract income.

** Aligned payment and incentive contracts are the main form of contracting between NHS providers and their commissioners. More information can be found in the 2023-25 National Tariff payments system documents. (https://www.england.nhs.uk/publication/past-national-tariffs-documents-and-policies/).

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

**** Additional funding was made available by NHS England in 2023-24 and 2022-23 for implementing the backdated element of pay awards where government offers were made at the end of the financial year 2023-24: In March 2024, the government announced a revised pay offer for consultants, reforming consultant pay scales with an effective date of 1 March 2024. Trade Unions representing consultant doctors accepted the offer in April 2024. In March 2023, the government made a pay offer for staff on agenda for change terms and conditions which was later confirmed in May 2023. The additional pay for 2022-23 was based on individuals in employment at 31 March 2023.

2.2 Income from patient care activities (by source)

	2023-24	2022-23
	£000s	£000s
NHS England	**89,094**	111,150
Clinical commissioning groups *	**0**	137,558
Integrated care boards *	**630,493**	433,494
Other NHS bodies	**1,889**	2,158
Other	**9,992**	5,087
Total income from patient care activities	**731,468**	689,447

All income from patient care activities relates to contract income.

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

3. Other operating income

	2023-24	2022-23
	£000s	£000s
Education and training	**25,712**	27,241
Non-patient care services to other bodies	**5,913**	4,955
Reimbursement and top up funding	**0**	3,610
Other contract operating income	**9,203**	10,852
Non-contract operating income	**1,395**	2,037
Total other operating income	**42,223**	48,695
Total operating income	**773,691**	738,142

4. Operating expenses

	2023-24	2022-23
	£000s	£000s
Purchase of healthcare from non-NHS and non-DHSC bodies	**7,306**	9,034
Staff and executive directors costs - *refer to note 8.1 for further detail*	**542,576**	509,956
Supplies and services - clinical	**50,770**	44,440
Supplies and services - general	**8,909**	8,554
Drugs costs	**55,336**	52,108
Establishment	**7,830**	7,884
Business rates paid to local authorities	**3,611**	2,100
Premises - other	**28,463**	26,401
Depreciation on property, plant and equipment	**18,343**	17,848
Amortisation on intangible assets	**4,488**	4,909
Net impairments	**19,385**	(7,570)
Clinical negligence premium	**22,369**	21,664
Education and training	**6,394**	6,925
PFI charges to operating expenditure	**2,148**	12,440
Car parking and security	**3,070**	97
Other services (e.g. external payroll)	**4,034**	1,231
Other operating expenses	**5,542**	4,002
Total operating expenses	**790,574**	722,023

Other operating expenses include £1.8m for transport services (2022-23: £1.5m), £0.1m for consultancy services (2022-23: £0.4m) and £0.1m for internal audit services (2022-23: £0.1m).

5. Impairment of assets

	2023-24	2022-23
	£000s	£000s
Net impairments charged to operating surplus / deficit resulting from:		
Changes in market price	**13,496**	(7,570)
Other impairments	**5,889**	0
Total net impairments charged to operating surplus / deficit	**19,385**	(7,570)
Impairments charged to the revaluation reserve	**1,056**	556
Total net impairments	**20,441**	(7,014)

Other impairments arose when the Trust's electronic patient record system was brought into use during 2023-24. Otherwise, net impairments relate to the year end valuation of land and buildings provided by Cushman & Wakefield, the Trust’s external valuer.

6. External audit

Audit fees payable to the external auditor for the Trust's statutory audit were £141,000, inclusive of VAT (2022-23: £89,400). Other auditor remuneration in 2023-24 was nil (2022-23: nil).

There is no limitation on the auditor's liability for external audit work (2022-23: nil).

