Safe
Personal
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NHS
East Lancashire Hospitals
NHS Trust
A University Teaching Trust

Annual Report 2024–2025

ELHT. *Because that's who we are*

Contents

Foreword

Welcome to the Annual Report and Accounts, covering the year 2024/25, for East Lancashire Hospitals NHS Trust (ELHT).

On one hand it seems like no time at all since we were introducing last year's Annual Report and Accounts, whilst on the other hand, a huge amount has happened during that time, not just across East Lancashire Hospitals but in the country and the NHS as a whole.

Most notably, the general election in July resulted in a change of Government with different ambitions, policies and manifesto pledges around health and social care. You will remember the NHS was described as 'broken' and it was clear significant reform would be required.

As part of an ongoing diagnosis, a report was commissioned from former NHS clinician Lord Ara Darzi who gave further evidence of the challenge. Whilst his view was that the system was in a critical condition, it was more positive that he referenced both 'vital signs' as good. He acknowledged the impact on the health and wellbeing of colleagues – not just from the response to Covid – but from trying to catch up, reducing waiting lists, managing industrial action and dealing with the highest level of demand for care ever seen in our 76-year history.

Since then, there have been many changes to the way the NHS is run and regulated, as well as proposed structural changes to NHS England and local Integrated Care Boards (ICB), including the one in Lancashire and South Cumbria.

In truth, the totality of these changes has yet to fully play out and the impact is not absolutely known, but it has created some uncertainty about the future for colleagues at all levels of the NHS, including at ELHT.

In July, the UK also experienced one of the most horrific and tragic terrorist incidents in its history when three children were murdered at a dance class in Southport. The impact of this was felt far and wide beyond the immediate community, with the widespread civil unrest that included deplorable acts of violence and intimidation, as well as an unhelpful focus on race and equality as a whole.

ELHT, like many other organisations and groups, moved quickly to restates its commitment to inclusion and support colleagues amongst the unrest but it was a difficult time for the country no doubt.

We take great pride in our diverse workforce and inclusive culture and this has underpinned a lot of our work in 2024/25, reiterating the values of the Trust and the behaviours we expect from colleagues, patients, and visitors alike. We are proud of the progress we have made too – earning a bronze anti-racism award from the North West Leadership Assembly.

In amongst all of these national and global challenges and changes, we are also beyond proud that ELHT continued to prioritise patient care and high quality services for all.

This is unequivocally evident in our documented activity levels, quality of services and performance metrics, both clinically and operationally, where it is clear that even amongst a challenging background of reducing costs and structural change to the NHS as a whole, there is a huge amount to be proud of at ELHT.

These are just a few highlights aligned to the performance targets we are set as a Trust and do not in any way reflect the totality of activity, hard work and – not least – compassion delivered by colleagues in all services, across all settings and in the community, each and every day.

Over the course of the report and accounts you will see and hear a wider and more comprehensive range of achievements delivered during the year.

This includes:

- All performance and operational standards met
- Waiting lists reduced for elective procedures by almost 17 per cent – with no one waiting more than 65 weeks for care
- Just under 80 per cent of people seen in urgent and emergency within four hours – despite huge and record-breaking numbers of people turning up for care
- Patients handed over from ambulance colleagues in less than 30 minutes on average
- Consistently high standards in cancer pathways
- Consistently strong productivity in operating theatres which are amongst the best in England and often in the top three Trusts nationally
- Continued improvement in already effective maternity services which are recognised as some of the best in the country

Alongside performance and achievements, a huge part of the focus for 2024/25 was reflective of the Trust's ongoing financial challenges. Our response included some difficult decisions and subsequent changes to the way we deliver services. This has been tough at times but we have worked hard to explain our options to local people and be open and transparent about how we are reducing costs.

In February, NHS England downgraded ELHT to segment four of the national NHS Oversight Framework (NOF) and the Trust was enrolled into the Recovery Support Programme (RSP), alongside the Integrated Care Board (ICB), Lancashire Teaching Hospitals (LTH) and Blackpool Teaching Hospitals (BTH.

In the last few months, we have benefited from a range of intensive and additional scrutiny and support to help reduce our outgoings and live within our means. Thanks to a continued and unwavering focus, we did bring our budget for 2024/25 in on target, albeit that included an agreed deficit of around £80million, which is a notable improvement from where we thought we might be.

It's been a tough and relentless slog and it is important that we say thank you to each and every person across our services and settings for helping us to do it. The effort that went into achieving this position cannot be underestimated and many difficult decisions were considered and implemented which have implications for colleagues, patients and partners.

It is important to provide some assurance that there is no indication from NHSE that moving to NOF4 is any reflection of the quality of our care or concerns around patient safety.

As part of the focus on the financial challenge we asked colleagues to come forward with ideas and literally received hundreds and hundreds within just a few days. It was brilliant to see and reminded me of the ELHT spirit of being 'all in it together'.

We have seen this team effort in many other projects and programmes too, especially when we had to move out of Accrington Victoria Community Hospital at short notice because the fabric of the building was crumbling beyond repair.

I visited colleagues in September to share the news with them in person and completely acknowledge the emotion surrounding 'Accy Vic' and the strong feelings of the local community about the future of the site.

In moving out quickly, the Trust committed to ensuring services would move only a short distance away and I am proud that we delivered on this. Our commitment to celebrate the building was also demonstrated in an exhibition at Accrington Library and in the coming months we will continue to work with local partners and people to agree what happens next. Other big programmes of note for the year 2024/25 include:

- Working with Blackburn with Darwen Council and primary care colleagues more closely at Albion Mill in Blackburn to provide short-term care with medical, nursing and therapy support for people who are ready to leave hospital but aren't quite ready to return home. This is a partnership with Blackburn with Darwen Borough Council and primary care colleagues
- Welcoming colleagues from some physical health services that were previously run by Lancashire and South Cumbria Foundation Trust (LSCFT) and moving some mental health services from ELHT to them in line with the specialist remit of both organisations

- Since April, the 0–19 universal health service has also been provided by ELHT – this includes school nursing and health visiting, as well as providing public health advice and the national child measurement programme
- The removal of the final elements of RAAC (Reinforced Autoclave Aerated Concrete) – the bubbly, crumbly concrete previously used in construction but now at risk of collapsing – from the Trust
- Further industrial action from a range of professions
- Filming for the brilliant documentary series Channel 4's *999: The Critical List* and Channel 5's *Cause of Death*

These projects demonstrate the spirit of ELHT and the impact our work has on hundreds of thousands of patients and their families each year.

We have also been celebrating the impact of a number of improvement projects which have been recognised nationally but more importantly are changing the way the Trust delivers services to the benefit of local people.

As an organisation that lives and breathes continuous improvement, there have been many areas of focus in 2024/25 but perhaps none more critical than our intensely pressured urgent and emergency care pathways which continue to see record breaking attendances rise each year.

The Trust launched a 'reset' initiative in March, when colleagues were encouraged to think differently and identify new opportunities to optimise resources and processes to provide safe, personal and effective care in A&E at Royal Blackburn Teaching Hospital in particular. The aim was to reduce waits and lengths of stay, and explored the details of what each patient was waiting for in order to be discharged and identified barriers to ensuring medically fit patients leave safely, but as soon as possible.

We're also a nationally-recognised research centre and one of the top 10 recruiters for vital studies that change health care. We are particularly successful at children's and stroke research studies and we've been behind the introduction of many recommended treatments nationally.

Only recently we were part of the study which developed a new vaccine which protects adults and children from respiratory virus which mostly causes mild, cold-like symptoms but can lead to severe lung infections like pneumonia and infant bronchiolitis and is a leading cause of infant mortality around the world.

Colleagues will start a new trial called MANTRA (MANdibular TRauma and Antibiotic) which aims to understand more about the use of antibiotics following surgery for patients with mandible fractures. It is an incredibly important piece of work and we have received £2.5 million of funding from the National Institute for Health and Care Research to lead it, alongside about 30 other NHS hospitals and 3,000 patients.

It is touching that those who receive care are motivated to repay it in some way and this is often through donations to the hospital charity ELHT&Me, which in turn is able to support activity that we couldn't fund through our general budgets. We are grateful to every single person who is motivated to say thank you through fund raising, large or small, which brings huge amounts of joy through everything from gifts of toys for the children's ward at Christmas or knitted hearts for loved ones forced to be apart to huge donations for equipment and other large projects.

The charity was part of the funding for a newly refurbished Systemic Anti-Cancer Therapy (SACT) unit – known affectionately asthe Bluebell Unit – at Royal Blackburn Teaching Hospital following a three year fundraising campaign which also included corporate donors, the specialist cancer charity Rosemere and local fundraisers who organised things like tractor runs, cave dives, pub quizzes, afternoon teas and tea dances. In 2024/25, the Bluebell Unit was one of a number of new areas we opened which also included:

- The Spiritual Care Centre at Burnley General Hospital Spiritual Care
- A new ward that replaced Trust HQ
- A Bereavement Suite
- The unveiling of the tree of life memorial statue as part of national Baby Loss Awareness Week

And on that note let us close with a heartfelt thank you to all colleagues across all services and settings.

We have tried to provide some context around the wide and varied challenges which have impacted on the Trust this year, but if you take the time to read this report in full you will recognise we have risen to it with hard work, energy, determination and compassion.

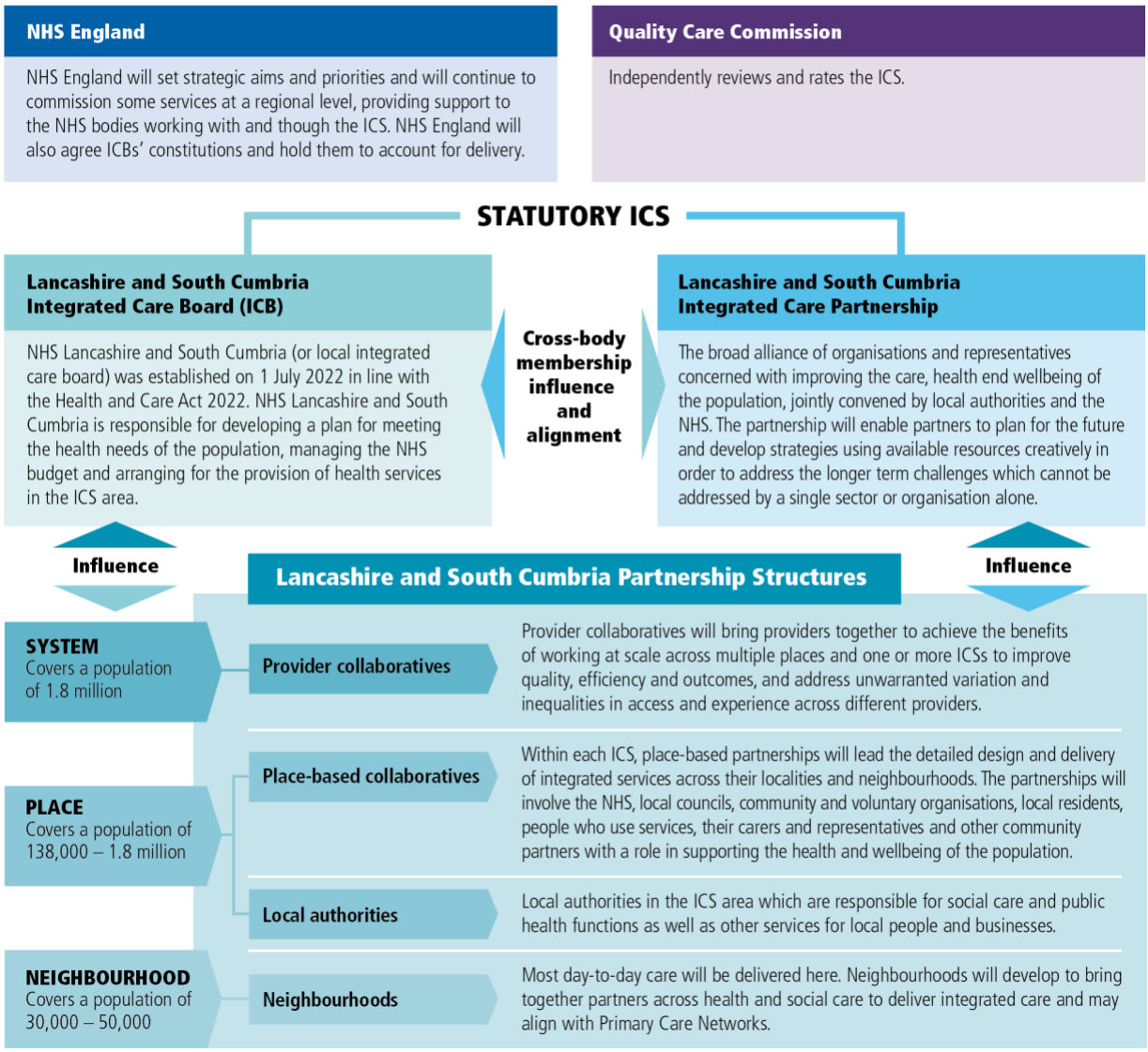
We simply could not do this without the thousands of colleagues who turn up and deliver consistently safe, personal and effective care each and every day – and night.

There is no doubt that 2025/26 will continue to create pressure and demand on ELHT, but if we can't do it here, nobody can.

Mr Shazad Sarwar – Chairman **Mr Martin Hodgson – Chief Executive**

Collaborating with our partners

Lancashire and South Cumbria Integrated Care System (ICS)



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. It brings 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, 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.

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

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.

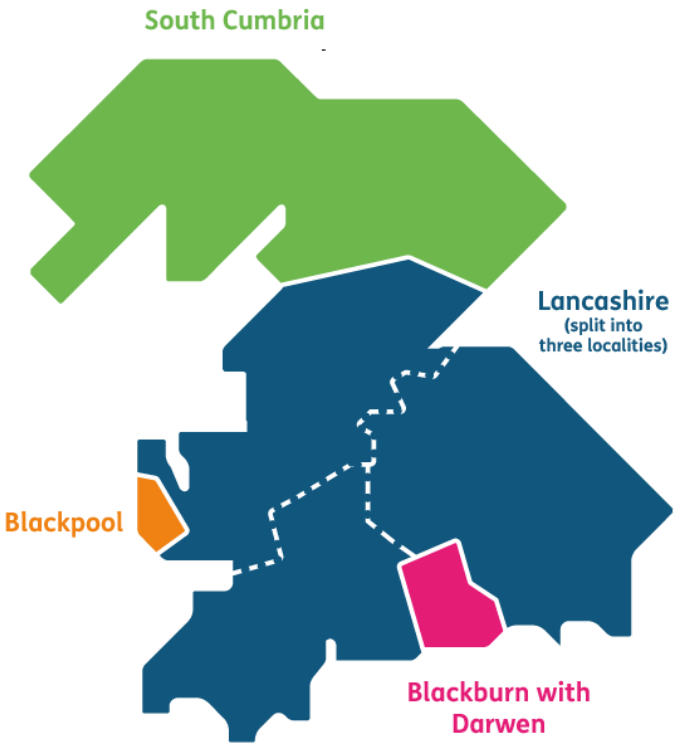
The strategy sets out our intention to take joined-up care action with our partners to enable our population to thrive by starting well, living well, working well, ageing well and dying well.

STARTING WELL	Give our children the best start in life, supporting them and their families with problems that affect their health and wellbeing and getting them ready to start school
LIVING WELL	Reduce ill health and tackle inequalities across mental and physical health for people of all ages by understanding the cause of these unfair differences
WORKING WELL	Increase ambition, aspiration and employment, with business supporting a healthy and stable workforce and employing people who live in the local area
AGEING WELL	Support peole to stay well in their own home, with connections to their communities and more joined-up care
DYING WELL	Encourage all our residents to feel comfortable in talking about planning for dying, and to be well-supported when a loved one dies

The ICP remains 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. A significant amount of the strategy is delivered through our four place-based partnerships on a neighbourhood, single-place or multi-place footprint.

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.



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. Societal inequalities, administrative infrastructure and the availability of the skills and workforce are all contributory factors in determining the rate of progress. Measuring the impact of this work is a challenge and making the improvements explicit, transparent, and monitorable is an area which is evolving as the partnerships mature.

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 (three for North, four for Central and five for East Lancashire footprints).

The needs and strengths of our population vary, and large health inequalities exist throughout the county, with certain neighbourhoods featuring in the top 10 per cent most deprived areas of the country. Therefore, 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.

Summary of achievements and work during 2024/25

We have matured the **Lancashire Place Partnership** (Board) with cross sector representation including elected member involvement as chair. The Lancashire Place Plan for 2024/25 was 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. Utilising a data led approach, our **key priorities** for 2024/25 were identified as:

- Enhanced Care in the Community
- Integrated Working
- Creating Healthy Communities

To date, Lancashire Place workplan has focused upon the three ICB workstreams above and also in each locality to drive forward local projects based on local need.

Enhanced Care in the Community key achievements

The 'Lancashire Model of Intermediate Care' has been fully implemented. The Short-Term Support Service has helped 197 people to remain at home (increase of 24% since April 24) and visitors to 'Ask SARA' site increased by 18% and reports completed increased by 30%.

- Targeted work programme to reduce not meeting criteria to reside (NMC2R) across University Hospitals of Morecambe Bay Trust footprint alongside South Cumbria Place and Lancashire County Council is demonstrating a positive impact. NMC2R reduced by 4.7% and average length of stay by 31% for Q3 position. Delays attributable to LCC reduced from 27 to 20.5 people per day.
- Two Hour Emergency Community Response Utilisation stands at 95% for Lancashire against target of 70% and Virtual Wards Utilisation increased by 29.8% since June (current occupancy Lancashire Wide is 292 from 205).
- Better Care Fund (BCF) reviews are completed, and Lancashire BCF Board is currently being refreshed and reconvened for 2025/26 with outputs from the reviews informing the forward plan.
- An Intermediate Care Group for Lancashire has been established to share best practice and support consistent improvement across Lancashire. Programme to increase the time-limited bed-based offer in Central Lancashire has been launched, targeted work commenced across Fylde Coast and Pennine.
- Lancashire to support 'keeping people safe and well at home' and 'effective and community support' offers. LCC, LSCFT, and LTH are also collaborating on a joint approach to single-handed care.
- The Discharge to Assess review has been completed for Lancashire and outputs being used to inform future improvement through the Lancashire Intermediate Care Group.

Integrated Working

We have spent 2024/25 developing a Lancashire model of Integrated Neighbourhood Working, hosting forerunning area events (both Lancashire wide and locality/sub-locality specific) with our key stakeholders to ensure that the model meets the needs of the community, through the lens of those who job it is to support them. The Lancashire model provides the vision and core elements of the optimum business model for integrated working. It is intended that this is a blueprint which with be adopted and tailored specifically to the needs of each community it seeks to support. Recent work has begun to identify which elements are most appropriate to undertake at which geographical/numerical section of the population in each locality/sub-locality, such as across a PCN footprint.

- Two districts, Fylde and Wyre and West Lancashire, have been mobilised against the Lancashire Model in 2024/25 and are meeting regularly to progress this workstream. These pilot areas will be increased in 2025/26.
- Work on development of the shared care record is underway across partners led by the ICB Digital team and partners.
- Community equipment re-procurement preparation is completed and due to go live.

Creating Healthy Communities

The baselining from the Leisure Review and the Disabled Facilities Grant Report has been shared with the nominated District Chief Executives and both were received positively. Discussions and forward planning are ongoing. This includes implementation of the recommendations from the Disabled Facilities Grant report. It also includes creating a proposal for the transition of health services such as therapies into leisure facilities.

- A virtual joint unit was developed to create closer links between Lancashire County Council's Public Health & ICB Population Health Team. During this year, we have focussed on the aligned procurement, design and delivery of NHS Health Checks and Enhanced Health Checks.
- Progress has not been made in all areas on district-based health and wellbeing strategies. This partly due to capacity and partly due to a recognition that this may not be required a local level, however, connectivity to the Lancashire Health and Wellbeing Board strategy is planned for the year 2025/26.
- Progress has been made against the local priorities of the ten Health and Wellbeing Partnerships, please see below for further information. We will build on this good practice further in this next year.

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 a significant portion 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.

The Blackburn with Darwen Place is coterminous with the Blackburn with Darwen Borough Council footprint and as such there is routine and regular engagement with the Health and Wellbeing Board, the local authority departments and the Health and Adults Overview and Scrutiny Committee. During 2024/25, the Place has continued to hold a monthly Place-based Partnership Board meeting which includes a wide range of stakeholders.

Our Place-based Partnership priorities for 2024/25

The priorities are aligned to the joint local health and wellbeing strategy (JLHWS), commissioning plans and the priorities of our partners.

Joint approaches to quality and safety – protecting our vulnerable people and workforce

STARTING WELL	First 1,000 days	Development of LSC neuro-diversity ASD pathway	Delivery of SEND priorities for health and care	Being the best corporate parents we can be	Effective delivery of the new 0–19 provision	Effective delivery CAMHS transaction	Deliver truly integrated family hubs
GROWING WELL	Helping our young people transition to adulthood	Increase apprenticeship, voluntering and training opportunities	Increase employment into health and care roles	Deliver Work Well BwD programme	Commit to 'Age Friendly' employers		
LIVING/ WORKING WELL	Role in social and economic development supporting people into employment	Deliver positive ageing/frailty plan – Ensure people live well into later life	Increase health check update	Deliver inclusion health and health creation plan			
LIVING/ WORKING WELL	Preventing ill health and tackling health inequalities		Deliver LD and Autism Big Plan actions	Deliver Carers' Strategy actions			
AGEING WELL	High quality care that supports people to stay well in their own home		Deliver Albion Mill test of change	Develop and deliver intermediate care (enablement) model	Transact and transform community services	Improve care sector sustainability and quality	
DYING WELL	Preferred place of death with holistic support from the time of diagnosis	Improve early identification and advance care planning	Ensure all-age focus	Improve access to bereavement support	Ensure timely and co-ordinated access to support		

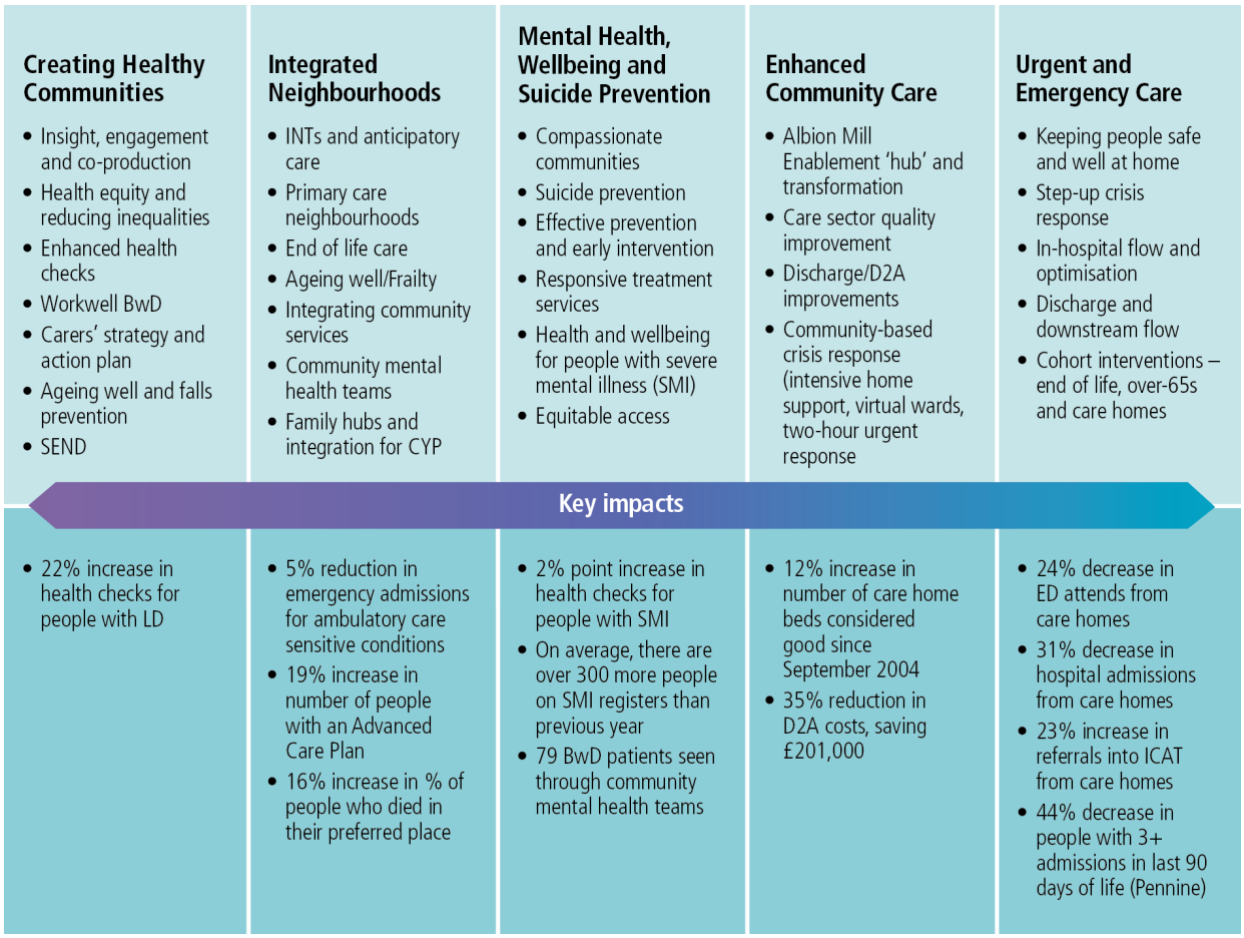
BwD

Deliver effective mental health, wellbeing and suicide prevention actions

Mobilise neighbourhoods and INTs responding to the identified needs of local communities

Some examples of our work during 2024/25

A summary of delivery programmes and impact is outlined below, with some specific detail provided in regard to a number of our key workstreams.



