Airedale
NHS Foundation Trust

AIREDALE NHS FOUNDATION TRUST
ANNUAL REPORT AND ACCOUNTS
2021/22

Airedale NHS Foundation Trust

Annual Report and Accounts 2021/22

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Welcome from the Chair

Welcome to Airedale NHS Foundation Trust's Annual Report for 2021 – 2022.

Writing the introduction to last year's Annual Report, I concluded that we were beginning to see the green shoots of recovery. While this was the case to an extent, the Trust continued throughout the last financial year to contend with the impact of Covid-19 alongside a challenging winter period. Our people have yet again done themselves proud, drawing on reserves of energy and resilience to achieve a high standard of healthcare for the population we serve.

All our people, including our governors, volunteers, and non-executive directors, have navigated the changing landscape arising from this pandemic alongside our Trust colleagues and the Trust's partners with the aim to always provide the best possible health and care support. Everyone has played their part in delivering healthcare, whether it has been by keeping members up to date, helping patients to find their way around, working in our shops, volunteering in our Vaccine Centre, or seeking assurance from and providing support to our executive colleagues as they took necessary decisions to manage demand – thank you to all of you who are in any way part of that.

At the end of 2021 the Trust's Chief Executive, Brendan Brown, moved to a new role within the NHS. I would like to pay tribute to Brendan, who led from the front throughout the pandemic and whose energy and focus have been invaluable. Thanks also go to all the executive directors and, in particular, to Rob Aitchison who stepped forward and ably led the organisation during the exceptionally difficult winter period.

I'd also like to thank our communities who have continued to support us over the year. The Trust really stands at the heart of its community and your generosity of spirit has been a comfort and an inspiration to our teams. In particular, the support you give our charities – Airedale Hospital & Community Charity, and Friends of Airedale - is incredible, and allows us to support colleague and patient wellbeing initiatives that are not routinely funded by the NHS which make a real difference in enrichening the experience for colleagues and patients alike.

In 2019 we launched our five-year strategy which set out our ambitions. While the first two years have been somewhat different than anticipated we have still made good progress against our five Ps:

People: our people have been, literally, on the frontline in the fight against Covid-19, and our focus is on making sure we look after them. From wellbeing support to giving them a voice through our inclusion groups and surveys, our priority is to help them recover their equilibrium and continue to develop them as individuals and collectively.

Patient-centred: everything we do has our patients at its heart. As we move into 2022 – 23 our focus is on elective recovery and tackling waiting times. Our new barn theatres will help with this when they open in spring 2022. This is part of our wider focus on developing our

hospital estate which includes our new modular Intensive Care Unit (ICU) and helipad along with significant remedial works due to be taking place over the next two years.

Meeting our populations' needs: one of the outstanding successes of 2021 – 2022 has been the opening of our Vaccine Centre. At first a staff-only service, it was soon expanded to become a community vaccination hub and continues to play a vital role in vaccinating local people.

Progressive services: the pandemic has helped us to progress and transform services, such as our MyCare24 COPD service run from our Digital Care Hub, the launch of our next generation mobile cancer care unit in partnership with Hope for Tomorrow, and the Sunshine Sensory Project, supporting children with sensory needs who are coming in for surgery.

An emerging area of importance within this is planet and environmental sustainability. Last year we launched the Trust's Green Plan, setting out our commitment to reducing our carbon footprint and ensuring that we leave a strong legacy for future generations.

Partnership working: we continue to have a key role in health and care provision at Place - Bradford District and Craven - as well as the wider West Yorkshire Health & Care Partnership along with the West Yorkshire Association of Acute Trusts (WYAAT). This has led to some excellent initiatives that benefit patients, such as our district wide post-Covid pathway, the implementation of the new pathology LIMS system which started at Airedale in 2021, and the setting up of our Covid Medicines Delivery Unit.

You can read more about some of these highlights in the CEO's message and on p15.

As we move forward into the new financial year, we have much to look forward to and much to do, as we continue to focus on evolving the provision of health care to meet the ever-changing needs of the population the Trust serves. To lead the Trust through these times we welcome our new chief executive, Foluke Ajayi, who brings a fresh perspective as we build on the experiences from the last two years and look to the future.

In the last financial year there have been some uncertain times and that shapes the outlook globally, nationally, and locally. Despite such uncertainty from events and challenges we all face individually and collectively, the one constant remains that the Trust endeavours to provide the best possible healthcare to the population it serves through the unwavering commitment and support of its people for which we are truly grateful.

Andrew Gold
Chair, Airedale NHS Foundation Trust
20 June 2022

Message from the Chief Executive

I am delighted to be joining Airedale NHS Foundation Trust at this exciting time.

The last two years have been difficult across the NHS, and for healthcare providers in particular. However, as Andrew has described, the pandemic has also given us the platform to make significant changes in the way we work and how we provide our services. Service transformation, digital innovation and workforce development were part of what drew me to Airedale and remain at the forefront of our plans as we head into our new financial year.

A key focus for us in 2022 – 23 will be the continued development and management of our hospital estate. The issues with our ageing estate are well-documented, and we have a comprehensive programme of works to tackle them, whilst working with NHS England and NHS Improvement to look at a longer-term solution. Alongside this, we are excited to be opening our new barn theatres and our new modular ICU building this summer, both of which will give us state-of-the-art environments in which to care for patients. Our barn theatres will also provide much-needed extra capacity, allowing us to do more orthopaedic surgery. In the autumn we intend to start work on constructing a new helipad, co-located with our Emergency Department. This will allow us to treat patients with urgent needs across a large catchment area, up into the Dales.

These developments signal our ambition to transform our hospital into a modern healthcare facility which reflects the healthcare needs of our communities. This is a first step along a longer journey which I hope will see us being able to significantly rebuild our ageing estate, modernising the hospital and maximising its sustainability.

As an integrated acute and community services provider we are also focused on developments within our community teams this year. These teams play a vital role in keeping people out of hospital and treating them at home, prioritising personalisation of care so that the individual's wishes, are accommodated as much as possible. The new Community Urgent Care Response service is already proving invaluable, helping to avoid hospital admission, and giving patients access to a range of health and social care professionals to help them live independently for longer. The care personalisation agenda is incredibly important to me, and our community teams lead on this for our organisation.

Although I wasn't in post during 2021-22 the achievements of our teams over the last year are tangible. Thank you to my executive and non-executive colleagues, and to Rob Aitchison in particular, for the work they have done and continue to do to lead the Trust and provide excellent care for our patients. I am proud to have joined Team Airedale and look forward to the positive journey we will have together.

'Foluke Ajayi
CEO, Airedale NHS Foundation Trust
20 June 2022

CHAPTER 1
PERFORMANCE REPORT

SECTION 1: Overview of Performance

The purpose of this overview of performance is to provide information about the Trust, its purpose, the key risks to the achievement of our objectives and how we have performed during the year.

Chief Executive's Statement

As Chief Operating Officer and Deputy Chief Executive it is my privilege to reflect on what we achieved during 2021- 22 despite – or because of – the ongoing Covid-19 pandemic.

I must start by thanking Brendan Brown, our previous Chief Executive, who left Airedale at the end of December 2021 to take up his new role at Calderdale and Huddersfield Foundation Trust. Much of what I describe below took place on his watch, and throughout he led us with great skill, pragmatism, and good humour. I would also like to welcome our incoming Chief Executive, 'Foluke Ajayi, who took up her post from 1 April.

In April 2021 there was a level of optimism that the pandemic was becoming manageable, helped by the gradual easing of national restrictions and the rollout of the Covid-19 vaccination programme. There was also an increasing appetite and energy at the Trust to push forward our reset and recovery programme. Managing Covid-19 alongside our 'business as usual' was key, and we spent a significant amount of time developing and managing our elective, inpatient and outpatient pathways in tandem with national guidance.

As the year progressed, restrictions eased further, shielding ended and visiting was opened up more widely than at any point since March 2020. During the spring and summer months we continued to issue regular communications to our staff about travel restrictions and covid passes, guidance around testing and new variants, what to do if school bubbles burst and what to do if NHS Test and Trace were in contact. As I look back through our briefing notes and bulletins, I am reliving a key period in history, one that we all, collectively, experienced and one that we in the NHS had to rapidly assimilate and manage.

Words are again not enough to pay tribute to all my colleagues across the Trust who worked unceasingly throughout the year, not only caring for our patients, but also coping with disruption to their own lives. We remain humbled by their response and what we have achieved, collectively. I'd also like to give thanks to our Infection Prevention team and our Clinical Reference Group who have been at the forefront of reviewing, interpreting and localising reams of national guidance, with the ultimate aim of keeping us all safe.

I must also pay tribute to our Vaccine Centre and the team of vaccinators, pharmacists, medics, administrators, and volunteers. Airedale became a community vaccination centre in May last year, vaccinating not only our own staff but anyone who booked via the National Booking System. Towards the end of March this year they gave their 50,000th vaccination, an incredible feat.

Little did we know in autumn last year that the Omicron variant was around the corner. Combined with an influx of acutely unwell patients, on top of our usual winter pressures, it led to the most challenging period many of us could remember in the NHS thus far. From mid-autumn onwards we saw rising Covid-19 cases alongside significant urgent care pressures, high levels of admissions and an ever-increasing community caseload – pressures that have been felt across every service in the NHS and continue even now, as I write this in April 2022. This has also been combined with significant staff absence, predominantly because of Omicron, caring for other family members and self-isolation. Even with reduced numbers, day after day our teams have stepped up and cared for our communities. Words like resilience, commitment, dedication, professionalism are insufficient here. This has been a superlative team effort, from the frontline in our Emergency Department, to our wards, our operating theatres, our community services, our administrative and corporate support teams, our estates, facilities, and procurement teams – everyone has played their part.

Which makes it even more astonishing that, alongside all our work to balance Covid-19 with the day job, and the most challenging winter the NHS has ever seen, our teams also managed to make some significant developments during the year. Some of them you can read about on p15 but I'd like to highlight:

- The development of our Covid Medicines Delivery Unit which took just two weeks to plan and open in January this year. This means that clinically vulnerable patients who catch Covid-19 can receive antiviral and antimicrobial treatments quickly, to prevent more serious illness.
- The integral role therapists and community teams have played in the Act as One Post-Covid service, which started during 2021 and is now supporting around 650 patients.
- Our Endoscopy Service retained its Joint Advisory Group on GI Endoscopy (JAG) accreditation.
- Our Integrated Pathology Services laboratories received their United Kingdom Accreditation Service (UKAS) accreditation.
- Our Maternity team has worked incredibly hard on our response to the recommendations in the Ockenden Review.
- A number of our specialities undertook GIRFT (Getting It Right First Time) reviews across the year, enabling them to share good practice and make changes based on national evidence.
- We launched a series of Quality Summits to build on the cross-team working that emerged through the pandemic and focus on sustainable improvements to the care we give.
- Our Digital teams managed the Trust's migration to NHS Mail, initiated the DrDoctor digital letters programme in Rheumatology, Obstetrics and Gynaecology and Paediatrics, and embarked on a programme of network switch upgrades across the Trust.

- A huge data quality and cleansing exercise took place as part of the Vaccination as a Condition of Deployment work.
- Our Communications and Charity team developed two new websites for the Trust, and for Airedale Hospital & Community Charity.
- Across the year we have given out 31 Pride of Airedale awards to colleagues and teams who have gone the extra mile and really made a difference.

One of the most visible developments over the last few months has been our new modular building, to the back of the hospital site. This will house a state-of-the-art Intensive Care Unit from June 2022. It will also provide a decant space for wards as we tackle the significant repairs needed in the older parts of the hospital, caused in particular by the Reinforced Aerated Autoclave Concrete (RAAC) panels that were used in its construction.

Alongside the modular building, our AGH Solutions colleagues have also been busy managing several new build and refurbishment projects over the year, including the new theatres suite, the refurbishment of the cardiac catheter lab, the Covid Medicines Delivery Unit mentioned above, liaising with NHS Property Services on repairs and maintenance of Skipton and Castleberg Hospitals, and the installation of a Pacer train carriage on site. This has been in tandem with an ongoing series of repairs to the fabric of our ageing estate and being awarded planning permission for a helipad to be built next to our Emergency Department.

Above all this year we have been focused on the wellbeing of our staff. The impact of the pandemic and this recent, difficult winter cannot be underestimated, and we have worked hard to develop wellbeing support that can offer something to everyone. This includes signposting to physical and mental health support, giving staff an extra day's annual leave and supporting people affected by world events such as the Indian floods and the Ukraine conflict. But it is also the efforts going into making Airedale a better place to work; our inclusion groups, our launch of our Zero Tolerance statement and policy, our Reciprocal Mentoring programme, our weekly Thrive wellbeing updates, the expansion of our Chaplaincy service and our recruitment campaigns. This is vital work, much of it led by our People and Organisational Development directorate, and you can read more about this in the Staff Section on p62.

This has been a particularly staff-focused review of our year but at the heart of everything we do are the communities we serve. Thank you: you have flexed with us as we have adapted our services in the light of emerging guidance; you have embraced old and new technologies for appointments; you have been unable to visit loved ones as frequently as you would have liked; you have come forward for your vaccinations in your thousands and you continue to support us with your unfailing generosity via our charities. We are proud to be at the heart of your community and privileged to care for you.

Rob Aitchison, Chief Operating Officer and Deputy Chief Executive
20 June 2022

Our history, purpose, and activities

The principal purpose of the Trust is the provision of goods and services for the purpose of health care in England. Airedale NHS Foundation Trust is a statutory body, which became a public benefit corporate on 1 June 2010, following its approval as an NHS Foundation Trust by the Independent Regulator of the NHS Foundation Trusts (Independent Regulator) authorised under the Health and Social Care (Community Health and Standards) Act 2006 (the 2006 Act).

The principal location of business of the Foundation Trust is: Airedale General Hospital, Skipton Road, Steeton, Keighley BD20 6TD.

In addition to the above, the Foundation Trust has registered the following locations with the Care Quality Commission:

- Castleberg Hospital, Giggleswick, Settle BD24 0BN.
- Skipton General Hospital, Skipton BD24 2RJ

The Foundation Trust is registered with the Care Quality Commission without conditions and provides the following regulated activities across the stated locations:

- Assessment or medical treatment for persons detained under the Mental Health Act 1983
- Diagnostic and screening services
- Management of supply of blood and blood derived products
- Maternity and midwifery services
- Nursing care
- Surgical procedures
- Termination of pregnancy
- Transport services, triage and medical advice provided remotely
- Treatment of disease, disorder or injury

Airedale NHS Foundation Trust is an award-winning integrated NHS hospital and community services Trust. We provide high quality, personalised, acute, elective, specialist and community care for a population of over 200,000 people from a widespread area covering West and North Yorkshire and East Lancashire.

We provide services from our main hospital site, Airedale Hospital, and from community hospitals, as well as health centres and general practices (GPs). Our health services are commissioned by Bradford District and Craven, and East Lancashire Clinical Commissioning Groups (CCGs), as well as regional specialist commissioners and NHS England.

Highlights of our year 2021/22

Over several months we have planted a new food forest, bringing with it an edible landscape for visitors, staff, and wildlife. The 12-month *Edible Airedale* project saw 2,650 fruiting trees planted in various locations around the hospital site, complementing the greenery already in place and supporting wildlife and habitat creation, improving air quality, and having a beneficial effect on wellbeing by reducing stress and nurturing overall mental health. Later in the year this won the NHS Forest award for nature recovery.

Early in 2021 the AGH Solutions catering team launched a delicious and innovative new range of menus for patients, include tasty homemade soups, sandwiches and desserts which are served alongside hot meals. Every element of nutrition is overseen by an expert dietitian as we know nationally that up to 35% of patients are at risk of malnutrition which affects every system in the body and impacts patient complications and length of stay, and so that is why it is important that we make sure we are offering adequate nutrition for all our patients every day.

In June we said thank you to our 300+ team of volunteers. At the start of the pandemic, many volunteers were not able to carry on their usual services, but some were able to volunteer in different roles including in our vaccination centre and delivering mobility equipment.

We joined forces with five other NHS trusts to support hip fracture patients with an initiative that has been shown to save lives, giving those patients greater independence, and helping them return home. The Safety Collaborative seeks to improve care for these patients, often elderly, through the introduction of dedicated nutritional assistants on acute trauma wards, improving their nutrition to support their recovery. Good nutrition and good hydration can reduce confusion and delirium after an operation and in turn reduce the risk of falling. It is also better in terms of their physiotherapy afterwards, as patients will have more energy.

Our Children's Services team launched their Sunshine Sensory Project, funded by Airedale Hospital & Community Charity, supporting children visiting hospital for surgery who have additional needs or sensory sensitivities. The team created a sensory pack full of products including items such as noise cancelling headphones, tactile and visually stimulating sensory toys and picture exchange communication system cards to help patients who are not able to communicate their needs verbally. The department also has a dedicated sensory trolley which includes a relaxing bubble tube, tactile fibre optics and additional sensory toys.

The theatres team were named as finalists in the prestigious HSJ patient safety awards, recognising their outstanding contribution to healthcare. The award, in the Perioperative and Surgical Care Initiative of the Year category, recognises surgical teams who are finding new ways to deliver consistently safe care, despite the challenges of Covid-19. The theatres team were selected based on their ambition, visionary spirit, and

the demonstrable positive impact that their project has had on patient and staff experiences.

Our apprentice gardener Sam shared his story about working in the AGH Solutions gardening team. "I found school difficult because I have dyslexia, but despite difficulty with reading and writing I am extremely passionate about gardening. I fell in love with growing plants and experimenting with them, seeing what grows and how to make them grow that little bit better."

"I first started in September 2019 as a volunteer once a week which quickly turned into full time. I spoke to Steve the head gardener about getting a more permanent job after studying at Shipley College. I was then able to start a full-time apprenticeship in October 2020. I came here because I wanted to learn a lot and I also want to personally make a difference in the quality of care provided to patients and hospital staff as a gardener. It might not be physical help but having nice gardens and grounds aids recovery and mental health. I never make a garden for myself but for other people to enjoy; to give nurses an area to de-stress after a challenging day on the wards and for the patients and visitors to relax after seeing someone or having treatment.

"I am happy that the hospital has given me the chance to be myself and show my passion for gardening."

Our emergency team were Highly Commended at the NHS Parliamentary Awards, after being nominated by local MP Robbie Moore. 'Hearts in Little Hands' are a team from our Emergency Department who teach children, parents and carers CPR and basic lifesaving skills. The team, who before the pandemic visited primary schools across the area to share their expertise via demonstrations and songs, were Highly Commended in the Excellence in Urgent and Emergency Care Award Category. There are more than 30,000 cardiac arrests a year outside of hospitals where medical emergency services attempt resuscitation. Less than ten per cent survive, but if CPR can be started early, it can double the chances of survival.

The Urology Department received some state-of-the-art equipment when Airedale Hospital and Community Charity funded the purchase of a Swiss Lithoclast Trilogy Lithotripter, for the removal of kidney stones and bladder stones. The hospital's urology team carry out approximately 50 of these procedures each year, around half of which are complex cases requiring specialist treatment. The new system has great benefits for our patients, it means they can be treated sooner, and their treatment can take less time, so they are able to get home and back to their usual activities quicker.

In August the Trust joined community groups, members of the public and leaders from across Bradford District and Craven in the launch of a regional 'Root Out Racism' movement in Centenary Square in Bradford. The launch saw people signing up to a pledge, share plants and seeds with each other, offering a message of solidarity. There were also information stalls promoting the existing work of community groups and

key partners to tackle racism as well as demonstrating projects that are already building bridges across communities. Here at Airedale our Race Equality network inclusion group continues to promote the movement.

A new support service was launched for people recovering from Covid-19 across Bradford District and Craven. The service developed by health and care professionals through the Act as One health and care partnership, is available to those who continue to display 'post Covid' symptoms 12 weeks after they have should have recovered from the virus. People experiencing symptoms of post Covid will be referred to the new service by their GP or hospital consultant. Support includes advice on self-management, access to psychological services through to therapy support.

Our Airedale Hospital and Community Charity launched its new website www.airedalecharity.org
created in partnership with The Working Academy at the University of Bradford. The charity team wanted to create a simple and easy to use website, a one stop place where fundraisers can find out how they can support the hospital, which is also full of tips and advice they need to create their own fundraising campaign. It's also a place to share all the amazing personal stories of people who have done challenges and raised funds for Airedale Charity.

New cycling facilities were provided for staff who cycle to work including secure bike storage shelters and bike tool stands which contain equipment for repairing and maintaining bikes. These facilities are now around the site near the main entrances and can be used by the public as well as staff. The equipment was purchased to encourage people to cycle to work to live more sustainably and to improve health and wellbeing. It makes cycling to work much easier, as there are dedicated, secure areas for staff to leave their bikes while they are at work.

In September our dedicated healthcare heroes were honoured with special Pride of Airedale awards to celebrate the outstanding work done every day by staff at Airedale NHS Foundation Trust. Individuals and teams across the Trust were nominated by their colleagues with a record breaking 331 nominations received, and 12 winners were chosen from across 10 categories. A large formal event wasn't possible this year, so the awards took on a similar format to 2020 where colleagues were surprised in their workplace. Members of the executive team appeared in people's departments to present them with a trophy, certificate, and prizes.

Four new inclusive rainbow crossings welcomed staff and patients to Airedale Hospital. The rainbow crossings were unveiled during Pride in the NHS week, to recognise and celebrate the LGBT+ (Lesbian, Gay, Bisexual, Transgender) community. The crossing represents the Progress Pride flag which is an updated version of the LGBT Pride flag containing a chevron of black, brown, light blue, pink and white stripes to include a wider community (marginalised people of colour, trans individuals, those living with HIV/AIDS and those who have been lost), with the original six-stripe rainbow design as the base. The paintings represent the Trust's commitment to equality, diversity and inclusion, and show that it is an open and non-judgemental place for LGBT+ patients, staff and visitors.

Our paediatric, rheumatology and obstetrics and gynaecology patients **were offered the option of receiving their patient letters digitally** as a trial project to see how well it works, and what our patients think. Patients receive a text message which will allow them to access letters via the DrDoctor portal where they can be viewed and saved.

Our Speech & Language Therapist Angela Penny took on the extra role as a Physical Activity Clinical Champion for Yorkshire & the Humber to help get people in our region moving. A recent survey of over 5,000 adults, which reveals the extent that lockdowns have impacted people's physical activity levels and eating habits, revealed that 57% of people would welcome more advice and ideas for exercise routines and how to eat more healthily. As clinical champion Angela will provide free training on physical activity to other healthcare professionals across the region giving them the confidence to have conversations about physical activity with their patients.

Our Gender Equality Network held a Menopause Café for our staff as an opportunity to share tips and advice, get information on perimenopause and menopause and consider how work can support people struggling with symptoms. This was a great opportunity to start the conversation around menopause and allow women to feel heard.

Our allied health professionals (AHPs) from across Bradford and Airedale collaborated on a video to demonstrate how varied and wide-reaching their roles can be. The video followed a stroke patient's interaction with different AHPs to show all the different specialist roles involved in that patient's care and rehabilitation. As well as a celebration, the film is an important tool to help recruit future AHPs.