7. Better Payment Practice code

	2023-24		2022-23	
	Number	**£000s**	Number	£000s
Non-NHS payables				
Total non-NHS trade invoices paid in the year	**85,664**	**458,287**	99,960	378,859
Total non-NHS trade invoices paid within target	**78,155**	**445,792**	93,585	368,712
Percentage of non-NHS invoices paid within target	**91.2%**	**97.3%**	93.6%	97.3%
NHS payables				
Total NHS trade invoices paid in the year	**1,985**	**42,210**	2,314	36,148
Total NHS trade invoices paid within target	**1,887**	**41,514**	2,233	35,775
Percentage of NHS invoices paid within target	**95.1%**	**98.4%**	96.5%	99.0%

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

8.1 Employee benefits

	2023-24	2022-23
	£000s	£000s
Salaries and wages	**409,095**	385,134
Social security costs	**50,098**	43,236
Employer contributions to NHS Pensions	**45,416**	41,822
Employer contributions to NHS Pensions paid by NHSE on behalf of Trust	**19,864**	18,339
Other costs	**2,331**	2,167
Temporary agency staff	**18,585**	21,202
Total staff costs	**545,389**	511,900
Employee costs capitalised	**2,813**	1,944
Total staff costs excluding capitalised costs	**542,576**	509,956

8.2 Retirements due to ill-health

During 2023-24 there were 9 early retirements from the Trust agreed on the grounds of ill-health (2022-23: 6 early retirements). The estimated additional pension liabilities of these ill-health retirements is £0.7m (2022-23: £0.4m). The cost of these ill-health retirements will be borne by NHS Pensions.

8.3 Pension costs

Past and present employees are covered by the provisions of the NHS Pension Schemes. Details of the benefits payable and rules of the schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both the 1995/2008 and 2015 schemes are accounted for, and the scheme liability valued, as a single combined scheme. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

Expected contributions to the Schemes for the 2024-25 financial year are £43.9m. However, in order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that “the period between formal valuations shall be four years, with approximate assessments in intervening years”. An outline of these follows:

a) Accounting valuation
A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary’s Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2024, is based on valuation data as 31 March 2023, updated to 31 March 2024 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

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

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2020. The results of this valuation set the employer contribution rate payable from April 2024. The Department of Health and Social Care has recently laid Scheme Regulations confirming the employer contribution rate will increase to 23.7% of pensionable pay from 1 April 2024 (previously 20.6%). The core cost cap cost of the scheme was calculated to be outside of the 3% cost cap corridor as at 31 March 2020. However, when the wider economic situation was taken into account through the economic cost cap cost of the scheme, the cost cap corridor was not similarly breached. As a result, there was no impact on the member benefit structure or contribution rates.

9. Finance expenses

	2023-24	2022-23
	£000s	£000s
Interest expenses		
Main finance costs on PFI obligations	**5,982**	4,183
Remeasurement of the PFI liability resulting from change in index or rate*	**43,155**	0
Contingent finance costs on PFI obligations	**0**	6,892
Other interest expenses	**478**	140
Total interest expenses	**49,615**	11,215
Provisions - unwinding of discount	**44**	(43)
Total finance expenses	**49,659**	11,172

* From 1 April 2023, IFRS 16 liability measurement principles are applied to PFI liabilities. Increases to imputed lease payments arising from inflationary uplifts are now included in the liability, and contingent rent no longer arises. More information is provided in Note 20.

10. Intangible assets

	2023-24			2022-23
	Software licences	Assets under construction	Total	Total
	£000s	£000s	£000s	£000s
Gross cost at 1 April	**27,342**	**21,830**	**49,172**	37,346
Impairments charged to operating expenses	0	(5,889)	**(5,889)**	0
Additions - purchased	4,758	0	**4,758**	12,004
Reclassifications	12,628	(12,734)	**(106)**	(178)
Gross cost at 31 March	**44,728**	**3,207**	**47,935**	49,172
Amortisation at 1 April	**18,190**	**0**	**18,190**	13,370
Charged during the year	4,488	0	**4,488**	4,909
Reclassifications	0	0	**0**	(89)
Amortisation at 31 March	**22,678**	**0**	**22,678**	18,190
Net book value as at 31 March	**22,050**	**3,207**	**25,257**	30,982

11.1 Property, plant and equipment valuation information

For 2023-24, Cushman & Wakefield, the Trust's external valuer, has provided a desktop valuation of land and buildings as at 31 March 2024 on an alternative site valuation basis, which has resulted in a 2.4% increase in their value.