Starting Well

The Blackburn with Darwen Place Team developed a business case to transfer child and adolescent mental health services (CAMHS) for Blackburn with Darwen and East Lancashire from ELHT and LSCFT. The goal was to improve patient outcomes by aligning services with a provider specializing in mental health. A six-month report shows:

- A 3.3% increase in the number of children and young people (CYP) supported (194 more people).
- Referral to assessment waiting times decreased by 0.4%, with 100% of assessments held within 4 weeks.
- 77.8% of CYP had paired outcomes, with 48.4% showing meaningful improvement.

Living Well

- Integrated Neighbourhood Working
  - After a neighbourhood review, a plan was created to improve primary care and integrated neighbourhood teams (INTs). The focus is on frailty, with 50% of case load discussions involving frail elderly. Overseen by a specially formed Neighbourhood Leadership Group key results include:
    - An 8.5% decrease in emergency admissions due to falls in people aged 65 and over.
    - A 5% decrease in unplanned hospital admissions for chronic conditions.
    - An 8.8% decrease in emergency re-admissions within 90 days.
  - Four Complex Case Managers have been employed using Better Care Fund and UEC funding to support Integrated Neighbourhood Teams (INTs) and high intensity users (HIU) for urgent and emergency care. A weekly multi-agency cell meeting has been in place since February 2025 to review define changes needed across pathways to support individuals and avoid multiple attendances.
    - Early indications show that this approach is reducing unplanned attendances by up to 60%. The role of INTs will be critical for mainstreaming this approach and ensuring the success of earlier intervention and prevention.
  - The PBP has revisited the current neighbourhood delivery model to align leadership, direction, and staffing resources for a more integrated and systematic approach to care.
- Adult Community Health Services Transfer
  - The Blackburn with Darwen Place Team also oversaw the transfer of adult community physical health services from LSCFT to ELHT. The six-month review shows positive impacts:
    - Improved access to stroke services with reduced waiting times.
    - A 7% decrease in ambulatory care sensitive admissions for diabetes complications.
    - An increase in the number of people receiving a 2-hour urgent community response.
    - All community teams are now on EMIS, improving information sharing with primary care.
- Work Well Partnership Programme.
  - Work Well is a pilot program providing support to overcome health-related barriers to employment. It focuses on individuals out of work for 6 months or less or those struggling in the workplace due to health conditions. Key data includes:
    - 42% of referrals come from Primary Care.

- 65% of referrals are from priority wards.
- Mental health and musculoskeletal conditions are the primary health barriers.
- 44% of those accessing support have shown positive outcomes in employment.

Ageing Well

- Building an Enablement Focused Intermediate Care Model
  - Hospital admissions have increased, putting pressure on social care services. Blackburn with Darwen has a high use of discharge to assess beds, leading to more patients in care homes. A new model of intermediate care aims to provide a seamless transition between hospital and community care, focusing on maintaining independence. Key areas of focus include:
    - Immediate improvements in current delivery.
    - Short-term test of change projects.
    - Development and transition to a new model.
- Test of Change for Intermediate Care at Albion Mill
  - Albion Mill provides short-term, bed-based intermediate care. A new service delivery model was piloted, focusing on reablement. Initial results show positive feedback and a reduction in hospital attendances.
- Care Sector Collaborative Improvement
  - Improving care home quality is a priority. A multi-agency program aims to improve standards and reduce hospital attendances. Key improvements include:
    - A 55% decrease in attendances and a 60% decrease in admissions.
    - A 10% increase in intermediate care allocation team referrals.
    - A 12% increase in the number of beds rated ‘good’ by the Care Quality Commission.

Dying Well

- Improving Care and Support for People at the End of Their Life
  - Efforts to improve end-of-life care include early identification and multi-agency care planning. Key improvements include:
    - A 19% increase in the number of people with an advance care plan.
    - A 16% increase in the number of people dying in their preferred place of care.
    - A 44% reduction in admissions for people approaching the end of their life.

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 solid foundation and a shared set of commitments towards creating an equitable strategic relationship and a collaborative approach for the future.

The sector not only deliver 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 future services. 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.

In partnership with the VCFSE Sector, we can transform our health and care system into one focused on people, communities, prevention and early action. This relationship continues to be integral to the recovery and transformation plans of the LSC. In 2024/25 the VCFSE Alliance was allocated a proportion of Urgent and Emergency Care (UEC) Capacity and Investment funding to facilitate local delivery or schemes to reduce hospital attendances and admissions. Two of the projects funded through this scheme were based within Blackburn with Darwen, one project led by Age UK Blackburn with Darwen, was focused on falls prevention in Darwen. The other, focused on supporting adults with multiple vulnerabilities, in Blackburn Central, was led by a collaboration of local groups, 180 Project, Red Rose Recovery and THOMAS. The Trust has been a key partner in these projects, which are estimated to have avoided 220 admissions collectively, with an approximate demand management cost saving of almost £200,000 in their six months of operation. Both these projects have been awarded continuation funding for 2025/26.

1 Performance Report

Performance Overview

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 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 ICB 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 (EPR), 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 EPR 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

- 79.69% of patients in A&E were admitted, transferred, or discharged within 4 hours in March 2025 (target 78% by March 2025).
- The Cancer 28-day faster diagnosis standard of 75% was achieved at 78.2%.
- At the end of March 2025, 60809 patients were on an ongoing RTT pathway. This has reduced from 73174 in March 2024.
- At the end of March 2025, 9 patients had an ongoing pathway over 65 weeks, these were patients awaiting specialist surgery.
- No patient waited more than 78 weeks on a routine waiting list as at March 2025 month end.
- In March 2025, 98.59% of patients received their diagnostic test within six weeks of referral compared to 92.28% in March 2024 (target 95% by March 25).
- In March 2025, theatre utilisation achieved was 87.2% against the 85% standard (capped) as per Getting It Right First Time (GIRFT). This performance is in the top quartile nationally.
- 93% compliance with 2-hour Urgent Community Response target against national target of 70% (March 2025). Since the service commenced in ED we have assessed 3441 patients (to end of March 2025). We have prevented 984 confirmed admissions to AMU.
- The average Length of stay in ED for this cohort of patients is 107 minutes compared to 842 mins department average for those who don't access this service.
- The readmission rate for the patients the service deflected from ED is 5.3% 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 91%.
- The Hospital at Home service which was launched on 29/09/2022 has accepted 33,464 (March 2025) 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 3,277 patients in 2024/25 which was the eighth year of delivering the home assessment service. We have seen an increase in the number of home first visits year on year over the eight years of delivery from 925 patients to 3,277 patients.

Quality Headlines

- 2 MRSA against the target of 0 (Apr 24–Mar 25)
- 96 C. diff against the trajectory of 100 (Apr 24–Mar 25)
- 144 E.coli against the trajectory of 137 (Apr 24–Mar 25)
- 44 serious incidents against a target of 0 (Apr 24–Mar 25)

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

NHS England is adopting a phased approach to integrate the recommended disclosures from the Task Force on Climate-related Financial Disclosures (TCFD) into the sustainability reporting requirements for NHS bodies. This strategy is aligned with HM Treasury's guidance for TCFD-compliant disclosures in public sector annual reports.

The implementation of these TCFD disclosures, tailored for the public sector by HM Treasury, will occur in phases and will continue until the end of the 2025/26 financial year.

For the 2024/25 financial year, ELHT will include some disclosure requirements related to governance and some of the metrics and targets pillars. These disclosures will be presented below, along with references to pertinent information found in the annual report and other external publications.

Governance

ELHT remains committed to effective governance and proactively managing climate-related challenges and opportunities. The Board of Directors ("the Board") retains overall responsibility for overseeing the Group's climate strategy. The ELHT Commercial Lead oversees the development of the Trust Green Plan, coordinating with the focus area leads. The Trust's emission reduction targets are key discussion points in these meetings.

Focus area leads are responsible for implementing the sustainability and climate-related actions throughout the Trust. Key topics discussed in the Trust Sustainability Group include ongoing projects, milestones achieved, and future strategies. The Commercial Lead and Chief Integration Officer provide senior leadership and the Board with a detailed overview of the progress towards climate and sustainability targets.

Strategy and Risk Management

In 2025/26 ELHT aims to determine the most appropriate method of assessing climate-related risks within our operations and supply chain. We are currently working with our external ESG partner and other stakeholders to determine the feasibility of conducting a climate scenario analysis to inform the assessment of the risks and opportunities facing the Trust. This process would lead to potential measures to mitigate risks and manage opportunities. The Trust already has a refreshed Green Plan, which sets out our decarbonisation strategy to address climate-related issues. This practical action plan is broken down into nine focus areas as per the NHS's recommendations. SMART actions and KPIs (key performance indicators) have been set out for each focus area. The details of the action plan can be found in the Trust's Green Plan.

Metrics and Targets

ELHT has been measuring its Scope 1, 2, and 3 emissions since FY2021, reflecting the Trust's commitment to emission reductions. The most recent reporting period is FY2024 (April 1, 2023, to March 31, 2024), which aligns with our refreshed Green Plan. Data is provided to third-party ESG advisors, Inspired PLC, for calculations per the Greenhouse Gas Protocol,

Our emissions are reported using a consolidated operational control approach, following the GHG Protocol's Corporate Accounting and Reporting Standard. We account for all seven greenhouse gases specified by the Kyoto Protocol, reported in tonnes of carbon dioxide equivalent (tCO2e).

East Lancashire Hospitals NHS Trust's GHG emissions summary

Emissions Scope	Baseline FY2021 GHG emission tCO_2e	FY2024 GHG Emissions tCO_2e
Scope 1	22,965	17,335
Scope 2 (Location-based)	2	5,653
Scope 2 (Market-based)	2	5
Scope 3	62,991	83,511
Out of Scope	5,463	Data unavailable
Total GHG emissions (Location-based)	**91,421**	**106,499**
Total GHG emissions (Market-based)	**91,421**	**100,851**

NHS England has set ambitious yet achievable net-zero targets which aim to mitigate the impacts of climate-related risks by driving immediate action and continuous innovation. These targets are informed by an analysis of current NHS activities, best practices, and anticipated future changes in government and other sectors.

ELHT has aligned its net-zero ambitions to NHS England's targets of:

- NHS Carbon Footprint emissions: net-zero by 2040
- NHS Carbon Footprint Plus emissions: net-zero by 2045

The Trust's progress against these targets is detail in the table below.

East Lancashire Hospitals NHS Trust's target summary and status

Target	Baseline FY2021 value	Most recent year FY2024 value	Status and risk mitigation
Achieve net-zero on 'Carbon Footprint' emissions by 2040	28,491 tCO_2e	25,301 tCO_2e	Phasing out desflurane as an anaesthetic gas in favour of less carbon-intensive alternatives has resulted in an 11.2% reduction from the baseline. To meet the target, an average annual reduction of 5.3% is needed.
Achieve net-zero on 'Carbon Footprint Plus' emissions by 2045	62,930 tCO_2e	75,550 tCO_2e	Higher spending on operational goods and services in FY2024 caused a 20.1% increase from the baseline. To meet the target, an annual reduction of 4.2% is needed.

Vision and values

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

We will do this by achieving our goals. These are the golden threads that weave through all that we do:

- Deliver safe, high-quality care
- Improve health and tackle inequalities in our community
- A culture of compassion, inclusion and belonging
- Diverse and highly motivated people
- Sustainability and value for money

Our goals are underpinned by our Trust 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

Our colleagues observe our key behaviours. These are an important foundation of providing safe, personal and effective care and are fundamental to ensuring that our values and goals are achieved:

- Taking responsibility
- Building trust and respect
- Working together
- Excellent
- Keeping it simple

Our services

A Year of Continued Commitment and Resilience

2024/25 has been another challenging year for the NHS, marked by sustained high demand for services and continued operational pressures. Despite these challenges, the staff at ELHT have remained steadfast in their commitment to delivering safe, personal, and effective care for patients and their families.

Throughout the year, we maintained a clear focus on the restoration and recovery of services following the COVID-19 pandemic, while simultaneously embedding a new EPR system. These changes have required significant adaptation, but our teams have risen to the challenge with professionalism and agility.

While the Trust continues to perform well against many national standards, we recognise that some patients are still waiting longer than we would wish.

Reducing waiting times and improving access to timely care remain core priorities, and we are working closely with our teams and system partners to tackle these issues collaboratively.

Above all, the safety, wellbeing, and experience of our patients have remained at the heart of everything we do. The Trust is proud of the commitment, dedication, and resilience shown by our colleagues throughout this demanding year.

Highlights and Achievements in 2024/25

Community Services Transformation

In July 2024, following a comprehensive due diligence process, ELHT completed a significant realignment of community services in partnership with the LSC ICB and LSCFT.

Key changes included:

- **Transfer of adult physical health services** in Blackburn with Darwen from LSCft to ELHT
- **Transfer of Children and Young People's Mental Health Services (ELCAS)** in Blackburn with Darwen and East Lancashire from ELHT to LSCFT

These changes address previous fragmentation in service delivery and aim to improve consistency, integration, and access across the region. The transfer ensures:

- Adult community services are now delivered by ELHT, enhancing alignment between community and acute physical healthcare
- Children's mental health services are now delivered by a specialist mental health provider (LSCFT), offering improved clinical support, training, and patient outcomes

Early indicators show improved responsiveness, reduced waiting times, and strengthened care pathways, supporting better experiences for patients and families.

In addition, ELHT successfully tendered and novated over the 0–19 services across Blackburn with Darwen. This involved the Health Visitors and School nurses' functions formally under ELHT leadership from 1 April 2024.

Diagnostic and Pathology Network

ELHT has continued to actively engage in the development of the Diagnostic and Pathology Networks across Lancashire and South Cumbria, in line with the national framework for network maturation.

Progress has been made with the implementation of Digital Pathology and planning for the new Lancashire and South Cumbria Laboratory Information Management System (LIMS). The Imaging Network is also working towards the adoption of a single-instance Radiology Information System and Picture Archiving and Communication System (RIS-PACS). Looking ahead, the Pathology Network is expected to formally transition to a Single Service model from October 2025, during the 2025/26 financial year.

Innovations and Service Developments

- **National Validation Programme:** We have successfully embedded Waiting List Validation using the Patient Engagement Portal (PEP+), improving communication with patients and reducing waiting list inaccuracies.
- **Lung Cancer Services:** Further development of our lung cancer pathways, including the successful implementation of a nurse-led Lung Nodule Clinic.
- **Tele-dermatology:** Continued roll-out of tele-dermatology services throughout the year, improving early detection and diagnosis of skin cancers.
- **Advanced Workforce Models:** Expansion of advanced practice roles across multi-disciplinary teams, including the introduction of anaesthetic associates and continued recruitment of advanced clinical practitioners.
- **Urology Investigation Unit:** Increased capacity at the Burnley site's UIU, helping to free up surgical theatre space and streamline diagnostic pathways.
- **New Breast Pain Service:** Launch of a one-stop clinic offering rapid assessment and reassurance for patients experiencing breast pain.
- **Ophthalmology Equipment Investment:** Successful NHS England bid to purchase digital surveillance equipment for the OCT community eye screening pathway, enabling community-based monitoring of macular degeneration.
- **Cancer Performance:** Improvement in cancer waiting times, with a reduction in the number of patients waiting beyond the 62-day standard.
- **Gynaecology Theatres:** Sustained productivity levels above the 85% target, contributing to elective care recovery.
- **Redesign of the medical wards** to establish a General Internal Medicine Directorate and a dedicated Medically Fit for Discharge Ward, supporting the vision of "Right Patient, Right Bed." This initiative aims to reduce length of stay and enhance the overall patient experience.

Neonatal and Paediatric Services

- **Neonatal Intensive Care (NICU):**
  - ELHT's NICU passed the Family Integrated Care accreditation sustainability visit in October 2024 with exceptional feedback.
  - Burnley NICU achieved most of the Baby Friendly Initiative (BFI) Gold standards, one of only a few units in the North West to do so.
  - Introduction of allied health professional roles within NICU, including Speech and Language Therapists, Dietitians, Physiotherapists, and Pharmacists.
  - Survival rates for babies born at 22 weeks gestation and those weighing under 500g continue to improve.
  - NICU Consultant appointed as Lead for the British Association of Perinatal Medicine (BAPM) Quality Group
  - SONIC (Supporting Optimal Neonatal and Infant Care), our regional study day initiative, continues to be a success and was shortlisted for the BAPM Gopi Menon Awards.
  - Our BFI Lead Nurse won the Best Poster Award at the BAPM conference for introducing an "Expressing Diary" for mothers.
- **General Paediatrics:**
  - Sustained reduction in outpatient waiting times across all subspecialties, now under 30 weeks.
  - The 0–19 Paediatric Services, one year on from integration into the Trust, continues to perform strongly. Commissioner feedback confirms continuity of care and service quality despite structural changes.
  - Enhanced palliative care through integration of specialist nurses, providing improved end-of-life support and advanced care planning.
  - In paediatric diabetes, the average HbA1c has improved, coinciding with the increased use of digital technology.
  - Community Neurodisability Paediatrics team is preparing for the go-live of their new EMIS EPR system in May 2025.

Recognition and Incentives

- **Maternity Incentive Scheme:** Achievement of Year 6 compliance with the NHS Resolution Clinical Negligence Scheme for Trusts (CNST).

Our Hospitals and Local Services

Royal Blackburn Teaching Hospital

A regional centre for specialist services, the hospital offers comprehensive care to adults and children, including:

- 11 operating theatres, including robotic-assisted surgery
- Emergency Department and Urgent Care Centre
- Surgical Ambulatory Emergency Care Unit (SAECU)
- Children's Observation and Assessment Unit and, inpatient childrens' wards and High Dependency area
- Cardiac catheterisation labs and endoscopy facilities
- Extensive inpatient and outpatient departments

Burnley General Teaching Hospital

A leading centre for women's and children's care, the hospital features:

- The Lancashire Elective Centre
- 13 operating theatres, including robotic-assisted capabilities
- Lancashire Women and Newborn Centre:
    - Consultant-led maternity services
    - Level 3 NICU
    - Midwife-led Birth Centre
    - Gynaecology and Breast Care Ward with Early Pregnancy Assessment Unit
- Advanced diagnostics and six endoscopy suites
- Specialist ophthalmology and maxillofacial services in the Fairhurst Building
- Neuro-rehabilitation at Rakehead Rehabilitation Unit
- Community diagnostic and outpatient clinics
- Primrose Breast care unit

Community Sites

Our community sites enhance local access to care and reduce pressure on acute hospitals:

- **Clitheroe Community Hospital:** Inpatient rehabilitation and a 32-bed ward with outpatient services
- **Pendle Community Hospital:** Two 24-bed wards including a dedicated stroke rehabilitation unit
- **Rossendale Primary Health Care Centre:** Outpatient and diagnostic services through Community Diagnostic Clinics
- **Acorn Centre, Accrington:** Minor Injuries unit following successful transfer from Accrington Victoria Hosptial in Dec 2024. Outpatient and diagnostic services.
- **Accrington PALS:** Outpatient and diagnostic services provided.
- **St Peters Centre, Burnley**: Outpatient and diagnostic services provided

Children's Centre and Special Schools

In addition to our community sites, we also offer outpatient care at many children's centres and special schools across East Lancashire and Blackburn with Darwen.

Across all sites and services, the Trust remains committed to continuous improvement, service integration, and patient-centred innovation. We are proud of our teams and their achievements in 2024/25 and look forward to building on this progress in the year ahead.

Staff

This year has been challenging for colleagues in terms of financial recovery, service delivery and operational pressures across the Trust. This has resulted in higher levels of organisational change and large-scale transformation, always focused on balancing the elements of quality, safety, cost with workforce and people aspects.

The People Plan for 2024/25 reflected this challenging context. The main strategic aim of the People Plan was to support the Trust and clinical priorities through a year of improvement focused on workforce recovery, wellbeing, belonging and transformation. ELHT takes pride in the innovation and resilience of the workforce in responding to these challenges and the ability to deliver services with compassion to our local population.

The Trust has been at the forefront of wider system corporate collaboration with the establishment of OneLSC, which the Trust now hosts on behalf of the system. This has brought together several teams from across the system into OneLSC to enable greater economies of scale and to develop standardisation, productivity and efficiencies that all contribute to better patient care. Colleagues transferred into OneLSC in October 2024 and are developing plans for transformation as part of wider efficiencies and quality improvements.

The level of organisational change and transformation cannot be underestimated and supporting the workforce at this time remained a priority. Staff experience, staff wellbeing and resilience has been challenged so there has been a focus on priority areas of the People Promise to better understand and respond to drivers of experience. Supporting people through change, working in partnership, managing attendance, and providing professional nurse advocate support have all been critical elements. Increased risks around stress and burnout prompted a review of the psychological support services available to colleagues. An improvement project also identified the need for central resources to support staff and managers to navigate reasonable adjustments, better supporting colleagues in managing long term conditions. This remains a priority for the Trust in 2025/26.

The Trust is committed to developing a culture of compassion and inclusion and to become an anti-racist organisation, gaining the Bronze accreditation from the North West Black, Asian and Minority Ethnic (BAME) Assembly. ELHT held an Anti-Racism Summit as part of its Big ELHT Get Together.

The actions which we are progressing in line with the Trust's People Plan, ensure that we deliver against the aims of the People Promise, to develop as an employer of choice given the important role the Trust plays as an anchor institution, navigating these challenging times.

People Plan 2024–25: A year of improvement to support Trust and clinical priorities – Workforce recovery, wellbeing, belonging and transformation.

ELHT is a major employer within the local area and has reviewed its recruitment practices, re-introducing training for line managers to support inclusive recruitment.

Recruitment activity decreased in year as increased grip and control measures were introduced. ELHT now employs around 11,285 Whole Time Equivalent (WTE) staff, which includes 3,033 WTE hosted colleagues for OneLSC, the corporate collaboration for Trusts in Lancashire & South Cumbria. This compares to 9,223 WTE staff this time last year. International recruitment, which was seen as a short to medium term solution to the current workforce pressures has now ceased. The Trust focused on the Stay and Thrive offer to support internationally educated workforce to transition to ELHT through pastoral care, structured induction, and onboarding, and also to progress through targeted management and leadership development, informed by our international and overseas staff network.

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 2024/25, ELHT worked with the wider system EDS group and focused on Maternity Services for the review of Domain 1 along with a collaborative external review panel, that included patient and community groups to scrutinise submissions, provide grading and feedback. This contributed to our overall grading for 2024/25 as developing. The 2025/26 process will again focus on Maternity Services as the process is improvement focused, to track the actions and impacts. This has fed into the Trusts Inclusion Group and Health Inequalities Committee.

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-established the AIS improvement group following the roll out of the Electronic Patient Record. The communications team have overseen a project to update 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. There has been a focus on Translation and Interpretation services with training which was noted as good practice in the assessment for the Anti-Racism Bronze Award.

Workforce Race Equality Standard (WRES)

The context for race equality and anti-racism work has been challenging in 2024/25 and the Board ran listening events in response to civil unrest. WRES collection for 2024/25 has highlighted some improvements such as workforce representation (Metric 1), likelihood to be appointed from shortlisting (Metric 2) and likelihood of accessing non-mandatory training and CPD (Metric 4). Positive action for leadership and management development, recruitment training and the anti-racism activity may have contributed to these improvements. Key areas for concern to be addressed in 2025/26 include career progression (Metric 7) indicating the 'glass ceiling' as the data shows a pyramid effect, and importantly discrimination experienced from patients, relatives or the public and from staff (Metrics 5 and 6) and in reducing the numbers of BAME staff who experience discrimination from their manager or colleague (Metric 8) as the gap in experience has in fact broadened.

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 remains as an improvement priority for 2025/26 and beyond. The Trust achieved the Bronze Award, and the evidence providing in respect of the submission can be found here: Important Documents :: East Lancashire Hospitals NHS Trust. The Trust has developed an Anti Racism charter: ELHT Anti-Racism Statement and Charter : East Lancashire Hospitals NHS Trust and Allyship Framework.

Workforce Disability Equality Standard (WDES)

The data collated for ELHT during 2024 highlighted some improvements in the rate of disclosure however this remains significantly lower than staff survey declaration rates, and the 'unknown status' adds significant uncertainty to the estimate of Disability representation in the workforce. The modest improvement might be linked to a Hidden Disability Improvement Project which was undertaken by the Neurodiversity Network chair.

The data also demonstrated aspects of experience that demand further action as the experience of colleagues with a disability or long-term condition has deteriorated or not improved including experiencing bullying and harassment from patients, relatives and the public (Metric 4a) and from colleagues (Metric 4c). There was slight improvement in Metric 4b which is staff experiencing bullying from managers, but it remains significantly higher than non-

disabled staff. Action is also needed to address perceptions of career progression, the extent to which staff feel valued and the absolute priority focus, which is about having reasonable adjustments put in place. (Metric 9). This is a priority for the Managing Wellbeing and Attendance work stream for 2025/26.

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 and Neurodiversity networks have also contributed to the action plans and are instrumental in the progress made.