In November we launched our Next Generation mobile cancer unit – adding to our fleet and taking cancer care and treatments to the patient in Airedale, Wharfedale and Craven 5 days a week. The Next Generation unit, provided by the charity Hope for Tomorrow, is a state-of-the-art fully mobile medical cancer care unit which revolutionises the way cancer care is delivered. A new feature is the hydraulic sides which move out to provide two clinic rooms, so providing a larger unit. It will visit communities to provide accessible clinics as well as cancer treatments including chemotherapy. Staffed by specialist oncology nursing teams and pharmacists the unit will allow cancer services to be

delivered in the heart of the local community in venues including Skipton, Keighley, Bingley, Ilkley and Barnoldswick.

Rapid progress was made on the construction work for the new intensive care unit and ward decant facility, behind the hospital Day Nursery. Over 130 modular sections were delivered onto site so the building could take shape, and by the end of March it was substantially complete, with interior works progressing well.

In December our Finance team won a national diversity and inclusion award.
Diversity and inclusion ambassadors have played a big role – and the Trust's finance team has three. As one of the first providers to have such ambassadors, efforts were made to ensure they had a voice and were able to suggest changes. The team has created apprenticeships and shadowing opportunities, empowered people to make changes in their roles, and has a finance director who is leading the equality, diversity, and inclusion agenda across the West Yorkshire health system.

The new Trust website was launched during the year, developed in partnership with the team at Working Academy in Bradford to provide a much more engaging, accessible, and easier to navigate site for our patients, visitors, and staff. The new site has meant we can include much more engaging content including videos, a new patient help centre with an online feedback option along with a new recruitment section.

In January the 1000th patient registered with a new digital health service – where people with long-term respiratory conditions across Bradford District and Craven are given proactive support through a dedicated remote monitoring app, transforming their care, and reducing their need to access services. People are supported by the MyCare24 remote monitoring service available 24 hours a day, staffed by clinicians. Led by the Digital Care Hub at Airedale Hospital and covering people from across Bradford District and Craven, it is the largest of its kind across England.
As part of the service people receive an introductory call to set up the Luscii app on a smart device, enabling them to enter their oxygen saturations and heart rate from the pulse oximeter readings – to help them use the 'Know Your Normal' tool and identify when they may need additional support. People using the app also benefit from a range of in-app resources including an early messaging service providing early warnings of changes in weather that can affect people with COPD.

Bradford District and Craven celebrated a key milestone in the local COVID-19 vaccination programme – one million vaccines have been given across the district, including first, second, and booster jabs as well as third primary doses for people who are immunosuppressed. Since the vaccination programme started back in December 2020, the vaccines have been administered in various locations across the district including community centres, churches, mosques, schools, vaccination bus, care homes, GP surgeries, people's living rooms, hospital hubs, and Bradford City Football Club stadium.

In February our maternity team were given a good report from new mums in the Care Quality Commission (CQC) maternity survey. The most positive results were of women's experiences of being cared for by maternity staff, particularly during labour and birth and at home after the birth, with high scores too for having confidence and trust in the staff, good communication throughout and mental health support after the birth.

The maternity survey asked women about their experiences of care at three different stages of their maternity journey: during antenatal care; labour and birth; and postnatal care. In six areas Airedale performed better when compared to most other trusts that took part in the survey including having confidence and trust in the staff during labour and birth, communication and being involved in decisions and mental health support after the birth.

The maternity team have also been working on new developments including a new maternity website and online self-referral form that will improve how women are able to access services and how they get information.

In March the Virtual Dementia and Autism Reality experiences bus visited our site to offer staff a valuable insight into the life of someone living with Dementia and Autism, how they may think and how they encounter everyday obstacles through an immersive and hands on sensory training experience. The attendees are given specialist equipment to wear which limit their senses, simulating the challenges faced by people who live with dementia. They are then asked to perform a series of simple tasks such as making a bed or making a cup of tea. This will help people understand the fear and frustrations that people with dementia feel every day. The Autism Experience works in a similar way with specialist equipment used to mimic what sensory overload can be like for someone living on the autistic spectrum.

Our Subsidiaries and Joint Ventures

AGH Solutions Ltd

AGH Solutions Ltd is the Trust's wholly owned subsidiary, providing estates and facilities management, procurement, catering, and transport and security services to the Trust. Established in 2018, the company has over 400 staff, a third of whom have been brought in house from previously outsourced contracts.

Highlights from 2021/22

- Submitted a bid in the government's competition for a further eight new hospitals, to form part of the new hospital programme.
- Completed the theatres new build, providing two additional theatres and a procedure room.
- Refurbished the Catheter lab and added an extension to the department.
- Constructed a new 3500m2 intensive care unit and ward, due to open in May 2022. The building will be the NHS's first all-electric inpatient unit with 3 air source heat pumps and 80 solar panels demonstrating excellent sustainability credentials.

- Secured £3.5m in funding from the Government's Town's fund to create a Health and Wellbeing Centre in Keighley town centre.
- Obtained planning permission for the Helipad at the rear of our Emergency Department.
- Produced Airedale NHS Foundation Trust's Green plan and its sustainability goals.
- Converted over 50% of our transport fleet to electric vehicles.
- Continued to support the Trust to ensure the site was Covid safe, including maintaining consistent stocks of the full range of PPE, enhanced cleaning regimes and estates work.
- Supported the Government's Kickstart scheme and worked with charitable organisations to secure employment for the local community.

Plans for 2022/23

- Ongoing management of reinforced autoclaved aerated concrete (RAAC) plank issues.
- A ward decant and refurbishment plan to facilitate RAAC safety works in wards.
- Installation of the Helipad.
- Development of the business case the Keighley Health and well-being centre.
- Enhance sustainability and continue the strategy to be carbon zero by 2040.
- Continue to improve our community impact through local sourcing and local employment opportunities.

Immedicare

The Immedicare Joint Venture has been in place since April 2013, a partnership between Airedale and Involve – a provider of visual collaboration solutions.

Immedicare services support care homes 24/7 365 days a year providing video-enabled clinical healthcare services delivered into care homes across the UK from via our digitally enabled care hub.
They offer clinical expertise, in-depth knowledge of healthcare challenges, and the best technical design, delivery and support available.

Highlights from 2021/22

The 2021/22 financial year was a busy 12 months for Immedicare and with the loss of four contracts in the first quarter, it was a challenging start. Over the year there were several significant developments designed to enable delivery of services to care homes that are aligned with the NHS Long Term Plan, to provide more digitally enabled care and support commissioners and local teams in the delivery of the Enhanced Health in Care Homes Framework.

The key developments are outlined below:

- Migration of the video call management platform to new data centres, external to Airedale
- Enhanced services developed for Falls, Pharmacy and Virtual Training

- Risk tracking tool which uses weighted indicators, tracking the risk to individual contracts
- Appointment of a Consultant Pharmacist
- Transition of the Information Governance function to Involve
- Rationalisation of call bundles across contracts
- Healthskills business and team development for the senior management team

Plans for 2022/23

- launch and embed the three enhanced services – Pharmacy, Falls and Training
- gather feedback to refine and develop each of the enhanced services
- create a joint strategy with our partner Involve setting out the future vision and ambition for Immedicare

Integrated Pathology Solutions

Pathology services are provided by Integrated Pathology Solutions LLP (IPS), a joint venture between the pathology departments of Airedale, Bradford and Harrogate hospital trusts, covering 400 staff. IPS provides a high-quality diagnostic and consultative service to clinical users of all three trusts, and to primary and secondary care providers. The service continues to be an essential part of the Trust response to COVD-19 and recovery.

Highlights from 2021/22

- Achievement of multi-discipline, multi-site UKAS accreditation to ISO15189:2012 across Airedale and Bradford.
- Significant progress against plan for the implementation of the regional Pathology Laboratory Information Management System
- Achievement of financial stability of the two LLPs against a challenging operational background
- Consolidation and improvement of the COVID testing service, including further molecular development through introduction of broad respiratory screen PCR testing.

Plans for 2022/23

- Consolidate the position of the joint venture within West Yorkshire & Harrogate Pathology network.
- Implement and embed the new regional Pathology Laboratory Information Management System across all sites.
- Implement and embed digital pathology technology across the IPS sites.
- Support all parent Trusts with the recovery plan to reduce the elective treatment backlog.

Key issues, opportunities and risks

Key issues, opportunities and risks for the Trust during 2021/22 were:

- **Estate**
  83% of Airedale Hospital is constructed of Reinforced Autoclave Aerated Concrete (RAAC) panels, which are known to have a shelf life of 30 years and were the subject of a safety alert in 2019 relation to failure. This has resulted in the need to undertake significant investigations and a programme of remedial works over the next few years. This is in addition to backlog maintenance issues which need to be addressed. The Trust has submitted a bid to be part of the NHS New Hospitals Programme and is awaiting the result. In the meantime, the Trust is working with four other hospitals who also have significant RAAC and with NHS England to collectively address and mitigate the RAAC risks in each location.

- **Wellbeing and availability of workforce**
  The ongoing prevalence of Covid-19, the impact of the pandemic and the challenges of the winter period have combined to have a significant detrimental impact on our workforce. This has resulted in increased sickness absence which has also had an effect on our ability to deliver services, most notably elective procedures. A comprehensive wellbeing offer has been developed for all staff to access which draws together local, regional and national support.

  The pandemic has also led to an increased turnover of staff which, combined with national labour shortages, could potentially lead to inability to deliver high-quality services. Certain specialities are particularly affected. International recruitment has been successful, and there will continue to be an ongoing focus on local recruitment wherever possible.

- **Demand for services**
  The winter period of 2021 – 22 combined with the emergence and high transmissibility of the Omicron Covid-19 variant saw unprecedented levels of demand with consistently high numbers of patients presenting at the emergency department, and a commensurate increase in admissions. Managing inpatient flow along ‘hot’ and ‘cold’ pathways has caused pressure on the bed base and community care providers have also been impacted by Covid-19, causing delays in discharge.

  Transformation of the way in which services are delivered has continued to progress, including increased use of the Trust’s Mycare24 and Digital Care Hub services; the development of the district’s Covid Medicines Delivery Unit at Airedale and the Living with Covid pathway.

Our community services continued to manage an increased number of patients with Covid and long covid in the community, as well as their general caseload and end of life care. As the financial year came to an end the new Community Urgent Response service was gearing up to start, with the aim of keeping patients in crisis safely managed in their own home.

- **Financial position**

The Group financial position was a surplus of £2.2m for 2021/22, including a favourable movement on the revaluation reserve of £0.6m which arose out of the Trust's annual revaluation of its estate. The position included an adverse stock movement on nationally procured PPE of £0.6m and donated asset income of £0.3m. The underlying position excluding these items, which operational performance is measured against, was a surplus of £1.9m.

Total income from continuing activities for 2021/22 was £241million. The Group had a cash balance of £29.5m at the close of the financial year. An analysis of this is shown in the Consolidated Statement of Cash flows.

The accounts included in the annual report reflect both the financial position of the Foundation Trust and a group position which consolidates the Foundation Trust and Airedale NHS Foundation Trust Charitable Funds accounts. Airedale NHS Foundation Trust Charitable Funds accounts had a positive movement of £61k in the year 2021/22.

The Trust's external auditor is Grant Thornton. Disclosure of the cost of work performed by the auditor in respect of the reporting period is provided in note 4.1 of the accounts.

Risks:

- There is a financial risk relating to the Trust's waste reduction target which has increased to £10.7m for 2022/23 and is more significant than recent years; however, the Trust has a track record of delivery and a new process in place to manage the delivery of this target.

- The Trust has seen an increase in the waiting list during the last couple of years due to the pandemic. Funding has been received to enable recovery of this activity and the plan assumes this income is fully offset by cost. If covid activity continues to prevent elective recovery, income losses may prevent costs being covered in full. Additional costs, linked to activity, will be risk assessed to ensure that this is prevented.

- Due to the high demand within the Emergency Department, the division has been funded £1.1m for 2022/23. This is the total of the Trust's winter reserves so there is therefore a risk that there are no winter monies available for other areas. This risk is mitigated by a previous pattern of receiving national funding, but this is not confirmed at present.

- The Trust is part of the West Yorkshire & Harrogate Integrated Care System (ICS) and is required to deliver a financial control total at organisation and ICS level. The ICS has

proven its ability to deliver collectively in previous years, with a positive year-end reporting a surplus of £29.8m in the 2021/22 financial year.

- **Performance**
  Performance in the financial year continued to be impacted as a result of the coronavirus pandemic and also following increases in demand for non-covid activity, which on a few occasions has required us to operate at the highest level of escalation (OPEL4). Command and control arrangements remained in place which supported the Trust to manage not only challenges brought by the pandemic but also surges in demand.

  The Trust maintained high levels of cancer performance across the year for most national standards. The pandemic and the significant winter pressures in Q4 continued to impact our ability to deliver other key performance indicators in urgent care, diagnostics and referral to treatment times – see performance section on p26.

Going concern disclosure

The Trust is funded primarily through healthcare contracts. The Trust has contracts in place which are expected to generate income and cash which are more than sufficient to pay its liabilities as they are due.

After making enquiries, the directors have a reasonable expectation that the services provided by the NHS foundation trust will continue to be provided by the public sector for the foreseeable future. For this reason, the directors have adopted the going concern basis in preparing the accounts, following the definition of going concern in the public sector adopted by HM Treasury's Financial Reporting Manual.

Summary of performance

Performance in the financial year continued to be impacted because of the coronavirus pandemic and following increases in demand for non-covid activity, which on a few occasions has required us to operate at the highest level of escalation (OPEL4).

During 2021/2022, Command, Control and Coordination arrangements continued to be in place across the full year at the Trust.

This responded to all aspects of managing services in the face of an international pandemic, such as hospital configuration of the estate, clinical requirements (e.g., critical care capacity, Acute Respiratory Care Unit), community services provision, interpretation and implementation of national guidance, workforce planning, providing a safe environment (e.g., infection prevention and control) and equipment management (e.g., PPE, Oxygen supply). These arrangements have also supported how, in response to surges in demand, we can continue to manage patient care in our Trust.

During the year we managed to continuously maintain our urgent, emergency, cancer, and maternity care. Unfortunately, the pressures above have seen some periods where our planned care service provision was impacted, in particular through some reduced operating theatres capacity at times due to bed or staff availability.

As services have continued to restart and operate in both a covid/non-covid environment, we continue to focus on delivery of national performance standards.

Key performance indicators

Indicator	Target	Q1	Q2	Q3	Q4
Total time in ED under 4hrs	**95%**	82.09%	72.61%	64.82%	63.49%
Referral to Treatment Time, 18 wks.	**92%**	76.80%	77.50%	75.70%	70.20%
Diagnostics 6 Week Wait	**99%**	96.57%	85.97%	80.93%	82.97%
Cancer 2 week wait	**93%**	92.10%	92.50%	85.00%	93.40%
Cancer 2 week wait (breast symptomatic)	**93%**	76.50%	94.70%	44.00%	83.40%
Cancer 31 days from diagnosis to first treatment	**96%**	98.00%	100.00%	100.00%	97.80%
Cancer 31 days for second or subsequent treatment – surgery	**94%**	100.00%	100.00%	100.00%	100.00%

Cancer 31 days for second or subsequent treatment – drug treatment	**98%**	99.10%	100.00%	100.00%	99.00%
Cancer 62 day wait for first treatment (urgent GP)	**85%**	83.20%	78.10%	78.70%	82.20%
Cancer 62 day wait for first treatment (NHS Cancer Screening Referral Service)	**90%**	73.30%	81.30%	84.20%	71.40%

It should be noted that:

- Our Urgent and Emergency Care services have faced huge challenges related to both complexity and significant volume of attendances, alongside pressures relating to flow and onward admission. In line with national direction that reflects the impact of this, clinically focused measures that are specific to the needs of our population will be used going forward. These will focus on ambulance turnaround times, time to initial assessment (triage) and total time in the emergency department.
- At all times the Trust has remained open for cancer work. Our approach to cancer planning was to ring-fence capacity where possible within the planned care environment, to ensure priority access for patients as and when required. This has resulted in high levels of cancer performance across the year for most national standards, although we remain cautious about future impact as all health and care services restart.
- There is currently a significant impact on elective access times from the reduced capacity over the past couple of years, resulting in a backlog of work that requires prioritisation in the year ahead. However, in 2021/2022 we have managed to reduce the number of patients waiting over a year from over 1,000 to under 500. Some of our work to deliver this has continued to be supported by independent sector partners. Plans in 2022/2023 should see the volume of longer waiting patients reduce much further.
- Diagnostic performance continues to be strong for a number of modalities but challenged in a few areas where we have demand increases alongside some workforce challenges. Short to medium term plans, including recruitment, should hopefully see some of this start to improve during the year ahead.

Quality of Care

The Trust is registered with the Care Quality Commission (CQC) without conditions.

The Trust has maintained active communication with the CQC during the year via monthly meetings which are held virtually and were put in place to ensure communication between the Trust and the CQC continued during the coronavirus pandemic. It is intended to resume a programme of on-site engagement visits once the coronavirus arrangements allow.

The CQC launched their formal public consultation into their new Inspection Strategy which ran for eight weeks from 7 January to 4 March 2021. As part of the consultation CQC produced a draft Equality and Human Rights impact assessment outlining the potential opportunities for improving and promoting equality and human rights across health and social care providers.

The final Inspection Strategy was published in June 2021 and consists of four themes:

People and Communities
Regulation driven by people's needs and experiences, focusing on what is important to people and communities when they access, use, and move between services.

Smarter Regulation
A more dynamic and flexible regulation that provides up-to-date and high-quality information and ratings, easier ways of working with CQC and a more proportionate response.

Safety Through Learning
Regulating for stronger safety cultures across health and care, prioritising learning and improvement and collaborating to value everyone's perspectives.

Accelerating Improvement
Enabling health and care services and local systems to access support to help improve the quality of care where it's needed most.

Running through each theme are two core ambitions:

Assessing Local Systems
Providing independent assurance to the public of the quality of care in their area.

Tackling Inequalities in Health and Care
Pushing for equality of access, experiences and outcomes from health and social care services.

The Trust welcomes the changes outlined within the Strategy and has attended several virtual CQC webinars throughout the year alongside other healthcare providers where the detail of each theme has been discussed.

Care Quality Commission (CQC) ratings

The Trust's most recent CQC inspection took place in December 2018 with the report published in March 2019. Our ratings at that time are set out below.

Ratings for Airedale General Hospital

	Safe	Effective	Caring	Responsive	Well-led	Overall
Urgent and emergency services	Requires improvement Mar 2019	Good Mar 2019	Good Mar 2019	Good Mar 2019	Requires improvement Mar 2019	Requires improvement Mar 2019
Medical care (including older people's care)	Requires improvement Mar 2019	Good Mar 2019	Good Mar 2019	Good Mar 2019	Good Mar 2019	Good Mar 2019
Surgery	Requires improvement Mar 2019	Good Mar 2019	Good Mar 2019	Good Mar 2019	Requires improvement Mar 2019	Requires improvement Mar 2019
Critical care	Requires improvement Mar 2019	Good Mar 2019	Good Mar 2019	Good Mar 2019	Good Mar 2019	Good Mar 2019
Maternity	Good Sept 2017	Good Aug 2016	Good Aug 2016	Good Aug 2016	Good Sept 2017	Good Sept 2017
Services for children and young people	Good Sept 2017	Good Aug 2016	Good Aug 2016	Good Aug 2016	Good Sept 2017	Good Sept 2017
End of life care	Good Aug 2016	Good Aug 2016	Good Aug 2016	Good Aug 2016	Good Aug 2016	Good Aug 2016
Diagnostic imaging	Requires improvement Mar 2019	N/A	Good Mar 2019	Good Mar 2019	Good Mar 2019	Good Mar 2019
Outpatients & diagnostic imaging	Good Aug 2016	N/A	Good Aug 2016	Good Aug 2016	Good Aug 2016	Good Aug 2016

*Overall ratings for this hospital are from combining ratings for services. Our decisions on overall ratings take into account the relative size of services. We use our professional judgement to reach fair and balanced ratings.

Use of resources	Good
Combined rating	Good

The full report can be accessed from the CQC's website at www.cqc.org.uk

A Quality Improvement Plan was developed in response to the CQC Quality Report of March 2019 and implemented. This has been monitored through the Quality and Safety Committee and Board.

The CQC also undertook a provider collaboration review of urgent and emergency care in 8 areas of England during October 2020 which the Trust was part of. The Review focused on whether people were getting the right care at the right time and in the right place and looked at how collaboration across local areas had made a difference. At the time of writing this report, the CQC are carrying out a further urgent and emergency care inspection across all providers in West Yorkshire.

Sustainability

The Trust has undertaken risk assessments and has a sustainable development management plan in place which takes account of UK Climate Projections 2018 (UKCP18). The Trust ensures that its obligations under the Climate Change Act and the

Adaptation Reporting requirements are complied with. During 2021/22 the Trust published its Green Plan, setting out its response to tackling climate change via a framework for sustainability and low carbon practice in the way it delivers services. The Trust also established a Sustainability Committee during the year which provides assurance to the Board of Directors on progress and achievement relating to sustainability objectives and targets.

A system-wide approach to the Equality Delivery System and to agreeing equality objectives

Under the Public Sector Equality Duty Airedale NHS FT is required to publish a set of Equality Objectives every four years (most recently 2020-2024) and review progress with local stakeholders. As part of this, Bradford District and Craven, the local NHS commissioning organisations, provider trusts, and communities of interest (representatives from the local community and voluntary sector) have been working jointly on EDS2 assessment and action planning since 2012 and are now preparing for EDS3.

Equality & Diversity leads from Bradford Teaching Hospitals FT, Airedale NHS Foundation Trust, Bradford District Care Foundation Trust, and the CCG met with colleagues from community partnership organisations for a final review of our progress against those Equality Objectives (and subsequently EDS2) that specifically relate to patient experience, and to receive feedback from them for our next steps. These panels discussed our performance in meeting our current equality objectives using the EDS framework and helped us to amend and agree the equality objectives for 2020 to 2024.

All the Trust's Equality Objectives align to the strategic aims in the Inclusion Strategy:

- Inclusive leadership at all levels
- Empowered, engaged and well-supported staff
- Improved patient access and experience

Airedale's Equality Objectives 2020-2024

- To implement the Accessible Information Standard (AIS).
- To improve BAME service users' access and experience of services.
- To increase awareness of mental health issues and to improve access and experience of mental health service users across the health economy.
- To implement the recommendations in the *Unhealthy Attitudes* Stonewall Study and Equity partnership LGBT Local Health Needs Assessment.
- Carry out a Gender Pay Gap Audit using a recognised audit framework.
- To implement the Workforce Race Equality Standard (WRES).

- Prepare for the implementation of the Workforce Disability Equality Standard (WDES) by preparing data and developing and delivering plans to tackle the issues identified.

The Board receives data and updates from the Director of People and HR relating to the EDS3 outcomes relating to workforce (including the Gender Pay Gap, WRES and WDES) and you can read more about our progress in the Staff Report on p62.

The Board also receives an annual Equality and Diversity report which reports on progress relating to equality objectives involving staff and patients.