11.2 Property, plant and equipment (2023-24)

2023-24	Land £000s	Buildings £000s	Assets under construction £000s	Plant & machinery £000s	Information technology £000s	Other property, plant and equipment £000s	Total £000s
Cost or valuation:							
At 1 April 2023	**7,621**	**205,809**	**13,849**	**65,242**	**28,817**	**13,426**	**334,764**
Additions	0	10,164	15,069	793	938	331	**27,295**
Reclassifications	0	12,258	(14,180)	0	2,028	0	**106**
Disposals / derecognition	0	0	0	(226)	0	(66)	**(292)**
Revaluation gains charged to the revaluation reserve	8	2,629	0	0	0	0	**2,637**
Revaluation losses charged to the revaluation reserve	0	(1,056)	0	0	0	0	**(1,056)**
Impairments charged to operating expenses	0	(16,190)	0	0	0	0	**(16,190)**
Reversal of impairments credited to operating expenses	180	2,589	0	0	0	0	**2,769**
Reversal of accumulated depreciation on revaluation	0	(5,376)	0	0	0	0	**(5,376)**
At 31 March 2024	**7,809**	**210,827**	**14,738**	**65,809**	**31,783**	**13,691**	**344,657**
Depreciation							
At 1 April 2023	**0**	**0**	**0**	**44,028**	**20,280**	**10,133**	**74,441**
Disposals / derecognition	0	0	0	(209)	0	(66)	**(275)**
Provided during the year	0	5,376	0	4,005	2,191	663	**12,235**
Reversal of accumulated depreciation on revaluation	0	(5,376)	0	0	0	0	**(5,376)**
At 31 March 2024	**0**	**0**	**0**	**47,824**	**22,471**	**10,730**	**81,025**
Net book value at 31 March 2024	**7,809**	**210,827**	**14,738**	**17,985**	**9,312**	**2,961**	**263,632**
Asset financing:							
Owned	7,809	117,610	14,738	16,436	4,975	2,954	**164,522**
Donated	0	20	0	1,530	0	7	**1,557**
On-SoFP PFI contracts	0	93,197	0	19	4,337	0	**97,553**
Total at 31 March 2024	**7,809**	**210,827**	**14,738**	**17,985**	**9,312**	**2,961**	**263,632**

11.3 Property, plant and equipment (2022-23)

2022-23	Land	Buildings	Assets under construction	Plant & machinery	Information technology	Other property, plant and equipment	Total
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Cost or valuation							
At 1 April 2022	**7,154**	**193,652**	**8,732**	**58,062**	**27,203**	**12,448**	**307,251**
Additions	0	4,541	7,659	5,653	1,436	1,249	**20,538**
Reclassifications	0	837	(2,542)	1,705	178	0	**178**
Transfers to assets held for sale	(175)	(390)	0	0	0	0	**(565)**
Disposals / derecognition	0	0	0	(178)	0	(271)	**(449)**
Revaluation gains charged to the revaluation reserve	134	5,493	0	0	0	0	**5,627**
Revaluation losses charged to the revaluation reserve	0	(556)	0	0	0	0	**(556)**
Impairments charged to operating expenses	0	(2,635)	0	0	0	0	**(2,635)**
Reversal of impairments credited to operating expenses	508	9,697	0	0	0	0	**10,205**
Reversal of accumulated depreciation on revaluation	0	(4,830)	0	0	0	0	**(4,830)**
At 31 March 2023	**7,621**	**205,809**	**13,849**	**65,242**	**28,817**	**13,426**	**334,764**
Depreciation							
At 1 April 2022	**0**	**0**	**0**	**40,702**	**17,551**	**9,679**	**67,932**
Disposals / derecognition	0	0	0	(178)	0	(271)	**(449)**
Provided during the year	0	4,845	0	3,504	2,640	725	**11,714**
Reclassifications	0	0	0	0	89	0	**89**
Transfers to assets held for sale	0	(15)	0	0	0	0	**(15)**
Reversal of accumulated depreciation on revaluation	0	(4,830)	0	0	0	0	**(4,830)**
At 31 March 2023	**0**	**0**	**0**	**44,028**	**20,280**	**10,133**	**74,441**
Net book value at 31 March 2023	**7,621**	**205,809**	**13,849**	**21,214**	**8,537**	**3,293**	**260,323**
Asset financing:							
Owned	7,621	114,145	13,849	19,288	4,081	3,282	**162,266**
Donated	0	21	0	1,756	0	11	**1,788**
On-SoFP PFI contracts	0	91,643	0	170	4,456	0	**96,269**
Total at 31 March 2023	**7,621**	**205,809**	**13,849**	**21,214**	**8,537**	**3,293**	**260,323**