Gender Pay Gap

The most recently published data from ELHT is from March 2024 and demonstrates that:

- The mean gender pay gap has decreased from 25.92% in 2019/2020 to 22.13% in 2023/2024, while the median gender pay gap has also improved, falling from 7.05% to 6.96% in the same period.
- The average (median) hourly rate of pay details a 22.51% pay gap between male and female colleagues, which is a small decrease from 22.92%.
- 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.
- Women's representation remained stable across all quarters (~70–85%), slight fluctuations across all quarters; overall representation remains high with minor declines in upper-middle and lower-middle tiers. In the lowest paid quartile 79% are women and in the highest paid quartile, 70% are women. The pay gap in the highest pay quartile was 28.28% which needs further analysis and action.
- The 'Median gender pay gap using bonus pay' was 0% as all consultants were paid the same bonus for the Clinical excellence awards.
- Women's mean bonus pay was 24.79% lower than men's and in 2023/2024: 27.2% lower.

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.

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 co-chairs, 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 2024/25:

- Achievement of bronze status (Anti-Racism Framework, NW BAME Assembly) through Aarushi Project team using QI approach
- Introduction of revised reasonable adjustments training
- Developed business case for reasonable adjustment centralised roles and support in line with best practice using a QI approach
- Big ELHT Get Together with the Anti-Racism Summit

Leadership and Management

In 2024/25 the Trust continued to implement the priorities from the SPC+ leadership strategy and launched additional focused modules to support new managers, embed the People Promise, and support wellbeing and attendance including a focussed offer on managing change. In addition, manager's wellbeing has been a continued focus of Project M, which offers bitesize learning and peer support. The Trust commissioned the development of an additional cohort of internal coaches and two trainers were accredited to deliver a leaders wellbeing programme. This speaks to the challenges faced by leaders and managers as they balance quality, safety, workforce and cost. Mary Seacole Local leadership development was a focused offer for internally educated colleagues as part of the Trust's commitment to their progression as well as cultural competence for line managers. The Trust received a commendation on the continued commitment to embed and integrate the 360 healthcare leadership management tool, which supports the development of leadership behaviours.

Anti-racism and allyship development were also established, with a revised core offer of inclusion training and development, focused on cultural transformation.

Team development and team leader facilitation skills is delivered through the Team Engagement Development tool, and additional development focused on healthy team relationships was introduced.

Employee engagement

At ELHT the employees are the greatest assets, and all have a part to play in setting and achieving the Trust vision, values and key priorities. For the Trust to deliver on the huge waste reduction programme and contribute to the financial turnaround, bottom-up engagement is essential to drive improvements and reduce waste.

The Trust is committed to improving the experience of the workforce which drives engagement. The strategy is led by the Chief People Officer 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 decrease in the levels reported by staff.

The Trust has 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.

The approach to engagement was further reviewed in 2024/25, particularly in our planned 'Year of Improvement', resulting in a central MDT approach with professional and network listening labs. This demonstrates an always on approach to listening, in addition to systematic approaches like 'Senior Support and Share' visits and staff and patient stories.

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 in reach into teams as well as bitesized sessions.
- Rapid improvement weeks.
- 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 –sharepoint
- Star Awards
- Staff Networks
- Professional listening labs

The Trust participated in Cohort 2 of the People Promise Exemplar programme and was commended for the approach to continuous improvement and partnership working.

Financial duties

The Trust reported a £47.1 million adjusted financial performance deficit for the 2024/25 financial year. The Trust initially was planning for a breakeven plan but the revised deficit position was agreed with NHSE and the Lancashire and South Cumbria System Turnaround Director

This moves the Trust from a cumulative surplus position of £4.7 million at 31 March 2024 to a £26.2 million cumulative deficit at 31st March 2025. While the cumulative deficit position of –3.2% is outside of the 0.5% threshold, the position reported by the Trust has been agreed with NHSE which uses annual financial targets for NHS Trusts as the primary mechanism for financial control. Despite the Trust being in a cumulative deficit position, the Trust has not breached its statutory duty to break even and will only do so if it fails to return to a cumulative surplus position by the 2026/27 financial year or by exception by the 2028/29 financial year, subject to approval from NHSE.

Better Payments Practice Code

Although it is not a financial duty, the Trust aims to meet 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. Due to the deficit and associated reduction in cash flows, the Trust only met the value of NHS invoices paid within 30 days at 95.2% target.

Where our money comes from

In 2024/25, the Trust received operating income of £829.4 million compared with £773.7 million in the previous year. Most of the Trust's income is received from ICBs, which purchase healthcare on behalf of their local populations, and other NHS bodies, with £782.0 million (94%) of income being generated from patient care activities.

Where our money goes

The Trust's total revenue operating expenditure for 2024/25 was £863.5 million compared with £790.6 million in the previous year. £611.7 million (71%) was spent on staff costs. Throughout the year the Trust employed an average of 10,424 staff, with 9,413 employed on a permanent basis.

At £56.1 million, drugs costs were the next highest area of non-pay expenditure with the Trust also incurring £54.8 million on clinical supplies and services, £33.4 million for premises and £24.3 million for clinical negligence 'insurance' premiums.

Capital Expenditure

The Trust has continued to invest in healthcare facilities in East Lancashire. The Coronary Care Unit was opened at a cost of £3.4 million of which £1.0 million was incurred in the 2024/25 financial year. The area previously used as Trust Headquarters was converted into clinical space, Ward B3 at RBTH, at a cost of £4.8 million and was opened in 2024/25 with £0.9 million spent in 2024/25.

Other schemes included the replacement of the catering departments roof and work began on the design fees/tender to remove the ceiling in some office space on the Royal Blackburn site, after RAAC was identified.

£1.0 million was received towards net zero improvements investing the £1.0 million on LED lighting. The investment in the roll-out of the EPR continued into 2024/25 with £1.5 million being spent supporting the ongoing implementation.

In total the Trust invested £45 million on new building works, improvements, equipment, and information technology across all its sites; within this £11.5 million is accounted for as PFI lifecycle costs and included £20.6 million on right of use leases being classified as capital expenditure.

Financial Outlook for 2025/26

As the Trust has seen over recent years, none more so than in 2024/25, the Trust is facing a significant financial challenge over the coming financial year.

The Trust is working to a breakeven financial plan in 2025/26, which includes a Waste Reduction and Financial Improvement Programme of £60.8 million and receipt of non-recurrent Deficit Support Funding of £43.3 million.

The Trust Board, Senior Leadership team and staff across all sites and services have already risen to the challenge to work through and improve the productivity of services in this financially challenging environment. Working with system partners across Lancashire and South Cumbria, embracing digital opportunities and through increased financial controls and governance.

The Trust will receive a fixed amount for an increased level of elective and outpatient activity. The income and expenditure plans for the year are based on the achievement of 112% of 2019/20 Elective patient activity levels. With urgent and emergency care pathways payments remaining on a block contract, the Trust is seeing the ongoing challenge to meet increased demand with limited resources.

Modern Slavery Act 2015 – Annual Statement 2024/25

In accordance with the Modern Slavery Act 2015, ELHT agreed the final statement regarding the steps it has taken in the financial year 2024/25 to ensure that Modern Slavery (i.e. slavery and human trafficking), is not taking place in any part of its own business or any of its supply chains. The full statement can be found on the Trust's website (www.elht.nhs.uk).

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

Principal activities of the Trust

Our principal activities are to provide:

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

Performance summary

East Lancashire Hospitals NHS Trust is subject to a wide range of quality and performance standards set by the Government, commissioners, and regulators. The year 2024/25 has been a particularly challenging one, yet the Trust has made notable progress across key domains. Below is a summary of our performance achievements and areas of continued focus:

Key Performance Highlights – 2024/25

- **Cancer 28-Day Faster Diagnosis Standard:** Achieved 78.2% by March 2025, above the national standard of 77%.
- **Long Waits:** As of March 2025, nine patients remained on pathways exceeding 65 weeks (against a trajectory of 0). These were patients awaiting specialist surgery. The reason for this is due to a nationally recognised supply issue.
- **Emergency Care 4-Hour Standard:** Achieved 79.69% in March 2025, exceeding the 78% target.
- **Patient Experience:**
  - Friends and Family Test (FFT) scores remained above threshold across inpatient, outpatient, and community settings.
  - Patient experience surveys consistently returned scores above the 90% threshold across all four core competencies.
- **Stroke Services:**
  - Despite continued high performance in most areas of the national Sentinel Stroke National Audit Programme (SSNAP) audit, the Trust experienced challenges in admitting stroke patients to a specialist stroke bed within four hours of arrival. Work is underway to reconfigure stroke services as part of the medical ward redesign to improve performance in this area. This reflects broader national pressures on non-elective services and overall bed availability.
  - Nevertheless, both the Acute and Rehabilitation Stroke Services achieved a SSNAP score of ‘A’ in Quarters 1 and 2 of the year. We are currently awaiting feedback for Quarters 3 and 4, following a change in the national reporting methodology for SSNAP data.
- **Diagnostics:**
  - Steady month-on-month improvements, culminating in 98.6% of patients receiving diagnostic tests within six weeks of referral by March 2025 (national target: 95%).

- **Urgent Community Response:**
  - Achieved 91.68% compliance with the 2-hour UCR target (February 2024), exceeding the national target of 70%.
- **Theatre Utilisation:**
  - The Trust consistently ranked in the **top national quartile** for both capped and uncapped theatre utilisation.

Urgent and Emergency Care (UEC) Performance and Recovery

The national non-elective recovery requirement for 2024/25 was to ensure that a minimum of 78% of patients were seen, treated, or discharged within four hours of arrival.

East Lancashire Hospitals NHS Trust achieved a year-end position of 79.69%, ranking 6th highest of 22 reporting Trusts in the North West.

Performance by Year (% patients treated within four hours):

Year	2020/21	2021/22	2022/23	2023/24	2024/25
Performance	84.60%	72.94%	74.00%	77.96%	79.69%

Key Enablers and Interventions:

- Close partnership working with North West Ambulance Service (NWAS) to improve ambulance handovers.
- Implementation of an escalation protocol during periods of heightened pressure.
- Daily Executive-led command meetings to support operational flow and rapid decision-making.
- Expanded Same Day Emergency Care (SDEC) pathways, including direct NWAS referrals and a dedicated paediatric stream.
- Acute medical teams working within the Emergency Department.
- An acuity-based triage tool to better guide patients to the most appropriate care setting.
- Urgent Treatment Centre enhancements, including an appointment-based system accessible to NWAS and 111, aimed at reducing waiting times and congestion.
- Enhanced integration of the Intensive Home Support Service (IHSS) to prevent avoidable admissions.
- Strong performance in Virtual Ward utilisation, with ELHT holding the highest capacity and occupancy rates across Lancashire and South Cumbria.
- Collaborative working across primary care, social care, and community teams to maintain safe, personal, and effective care.

Elective Recovery

As part of national efforts to reduce long waits, Trusts were required to eliminate all waits over 65 weeks by September 2024. ELHT achieved this target except for one patient, whose corneal graft surgery was delayed due to a national shortage of donor tissue.

By March 2025, nine patients remained over the 65-week threshold, all awaiting corneal grafts, a recognised issue nationwide due to tissue viability constraints.

Cancer Performance

National Standards for Cancer:

Description	Standard
Faster Diagnosis Standard (FDS, 28 days)	77%
31-Day Decision to Treat to Treatment (Combined)	96%
62-Day Referral to Treatment (Combined)	85%

However, for **2024/25** a national ambition was set for both FDS and 62-day Combined standard.

FDS performance – achieve **75%** with improvement to **77%**

62 day was to improve performance to **70%**

2024/25 Highlights:

- **28-Day FDS:** Achieved **78.2%**, exceeding target, with exceptions in July 2023 and January 2024, achieving the national ambitions for 2024/25
- **31-Day Standard:** Achieved **96.3%** by March 2025.
- **62-Day Combined Standard:** Improved performance, achieving **72.2%** by March 2025, exceeding the national ambition of 70% by March 2025
- **Key Cancer Recovery Actions:**
  - Strengthening clinical decision-making capacity, especially in colorectal cancer.
  - Expanding access and throughput in diagnostics, such as endoscopy and pathology.
  - Use of tele-dermatology to accelerate dermatology referrals and diagnoses.
  - Use of enhanced performance management tools to monitor and improve standards across all tumour sites.

Historical Cancer Standards (Selected):

Measure	Standard	2020/21	2021/22	2022/23	2023/24	2024/25
28-day faster diagnosis	75%	79.1%	73.8%	75.8%	78.1%	**78.2%**
62-day combined standard	85%	N/A	N/A	N/A	64.8%	**72.2%**
31-day combined standard	96%	N/A	N/A	N/A	90.65%	**96.3%**

Stroke Services

The Trust continues to contribute to **SSNAP** and has consistently delivered high-quality stroke care across most domains.

Key Highlights:

- Acute and Rehabilitative Stroke Services both achieved SSNAP Grade A in Q1,2,3 and 4.
- Challenges persist in meeting the four-hour admission target to a stroke unit from Emergency Department arrival. This reflects ongoing system-wide pressures on non-elective care and acute bed capacity.
- In response, stroke MDTs are working alongside the Trust's Quality Improvement Team to implement and sustain improvement actions to enhance patient flow and timely stroke care.

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 2024/25 the Trust had a tolerance for no more than 100 cases of *Clostridium difficile* (c. diff) infection. Actual cases for the year totalled 96; 76 Hospital Onset Healthcare Associated (HOHA) and 20 Community Onset Healthcare Associated (COHA). This is a 6% decrease in HOHA cases compared to 2023/24.

There were two (HOHA & COHA) cases of *Methicillin Resistant Staphylococcus Aureus* (MRSA) blood stream infection in 2024/25 against a tolerance of 0 cases. This is a 67% decrease from the six cases reported in 2023/24.

No tolerance was officially set for MSSA in 2024/25. We completed the year with 52 HOHA cases which is a 9% decrease on the previous year (57 HOHA cases in 2023/24).

There was a Government ambition to reduce gram-negative bloodstream infections by 50% by 2024/25. We failed to achieve a 50% reduction in 2024/25.

	2016	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Ecoli	69	53	66	70	54	79	70	73	84
P.aeruginosa	0	3	8	7	9	3	5	8	3
Klebsiella species	24	18	23	16	21	28	20	28	35
Total no. HOHA cases	93*	74	97	93	84	110	95	109	122
% reduction from base figure*		-20%	+4%	No change	-10%	+18%	+2%	+17%	+31%

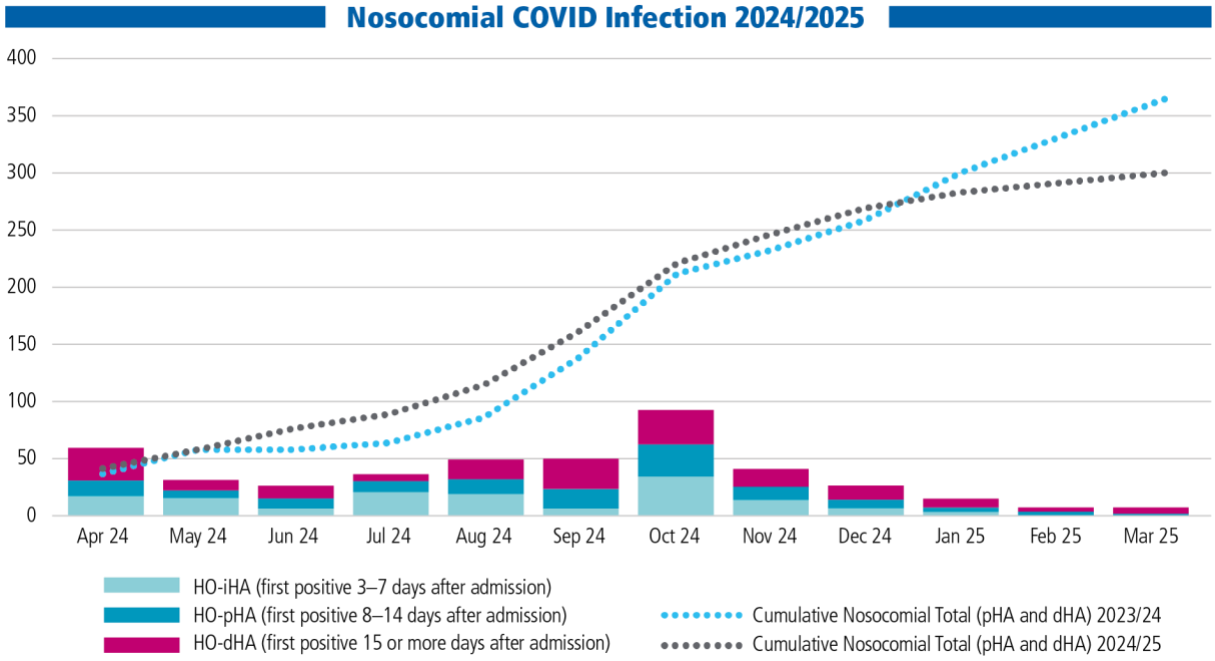
In 2024/25 the Trust's tolerance level for gram negatives were set at no more than:

- 137 (HOHA & COHA) *E. coli* cases; the total for this period was 144 cases; 7 cases over the trajectory, a 7% increase from 2023/24.
- 48 cases of *Klebsiella* species; the total for this period was 58 cases; 10 cases over trajectory, an 18% increase from 2023/24.
- 14 *Pseudomonas aeruginosa* cases; the total for this period was 10 cases; 4 cases under trajectory, a 33% decrease from 2023/24.

In 2024/25, The Trust continued to internally report hospital COVID-19 cases. These cases were split into three categories for determining the attribution of Hospital-Onset cases:

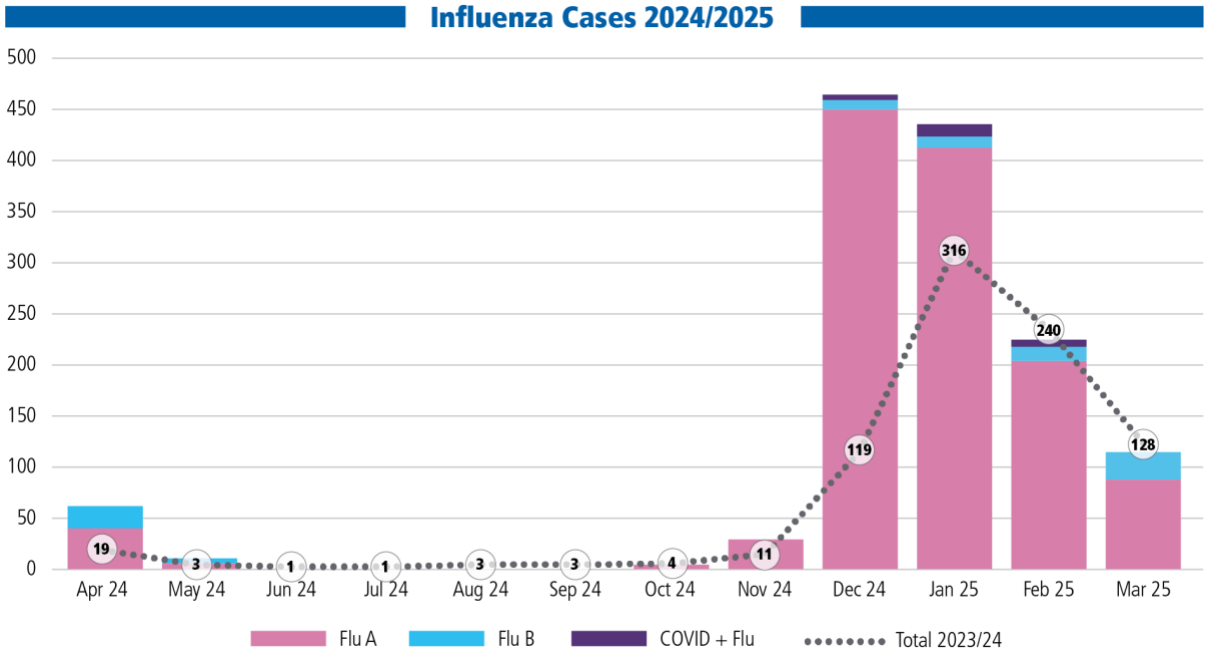
a) Hospital-Onset Indeterminate Healthcare-Associated (HO-iHA)
   – First positive specimen date 3–7 days after admission to Trust
b) Hospital-Onset Probable Healthcare-Associated (HO-pHA)
   – First positive specimen date 8–14 days after admission to Trust
c) Hospital-Onset Definite Healthcare-Associated (HO-dHA)
   – First positive specimen date 15 or more days after admission to Trust.

In 2024/25, there were a total of 439 cases from the above compared to 529 cases in 2023/24; a decrease of 17%.



In 2024/25, there have been 1702 positive cases of Influenza from both admission and inpatient swabs. This is a 101% increase of cases compared to 2023/24.

This year, the Trust saw its peak of inpatient Influenza cases in January. The majority of cases were Influenza A, the same as previous years.



This year saw an increase in Measles cases nationally. In 2024/25 there have been 84 suspected Measles cases tested in the microbiology laboratory at ELHT. These were a mixture of samples taken by GPs, ELHT's Emergency Department or urgent care areas and inpatient areas, of the 84 suspected cases, three went on to test positive.

For the three 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.

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.

ELHT 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.

Complaints

People's motivation to make a complaint is often based on a complex mix of reasons, which are often reflective of the intricacies of their healthcare. However, the majority of the people who contact the Trust's Customer Relations Team (CRT), do so for assistance to resolve their concerns informally.

The fact that we receive a regular volume of complaints underlines the ease in which to do so, and indicates an environment where people feel secure and encouraged to raise issues, confident that the process is user-friendly.

The number of formal complaints to the Trust has fluctuated over the past six years. There is no consistent upward or downward trend. For an acute trust of our size, the overall trend for

2024/25 indicates a stable and manageable volume of complaints, which is consistent with our expectations.

As with previous years, the core subjects / themes remain unchanged with patients (or their supporters) raising issues relating to clinical care and treatment; communication from staff to patients and families; and delays and cancellations of treatment or appointments. It's important to highlight that where possible and appropriate, Trust staff will seek to de-escalate the matter and resolve the concern(s) informally.

During 2024/25, the Trust has introduced new timeframes for complaint responses. Complaint responses are now set at 25 working days for straight forward complaints and 40 days for complex complaints.

Straightforward complaints: typically limited to issues within a single division.

Complex cases: characterised by involvement across multiple divisions, the participation of an external organisation, and/or an extensive list of over 20 questions.

Embedding of the timescales has presented some challenges but has ensured greater coordination and collaboration between the Divisions and the Customer Relations Team. Our primary objective is to decrease the average duration from a complaint's formal logging to its final resolution.

The Trust has reintroduced the Complaints Scrutiny Panel, comprising external stakeholders and senior staff. This panel provides in-depth oversight by examining a typical complaint from each division. They evaluate how well the investigation was managed and the quality of the written response against the Trust's organisational expectations/standards, ensuring that any identified learning is captured and acted upon.

The valuable learning derived from concerns and complaints is actively used to drive improvement across the Trust. We achieve this by disseminating insights through Ward meetings, Share to Care meetings, Divisional Quality and Safety meetings, and reports presented to the Quality Committee and Trust Board. This includes patient story videos which are part of the agenda on the majority of the Trust-wide meetings.

Ongoing bespoke and general training for medical, nursing, and administrative staff responsible for complaints handling focuses on raising awareness of their duties, the complaints policy, local resolution strategies, and best practices for response writing. With a strong emphasis on empathetic, clear and consistent communication with the patient and their carer or supporter.

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.

ELHT understands its role as part of the NHS in helping to reduce this impact and is committed to achieving the Net Zero goals of 2040 for controllable emissions and 2045 for emissions it is able to influence, as set out in the Delivering a Net Zero NHS Guidance.

In addition to the Net Zero goals of the NHS, ELHT is committed to supporting its staff, its patients and the wider community in reducing their own emissions, fulfilling its role as an anchor institution. Achieving Net Zero will not only be beneficial to the Trust, it will also benefit those living in the region through improved environmental conditions and improved health.

This ELHT Green Plan sets out our road map to Net Zero through a detailed action plan covering nine areas of focus and is aligned with the Trust's Clinical, Quality, Financial and Estates strategies. The Green Plan will be delivered through key stakeholder engagement across the Trust as well as collaboration with other likeminded organisations including the local Integrated Care System, social care providers, our supply chain and the wider community through the Local Authorities.

Our Green Plan has nine Areas of Focus that appraise our status and set actions to be achieved within the next three years:

1. Workforce and Systems Leadership
2. Sustainable Models of Care
3. Digital Transformation
4. Travel and Transport
5. Estates and Facilities
6. Medicines
7. Supply Chain and Procurement
8. Food and Nutrition
9. Adaptation

ELHT recognises the urgency in becoming a sustainable organisation and the positive impact that this will have on its local communities. We are committed to deliver the NHS Long Term Plan, Standard Contract, the recommendations in the Priorities and Operational Planning Guidance and 'Delivering a Net Zero NHS' report, all of which have informed our Green Plan and shape our Vision.

We will work through this plan to fulfil sustainable development requirements from the NHS and other relevant legislation that are aligned with the relevant United Nations (UN) Sustainable Development Goals (SDGs). This includes obligations to minimise adverse impacts on the environment and secure wider social, economic and environmental benefits for our communities.

We are also committed to reviewing and participating in regional partnerships and strategies related to sustainable development wherever appropriate.

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.

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 or submit a video to be played to the Trust Board 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.