Progress over the last year has continued to be limited due to the pandemic. Despite this, we have continued to work with local communities and groups to promote services, on public health messaging around Covid-19, ensuring equity of access to vaccinations and on maternity services at a local and regional level.

Social, community and human rights issues

We support our staff to play a full part in the community in a voluntary capacity, for example, by acting as governors for schools or trustees for local charities.

Links continue to be made with many community groups, with the support of voluntary and community sector colleagues across our district. This has enabled us to share important Covid-19 and vaccine information, and correct misinformation. As restrictions have eased some community meetings and visits have been able to resume, e.g., careers fairs and visits to schools.

The community response to the Trust and the wider NHS has continued to be extremely generous. The Trust is extremely grateful for the support of the Airedale Hospital and Community Charity and Friends of Airedale.

We continued to support Sue Ryder Care (for our local hospice Manorlands), as the charity that our staff can choose to support through the Pennies from Heaven salary deduction scheme.

Modern Slavery Act 2015

The Trust has zero tolerance of slavery and human trafficking and is committed to maintaining and improving systems, processes and policies to avoid complicity in human rights violation and to prevent slavery and human trafficking in our supply chain.

As per the requirements of the Modern Slavery Act 2015 we publish a statement about the actions we are taking in respect of modern slavery on the Trust website. This statement is reviewed and updated annually. Our current statement can be seen on the Trust website

here: www.airedale-trust.nhs.uk/about-us/equality-diversity-inclusion/modern-slavery-statement/

Overseas Operations

The Trust does not operate outside of the UK.

Important events since the end of the financial year 31 March 2022

Details of any post balance sheet events are provided in note 26 of the accounts.

CHAPTER 2
ACCOUNTABILITY REPORT

SECTION 1 - DIRECTORS' REPORT

The Director's Report has been prepared under direction issued by NHS Improvement, the independent regulator for Foundation Trusts, as required by Schedule 7 paragraph 26 of the NHS Act 2006 and in accordance with:

- Section 415, 416 and 418 of the Companies Act 2006 (section 415(4) and (5) and section 418 (5) and (5) and section 418 (5) and (6) do not apply to Foundation Trusts;
- Regulation 10 and schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulation 2008 ('the Regulations');
- Additional disclosures as required by the FReM; and
- Additional disclosures as required by NHS Improvement.

Composition of the Board

Airedale NHS Foundation Trust is headed by a Board of Directors with responsibility for the exercise of the powers and performance of the NHS Foundation Trust. The Board of Directors at the year-end is shown below.

Chair	Andrew Gold
Acting Chief Executive	Rob Aitchison

Executive Directors

David Crampsey	Medical Director
Joanne Harrison	Director of People and OD
Stuart Shaw	Acting Chief Operating Officer
Amanda Stanford	Chief Nurse
Amy Whitaker	Director of Finance

Non-Executive Directors

Rhys Davies	Chair of the Charitable Funds Committee
Andrew Dumbleton	Chair of the Finance, Performance and Digital Committee
Melanie Hudson	Chair of the People Committee
Ian Knight	Chair of the Audit and Risk Committee
Nadira Mirza	Deputy Chair, Senior Independent Director, and Chair of the Board Nominations and Remuneration Committee
Andy Withers	Chair of the Quality and Safety Committee

The gender balance of the Board as at 31 March 2022:

	Female	Male
Non-Executive Directors	2	5
Executive Directors	3	3

The age profile of the Board as at 31 March 2022:

Age range	Number of Directors
18 – 39	1
40 – 49	4
50 – 59	2
60 - 69	5
70 +	1

Register of Directors' interests

The Board of Directors undertakes an annual review of its Register of Declared Interests. At each meeting of the Board of Directors a standing agenda item also requires all executive and non-executive directors to make known any interest in relation to the agenda and any changes to their declared interests.

As at 31 March 2022 no member of the Board had declared an interest which may conflict with their management responsibilities as per the requirements of the NHS Improvement Code of Governance. The Chair who held office during the year ended 31 March 2022, declared they had no other significant commitments that affected their ability to carry out their duties to the full and were able to allow sufficient time to undertake those duties.

The Register of Declared Interests for the Board of Directors and the Council of Governors is held by the Director of Corporate Affairs and Group Company Secretary and is available for public inspection on the Trust's website at www.airedale-trust.nhs.uk.

Meetings of the Board of Directors

The Board of Directors is responsible for exercising all the powers of the Foundation Trust and is the body that sets the strategic direction, allocates the Foundation Trust's resources, and monitors its performance.

Its role is to:

- Set the organisation's values;
- Shape a positive culture for the Board and the Trust;
- Set the strategic direction and leadership of the Foundation Trust;
- Ensure the terms of the Provider Licence are met;
- Set organisational and operational targets;
- Assess, manage, and minimise risk;
- Monitor achievement against the above objectives;
- Ensure that action is taken to eliminate or minimise, as appropriate, adverse deviations from objectives;
- Ensure that the highest standards of corporate governance are applied throughout the organisation; and
- Note advice from, and consider the views of, the Council of Governors.

The Board has an annual work plan which ensures it focuses on its responsibilities and the long-term strategic direction of the Trust. It meets six times a year in public to conduct its business and has five meetings which focus on strategic development. The Board also meets on other occasions to discuss matters requiring Board consideration. Board members attend seminars and training and development events throughout the year.

The Board undertakes a rigorous evaluation of its own performance, that of its committees and of its individual directors. An independent review of the Board's performance, against NHS Improvement's well-led framework, was undertaken in 2020 and the results and action plan were shared at the Public Board meeting in September 2020. In March 2021 and 2022, the Board self-assessed its performance through the completion of a questionnaire. The results of the 2022 self-assessment were considered by the Board at a Public Board meeting in April 2022.

At the year end, the Board consisted of the Acting Chief Executive plus five Executive Directors (one of whom was undertaking the role in an acting capacity), two non-voting Directors and seven Non-Executive Directors, including a non-executive Chair. This split ensures the balance of power on the Board rests with the Non-Executive Directors.

The Non-Executive Directors possess a wide range of skills and experience essential for an effective Foundation Trust Board of Directors. These skills enable them to provide independent judgment and advice on issues of strategy, vision, performance, resources, and standards of conduct and to constructively challenge, influence and help the executive team develop proposals on such strategies.

The Board of Directors works as a unitary Board and directors have been selected to ensure the success of the organisation as a Foundation Trust, with an appropriate balance of clinical, financial, business and management background and skills. Should it be necessary to remove either the Chair or any Non-Executive Director, this shall be undertaken by the Council of Governors in accordance with the Foundation Trust's Constitution.

The Board may delegate any of its powers to a committee of directors or to an Executive Director. These matters are set out in the Foundation Trust's Scheme of Decisions Reserved to the Board and the Scheme of Delegation. Decision making for the operational running of the Foundation Trust is delegated to the Executive Directors Group, which comprises all the executive directors and non-voting directors (one of which is also the Group Company Secretary).

The composition of the Board for the year of the report is set out on the following pages. It also includes details of each director's background, committee membership and attendance at meetings.

An annual appraisal process for Non-Executive Directors is in place and is reviewed on an annual basis by the Appointments and Remuneration Committee (ARC). The Chair appraises the performance of the Non-Executive Directors and provides a detailed report to

the ARC; whilst the Senior Independent Director leads the Chair's appraisal and provides a summary report also to the ARC. In preparing the appraisals, both the Chair and Senior Independent Director consult with Executive Directors and consider the views of governors and other key management leads in. Executive Directors also have detailed appraisals of their performance, and an annual appraisal process is in place with regular reviews of objectives set by the Chief Executive, and, in the case of the Chief Executive, by the Chair. A summary report of the Executive Director appraisals is presented to the Board Nominations and Remuneration Committee (NRC) by the Chief Executive, and by the Chair in the case of the Chief Executive.

Non-Executive Directors are involved in regular development activities including Board workshops, and attendance at seminars and conferences. The Trust considers it has the appropriate balance and completeness in the Board's membership to meet the ongoing requirements of an NHS Foundation Trust and continues to monitor this balance through its NRC and ARC.

Disclosures of the remuneration paid to the Chair, Non-Executive Directors and Directors are given in the Remuneration Report on p52.

Biographies of the Board of Directors

The Board of Directors who served during the year comprised the following executive and non-executive directors:

Current Non-Executive Directors

Andrew Gold, Non-Executive Chair
Appointment: June 2016
Andrew was appointed Chair on 19 January 2018. Andrew is a qualified accountant and has a wide range of Board experience from a career in regulated financial services, mainly with member owned organisations. Until spring 2016, Andrew was the Group Director Risk, Audit and Compliance of a locally based regulated financial service group. Since May 2014 Andrew has been NED of the Ecology Building Society which is based in Silsden and is a mutual that demonstrates strong ethical values. Living in Skipton, Andrew is also directly involved in a number of activities that support the local community. As well as being Chair of the Board, Andrew also chairs the Council of Governors, the Sustainability Committee and the Appointments and Remuneration Committee.

Rhys Davies
Appointment: July 2019
Rhys has extensive executive experience in technology and change across the commercial, higher education, research, leisure and health sectors. Rhys' previous roles include Chief Information Officer (CIO) at Queen Mary University, Interim CIO at St Mary's University, Non-Executive Chairman at YHMAN Ltd, Director of Information Technology at University of Leeds, Group Director of Information Services at William Hill and IT Director at Wm Morrison Supermarkets. Prior to these leadership roles he gained extensive supermarket and supply chain experience at Asda and Tesco. Rhys is a member of the Finance, Performance and Digital Committee; the Quality and Safety Committee; and the People Committee and is Chair of the Charitable Funds Committee.

Andrew Dumbleton
Appointment: July 2019
Andrew is a Chartered Accountant with expertise in project, corporate and property finance, and audit acquired in multiple sectors. He is currently a Director of ASD Associates Ltd. Andrew is skilled in providing advice on major change and project finance infrastructure projects. His previous roles include Partner at BDO LLP, Director at RSM Robson Rhodes, Associate Director at KPMG and Manager at NM Rothschild and Sons Ltd.
Andrew is a member of the Audit and Risk Committee, the Charitable Funds Committee, the Sustainability Committee and Chairs the Finance, Performance and Digital Committee.

Melanie Hudson, Non-Executive Director
Appointment: May 2019
Melanie has spent the majority of her career working within the Further Education sector mainly in a strategic role reporting into and regularly advising and supporting the Board and

its associated committees. More recently Melanie was the Deputy Principal for Kirklees College and Dewsbury Centre Principal. Melanie has over 20 years' experience leading and managing the Human Resources and Organisational Development divisions, as well as having responsibility for the Estates and Capital Strategy, marketing and communications, ICT, Risk Management and Health and Safety. She has held numerous senior roles including Vice Principal Corporate Services, Kirklees College, Director of Corporate Services, Kirklees College, Assistant Principal for Human Resources and Equality, Huddersfield Technical College and Director of Corporate Services and Clerk to the Corporation, The Community College Hackney. Melanie chairs the Trust's People Committee; is a member of the Sustainability Committee; and holds the position as Non-Executive Chair of the Trust's wholly owned subsidiary, AGH Solutions Limited. She is also the NED Champion for Freedom to Speak Up, the Guardian of Safe Working Board lead, the NED Champion for Whistleblowing and the NED Champion for Wellbeing.

Ian Knight, Non-Executive Director

Appointment: 1 August 2021

Ian was a Corporate Treasurer with expertise in treasury and finance, acquired in multiple UK and international companies, culminating in being Group Treasurer at Kelda (Parent of Yorkshire Water). Ian has been a Non-Executive Director since 2001, most recently at Liverpool Women's NHS Foundation Trust, and is experienced in providing advice on finance, corporate acquisitions and commercial property projects. Ian chairs the Trust's Audit and Risk Committee and is a member of the Finance, Performance and Digital Committee. He also holds positions of Non-Executive Director of Kelda Group Pension Plan and chairs the Fundraising and Infrastructure Group at the Nell Bank Charitable Trust.

Nadira Mirza, Non-Executive Director

Appointment: May 2019

Nadira has a successful track record of strategic leadership, transformational change and people management within large complex organisations. She has significant experience of working at Board level within the education and voluntary sectors and in the NHS – she was a NED on the unitary Board of the Bradford District Care Trust (BDCT) for six and a half years where she was also the Senior Independent Director (SID) for a term chairing a number of business critical committees such as Quality and Safety, Human Resources, Charities and Mental Health Legislation and was Deputy Chair of Audit, Finance Investment and Business and Remuneration. Nadira is the Trust's Senior Independent Director; Chairs the Board Nominations and Remuneration Committee; is a member of the People Committee; and a member of the Appointments and Remuneration Committee. Nadira also attends Black, Asian and Minority Ethnic (BAME) network meetings and is the NED Champion for Maternity where she ensures the voices of women are heard.

Andy Withers

Appointment: April 2020

Andy was a General Practitioner in Bradford from 1986 and has held various roles in the local health economy including Chair of Bradford Districts Clinical Commissioning Group

until end of March 2020. He has extensive medical leadership experience including establishing and chairing the Clinical Group in the West Yorkshire & Harrogate Health & Care Partnership. He has served on several national NHS groups and was a member of the Oversight Group of the Integrated Care System (ICS). He was a member of many of the Bradford & Craven Health and Care system boards. Previously he was Chair of the Local Medical Committee. He retired from Practice in 2019.

Andy is Chair of the Quality and Safety Committee and is a member of the Appointments and Remuneration Committee. He is also a member of the Audit and Risk and Nominations and Remuneration committees. Andy is the NED Champion for End of Life Care and for Learning from Deaths.

Non-Executive Directors who also held positions during the year

David Wharfe
March 2020 – June 2021
David is a Chartered Management Accountant. He worked in the NHS for 35 years. During that period, he held a number of Director of Finance posts in various NHS organisations, including Sefton Health Authority and Ashton, Leigh and Primary Care Trust. His most recent role prior to retirement was as the Executive Director of Finance for NHS Lancashire.

David was previously a Non-Executive Director at East Lancashire Hospitals NHS Trust, where he Chaired the Finance & Performance Committee. Whilst at Airedale NHS Foundation Trust, David chaired the Audit and Risk Committee and was a member of the Finance, Performance and Digital and Charitable Funds committees. He also attended Lesbian, Gay, Bisexual and Transgender (LGBT) network meetings and was the NED Champion for Procurement.

Current Executive Directors

'Foluke Ajayi, Chief Executive
Appointed: April 2022
'Foluke joined the Trust in April 2022 from NHS England and NHS Improvement where she was Director of Strategic Transformation in the Humber Coast & Vale Health and Care Partnership. Prior to this, she worked as Chief Operating Officer at University Hospitals of Morecambe Bay NHS FT for five years. 'Foluke's early career was as a Clinical Scientist in Audiology specialising in paediatrics and cochlear implants, following which she held senior roles in the Department of Health and NHS Employers. She has also held senior operational management roles at Leeds Teaching Hospitals NHS Trust initially as Directorate Manager, after which she led their Cancer Centre as General Manager.

Rob Aitchison, Chief Operating Officer and Deputy Chief Executive
Appointed: April 2019
Rob was appointed as Chief Operating Officer on 1 April 2019 and was Acting Chief Executive Officer from 1 January to 31 March 2022. He previously worked at Calderdale

and Huddersfield NHS Foundation Trust where he was most recently Director of Operations for four years. Prior to this he held strategy and operational management roles working across primary and secondary care. Rob joined the NHS Management Training Scheme in 2007 and maintains a keen interest in supporting the development of others.

David Crampsey, Medical Director
Appointed: July 2020
David was appointed Medical Director in July 2020; after previously holding the position of Deputy Medical Director and Divisional Director for Surgery and Diagnostics at the Trust from Feb 2018. He is actively involved in system leadership at Place, and across West Yorkshire and Harrogate, and has been Co-Chair of the Bradford District and Craven System Planned Care Oversight Board.

David trained as an ENT Surgeon in Glasgow, London and Christchurch, New Zealand. He was appointed as a Consultant Otolaryngologist in 2011, with a specialist interest in Rhinology and Vertigo. He was Lead Clinician for ENT within NHS Greater Glasgow and Clyde from 2012 to 2017. He has an interest in teaching and education, with a teaching award from the University of Otago. He was also Honorary Clinical Senior Lecturer and Undergraduate Lead for ENT at the University of Glasgow.

David has had an active interest in leadership and management for many years, and participated in Cohort 10 of the NHS Scotland Delivering the Future leadership development programme. He is a member of the Faculty of Medical Leadership and Management, and a member of the BMA Medical Managers' Committee.

Joanne Harrison, Director of People and OD
Appointed: September 2019
Joanne has almost 20 years' experience of working in Human Resources and Organisational Development, in both the commercial and public sectors. Joanne's previous roles include Deputy Director of Workforce and Organisational Development; Interim Executive Director of Workforce and Organisational Development; HR Business Partner; HR Manager; Interim General Manager at Harrogate & District NHS Foundation Trust (HDFT) and HR and Development Manager at Habitat UK.

Victoria Pickles, Director of Corporate Affairs and Deputy Chief Executive (non-voting)
Appointed: February 2019
Victoria joined the Trust in February 2019. In October 2021 was appointed joint Deputy Chief Executive Officer with Rob Aitchison. Victoria was previously Company Secretary at Calderdale and Huddersfield NHS Foundation Trust for five years, following two years as Director of Corporate Affairs at Leeds Community Health Care. She also has nine years' experience in primary care in roles covering communications, media relations, complaints, patient and public involvement and corporate governance. Victoria is an Affiliate Member of ICSA: The Governance Institute and a Member of the Chartered Institute of Public Relations.

Stuart Shaw, Director of Strategy, Planning and Partnerships (non-voting)
Appointed: November 2018
Stuart was Acting Chief Operating Officer from 1 January to 31 March 2022. He was appointed to his substantive role of Director of Strategy, Planning and Partnerships in October 2018 having previously worked for 10 years at the Trust as the Head of Planning and Performance where he focused on annual planning, regulatory performance and contract negotiation and management.

Before joining the Trust, Stuart was the Assistant Director of Performance Management at Bradford Teaching Hospitals NHS Foundation Trust with a responsibility for establishing a Performance Management Unit that supported Local Delivery Plans. During this time, he took an opportunity to work on operational management projects, including establishing the process for the direct booking of operations and appointments with patients at the point of referral.

Amanda Stanford, Chief Nurse
Appointed: January 2021
Amanda initially joined the Trust as a non-voting member of the Board and prior to that worked at the Care Quality Commission (CQC) as Head of Inspection, North East, Yorkshire & Humber before being appointed as Interim Deputy Chief Inspector for London & South in 2017 and then Central England in 2018. Prior to joining the CQC she worked at York Teaching Hospital NHS FT as Directorate Manager, General Surgery and Urology covering York and Scarborough. Amanda's early career was as Clinical Nurse Specialist in Respiratory Medicine before moving into operational management at Hull & East Yorkshire NHS Trust as a Nurse Manager.

Amy Whitaker, Director of Finance
Appointed: November 2020
Amy has 18 years' experience of working in NHS finance, having joined the NHS Graduate Training Scheme in 2002. Amy joined the Trust in 2013 as Deputy Director of Finance, and in 2018 supported the establishment of AGH Solutions, a wholly owned subsidiary of the Trust, for which she was appointed Director of Finance. Amy became the Interim Director of Finance in May 2020 until her substantive appointment in November 2020. Throughout her career she has mainly worked across Acute and Specialist trusts in a variety of financial management roles. Amy remains a keen supporter of the graduate training scheme, being passionate about the development of finance teams, and with a particular interest in diversity and inclusion across NHS finance.

Executive Directors who also held positions at the Trust

Brendan Brown, Chief Executive
June 2018 – December 2021
Brendan was appointed to the joint position of Chief Executive, Airedale NHS Foundation Trust and Partnership Lead, Airedale, Wharfedale & Craven Partnership. Brendan previously held the position of Executive Director of Nursing/Deputy Chief Executive at

Calderdale and Huddersfield NHS Foundation Trust. Prior to this he was Director of Nursing/Deputy Chief Executive at Burton Hospitals and has previously held Board positions at Chief Nurse, Chief Operating Officer and Acting Chief Executive level. Brendan trained as a nurse in Derby and has a background in both acute hospital and community nursing and senior management positions. He has a Masters with Distinction from the University of Nottingham. He has a proven track record for health and care leadership, and consistent improvements in the delivery of healthcare across hospital and community settings.

He was the Senior Responsible Officer for workforce across the Bradford and Airedale place, and for the West Yorkshire and Harrogate Health and Care Partnership Board. Brendan was also selected to participate in the first cohort of The National Leadership Centre programme, a cabinet supported programme developed to enhance the social and economic well-being of the country by supporting the leaders of public services to work together across the public sector system.

Committees of the Board of Directors

The Board of Directors has six committees. Two are required as set out in the Trust's Standing Orders:

• Nominations and Remuneration committees –see Remuneration Report p52.
• Audit and Risk Committee

In addition, the Board has established four committees to carry out detailed scrutiny and provide assurance on key areas of the Trust business:

- Quality and Safety Committee
- Finance, Performance and Digital Committee
- People Committee
- Charitable Funds Committee
- Sustainability Committee

Each committee is chaired by a Non-Executive Director and is supported by Executive Directors and managers from across the Trust.

Audit and Risk Committee

The role of the Audit and Risk Committee is to critically review the governance and assurance processes on which the Board places reliance, to ensure the long-term viability of the organisation. The Committee is charged with ensuring the adequacy and effective operation of the overall control systems of the organisation, with specific focus on the framework of risks, controls and related assurances that underpin the delivery of the organisation's objectives.

The Audit and Risk Committee has approved terms of reference which are reviewed annually and are available on request.

The Non-Executive Director membership of the Audit and Risk Committee during 2021/22 was:

Andrew Dumbleton - member of the Committee
Ian Knight – Chair of the Committee (from 1 August 2021)
David Wharfe – Chair of the Committee (until 30 June 2021)
Andy Withers – member of the Committee

Additionally, the Director of Finance and other senior managers including the Director of Corporate Affairs/Deputy Chief Executive and the Assistant Director, Healthcare Governance, attend Audit Committee meetings. One member of the Council of Governors is also invited to attend and observe each meeting.

The Trust and the Committee are supported by the Internal Audit and Counter-fraud Service provided by Audit Yorkshire and its external auditors Grant Thornton. If necessary, the Committee may also seek independent legal or other professional advice.

The Committee met five times during 2021/22. The meeting in June specifically looked at the Annual Report and Accounts. The attendance at the Committee for the financial year 2021/22 is provided on p48.

The Committee has an annual work plan which shows how it plans to discharge its responsibilities under its terms of reference. The Committee Chair provides a report to the Board which sets out key items of discussion and anything for escalation. A self-assessment of the Committee's performance was completed at the end of 2021/22.

The principal activities of the Committee over the year were:

Financial reporting
The primary role of the Committee in relation to financial reporting is to review, with both management and the external auditor, the appropriateness of the annual financial statements concentrating on:

- the quality and acceptability of accounting policies and practices;
- the clarity of the disclosures, compliance with financial accounting standards and the relevant financial reporting requirements;
- material areas in which significant judgements have been applied or there has been discussion with the external auditor.