12.1 Right of use assets (2023-24)

	Property	Plant & machinery	Vehicles	Total
2023-24	**£000s**	**£000s**	**£000s**	**£000s**
Cost or valuation				
At 1 April 2023	**24,851**	**4,299**	**0**	**29,150**
Additions	0	2,028	102	**2,130**
Remeasurements of the lease liability	22	0	0	**22**
At 31 March 2024	**24,873**	**6,327**	**102**	**31,302**
Depreciation				
At 1 April 2023	**5,082**	**1,052**	**0**	**6,134**
Provided during the year	4,896	1,202	10	**6,108**
At 31 March 2024	**9,978**	**2,254**	**10**	**12,242**
Net book value at 31 March 2024	**14,895**	**4,073**	**92**	**19,060**

12.2 Right of use assets (2022-23)

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

12.3 Maturity analysis of future lease payments

	Total 31 March 2024	Total 31 March 2023
	£000s	**£000s**
Undiscounted future lease payments payable in:		
- not later than one year;	**6,708**	7,461
- later than one year and not later than five years;	**10,365**	12,481
- later than five years.	**4,258**	5,197
Total gross future lease payments	**21,331**	25,139
Finance charges allocated to future periods	**(2,016)**	(2,049)
Net lease liabilities at 31 March 2023	**19,315**	23,090

In total, £7.3m (2022-23: £11.3m) of future lease payments relate to DHSC group bodies.

13. Inventories

	31 March 2024	31 March 2023
	£000s	£000s
Drugs	**2,186**	2,535
Consumables	**7,405**	6,484
Energy	**378**	191
Total	**9,969**	9,210

Inventories recognised in expenses for the year were £69.4m (2022-23: £71.7m).

14. Receivables

	31 March 2024	31 March 2023
	£000s	£000s
Contract receivables	**29,511**	42,531
Allowance for impaired contract receivables	**(3,487)**	(3,288)
Prepayments	**3,656**	4,965
VAT receivable	**2,503**	2,269
PDC dividend receivable	**5,066**	535
Other receivables	**3,891**	1,225
Total - current	**41,140**	48,237

In total, £24.0m of current receivables are receivable from NHS and DHSC group bodies (31 March 2023: £33.2m).

15. Cash and cash equivalents

As at 31 March 2024, cash and cash equivalents of £11.6m (31 March 2023: £44.9m) were almost entirely represented by cash deposited with the Governing Banking Service with a balance of less than £0.1m represented by cash in hand (31 March 2023: less than £0.1m).

16. Trade and other payables - current

	31 March 2024	31 March 2023
	£000s	£000s
Trade payables	**12,353**	11,352
Capital payables (including capital accruals)	**7,254**	17,857
Accruals	**28,787**	51,496
Annual leave accrual	**0**	5,359
Social security costs	**5,751**	5,410
Other taxes payable	**6,407**	4,830
Pension contributions payable	**6,317**	5,803
Other payables	**1,234**	397
Total	**68,103**	102,504

In total, £5.8m of current trade and other payables are payable to NHS and DHSC group bodies (31 March 2023 £5.2m).

17.1 Borrowings

	Current		Non-current	
	31 March 2024	31 March 2023	**31 March 2024**	31 March 2023
	£000s	£000s	**£000s**	£000s
DHSC loans	**200**	201	**0**	200
Obligations under PFI contracts	**12,586**	3,710	**220,032**	87,082
Lease Liabilities	**6,300**	7,101	**13,015**	15,989
Total	**19,086**	11,012	**233,047**	103,271