The Trust has ceased using the platform 'X' (formerly known as Twitter) following an audit of engagement on the platform. We continue to monitor the platform for any potential reputational concerns.

The current corporate social media account population figures are:

- Facebook – 24,564 followers
- LinkedIn – 10,810 followers
- Nextdoor – 78,656 members

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

Patient representatives are routinely involved in quality improvement (QI) projects. For example, the Frailty Care Pathway project, EPR 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 Lancashire 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 (BAF) and Corporate Risk Register (CRR) are regularly presented to the senior leadership and to the Board of Directors.

The main risks outlined on the Board Assurance Framework during last year were:

1. The strategies and partnership arrangements across the Integrated Care System 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 may be 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 2024/25 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 and the Trust does not deliver Value for Money.
6. (As Host) Increased staff transferring into the Trust increases activity across existing ELHT corporate services affects the Trust's ability to provide high quality corporate services to both One LSC and core ELHT services.
   (As Partner) One LSC does not deliver the anticipated benefits of high-quality corporate services across partner organisations.

The Trust's assessment of risks 5 and 6 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 BAF 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.

Martin A Hodgson (Electronically signed)
Signed: Martin Hodgson, Chief Executive
Date: 2 July 2025

2 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.

Martin A Hodgson (Electronically signed)
Signed: Martin Hodgson, Chief Executive
Date: 2 July 2025

Statement of Directors' Responsibility in Respect of the Accounts

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

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

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

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

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

By order of the Board

Martin A Hodgson (Electronically signed)
Signed: Martin Hodgson, Chief Executive.
Date: 2 July 2025

Samantha Simpson (Electronically signed)
Signed: Sam Simpson, Director of Finance
Date: 2 July 2025

Annual Governance Statement

1 Scope of responsibility

1.1 As Accountable Officer 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*.

2 The purpose of the system of internal control

2.1 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 2025 and up to the date of approval of the annual report and accounts.

Key financial governance policies and processes

2.2 The effective and efficient use of resources is managed by the following key policies:

Standing Orders. The Standing Orders are an integral aspect of the Trust's governance framework and set out the regulatory processes and proceedings for the Board of Directors and its Committees, including the Audit and Risk Committee.

Standing Financial Instructions (SFIs). The SFIs detail the financial responsibilities, policies and principles adopted by the Trust in relation to financial governance. They are designed to ensure that the Trust's financial transactions are carried out legally and in accordance with Government policy in order to achieve probity, accuracy, economy, efficiency and effectiveness.

They do this by clearly identifying those with responsibility for all the key aspects of policy and decision making in relation to the key financial matters. This ensures that there are clear divisions of duties, very transparent policies in relation to competitive procurement processes, effective and equitable recruitment and payroll systems and processes. The budget planning and allocation process is clear and robust.

Scheme of Reservation and Delegation. This sets out matters that are reserved to the Board and those matters which are delegated to Committees and individuals. The document identifies who is responsible and the nature and purpose of that responsibility. It assists in the achievement of the efficient and effective use of resources by ensuring that decisions are being taken at an appropriate level within the Trust by those with the experience and oversight relevant to the decision being made.

Anti-Fraud, Bribery and Corruption Policy. The Bribery Act 2011 makes it a criminal offence for commercial organisations to fail to prevent bribes being paid on their behalf. The Trust has a legal obligation to put in place appropriate measures to avoid, or at least minimise, the risk of bribery taking place. This ensures that taking or receiving of bribes is less likely and improves the integrity and transparency of the Trust's transactions and decisions.

The Board receives independent assurance of its anti-fraud, bribery and corruption arrangements though the internal audit programme and work undertaken by NHS Counter Fraud Authority, reports from which are reviewed by the Audit Committee. MIAA has drafted the Counter Fraud Functional Standard Return for the Trust for 2024/25 and provided an overall rating of Green, with 12 components rated Green and 1 rated Amber.

scrutiny undertaken by the Finance and Performance Committee. Whilst there were

2.3 **Board of Directors role in monitoring finance.** The Board receives regular Finance Reports, which include sustainability and Waste Reduction and Financial Improvement Programme (WRFIP) delivery. The Finance and Performance Committee has delegated authority to scrutinise finance and performance issues and provide assurance to the Board.

2.4 During 2024/25, the Trust identified it had misreported its financial position up to month six to NHS England (NHSE). This was initially highlighted by the NHSE Nominated Finance Lead's visit to the Trust at the start of November 2024 and was confirmed by the Trust's incoming Director of Finance who joined the Trust in November 2024. Immediate actions were taken to report the misstatement and report the correct position to the Trust Board, the Integrated Care Board and NHSE. An independent review of how this occurred was commissioned by the Trust. The review identified weaknesses in the scrutiny undertaken by Finance and Performance Committee. Whilst there were some

gaps within the financial reporting, there was also a lack of common understanding on the part of Committee members of what was meant by run rate. Since the appointment of the incoming Director of Finance, the Board has received a comprehensive financial report at each Board, and Finance and Performance meeting, which includes a glossary of key terms for the avoidance of any doubt. The terms of reference for the Finance and Performance Committee have been reviewed to emphasise the Committee's role as an assurance committee in ensuring there is grip and control, as well as reviewing the Non-Executive Director membership of this Committee.

2.5 In January 2024, the Remuneration Committee became aware of overpayments of either salary and/or allowances that had been made to some of the Executive Directors. Arrangements have been put in place for executive overpayments to be repaid. The Chair of the Audit Committee has been overseeing the external investigation into how the overpayments occurred, however, this investigation has still not concluded. An initial review has identified the weaknesses in Remuneration Committee processes, the recommendations from this are being implemented. Once the external investigation has concluded the findings will be reviewed to further improve internal controls.

3 Capacity to handle risk

Leadership

3.1 As Chief Executive I have ultimate accountability for risk management and for ensuring the Trust has a risk management framework and infrastructure in place, which provides a systematic and consistent management of risk. I maintain the Board's focus, through my Chief Executive Report, on actions taken to address areas of concern internally as well as advising the Board of emergent national and regional priorities.

3.2 I also ensure there is effective partnership between the Trust and the wider health economy and beyond, establishing processes to ensure that I and the Executive Team have effective working relationships with our partner organisations', the 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. To that end I regularly attend and proactively participate at meetings of the Pennine Lancashire ICP and the Lancashire and South Cumbria ICS, as well as Chief Executive forums and other appropriate local, regional and national conferences.

3.3 I delegate the management of risk through the Executive Team. The Executive Team monitor management capability, financial resources and the capability and capacity of the workforce to ensure the delivery of the Trust's Annual Plan and strategic objectives, providing assurance via the Board Committees.

3.4 The Executive Team do this by ensuring that managers at all levels have clear objectives, which are aligned the Trust's strategic 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.

Performance Monitoring

3.5 The Trust's Integrated Performance Report provides performance data across quality, safety, financial performance, productivity and workforce. Data is plotted over time to highlight variances with narrative provided to explain variations and actions being taken to address areas of under-performance. The format of the IPR was reviewed in September 2024 and updated in line with best practice.

3.6 Divisional performance across the domains of quality, finance and operational performance is monitored through quarterly divisional performance meetings with the Executive Team. The purpose of these meetings is to oversee and support the divisions with the delivery of their objectives, improve standards and outcomes and share learning across the divisions.

3.7 The Board Committees also received the IPR, with a particular focus on their area of responsibility as set out in the Terms of Reference for each Committee. Where concerns have been identified the Committees have sought assurance that issues are being managed and have escalated any concerns to the Board via Triple AAA (Assure, Advise, Alert) Reports.

Staff Responsibilities

3.8 Through its programme of mandatory training, appraisals and objectives setting, Trust staff are supported to manage risk. Risk management training is an integral element of the induction and mandatory training programme for all Trust staff. Members of staff have responsibility for handling clinical and non-clinical risks according to their roles and duties. All identified risks are owned by an appropriate manager and regularly reviewed to ensure they are being effectively mitigated.

3.9 The Trust has an open and accountable reporting culture, where staff are encouraged to report incidents and near misses. Sharing the learning from incidents, complaints and claims is an essential component of the Trust's risk management framework. Learning was shared through the divisional clinical governance structure, Trust-wide Quality Governance meetings and the Quality Committee.

3.10 Learning, including the dissemination of good practice, was taken from a number of sources:

- Root cause analysis of incidents, complaints and claims;
- External inspections;
- Internal and external audit reports;
- Clinical audits;
- Outcome of national enquiries.

4 The Risk and Control Framework

4.1 Effective risk management is fundamental to the Trust's ability to deliver high-quality, safe services, through systems and processes which identify, assess and mitigate risk throughout the organisation. The risk and control framework of the Trust is underpinned by three major fundamental systems of internal control:

- The Risk Management Framework;
- The Corporate Risk Register which is underpinned by Divisional and Service Risk Registers; and
- The Board Assurance Framework.

The Risk Management Framework

4.2 The risk management framework is the means to identifying and addressing risks present in relation to the provision of corporate and clinical services. For the risk management process to remain effective, the Board is 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. The Board annually reviews its risk appetite and clearly articulates this in a risk appetite statement.

4.3 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

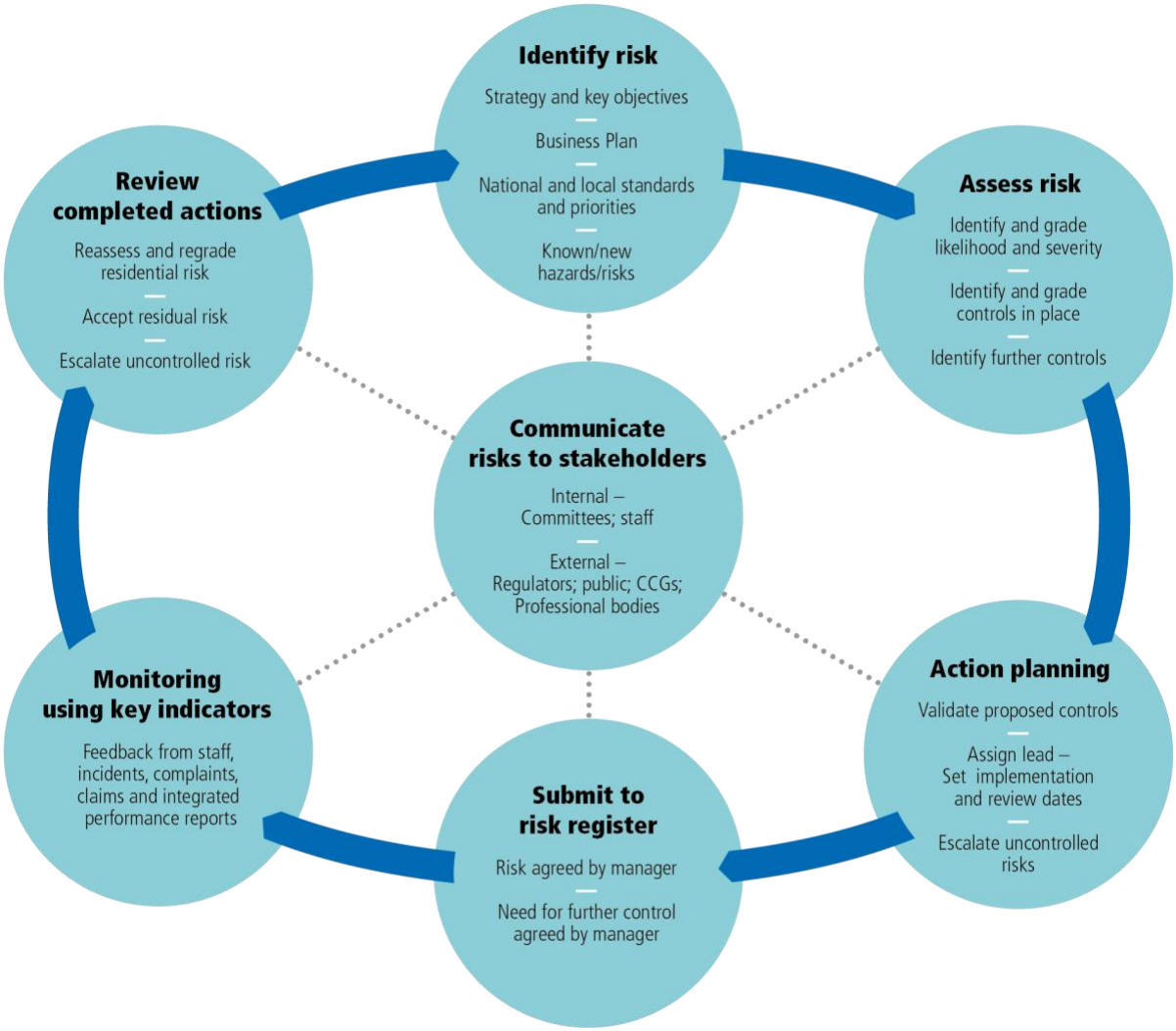
outcomes, complaints and claims through the effective identification, assessment, management, control and review of risks from using the services and assets of the Trust. The risk management framework is continuously reviewed and maintained, providing assurances to the Board that strategic and operational 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.

4.4 Internal audit reviewed risk management in March 2025 and provided a rating of 'limited' assurance. The key issues identified were around the effective operation of risk management controls rather than the design, and include risk registers not being up to date and risks having missing information on the risk registers.

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

Reactive Internal	• Internal Inspection Results • Complaints • Incidents • Claims • Staff Retention Trends
Reactive External	• Health and Safety Executive Reports • Medical Devices Regulation Notices • Information Commissioner's Office Reports • Care Quality Commission and other regulatory Reports • Audit Findings
Proactive External	• Contractual Targets • Statutory Requirements • Benchmarking Exercises • Information Governance Audits • Regulatory Changes
Proactive Internal	• Clinical Audits • Corporate/Divisional Objective Setting • Staff Surveys • Risk Assessments • Consultations • Continuity Planning

4.5 The figure below shows how risks are identified, analysed, evaluated and treated:



4.6 Risks are scored on using a standardised 5x5 risk matrix according to the consequence x likelihood of the risk being realised. Risks which are scored 12 or below are managed locally on Service and Divisional Risk Registers. Risks which are scored 15 or above are escalated to the Executive Team via the Executive Risk Assurance Group (ERAG) for inclusion on the Trust's Corporate Risk Register.

The Corporate Risk Register

4.7 The CRR captures significant operational risks with the focus being on the action being taken to reduce the risk to an acceptable level. Each risk is allocated an operational manager who is the risk owner as well as an Executive Lead and is monitored by the relevant Board Committee. During 2024/25, the Board reviewed the CRR at every Board meeting alongside the Board Assurance Framework.

The Board Assurance Framework

4.8 The BAF is a mechanism for the Board to receive assurance that risks to the achievement of strategic objectives have been identified and are being controlled. Action plans are in place to address any gaps in control and/or assurance.

4.9 At the start of 2024/25 the Board identified and approved the following strategic risks to be included on the BAF:

Strategic Goal(s)	Strategic Risk
Improve health and tackle inequalities in our community.	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.
Deliver safe, high-quality care.	The Trust may be unable to fully deliver on safe, personal and effective care in line with the requirements of the NHS Constitution, relevant legislation and Patient Charter.
Delivery safe, high-quality care. Improve health and tackle inequalities in our community.	A risk to our ability to deliver the National access standards as set out in the 2024/25 Operational Planning Guidance from NHSE for elective and emergency care pathways and thereby creating potential health inequalities for our local community as an unintended consequence.
A culture of compassion, inclusion and belonging. Diverse and highly motivated people.	The Trust is unable to deliver its objectives and strategies (including the Clinical Strategy) as a result of its inability to attract and retain staff through our compassionate inclusive, wellbeing and improvement focussed culture.
Sustainability and value for money.	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.
Sustainability and value for money.	**As Host** – Increased staff transferring into the Trust increases activity across existing ELHT corporate services, affects the Trust's ability to provide high quality corporate services to both One LSC and core ELHT services and risks the reputation of the Trust as Host and employer of One LSC staff. **As Client** – One LSC does not deliver the anticipated benefits of high-quality corporate services across partner organisations.

4.10 During 2024/25, the BAF was reviewed at every Board meeting and used to inform the agenda setting of the Board and its Committees to ensure that they were focused on areas of significant risk to the Trust. At the end of the financial year, the Board reviewed the strategic risks to carry forward into 2025/26.

Compliance with the NHS Provider Licence

4.11 Due to the Trust's financial position during 2024/25, in the final quarter of the year the Trust was placed into NHS Oversight Framework (NOF) segment 4 to receive support from the National Recovery Support Programme (RSP). The Trust is required to comply with legal enforcement undertakings in relation to:

- Financial Planning;
- Recovery Support Programme;
- Leadership and Governance;
- Funding conditions and spending approvals; and
- Reporting.

Care Quality Commission

4.12 The Trust is fully compliant with the registration requirements of the Care Quality Commission. The Trust is rated as 'good' with some areas of 'outstanding' following the most recent inspection in 2018.

4.13 The Trust received an inspection of its maternity services from the National CQC Maternity Inspectorate team in November 2022 with a focus on Safe and Well-Led key lines of enquiry. The Trust's maternity services were confirmed as 'good' in both domains.

NHSE Compliance with Declarations of Interest

4.14 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.

Pension Scheme

4.15 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.

Social Responsibility

4.16 Control measures are in place to ensure that all the organisation's obligations under equality, diversity and human rights legislation are complied with. To achieve the specific legal duties applicable to the Trust as a public sector organisation, the Trust has published on its public website a range of equality, diversity and inclusion information:

- Equality, Diversity and Inclusion Statement of Intent;
- EDI Action Plan 2023 including the workforce, race and disability equality standards;
- Gender Pay Gap Report 2023/24;
- Workforce Inclusion Performance Report 2024;
- Anti-Racist Framework Bronze Status Assessment; and
- 2024 ELHT Equality Delivery System (EDS) Report.

4.17 The Trust was committed to the promotion of equality, diversity and inclusion for both patient and staff experience and had processes in place to ensure that any unlawful discrimination was prevented or eliminated.

Climate Change and NHS Net Zero Ambition

4.18 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.

4.19 Oversight of the Green Plan sits with the Finance and Performance Committee. Carbon emission figures are calculated on an annual basis. Full year progress on the Green Plan and details of carbon reduction are updated in each annual revision of the Green Plan.

4.20 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. During 2024/25, the Trust successfully vacated the Accrington Victoria site, which was carrying over £7 million in backlog maintenance. As a result, the Trust will see its backlog figures significantly reduce and will also see the energy use from uneconomical estate removed, which aligns with the Green Plan.

4.21 The Trust has been successful in the third quarter of the financial year in securing £1 million to purchase more LED lighting to be installed throughout the Trust in targeted areas. This will see a reduction in energy consumption and aligns to the trajectory of the Green Plan.

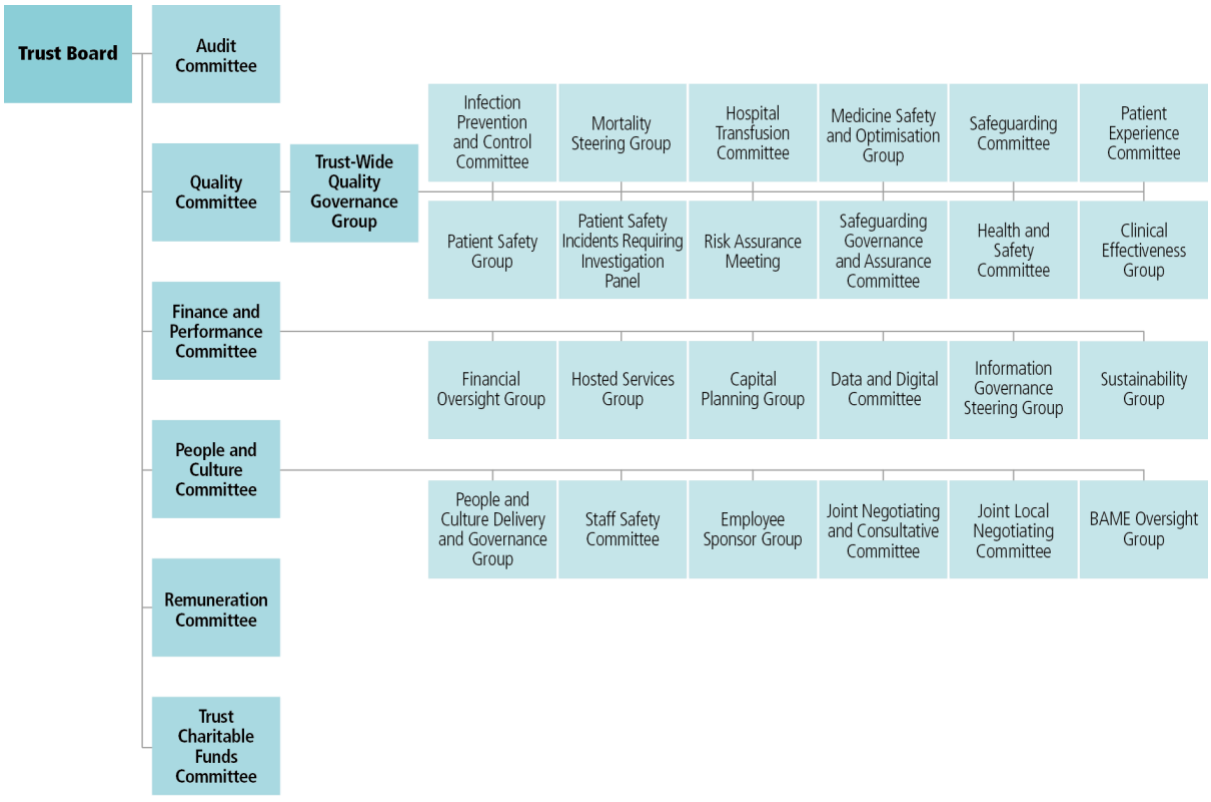
Discharge of Statutory Functions

4.22 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 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.

Quality Governance

4.23 The Trust is committed to the continuous improvement of quality of care and in doing so achieving our organisational aim 'to be widely recognised for providing safe, personal and effective care'. The Executive Medical Director and Executive Chief Nurse are the leads for quality and safety on the Board.

4.24 The Board also obtains assurance on the quality governance arrangements of the Trust via the Quality Committee. The Quality Committee is informed by reports from sub-groups across the Trust. Divisional leaders attend and report at the sub-groups to ensure consistent 'floor to Board' reporting.



4.25 The Board receives a report from the Quality Committee at every Board meeting. The workplan of the Committee ensures that the committee has an overview of quality governance arrangements, including performance, CQC compliance, clinical risk and patient safety incidents.

4.26 The Board receives a report at each meeting on patient safety and incidents, including how the Trust fulfils the duty of candour. The Patient Safety Incidents Requiring Investigations (PSIRI) Panel is chaired by a Non-Executive Director and ensures that a review has been conducted, the duty of candour is observed, and learning has been disseminated across the Trust.

4.27 The Trust utilises a quarterly Patient Safety Bulletin and Patient Safety Alerts to share the learning on patient safety incidents and ensure any actions to be taken are implemented. A patient safety SharePoint site provides information on national and local patient safety issues.

4.28 The Trust uses Equality Impact Assessments as part of its policy development and ratification process, when making any changes to services and when considering quality improvement programmes. In addition, Quality Impact Risk Assessments (QIRA) are an integral consideration of any Waste Reduction & Financial Improvement Programme (WRFIP). Each QIRA is reviewed and signed off by the Medical Director and Chief Nurse who reject any WRFIP scheme which would adversely impact upon quality.

4.29 Each clinical division is also further supported by Quality and Safety Leads working with the divisions and reporting to the Associate Director of Quality and Safety.

4.30 The Trust has a quality improvement programme sponsored by the Executive Directors and supported by the improvement hub team. During 2024/25, the improvement hub team have supported a number of multi-agency Improvement Weeks, including collaborating with North West Ambulance Service and the Engineering Better Care Programme focusing on supporting the emergency pathway, as well as improving the frailty pathway, generating learning across the Pennine Lancashire Place-based Partnership and Lancashire and South Cumbria Integrated Care System.

4.31 The Executive Team has oversight of the improvement programme via the Executive Improvement Wall, which is reviewed on a weekly basis and captures all key strategies and delivery programmes.

4.32 Throughout 2024/25, over 60 educational events have been delivered, including support for the Improvement Academy with system partners. The Trust has also supported 199 Year 4 medical students from the University of Lancashire to be trained with improvement methodology, which is aligned to the wider Trust Improvement priorities.

4.33 There are over 300 improvement projects registered with the improvement hub SharePoint used to share results and learning.

Workforce Strategy

4.34 The Trust's People Strategy is a key enabling strategy that underpins the Trust's strategic goals and has been developed in alignment with the priorities of the Lancashire and South Cumbria Integrated Care System and the Pennine Lancashire ICP.

4.35 The People and Culture Committee oversee the implementation of the People Strategy including delivery of the 'people promise' and the Trust's workforce plan. The committee, along with the Finance & Performance Committee, also oversees the action plans minimising the need for agency usage and increasing e-rostering levels of achievement.

4.36 In February 2025, the Trust commissioned an independent Safer Nurse Staffing Governance Review. The review concluded that the Trust has established effective safer staffing governance processes with several areas of good practice on both enhanced roster reporting and the approach to the culture of change using quality improvement and rapid improvement events. Recommendations focus on refining existing systems, enhancing reporting mechanisms, and improving financial controls to ensure continued safe staffing whilst maximising efficiency particularly in variable pay. On a daily basis, the Trust utilises staffing huddles to ensure that any gaps are anticipated and filled, ensuring that safe staffing levels are maintained.