To aid the review, the Committee received reports from the Director of Finance and reports from the external auditor on the outcomes of their interim and year-end audit process. The key significant risk highlighted by the external auditor in their 2020/21 plan related to the valuation of land and buildings particularly in respect of the impact of the Reinforced Autoclaved Aerated Concrete issue.

The external auditor's audit report following the completion of the audit provided the Committee with assurance over the Trust's accounts showing they are free from material misstatement and give a true and fair view of the Trust's financial performance. In discussing the financial statements as part of its review of the Annual Report and Accounts the Committee considered the valuation of the estate and the resulting impairment of £30m. The Committee received a paper from the Director of Finance detailing the evidence to support the Trust's going concern status. The Committee reviewed this paper and confirmed their support for recommending to the Trust Board that the financial statements should be prepared on a going concern basis.

Governance and Risk Management

During the year the Committee has continued to ensure the Trust's governance arrangements are reviewed in line with the Code of Governance for Foundation Trusts published by NHS Improvement. Any changes are reflected within the relevant Trust policies and procedures and reported to the Committee for approval.

The Committee has continued to pay particular attention to the Trust's risk management arrangements and reviewed the Risk Management annual report. The Committee also received a report on a review of the risk management arrangements of the Trust which provided an overview of activity to be undertaken to strengthen risk management processes within the Trust from ward to Board during 2020. It was agreed that the Committee would consider this after six months.

The Committee reviews, on a regular basis, the risks that are described within the Trust's Board Assurance Framework and Trust Risk Register. The Committee has oversight of and relies on the work of the Risk and Compliance Group to scrutinise risk registers and performance against national risk and safety standards.

Of particular importance is the review of the disclosure statements that flow from the Trust's assurance processes with internal control weaknesses described within the Annual Governance Statement. The Committee discussed and agreed upon the disclosed areas of internal control gaps as described within the 2020/21 Annual Governance Statement.

The Committee undertook a self-assessment and identified several actions to improve its effectiveness. These included:

- Further development of the BAF and sources of assurance
- Undertaking deep dives on BAF risks
- An understanding of the relationship between the Committee and the Trust subsidiaries
- Ensuring private conversations are held with the external auditors

Additional activities of the Committee during the year included:

- Review and approval of the internal audit plan, and more detailed programme of work, ensuring that this was consistent with the audit needs of the Trust

- Consideration of the major findings of internal audit work, the appropriateness of management responses, and the timeliness of completion of agreed actions
- Review of all external audit reports and the annual audit letter
- Statement and changes in, and compliance with, accounting policies and practices
- Review of all work related to security, fraud and corruption as set out in the Secretary of State Directions

The Audit and Risk Committee also received regular or specific reports on:
- Losses and compensation payments
- Waiver of tendering process and competitive quotations
- Write off of debts
- Any allegation of suspected fraud notified to the Trust.

The duty to appoint the External Auditors lies with the Council of Governors. A panel of Governors supported by trust officers and the Chair of the Audit and Risk Committee is established to oversee the procurement of external audit services regarding the appointment and retention of the external auditor. The external audit function is provided by Grant Thornton who were re-appointed in 2022 for a three-year period.

The Group Company Secretary was the formal secretary for the Committee and ensured that co-ordination of papers and minutes were produced in accordance with the Chair of the Committee. The Trust has a process agreed by Governors for the agreement of non-audit services provided by external audit. No additional non-audit services were required during the period.

Quality and Safety Committee

The Quality and Safety Committee is chaired by Dr Andy Withers, Non-Executive Director. Membership also includes Rhys Davies, Non-Executive Director, Melanie Hudson, Non-Executive Director, Amanda Stanford, Chief Nurse and David Crampsey Medical Director.

The Committee provides the Board of Directors with assurance that there is continuous and measurable improvement in the quality of the services provided. It achieves this by ensuring governance, performance and internal control systems support the delivery of safe, high quality patient care. The Committee also ensures that the risks associated with the quality of the delivery of patient care are identified and managed appropriately.

Charitable Funds Committee

Rhys Davies, Non-Executive Director chairs the Committee. Membership also includes, Andrew Dumbleton, Non-Executive Director; Andrew Gold, Chair of the Trust and Non-Executive Director; David Crampsey, Medical Director; Joanne Harrison, Director of People and OD; and Christine Highley, Public Governor. The Director of Corporate Affairs/Deputy Chief Executive, Charity Manager and Senior Finance Manager also attend. The Committee acts on behalf of the Board of Directors in its capacity as Corporate Trustee of the Airedale Hospital and Community Charity (charity number 1050730).

The purpose of the Committee is to give additional assurance to the Board of Directors as Corporate Trustee that its charitable activities are within the law and regulations set by the Charity Commission for England and Wales and to ensure compliance with the Charity's own governing document. The Committee meets at least four times a year and provides advice to the Corporate Trustee on matters such as investment strategy and fundraising strategy.

The annual report and accounts of the Airedale Hospital & Community Charity are available from either contacting the Director of Corporate Affairs/Deputy Trust Secretary or via the Charity Commission website.

Finance, Performance and Digital Committee

The Finance, Performance and Digital Committee provides the Board with an independent and objective review of, and assurances, in relation to financial, performance and digital matters which may impact on the financial viability and sustainability of the Trust. The committee is chaired by Andrew Dumbleton, Non-Executive Director and comprises non-executive directors Ian Knight and Rhys Davies. The Finance Director and the Chief Operating Officer are also members.

The Committee provides detailed scrutiny of financial and performance information, including performance against the cost improvement and capital investment programmes, the waste reduction target and the cashflow position. Additionally, it reviews business cases for major initiatives. The Committee monitors progress against the Digital Strategy and receives assurance on the implementation of key digital projects and programmes.

People Committee

The People Committee provides assurance to the Board on the quality and impact of people, workforce and organisational development strategies and the effectiveness of people management in the Trust. This includes reviewing: recruitment and retention; training; employee health and wellbeing; employee engagement levels; workforce matters; and employee culture, diversity, and inclusion. This Committee is chaired by Melanie Hudson and includes Rhys Davies and Nadira Mirza as its Non-Executive Director members. The Director of People and OD; Executive Chief Nurse; and Medical Director are also members.

Sustainability Committee

The Sustainability Committee has a joint reporting line to the Board of Director of the Trust and the Board of AGH Solutions Ltd. It provides assurance that the Trust is acting in accordance with its environmental commitment and as a socially responsible organisation that makes the most of its social, environmental and economic assets to reduce the environmental impact and enhance the ethical/social impact of its activities. The Committee is chaired by Andrew Gold and includes Melanie Hudson and Andrew Dumbleton as its non-executive directors. The Director of Finance, Director of Strategy and Planning and Managing Director of AGH Solutions are also members of the Committee.

Director attendance at Board and Committee meetings 2021/22

Directors	Board of Directors	Audit & Risk Committee	NRC*	Charitable Funds Committee	Quality and Safety Committee	Finance. Performance and Digital Committee	People Committee	Sustainability Committee
Non-Executive Directors								
Andrew Gold	6/6	-	6/6	4/4	-	-	-	3/3
Andrew Dumbleton	6/6	5/5	--	-	-	9/9	-	3/3
Rhys Davies	4/6	-	-	3/4	6/9	6/9	8/8	-
Melanie Hudson	6/6	-	-	-	9/9	-	6/8	3/3
Ian Knight	3/3	2/2	-	-	-	4/5	-	-
Nadira Mirza	6/6	-	6/6	-	-	-	7/8	-
David Wharfe	3/3	2/2	-		-	2/3	-	-
Andy Withers	6/6	5/5	6/6	-	9/9	-	-	-
Executive Directors								
Brendan Brown	5/5	-	4/4	-	-	-	-	-
Rob Aitchison	6/6	-	0/2	2/3	7/8	7/7	-	-
David Crampsey	6/6	-	-	4/4	9/9	-	8/8	-
Joanne Harrison	4/6	-	6/6	3/4	-	-	8/8	-
Stuart Shaw	1/1						-	3/3
Amanda Stanford	5/6	-		-	8/9	-	7/8	-
Amy Whitaker	5/6	-		-	-	9/9	-	2/3

*NRC – Nominations and Remuneration Committee

NHS Improvement's well–led framework

The Trust last commissioned an independent review during the 2019/20 and the results were considered at the September 2020 Public Board meeting. The next independent review is due to be undertaken during 2022/23.

Board members self-assessed the Board's performance during 2021/22 through the completion of a questionnaire. The results of the questionnaire were considered by the Board in April 2022.

Directors' Statements

Service Agreements

The following table shows for each person who was a Director of the Foundation Trust at 31 March 2022 or who served as a Director of the Trust at any time during the year ended 31 March 2022, the commencement date and term of the service agreement or contract for services, and details of the notice periods.

Director	Contract start date	Contract term (years)	Unexpired term at the date of publication (months)	Notice period by the Trust (months)	Notice period by the director (months)
Non-Executive Directors					
Andrew Gold	1 June 2016	6 years**	12 months	3 months	3 months
Rhys Davies	1 July 2019	3 years	1 month	3 months	3 months
Andrew Dumbleton	1 July 2019	3 years	1 month	3 months	3 months
Melanie Hudson	7 May 2019	3 years	36 months	3 months	3 months
Ian Knight	1 August 2021	3 years	26 months	3 months	3 months
Nadira Mirza	7 May 2019	3 years	36 months	3 months	3 months
David Wharfe	1 March 2020	3 years	N/A – retired 30 June 2021	N/A – retired 30 June 2021	N/A – retired 30 June 2021
Andy Withers	1 April 2020	3 years	10 months	3 months	3 months
Executive Directors					
Rob Aitchison	1 April 2019	Indefinite term	Not applicable	3 months	3 months
Brendan Brown	4 June 2018	Indefinite term	Not applicable	Not applicable – resigned 31 December 2021	Not applicable – resigned 31 December 2021
David Crampsey	1 September 2020	Indefinite term	Not applicable	3 months	3 months
Joanne Harrison	4 September 2019	Indefinite term	Not applicable	3 months	3 months
Amanda Stanford	1 January 2021	Indefinite term	Not applicable	3 months	3 months
Amy Whitaker	1 November 2020	Indefinite term	Not applicable	3 months	3 months

** Serving an extension to the two terms of office served

All Non-Executives may serve two terms of three years. A Non-Executive Director's term of office may be terminated immediately if they commit a material breach of their obligations under their terms of appointment or under the following circumstances:

- commit any serious or repeated breach or non-observance of their obligations to the Foundation Trust (which include an obligation not to breach their duties to the Foundation Trust, whether statutory, fiduciary or common-law); or
- are guilty of any fraud or dishonesty or acted in a manner which in the opinion of the Foundation Trust acting reasonably brings or is likely to bring them or the Foundation Trust into disrepute or is materially adverse to the interests of the Foundation Trust; or
- have been convicted within the preceding 5 years of any offence if a sentence of imprisonment for a period of not less than 3 months has been imposed; or
- have been adjudged bankrupt or their estate sequestrated and (in either case) has not discharged; or

- are disqualified from acting as a director in accordance with the Airedale NHS Foundation Trust Constitution.

In such circumstances the process for termination by the Council of Governors would be in accordance with the Fit and Proper Persons Regulations and accompanying operating procedure.

Better Payment Practice Code

The table below reports the Foundation Trust compliance with the better payment practice code in respect of invoices received for non-NHS and NHS trade creditors. The target is to pay all non-NHS trade creditors within 30 calendar days of receipt of the goods or a valid invoice (whichever is later) unless other payment terms have been agreed.

Non-NHS Trade Creditors		
Summary of position 2021/22		
Year to 31 March 2022	**Numbers**	**Year to 31 March 2021**
49,127	Number of bills paid to date	49,660
46,253	Number of bills paid in 30 Days	36,936
94.15%	Percentage of bills paid in 30 days	74.38%

Year to 31 March 2022	**Values**	**Year to 31 March 2021**
215,534	£k Value of bills paid to date	167,072
205,506	£k Value of bills paid in 30 Days	142,399
95.35%	Percentage of bills paid in 30 days	85.23%

NHS Trade Creditors		
Summary of position 2021/22		
Year to 31 March 2022	**Numbers**	**Year to 31 March 2021**
1,200	Number of bills paid to date	1,757
941	Number of bills paid in 30 Days	604
78.42%	Percentage of bills paid in 30 days	34.38%

Year to 31 March 2022	**Values**	**Year to 31 March 2021**
50,327	£k Value of bills paid to date	7,957
47,194	£k Value of bills paid in 30 Days	3,365
93.77%	Percentage of bills paid in 30 days	42.29%

The Trust's invoice payment improvement plan resulted in a significant increase in performance, as demonstrated in the table above. This provides the perfect platform for maintenance of this performance in 2022/23.

Private Patient Income

Section 164(3) of the Health and Social Care act removes condition 10 (which restricts income from private charges), from the Foundation Trust Terms of Authorisation. The Foundation Trust is now required by the Act and the Foundation Trust's Constitution (rather than by the terms of Authorisation) to ensure that income derived from activities related to the Foundation Trust's principal purpose of delivering goods and services for the purpose of the NHS exceeds income derived from other activities. To increase this income in any financial year by 5% or more, the Trust is required to seek approval from the Council of Governors. Due to the continued impact of COVID-19, during 2020/21 private patient income reduced further and was again well below the 5% threshold. The private patient income for 2021/22 was £21k (2020/21 £38k).

Additional Disclosures Required by the NHS Foundation Trust Annual Reporting Manual

Accounting policies for pensions and other retirement benefits are set out in note 1.6 to the accounts and details of senior employees' remuneration can be found in the Remuneration Report.

Quality of Care

To provide a better understanding of comparative performance, the Trust's Quality Accounts includes a core set of statutory national quality indicators aligned with the Department of Health's NHS Outcomes Framework for 2015/16 and reflects data that the Trust reports nationally. Information of performance against the core indicators and performance thresholds is given in the Quality Report 2021/21. Due to the arrangements under Coronavirus, the Quality Report is not required to be included in this Annual Report. Limited information is provided in the Director's Report. The Quality Report will be published on the Trust's website after 30 June 2021.

Quality Governance

The Trust has implemented new Quality Governance arrangements and the Quality Assurance Framework reflects the refreshed and strengthened arrangements.

Further details about the Foundation Trust's quality governance arrangements are included within the Annual Governance Statement in Section 7 of the Annual Report. Further information about patient care activities and stakeholder relations will be found in the Quality Report.

SECTION 2 – ANNUAL REPORT ON REMUNERATION

Annual Statement on Remuneration

The Trust has established two committees responsible for the remuneration, appointments and nomination of Board Directors: the Appointment and Remuneration Committee and the Board Nominations and Remuneration Committee. Through these two committees, the Board ensures that a robust and thorough process of performance evaluation of Executive and Non-Executive Directors is undertaken, and remuneration levels are set accordingly.

Appointments and Remuneration Committee

The Appointments and Remuneration Committee (the 'Committee') is established for the purpose of overseeing the recruitment and selection processes to secure the appointments of non- executive directors (including the chair) being cognisant of the Board of Directors knowledge, skills and experience. The Committee also oversees the review of remuneration levels of the chair and non-executive directors. The Committee makes recommendations to the Council of Governors on the appointment of Non-Executive Directors (including the Chair) of the Foundation Trust and the Chair and Non- Executive Directors remuneration levels. During 2021/22 the Committee met on three occasions. Attendance at the Committee is included in this report.

The process through which the Non-Executive Directors are evaluated is managed by the Committee and involves seeking feedback from Governors and Board Directors, as well as directly from Governor members of the Appointments and Remuneration Committee. The Chair conducts the Non-Executive Director appraisals, whilst the Senior Independent Director conducts the appraisal of the Chair. The Council of Governors receives an assurance report each year outlining the process undertaken.

The Committee uses the guidance set out by NHS Improvement on a remuneration structure for NHS provider chairs and non-executive directors. The guidance provides a benchmark for levels of remuneration in the foundation trust sector. For non-executive directors there is a single uniform annual rate of £13,000 with supplementary payments made to the chair of Audit and Risk Committee and to the Senior Independent Director.

For chairs, a remuneration range was applied according to the size of a Trust based on its annual turnover and complexity. For Airedale, this means the Trust falls into group 1 with a remuneration range of between £40,000 and £45,100. There has been no uplift in pay in 2021/22.

The Committee's other work during the year included overseeing the appointment of a new Non-Executive Director to the Trust, Ian Knight.

Board Nominations and Remuneration Committee (NRC)

The Committee is established for the purpose of overseeing the recruitment and selection process for executive directors and the appointment of formal Board positions, for example the Senior Independent Director and Board Committee chairs. The Committee's second

purpose is to determine the remuneration and terms of service of Executive Directors and non-voting Directors. During 2021/22 the Committee met six times. Attendance at the Committee is included in this report.

The Committee also reviews current and future requirements applicable to the performance and setting of salaries for the posts covered by the committees remit and, in addition, the Trust's senior management succession planning arrangements and talent management process. The outcome of the executive directors' appraisals, conducted by the chief executive, and in the case of the chief executive, conducted by the chair, is reported to the Committee. The evaluation process involves input from other executive directors as well as non-executive directors. The Committee's report to the Board of Directors includes the reporting of the chief executive's annual objectives.

As part of the review of remuneration, the Committee considered a report from the Chief Executive which summarised the performance of individual directors. In the case of the Chief Executive, the Chair presented the performance report. The Committee also made a decision on director pay. In determining any decisions relating to executive pay, the Committee has regard to the NHS Improvement Code of Governance in relation to the remuneration of executive directors and is particularly sensitive to the pay and conditions of other staff within the Foundation Trust. Accordingly, the level of increase applied to directors' salaries did not exceed the maximum increase that staff employed under Agenda for Change would have received for 2021/22.

The Committee led the appointment of a new Chief Executive Officer and approved the interim arrangements to be put into place in the Director team. The NRC considered the recommendations from the appointment panel and agreed the preferred candidate for the role. As a result, Foluke Ajayi was appointed as Chief Executive Officer in April 2022.

The Committee also met during the year to consider the skills matrix for executive directors and to review the Committee terms of reference.

Key components of remuneration

Executive Directors

Remuneration Component	*How this component relates to the Trust strategy*	*How this component operates in practice*	*Performance measures and maximum potential value*
Base salary	Base salary helps to attract, reward and retain the right calibre of executive to deliver the leadership/management needed to execute the Foundation Trust's vision and plan	Base salary reflects the role, the executive's skills and experience and market level. To determine market level, the NRC reviews remuneration data on executive positions against NHS benchmarks using the '*IDS publication 'NHS Boardroom Pay Report.* On appointment an Executive Director's base salary is set at the market level or below if the executive is not fully experienced at this level. Where base salary on appointment is below market level to reflect experience, it will over time be increased to align with the market level subject to performance. In exceptional cases the NRC has the discretion to appoint above the maximum pay point in order to recognise outstanding experience, skills and knowledge. Base salaries of all Executive Directors are reviewed once each year. Reviews cover individual performance, experience, development in role and market comparisons.	The base salaries of Executive Directors in post at the start of the policy period and who remain in the same role throughout the policy period will not usually be increased by a higher percentage than the maximum incremental uplift applicable to the highest paid staff on Agenda for Change. The only exceptions are where an Executive Director has been appointed at below market level to reflect experience. The NRC has the discretion to award increases above the maximum point or non-consolidated performance payments to reward exceptional performance.
Annual performance related bonus	No performance related pay scheme is in operation within the Foundation Trust.		

	All other staff are subject to Agenda for Change pay rates, terms and conditions of service, which are determined nationally.		
Long term performance related bonus	No long term performance related scheme is in operation within the Foundation Trust. All other staff are subject to Agenda for Change pay rates, terms and conditions of service, which are determined nationally.		
Pension related benefits	Pension provision is one of the components to attract, reward and retain the right calibre of Executive Director's in order to ensure delivery of the leadership and management needed to execute the Foundation Trust's vision and plan	Executive Directors are entitled to join the NHS Pension Scheme. The employer's contributions are 14% of base salary. Alternatively, at their option and with agreement, Executive Directors may receive cash in lieu of pension at the stated rate and subject to normal statutory deductions.	Maximum is 14% of base salary

For Executive Directors, appointments are not time limited and the period for serving notice, whilst historically has been six months, is now three months for new appointees. Executive director contracts have reflected this change as new directors are appointed. Contractual provision for early termination is not appropriate as the contracts are not fixed term. Liability for early termination is therefore not calculated. No significant termination payments have been made since the organisation became a Foundation Trust.

Non-Executive Directors Remuneration Component	**How this component operates in practice**
Annual fee	The remuneration of the Chair and Non-Executive Directors is determined by the Appointments and Remuneration Committee in line with the guidance from NHS Improvement. https://improvement.nhs.uk/documents/6110/Chair_and_NED_Remuneration_Structure_1nov.pdf Members of the Committee conflicted by the Committees' recommendations are excluded from the decision-making process. The Chair and Non-Executive Directors receive annual remuneration in line with guidance on Chair and Non-Executive remuneration published by NHS Improvement and additional payments are currently paid to: □ Senior Independent Director; □ Chair of the Audit and Risk Committee;
Travel expenses	Non-Executive Directors are entitled to reimbursement of travel and accommodation expenses at the same rates as applicable to Executive Directors and other staff.
Other benefits	Non-Executive Directors are not entitled to receive any other fees or benefits in kind other than their annual remuneration.

Expenses paid to Governors 2021/22

During the financial year, no governors were paid expenses to reimburse their travel costs incurred whilst attending meetings at the Foundation Trust and at external training and development events as all meetings were held virtually.

	2021/22	**2020/21**
Number of Governors in office	20	20
Number of Governors receiving expenses	0	0
Total expenses paid to Governors	£0	£0

Salary and pension contributions of all Executive and Non-Executive Directors

Information on the salary and pensions contributions of all Executive and Non-Executive Directors is provided in the tables on the following pages. The information in these tables has been subject to audit by our external auditors Grant Thornton. Additional information is available in note 5.5 of the accounts.

Salaries and Allowances (for the period 1 April 2021 to 31 March 2022)

Information relating to senior manager's salaries, compensations, non-cash benefits, pension compensation and retention of earnings for Non-Executive Directors payments is set out below.