17.2 Reconciliation of liabilities arising from financing activities (2023-24)

	DHSC loans	Lease liabilities	PFI schemes	Total
	£000s	£000s	£000s	£000s
Carrying value at 1 April 2023	**401**	**23,090**	**90,792**	**114,283**
Cash movements:				
Financing cash flows - principal	(200)	(5,927)	(12,276)	**(18,403)**
Financing cash flows - interest	(5)	(473)	(5,982)	**(6,460)**
Non-cash movements:				
Application of IFRS 16 measurement principles to PFI liability on 1 April 2023	0	0	110,947	**110,947**
Additions	0	2,130	0	**2,130**
Lease liability remeasurements	0	22	0	**22**
Remeasurement of PFI liability resulting from change in index or rate	0	0	43,155	**43,155**
Interest charge arising in year	4	473	5,982	**6,459**
Carrying value at 31 March 2024	**200**	**19,315**	**232,618**	**252,133**

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

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

18. Other liabilities

Other liabilities consists entirely of deferred income.

19. Clinical negligence liabilities

At 31 March 2024, £295.2m was included in provisions of NHS Resolution in respect of clinical negligence liabilities relating to the Trust (31 March 2023: £377.4m)

20.1 Private Finance Initiative (PFI) schemes

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

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

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

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

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

20.2 On-SoFP PFI arrangement obligations

	31 March 2024	31 March 2023
	£000s	£000s
Gross PFI obligations of which are due	**282,846**	143,581
- not later than one year	**18,258**	8,670
- later than one year and not later than five years	**73,031**	34,063
- later than five years	**191,557**	100,848
Finance charges allocated to future periods	**(50,228)**	(52,789)
Net PFI obligations of which are due	**232,618**	90,792
- not later than one year	**12,586**	3,710
- later than one year and not later than five years	**53,608**	16,200
- later than five years	**166,424**	70,882

20.3 Total on-SoFP PFI arrangement commitments

	31 March 2024	* Restated 31 March 2023
	£000s	£000s
Total future payments committed in respect of PFI arrangements	**460,210**	430,066
- not later than one year	**29,356**	25,788
- later than one year and not later than five years	**117,422**	103,151
- later than five years	**313,432**	301,127

* Prior year figures have been restated to exclude estimates for inflation in future years, which has not resulted from the change in accounting policy referred to in note 20.5.

20.4 Analysis of amounts payable to PFI

	2023-24	2022-23
	£000s	£000s
Unitary payment payable to PFI operator	**29,356**	27,089
Consisting of:		
- Interest charge	**5,982**	4,183
- Repayment of balance sheet obligation	**12,276**	4,026
- Service element and other charges to operating expenditure	**6,104**	7,564
- Lifecycle costs	**4,994**	4,424
- Contingent rent	**0**	6,892
Other amounts paid to operator due to a commitment under the service concession contract but not part of the unitary payment	**1,258**	2,946
Total amount paid to service concession operator	**30,614**	30,035

20.5 Impact of change in accounting policy for on-SoFP PFI liability

IFRS 16 liability measurement principles have been applied to PFI liabilities from 1 April 2023. When payments for the asset are uplifted for inflation, the imputed lease liability recognised on the SoFP is remeasured to reflect the increase in future payments. Such increases were previously recognised as contingent rent as incurred.

The change in measurement basis has been applied retrospectively without restatement of comparatives and with the cumulative impact on 1 April 2023 recognised in the income and expenditure reserve. The incremental impact of applying the new accounting policy on (a) the allocation of the unitary charge in 2023-24 and (b) the primary statements in 2023-24 is set out in the disclosures below.

20.6 Impact of change in accounting policy on the allocation of unitary payment

	IFRS 16 basis (new basis) 2023-24	**IAS 17 basis (old basis) 2023-24**	**Impact of change 2023-24**
	£000	**£000**	**£000**
Unitary payment payable to service concession operator	**29,356**	**29,356**	**0**
Consisting of:			
- Interest charge	5,982	4,960	1,022
- Repayment of balance sheet obligation	12,276	3,710	8,566
- Service element	6,104	6,104	0
- Lifecycle maintenance	4,897	4,897	0
- Contingent rent	0	9,588	(9,588)
- Addition to lifecycle prepayment	97	97	0