4.36 During 2024/25, One LSC (Lancashire and South Cumbria Shared Services) was established to optimise and harmonise corporate services across four NHS Trusts including ELHT.The Trust is the host NHS Trust for One LSC and as such, approximately 3,000 full time equivalents and £120 million of pay costs transferred into the Trust in November 2024.

4.37 The purpose of One LSC was to create a virtual entity that would drive collaboration in corporate services, removing duplication, creating cost efficiencies and enhancing service effectiveness. One LSC will deliver qualitative and quantitative benefits, including £70 million in recurring savings by the end of 2026/27, across the partner organisations.

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

5.1 Throughout 2024/25, the Trust regularly reviewed the economic, efficient and effective use of resources through:

- the Annual Operational and Financial Planning cycle;
- delivery of Waste Reduction and Financial Improvement Programmes;
- regular reporting to the Finance and Performance Committee and Board on key performance indicators; and
- procurement of goods and services undertaken by professional procurement staff.

6 Information governance

6.1 Information governance (IG) is how the Trust managed its information and ensured that all information, in particular personal and confidential information, was handled securely, efficiently and legally. IG policies have provided a consistent framework for staff to deal with all the different data handling requirements of data protection legislation.

6.2 The Trust's Information Governance Steering Group meets monthly and has oversight of information governance matters, this includes sharing learning from system partners and other providers to optimise opportunities for development.

6.3 A full training programme incorporating patient confidentiality, information governance and cyber security is in place with staff attendance monitored monthly.

6.4 Any breaches of information governance are initially managed by the Information Governance team and escalated to the Data Protection Officer (DPO), Senior Information Risk Owner (SIRO) and Caldicott Guardian. Advice is sought from the Information Commissioner's Office (ICO) as required.

6.5 During 2024/25, there were 12 incidents notified to the ICO. These incidents all related to serious breaches of confidentiality and security whereby personal data had been accessed and/or shared inappropriately or there had been a contravention of data protection legislation. Examples include patient data being accessed inappropriately by staff or information being disclosed inappropriately.

7 Data Quality and Governance

7.1 The Trust has a Data and Digital Strategy, which is aligned to the Trust's overall Strategy as a key enabler. The Trust recognises the importance of data quality and accuracy and undertakes a regular review at specialty level of all patients which includes quality and accuracy of elective waiting time data. The Trust reviews the Secondary Uses Service (SUS) data quality dashboards and the data quality summary dashboard provided by Dr Foster. During 2024/25, the Trust submitted records to SUS for inclusion in the Hospital Episodes Statistics which are included in the latest published data. The Trust works with NHSE and the ICS to manage any data quality issues and is working with NHSE to improve the quality of Emergency, Inpatient and Outpatient National datasets.

7.2 The Trust uses the Data Security and Protection Toolkit (DSPT) to benchmark its data quality and governance controls. The DSPT is an annual online self-assessment tool to measure performance against the National Data Guardian's 10 Data Security Standards, including staff responsibilities, training and continuity planning. The Trust submitted the 2024/25 DSPT, which is an 'Approaching Standards rating and includes an Improvement Plan.

7.3 The Trust recognises the need to invest in cyber defences to ensure personal data is kept as secure as possible. The Trust is working with the Department of Health and Social Care Network and Information Systems Authority to further strengthen its cyber-security and this is being monitored by the Audit Committee.

7.4 The data and digital department issue regular cyber alerts to all staff and undertakes simulated 'phishing' attacks to review compliance. The Trust also has appliances in place to undertake regular and real-time system penetration tests to understand system vulnerabilities.

7.5 The implementation of any new systems or software is led by a strict regulatory approach and supported by the detailed Data Protection Impact Assessment (DPIA) and Digital Technology Assessment Criteria (DTAC) assessments. All new clinical systems have a full Clinical Safety Case completed by the Chief Nursing Information Officer.

7.6 Although many of the electronic systems in the Trust are legacy, regular Business Continuity and weekly Data Quality Audits take place, and such audits are available for review. All systems have audit trails and regular reports are produced and access checked to ensure compliance.

Quality Account

7.7 The Trust publishes an annual Quality Account. Among the controls in place to ensure the accuracy of data used in the Quality Account as well as ongoing internal and external reporting of data are:

7.7.1 Specific policies on the recording of data and quality indicators including:

- Incident report and investigation policies
- Patient Safety Incident Response Plan
- Risk Management Policy
- Clinical Records Policy
- Production of Patient Information
- Information Governance Policy
- Clinical Audit Policy

7.7.2 Training programmes to ensure staff have the appropriate skills to record and report quality indicators including training on software and hardware systems, Data Security and Protection Toolkit training and corporate and departmental induction and mandatory training.

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

7.7.4 Alignment of the internal audit, clinical audit and counter fraud work plans on a risk-based approach linked to the BAF and CRR.

8 Review of Effectiveness

8.1 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 Auditor's Annual Report 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.

8.2 The Head of Internal Audit Opinion by Mersey Internal Audit Agency provides Limited Assurance. The overall opinion is that there is a compromised system of internal control as weaknesses in the design and/or inconsistent application of controls impacts on the overall system of internal control and puts the achievement of the organisation's objectives at risk.

8.3 Context for the Opinion: This opinion is provided in the context that the Trust like other organisations across the NHS is continuing to face a number of challenging issues and wider organisational factors particularly with regards to the recently announced changes to national bodies and the corresponding uncertainty this causes, ongoing elective recovery response, workforce challenges, financial challenges and increasing collaboration across organisations and systems. During 2024/25 the Trust has been placed into NHS Oversight Framework (NOF) Segment 4 and has been receiving intensive support from the National Recovery Support Programme (RSP). It has been evident from the internal audit work undertaken, that there has been a significant deterioration in the internal control framework during the year. The Trust also has significant, known issues around its cyber security controls. The Trust's financial position has deteriorated from plan and the Trust is currently forecasting a deficit excluding non-recurrent deficit funding of £68.5m. There have been a number of changes at Executive Director level, including the retirement of the Chief Finance Officer mid year, with the new Chief Finance Officer starting in November 2024. The Company Secretary has been absent for a large part of the year and there have also been changes to the Audit Committee membership, including a new Audit Committee Chair. The Director of People Culture also left the Trust in March 2025 – all of which has provided challenges in terms of stability and engagement for internal audit delivery.

8.4 In addition, the Trust became host to OneLSC, which has been established to oversee all corporate services for Lancashire and South Cumbria. During the year, staff from the identified service areas within the provider organisations have been transferred to the Trust. At this point in time, MIAA have been informed that there have been no changes to the operation of existing systems and processes.

8.5 **Compliance with professional standards:** In providing this opinion we can confirm continued compliance with the definition of internal audit (as set out in your Internal Audit Charter), code of ethics and professional standards. We also confirm organisational independence of the audit activity and that this has been free from interference in respect of scoping, delivery and reporting.

8.6 **Purpose:** The purpose of our Head of Internal Audit (HoIA) Opinion is to contribute to the assurances available to the Accountable Officer and the Board which underpin the Board's own assessment of the effectiveness of the system of internal control. As such, it is one component that the Board takes into account in making its Annual Governance Statement (AGS).

8.7 A key area of focus in 2025/26 will be ensuring the consistent application of operational controls. The Audit Committee will monitor the implementation of the recommendations which come from internal audit reviews with particular regard to the timeliness of the implementation of high-risk recommendations.

8.8 One of the challenges of 2024/25 has been the absence of the Director of Corporate Governance from the Trust. The Board acknowledges that this is a key role for reviewing the effectiveness of the system of internal control and advising the Board and its committees on the effectiveness of the governance framework. In recognition of this, I appointed an Interim Director of Corporate Governance in February 2025 who will focus on supporting the Audit Committee and the Board in improving the system of internal control during 2025/26.

8.9 Despite the significant challenges during 2024/25, the Trust did deliver our revised financial control total for 2024/25, which had been agreed with the LSC System Turnaround Director. The Trust continues to perform well both clinically and operationally, although it is recognised that this has been at the expense of living within our financial means. Examples of strong performance in 2024/25 includes:

- Waiting lists reduced for elective procedures by almost 17%, with no one waiting more than 65 weeks for care;
- Just under 80% of people seen in urgent and emergency care within four hours despite significant numbers of people attending;
- On average patients handed over from ambulance colleagues in less than 30 minutes;
- Consistently high standards in cancer pathways;
- Consistently strong productivity in operating theatres, which are amongst the best in England and frequently in the top three Trusts nationally;
- 99% of all patients waiting less than six weeks for a diagnostic test; and
- Continued improvement in already effective maternity services, which are recognised as some of the best in the country.

9 Conclusion

9.1 In line with the guidance on the definition of the significant control issues I have the following significant internal control issues to declare within this year's statement:

- The misreporting of the Trust's financial position up to month six to NHSE, together with the scale of the Trust's financial deficit and the variance in relation to the annual financial plan for 2024/25, indicates that there has been a weakness in the adequacy of the governance arrangements and serious concerns regarding the Board's ability to understand and challenge financial information.
- Internal Audit's limited assurance opinion on risk management has identified there are weaknesses in this core area of internal control.

9.2 To address these significant internal control issues, I have implemented the following actions, which will be continued throughout 2025/26:

- Establishment of a Programme Management Office to focus on delivering financial recovery and provide assurance to the LSC System Turnaround Director;
- An external financial governance review which resulted in a number of recommendations, which the Trust is in the process of implementing;
- Implementation of the Grip and Control Action Plan;
- A wider independent governance review, which has made a number of recommendations to strengthen Board leadership and governance;
- Leading the Trust's response to entry onto the Recovery Support Programme, which includes working with a dedicated Improvement Director;
- Appointment of a Recovery Director, whose focus is on the oversight of the Trust's Waste Reduction Programme to achieve financial balance; and
- Appointment of an Interim Director of Corporate Governance to support the Board and its Committees with the flow of information and assurance to support effective decision-making.
- A review of the Risk Management Framework, the implementation of which will be overseen by the Audit and Risk Committee.
- The Board has reviewed the Risk Appetite Statement for 2025/26 and effective risk management is a core subject within the Board Development Programme for 2025/26.

9.3 The Board, and myself as Accountable Officer, will monitor and review the actions to ensure that the weaknesses in the system of internal control are addressed and strengthened during 2025/26.

Martin A Hodgson (Electronically signed)

Signed: Martin Hodgson, Chief Executive

Date: 2 July 2025

Directors' Report

As of 31 March 2025, 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 one Associate Non-Executive Director. 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 ICS and the Pennine Lancashire 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 June 2025

(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 Clinical Commissioning Group (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.

During 2024/25 Trish Chaired 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 Lancashire. 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 University of Lancashire 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 University of Lancashire 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.

Sallie Bridgen, Non-Executive Director,
December 2024 to present

Experience

Sallie is a values-driven and experienced executive and non-executive leader, bringing over three decades of strategic and system leadership across health, housing, equality, and community development.

She is Chair elect at Syncora (part of the Calico Group), which provides services including residential and dementia care, floating support and work with refugees, substance misuse, offender, and homelessness services. She also works as an independent consultant and associate with the Housing Diversity Network and Ruby Star Associates, supporting a diverse range of clients (including public sector, third sector, charities and SME's) with strategy, governance, leadership development, coaching and equality and diversity.

She has previously served as a Non-Executive Director and Deputy Chair at Tameside and Glossop Integrated Care NHS Foundation Trust, where she chaired key committees, and championed equality, co-production, and community wellbeing.

Her earlier leadership roles include Chief Executive of the Housing Diversity Network, where she led the development of sector-leading diversity programmes, and Strategic Lead of the Riverside Foundation, where she led on grant-making and impact measurement. She also previously held senior positions at Shelter, the National Housing Federation, and Our Life CIC. She has also served on a number of charitable and housing boards, including a founding member of Together Dementia Support, a charity supporting people living with Dementia.

Peter Murphy, Chief Nurse,

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,

September 2023 to present

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. 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,

September 2023 to present

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 ELHT in the response to COVID-19.

In addition to her career, Catherine holds the title of Honorary Professor at the University of Lancashire 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.

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

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.

Mr Jawad Husain, Deputy Chief Executive/Executive Medical Director, February 2020 to April 2025

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

Sam Simpson, Executive Director of Finance,
November 2024 to present

Experience

Sam joined the Trust in November 2024 from NHS England North West where she was the Interim Director of Strategic Finance.

Sam has previously been the Chief Finance Officer for NHS Greater Manchester Integrated Care Board. the Director of Finance for Tameside and Glossop Integrated Care NHS Foundation Trust, and the Director of Finance for the Cheshire and Merseyside Sustainability Transformation Partnership. Sam has worked in the NHS for over 25 years, since joining the North West Financial Management Training Scheme in 1995, and has held senior finance roles in commissioner, provider and strategic health authority, all in the North West. Sam has also spent two years at Greater Manchester Police and has experience of working in local authorities and the education sector.

Qualifications

BA, FCPFA

Sharon Gilligan, Chief Operating Officer and Deputy Chief Executive
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, February 2023 to present.

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 June 2025

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 until November 2024)*

Experience

Shelley joined the Trust in January 2021 as Executive Director of Communications, which was a joint role across both East Lancashire Hospitals and Blackpool Teaching Hospitals NHS Foundation Trust where she was 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, 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 2024/25 financial year

- Michelle Brown, Executive Director of Finance
- Richard Smyth, Non-Executive Director

Board and Committee Attendance Records

The Board sets the strategic direction for the Trust and receives regular reports on the performance of the Trust in meeting its objectives.

	23 Apr 2024	15 May 2024	10 Jul 2024	6 Aug 2024	20 Aug 2024	11 Sep 2024	28 Oct 2024	20 Nov 2024	15 Jan 2025	12 Feb 2025	19 Mar 2025
Mr S Sawar	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mrs S Bridgen									✓	✓	A
Mrs T Anderson	✓	✓	✓	✓	A	✓	A	✓	✓	✓	✓
Prof G Baldwin	A	A	✓	✓	✓	A	A	✓	✓	✓	A
Mrs C Randall	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	A
Mr R Smyth	✓	✓	✓	✓	✓	✓	✓	A			
Mr K Rehman	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mrs L Sedgley	✓	A	A	✓	✓	✓	✓	✓	A	✓	✓
Mrs M Hatch	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr M Hodgson	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mrs M Brown	✓	✓	✓	✓	✓	D					
Mrs C Henson							✓				
Mrs S Simpson								✓	✓	✓	✓
Mrs S Gilligan	✓	D	✓	A	✓	✓	✓	✓	✓	A	✓
Mr P Murphy	✓	D	✓	A	✓	✓	✓	D		✓	✓
Mr J Husain	A	✓	✓	A	✓	D	A	✓	✓	✓	D
Mrs K Quinn	D	D	✓	✓	✓	✓	✓	✓	✓	✓	D
Mrs K Atkinson	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr T McDonald	✓	✓	✓	A	✓	✓	A	✓	D	✓	✓
Miss S Wright	A	✓	✓	A	✓	✓	✓	✓	✓	✓	✓

✓ Attended A Apologies D Deputy attended

Remuneration Committee

The Remuneration Committee comprises solely Non-Executive Directors to determine the appropriate remuneration, allowances and terms and conditions of Executive Directors.

	13 Mar 2024	28 Mar 2024	11 Jul 2024	29 Jul 2024	Sep 2024	Oct 2024	20 Nov 2024	21 Nov 2024	Jan 2025	Feb 2025
Prof G Baldwin	A	A	A	✓	✓	✓	✓	✓	✓	✓
Mrs T Anderson	✓	✓	✓	✓	A	A	✓	✓	A	✓
Mr R Smyth	✓	✓	✓	✓	✓	✓	✓	✓		
Mr K Rehman	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mrs C Randall	✓	✓	A	✓	A	✓	✓	✓	✓	A
Mr S Sarwar	✓	✓	✓	A	✓	✓	✓	✓	✓	✓
Mrs L Sedgley	✓	✓	A	✓	A	✓	✓	✓	✓	✓
Mrs S Brigden									✓	✓
Mrs M Hatch	✓	✓	A	A	A	✓	✓	✓	✓	A

✓ Attended A Apologies D Deputy attended

Audit Committee

The Audit Committee comprises solely Non-Executive Directors and provides assurance to the Board in relation to governance, risk management, the internal control environment, the integrity of the financial statements and the Annual Report and Accounts. The Committee also ensures that the Trust has robust external and internal audit arrangements.

	Apr 2024	Jun 2024	Jul 2024	Oct 2024	Jan 2025	Apr 2025
Mr K Rehman	✓	✓	✓	✓	✓	✓
Prof G Baldwin	A	A	A	✓	✓	✓
Mr R Smyth	✓	✓	✓	✓		
Mrs L Sedgley	✓	✓	A	✓	A	✓

✓ Attended A Apologies D Deputy attended

Finance and Performance Committee

The Finance and Performance Committee provides assurance to the Board on the delivery of the current year's financial plans as well as developing forward financial plans and examining national and local performance.

	Apr 2024	3 Jun 2024	24 Jun 2024	Jul 2024	Aug 2024	Sep 2024	Oct 2024	Nov 2024	Dec 2024	Jan 2025	Feb 2025	Mar 2025
Mrs L Sedgley	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mrs C Randall						A	✓	A	✓	✓	✓	
Mr K Rehman	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Mrs S Bridgen										✓	✓	✓
Mrs T Anderson	A	✓	A	✓	✓	✓	A					
Mrs K Atkinson		✓	✓	A	✓	A	✓	✓	D	✓	✓	✓
Mrs M Brown	✓	✓	✓	✓	✓	A						
Mrs S Gilligan	✓	✓	D	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr M Hodgson	✓	✓	✓	✓	✓	✓	D	✓	✓	D	✓	✓
Mr T McDonald		✓	✓	✓	✓	✓	D	✓	✓	D	✓	✓
Mrs S Simpson								✓	✓	✓	✓	✓

✓ Attended A Apologies D Deputy attended

Quality Committee

The Committee provides assurance to the Board on all aspects of the delivery of safe, personal and effective care, including compliance with the Care Quality Committee standards, and delivery of the Trust's Quality Strategy.

	Apr 2024	May 2024	Jun 2024	Aug 2024	Sep 2024	Oct 2024	Dec 2024	Jan 2025	Feb 2025	Mar 2025
C Randall	✓	✓	✓	✓	A	✓	✓	✓	✓	✓
T Anderson	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
S Bridgen								✓	✓	A
M Hatch	✓	✓	✓	✓	A	✓	✓	✓	✓	✓
J Husain	✓	✓	D	✓	✓	✓	✓	✓	✓	
P Murphy	✓	✓	✓	D	✓	✓	D	D	✓	✓
T McDonald	✓	✓	✓	✓	D	✓	D	D	✓	✓
K Quinn	D	D	D	✓						
R Smyth	✓	✓	✓	✓	✓	✓	✓			

✓ Attended A Apologies D Deputy attended

People and Culture Committee

The Committee provides assurance to the Board on the delivery of the Trust's People Strategy as well as monitoring performance against workforce metrics.

	May 2024	Jul 2024	Sep 2024	Oct 2024	Nov 2024	Dec 2024	Jan 2025	Feb 2025	Mar 2025
Mrs T Anderson	✓	✓	✓	A	A	✓	✓	✓	✓
Mrs M Hatch	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr R Smyth	A	✓	✓	A	A	A			
Mr K Rehman	A	A	A	✓	✓	A	✓	✓	✓
Mrs K Quinn	D	✓	✓	✓	✓	✓	✓	✓	✓
Mr J Hussain	✓	✓	✓	✓	✓	✓	A	✓	✓
Mrs M Brown	A	A	A						
Mrs S Simpson						✓	✓	✓	✓
Mr P Murphy	✓	A	D	D	D	D	D	D	D
Mrs K Atkinson	✓	✓	A	A	A	A	A	✓	A

✓ Attended A Apologies D Deputy attended

Charitable Funds Committee

	June 24	Oct 24	Jan 25
Mrs L Sedgley	✓	✓	✓
Mrs M Brown	✓		
Mrs C Henson		✓	
Mrs S Simpson			✓
Miss S Wright	✓	A	✓
Mrs M Hatch		✓	✓
Mr R Smyth	A	✓	
Mrs S Bridgen			
Mr P Murphy	A	A	A

✓ Attended A Apologies D Deputy attended

The Committee has overarching responsibility for the monitoring and approval of activities relating to charitable fundraising and the uses to which charitable funds are applied, providing assurance to Trust Board members in their role of Trustees of the organisation's Charitable Funds.

Directors' Statements and Register of Interests

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

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

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

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

Each Director is:

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

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

Name and Title	Interest Declared	Date last updated/ 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 to July 2023). • Managing Director of Msingi Research Ltd. (from 01.07.2015) • Member of Prince's Trust Health and Care Advisory Board (until March 2024)	13.11.2024
Martin Hodgson Chief Executive	• Spouse is the Chief Operating Officer at Liverpool University Hospital NHS Foundation Trust.	13.11.2024
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)	13.11.2024
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)	13.11.2024
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	13.11.2024
Sallie Bridgen Non-Executive Director	• Nil declaration	05.03.2025
Sharon Gilligan Chief Operating Officer and Deputy Chief Executive	• Nil declaration	13.11.2024

Name and Title	Interest Declared	Date last updated/ Confirmed
Melissa Hatch Associate Non-Executive Director (01.12.2023)	• Business development professional at Citizens Advice. Responsible for charity income generation.	13.11.2024
Jawad Husain Executive Medical Director and Deputy Chief Executive	• Spouse is a GP in Oldham	13.11.2024
Tony McDonald Executive Director of Integrated Care, Partnerships and Resilience	• Spouse is an employee of Oxford Health NHS Foundation Trust • 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.	13.11.2024
Peter Murphy Chief Nurse	• Spouse works at Liverpool University Foundation Trust.	13.11.2024
Kate Quinn Executive Director of People and Culture	• Director at Lancashire Institute of Technology	13.11.2024
Catherine Randall Non-Executive Director	• Executive Director Derian House Lead for Clinical Services • Independent Chair at Blackburn Church of England • Honorary Professor at the University of Central Lancashire • Spouse is a GP in Blackburn with Darwen	13.11.2024
Khalil Rehman Non-Executive Director	• Director at Salix Homes Ltd (until 1 October 2024) • 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 (until August 2024) • Appointed as NED and Charity Trustee at NHS Charities Together (as of 1 October 2024)	13.11.2024
Liz Sedgley Non-Executive Director	• Self Employed Accountant Liz Sedgley FCCA Accountancy and Management Consultancy • Governor at Nelson and Colne Colleges Group	13.11.2024
Sam Simpson Executive Director of Finance	• Nil Declaration	05.03.2025
Shelley Wright Director of Communications and Engagement	• Post held jointly with Blackpool Teaching Hospitals NHS Foundation Trust (until November 2024)	13.11.2024

Members of the Trust Board who left the Trust during the 2024/25 year

Name and Title	Interest Declared	Date last updated/ Confirmed
Michelle Brown Executive Director of Finance	• Spouse is a paramedic at NWAS • Vice Chair of Governors at St Catherine's RC Primary School, Leyland • Labour Councillor – Clayton West and Cuerden Ward	15.05.2024
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 • 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

3 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)
- Mr Shazad Sarwar
- Mrs Patricia Anderson
- Mrs Sallie Bridgen (from 1 December 2024)
- Mrs Catherine Randall
- Mr Khalil Rehman
- Mrs Elizabeth Sedgley
- Mr Richard Smyth (until 31 December 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 ealier this Annual Report.

The Remuneration Policy of the Trust states that it does not make awards on performance wcriteria. 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 Executive Director and Very Senior Manager Remuneration Policy to ensure that the policy is compliant with the most recent Very Senior Manager Pay Framework.

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	Fron/Started	To/Left	2024/25				2023/24			
			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**	01/04/2024	31/03/2025	250-255	0	70-72.5	325-300	235-240	0	60-62.5	295-300
Executive Director of Finance **Mrs M Brown**	01/04/2024	30/09/2024	90-95	0	0	90-95	165-170	0	0	165-170
Executive Director of Finance **Mrs S Simpson**	01/11/2024	31/03/2025	75-80	0	32.5-35	110-115	0	0	0	0
Interim Executive Director of Finance **Ms C Henson**	01/10/2024	31/10/2024	10-15	0	5-7.5	20-25	0	0	0	0
Executive Director of Communications and Engagement * **Ms S Wright**	01/04/2024	31/03/2025	90-95	0	25-30	115-120	65-70	0	15-17.5	85-90
Executive Medical Director and Joint Deputy Chief Executive ** **Mr J Husain**	01/04/2024	31/03/2025	285-290	0	0	285-290	280-285	0	0	280-285
Chief Nurse **Mr P Murphy**	01/04/2024	31/03/2025	165-170	0	0	165-170	155-160	0	0	155-160

Executive Director of People and Culture **Mrs K Quinn**	01/04/2024	31/03/2025	150-155	0	35-37.5	185-190	140-145	0	32.5-35	175-180
Interim Executive Director of People and Culture **Mr M Ireland**	01/04/2024	30/06/2024	10-15	0	2.5-5	15-20	0	0	0	0
Executive Director of Integrated Care, Partnerships and Resilience **Mr T McDonald** ***	01/04/2024	31/03/2025	85-90	0	42.5-45	130-135	140-145	0	0	140-145
Chief Operating Officer and Joint Deputy Chief Executive **** **Mrs S Gilligan**	01/04/2024	31/03/2025	175-180	0	25-27.5	200-205	165-170	0	0	165-170
Director of Service Development and Improvement **Mrs K Atkinson**	01/04/2024	31/03/2025	145-150	0	12.5-15	155-160	140-145	0	72.5-75	215-220

* 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 total salary, including all pension related benefits, in 2024/25 was £175,000 – £180,000, working as a joint director for the Trust and Blackpool Teaching Hospitals NHS Foundation Trust for the period 01.04.2024 to 30.11.2024

** For the Executive Medical Director / Joint Deputy Chief Executive, their salary includes £135,029 relating to his clinical role. It also includes £10,000 for the additional duties relating to the Joint Deputy Chief Executive role.