	2021-22 (12 months)					
Name and Title	**Salary**	**Taxable benefits**	**Annual performance-related bonuses**	**long-term performance-related bonuses**	**All pension related benefits**	**Total**
	(bands of £5000) £000	**(total to the nearest £100)**	**(bands of £5000) £000**	**(bands of £5000) £000**	**(bands of £2500) £000**	**(bands of £5000) £000**
Mr Rob Aitchison – Acting Chief Executive	130-135	0	0	0	17.5-20	150-155
Mr Brendan Brown - Chief Executive	135-140	0	0	0	32.5-35	170-175
Mr David Crampsey - Medical Director	170-175	0	0	0	37.5-40	205-210
Mrs Joanne Harrison - Director of People and OD	90-95	0	0	0	10-12.5	100-105
Mrs Victoria Pickles -Deputy Chief Executive	25-30	0	0	0	32.5-35	60-65
Mr Stuart Shaw- Acting Chief Operating Officer	25-30	0	0	0	32.5-35	60-65
Mrs Amanda Stanford - Director of Nursing	105-110	0	0	0	27.5-30	135-140
Mrs Amy Whitaker - Director of Finance	115-120	0	0	0	17.5-20	135-140
Mr S R Davies – Non-Executive Director	10-15	0	0	0	0	10-15
Mr A M Dumbleton - Non-Executive Director	10-15	0	0	0	0	10-15
Mr Andrew Gold - Chair	40-45	100	0	0	0	40-45
Mrs M T Hudson – Non-Executive Director	10-15	0	0	0	0	10-15
Mr I Knight – Non-Executive Director	5-10	0	0	0	0	5-10
DR N S Mirza – Non-Executive Director	15-20	0	0	0	0	15-20
Mr D Wharfe – Non-Executive Director	0-5	0	0	0	0	0-5
Dr A Withers – Non-Executive Director	10-15	0	0	0	0	10-15

Mr Rob Aitchison - Acting Chief Executive from 1 January 2022 – 31 March 2022
Mr Brendan Brown - Chief Executive left December 2022
Mr David Crampsey - Medical Director from June 2020
Mrs Joanne Harrison - Started September 2019
Mrs Victoria Pickles - Deputy Chief Executive from 1 January 2022 – 31 March 2022
Mr Stuart Shaw- Acting Chief Operating Officer from 1 January 2022 – 31 March 2022

Mrs Amanda Stanford - Director of Nursing from January 2021
Mrs Amy Whitaker - Director of Finance from December 2020
Mr S R Davies – Non-Executive Director started June 2019
Mr A M Dumbleton Non-Executive Director started June 2019
Mrs M T Hudson- Non-Executive Director started May 2019
Mr I Knight - Non-Executive Director started August 2021
DR N S Mirza- Non-Executive Director started May 2019
Mr D Wharfe - Non-Executive Director left June 2021
Dr A Withers – Non-Executive Director started April 2020

The increase in entitlement is calculated as ((20 x PE) + LSE) -((20 X PB +LSB)

Wherein:
PE is the annual rate of pension that would be payable to the director if they became entitled to it at the end of the financial year.
PB is the annual rate of pension, adjusted for inflation, that would be payable to the director if they became entitled to it at the beginning of the financial year.
LSE is the amount of lump sum that would be payable to the director if they became entitled to it at the end of the financial year.
LSB is the amount of lump sum, adjusted for inflation, that would be payable to the director if they became entitled to it at the beginning of the financial year.

Salaries and Allowances (for the period 1 April 2020 to 31 March 2021)

Information relating to senior manager's salaries, compensations, non-cash benefits, pension compensation and retention of earnings for Non-Executive Directors payments is set out below.

	2020-21 (12 months)					
Name and Title	**Salary**	**Taxable benefits**	**Annual performance-related bonuses**	**long-term performance-related bonuses**	**All pension related benefits**	**Total**
	(bands of £5000) £000	**(total to the nearest £100)**	**(bands of £5000) £000**	**(bands of £5000) £000**	**(bands of £2500) £000**	**(bands of £5000) £000**
Mr Rob Aitchison - Director of Operations	120-125	0	0	0	27.5-30	145-150
Ms Jill Asbury - Director of Nursing	80-85	0	0	0	0	80-85
Mr Brendan Brown - Chief Executive	180-185	0	0	0	42.5-45	220-225
Mr Andrew Copley - Director of Finance	10-15	0	0	0	0	10-15
Mr David Crampsey - Medical Director	150-155	0	0	0	37.5-40	185-190
Mrs Joanne Harrison - Director of People and OD	95-100	0	0	0	50-52.5	150-155
Dr Karl Mainprize - Medical Director	30-35	0	0	0	0	30-35
Mrs Amanda Stanford - Director of Nursing	25-30	0	0	0	12.5-15	35-40
Mrs Amy Whitaker - Director of Finance	95-100	0	0	0	70-72.5	170-175
Mr S R Davies - Non-Executive Director	10-15	0	0	0	0	10-15
Mr A M Dumbleton - Non-Executive Director	10-15	0	0	0	0	10-15
Mr Andrew Gold - Chair	40-45	0	0	0	0	40-45
Dr Maggie Helliwell - Non-Executive Director	0-5	0	0	0	0	0-5
Mrs M T Hudson - Non-Executive Director	10-15	0	0	0	0	10-15
DR N S Mirza - Non-Executive Director	15-20	0	0	0	0	15-20
Mr D Wharfe - Non-Executive Director	10-15	0	0	0	0	10-15
Dr A Withers - Non-Executive Director	10-15	0	0	0	0	10-15

Pension Benefits as at 31 March 2022

Name and title		Real Increase in Pension at retirement age	Real Increase in Pension Lump Sum at Pension age	Total accrued pension at Pension age at 31 March 2022	Lump Sum at pension Age Related to Accrued Pension at 31 March 2022	Cash Equivalent Transfer Value at 31 March 2022	Cash Equivalent Transfer Value at 31 March 2021	Real Increase in Cash Equivalent Transfer Value	Employers Contribution to Stakeholder Pension
		(bands of £2500) £000	(bands of £2500) £000	(bands of £5000) £000	(bands of £5000) £000	£000	£000	£000	To nearest £100
Mr Rob Aitchison - Chief Operating Officer / Acting Chief Executive		0-2.5	0	20-25	30-35	300	278	4	0
Mr Brendan Brown - Chief Executive		2.5-5	0	15-20	0	248	205	24	0
Mr David Crampsey - Medical Director		2.5-5	0	10-15	0	116	82	11	0
Mrs Joanne Harrison - Director of People and Organisational Development		0-2.5	0	15-20	20-25	215	203	0	0
Mrs Victoria Pickles-Deputy Chief Executive		0-2.5	0	25-30	15-20	409	378	27	0
Mr Stuart Shaw- Acting Chief Operating Officer		0-2.5	0	30-35	60-65	539	507	32	0
Mrs Amanda Stanford - Director of Nursing		0-2.5	0-2.5	45-50	100-105	929	880	37	0
Mrs Amy Whitaker - Director of Finance		0-2.5	0	30-35	50-55	440	417	7	0

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme, or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which the disclosure applies. The CETV figures, and from 2004-05 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 takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

SECTION 3 - STAFF REPORT

Analysis of Staff Costs

An analysis of staff costs is shown below. The information is split between permanently employed, defined as staff with a permanent (UK) employment contract directly with the Foundation Trust and other staff, defined as staff engaged on the objectives of the entity that do not have a permanent (UK) employment contract with the Trust. This information includes employees in the Group, on short term contracts of employment, agency/temporary staff, locally engaged staff overseas, and inward secondments from other entities.

	2021/2022			2020/2021		
Employee expenses	**Total**	**Permanently Employed**	**Other**	**Total**	**Permanently Employed**	**Other**
	£000	**£000**	**£000**	**£000**	**£000**	**£000**
Salaries and wages	**129,219**	129,219	-	**121,530**	121,530	-
Social Security Costs	**12,734**	12,734	-	**11,669**	11,669	-
Apprenticeship levy	**597**	597	-	**550**	550	-
Employer contributions to NHS Pensions Agency	**20,997**	20,997	-	**19,697**	19,697	-
Other Pensions	**-**	-	-	**104**	104	-
Agency/Contract staff	**6,619**	-	6,619	**7,545**	-	7,545
NHS Charitable funds staff	**-**	-	-	**-**	-	-
Total	**170,166**	**163,547**	**6,619**	**161,095**	**153,550**	**7,545**

The information in the table above has been subject to audit by our external auditors Grant Thornton. Additional information is available in note 5.1 of the accounts.

Analysis of Staff Numbers

An analysis of staff numbers is shown below. The average number of employees is calculated as the whole-time equivalent number of employees under contract of service in each week in the financial year, divided by the weeks in the financial year.

	2021/2022			2020/2021		
Average number of employees*	**Total Number**	**Permanently employed number**	**Other Number**	**Total Number**	**Permanently employed Number**	**Other Number**
Medical and dental	**379**	366	13	**356**	312	44
Administration and estates	**957**	919	38	**716**	680	36
Healthcare assistants and other support staff	**767**	766	1	**906**	843	63
Nursing, midwifery, and health visiting staff	**811**	798	13	**771**	728	43
Scientific, therapeutic, and technical staff	**415**	414	1	**434**	431	3
Other	**8**	8	-	**-**	-	-
Total	**3,337**	**3,271**	**66**	**3,183**	**2,994**	**189**

*WTE = Whole Time Equivalent

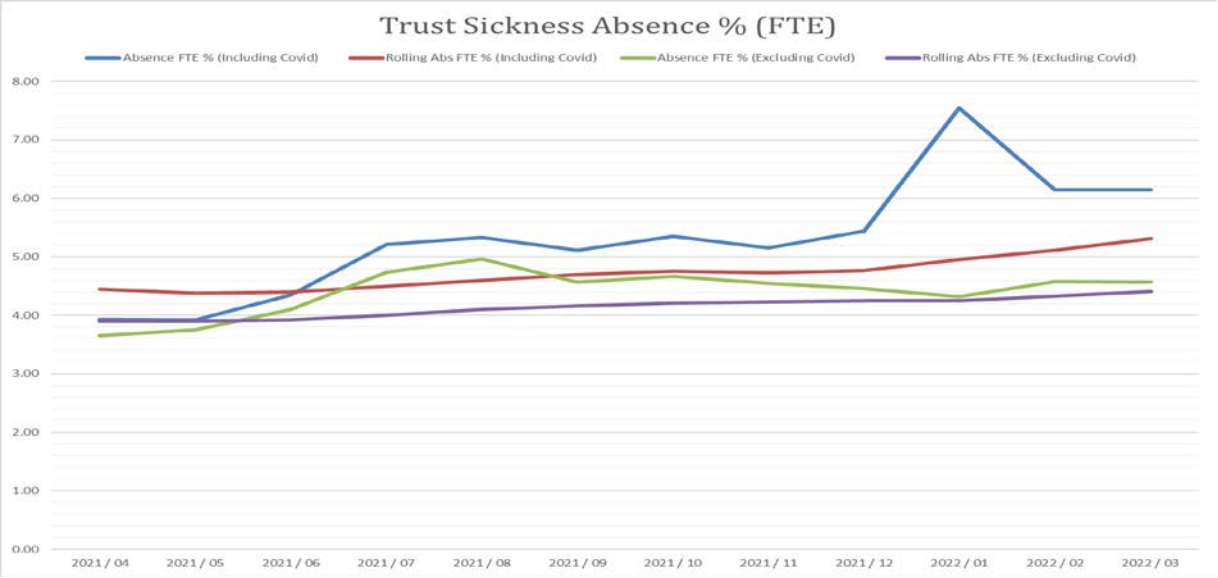
The information in the table above has been subject to audit by our external auditors Grant Thornton. Additional information is available in note 5.1 of the accounts.

Trust and AGH Solutions Combined:
The Trust and its wholly owned subsidiary employed 3,645 (primary assignment only, permanent and fixed term contracts) staff comprising 2,900 female staff and 745 male staff.

Trust only:
The Trust employed 3,243 (primary assignment only, permanent and fixed term contracts) staff comprising 2,679 female staff and 564 male staff.

Sickness absence data

The Trust continues to support employees' health and wellbeing and attendance. The sickness absence rate for 2021/22 is shown below.



Sickness absence continues to be a challenge for the Foundation Trust, with key risks the wellbeing of our people. The Trust has an annually refreshed health and wellbeing supported by wellbeing conversations.

Data on sickness absence is published by NHS Digital: https://digital.nhs.uk/data-and-information/publications/statistical/nhs-sickness-absence-rates

Staff turnover data

The rolling 12-month staff turnover figure for April 2021 to March 2022 was 12.24%, retention remains a key priority of the Trust's People Strategy with progress monitored as a strategic KPI linked to stability index.

Data on staff turnover is also published by NHS Digital: https://digital.nhs.uk/data-and-information/publications/statistical

Employee policies and actions

The Foundation Trust promotes a People Strategy to cover the period 2020-2025 with an overall ambition of supporting people to thrive and flourish in all that we do. This is underpinned by four strategic ambitions:

- value our people by promoting a positive culture and working environment that allows everyone to thrive and flourish
- work towards having enough people to provide great services and care and endeavor to address any material gaps through recruitment

- have people who want to work for us because of our positive reputation and who are reflective of our population
- make sure our people have the right skills and resources to develop and be able to succeed

The health and wellbeing of colleagues is a key component of the People Strategy with alignment to the national NHS People Plan commitment 'Looking after our People'. This ensures strategic focus and importance of supporting colleagues to stay well. A focus on wellbeing remains of key importance, as the organisation continues to respond to the Covid-19 pandemic, to enable the delivery of high standards, high quality and safe patient outcomes in an environment which provides a positive experience for all our patients and visitors.

The Foundation Trust has an established Employee Health and Wellbeing service that provides direct support to colleagues and their services can be accessed through either a management or self-referral route. There is a range of services available for employees, including employee health advice, physiotherapy, a dedicated Clinical Psychologist, and immunisation programmes for both flu and Covid-19.

The Foundation Trust actively promotes an employee assistance programme (EAP) that offers a multichannel service including 24 hour 7 days a week telephone helpline. The service is supported by a dedicated website and direct email access to specialist advisors. Within this service colleagues can seek mental health support; be signposted to other local services and receive, if appropriate, up to six sessions of telephone counselling and/or face to face counselling.

During 2021/22 the Foundation Trust introduced several new health and wellbeing initiatives to complement the existing offer. These included:

- Individual wellbeing packs for all colleagues, including drinks and healthy snacks
- Reusable water bottles for all staff and additional water coolers throughout the Trust funded by Airedale Hospital & Community Charity
- An additional day off annual leave focused as a Wellbeing Day
- Rollout of Wellbeing Conversations to encourage managers to provide an opportunity for colleagues to discuss their overall wellbeing
- Enhanced mental wellbeing support and signposting, made possible by an agreed expansion to the dedicated psychology support
- Promotion and signposting of physical wellbeing platforms
- Improved rest areas including sofas, a wellbeing garden, picnic benches, additional bike storage and tools, also funded by Airedale Hospital & Community Charity

The Trust's health and wellbeing offer is available through a new Wellbeing portal on the staff intranet and promoted through weekly communications.

Equality, diversity and inclusion

Policies in relation to colleagues living with a disability

The Foundation Trust has several policies and practices to support colleagues living with disabilities and colleagues who develop a disability during employment. These include the Recruitment and Selection Policy, PDR Policy and Learning Needs Analysis, Wellbeing at Work Policy and Flexible Working policy. All policies are subject to an Equality Impact Assessment to ensure that appropriate mitigations can be put in place to mitigate any potential adverse impact.

The Foundation Trust has a dedicated inclusion network for colleagues living with a disability. During 2021/22 this network has rebranded and is now known as the Enable network. It has the key focus of driving actions associated with the Workforce Disability Equality Standard (WDES) with a view to ensuring the ongoing development of policies relating to disabled employees. The group celebrated International Day of the Disabled Person in December 2021 and Neurodiversity Celebration Week in March 2022. Key achievements of the group from 2021/22 include:

- Launch of the reasonable adjustment guide and toolkit, including the introduction of a new Adjustments Passport
- Rollout of coaching and training relating to disabilities and reasonable adjustments
- Ongoing promotion of physical and hidden disabilities in addition to neurodiverse conditions
- Encouraging colleagues to update their disability status on their Electronic Staff Record

The individual risk assessment process encourages conversations to support individuals with underlying health conditions and enables managers to talk through the risk reduction framework, which is an individual agreement to support employees with a disability. Throughout the Covid-19 pandemic the Foundation Trust also introduced the sunflower lanyard which identifies anyone with a hidden disability, and this is available for those staff who have been identified through the support of the Employee Health and Wellbeing Service.

With the Wellbeing at Work policy launched in December 2020, a number of associated toolkits are available for line managers to support colleagues in the workplace. During 2021/22 a toolkit dedicated to reasonable adjustments has been launched with the support of the Enable network. The toolkit includes details of the Trust's Disability Confident Status, obligations and examples of reasonable adjustments, the Access to Work assessment process and a new Adjustment Passport. Other toolkits implemented to support wellbeing at work include Short Term Sickness Absence and Physical Wellbeing.

Equality Delivery System

The Foundation Trust serves a diverse population and is committed to ensuring that services are accessible to all. This is supported through an inclusive approach to people practices, including: leadership, policy development, recruitment, engagement, training and developing colleagues.

The Foundation Trust is fully committed to meet its core requirements under the Equality Act 2010 and Public Sector Equality Duty. The Trust has a dedicated Inclusion Group chaired by the Director of People and Organisational Development. This group is focused on inclusion as a key enabler in creating the best place to work through a sense of belonging, and fostering an environment where colleagues feel able to be their true self at work. This is a key priority of both the Trust's People Strategy and the NHS People Plan; specifically, to have people who want to work for the Trust because of a positive reputation and a workforce which is reflective of the local population.

The ongoing support and development of inclusion staff networks has enabled colleagues to share their experiences and has resulted in the development of key workstreams relating to the Workforce Race Equality Standard and Workforce Disability Equality Standard. The staff networks - Enable, the Race Equality Network, the Rainbow Network and the Gender Network - are each sponsored by an executive and non-executive Director and have the aim to provide a voice to underrepresented groups and to seek to understand lived experience to inform decision making. The staff networks have the opportunity to provide feedback as part of the formal governance structure through the Inclusion Group.

As part of the Inclusion Group new recruitment material has been co-designed with the Chairs of the inclusion networks. This is used externally to demonstrate the Foundation Trust's commitment to improving the diversity and inclusiveness of the workforce. This was recognised as a priority in key data analysis linked to inclusion, including the Workforce Race Equality Standard and the Workforce Disability Equality Standard.

During 2021 the Trust launched a Zero Tolerance statement explicitly committed to an approach where harassment and other forms of unacceptable behaviour towards colleagues would be not accepted. This has removed a potential barrier enabling colleagues to challenge behaviour and feel able to speak up if an incident does occur.

Employee engagement

The Trust recognises that a high level of colleague engagement is crucial to improving the satisfaction of our people, and to making both improvements in patient care and improvements in the experience of our patients.

The Trust has a formal partnership agreement in place with Trade Unions and staff organisations representing employees. There are consultation mechanisms through the Joint Local Negotiating Committee for medical staff and the Airedale Partnership Group for other staff groups. The Trust also currently has three staff governor seats, which represent the views of staff on the Council of Governors and Trust working groups.

The opportunities posed by technology over the last two years has driven an innovative approach to engagement, including regular virtual briefings for colleagues, led by members of the executive team, where colleagues can ask questions and receive key updates including information on operational performance. In particular, colleagues who work off site or from home have reported that virtual briefings have allowed them to continue to feel connected to the organisation.

The Foundation Trust has also undertaken extensive engagement relating to the ongoing development of health and wellbeing initiatives as part of the overall offer, giving colleagues multiple opportunities and methods for providing feedback. The results have enabled a well informed and detailed health and wellbeing offer to be developed for 2021.

Local employee surveys were undertaken on a quarterly basis through the year to measure satisfaction and monitor specific issues. The results, together with the annual NHS Staff Survey results, inform local team action plans, which are monitored at divisional level and overseen by the People Committee.

During 2021 a number of Non-Executive Director listening events have been held to provide colleagues with an opportunity to share their views and lived experience of working at Airedale. This has provided rich feedback to inform next steps and key decisions.

NHS Staff Survey

The national NHS Staff Survey is conducted annually. The results from questions are grouped to give scores across a number of indicators. The 2021 annual survey of NHS staff was conducted from October to December 2021 and the results published in March 2022.

The response rate to the 2021 survey was 48.5%, which shows an increase on the previous year and is also above the national average response rate of 46% for acute and community trusts.

The 2021 survey theme indicators were aligned to the NHS People Promise and as such a direct comparison between years is not possible. Seven of the key themes for analysis in 2021 were aligned to the NHS People Promise and the Trust's results in these areas are summarised below.

People Promise Theme	Trust Score 2021	Benchmark Score 2021
We are compassionate and inclusive	7.5	7.2
We are recognised and rewarded	6.1	5.8
We have a voice that counts	7.0	6.7
We are safe and healthy	6.2	5.9
We are always learning	5.3	5.2
We work flexibly	6.2	5.9
We are a team	6.8	6.6

An additional two themes included engagement and morale. For these areas a year-on-year comparison is possible and is shown below.

	2021 Trust score	2021 benchmark score	2020 Trust score	2020 benchmark score	2019 Trust score	2019 benchmark score
Engagement	7.1	6.8	7.3	7.0	7.2	7.0
Morale	5.9	5.7	6.2	6.2	6.4	6.1

Whilst a direct comparison is not possible between years, the Trust results for the previous three years grouped into the ten national themes is shown below

Theme	2020 Score	Benchmarking Group	2019 score	Benchmarking Group	2018 score	Benchmarking Group
Equality, diversity & inclusion	**9.3**	**9.1**	**9.4**	9.0	**9.4**	9.1
Health & wellbeing	**6.4**	**6.1**	**6.3**	5.9	**6.3**	5.9
Immediate managers	**7.0**	**6.8**	**7.1**	6.8	**7.0**	6.7
Morale	**6.5**	**6.2**	**6.4**	6.1	**6.3**	6.1
Quality of care	**7.5**	**7.5**	**7.3**	7.5	**7.3**	7.4
Safe environment – Bullying & harassment	**8.4**	**8.1**	**8.3**	7.9	**8.4**	7.9
Safe environment – Violence	**9.6**	**9.5**	**9.6**	9.4	**9.6**	9.4

Safety culture	**7.0**	**6.8**	**7.0**	6.7	**7.0**	6.6
Staff engagement	**7.3**	**7.0**	**7.2**	7.0	**7.2**	7.0
Team working	**6.6**	**6.5**	**6.7**	6.6		

The Foundation Trust scored above average for Acute Trusts and Communities in in all nine key themes linked to the People Promise. Although staff engagement and morale have a statistically significant reduction in scores year on year, this is consistent with the national trend and demonstrates the ongoing impact of the Covid-19 pandemic.

When considering areas where results have deteriorated these link to key risks already recorded on the Trust's high level risk register including health and wellbeing, safe staffing levels and retention, together with recommending the Trust as a place to work. These risks continue to be monitored through the Trust's governance arrangements.

The Workforce Race Equality Standard and Workforce Disability Equality Standard indicators continue to be an area of focus for the Trust; ethnicity and gender-based discrimination has deteriorated but disability-related discrimination has improved since the last survey. There has been a significant increase in BME colleagues who believe that career progression is fair. Unfortunately, there has also been a significant increase in colleagues with long term conditions experiencing bullying, harassment and abuse from colleagues. These results will have key significance as part of the Trust's WRES and WDES action plans.

The impact of the Covid-19 pandemic is considered in the 2021 results. The following highlights are relevant for analysis:

- The experience of colleagues working in Covid-19 areas e.g., hot wards and colleagues who were redeployed reported lower scores than those of other colleagues in all but one domain of the People Promise, with the biggest difference in 'we are safe and healthy' and 'we work flexibly'
- Colleagues required to work from home (471 individuals) reported a more positive experience than others across all domains of the People Promise, including feeling part of a team.