Retain 30 years
Destroy in conjunction with National Archive Instructions

20.7 Impact of change in accounting policy on primary statements

Impact of change in PFI accounting policy on 31 March 2024 Statement of Financial Position:	**£000**
- Increase in PFI liability	(145,536)
- Increase in PDC dividend receivable	4,409
- Increase in cash and cash equivalents (impact of PDC dividend only)	0
Impact on net assets as at 31 March 2024	**(141,127)**

Impact of change in PFI accounting policy on 2023-24 Statement of Comprehensive Income:	**£000**
- PFI liability remeasurement charged to finance costs	(43,155)
- Increase in interest arising on PFI liability	(1,022)
- Reduction in contingent rent	9,588
- Reduction in PDC dividend charge	4,409
Net impact on surplus / (deficit)	**(30,180)**

Impact of change in PFI accounting policy on 2023-24 Statement of Changes in Equity:	**£000**
- Adjustment to reserves for the cumulative retrospective impact on 1 April 2023	(110,947)
- Net impact on 2023-24 surplus / deficit	(30,180)
Impact on equity as at 31 March 2024	**(141,127)**

Impact of change in PFI accounting policy on 2023-24 Statement of Cash Flows:	**£000**
- Increase in cash outflows for capital element of PFI	(8,566)
- Decrease in cash outflows for financing element of PFI	8,566
- Decrease in cash outflows for PDC dividend	0
Net impact on cash flows from financing activities	**0**

21. External financing

	2023-24	2022-23
	£000s	£000s
Cash flow financing (from SOCF)	46,154	25,173
External financing requirement	**46,154**	25,173
External Financing Limit	**49,634**	25,173
Under / (over) spend against the External Financing Limit	**3,480**	0

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

22. Capital Resource Limit

	2023-24	2022-23
	£000s	£000s
Gross capital expenditure		
Property, plant and equipment	27,295	20,538
Intangible assets	4,758	12,004
Right of use assets	2,152	9,845
Total gross capital expenditure	**34,205**	42,387
Less: disposals of property, plant and equipment	(17)	0
Less: donated capital additions	(173)	(41)
Charge against the Capital Resource Limit	**34,015**	42,346
Capital Resource Limit	**34,015**	42,346
Under / (over) spend against the Capital Resource Limit	**0**	0

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

23.1 Breakeven duty - financial performance

	2023-24	2022-23
	£000s	£000s
Surplus / (deficit) for the year	(65,244)	3,023
Add back net impairments	19,385	(7,570)
Reverse incremental impact of IFRS 16 on PFI revenue costs in 2023-24	30,179	0
Remove impact of capital donations	237	374
Adjusted financial performance deficit	**(15,443)**	(4,173)
Add back incremental impact of IFRS 16 on PFI revenue costs in 2023-24	(30,179)	0
IFRIC 12 breakeven adjustment	21,088	0
Breakeven duty financial performance deficit	**(24,534)**	(4,173)

23.2 Breakeven duty - rolling assessment

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

	2019-20 - 2021-22	2022-23	2023-24
	£000s	£000s	£000s
Breakeven duty in-year financial performance	2,599	(4,173)	(24,534)
Breakeven duty cumulative position	33,437	29,264	4,730
Operating income	1,925,144	738,142	773,691
Cumulative breakeven position as percentage of operating income	1.7%	4.0%	0.6%

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

While the cumulative breakeven position of 0.6% is above the 0.5% threshold, NHSE uses annual financial targets for NHS Trusts as the primary mechanism for financial control, which the Trust has met for 2023-24.

24.1 Financial instruments - financial risk management

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. Because of the continuing service provider relationship that the Trust has with Integrated Care Boards (ICBs), which replaced Clinical Commissioning Groups (CCGs) from 1 July 2022, and the way ICBs are financed, the Trust is not exposed to the degree of financial risk faced by business entities. Financial instruments also play a much more limited role in creating or changing risk than would be typical of listed companies. As an NHS Trust, the Trust has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Trust in undertaking its activities.

Treasury management operations are carried out by the Finance Department, within parameters defined formally within the Trust's standing financial instructions and policies agreed by the Trust Board. Treasury activity is subject to review by the Trust's internal auditors.