*** The remuneration disclosed in the table above represents the Trust's share of the remuneration for the Executive Director of Integrated Care, Partnerships and Resilience holding a position in the Trust. The banding for total salary, including all pension related benefits, in 2024/25 was £225,000 - £230,000, working on secondment to the Integrated Care Board three days per week for the period 01.04.2024 to 30.11.2024.

**** 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.

Post Held	From/Started	To/Left	2024/25				2023/24			
			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**	01/04/2024	31/03/2025	50-55	1,000	0	55-60	55-60	0	0	55-60
Non-Executive Director **Mrs P Anderson**	01/04/2024	31/03/2025	10-15	0	0	10-15	10-15	0	0	10-15
Non-Executive Director **Professor G Baldwin**	01/04/2024	31/03/2025	10-15	0	0	10-15	10-15	0	0	10-15
Non-Executive Director **Mr K Rehman**	01/04/2024	31/03/2025	10-15	0	0	10-15	10-15	0	0	10-15
Non-Executive Director **Mr R Smyth**	01/04/2024	31/12/2024	5-10	0	0	5-10	10-15	0	0	10-15
Non-Executive Director **Mrs E Sedgley**	01/04/2024	31/03/2025	10-15	0	0	10-15	5-10	0	0	5-10
Associate Non-Executive Director **Mrs M Hatch**	01/04/2024	31/03/2025	10-15	500	0	10-15	0-5	0	0	0-5
Non-Executive Director **Mrs C Randall**	01/04/2024	31/03/2025	10-15	0	0	10-15	5-10	0	0	5-10
Non-Executive Director **Mrs S Bridgen**	01/12/2024	31/03/2025	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 2024/25 was £285,000–£290,000 (2023/24: £280,000–£285,000) with the Executive Medical Director also performing a clinical role. This is an increase of 1.77%.

For employees as a whole, the average salary and allowances remuneration in 2024/25 was £46,228 (2023/24: £45,327). 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 1.99%. The relationship to the remuneration of the organisation's workforce is disclosed in the below table.

	2024/25			2023/24		
	25th percentile	Median	75th percentile	25th percentile	Median	75th percentile
Total remuneration	£25,527	£32,659	£46,148	£24,710	£31,529	£45,509
Salary component of total remuneration	£25,155	£32,324	£44,962	£22,816	£28,407	£42,618
Pay ratio informaton	11.3:1	8.8:1	6.2:1	11.4:1	9.0:1	6.2:1

In 2024/25, 10 (2023/24: 5) employees received remuneration in excess of the highest-paid director. Remuneration ranged from £27 to £407,005 (2023/24: £17 – £445,203).

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 2025 (Bands of £5,000)	Lump sum at pension age related to accrued pension at 31 March 2025 (Bands of £5,000)	Cash equivalent transfer value at 31 March 2025 £000	Real increase/ (decrease) in cash equivalent transfer value £000	Cash equivalent transfer value at 31 March 2024 £000
Mr M Hodgson	5–7.5	0–2.5	105–110	270–275	2,504	89	2,234
Mrs M Brown*	0	0	50–55	135–140	0	0	1,250
Mrs S Simpson	2.5–5	2.5–5	70–75	190–195	1,742	94	1,536
Ms C Henson**	2.5-5	5–7.5	45-50	125–130	1,121	83	959
Ms S Wright***	0–2.5	0	10–15	0	203	17	150
Mr T McDonald****	2.5–5	2.5–5	55–60	150–155	1,260	71	1,096
Mrs S Gilligan	0–2.5	0	45–50	115–120	1,063	27	952
Mrs K Atkinson	0–2.5	0	45–50	120–125	1,036	14	940
Mrs K Quinn	2.5–5	0–2.5	30–35	55–60	654	34	564
Mr P Murphy	0–2.5	0	0–5	0	50	0	45
Mr M Ireland*****	0–2.5	0	25–30	60–65	514	12	458

* Since the Executive Director of Finance, Michelle Brown, retired during 2024/25 and is now claiming their pension, the cash equivalent transfer value is not available.

** For the Interim Executive Director of Finance, Charlotte Henson, the real increases shown in the table above, as well as the pension related benefits in the table of salaries and allowances, have been adjusted to reflect the actual period in post from 01.10.2024 to 31.10.2024.

*** For the Joint Executive Director of Communications and Engagement, Shelley Wright, the real increases shown in the table above, as well as the pension related benefits in the table of salaries and allowances, have been adjusted to take account of the joint sharing arrangement with Blackpool Teaching Hospitals NHS Foundation Trust for the period 01.04.2024 to 30.11.2024.

**** For the Executive Director of Integrated Care, Partnerships and Resilience the real increases shown in the table above, as well as the pension related benefits in the table of salaries and allowances, have been adjusted to take account of a secondment to the Integrated Care Board for three days per week for the period 01.04.2024 to 30.11.2024.

***** For the Interim Executive Director of People and Culture, Matthew Ireland, the real increases shown in the table above, as well as the pension related benefits in the table of salaries and allowances, have been adjusted to reflect the actual period in post from 01.04.2024 to 30.06.2024.

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 over 11,000 substantive colleagues (including circa 3,000 in OneLSC, a hosted service providing corporate services to Trusts across Lancashire & South Cumbria). During the course of the year the Trust has worked seen a reduction in registered nursing vacancies, one of the main priorities and resulting in a significant reduction in use of agency nurses across Trust sites.

Given financial pressures, the Trust has introduced a number of measures to control vacancies across the Trust and reduce our headcount. Our overall vacancy rate has increased slightly due to this, to 6.00% in March 2025, compared to 5.39% in March 2023.

Turnover for 2024/25 was 7.56%, compared to 6.00% in 2023/24.

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 2024/25, our agency spend had reduced by over £8.6m, compared to 2023/24 (circa £9.9m, compared to £18.5m).

Sickness

Sickness absence in 2024/25 stood at 6.64% which is 0.58% higher compared to 2023/24 (6.06%) and 0.19% higher compared to 2022/23 (6.45%).

The main two reasons for sickness absence remain anxiety/stress/depression and musculo-skeletal injury, which is consistent in the majority of NHS Trusts. The Trust has a well-established service to support colleagues around these health issues (EASE), which gives access to support and advice within 24 hours of reporting sick and are currently reviewing the output of an external review into mental health support, to ensure that it meets the needs of colleagues.

The Trust has launched a specific programme of work linked to colleague wellbeing, managing absence and supporting temporary staffing spend linked to staff absence. This is specifically focussing on the two main causes, providing bespoke support for areas with higher sickness absence rates. Some specific roles have also been developed within our Occupational Health and Wellbeing Team around ensuring that colleagues with disabilities are supported with reasonable adjustments.

The Trust monitors sickness absence rates through the Workforce Dashboard, 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.

Workforce 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 workforce 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 around inclusive recruitment, to support individuals with disabilities during the recruitment process and whilst in employment with the Trust and work continues around Trust agenda supporting flexible and agile working. The Trust works to ensure colleagues are well supported in their everyday lives, with recent policy developments around supporting Special Guardianship, Neonatal Care and Leave. All our policies are

consistent with our responsibilities under the Equality Act 2010 and are reviewed on a regular basis through our effective partnership working mechanisms.

The Trust has employed a Freedom to Speak Up Guardian team since 2014, who are visible across our sites. 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 is mandatory for all staff to understand how to raise (all colleagues) and respond (managers/leaders) 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, as well as a quarterly data update through the Integrated Performance Report.

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, is now well established, reviewing all cases and providing constructive challenge around timeframes and colleague support. 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.

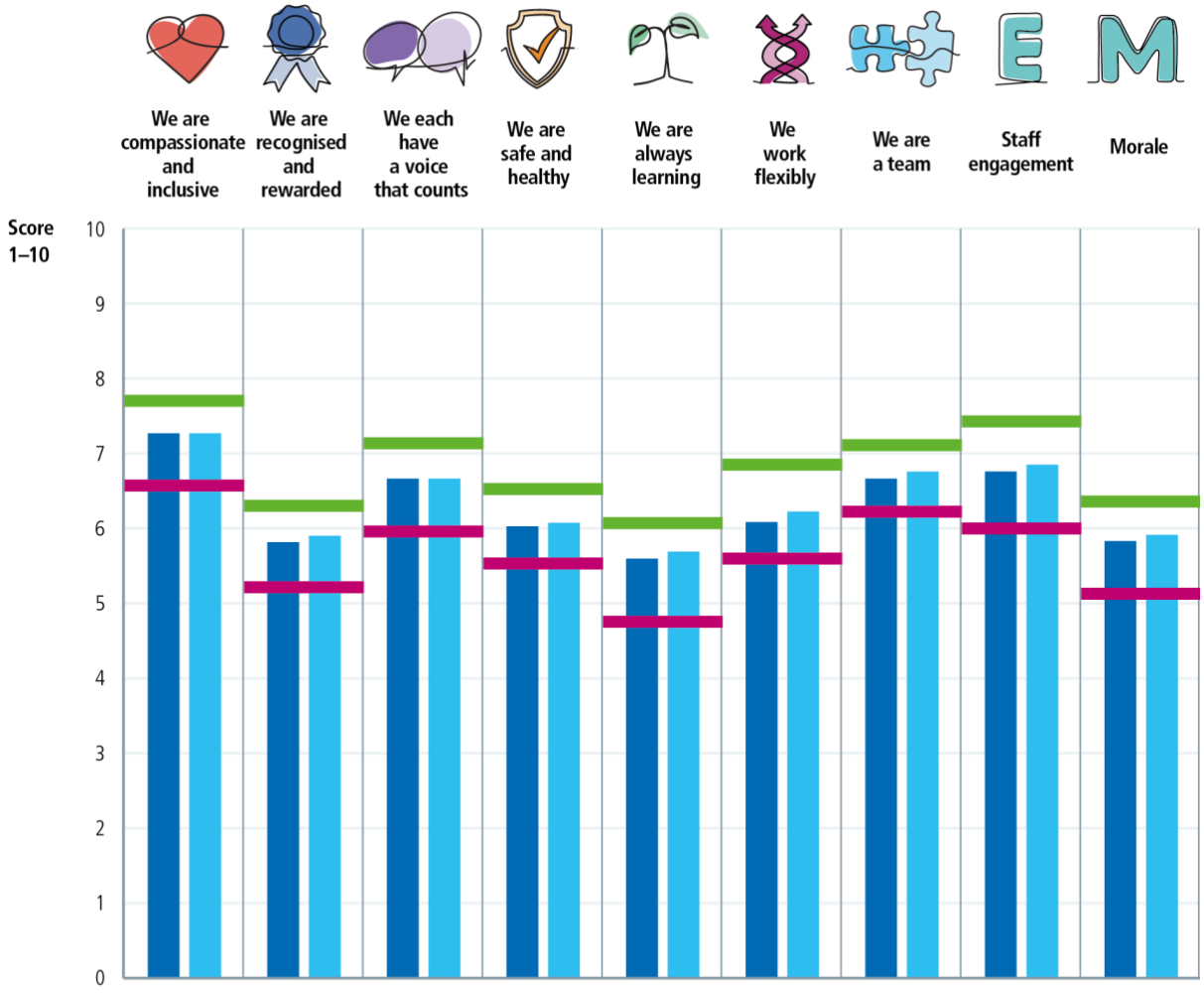
Staff experience indicators

The results of the 2024 staff survey reflected the challenging context of the wider system in Lancashire and South Cumbria. A total of 10,003 staff were eligible to complete the survey in 2024. A total of 4,218 staff returned a completed questionnaire, giving a response rate of 42% which is slightly lower than the 45% response rate for the previous year and 7% lower than the national average of 49% for Acute and Community Trusts in England. Taking a longer-term analysis over the last five years, the response rate has deteriorated for three consecutive years.

The graph below outlines the theme results for the People Promise themes and elements:

People Promise elements and themes : Overview

People Promise elements, themes and sub-scores are scored on a 0–10 scale, where a higher score is more positive than a lower score.



	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 organisation	7.19	5.85	6.67	6.03	5.61	6.10	6.65	6.74	5.85
Best result	7.69	6.30	7.14	6.53	6.09	6.86	7.12	7.39	6.38
Average result	7.21	5.92	6.67	6.09	5.64	6.24	6.74	6.84	5.93
Worst result	6.61	5.24	5.95	5.54	4.76	5.60	6.62	5.98	5.13
Responses	**4,214**	**4,217**	**4,186**	**4,189**	**4,032**	**4,205**	**4,211**	**4,214**	**4,214**

Comparing the results of the nine People Promise themes, six scores deteriorated, while three stayed the same. None improved. The two themes that did not demonstrate significantly lower scores compared to last year are: “We are always learning” and “We are a team”.

People Promise Theme	2024	2023
We are compassionate and inclusive score	7.2	7.3
We are recognised and rewarded score	5.9	6.0
We each have a voice that counts score	6.7	6.8
We are safe and healthy score	6.1	6.1
We are always learning score	5.6	5.6
We work flexibly score	6.2	6.3
We are a team score	6.7	6.7
Staff Engagement score	6.8	6.9
Morale score	5.9	6.0

Improvements were made in respect of appraisal quality, pay satisfaction, perception of staffing levels, and likelihood of reporting harassment or abuse. The survey is a snapshot of staff experience at a point in time. The Trust has been experiencing financial and operational challenges and has undertaken considerable organisational change with the establishment of One LSC. Therefore, the results reflect these experiences and demonstrate what is important to colleagues at this challenging time for the Trust, wider system and NHS.

The results showed some slight improvements in some areas but also deteriorations in colleague experience, particularly in questions relating to advocacy, health, and wellbeing. The experience of staff with a protected characteristic continues to be worse than that of the wider workforce, and staff report feeling less confident to speak up which the Trust is committed to improving.

This summary below shows scores for People Promise themes and compares staff with certain protected characteristics against the organisational average score.

PP Theme	Organisation 2024	Disabled/LTC	Mixed/Multiple ethnic groups, Asian/Asian British,Black/African/ Caribbean/Black British, Other ethnic groups	Gay/Lesbian, Bisexual, Other
Description	n = 4224	n = 1065	n = 878	n = 114
We are compassionate and inclusive	7.2	6.8	7.1	7.1
We are recognised and rewarded	5.9	5.3	5.8	5.9
We have a voice that counts	6.7	6.2	6.7	6.5
We are safe and healthy	6.1	5.4	6.1	5.8
We are always learning	5.6	5.1	6.1	5.6
We work flexibly	6.2	5.6	6.0	6.2
We are a team	6.7	6.3	6.7	6.7
Motivation sub-score	6.9	6.4	7.3	6.5
Involvement sub-score	6.8	6.3	6.9	6.6
Advocacy sub-score	6.5	6.1	6.9	6.4
Staff engagement score	6.8	6.3	7.0	6.5
Morale score	5.9	5.4	5.9	5.8

The Trust is committed to improving employee experience and closing the gap between staff with protected characteristics and the organisational average and has highlighted the experience of staff with a disability or long-term condition as the focus for 2025/26. In addition, the Trust will continue to embed the Anti-Racism work with a focus on career development and to reduce bullying and harassment.

Most improved and declined scores in comparison to 2023:

Most improved scores	Org 2024	Org 2023
Q23a. Received appraisal in the past 12 months	88%	82%
Q11e. Not felt pressure from manager to come to work when not feeling well enough	76%	73%
Q10b. Don't work any additional paid hours per week for this organisation over and above contracted hours	68%	65%
Q9h. Immediate manager cares about my concerns	69%	67%
Q9f. Immediate manager works with me to understand problems	68%	66%
Most declined scores	**Org 2024**	**Org 2023**
Q25c. Would recommend organisation as place to work	58%	63%
Q25d. If friend/relative needed treatment, would be happy with the standard of care provided by organisation	56%	60%
Q11a. Organisation takes positive action on health and wellbeing	58%	61%
Q23d. Appraisal left me feeling organisation values my work	32%	35%
Q3h. Have adequate materials, supplies and equipment to do my work	57%	60%

Top five scores verus bottom scores based on the Picker average:

High levels of employee engagement and satisfaction directly and indirectly influence the quality of patient care and customer satisfaction in our hospitals and clinics. In 2024, 57.7% of respondents would recommend the Trust as a place to work and 55.8% of respondents would recommend it as a place for care or treatment. ELHT will strive to further improve colleague engagement and satisfaction by continuing to embed the People Plan and through a multi-disciplinary team approach to leading cultural change, providing targeted in reach support to teams with high levels of sickness absence and deterioration in staff survey scores, and listening aimed at professions and staff networks. This will be monitored by the Staff Experience Sponsor Group and the People and Culture Committee.

Top five scores v. organiser average	Org	Picker Av.
Q15. Organisation acts fairly: career progression	62%	57%
Q10c. Don't work any additional unpaid hours per week for this organisation over and above contracted hours	56%	51%
Q23a. Received appraisal in the past 12 months	88%	84%
Q7b. Team members often met to discuss the team's effectiveness	65%	61%
Q19d. Feedback given on changes made following errors/near misses/incidents	63%	60%
Bottom five scores v. organiser average	**Org**	**Picker Av.**
Q25d. If friend/relative needed treatment, would be happy with the standard of care provided by organisation	56%	61%
Q23c. Appraisal helped me agree clear objectives for my work	33%	35%
Q2a. Often/always look forward to going to work	51%	54%
Q11d. In the last three months, have not come to work when not feeling well enough to perform duties	42%	45%
Q31b. Disability: organisation made reasonable adjustment(s) to enable me to carry out work	71%	74%

Staff numbers and costs (subject to audit)

Staff costs	2024/25			2023/24
	Permanently employed	Other	Total	Total
	£000s	£000s	£000s	£000s
Salaries and wages	441,706	20,350	462,056	409,095
Social security costs	52,938	0	52,938	50,098
Apprentice Levy	2,181	89	2,270	2,217
NHS Pensions Scheme	53,621	0	53,621	45,416
Pension cost – Employer contributions paid by NHSE on provider's behalf (9.4%) 2023/24 (6.3%)	34,412	0	34,412	19,864
Pension cost – other	127	0	127	114
Termination benefits	102	0	102	0
Temporary staff	0	9,818	9,818	18,585
Total employee benefits	**585,087**	**30,257**	**615,344**	**545,389**
Employee costs capitalised	2,152	0	2,152	2,813
Gross employee benefits excluding capitalised costs	**582,935**	**30,257**	**613,192**	**542,576**

Staff numbers	2024/25			2023/24
	Permanently employed	Other	Total	Total
	Number	Number	Number	Number
Average staff numbers				
Medical and dental	800	319	1,119	1,110
Administration and estates	2,645	129	2,774	2,815
Healthcare assistants and other support staff	1,883	298	2,181	2,112
Nursing, midwifery and health visiting staff	2,990	242	3,232	3,107
Scientific, therapeutic and technical staff	929	23	952	940
Healthcare Science Staff	158	0	158	153
Other	8	0	8	11
Total average staff numbers	**9,413**	**1,011**	**10,424**	**10,249**
Of the above – Staff engaged on capital projects				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 2025, for more than £245 per day and that last longer than six months are:

	Number
Number of existing engagements as of 31 March 2025	0
Of which…	
Number that have existed for less than one year at time of reporting.	0
Number that have existed for between one and two years at time of reporting	0
Number that have existed for between two and three years at time of reporting	0
Number that have existed for between three and four years at time of reporting	0
Number 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 2024 and 31 March 2025, for more than £245 per day and that last for longer than six months:

	Number
Number of new engagements, or those that reached six months in duration, between 1 April 2024 and 31 March 2025	0
Number assessed as caught by IR35	0
Number assessed as not caught by IR35	0
Number engaged directly (via PSC contracted to department) and are on the departmental payroll	0
Number of engagements reassessed for consistency / assurance purposes during the year.	0
Number 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 2024 and 31 March 2025.

Number of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year.	0
Number of individuals that have been deemed "board members, and/or, senior officials with significant financial responsibility", during the financial year. This figure includes both off-payroll and on-payroll engagements.	12

No payments have been made during 2024/25 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 2024/25, there were three exit payments totalling £102,000 consisting of one voluntary redundancy payment for £25,000, one payment of £71,000 for mutually agreed resignation (MARS) contractual costs and one payment of £5,000 following an employment tribunal.

Consultancies

In 2024/25, Trust expenditure on consultancy was £702,000 (2023/24: £134,000).

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
29	27.09

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	6
1–50%	17
51–99%	0
100%	6

Percentage of pay bill spent on facility time

	Figures
Total cost of facility time	£201,382
Total pay bill	£613,229,000
Percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0.03%

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%

Martin A Hodgson (Electronically signed)

Signed: Martin Hodgson, Chief Executive

Date: 2 July 2025

4 Finance Report

Financial review for the year ending 31 March 2025

Financial duties

The Trust reported a £46.6 million adjusted financial performance deficit for the 2024/25 financial year. The Trust initially was planning for a breakeven plan but agreed a revised deficit of £46.6 million, with the target set by NHSE and the System Turnaround Director.

This moves the Trust from a cumulative surplus position of £4.7 million at 31 March 2024 to a £25.7 million cumulative deficit at 31 March 2025. While the cumulative deficit position of -3.1% is outside of 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 2024/25. Despite the Trust being in a cumulative deficit position the Trust has not breached its statutory duty to break even and will only do so if it fails to return to a cumulative surplus position by the 2026/27 financial year or by exception by the 2028/29 financial year, subject to approval by NHSE.

	2024/25	2023/24
Break-even duty – The Trust must deliver a cumulative break-even position (after technical items)	✓	✓
Capital Resource Limit – The Trust must not exceed its resource limit	✓	✓

Where our money comes from

In 2024/25, the Trust received operating income of £831.0 million compared with £773.7 million in the previous year. Most of the Trust's income is received from ICBs, which purchase healthcare on behalf of their local populations, and other NHS bodies, with £783.5 million (94%) of income being generated from patient care activities.

Where our money goes

The Trust's total revenue operating expenditure for 2024/25 was £864.6 million compared with £790.6 million in the previous year. £613.2 million (71%) was spent on staff costs. Throughout the year the Trust employed an average of 10,424 staff, with 9,413 employed on a permanent basis.

At £56.1 million, drugs costs were the next highest area of non-pay expenditure with the Trust also incurring £54.8 million on clinical supplies and services, £33.4 million for premises and £24.3 million for clinical negligence 'insurance' premiums.

Capital Expenditure

The Trust has continued to invest in healthcare facilities in East Lancashire. The Coronary Care Unit was opened at a cost of £3.4m of which £1.0m was incurred in the 2024/25 financial year. The area previously used as Trust Headquarters was converted into clinical space, Ward B3 at RBTH, at a cost of £4.8m and was opened in 2024/25 with £0.9m spent in 2024/25.

Other schemes included the replacement of the catering departments roof and work began on the design fees /tender to remove the ceiling in some office space on the Royal Blackburn site, after RAAC was identified.

£1.0m was received towards net zero improvements investing the £1.0m on LED lighting. The investment in the roll-out of the EPR continued into 2024/25 with £1.5m being spent supporting the ongoing implementation.

In total the Trust invested £45.0 million on new building works, improvements, equipment, and information technology across all its sites; within this £11.5 million is accounted for as PFI lifecycle costs and included £20.6 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 2025, resulting in a £6.5 million reduction in the value of these assets at the end of the financial year. £9.5 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.

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 2024/25, the capital investment made by the Trust matched the limit set by DHSC of £44.1 million.

Better Payment Practice code

Although it is not a financial duty, the Trust aims to meet 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. Due to the deficit and associated reduction in cash flows, the Trust only met the value of NHS invoices paid within 30 days at 95.2% target.

Payments made to non-NHS organisations (value)

	2024/25	2023/24
Total invoices paid (£m)	465.6	458.3
Total invoices paid in target (£m)	413.9	445.8
Percentage achievement	88.9%	97.3%

Finance income

The Trust receives income from the interest earned on the management of its cash balances. Finance income in 2024/25 amounted to £2.0 million, compared with £2.2 million earned in 2023/24.

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 2024/25 accounts at a cost of £141,000.

Financial Outlook for 2025/26

As the Trust has seen over recent years, none more so than in 2024/25, the Trust is facing a significant financial challenge over the coming financial year.

The Trust is working to a breakeven financial plan in 2025/26, which includes a Waste Reduction and Financial Improvement Programme of £60.8 million and receipt of non-recurrent Deficit Support Funding of £43.3 million.

The Trust Board, Senior Leadership team and staff across all sites and services have already risen to the challenge to work through and improve the productivity of services in this financially challenging environment. Working with system partners across Lancashire and South Cumbria, embracing digital opportunities and through increased financial controls and governance.

The Trust will receive a fixed amount for an increased level of elective and outpatient activity. The income and expenditure plans for the year are based on the achievement of 112% of 2019/20 Elective patient activity levels. With urgent and emergency care pathways payments remaining on a block contract, the Trust is seeing the ongoing challenge to meet increased demand with limited resources.