An in-depth analysis is undertaken of results at a departmental, divisional and Trust level. A report is provided to the People Committee, as a subcommittee of the Trust Board, to highlight the key areas of focus. This work is supported by an overall Trust wide action plan. The action plan will be monitored by the People Experience Group with exceptions reported to the People Committee.

Trust wide actions for improvement include:

Area of Focus	Proposed Actions	Timescale for Action
There are not enough staff at the organisation to do my job properly	• Roll out of safe care to provide reliable data around staffing levels • Further roll out of e-rostering to support effective deployment • Schedule of recruitment events to focus on domestic recruitment, including bulk recruitment • International recruitment for medical roles	May 2022 October 2022 To commence May 2022 To commence April 2022
I have come to work when not feeling well enough to undertake my work	• Launch a 2022 refreshed health and wellbeing offer • Further roll out and evaluation of wellbeing conversations • Launch of mental health toolkit and increase dedicated psychology support • Review of Employee Assistance Programme to assess impact • Review of MSK pathway to provide earlier intervention	April 2022 July 2022 May 2022 November 2022 September 2022
I would recommend the Trust as a place to receive treatment	• Launch of new roles to demonstrate commitment to innovation • Prioritise quality improvement work • Launch of new Datix system to facilitate greater mechanism for feedback from incidents • Launch new FTSU digital system to encourage colleagues to speak up	March 2023 March 2023 June 2022 June 2022
I would recommend the organisation as a place to work I often think about leaving the organisation	• Launch of career conversations as part of new PDR process • Launch new ESR enabled exit questionnaire • Focus on national flexible working priorities • Leadership development offer to promote support for colleagues • Review of reward and recognition offer	April 2022 April 2022 July 2022 May 2022 October 2022

Trade Union Facility Time

There is a requirement to report trade union facility time in accordance with the Trade Union (Facility Time Publication Requirements) Regulations 2017 in the annual report and on the website by 31 July each year. The up-to-date information will be available on the Trust's website at www.airedale-trust.nhs.uk/about-us/working-in-partnership/

Fair Pay Information

NHS foundation trusts are required to disclose the relationship between the remuneration of the highest-paid director in their organisation against the lower quartile, median and upper quartile remuneration of the organisation's workforce.

The banded remuneration of the highest-paid director in Airedale NHS Foundation Trust in the financial year 2021-22 was £172,500 (2020-21, £186,250). This is a change between years of (7.4%).

Total remuneration 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.

For employees of the Trust as a whole, the range of remuneration in 2021/22 was from £18,546* to £220,000 (2020/21, £18,005* to £250,000). 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 is 4.9%. 14 employees received remuneration in excess of the highest-paid director in 2021/22 (2020/21, 6).

The remuneration of the employee at the 25th percentile, median and 75th percentile is set out below. The pay ratio shows the relationship between the total pay and benefits of the highest paid director (excluding pension benefits) and each point in the remuneration range for the organisation's workforce.

2021/2022	25th percentile	Median	75th percentile
Total pay and benefits excluding pension benefits	£22,676	£31,655	£43,084
Pay and benefits excluding pension: pay ratio for highest paid director	7.61:1	5.45:1	4.00:1

2020/2021	25th percentile	Median	75th percentile
Total pay and benefits excluding pension benefits	£21,910	£29,735	£40,894
Pay and benefits excluding pension: pay ratio for highest paid director	8.50:1	6.26:1	4.55:1

The information in the tables above has been subject to audit by our external auditors Grant Thornton.

*The fair pay multiple calculation excludes all employees whose annualised pay falls below the minimum Band 1 amount.

Expenditure on consultancy

During 2021/22 the Trust spent £696,000 on consultancy.

Off-payroll engagements

Table 1: For all off-payroll engagements as of 31 March 2022, for more than £245 per day and that last for longer than six months

Number of existing engagements as of 31 March 2022	1
Of which….	
Number that have existed for less than one year at time of reporting	1
Number that have existed for less 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

Table 2: For all new off-payroll engagements, or those that reached six months in duration, between 1 April 2021 and 31 March 2022, for more than £245 per day and that last for longer than six months

Number of new engagements, or those that reached six months in duration, between 1 April 2020 and 31 March 2022	1

Of which….	
Number assessed as within scope of IR35	0
Number assessed as not within scope of IR35	1
Number engaged directly (via PSC contracted to trust) and are on trust's 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

Table 3: For any off-payroll engagements of board members, and/or senior officials with significant financial responsibility, between 1 April 2021 and 31 March 2022

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 must include both off-payroll and on-payroll engagements	0

Exit packages

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000	0	0	0
£10,000 – £25,000	0	0	0
£25,001 – £50,000	0	0	0
£50,001 – £100,000	0	0	0
£100,000 – £150,000	0	0	0
£150,001 – £200,000	0	0	0
Total number of exit packages by type	0	0	0
Total resource cost	0	0	0

Gender pay gap

The Trust publishes its information on the gender pay gap position for the Trust on the Cabinet Office website and on the Trust website: 2021 Gender Pay Gap report.

As required the Trust is able to report the gender breakdown of the workforce as follows, this data is as at 31 March 2022. The below data is analysed in more detail as part of the gender pay gap report.

Group	Female	Male	Total
Director	6	8	14
Employees	2543	507	3050
Senior Managers	128	52	180
Total	2677	567	3244

SECTION 4 - ASSESSMENT AGAINST THE NHS IMPROVEMENT NHS FOUNDATION TRUST CODE OF GOVERNANCE

The Code of Governance

Airedale NHS Foundation Trust has applied the principles of the NHS Foundation Trust Code of Governance on a '*comply or explain'* basis. The NHS Foundation Trust Code of Governance, most recently revised in July 2014, is based on the principles of the UK Corporate Governance Code issued in 2012.

The Board of Directors has established governance policies and/or procedures that reflect the principles of the NHS Foundation Trust Code of Governance, these include:

- Standing Orders of the Board of Directors, Standing Orders of the Council of Governors, Scheme of Reservation and Delegation of Powers and Standing Financial Instructions;
- Established role of Senior Independent Director;
- Non-Executive Director attendance at Council of Governor and Governor Involvement Group meetings in order to develop an understanding of the views of Governors and members regarding the Trust; Regular private meetings between the Chair and Non-Executive Directors;
- Performance appraisal process for all Non-Executive Directors, including the Chair, developed and approved by the Council of Governors;
- Formal induction programme for Non-Executive Directors and Executive Directors;
- Attendance records for Directors and Governors at key meetings;
- Comprehensive induction programme for Governors;
- Register of Interests for Directors, Governors and senior staff;
- Annual declaration of compliance with the 'fit and proper' persons test described in the provider licence, for the Board of Directors;
- Established roles of Lead Governor (and Deputy Lead Governor);
- Monthly meeting between the Chair and Governors to review matters discussed at the Board of Directors' meetings;
- Council of Governors' agenda setting process;
- Collective performance evaluation mechanism for the Council of Governors;
- Board Nominations and Remuneration Committee for Executive Directors;

- Appointments, Remuneration and Terms of Service Committee for Non-Executive Directors;
- Provision of high-quality reports to the Board of Directors and Council of Governors;
- Well-led Board evaluation (undertaken by the Good Governance Institute in 2019/20) and development plan;
- Council of Governors' presentation of performance and achievement at the Annual Members Meeting;
- Code of Conduct for Governors;
- Going Concern Report;
- Robust Audit and Risk Committee arrangements;
- Annual Members Meeting and Annual General Meeting, where information regarding the representativeness of the Trust's membership and action taken to engage the Trust's membership is presented;
- Meetings between the Board and Council of Governors regarding the Trust's annual plan;
- Governor-led process for the appointment of the External Auditor; and
- Whistleblowing Policy and Counter Fraud Policy.

One provision of the Code was not adhered to regarding the completion of effectiveness reviews. Whilst these were completed for all main Board committees, a review was not undertaken regarding the effectiveness of the Nominations and Remuneration Committee nor the Appointments and Remuneration Committee as these committees had only met a small number of times during the year and therefore effectiveness reviews for these two committees are carried out every two years. In considering all other provisions of the Code of Governance for Foundation Trusts, the Board is satisfied that all the requirements have been complied with and consequently there are no other departures from the Code of Governance requiring disclosure.

Each NHS Foundation Trust has its own governance structure. The basic governance structure of all NHS Foundation Trusts includes:

- Foundation Trust Members;
- Council of Governors; *and,*
- Board of Directors

This structure is established and well developed at Airedale NHS Foundation Trust, as set out in the Foundation Trust's constitution that is published at www.airedale-Trust.nhs.uk and in the NHS Foundation Trust Directory on NHS Improvement's website at www.improvement.nhs.uk

In addition to this basic structure, the Foundation Trust also has Board committees and sub-groups, comprising directors and/or governors, which are a practical way of dealing with specific issues.

Our Membership

The Trust has two membership constituencies:

- A public member constituency; and
- A staff member constituency

The number of members in each constituency on 31 March 2022 is shown below.

Member Constituency	Number of Members
Bingley	728
Bingley Rural	396
Craven	844
Ilkley / Wharfedale	811
Keighley East / Central	1702
Keighley West / Worth Valley	1266
Skipton	960
Settle and Mid-Craven	548
South Craven	631
West Craven	609
Pendle East and Colne	416
Rest of England	1769
Staff	3488
Total number of Foundation Trust members	**14,168**

Public Member Constituency

The Foundation Trust has 12 public member constituencies, split into the neighbourhood wards of Bradford Council, Craven Council and Pendle Council. A constituency covering out of area members (Rest of England) was established at authorisation to reflect the work undertaken by the Trust outside the immediate catchment area of the hospital.

All members of the public who are aged 14 or over and living in one of the public constituencies shown above can become a member by making an application for membership to the Foundation Trust.

As of 31 March 2022, the Foundation Trust had 10,680 public constituency members.

Staff Member Constituency

An individual who is employed by the Foundation Trust under a contract of employment (which includes full and part time contracts of employment) may become or continue as a member of the Trust provided:

- He or she is employed by the Foundation Trust under a contract of employment which has no fixed term or has a fixed term of at least 12 months; or
- He or she has been continuously employed by the Foundation Trust under a contract of employment for at least 12 months.

Individuals who exercise functions for the purposes of the Foundation Trust, otherwise than under a contract of employment with the Foundation Trust, may become members of the staff constituency provided such individuals have exercised these functions continuously for a period of at least 12 months.

The staff constituency is currently divided into the following constituencies:

- Doctors and dentists who are registered with their regulatory body to practice;
- Nurses and midwives who are registered with their regulatory body to practice;
- Allied health professionals and scientists who are registered with their regulatory body to practice; and
- All other staff.

All eligible staff are automatically made members of the staff constituency unless they inform the Foundation Trust, they do not wish to become a member.

As at 31 March 2022, the Foundation Trust had over 3480 staff members.

Constitution Changes
A review of the Constitution took place in February 2020 and no further amendments were identified during 2021/22.

Membership Engagement Strategy
Both the Board of Directors and Council of Governors agree that an active and engaged membership and public will continue to enhance the development of the Trust's strategic objectives in delivering high quality care, working with partners to deliver integrated care and to ensure clinical and financial sustainability.

In 2019/20, the Council of Governors developed an engagement plan to describe how they would continue the work of engaging with members and the public and collect feedback from the public, and members, including staff and to present that feedback to the Board of Directors. This now forms part of a wider Public and Patient Engagement Strategy.

The engagement plan aims to:

- Ensure public membership is representative of the community it serves (in terms of nationality, gender, disability, ethnic origin, age, social background, geographical spread and social deprivation);
- Ensure that all staff groups are given equal opportunity to become involved;
- Identify levels of involvement and participation within the membership according to the wishes and needs of individuals; and
- Ensure a continuous approach to the development of the membership in terms of both numbers and level of engagement.

Governor Involvement Group

This Group is responsible for developing the membership by recruitment, retention, communication and engagement and meets monthly. During 2020/21 and again in 2021/22, the Covid-19 pandemic curtailed any engagement events in public settings. Consequently, all engagement was undertaken through email, the website or post (in the case of the elections). Governors: -

- contributed to the involvement of members and the public in the annual plan;
- obtained feedback from members and the public, shared this with the Board and provided a response back to the members and public.

A Membership report is presented at the Annual Members Meeting. This incorporates information regarding membership age, ethnicity and gender by constituency and details the level and effectiveness of member engagement.

Membership Recruitment

Recruitment of new members is an ongoing activity to ensure that membership is representative of the local community. However, whilst new members joined the Trust during 2021/22, it was not possible for Governors to utilise traditional methods (such as face to face discussions) to recruit new members.

Membership Engagement

During 2021/22, members were engaged in the work of the Trust primarily through email communication or the website. They were also invited to attend the Annual Members Meeting which was held on 11 November 2021.

Once Covid-19 restrictions are relaxed, especially within hospital environments, Governors will consider the best ways to recruit new members from under-represented groups.

Membership Involvement

In December 2021, Governors represented the views of members and the public during Foundation Trust annual plan discussions. These views were collated and presented to the Board by the Governors to ensure their consideration as part of the annual planning process.

Our Council of Governors

The Council of Governors currently comprises 20 governor seats – the majority, elected – who play a vital role in the governance of the Trust, working closely with the Board of Directors. They represent the interests of the Trust's public and staff constituencies as well as its members and partner organisations in the local community, including voluntary organisations and local authorities, under the terms of the Foundation Trust's Constitution. The Council has a number of statutory duties as defined in the Constitution which include:

- The appointment (and removal) of the Chair and Non-Executive Directors of the Foundation Trust and approval of the appointment of the Chief Executive;
- Deciding on the pay and allowances, and other terms and conditions of office, of the Chairman and Non-Executive Directors;
- Appointing the Trust's auditors;
- Holding the Non-Executive Directors to account, individually and collectively, for the performance of the Board of Directors as a whole;
- Approving changes to the Constitution of the Foundation Trust;
- Being consulted on future plans of the Foundation Trust and having the opportunity to contribute to the planning cycle;
- Scrutinising the Annual Plan and receiving the Annual Report and Accounts; and
- Developing the membership of the Foundation Trust.

Elections are held each year for those seats either vacated due to resignations or because Governors have reached the end of their term of office. However, following guidance issued by NHS Improvement and a decision made by both Governors and the Board, a decision was taken to postpone the 2021 elections and to hold these in 2022. It was recognised the engagement of members and the public regarding the vacant seats would be limited due to Covid-19 restrictions. Governors can serve no more than three consecutive terms of office (resulting in a maximum of nine years' tenure). The overall make-up of the Council of Governors, together with their attendance at Council of Governors meetings in 2021/22 is shown on p83.

The annual ballot of governors for the appointment of a lead governor and deputy lead governor was held during the year. Karen Ellison, Governor for Ilkley and Wharfedale, was duly confirmed as Lead Governor, and Mr Nick Cole, Governor for Craven was confirmed as Deputy Lead Governor.

A joint meeting with the Board of Directors is normally held twice yearly to review progress on the Foundation Trust's Annual Plan and to consider priorities for the forthcoming year. The Council of Governors presented their feedback to the Board at a Board to Council meeting in December 2021. At the time, the Trust was awaiting information regarding the 2022/23 annual planning round.

During the year, governors were fully engaged in different activities and working groups and continued to familiarise themselves with the complexities of such a large organisation. To help support newly elected governors, the Trust has developed a bespoke induction programme which existing governors are also invited to attend. The next induction event will be held in May 2023. The Trust has provided opportunities for its governors to attend the national Governwell training programme organised by NHS Providers.

Governors are invited to observe all the Board committees. We value the contribution our Governors make and the different perspectives they bring to the development of services.

The Board of Directors and Council of Governors

Detailed below is a summary of the key roles and responsibilities of the Council of Governors and a description of how the Board of Directors and Council of Governors work together in the best interests of the Foundation Trust.

The Council of Governors is constituted in accordance with the Foundation Trust's Constitution and Standing Orders. The Council of Governors complies with the NHS Foundation Trust Code of Governance in which the Governor statutory duties are set out. The Council of Governors does not undertake the operational management of the Foundation Trust; rather they act as a link between members, patients, the public and the Board of Directors, providing an ambassadorial role in representing and promoting the Foundation Trust.

The Foundation Trust's governance structure is established to ensure the Council of Governors meets its statutory duties. The Council of Governors primary statutory duties are to hold the Non-Executive Directors individually and collectively to account for the performance of the Board as a whole; and to represent the interests of the members of the Foundation Trust as a whole and the interests of the public. Examples of governors fulfilling their statutory duties during the year include approving the remuneration of the Non-Executive Directors, receiving the annual accounts, external auditor's reports, and annual reports, and providing their views to the Board of Directors on the Foundation Trust's forward plans.

The Council of Governors has agreed a Code of Conduct setting out their role and responsibilities as well as their individual personal conduct. A separate dispute resolution procedure exists for the purpose of resolving any disputes that may arise between the Board of Directors and Council of Governors, which could ultimately be referred to NHS Improvement for adjudication.

The Council of Governors represents the interests of the Foundation Trust members and the public. They have an important role to play in acting as the eyes and ears of these groups of people and providing feedback about the Trust's services and plans.

The Council of Governors meets four times a year for the purpose of receiving briefings from the Executive Directors on matters of strategic importance, finance and performance and quality and safety. Additional meetings are also called if there are matters requiring approval by the Council of Governors e.g., Non-Executive Director appointments, for which a delay may be detrimental to the process. The Non-Executive Directors attend Council of Governors meetings to report on the work of each of the committees they chair; the purpose of which is to support Governors in their role of holding Non-Executive Directors to account for the performance of the Board.

During 2021/22, the Chair held monthly briefing sessions with the Council of Governors to keep them appraised of the Trust's response to the Covid-19 pandemic and its impact on the usual performance of the Trust.

The Chair, who chairs both the Board of Directors and the Council of Governors, ensures synergy between the two governing bodies through regular meetings and briefings.

The Directors (both Executive and Non-Executive) meet regularly with Governors during their day to day working through committee meetings, working group meetings, network sessions, chair's briefings, consultations, and information sessions. Examples include participation in the Appointments and Remuneration Committee and consultations about the Annual Plan.

The Governors have established a monthly Governor Involvement Group meeting whereby Executive and Non-executive Directors meet informally with several Governors to provide briefings and up-to-date information about the Foundation Trust.

Although meetings of the Board of Directors are held in public and governors can and do attend, the Chair provides a Board of Directors feedback session for Governors at their monthly Governor Involvement Group meetings. The Chair describes the matters discussed and decisions made within the public and private session of the Board meetings and responds to any questions or concerns Governors may have.

Governors have received training in the past regarding their holding to account duties and further training will continue to be provided as appropriate.

The Board of Directors is collectively responsible for exercising all the powers of the Foundation Trust; however, it has the option to delegate these powers to senior management and other committees as set out in the Scheme of Delegation. The

Board's role is to provide active leadership within a framework of prudent and effective controls which enable risk to be assessed and managed. The Board is responsible for the allocation of resources to support the achievement of organisational objectives, ensure clinical services are safe, of a high quality, patient focused and effective.

The Board of Directors ensure high standards of clinical and corporate governance and, along with the Council of Governors, engages members and stakeholders to ensure effective dialogue with the communities it serves.

The Board is accountable to stakeholders for the achievement of sustainable performance and the creation of stakeholder value through development and delivery of the Foundation Trust's vision and strategy. The Board ensures that adequate systems and processes are maintained to deliver the Foundation Trust's annual plan, deliver safe, high-quality healthcare, measure and monitor the Foundation Trust's effectiveness and efficiency as well as seeking continuous improvement and innovation.

The following table summarises Governor and Director attendance at Council of Governor's meetings:

Attendance of Governors at Council of Governors meetings 2021/22

Member	Tenure	Constituency	Meetings attended
Public Elected Governors			
Peter Home	Elected 1 June 2020	Bingley	4/5
Ros Seton	Elected 1 June 2019	Bingley Rural	3/5
Nick Cole	Elected 1 June 2019	Craven	3/5
Margaret Berry	Re-elected 1 June 2019	South Craven	0/1
Seat held due to Covid*	-	Keighley Central	-
Olukauyode Dada	Elected 1 June 2019	Skipton	5/5
Karen Ellison	Elected 1 June 2019	Ilkley & Wharfedale	5/5
Vacant seat	-	Rest of England	-
Vacant seat	-	Settle and Mid Craven	-
Seat held due to Covid*	-	West Craven	-
Christine Highley	Elected 1 June 2019	Keighley West	4/5
Seat held due to Covid*	-	Pendle East and Colne	-
Appointed Governors			
Mehnaz Khan	Appointed 6 October 2020	Voluntary Sector	1/5
Cllr Caroline Firth	Re-appointed 24 October 2021	Bradford Metropolitan District Council	4/5
Cllr Gillian Quinn	Appointed 1 June 2019	North Yorkshire County Council	4/5
Cllr Jennifer Purcell	Appointed 1 May 2021	Pendle Borough Council	0/3
Staff Governors			
Annette Ferrier	Re-elected 1 June 2020	Allied health professionals and scientists	4/5

Vacant Seat (Doctors and Dentists)	-	-	-
David Haston	Elected 1 June 2019	Nursing and Midwives	3/5
Seat held due to Covid*		All other Staff	-
In addition, the Chair's attendance is recorded as follows:			
Andrew Gold	Chair		5/5

*Due to the Covid 19 pandemic and the inability to hold events in public, the Trust decided to hold those seats due for election or re-election in abeyance. In some cases the previous Governor from that seat attended meetings as a member of the public.

Contacting the Foundation Trust Office

The Trust office continues to be a central point of contact for all members to make contact with the Trust and the Council of Governors. It can be contacted during office hours, Monday to Friday on 01535 294540 (24-hour answerphone also available) or by email to anhsft.members@nhs.net

A list of Governor contact email addresses is published on the Trust website in the Council of Governors section.

SECTION 5 – NHS IMPROVEMENT'S SINGLE OVERSIGHT FRAMEWORK

Single Oversight Framework

NHS Improvement's Single Oversight Framework provides the framework for overseeing providers and identifying potential support needs. The framework looks at five themes:

- Quality of care
- Finance and use of resources
- Operational performance
- Strategic change
- Leadership and improvement capability (well-led)

Based on information from these themes, providers are segmented from 1 to 4, where '4' reflects providers receiving the most support, and '1' reflects providers with maximum autonomy. A Foundation Trust will only be in segments 3 or 4 where it has found to be in breach or suspected breach of its licence.

NHS Improvement has placed the Foundation Trust in segment 2 as part of its Single Oversight Framework. This segmentation information is the Trust's position as at 25 May 2020 and further reporting was paused for the remainder of the 2020 and 2021 because of the pandemic.

Current segmentation information for NHS Trusts and Foundation Trusts is published on the NHS Improvement website. The Trust has not been subject to any enforcement action by NHS Improvement (Monitor).

SECTION 6 – STATEMENT OF ACCOUNTING OFFICER'S RESPONSIBILITIES

The NHS Act 2006 states that the chief executive is the accounting officer of the NHS Foundation Trust. The relevant responsibilities of the accounting officer, including their responsibility for the propriety and regularity of public finances for which they are answerable, and for the keeping of proper accounts, are set out in the *NHS Foundation Trust Accounting Officer Memorandum* issued by NHS Improvement.