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

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

24.1 Financial instruments - financial risk management (continued)

Credit risk

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

Liquidity risk

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

24.2 Financial instruments - carrying value

	31 March 2024	31 March 2023
	£000s	£000s
Financial assets held at amortised cost		
Trade and other receivables excluding non financial assets	**30,578**	41,306
Cash and cash equivalents	**11,575**	44,882
Total	**42,153**	86,188

	31 March 2024	31 March 2023
	£000s	£000s
Financial liabilities held at amortised cost		
Trade and other payables excluding non financial liabilities	**55,945**	92,264
Obligations under PFI contracts	**232,618**	90,792
Obligations under leases	**19,315**	23,090
Other borrowings	**200**	401
Total	**308,078**	206,547

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

24.3 Maturity of financial liabilities

	31 March 2024	31 March 2023
	£000s	£000s
In one year or less	**81,113**	108,600
In more than one year but not more than five years	**83,396**	46,746
In more than five years	**195,815**	106,045
Total	**360,324**	261,391

25. Losses and special payments

	2023-24		2022-23	
	Total value of cases	**Total number of cases**	Total value of cases	Total number of cases
	£000s		£000s	
Losses				
Cash losses	**0**	**5**	1	8
Stores losses and damage to property	**0**	**0**	0	0
Total losses	**0**	**5**	1	8
Special payments				
Ex gratia payments	**202**	**115**	581	86
Special severance payments	**0**	**0**	5	1
Total special payments	**202**	**115**	586	87
Total losses and special payments	**202**	**120**	587	95

26. Related party transactions

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

The Department of Health and Social Care is regarded as a related party. During the year East Lancashire Hospitals NHS Trust has had a significant number of material transactions with the Department and with other entities for which the Department is regarded as the parent department. Those entities where the value of transactions exceeds £5.0m, ordered alphabetically, are:

Community Health Partnerships
NHS England (includes all Health Education England functions following merger from 1st April 2023)
NHS Resolution
NHS Lancashire and South Cumbria Integrated Care Board
St Helens and Knowsley Teaching Hospitals NHS Trust

In addition, the Trust has had a number of notable transactions with other government departments and other central government bodies. Most of these transactions have been with Her Majesty's Revenue & Customs (HMRC) and the National Health Service Pension Scheme.

The Trust provides financial and administrative support to ELHT&ME, the charity for which the Trust is the corporate trustee. In 2023-24, this reimbursement amounted to £0.2m (2022-23: £0.2m). The Charity also donated capital assets with a value of £0.2m to the Trust (2022-23: less than £0.1m).

The financial statements of the Charity have not been consolidated within the financial statements of the Trust on the basis of immateriality, but the latest set of audited accounts of the Charity, relate to the year ended 31 March 2022 and are available on request from Trust Headquarters or via the Charity Commission website (https://www.gov.uk/government/organisations/charity-commission).

27. Contractual capital commitments

As at 31 March 2024, the Trust had £2.4m of contractual capital commitments (31 March 2023: £7.1m), which are expected to have been met within a year and relate to capital building projects.

28. Events after the end of the reporting period

There are no material events after the end of the reporting period to disclose.

Independent auditor's report to the Directors of East Lancashire Hospitals NHS Trust

Report on the audit of the financial statements

Opinion on the financial statements

We have audited the financial statements of East Lancashire Hospitals NHS Trust ('the Trust') for the year ended 31 March 2024, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Taxpayers' Equity, the Statement of Cash Flows and notes to the financial statements, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards as interpreted and adapted by HM Treasury's Financial Reporting Manual 2023/24 as contained in the Department of Health and Social Care Group Accounting Manual 2023/24, and the Accounts Direction issued by the Secretary of State with the approval of HM Treasury as relevant to NHS Trusts in England.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Trust as at 31 March 2024 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with the Department of Health and Social Care Group Accounting Manual 2023/24; and
- have been properly prepared in accordance with the requirements of the National Health Service Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities section of our report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, and taking into account the requirements of the Department of Health and Social Care Group Accounting Manual, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our

knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of the Directors and the Accountable Officer for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. The Directors are required to comply with the Department of Health and Social Care Group Accounting Manual 2023/24 and prepare the financial statements on a going concern basis, unless the Trust is informed of the intention for dissolution without transfer of services or function to another public sector entity. The Directors are responsible for assessing each year whether or not it is appropriate for the Trust to prepare its accounts on the going concern basis and disclosing, as applicable, matters related to going concern.