Annual Accounts

The Trust's auditors have issued an unqualified report on these accounts. A full copy of the Annual Accounts 2024/25 can be found at the end of this document.

Quality Report

The Trust has published its Annual Quality Account in line with the 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.

Certificate on summarisation schedules

Trust Accounts Consolidation (TAC) Summarisation Schedules for East Lancashire Hospitals NHS Trust

Summarisation schedules numbers TAC01 to TAC34 and accompanying WGA sheets for 2024/25 have been completed and this certificate accompanies them.

Finance Director Certificate

1. I certify that the attached TAC schedules have been compiled and are in accordance with:
   - the financial records maintained by the NHS trust
   - accounting standards and policies which comply with the *Department of Health and Social Care's Group Accounting Manual* and
   - the template NHS provider accounting policies issued by NHS England, or any deviation from these policies has been fully explained in the Confirmation questions in the TAC schedules.
2. I certify that the TAC schedules are internally consistent and that there are no validation errors.
3. I certify that the information in the TAC schedules is consistent with the financial statements of the NHS Trust.

Samantha Simpson (Electronically signed)
Signed: Sam Simpson, Executive Director of Finance
Date: 2 July 2025

Chief Executive Certificate

1. I acknowledge the accompanying TAC schedules, which have been prepared and certified by the Finance Director, as the TAC schedules which the Trust is required to submit to NHS England.
2. I have reviewed the schedules and agree the statements made by the Director of Finance above.

Martin A Hodgson (Electronically signed)
Signed: Martin Hodgson, Chief Executive
Date: 2 July 2025

Highlights

Our Highlights 2024/25

Maternity services rated amongst best in England

Maternity care at ELHT is considered among the best in England after being rated ‘better than expected’ in a 2024 Care Quality Commission (CQC) survey.

The national questionnaire gathered responses from mothers across the country who gave birth in the delivery suite at Lancashire Women’s and Newborn Centre or midwifery-led units at Rossendale, Blackburn and Burnley in February 2024.

It examined all aspects of maternity services, including antenatal care, care during labour and birth and post-natal care and from almost 19,000 responses nationally, ELHT was highlighted as one of just eight Trusts in England and one of only two in the North West whose results were ‘better than expected’ overall.

Patients praised the Trust for the ability of partners to stay with them as much as they wanted, taking their concerns seriously, and being able to get help from staff when needed.

Theatres lead the way for utilisation

Data released in December revealed that the Trust is top of the country for theatre utilisation.

Getting it right first time (GIRFT), a national NHS England programme designed to improve the treatment and care of patients, set a target to achieve 85% theatre utilisation by 2024/25.

This includes measures to capture the time spent giving clinical care, such as administering anaesthetic and undertaking surgical procedures.

Data from the improvement tool Model Hospital, which benchmarks quality and productivity, showed ELHT has a score of 90.4%, which is testimony to the hard-working theatre teams.

Community services helping more patients than ever be cared for in their own home

More patients than ever are being cared for in their own homes by colleagues at the Trust.

The Trust has a range of teams and services who are working hard to avoid unnecessary hospital admissions by helping patients receive the most appropriate care, in the most appropriate place.

Results are going from strength to strength, including:

- Throughout 2024, community services had 19,563 referrals, 5,107 new patients, 3,558 care home referrals, 40,649 face-to-face visits, 10,059 telephone consultations and 133,944 calls to Intermediate Care Allocation Team who provide a single point of access to health and social care professionals.
- The front door team, based at the emergency and urgent care departments, assessed 1,426 patients with 1,083 discharged home.
- The urgent community response (UCR) team responded to 10,035 patients within two hours – and are currently well about the above the national target of 70% and consistency achieves over 95% compliances.
- The Trust's virtual ward programme has seen a 79.4% virtual ward utilisation. The service, which has accepted 32,010 referrals since its start in October 2022 and allowed for 90.4% of patients remaining in their usual place of residence helps to reduce the pressure on the Trust's inpatient wards and services and freeing up space for others to receive care quicker.

Anti-racism commitment results in award

A commitment to pro-actively tackling racism and encouraging colleagues and patients to speak up against it has resulted in a prestigious award.

The Trust was presented with a certificate for reaching the bronze standard of the anti-racism framework operated by the North West Black, Asian and Minority Ethnic (BAME) Assembly.

The framework encourages organisations to progress from a passive stance of being against racism to one where they actively campaign and call out discrimination, encouraging people to be more assertively anti-racist, with a zero tolerance approach to poor language and behaviours as part of creating an inclusive culture as a whole.

Chairman of the Trust Shazad Sarwar received the honour during the Trust's first anti racist summit, which was the culmination of a two-week programme of events and the launch of a new anti-racism campaign.

The summit heard from leaders on what work is taking place to address health inequalities within local communities, as well as more about the Trust's plan to become a truly inclusive, anti-racist organisation, including work to develop improved reporting mechanisms and support for colleagues.

New Heart Care Unit at Royal Blackburn Teaching Hospital

A new Heart Care Unit opened at Royal Blackburn Teaching Hospital, bringing together the Coronary Care Unit and the Cardiology Ward.

This will help provide a more seamless experience for patients with expert care provided in a single location.

The new cardiology facility is the result of many years of planning and development and includes a 10-bed unit for coronary care and 26 bed cardiac care ward.

Patient experience has been further enhanced with the inclusion of a cardiac assessment unit and ambulatory area.

The Unit was officially opened by local comedian Ted Robbins.

New Spiritual Care Centre at Burnley

A Spiritual Care Centre has been opened at Burnley General Teaching Hospital.

The Spiritual Care Centre at Blackburn Royal Teaching Hospital is well established and well used so the Chaplaincy and Spiritual Care Team, along with the Trust, have strived to provide new and updated facilities at Burnley to meet the spiritual and religious needs of colleagues, patients and their families.

To mark this significant development, a special multi-faith ceremony was held, attended by colleagues and representatives from various faiths featuring an official ribbon cutting and a 'Dedication of the Chapel' service.

State-of-the-art chemotherapy unit at Blackburn Hospital

Local communities came together to raise over £120,000 for a state-of-the-art chemotherapy unit at Royal Blackburn Teaching Hospital.

The newly refurbished “Bluebell Unit” which provides chemotherapy, immunotherapy and supportive treatments to cancer patients was officially opened in September.

The unit is home to the acute oncology team and systemic anti-cancer therapy team, who are based together for the first time, which will improve the support available for patients and team members. It also has dedicated private rooms for patients and their loved ones.

The investment has been made possible thanks to the support of a wide number of community organisations and local residents who raised the money through various fundraising events, including cave dives and tea dances.

New Bereavement Suite providing support to families

A new bereavement suite has opened, providing comfort and support to families experiencing the death of a loved one.

It represents a significant step forward in the Trust's ongoing efforts to improve care in the last days of life and provide excellent bereavement support.

The dedicated space has been made possible through the generous support of the hospital's charity ELHT&Me.

The official opening of the suite was attended by Dr Kathryn Mannix, a renowned palliative medicine expert and author.

Major milestone in aortic aneurysm treatment

The radiology team at Royal Blackburn Teaching Hospital reached a significant milestone by completing their 500th endovascular repair of an aortic aneurysm, a procedure that has significantly improved patient outcomes by reinforcing the aorta and reducing rupture risks.

This landmark achievement underscores the Trust's pioneering role in this life-saving technique, which began in October 1999 with Dr Duncan Gavan, Consultant Interventional Radiologist, performing the first procedure. Dr Gavan also carried out the 500th procedure, marking a full- circle moment in this remarkable journey.

The procedure involves minimal incisions and reduced anaesthetic needs, making it suitable for patients who cannot undergo more invasive surgery. The procedure has evolved from taking over three hours to just 70 minutes, allowing for faster patient recovery and discharge.

This milestone reflects the Trust's commitment to advancing treatments and achieving better quality outcomes for patients.

New cancer diagnostic equipment to support patients

Patients at Royal Blackburn Teaching Hospital will benefit from state-of-the-art cancer diagnostics equipment.

The new addition to the endoscopy unit has been made possible thanks to a generous donation of £250,000 that was raised for the hospital's charity ELHT&Me by Labels for Cares.

In September the Endoscopy team hosted a special thank you event where they showcased the equipment and demonstrated how it supports cancer diagnostics.

This is not the first donation from Labels for Cares, which stands for Cancer Assessment Rapid Early Support. In 2020 their donations supported the introduction of two endoscopy machines at Burnley General Hospital, which have already scanned thousands of patients, providing swift results and utilising the latest technology to improve patient outcomes.

Paralympian support for stroke patients' Olympics

Inspired by the achievements and resilience of those competing at the Paralympics, Marsden Unit at Pendle Community Hospital organised their own Olympics for patients recovering from a stroke.

The 'Marsden Olympics' were a creative way of supporting rehabilitation and included a selection of activities and games.

From discus using paper plates to help co-ordination and core-stability, through to bowls to develop visual scanning and balance, the event was enjoyed by everyone on the ward.

It was used as a way of reminding patients anything is possible and encouraging exercise to support their recovery.

Fresh from his Paralympic Games success, medal winning rower Gregg Stevenson also dropped in to offer encouragement.

Tree of life to support grieving families

A new sculpture has been unveiled at Lancashire Women and Newborn Centre (LWNC) at Burnley General Teaching Hospital to provide comfort and support to families navigating the difficult journey of grief.

Standing at four metres tall, the Tree of Life created by North West sculptor Ruth Moilliet is a stainless steel blossom tree adorned with over 130 blue, lilac and silver blossoms.

It has been made possible thanks to a donation from the Friends of Serenity charity, and families who have lost a baby will be able to have their baby's name engraved on a personalised leaf.

The unveiling of the sculpture marked the conclusion of Baby Loss Awareness Week with the Wave of Light ceremony, an annual global observance honouring the lives of babies lost too soon.

Breast screening information day for people with learning disabilities

The East Lancashire Breast Screening Service hosted an information day specifically aimed at people with learning disabilities.

Working in partnership with the Trust's Learning Disability and Autism Nursing team and Lancashire and South Cumbria Foundation Trust's Adult Disability Services' Health Facilitation team, the event was designed to help gauge how people with learning disabilities who are due their breast screening in the coming months, would respond to the current invite process.

Attendees also had the opportunity to ask the mammographer any questions about the screening process and were offered to have their breast screening done on the day if they wished.

Maternity discharge videos will transform new parents' experiences

A raft of new videos designed to provide crucial information to new parents in an accessible format has now been launched.

The videos are a digital version of the essential information given to parents on discharge, including safe sleeping, taking care of wounds and infant feeding. They are designed to be watched back again at any time of day – or night – when new parents might need the information the most.

Funded by Electricity North West, they have been translated into the eight most-used languages in the communities that ELHT serves.

Call for Concern – Patient wellness questionnaire launched

The Trust has launched the next phase of the Call for Concern initiative, also known as Martha's Rule, to provide additional support and reassurance for patients and their families.

A patient wellness questionnaire has been introduced where ward nurses ask patients or their advocates simple daily questions: "How are you feeling today?" and "How are you feeling compared to last time we asked you?".

Patients score each question from 1–5 and their responses will be compared to the previous day's scores to catch any clinical deteriorations at the earliest opportunity.

Martha's Rule is a patient safety initiative that empowers patients, families and carers to request a rapid review from a critical care outreach team if they have concerns about a patient's deteriorating condition.

A Call for Concern hotline was set up last year as a first step and the patient wellness questionnaire will build on this improvement activity.

Maternity Support Worker Keelie receives prestigious midwifery award

Keelie Barrett, a Maternity Support Worker (MSW) from Burnley, has been honoured with a Chief Midwifery Officer (CMidO) Award for her outstanding contributions to maternity care.

The CMidO Award recognises exceptional individuals within the maternity workforce who have made a significant impact on maternity care and services.

Keelie, who has worked at the Trust since 2009 as a maternity support worker prior to becoming an MSW Clinical Educator in November 2023, has excelled in her role, particularly through her leadership and training of other maternity support workers across the Trust.

This was recognised in Keelie's nomination for the CMidO Award by her colleagues, along with her dedication to recruitment development and the Maternity Apprenticeship Programme where she has played a pivotal role in both recruiting and supporting new colleagues.

King Charles awards Dr Newport with humanitarian medal

Consultant in Anaesthetics and Prehospital Emergency Medicine, Dr Matthew Newport has been awarded a Humanitarian Medal by King Charles.

Dr Newport, who works at the Royal Blackburn Teaching Hospital, has deployed to Gaza five times over the past 12 months as part of the Government's humanitarian response to the Israel/ Gaza crisis.

During his time there, he worked alongside multinational health professionals to build and operate a tented field hospital on the Southern coast of Gaza that sees upwards of 500 patients a day. The field hospital received regular mass casualty events alongside a constant stream of trauma and medical cases, including many children.

Dr Newport was one of 14 frontline medical responders to attend a ceremony at Buckingham Palace to receive the medal which was first introduced in 2023 to recognise the service of people who work to support human welfare during or in the aftermath of a crisis.

Appendices

Appendix 1
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.

Appendix 2

East Lancashire Hospitals NHS Trust
Financial Statements
Year ended 31 March 2025

Foreword to the accounts

These accounts for the year ended 31 March 2025 have been prepared by the East Lancashire Hospitals NHS Trust in accordance with schedule 15 of the National Health Service Act 2006

Contents

Statement of Comprehensive Income

	Note	2024-25 £000s	2023-24 £000s
Operating income from patient care activities	2	**782,026**	731,468
Other operating income	3	**47,412**	42,223
Operating expenses	4	**(863,529)**	(790,574)
Operating (deficit)		**(34,091)**	(16,883)
Finance costs			
Finance income		**1,993**	2,235
Finance expenses	9	**(13,289)**	(49,659)
Public dividend capital dividends payable		**(169)**	(933)
Net finance costs		**(11,465)**	(48,357)
Other gains / (losses)		**67**	(4)
(Deficit) for the financial year		**(45,489)**	(65,244)
Other comprehensive income			
Amounts that will not be reclassified subsequently to income and expenditure:			
Impairments		**0**	(1,056)
Revaluations		**2,963**	2,637
Total other comprehensive income for the year		**2,963**	1,581
Total comprehensive (expense) for the year		**(42,526)**	(63,663)

Statement of Financial Position

	Note	31 March 2025 £000s	31 March 2024 £000s
Non-current assets			
Intangible assets	10	**19,168**	25,257
Property, plant and equipment	11	**266,094**	263,632
Right of use assets	12	**31,946**	19,060
Receivables		**699**	675
Total non-current assets		**317,907**	308,624
Current assets			
Inventories	13	**11,310**	9,969
Receivables	14	**36,498**	41,140
Non-current assets held for sale		**0**	475
Cash and cash equivalents	15	**16,786**	11,575
Total current assets		**64,594**	63,159
Current liabilities			
Trade and other payables	16	**(77,870)**	(68,103)
Borrowings	17	**(19,536)**	(19,086)
Provisions		**(566)**	(609)
Other liabilities	18	**(13,693)**	(1,522)
Total current liabilities		**(111,665)**	(89,320)
Total assets less current liabilities		**270,836**	282,463
Non-current liabilities			
Borrowings	17	**(240,942)**	(233,047)
Provisions		**(2,873)**	(2,912)
Total non-current liabilities		**(243,815)**	(235,959)
Total assets employed		**27,021**	46,504
Financed by:			
Taxpayers' equity			
Public dividend capital		**332,933**	309,890
Revaluation reserve		**21,711**	19,225
Income and expenditure reserve		**(327,623)**	(282,611)
Total taxpayers' equity		**27,021**	46,504

The notes on pages 5 to 30 form part of these accounts.

The financial statements on pages 1 to 4 and accompanying notes were approved by the Audit Committee on 1st July 2025 and were signed and authorised for issue on its behalf by:

Chief Executive: *Martin A. Hodgson (signed electronically)* 2nd July 2025

Martin Hodgson

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2025

	Note	Public dividend capital £000s	Revaluation reserve £000s	Income and expenditure reserve £000s	Total reserves £000s
Taxpayers' equity at 1 April 2024		**309,890**	**19,225**	**(282,611)**	**46,504**
Deficit for the year		**0**	**0**	**(45,489)**	**(45,489)**
Revaluations		**0**	**2,963**	**0**	**2,963**
Public dividend capital received		**23,043**	**0**	**0**	**23,043**
Other reserves movements		**0**	**(477)**	**477**	**0**
Taxpayers' equity at 31 March 2025		**332,933**	**21,711**	**(327,623)**	**27,021**

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)
Taxpayers' equity at 31 March 2024		309,890	19,225	(282,611)	46,504

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	2024-25 £000s	2023-24 £000s
Cash flows from operating activities			
Operating surplus/(deficit)		**(34,091)**	(16,883)
Depreciation and amortisation	4	**24,129**	22,831
Impairments and reversals		**14,568**	19,385
Income recognised in respect of capital donations		**(434)**	(173)
(Increase) in inventories		**(1,341)**	(759)
(Increase)/decrease in receivables		**(402)**	11,976
Increase/(decrease) in trade and other payables		**10,434**	(23,797)
Increase/(decrease) in other liabilities		**12,171**	(5,875)
(Decrease) in provisions		**(144)**	(511)
Net cash generated from operations		**24,890**	6,194
Cash flows from investing activities			
Interest received		**1,947**	2,051
Purchase of intangible assets		**(3,362)**	(7,557)
Purchase of property, plant and equipment		**(21,496)**	(34,926)
Receipt of cash donations to purchase capital assets		**52**	0
Proceeds from sales of property, plant and equipment		**545**	9
Net cash (used in) investing activities		**(22,314)**	(40,423)
Cash flows from financing activities			
Public dividend capital received		**23,043**	48,826
Public dividend capital repaid		**0**	(17,576)
Movement in loans from the DHSC		**(200)**	(200)
Capital element of lease liability repayments		**(7,474)**	(5,927)
Capital element of PFI payments		**(11,123)**	(12,276)
Interest paid		**(6,677)**	(6,461)
PDC dividend paid		**5,066**	(5,464)
Net cash generated from financing activities		**2,635**	922
(Decrease) in cash and cash equivalents		**5,211**	(33,307)
Cash and cash equivalents at 1 April		**11,575**	44,882
Cash and cash equivalents at 31 March		**16,786**	11,575

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 2024-25 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. A full valuation of land and buildings has been carried out as at 31 March 2025 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. The main area of estimation uncertainty relates the £223.5m of buildings assessed to be of a specialised nature. These assets are valued primarily by using the Depreciated Replacement Cost approach which estimaes the current cost of replacing an asset with its modern equivalent less deductions for physical deterioration and all relevant forms of obsolescence and optimisation, and not a building of identical design, with the same service potential as the existing asset.

Private Finance Initiative (PFI) - unitary payment

PFI annual contract payments are apportioned between the lease element, which includes the repayment of the liability and the finance cost, the charge for services and and lifecycle replacement of component assets. The main area of estimation uncertainty relates to the valuation of the PFI lease liabilty, which is estimanted based on the present value of the lease payments over the remaining life of the PFI schemes, details of which are disclosed in the PFI schemes note.

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 using actuarial forecasting based on historic claim data, trends in claim fequency and severity, as well as legal and policy changes.

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 considered it appropriate to adopt 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. Under this approach it is assumed that the Trust would operate from a single site that was geographically adventatious to the delivery of services to patients across East Lancashire.

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). 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. 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.

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 BPT 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. 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.

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 controlled by the Trust. They are capable of being sold separately from the rest of the Trust's business or arise from contractual or other legal rights. Intangible assets 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 where it meets recognition criteria.

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 depreciated historic cost which is considered to be a reasonable approximation to determine current value in existing use due to their relatively short useful asset lives.

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 Years	Max life Years
Buildings	44	71
Plant & machinery	5	25
Information technology	5	10
Other property, plant and equipment	3	25

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 were applied to PFI, LIFT and other service concession arrangement liabilities in these financial statements from 1 April 2023. The change in measurement basis were 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.

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 4.72% applied to new leases commencing in 2024 and 4.81% to new leases commencing in 2025.

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.

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.

Between 2020-21 and 2023-24 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. Distribution of inventories by the Department ceased in March 2024

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 2.40% in real terms (prior year: 2.45%).

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 Consolidation

Joint operations

Joint operations are arrangements in which the Trust has joint control with one or more other parties and has the rights to the assets, and obligations for the liabilities, relating to the arrangement. The Trust includes within its financial statements its share of the assets, liabilities, income and expenses.

In 2024-25, One LSC was established to provide central services, including financial services, to NHS provider organisations in Lancashire and South Cumbria, hosted by the Trust which has been determined to be a joint operation. This involved staff transferring to the Trust from these provider organisations on 1 November, although these staff are currently continuing to work solely for the Trust from which they have transferred.

1.22 Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been adopted early in 2024-25.

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

The DHSC GAM does not require the following IFRS Standards to be applied in 2024/25:

IFRS 17 Insurance Contracts – The Standard is effective for accounting periods beginning on or after 1 January 2023. IFRS 17 has been adopted by the FReM from 1 April 2025. Adoption of the Standard for NHS bodies will therefore be in 2025/26. The Standard revises the accounting for insurance contracts for the issuers of insurance. Application of this standard from 2025/26 is not expected to have a material impact on the financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements - The Standard is effective for accounting periods beginning on or after 1 January 2027. The Standard is not yet UK endorsed and not yet adopted by the FReM. Early adoption is not permitted. The expected impact of applying the standard in future periods has not yet been assessed.

IFRS 19 Subsidiaries without Public Accountability: Disclosures - The Standard is effective for accounting periods beginning on or after 1 January 2027. The Standard is not yet UK endorsed and not yet adopted by the FReM. Early adoption is not permitted. The expected impact of applying the standard in future periods has not yet been assessed.

Separately, following a thematic review of non-current asset valuations for financial reporting in the public sector, HM Treasury has made a number of changes to valuation frequency, valuation methodology and classification which are effective in the public sector from 1 April 2025 with a 5 year transition period. NHS bodies are adopting these changes to an alternative timeline.

Changes to subsequent measurement of intangible assets and PPE classification / terminology to be implemented for NHS bodies from 1 April 2025:
- Withdrawal of the revaluation model for intangible assets. Carrying values of existing intangible assets measured under a previous revaluation will be taken forward as deemed historic cost.
- Removal of the distinction between specialised and non-specialised assets held for their service potential. Assets will be classified according to whether they are held for their operational capacity.

These changes are not expected to have a material impact on these financial statements.

Changes to valuation cycles and methodology to be implemented for NHS bodies in later periods:
- A mandated quinquennial revaluation frequency (or rolling programme) supplemented by annual indexation in the intervening years
- Removal of the alternative site assumption for buildings valued at depreciated replacement cost on a modern equivalent asset basis. The approach for land has not yet been finalised by HM Treasury

The impact of applying these changes in future periods has not yet been assessed. PPE and right of use assets currently subject to revaluation have a total book value of £231.4m as at 31 March 2025. Assets valued on an alternative site basis have a total book value of £230.9m at 31 March 2025.

2.1 Income from patient care activities (by nature)

	2024-25	2023-24
	£000s	£000s
Acute services		
Income from commissioners under API contracts - variable element*	**167,538**	158,833
Income from commissioners under API contracts - fixed element*	**401,334**	354,748
High cost drugs income from commissioners	**44,026**	46,753
Other NHS clinical income	**407**	392
Mental health services		
Other clinical income from mandatory services	**3,139**	9,555
Community services		
Income from commissioners under API contracts*	**67,199**	56,735
All trusts		
Additional pension contribution central funding **	**32,889**	19,864
Other clinical income	**65,494**	84,588
Total income from patient care activities	**782,026**	731,468

* 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/).

** Increases to the employer contribution rate for NHS pensions since 1 April 2019 have been funded by NHS England. NHS providers continue to pay at the former rate of 14.3% with the additional amount being paid over by NHS England on providers' behalf. The full cost of employer contributions (23.7%, 2023-24: 20.6%) and related NHS England funding (9.4%, 2023-24: 6.3%) have been recognised in these accounts.

2.2 Income from patient care activities (by source)

	2024-25	2023-24
	£000s	£000s
NHS England	**69,653**	89,094
Integrated care boards	**709,036**	630,493
Other NHS bodies	**2,377**	1,889
Overseas patients (non-reciprocal)	**892**	391
Other	**68**	9,601
Total income from patient care activities	**782,026**	731,468

All income from patient care activities relates to contract income.

2.3 Overseas visitors (relating to patients charged directly by the provider)

	2024-25	2023-24
	£000	£000
Income recognised this year	**892**	391
Cash payments received in-year	**53**	103
Amounts added to provision for impairment of receivables	**662**	168
Amounts written off in-year	**0**	0

3. Other operating income

	2024-25	2023-24
	£000s	£000s
Education and training	**24,298**	25,712
Non-patient care services to other bodies	**5,341**	5,913
PFI support income	**9,093**	0
Other contract operating income	**7,006**	9,203
Non-contract operating income	**1,674**	1,395
Total other operating income	**47,412**	42,223
Total operating income	**829,438**	773,691

4. Operating expenses

	2024-25	2023-24
	£000s	£000s
Purchase of healthcare from non-NHS and non-DHSC bodies	**4,124**	7,306
Staff and executive directors costs - *refer to note 8.1 for further detail*	**611,669**	542,576
Supplies and services - clinical	**54,755**	50,770
Supplies and services - general	**8,702**	8,909
Drugs costs	**56,131**	55,336
Establishment	**6,506**	7,830
Business rates paid to local authorities	**4,508**	3,611
Premises - other	**28,930**	28,463
Depreciation on property, plant and equipment	**19,769**	18,343
Amortisation on intangible assets	**4,360**	4,488
Net impairments	**14,568**	19,385
Clinical negligence premium	**24,324**	22,369
Education and training	**5,832**	6,394
PFI charges to operating expenditure	**3,168**	2,148
Car parking and security	**2,647**	3,070
Other services (e.g. external payroll)	**4,492**	4,034
Other operating expenses	**9,044**	5,542
Total operating expenses	**863,529**	790,574

Other operating expenses include £1.5m for transport services (2023-24: £1.8m), £0.7m for consultancy services (2023-24: £0.1m) and £0.2m for internal audit services (2023-24: £0.1m).