NHS Improvement, in exercise of the powers conferred on Monitor by the NHS Act 2006, has given Accounts Directions which requires Airedale NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis required by those Directions. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Airedale NHS Foundation Trust and of its income and expenditure, other items of comprehensive income total and cash flows for the financial year.

In preparing the accounts and overseeing the use of public funds, the accounting officer is required to comply with the requirements of the *Department of Health and Social Care Group Accounting Manual* and in particular to:

- observe the Accounts Direction issued by NHS Improvement, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgments and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the *NHS Foundation Trust Annual Reporting Manual (and the Department of Health and Social Care Group Accounting Manual)* have been followed, and disclose and explain any material departures in the financial statements;
- ensure that the use of public funds complies with the relevant legislation, delegated authorities, and guidance;
- 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 foundation trust's performance, business model and strategy; and
- prepare the financial statements on a going concern basis and disclose any material uncertainties over going concern.

The accounting officer is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the NHS foundation trust and to enable them to ensure that the accounts comply with requirements outlined in the above-mentioned Act. The accounting officer is also responsible for safeguarding the assets of the NHS foundation trust and hence for

taking reasonable steps for the prevention and detection of fraud and other irregularities.

As far as I am aware, there is no relevant audit information of which the foundation 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 the *NHS Foundation Trust Accounting Officer Memorandum.*

'Foluke Ajayi
Chief Executive
20 June 2022

SECTION 7 – ANNUAL GOVERNANCE STATEMENT

ANNUAL GOVERNANCE STATEMENT

Scope of Responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of Airedale NHS Foundation 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 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 Foundation Trust Accounting Officer Memorandum.

The Purpose of the System of Internal Control

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 ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of Airedale NHS Foundation 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 Airedale NHS Foundation Trust for the year ended 31 March 2022 and up to the date of approval of the annual report and accounts.

Capacity to Handle Risk

As Accountable Officer, I have overall responsibility for ensuring that there are effective risk management and integrated governance systems in place within the Trust and for meeting all statutory requirements and adhering to guidance issued by NHS England and NHS Improvement in respect of governance and risk management.

The Board of Directors provides leadership on the overall governance agenda including risk management. It is supported by a number of committees that scrutinise and review assurances on internal control. These include:

- Audit and Risk Committee
- Quality and Safety Committee
- Finance, Performance and Digital Committee
- People Committee
- Sustainability Committee

Independent assurance on the effectiveness of the system of internal control and overall governance arrangements is provided by the Audit and Risk Committee. Additional assurance on the effectiveness of the systems for ensuring clinical quality is given by the Quality and Safety Committee.

The Board of Directors routinely receives a report from the Chair of the Committee which highlights the key areas of discussion and any items escalated for the attention of the Board.

The Board receive these alongside the Board Assurance Framework and the high-level risk register.

In 2021/22 the Trust strengthened its governance arrangements in relation to the management of its highest scoring strategic risk which relates to the fact that the Trust is largely constructed of Reinforced Aerated Autoclaved Concrete (RAAC) which was the subject of a Standing Committee on Structural Safety alert in 2019. There is an executive assurance group which oversees the Securing the Future programme, including the RAAC management programme and the plans to secure funding for a new build. The risks are reviewed and escalated to the board of directors where appropriate. A report on Securing the Future is presented at each public board of directors meeting. Region wide risk summits in relation to Airedale's RAAC have been held quarterly, involving trusts from across the region, NHS England, West Yorkshire Integrated Care Partnership and the Care Quality Commission.

The Trust has a Risk and Compliance Group which oversees all risk management activity to ensure:

- that the correct strategy is adopted for managing risk;
- controls are present and effective;
- action plans are robust for those risks that are being actively managed; and
- that high risks are scored appropriately.

The Risk and Compliance Group is chaired by the Chief Nurse and is attended by other executive colleagues. Divisional senior managers and specialist leads routinely attend each meeting. While the Risk and Compliance Group reports directly to the Audit and Risk Committee, it also provides a regular report on the high-level risks and mitigating actions to the Board and works with other committees of the Board in order to ensure a coordinated approach to effective risk management. In 2021/22 a dedicated Risk and Compliance Group for the Trust's wholly owned subsidiary was implemented to provide more detailed scrutiny and assurance of their risks and risk management processes.

The Chief Executive has overall responsibility for the management of risk. Other members of the director team exercise lead responsibility for the specific types of risk as follows:

- The Medical Director and Chief Nurse are jointly responsible for clinical governance. Whilst each has been allocated specific duties and responsibilities there are clear lines of accountability to each individual.

- The Chief Nurse is also the executive lead for ensuring a fully integrated and joined up system of risk and control management is in place on behalf of the Board. She is also the director of infection prevention and control, and the lead director for safeguarding children and adults;

- The Chief Operating Officer is responsible for health and safety and for overall risks to operational performance;

- The Director of Finance provides the strategic lead for financial and performance risk and the effective coordination of financial controls throughout the Trust.

- The Chief Digital and Information Officer is Senior Information Risk Owner and has responsibility for information governance;

- The Director of People and OD is responsible for workforce planning, staffing issues, education and training. Responsibility for organisational development is incorporated into executive directors' combined objectives both on an individual basis and collectively as the executive team.

- The Director of Corporate Affairs is responsible for the management of the board assurance framework and ensuring that strategic risks are identified and reported to the board of directors. She also has the executive lead for the RAAC programme, although the overall risks relating to RAAC sit with the Board.

In addition, there are clear responsibilities for risk identified across the Trust. All heads of service, clinical directors and managers have delegated responsibility for the management of risk and patient safety in their areas. Risk is integral to their day-to-day management responsibilities. It is also a requirement that each division has a risk register, which is consistent and mirrors the Trust's risk register requirements, in line with the risk management strategy.

All members of staff have responsibility for participation in the risk/patient safety management system through:

- Awareness of risk assessments which have been carried out in their place of work and compliance with any control measures introduced by these risk assessments;
- Compliance with all legislation relevant to their role, including information governance requirements set locally by the Trust;
- Following all Trust policies and procedures;
- Reporting all adverse incidents and near misses via the Trust incident reporting system;
- Attending regular training as required ensuring safe working practices;
- Awareness of the Trust patient safety and risk management strategy and any local patient safety and risk management process; and
- Knowing their limitations and seeking advice and assistance in a timely manner when relevant.

The Trust recognises the importance of supporting staff through appropriate training, development and access to systems. The quality and safety team support staff who are undertaking risk assessments and managing risk as part of their role. Risk assessment training is available to all members of staff and includes:

- Corporate induction training when staff join the Trust;
- Mandatory update training for all staff at specified intervals;
- Targeted training with specific areas including risk assessment, incident reporting and incident investigation; and,
- Training and mentoring support for the electronic adverse event reporting system that is targeted at managers of wards, departments and non-clinical areas.

The Board has set out the minimum requirements for staff training required to control key risks through a clear mandatory training programme including infection control, fire safety,

safeguarding adults and children, information governance and manual handling. During 2021/22, we achieved 88% compliance against this programme despite the restrictions of the pandemic. The mandatory training framework describes the requirements for each staff group and the frequency of training in each case. In addition, there is training in incident investigation, including documentation, root cause analysis, serious incidents and steps to prevent or minimise recurrence and reporting requirements.

Incidents, complaints, claims and patient feedback are routinely analysed to identify lessons learned and to help improve internal control and are reported to the Board through the Quality and Safety Committee.

The Trust has in place counter fraud arrangements through Audit Yorkshire from the NHS Counter Fraud Authority and has a named Local Counter Fraud Specialist. In order to ensure that counter fraud resources are effectively managed there is a Counter Fraud Plan and Annual Counter Fraud Report which outlines the proactive, reactive and strategic counter fraud work undertaken for the Trust in 2021/22.

I have ensured that all risks of which I have been made aware are reported to the Board of Directors. All new significant risks are escalated to me as Chief Executive and the executive team. They are reviewed and assessed by the Risk and Compliance Group. The risk score determines the escalation of risks. There is a regular programme of review of risks on the Board Assurance Framework which enables the Board of Directors to scan the horizon for emergent threats and opportunities and consider the nature and timing of the response required in order to ensure risk is kept under appropriate control at all times.

The Risk and Control Framework

The Trust has a Risk Management Strategy (titled Risk Management Policy), which is reviewed annually and endorsed by the Board of Directors. The Strategy provides a framework for managing risks across the organisation. The Strategy provides a clear, systematic approach to the management of risks to ensure that risk assessment is an integral part of clinical, managerial and financial processes across the organisation.

The Strategy sets out the role of the Board and its committees together with individual responsibilities of the chief executive, executive directors, other senior managers and all staff in managing risk. It assigns responsibility for the ownership and management of risks to all levels and individuals to ensure that risks which cannot be managed locally are escalated through the organisation. All risks are evaluated against a common grading matrix to ensure that all risks are considered alike. The control measures, designed to mitigate and minimise identified risks, are recorded within the risk register and Board Assurance Framework.

The Board Assurance Framework sets out:

- What the organisation aims to deliver (strategic objectives);
- Factors which could prevent those objectives being achieved (strategic risks);
- Processes in place to manage those risks (controls);
- The extent to which the controls will reduce the likelihood of a risk occurring;
- The evidence that appropriate controls are in place and operating effectively (assurance); and,
- Risk rating pre and post mitigation and target rating.

The Board Assurance Framework provides assurance to the Board, that these risks are being adequately controlled and informs the preparation of the Annual Governance Statement. The Board Assurance Framework was reviewed quarterly during the year by the Board and its committees and did not identify any significant gaps in control/assurance.

The Board of Directors undertook specific training in relation to the identification of risk and the use of the Board Assurance Framework in August 2021. In addition, workshops to discuss the Trust's risk appetite were held in December 2021 and February 2022. This work is due to be completed in September 2022.

Each committee receives a quarterly report on the strategic risks relating to their particular area, for example the Finance, Performance and Digital Committee will review the risks associated with the achievement of the financial plan or with digital transformation. The Board committees provide assurance to the Board that the areas within their terms of reference and any risks are being managed appropriately. This enables the Board to focus on matters of strategic importance or those risks requiring escalation.

In November 2021, the Board of Directors commissioned an independent review of its leadership by an independent consultant. The review included interviews with individual executive and non-executive directors; group interview with the non-executive directors; group interviews with the divisional leadership teams; and board observation

The high-level summary showed the Executive team, and the Non-Executives were in a strong position to demonstrate that the Trust is well-led.

A few development actions were identified:
- Embedding the role of the Clinical Reference Group in the governance arrangements
- Strengthening the quality improvement approach across the Trust
- Understanding the impact of the new NHS governance structures on the Board
- Consideration of the Trust's impact as an anchor institution and on health inequalities

The report also identified areas of good practice. Of particular note for the Annual Governance Statement are:
- A clear and consistent narrative of the Trust's position and direction of future travel
- Command and control arrangements during the recent pandemic was particularly referenced, providing prompt, and well-considered responses
- Clinical Reference Group provides the Trust with a clear line of sight to clinical advice
- Integrated Board Report provides a clear exposition of the way operational assurance flows into Board assurance and is a valuable tool for performance review
- The Trust Strategy is solidly embedded in the planning and governance cycle. It is complemented by the thinking of the Trust as an anchor institution

An action plan has been developed to address the areas of improvement alongside the recommendations from the Internal Audit annual review of the board assurance.

CQC Registration requirements

The Trust is registered with the Care Quality Commission and systems exist to ensure compliance with the registration requirements. A process of self-assessment is in place and is undertaken annually. Areas of concern are risk assessed and applied where necessary to the local and corporate risk registers. The Trust's last inspection in December 2018 included a Well Led and Use of Resources review as well as the inspection of core services, with the report published in March 2019. The Trust was given a combined rating of Good, with Requires Improvement for Quality of Care and Well Led.

To ensure robust implementation of the must and should do actions identified by the CQC the Trust put in place specific governance arrangements based on NHS England and NHS Improvement methodology for challenged trusts whereby all actions are monitored through a Blue, Red, Amber, Green (BRAG) rating. In order for an action to become green, robust evidence was required as assurance that:

- The action has been completed
- The action will achieve the intended impact
- Any identified risks are captured on the risk register
- There is a plan in place to monitor the effectiveness of the actions, including the impact for patients / staff

In order for an action to become blue, a period of monitoring / measuring must be completed which demonstrates a sustained delivery of the expected outcome.

A review of continued embeddedness of these actions is underway post-pandemic and will be reported to the Quality and Safety Committee.

Performance information

The Board reviews performance data each month against NHS England and NHS Improvement and CQC standards and outcomes via its Integrated Performance Report focusing on key performance indicators; quality, safety, patient experience and clinical outcomes; people and organisational development; and finance.

The Trust adopts a bottom-up approach to performance management which includes monthly integrated performance review meetings with each division. During the review meetings members of the divisional leadership present their performance and risk positions for scrutiny by the executive team, chaired by the Chief Operating Officer. This was further reinforced in 2020/21 with the introduction of an Accountability Framework which describes the levels of responsibility and accountability from Board to ward.

The Board requires exception reports to be presented should any nationally mandated performance standards not be met.

Data security

The Trust takes a robust approach to ensuring data security is managed and any risks are assessed in a timely manner. Risks to data security are continuously assessed and added to the Information Management and Technology (IM&T) risk register. The Data Security and Protection Toolkit (DSPT) allows organisations to measure their performance against the National Data Guardian's 10 data security standards. At the time of completing this report,

assessment against the standards was still underway, due to a change in the deadline for reporting. A sample of the evidence to support some of the mandatory items has been subject to internal audit review by Audit Yorkshire and a final assurance opinion will be given at the end of June 2022. For 2020/21 all standards were met and the baseline for 2021/22 was published in February 2022.

Incident Reporting

Incident reporting and investigation is recognised as a vital component of risk and safety management and is key to being a learning organisation. The Trust has an electronic incident reporting system, accessible to all colleagues. Incident reporting is promoted through induction and training programmes, regular communications, patient safety walk rounds, peer review and inspections. There is an escalation process for incidents and the executive team are alerted when a new incident is reported.

- Adverse incident reporting - The Trust promotes a culture of openness and transparency, and staff are advised on the Trust's approach to this through the Being Open / Duty of Candour Policy.
- Serious incident reporting – A director-led assurance panel reviews the reports from serious incidents to ensure that actions taken are embedded and effective. Learning from these is reported to the Board quarterly via the Quality and Safety Committee.
- Never events - The Trust had zero never events during 2021/22 (zero in 2020/21, two in 2019/20 and three in 2018/19). Any never event is investigated in detail to identify areas of learning. The results of these investigations are reported to the Quality and Safety Committee and the Board of Directors.
- Claims – The Trust has robust processes in place for dealing with both Clinical Negligence and Employers Liability Claims. A summary of any settled claim is disseminated where appropriate to:
    - Involved Clinician(s)
    - Relevant Clinical Director
    - Directors
    - Quality and Safety Team

The annual claims report goes to the Quality and Safety Committee for review and assurance.

As at 31 March 2022 Airedale NHS Foundation Trust had identified a number of risks, which are being managed and mitigated, scoring 15 or above on the high-level risk register which could impact on the achievement of corporate objectives, compliance with its licence or Care Quality Commission rating in the following areas:

- Estates issues and the impact of RAAC
- Health and wellbeing of our workforce
- Access to psychology support for children and young people with diabetes
- Staffing in paediatrics, emergency care and tissue viability
- A number of areas relating to information technology (IT) infrastructure and stability
- Risks relating to documentation
- Achievement of the national cleaning standards
- Loss of IT services due to a cyber attack

The impact of the building being largely constructed of RAAC has the highest score of 25 on the Trust High Level risk register and is also a BAF strategic risk. RAAC was the subject of a Structural Safety Alert in May 2019 following the collapse of a school constructed of the material. Airedale is 85% constructed of RAAC. To manage the risk, the Trust has carried out detailed structural surveys and put in short term remedial works to address any areas of concern. A recent additional risk has also been identified in the concrete skeleton structure of the building and the impact of failsafe engineering works on the integrity of this structure.

The key risk is the lack of a clear process to secure capital funding to rebuild the affected parts of the hospital building and a long-term plan for the hospital. There has been significant engagement of national, regional and local bodies to try to address the risk in the medium term. This is part of an ongoing programme of work. The Trust has a three-year allocation of the national RAAC emergency capital allocation ring fenced to support remedial works, roof repairs, and decant space which will reduce the safety risk but will not reduce the long-term strategic risk to the Trust and its ability to deliver safe, effective services.

Recruitment into key areas of the Trust has continued to be a risk throughout 2021/22. The Trust had significant levels of international nursing recruitment which resulted in an improvement. The Trust Board has an approved People Strategy which sets the ambition for how we will recruit, retain and develop the workforce. The implementation of this Strategy is monitored through the People Committee. The People Committee has also received updates throughout the year on each specific staff group. There has also been an increased focus on the health and wellbeing of our people through both the People Committee and the Board and a number of actions taken to provide support to colleagues across the Trust.

The Board receives an update on nursing and midwifery staffing at each meeting and a six-monthly Staffing Report which includes fill rates, ratios, vacancies, safety and the impact on the nursing workforce. There is a clear process of review of nurse staffing levels and appropriate timely escalation throughout the Trust. There continues to be an increased focus on domestic recruitment for nursing and medical posts as well as retention of the workforce.

IT and digital risks relate to both the use of systems and the stability of systems. The Chief Digital and Information Officer has been leading work to strengthen the Trust's Digital Strategy and identify funding and support to address the digital risks. The Trust has secured capital support for a business case setting out the plan to implement an electronic patient record. This will be a major undertaking for the Trust and specific governance arrangements for this programme are being developed. In the meantime, the impact of these risks relates to the quality of services and so are monitored through the Quality and Safety Committee as well as Finance, Performance and Digital Committee.

The recent international events mean that the risk relating to cyber security has also been increased. A self-assessment against the NHS England / NHS Digital cyber security standards was undertaken and submitted in April 2022. This identified a small number of actions to be addressed. These were reported to, and are being monitored by, the Audit and Risk Committee.

During 2021/22 the Trust's financial position was not identified as a risk due to the national financial arrangements relating to covid funding. The Trust's year-end financial position

showed an underlying surplus of £1.9M, £1.9M better than plan. The Trust delivered a cost improvement plan of £6.9M, £1.9M better than plan. For 2022/23 the risk to the Trust's financial position has been increased given the waste reduction target to be achieved. A Waste Reduction Group has been established and progress is reported monthly to the Finance, Performance and Digital Committee. The Board remains determined to ensure robust financial governance is maintained to ensure the long-term sustainability of the Trust.

The Board receives a number of quality and safety reports (for example, patient safety scorecard and CQC Insight Report, mortality scorecard and learning from deaths report), which enable the board to monitor the impact of gaps in workforce.

The Trust has a Patient and Public Engagement and Experience Steering Group which reports to the Quality and Safety Committee, and which agrees the arrangements by which stakeholders are involved in those risks which directly affect them.

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

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 referent to the guidance) within the past 12 months, as required by the '*Managing Conflicts of Interest in the NHS'* guidance.

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.

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

The Trust has undertaken risk assessments and has a sustainable development management plan in place which takes account of UK Climate Projections 2018 (UKCP18). The Trust ensures that its obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with. During 2021/22 the Trust established a Sustainability Committee to provide assurance to the Board of Directors on progress and achievement relating to sustainability objectives and targets. In January 2022, the Trust published its Green Plan and associated action plan which is monitored through the Sustainability Committee.

Covid-19

Throughout 2021/22, the Trust has had in place command and control arrangements to manage the operational planning, response and mitigation of the impact of the pandemic on services, patients and its people. Gold command meetings moved to weekly and Silver meetings held twice a week. These supported not only the actions required to manage the pandemic, but also the increased urgent and emergency care activity and flow through the hospital.

The Trust also continued with its Clinical Reference Group (CRG), made up of senior clinicians representing divisions, specialties and professional groups across the organisation. The CRG reviewed guidance and emerging information and made recommendations to Gold. The CRG remains in place and continues to provide advice and recommendations to Gold and the Executive Team on managing clinical risk and clinical practice.

Throughout the pandemic, the Trust's Board and committee governance structure was maintained. The agendas of committees were streamlined with papers being prioritised on a risk basis. All carried forward items were noted and incorporated into future meetings. There were no remaining items of carry over at the end of the financial year.

At the time of writing, a decision has been made to stand down the Gold and Silver arrangements and build these back into the usual governance arrangements of the Trust. The CRG will be retained and will act as an advisory group to the Executive Directors Group.

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

The Trust has set its strategic and annual objectives through the approval of its Five-Year Strategy. The Board of Directors sets these objectives with regard to the economic, efficient and effective use of resources. The Trust's financial plan is approved by the Board and submitted to NHS England and NHS Improvement. The plan, including forward projections, is monitored on a monthly basis and scrutinised by the Board and the Finance, Performance and Digital Committee.

The objectives set reflect national and local performance targets for standards of patient care and financial targets to deliver this care within available resources. Within these targets, the Trust includes specific productivity and efficiency improvements. These are identified from a range of sources including internal review such as internal audit, external audit and external organisations including benchmarking agencies. The Trust pays regard to its reference costs, a nationally mandated collection of cost data for delivering services in the NHS. The Finance, Performance and Digital Committee terms of reference also include scrutiny of the Trust's waste reduction plans and a subgroup has been established to closely monitor the development and implementation of waste reduction plans, chaired by the Director of Finance and including a number of other executives.

The Trust operates within a governance framework of Standing Orders, Standing Financial Instructions and other processes. This framework includes explicit arrangements for:

- Setting and monitoring financial budgets;
- Delegation of authority;
- Performance management; and
- Achieving value for money in procurement.

The governance framework is subject to scrutiny by the Trust's Audit and Risk Committee and internal and external audit. Financial governance arrangements are supported by internal and external audit to ensure economic, efficient and effective use of resources.

Information Governance

Maintaining the security of the information that the Foundation Trust holds provides confidence to patients and employees of the Foundation Trust. To ensure that its security is maintained an executive director – the Trust's Chief Digital and Information Officer – undertakes the role of Senior Information Risk Owner (SIRO). The SIRO supports the Chief Executive and the Board in ensuring compliance with appropriate standards and managing information risks. The SIRO has overseen the implementation of a wide range of measures to protect the data held and a review of information flows to underpin the Trust's Information Governance assurance statements and its assessment against the Data Security and Protection Toolkit (DSPT). The Trust has a Chief Digital and Information Officer as a shared post with Bradford Teaching Hospitals NHS Foundation Trust. He provides strategic oversight and accountability for the robustness of the Trusts clinical and non-clinical IT systems.