As explained in the Statement of the Chief Executive's Responsibilities as the Accountable Officer of the Trust, the Accountable Officer is responsible for such internal control as the Accountable Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Accountable Officer is responsible for ensuring that the financial statements are prepared in a format directed by the Secretary of State.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the Trust, we identified that the principal risks of non-compliance with laws and regulations related to the National Health Service Act 2006 (as amended by the Health and Social Care Act 2012), and we considered the extent to which non-compliance might have a material effect on the financial statements.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- inquiring with management and the Audit Committee, as to whether the Trust is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- considering the risk of acts by the Trust which were contrary to applicable laws and regulations, including fraud.

We evaluated the Accountable Officer's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting

manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- making enquiries of management and the Audit Committee on whether they had knowledge of any actual, suspected or alleged fraud;
- gaining an understanding of the internal controls established to mitigate risks related to fraud;
- discussing amongst the engagement team the risks of fraud; and
- addressing the risks of fraud through management override of controls by performing journal entry testing
- addressing the risk of fraud in revenue recognition specifically around year end
- addressing the risk of fraud in expenditure by performing testing of expenditure and accruals in the final quarter of the year.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management and the Audit Committee. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

We are also required to conclude on whether the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. We performed our work in accordance with Practice Note 10: Audit of financial statements and regularity of public sector bodies in the United Kingdom, and Supplementary Guidance Note 01, issued by the Comptroller and Auditor General in February 2023.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on the Trust's arrangements for securing economy, efficiency and effectiveness in the use of resources

Matter on which we are required to report by exception

We are required to report to you if, in our opinion, we are not satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2024.

On the basis of our work, having regard to the guidance issued by the Comptroller and Auditor General in May 2024, we have identified the following significant weakness in the Trust's arrangements for the year ended 31 March 2024.

In June 2022 we identified a significant weakness in relation to financial sustainability for the 2021/22 year. In our view this significant weakness remains for the year ended 31 March 2024:

Significant weakness in arrangements – issued in a previous year	Recommendation
The Trust's deficit plan and reliance on identifying high levels of savings from its waste reduction programme is evidence of weaknesses in the arrangements to deliver financial sustainability.	The Trust should continue to work collaboratively with its Lancashire & South Cumbria ICS partners and NHS England and Improvement to explore and agree sustainable, long-term plans to bridge its funding gaps and identify achievable savings.

Responsibilities of the Accountable Officer

As explained in the Statement of Accountable Officer's responsibilities, the Accountable Officer is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in the use of the Trust's resources.

Auditor's responsibilities for the review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We are required under section 21 of the Local Audit and Accountability Act 2014 (as amended) to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources, and to report where we have not been able to satisfy ourselves that it has done so. We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our work in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in May 2024.

Report on other legal and regulatory requirements

Opinion on other matters prescribed by the Code of Audit Practice

In our opinion:

- the parts of the Remuneration and Staff Report subject to audit have been properly prepared in accordance with the Accounts Direction made under the National Health Service Act 2006; and
- the other information published together with the audited financial statements in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception under the Code of Audit Practice

We are required to report to you if:

- in our opinion the Annual Governance Statement does not comply with the guidance issued by NHS England; or
- we issue a report in the public interest under section 24 and schedule 7(1) of the Local Audit and Accountability Act 2014; or

- we make a written recommendation to the Trust under section 24 and schedule 7(2) of the Local Audit and Accountability Act 2014.

We have nothing to report in respect of these matters.

Use of the audit report

This report is made solely to the Board of Directors of East Lancashire Hospitals NHS Trust, as a body, in accordance with part 5 of the Local Audit and Accountability Act 2014. Our audit work has been undertaken so that we might state to the Directors of the Trust those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Directors of the Trust, as a body, for our audit work, for this report, or for the opinions we have formed.

Certificate

We certify that we have completed the audit of East Lancashire Hospitals NHS Trust in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice.

Karen Murray

Karen Murray, Key Audit Partner For and on behalf of Forvis Mazars LLP

One St Peter's Square
Manchester
M2 3DE

10 July 2024