5. Impairment of assets

	2024-25	2023-24
	£000s	£000s
Net impairments charged to operating surplus / deficit resulting from:		
Changes in market price	**9,455**	13,496
Other impairments	**5,113**	5,889
Total net impairments charged to operating surplus / deficit	**14,568**	19,385
Impairments charged to the revaluation reserve	**0**	1,056
Total net impairments	**14,568**	20,441

Other impairments relate to intangible assets with £1.8m resulting from costs incurred as part of the continued instalation of the Trust's electronic patient record system. Impairments relating to changes in market price are the result of 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 £169,000, inclusive of VAT, (2023-24: £141,000) £28,000 of which related to additional fees charged for the 2023-24 statutory audit. Other auditor remuneration in 2024-25 was nil (2023-24: nil).

There is no limitation on the auditor's liability for external audit work (2023-24: nil).

7. Better Payment Practice code

	2024-25		2023-24	
	Number	**£000s**	Number	£000s
Non-NHS payables				
Total non-NHS trade invoices paid in the year	**85,889**	**465,632**	85,664	458,287
Total non-NHS trade invoices paid within target	**60,712**	**413,938**	78,155	445,792
Percentage of non-NHS invoices paid within target	**70.7%**	**88.9%**	91.2%	97.3%
NHS payables				
Total NHS trade invoices paid in the year	**2,397**	**43,310**	1,985	42,210
Total NHS trade invoices paid within target	**1,919**	**41,239**	1,887	41,514
Percentage of NHS invoices paid within target	**80.1%**	**95.2%**	95.1%	98.4%

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

8.1 Employee benefits

	2024-25	2023-24
	£000s	£000s
Salaries and wages	**465,636**	409,095
Social security costs	**51,635**	50,098
Employer contributions to NHS Pensions	**51,352**	45,416
Employer contributions to NHS Pensions paid by NHSE on behalf of Trust	**32,889**	19,864
Other costs	**2,491**	2,331
Temporary agency staff	**9,818**	18,585
Total staff costs	**613,821**	545,389
Employee costs capitalised	**2,152**	2,813
Total staff costs excluding capitalised costs	**611,669**	542,576

8.2 Retirements due to ill-health

During 2024-25 there were 12 early retirements from the Trust agreed on the grounds of ill-health (2023-24: 9 early retirements). The estimated additional pension liabilities of these ill-health retirements is £0.9m (2023-24: £0.7m). 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 2025-26 financial year are £57.9m. 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 2025, is based on valuation data as 31 March 2023, updated to 31 March 2025 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 thestatement by the actuary, which forms part of the annual NHS Pension Scheme Annual Report and 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 (considering recent demographic experience), and to recommend the contribution rate payable by 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 1 April 2024 to 23.7% of pensionable pay (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.

The 2024 actuarial valuation is currently being prepared and will be published before new contribution rates are implemented from April 2027

9. Finance expenses

	2024-25	2023-24
	£000s	£000s
Interest expenses		
Main finance costs on PFI obligations	**5,979**	5,982
Remeasurement of the PFI liability resulting from change in index or rate	**6,550**	43,155
Other interest expenses	**698**	478
Total interest expenses	**13,227**	49,615
Provisions - unwinding of discount	**62**	44
Total finance expenses	**13,289**	49,659

10. Intangible assets

	2024-25			Restated * 2023-24
	Software licences	**Assets under construction**	**Total**	Total
	£000s	**£000s**	**£000s**	£000s
Gross cost at 1 April	**33,883**	**3,207**	**37,090**	49,172
Prior period adjustment	0	0	**0**	(7,016)
Gross cost at 1 April (restated)	**33,883**	**3,207**	**37,090**	42,156
Impairments charged to operating expenses	(2,549)	(2,564)	**(5,113)**	(5,889)
Additions - purchased	3,384	0	**3,384**	4,758
Reclassifications	0	0	**0**	(106)
Disposals/derecognition	(4,993)	0	**(4,993)**	(3,829)
Gross cost at 31 March	**29,725**	**643**	**30,368**	**37,090**
Amortisation at 1 April	**11,833**	**0**	**11,833**	18,190
Prior period adjustment	0	0	**0**	(7,016)
Amortisation at 1 April (restated)	**11,833**	**0**	**11,833**	11,174
Charged during the year	4,360	0	**4,360**	4,488
Disposals/derecognition	(4,993)	0	**(4,993)**	(3,829)
Amortisation at 31 March	**11,200**	**0**	**11,200**	**11,833**
Net book value as at 31 March	**18,525**	**643**	**19,168**	25,257

* Comparatives have been restated to include £3.8m of disposals in the previous financial year relating to intangible assets that had been fully amortised and a further £7.0m of such assets which were disposed of prior to 1 April 2023.This represents a prior period error in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, as the assets should have been removed from the property, plant and equipment in the period of disposal. Since there is no effect of the prior period adjustment, which relates in full to software licences, on the Statement of Financial Position, a third balance sheet is not required.

11.1 Property, plant and equipment valuation information

For 2024-25, Cushman & Wakefield, the Trust's external valuer, has provided a full valuation of land and buildings as at 31 March 2025 on an alternative site valuation basis which has resulted in a 5.9% increase in their value compared to the previous year.

11.2 Property, plant and equipment (2024-25)

2024-25	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 2024	**7,809**	**210,827**	**14,738**	**33,866**	**15,847**	**5,076**	**288,163**
Additions	0	11,849	6,553	1,638	369	611	**21,020**
Reclassifications	0	12,903	(14,024)	22	860	239	**0**
Disposals / derecognition	0	(3)	0	(3,010)	(1,099)	(559)	**(4,671)**
Revaluation gains charged to the revaluation reserve	15	2,948	0	0	0	0	**2,963**
Impairments charged to operating expenses	(384)	(12,965)	0	0	0	0	**(13,349)**
Reversal of impairments credited to operating expenses	40	3,854	0	0	0	0	**3,894**
Reversal of accumulated depreciation on revaluation	0	(5,462)	0	0	0	0	**(5,462)**
At 31 March 2025	**7,480**	**223,951**	**7,267**	**32,516**	**15,977**	**5,367**	**292,558**
Depreciation							
At 1 April 2024	**0**	**0**	**0**	**15,881**	**6,535**	**2,115**	**24,531**
Disposals / derecognition	0	(3)	0	(3,010)	(1,099)	(556)	**(4,668)**
Provided during the year	0	5,465	0	3,610	2,397	591	**12,063**
Reversal of accumulated depreciation on revaluation	0	(5,462)	0	0	0	0	**(5,462)**
At 31 March 2025	**0**	**0**	**0**	**16,481**	**7,833**	**2,150**	**26,464**
Net book value at 31 March 2025	**7,480**	**223,951**	**7,267**	**16,035**	**8,144**	**3,217**	**266,094**
Asset financing:							
Owned	7,480	131,412	7,267	14,512	4,640	3,213	**168,524**
Donated	0	22	0	1,520	0	4	**1,546**
On-SoFP PFI contracts	0	92,517	0	3	3,504	0	**96,024**
Total at 31 March 2025	**7,480**	**223,951**	**7,267**	**16,035**	**8,144**	**3,217**	**266,094**

11.3 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**
Prior period adjustment	0	0	0	(30,052)	(14,112)	(8,081)	**(52,245)**
At 1 April 2023 - restated	**7,621**	**205,809**	**13,849**	**35,190**	**14,705**	**5,345**	**282,519**
Additions	0	10,164	15,069	793	938	331	**27,295**
Reclassifications	0	12,258	(14,180)	0	2,028	0	**106**
Disposals / derecognition - restated *	0	0	0	(2,117)	(1,824)	(600)	**(4,541)**
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**	**33,866**	**15,847**	**5,076**	**288,163**
Depreciation							
At 1 April 2023	**0**	**0**	**0**	**44,028**	**20,280**	**10,133**	**74,441**
Prior period adjustment	0	0	0	(30,052)	(14,112)	(8,081)	**(52,245)**
At 1 April 2023 - restated	**0**	**0**	**0**	**13,976**	**6,168**	**2,052**	**22,196**
Disposals / derecognition - restated *	0	0	0	(2,100)	(1,824)	(600)	**(4,524)**
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**	**15,881**	**6,535**	**2,115**	**24,531**
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**

* Comparatives have been restated to include £4.2m of disposals in the previous financial year relating to items of property, plant and equipment that had been fully depreciated. As a result, disposals have increased by £1.9m for plant and machinery, by £1.8m for information technology assets and by £0.5m for other items of property, plant and equipment. Comparatives have been also been restated for a further £52.2m of fully depreciated assets which were disposed of prior to 1 April 2023. This represents a prior period error in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, as the assets should have been removed from the property, plant and equipment in the period of disposal. Since there is no effect of the prior period adjustment on the Statement of Financial Position, a third balance sheet is not required.

12.1 Right of use assets (2024-25)

2024-25	Property £000s	Plant & machinery £000s	Vehicles £000s	Total £000s
Cost or valuation				
At 1 April 2024	**24,873**	**6,327**	**102**	**31,302**
Additions	18,699	973	458	20,130
Remeasurements of the lease liability	462	0	0	462
At 31 March 2025	**44,034**	**7,300**	**560**	**51,894**
Depreciation				
At 1 April 2024	**9,978**	**2,254**	**10**	**12,242**
Provided during the year	6,205	1,414	87	**7,706**
At 31 March 2025	**16,183**	**3,668**	**97**	**19,948**
Net book value at 31 March 2025	**27,851**	**3,632**	**463**	**31,946**

12.2 Right of use assets (2023-24)

2023-24	Property £000s	Plant & machinery £000s	Vehicles £000s	Total £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**

12.3 Maturity analysis of future lease payments

	Total 31 March 2025 £000s	Total 31 March 2024 £000s
Undiscounted future lease payments payable in:		
- not later than one year;	**7,890**	6,708
- later than one year and not later than five years;	**24,798**	10,365
- later than five years.	**3,651**	4,258
Total gross future lease payments	**36,339**	21,331
Finance charges allocated to future periods	**(3,906)**	(2,016)
Net lease liabilities at 31 March 2023	**32,433**	19,315

In total, £21.0m (2023-24: £7.3m) of future lease payments relate to DHSC group bodies.

13. Inventories

	31 March 2025	31 March 2024
	£000s	£000s
Drugs	**3,076**	2,186
Consumables	**8,079**	7,405
Energy	**155**	378
Total	**11,310**	9,969

Inventories recognised in expenses for the year were £74.4m (2023-24: £69.4m).

14. Receivables

	31 March 2025	31 March 2024
	£000s	£000s
Contract receivables	**28,630**	29,511
Allowance for impaired contract receivables	**(3,444)**	(3,487)
Prepayments	**4,738**	3,656
VAT receivable	**2,446**	2,503
PDC dividend receivable	**0**	5,066
Other receivables	**4,128**	3,891
Total - current	**36,498**	41,140

In total, £17.5m of current receivables are receivable from NHS and DHSC group bodies (31 March 2024: £24.0m).

15. Cash and cash equivalents

As at 31 March 2025, cash and cash equivalents of £16.8m (31 March 2024: £11.6m) 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 2024: less than £0.1m).

16. Trade and other payables - current

	31 March 2025	31 March 2024
	£000s	£000s
Trade payables	**17,794**	12,353
Capital payables (including capital accruals)	**6,418**	7,254
Accruals	**31,123**	28,787
Annual leave accrual	**2,765**	0
Social security costs	**5,329**	5,751
Other taxes payable	**6,055**	6,407
Pension contributions payable	**6,925**	6,317
Other payables	**1,461**	1,234
Total	**77,870**	68,103

In total, £9.1m of current trade and other payables are payable to NHS and DHSC group bodies (31 March 2024 £5.8m).

17.1 Borrowings

	Current		Non-current	
	31 March 2025	31 March 2024	**31 March 2025**	31 March 2024
	£000s	£000s	**£000s**	£000s
DHSC loans	**0**	200	**0**	0
Obligations under PFI contracts	**12,739**	12,586	**215,306**	220,032
Lease Liabilities	**6,797**	6,300	**25,636**	13,015
Total	**19,536**	19,086	**240,942**	233,047

17.2 Reconciliation of liabilities arising from financing activities (2024-25)

	DHSC loans	Lease liabilities	PFI schemes	Total
	£000s	**£000s**	**£000s**	**£000s**
Carrying value at 1 April 2024	**200**	**19,315**	**232,618**	**252,133**
Cash movements:				
Financing cash flows - principal	**(200)**	**(7,474)**	**(11,123)**	**(18,797)**
Financing cash flows - interest	**(2)**	**(695)**	**(5,979)**	**(6,676)**
Non-cash movements:				
Additions	**0**	**20,130**	**0**	**20,130**
Lease liability remeasurements	**0**	**462**	**0**	**462**
Remeasurement of PFI liability resulting from change in index or rate	**0**	**0**	**6,550**	**6,550**
Interest charge arising in year	**2**	**695**	**5,979**	**6,676**
Carrying value at 31 March 2025	**0**	**32,433**	**228,045**	**260,478**

17.3 Reconciliation of liabilities arising from financing activities (2023-24)

	DHSC loans	Lease liabilities	PFI schemes	Total
		£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**

18. Other liabilities

Other liabilities consists entirely of deferred income. At 31 March 2025, other liabilities include £8.2m of funding to cover the impact on the Trust's financial performance of the application of IFRS 16 liability measurement principles to its PFI liabilities in 2025-26 (31 March 2024: nil).

19. Clinical negligence liabilities

At 31 March 2025, £292.7m was included in provisions of NHS Resolution in respect of clinical negligence liabilities relating to the Trust (31 March 2024: £295.2m).

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 2025	31 March 2024
	£000s	£000s
Gross PFI obligations of which are due	**274,390**	282,846
- not later than one year	**18,301**	18,258
- later than one year and not later than five years	**80,145**	73,031
- later than five years	**175,944**	191,557
Finance charges allocated to future periods	**(46,345)**	(50,228)
Net PFI obligations of which are due	**228,045**	232,618
- not later than one year	**12,739**	12,586
- later than one year and not later than five years	**61,428**	53,608
- later than five years	**153,878**	166,424

20.3 Total on-SoFP PFI arrangement commitments

	31 March 2025	31 March 2024
	£000s	£000s
Total future payments committed in respect of PFI arrangements	**451,678**	460,210
- not later than one year	**30,713**	29,356
- later than one year and not later than five years	**122,852**	117,422
- later than five years	**298,113**	313,432

20.4 Analysis of amounts payable to PFI operator

	2024-25	2023-24
	£000s	£000s
Unitary payment payable to PFI operator	**30,714**	29,356
Consisting of:		
- Interest charge	**5,979**	5,982
- Repayment of balance sheet obligation	**11,123**	12,276
- Service element and other charges to operating expenditure	**8,505**	6,104
- Lifecycle costs	**5,107**	4,994
Other amounts paid to operator due to a commitment under the service concession contract but not part of the unitary payment	**1,042**	1,258
Total amount paid to service concession operator	**31,756**	30,614

21. Capital Resource Limit

	2024-25	2023-24
	£000s	£000s
Gross capital expenditure		
Property, plant and equipment	**21,020**	27,295
Intangible assets	**3,384**	4,758
Right of use assets	**20,592**	2,152
Total gross capital expenditure	**44,996**	34,205
Less: disposals of property, plant and equipment	**(478)**	(17)
Less: donated and granted capital additions	**(434)**	(173)
Charge against the Capital Resource Limit	**44,084**	34,015
Capital Resource Limit	**44,084**	34,015
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.

22.1 Breakeven duty - financial performance

	2024-25	2023-24
	£000s	£000s
Surplus / (deficit) for the year	**(45,489)**	(65,244)
Add back net impairments	**14,568**	19,385
Remove PFI revenue costs on an IFRS 16 basis	**13,349**	49,137
Add back PFI revenue costs on a UK GAAP basis	**(29,498)**	0
Add back PFI revenue costs on an IAS 17 basis (comparative only)	**0**	(18,958)
Remove impact of capital donations	**0**	237
Adjusted financial performance deficit	**(47,070)**	(15,443)
Add back incremental impact of IFRS 16 on PFI revenue costs in 2023-24	**0**	(30,179)
IFRIC 12 breakeven adjustment	**16,149**	21,088
Breakeven duty financial performance deficit	**(30,921)**	(24,534)

22.2 Breakeven duty - rolling assessment

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.

22.2 Breakeven duty - rolling assessment (continued)

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Breakeven duty in-year financial performance		287	723	3,025	8,011	6,600	1,342	7,887	3,068
Breakeven duty cumulative position	380	667	1,390	4,415	12,426	19,026	20,368	28,255	31,323
Operating income		336,952	342,027	389,797	404,986	420,579	435,107	466,767	477,519
Cumulative breakeven position as percentage of operating income		0.2%	0.4%	1.1%	3.1%	4.5%	4.7%	6.1%	6.6%

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Breakeven duty in-year financial performance	3,402	(3,887)	5,480	(3,002)	121	(4,173)	(24,534)	(30,921)
Breakeven duty cumulative position	34,725	30,838	36,318	33,316	33,437	29,264	4,730	(26,191)
Operating income	495,471	512,439	567,456	656,672	701,016	738,142	773,691	829,438
Cumulative breakeven position as percentage of operating income	7.0%	6.0%	6.4%	5.1%	4.8%	4.0%	0.6%	-3.2%

While the cumulative breakeven position of -3.2% is outside the 0.5% threshold, the position reported by the Trust has been agreed with NHSE which uses annual financial targets for NHS Trusts as the primary mechanism for financial control.

23.1 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) 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 (NHSE). 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.

23.1 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.

23.2 Financial instruments - carrying value

	31 March 2025	31 March 2024
	£000s	£000s
Financial assets held at amortised cost		
Trade and other receivables excluding non financial assets	**30,009**	30,578
Cash and cash equivalents	**16,786**	11,575
Total	**46,795**	42,153

	31 March 2025	31 March 2024
	£000s	£000s
Financial liabilities held at amortised cost		
Trade and other payables excluding non financial liabilities	**56,627**	55,945
Obligations under PFI contracts	**228,045**	232,618
Obligations under leases	**32,433**	19,315
Other borrowings	**0**	200
Total	**317,105**	308,078

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

23.3 Maturity of financial liabilities

	31 March 2025	31 March 2024
	£000s	£000s
In one year or less	**82,818**	81,113
In more than one year but not more than five years	**104,943**	83,396
In more than five years	**179,595**	195,815
Total	**367,356**	360,324

This maturity profile of financial liabilities is based on the contractual undiscounted cash flows and so differs to the amounts recognised in the Statement of Financial Position which are discounted to present value.

24. Losses and special payments

	2024-25		2023-24	
	Total value of cases	**Total number of cases**	Total value of cases	Total number of cases
	£000s		£000s	
Losses				
Cash losses	**1**	**4**	0	5
Total losses	**1**	**4**	0	5
Special payments				
Ex gratia payments	**178**	**70**	202	115
Total special payments	**178**	**70**	202	115
Total losses and special payments	**179**	**74**	202	120

25. 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:

Blackpool Teaching Hospitals NHS Foundation Trust
Community Health Partnerships
Lancashire Teaching Hospitals NHS Foundation Trust
Mersey and West Lancashire Teaching Hospitals NHS Trust
NHS England
NHS Greater Manchester Integrated Care Board
NHS Lancashire and South Cumbria Integrated Care Board
NHS Resolution
University Hospitals of Morecambe Bay NHS Foundation 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 2024-25, this reimbursement amounted to £0.3m (2023-24: £0.2m). The Charity also donated capital assets with a value of £0.4m to the Trust (2023-24: £0.2m).

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 2024 and are available on request from Trust Headquarters or via the Charity Commission website (https://www.gov.uk/government/organisations/charity-commission).

26. Joint operations

One LSC has been established as a joint operation by East Lancashire Hospitals NHS Trust with Blackpool Teaching Hospitals NHS Foundation Trust, Lancashire Teaching Hospitals NHS Foundation Trust, Lancashire and South Cumbria NHS Foundation Trust and University Hospitals of Morecambe Bay NHS Foundation Trust, operating as part of Lancashire and South Cumbria (LSC) Integrated Care System to bring together and manage corporate and support services:

With One LSC being hosted by East Lancashire Hospitals NHS Trust, the transfer of staff across Human Resources and Organisational Development, Finance, Procurement and Logistics, Digital and Information, Estates and Facilities, Strategy and Communications and Legal and Governance services began on 1 November 2024:

The ownership, control, and direction of One LSC shared between Trusts, as a result of which each Trust is required to account for their share of income, expenditure, assets and liabilities within their respective financial statements. Related expenditure for the Trust in 2024-25 is £15.5m.

27. Events after the end of the reporting period

There are no material events after the end of the reporting period to disclose.

Appendix 3

Independent auditor's report to the Directors of East Lancashire Hospitals NHS Trust

Report on the audit of the financial statements

Opinion on the financial statements

We have audited the financial statements of East Lancashire Hospitals NHS Trust ('the Trust') for the year ended 31 March 2025, 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 2024/25 as contained in the Department of Health and Social Care Group Accounting Manual 2024/25, 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 2025 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 2024/25; 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 for the audit of the financial statements" 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.

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 2024/25 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 considered non-compliance with laws and regulations might have a material effect on the financial statements, such as employment regulation, health and safety regulation, anti-money laundering regulation, data protection, environmental protection, corruption and anti-bribery.

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 and Risk 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 also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as the National Health Service Act 2006 (as amended by the Health and Social Care Act 2012).

In addition, we evaluated management'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, revenue recognition (which we pinpointed to the cut-off assertion), expenditure recognition (which we pinpointed to the completeness assertion), and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- making enquiries of management, Internal Audit and the Audit and Risk 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.

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 and Risk 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, (Revised 2024) and Supplementary Guidance Note 01, issued by the Comptroller and Auditor General in November 2024.

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 2025.

On the basis of our work, having regard to the guidance issued by the Comptroller and Auditor General in November 2024, we have identified the following significant weaknesses in the Trust's arrangements for the year ended 31 March 2025:

Significant weakness in arrangements	Recommendation
Governance We identified several issues which indicate a significant weakness in governance arrangements. These included: • instances of misreporting to the Trust Board, a lack of understanding of the detail provided and a lack of challenge of the detail; • evidence to support the approval process of remuneration of some senior staff at the Trust which resulted in salary overpayments; • an investigation into concerns around the approval process of remuneration of senior staff was led by Non-Executive Directors, which is inconsistent with the Trust's policies and procedures; • proper processes have not been followed to enable the Remuneration Committee to effectively take decisions; and • the Head of Internal Audit opinion for 2024/25 provides only limited assurance. In our view, the totality of the issues identified indicate a significant weakness in relation to the governance reporting criteria.	The Trust should urgently address the weaknesses in its governance arrangements. To do this, it should: • implement the recommendations and actions arising from the NHSE I&I process review and the subsequent reports from the Trust-commissioned financial governance review; • conclude the investigations into the remuneration matters reported to the Non-Executive Directors, taking appropriate action to address any matters arising and recover overpaid monies, additionally ensure that measures are put in place to prevent such errors arising in future; • ensure Internal Audit recommendations are implemented quickly to address weaknesses in the Trust's internal control framework and in the way it manages risks; and • ensure the Board undertakes an assessment of its collective skills and experience to ensure it is able to fulfil its statutory responsibilities with regards to the Trust's governance framework, and that any gaps identified are addressed through a robust and timely training plan.

In July 2024 we identified a significant weakness in relation to financial sustainability for the 2023/2024 year. In our view this significant weakness remained for the year ended 31 March 2025:

Significant weakness in arrangements – issued in a prior year	Recommendation
Financial sustainability 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.	Urgent action needs to be taken by the Trust, in collaboration with its Lancashire & South Cumbria ICS partners and NHS England, to agree sustainable, long-term plans to bridge 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 November 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 refer a matter to the Secretary of State under section 30 of the Local Audit and Accountability Act; or
- we issue a report in the public interest under section 24 and schedule 7(1) of the Local Audit and Accountability Act 2014; or
- we make a written recommendation to the Trust under section 24 and schedule 7(2) of the Local Audit and Accountability Act 2014.

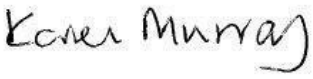
We have nothing to report in respect of these matters.

Use of the audit report

This report is made solely to the Board of Directors of the 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.

Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate until we have received confirmation from the NAO that the group audit of the Department of Health and Social Care has been completed and that no further work is required to be completed by us.



Karen Murray, Key Audit Partner
For and on behalf of Forvis Mazars LLP (Local Auditor)

One St. Peter's Square
Manchester
M2 3DE

2 July 2025