The Trust has a Chief Clinical Information Officer, who is also the Trust's Caldicott Guardian. Freedom of Information compliance is managed by the Head of Information Governance and Data Protection Officer, (also a shared appointment with Bradford Teaching Hospitals Foundation Trust) with responsibility for ensuring that appropriate procedures and processes are in place. The Information Governance Manager provides support for the day-to-day management of Information Governance. There is an established Information Governance Group (IGG) which oversees compliance, issues and incidents, receives assurance and reports on action plans and projects. The Head of Information Governance chairs the IGG. Membership includes the SIRO, Chief Clinical Information Officer, Information Governance Manager, Head of IT and other senior representatives from across the Trust. The IGG is accountable to the Finance, Performance and Digital Committee. The IGG regularly reports and informs on progress and compliance against the standards and the SIRO signs off the annual submission. During 2021/22, the Trust had no serious information governance reportable incidents that required noting as breaches in the Data Security and Protection Toolkit.

Data Quality and Governance

The Trust has arrangements in place to ensure it processes data that is accurate, reliable, timely, complete and sufficient, facilitating translation into meaningful information whenever and wherever required. The Chief Executive has Board level responsibility for ensuring an effective policy for data quality is in place within the Foundation Trust. The Head of Information takes responsibility for data governance across the organisation. There is a Data Quality Assurance Group, jointly chaired by the Assistant Director of Healthcare Governance with attendance from the Chief Clinical Information Officer, Head of Performance Information, IT lead, Information Governance lead, and representatives from across all divisions. The group receives reports relating to standards of data quality; reviews new legislation and best practice relevant to data quality; reviews adverse event forms relating to data quality; and assesses data quality risks and issues. The Trust has achieved all Assertions in the Data Security and Protection Toolkit related to data quality.

There are robust validation processes in place for all of the key performance indicators, including the referral to treatment time standards. The tracking team validate and track all patients on a pathway. The Trust has a reporting system which flags any anomalies, which are followed up and addressed at the weekly Patient Access meeting which is chaired by the Operations Director for Surgical Services.

Review of Effectiveness

As Accounting 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, the executive managers and clinical leads within the Trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on the performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, the Audit and Risk Committee, Quality and Safety Committee and the Risk and Compliance Group. A plan to address weaknesses and ensure continuous improvement of the system is in place.

The Board Assurance Framework itself provides me with evidence that the effectiveness of controls that manage the risks to the organisation achieving its principal objectives have been reviewed. My review is also informed by the major sources of assurance on which reliance has been placed during the year. These sources included reviews carried out by our external auditors, Grant Thornton; Audit Yorkshire; Care Quality Commission; NHS Providers, who provided risk management training and development for the Board; the Good Governance Institute, who carried out our well-led governance review; and NHS Resolution.

The following groups and committees are involved in maintaining and reviewing the effectiveness of the system of internal control:

Board of Directors

The Board has set out the governance arrangements including the committee structure within the Standing Orders and its Constitution. The Chairs of the Board's committees report to the Board at the first available Board meeting after each Committee meeting with urgent matters being escalated by the Committee Chair to the Board as appropriate. The Board has agreed, in conjunction with the Council of Governors, the strategic objectives for the Trust. The Executive Directors have assessed the risks to their achievement, along with risk controls and assurance mechanisms. As part of this risk assessment process, gaps in controls and assurances have been highlighted. This information is incorporated in the Trust's Board Assurance Framework document reviewed regularly by the Board of Directors.

Audit and Risk Committee

The Audit and Risk Committee is responsible for establishing an effective system of internal control and risk management and provide independent assurance to the Board. The Committee is made up of three non-executive directors, one of whom is chair and reports to the Board of Directors. The Committee takes an overview of the organisation's governance activity supported by the internal auditors who provide opinions on compliance with standards and the systems of internal control. The Committee ensures that any recommendations from these audits are implemented. The Committee also reviews, on a regular basis, the risks that are described within the Trust's Board Assurance Framework. The Committee has oversight of and relies on the work of the Risk and Compliance Group to monitor the risk management process and risk registers. The Committee has oversight of expressions of concern and whistleblowing arrangements and also receives assurance on the arrangements for counter fraud activity within the Trust, including the outcome of any referrals and investigations.

Quality and Safety Committee
The Quality and Safety Committee monitors selected quality metrics and ensures that the Trust has robust systems in place to learn from experience. It receives reports on areas of risk e.g., Safeguarding; Information Governance; Patient Safety, Serious Incidents and the quality metrics. The Quality and Safety Committee is chaired by a Non-Executive Director and reports to the Board of Directors.

People Committee
The People Committee scrutinises work to manage and mitigate the risks relating to the recruitment, retention, support and development of our people. The Committee is chaired by a non-executive director and reports to the Board of Directors.

Finance, Performance and Digital Committee
The Finance, Performance and Digital Committee scrutinises financial risks and targets and any significant risks to activity and performance. The Committee is responsible for ensuring that there are robust financial control procedures in place. The Committee also monitors progress against implementation of the digital strategy and risks to the achievement of this. The Finance and Performance Committee is chaired by a Non-Executive Director and reports to the Board of Directors.

Sustainability Committee
Introduced in 2021, the Sustainability Committee oversees the development and implementation of the Green Plan and the Trust's contribution to the mutually agreed West Yorkshire and Harrogate Health and Care Partnership aim: "*We aspire to become a global leader in responding to the climate emergency through increased mitigation, investment and culture change throughout our system".* The Committee is chaired by the Chair of the Board of Directors and reports to the Board of Directors.

Joint Health and Safety Committee
The Committee reports to the Quality and Safety Committee, though the Annual Report on Health and Safety is presented to the Board of Directors. The Committee includes management and staff side. The Committee ensures that the Trust meets its legal requirements to consult with staff on matters that affect their health and safety and has the responsibility of promoting and developing health and safety arrangements across the organisation, by ensuring compliance with the Health and Safety at Work Act 1974 (and related regulations). The Committee is chaired by the chief operating officer, whose role includes being the designated lead director for health and safety. The chief operating officer is supported in this role by the resilience and governance manager. During the year, a fully qualified health and safety manager was appointed to review the arrangements in place and ensure that there are robust mechanisms for the governance and implementation of health and safety across the Trust. There were two internal audits carried out on health and safety arrangements in both the Trust and in AGH Solutions. Both audits received a significant assurance opinion.

Internal Audit
The Head of Internal Audit overall opinion for the 2021/22 period is: *Significant assurance can be given that there is a good system of governance, risk management and internal control*

designed to meet the organisation's objectives and that controls are generally being applied consistently.

There were 21 completed internal audit reports in 2021/22 for Airedale NHS Foundation Trust and its wholly owned subsidiary. There were 19 reports with significant or high assurance and one where an opinion was not required. One internal audit received limited assurance in relation to temporary workforce. Due to restrictions and pressures caused by Covid-19, Internal Audit was not provided with appropriate evidence to conduct testing across all areas of the audit brief namely; hours recording and payments, 'break glass' authorisations, and Roster Review meetings. This is reflected in the control objective assurance levels and has resulted in the work of Internal Audit being limited to what was provided. The areas that were tested gave high and significant levels of assurance.

Action plans and progress on all of the recommendations made by Internal Audit is reported in detail to each subsequent Risk and Compliance Group and the Audit and Risk Committee meeting as part of Internal Audit's follow-up process. For the finalised reports there has been significant progress made in implementing the action plans in many of the individual audit report areas. Any areas where there has not been sufficient progress are called in for review by the Audit and Risk Committee. There have been no 'Low Assurance' reports during the year.

External Audit
External audit provides independent assurance on the accounts, annual report, and Annual Governance Statement. These documents and internal and external audits of specific areas of internal control provide the Board of Directors with the information it requires to gain assurance that the Trust is meeting its objectives to protect patients, staff, the public and other stakeholders against risks of any kind: which allows the Board to support me in signing this Annual Governance Statement. The Auditor provided a clean unqualified audit opinion on 16 June 2022.

Review and assurance mechanisms are in place and the Trust continues to develop arrangements to ensure that:

- Management, including the Board, regularly reviews the risks and controls for which it is responsible;
- Reviews are monitored and reported to the next level of management;
- Changes to priorities or controls are recorded and appropriately referred or actioned;
- Lessons which can be learned, from both successes and failures, are identified and circulated to those who can gain from them; and
- Appropriate level of independent assurance is provided on the whole process of risk.

Conclusion
The system of internal control has been in place in Airedale NHS Foundation Trust for the year ended 31 March 2022 and up to the date of approval of the annual report and accounts.

In summary I am assured that Airedale NHS Foundation Trust has an overall sound system of internal controls in place, which is designed to manage the key organisational objectives and minimise the Trust's exposure to risk. There are however weaknesses in the system which

are being addressed. The Board of Directors is committed to continuous improvement and enhancement of the system of internal control.

I am assured that:

- The Board, executive director and senior management have identified and are managing the risks facing the Trust, with the escalation of risk events, an effective process for keeping risks scores up to date and flagging any risk and control concerns;
- There is an appropriate risk management framework embedded in the Trust;
- The internal auditors and other independent assurance providers to the Trust, including external audit, have identified no major concerns from their risk focused programme of independent assurance.

My review therefore confirms no significant internal control issues have been identified for the year ended 31 March 2022.

‘Foluke Ajayi
Chief Executive
20 June 2022

CHAPTER 3
ACCOUNTS FOR THE PERIOD 1 APRIL 2021 TO 31 MARCH 2022

Independent auditor's report to the Council of Governors of Airedale NHS Foundation Trust

Report on the Audit of the Financial Statements

Opinion on financial statements

We have audited the financial statements of Airedale NHS Foundation Trust (the 'Trust') and its subsidiaries and joint ventures (the 'group') for the year ended 31 March 2022, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Taxpayers' Equity, the Foundation Trust Statement of Changes in Taxpayers' Equity, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is, applicable law and international accounting standards in conformity with the requirements of the Accounts Directions issued under Schedule 7 of the National Health Service Act 2006, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2021 to 2022.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the group and of the Trust as at 31 March 2022 and of the group's expenditure and income and the Trust's expenditure and income for the year then ended;
- have been properly prepared in accordance with international accounting standards as interpreted and adapted by the Department of Health and Social Care Group accounting manual 2021 to 2022; and
- have been 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, as required by the Code of Audit Practice (2020) ("the Code of Audit Practice") approved by the Comptroller and Auditor General. 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 group and 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

We are responsible for concluding on the appropriateness of the Accounting Officer's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions

are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the group or the Trust to cease to continue as a going concern.

In our evaluation of the Accounting Officer's conclusions, and in accordance with the expectation set out within the Department of Health and Social Care Group accounting manual 2021 to 2022 that the group and Trust's financial statements shall be prepared on a going concern basis, we considered the inherent risks associated with the continuation of services provided by the group and Trust. In doing so we had regard to the guidance provided in Practice Note 10 Audit of financial statements and regularity of public sector bodies in the United Kingdom (Revised 2020) on the application of ISA (UK) 570 Going Concern to public sector entities. We assessed the reasonableness of the basis of preparation used by the group and Trust and the group and Trust's disclosures over the going concern period.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and 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.

In auditing the financial statements, we have concluded that the Accounting Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

The responsibilities of the Accounting Officer with respect to going concern are described in the 'Responsibilities of the Accounting Officer and Those Charged with Governance for the financial statements' section of this report.

Other information

The Accounting Officer is responsible for the other information. The other information comprises the information included in the annual report[1], other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other information we are required to report on by exception under the Code of Audit Practice

Under the Code of Audit Practice published by the National Audit Office in April 2020 on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required to consider whether the Annual Governance Statement does not comply with the disclosure requirements set out in the NHS foundation trust annual reporting

manual 2021/22 or is misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.
We have nothing to report in this regard.

Opinion on other matters required by the Code of Audit Practice
In our opinion, based on the work undertaken in the course of the audit:

- the parts of the Remuneration Report and the Staff Report to be audited have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Accounts Directions issued under Schedule 7 of the National Health Service Act 2006[2]; and
- based on the work undertaken in the course of the audit of the financial statements and our knowledge of the Trust, the other information published together with the 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:

- we issue a report in the public interest under Schedule 10 (3) of the National Health Service Act 2006 in the course of, or at the conclusion of the audit; or
- we refer a matter to the regulator under Schedule 10 (6) of the National Health Service Act 2006 because we have reason to believe that the Trust, or an officer of the Trust, is about to make, or has made, a decision which involves or would involve the incurring of unlawful expenditure, or is about to take, or has begun to take a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency.

We have nothing to report in respect of the above matters.

Responsibilities of the Accounting Officer and Those Charged with Governance for the financial statements
As explained more fully in the, Statement of the Accounting Officer Responsibilities of the Airedale NHS Foundation Trust, the Chief Executive, as Accounting Officer, is responsible for the preparation of the financial statements in the form and on the basis set out in the Accounts Directions included in the NHS foundation trust annual reporting manual 2021/22, for being satisfied that they give a true and fair view, and for such internal control as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
In preparing the financial statements, the Accounting Officer is responsible for assessing the group's and the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer has been informed by the relevant national body of the intention to dissolve the Trust and the group without the transfer of the services to another public sector entity.

The Audit and Risk Committee is Those Charged with Governance. Those Charged with Governance are responsible for overseeing the group and Trust's financial reporting process.

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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and Trust and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (international accounting standards and the National Health Service Act 2006, as interpreted and adapted by the Department of Health and Social Care Group accounting manual 2021 to 2022).
- We enquired of management and the Audit and Risk committee, concerning the group and Trust's policies and procedures relating to:
  - the identification, evaluation and compliance with laws and regulations;
  - the detection and response to the risks of fraud; and
  - the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.
- We enquired of management, internal audit and the Audit and Risk Committee, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.
- We assessed the susceptibility of the group and Trust's financial statements to material misstatement, including how fraud might occur, evaluating management's incentives and opportunities for manipulation of the financial statements. This

included the evaluation of the risk of management override of controls We determined that the principal risks were in relation to:

  - closing journal adjustments made when preparing the financial statements including deferring income and accruing expenditure to potentially manipulate the financial performance at the year end. Our work was planned in a manner to identify cumulative material impacts due to management override of controls through journal entries
  - material closing journals that are unusual in nature and outside our expectations.

- Our audit procedures involved:
  - evaluation of the design effectiveness of controls that management has in place to prevent and detect fraud;
  - journal entry testing, with a focus on the principal risks of closing journal adjustments made when preparing the financial statements including deferring income and accruing expenditure to potentially manipulate the financial performance at the year end. Our work was planned in a manner to identify cumulative material impacts due to management override of controls through journal entries. We also tested material closing journals on a risk basis, such as those deemed unusual in nature and outside our expectations
  - challenging assumptions and judgements made by management in its significant accounting estimates in respect of land and building valuations
  - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- The team communications in respect of potential non-compliance with relevant laws and regulations, including the potential for fraud in revenue and/or expenditure recognition, and the significant accounting estimates related to buildings valuations.
- Our assessment of the appropriateness of the collective competence and capabilities of the group and Trust’s engagement team included consideration of the engagement team's;
  - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
  - knowledge of the health sector and economy in which the group and Trust operates

- understanding of the legal and regulatory requirements specific to the group and Trust, including:
  - the provisions of the applicable legislation
  - NHS England's rules and related guidance
  - the applicable statutory provisions.

- In assessing the potential risks of material misstatement, we obtained an understanding of:
  - The group and Trust's operations, including the nature of its income and expenditure and its services and of its objectives and strategies to understand the classes of transactions, account balances, financial statement consolidation processes, expected financial statement disclosures and business risks that may result in risks of material misstatement.
  - The group and Trust's control environment, including the policies and procedures implemented by the group and Trust to ensure compliance with the requirements of the financial reporting framework.

Report on other legal and regulatory requirements – the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

Matter on which we are required to report by exception – the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2022.

Our work on the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources is not yet complete. The outcome of our work will be reported in our commentary on the Trust's arrangements in our Auditor's Annual Report. If we identify any significant weaknesses in these arrangements, they will be reported by exception in a further auditor's report. We are satisfied that this work does not have a material effect on our opinion on the financial statements for the year ended 31 March 2022.

Responsibilities of the Accounting Officer

The Chief Executive, as Accounting 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 the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

We are required under paragraph 1 of Schedule 10 of the National Health Service Act 2006 to be satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. 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 undertake our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in December 2021. This guidance sets out the arrangements that fall within the scope of 'proper arrangements'. When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria:

- Financial sustainability: how the Trust plans and manages its resources to ensure it can continue to deliver its services;
- Governance: how the Trust ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness: how the Trust uses information about its costs and performance to improve the way it manages and delivers its services.

We document our understanding of the arrangements the Trust has in place for each of these three specified reporting criteria, gathering sufficient evidence to support our risk assessment and commentary in our Auditor's Annual Report. In undertaking our work, we consider whether there is evidence to suggest that there are significant weaknesses in arrangements.

Report on other legal and regulatory requirements – Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate for Airedale NHS Foundation Trust for the year ended 31 March 2022 in accordance with the requirements of Chapter 5 of Part 2 of the National Health Service Act 2006 and the Code of Audit Practice until we have completed our work on the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources.

Use of our report

This report is made solely to the Council of Governors of the Trust, as a body, in accordance with Schedule 10 of the National Health Service Act 2006. Our audit work has been undertaken so that we might state to the Trust's Council of Governors 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 Trust and the Trust's Council of Governors as a body, for our audit work, for this report, or for the opinions we have formed.

Gareth D Mills

Gareth Mills
Key Audit Partner
for and on behalf of Grant Thornton UK LLP, Local Auditor

Leeds
22 June 2022

(Please see below the Independent auditor's report to the Council of Governors of Airedale NHS Foundation Trust dated 19 August 2022 certifying completion of the audit for the year ended 31 March 2022)

Independent auditor's report to the Council of Governors of Airedale NHS Foundation Trust

In our auditor's report issued on 22 June 2022, we explained that we could not formally conclude the audit and issue an audit certificate for the Trust for the year ended 31 March 2022, in accordance with the requirements of Chapter 5 of Part 2 of the National Health Service Act 2006 and the Code of Audit Practice, until we had:

- Completed our work on the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources. We have now completed this work, and the results of our work are set out below.

Opinion on the financial statements

In our auditor's report for the year ended 31 March 2022 issued on 22 June 2022 we reported that, in our opinion the financial statements:

- give a true and fair view of the financial position of the Trust as at 31 March 2022 and of its expenditure and income for the year then ended;
- have been properly prepared in accordance with international accounting standards as interpreted and adapted by the Department of Health and Social Care Group accounting manual 2021 to 2022; and
- have been prepared in accordance with the requirements of the National Health Service Act 2006.

No matters have come to our attention since that date that would have a material impact on the financial statements on which we gave this opinion.

Report on other legal and regulatory requirements - the Trust's arrangements for securing economy, efficiency, and effectiveness in its use of resources

Matter on which we are required to report by exception – the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2022.

We have nothing to report in respect of the above matter.

Responsibilities of the Accounting Officer

The Chief Executive, as Accounting 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 the Trust's arrangements for securing economy, efficiency, and effectiveness in its use of resources

We are required under paragraph 1 of Schedule 10 of the National Health Service Act 2006 to be satisfied that the Trust has made proper arrangements for securing

economy, efficiency, and effectiveness in its use of resources. 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 review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in December 2021. This guidance sets out the arrangements that fall within the scope of 'proper arrangements. When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria:

- Financial sustainability: how the Trust plans and manages its resources to ensure it can continue to deliver its services;
- Governance: how the Trust ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency, and effectiveness: how the Trust uses information about its costs and performance to improve the way it manages and delivers its services.

We have documented our understanding of the arrangements the Trust has in place for each of these three specified reporting criteria, gathering sufficient evidence to support our risk assessment and commentary in our Auditor's Annual Report. In undertaking our work, we have considered whether there is evidence to suggest that there are significant weaknesses in arrangements.

Report on other legal and regulatory requirements – Audit certificate

We certify that we have completed the audit of Airedale NHS Foundation Trust for the year ended 31 March 2022 in accordance with the requirements of Chapter 5 of Part 2 of the National Health Service Act 2006 and the Code of Audit Practice.

Use of our report

This report is made solely to the Council of Governors of the Trust, as a body, in accordance with Schedule 10 of the National Health Service Act 2006. Our audit work has been undertaken so that we might state to the Trust's Council of Governors 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 Trust and the Trust's Council of Governors as a body, for our audit work, for this report, or for the opinions we have formed.

Gareth D Mills

Gareth Mills, Key Audit Partner
for and on behalf of Grant Thornton UK LLP, Local Auditor

Leeds
19 August 2022

FOREWORD TO THE ACCOUNTS

AIREDALE NHS FOUNDATION TRUST

The accounts for the year ended 31 March 2022 are set out on the following pages and comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Taxpayers' Equity, the Consolidated Statement of Cash Flows and the Notes to the Accounts.

These accounts for the year ended 31 March 2022 have been prepared by Airedale NHS Foundation Trust in accordance with paragraph 24 and 25 of schedule 7 to the National Health Service Act 2006.

Signed: ……Foluke Ajayi - Chief Executive

Date: 21 June 2022

STATEMENT OF THE CHIEF EXECUTIVE'S RESPONSIBILITIES AS THE ACCOUNTING OFFICER OF THE AIREDALE NHS FOUNDATION TRUST

The NHS Act 2006 states that the Chief Executive is the Accounting Officer of the NHS Foundation Trust. The relevant responsibilities of the Accounting Officer, including their responsibility for the propriety and regularity of public finances for which they are answerable, and for the keeping of proper accounts, are set out in the NHS Foundation Trust Accounting Officers' Memorandum issued by NHS Improvement.

NHS Improvement, in exercise of the powers conferred on Monitor by the NHS Act 2006, has given Accounts Directions which require Airedale NHS foundation trust to prepare for each financial year a statement of accounts in the form and on the basis required by those Directions. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Airedale NHS foundation trust and of its income and expenditure, other items of comprehensive income and cash flows for the financial year.

In preparing the accounts and overseeing the use of public funds, the Accounting Officer is required to comply with the requirements of the Department of Health and Social Care Group Accounting Manual and in particular to:

- observe the Accounts Direction issued by NHS Improvement, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the NHS Foundation Trust Annual Reporting Manual (and the Department of Health and Social Care Group Accounting Manual) have been followed, and disclose and explain any material departures in the financial statements;
- ensure that the use of public funds complies with the relevant legislation, delegated authorities and guidance;
- 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 foundation trust's performance, business model and strategy and;
- prepare the financial statements on a going concern basis and disclose any material uncertainties over going concern.

The Accounting Officer is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the NHS Foundation Trust and to enable him to ensure that the accounts comply with requirements outlined in the above mentioned Act. The Accounting Officer is also responsible for safeguarding the assets of the NHS Foundation Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

As far as I am aware, there is no relevant audit information of which the foundation 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 NHSI's NHS Foundation Trust Accounting Officer Memorandum.

Signed: ……Foluke Ajayi - Chief Executive

Date: 21 June 2022

NATIONAL HEALTH SERVICES ACT 2006

DIRECTIONS BY NHS IMPROVEMENT IN RESPECT OF NATIONAL HEALTH SERVICES FOUNDATION TRUSTS' ANNUAL ACCOUNTS

NHS Improvement, the Independent Regulator of NHS Foundation Trusts, with the approval of HM Treasury, in exercise of powers conferred on it by paragraph 25(1) of Schedule 7 of the National Health Services Act 2006, hereby gives the following Directions:

1. Application and interpretation

(1) These Directions apply to NHS Foundation Trusts in England.

(2) In these Directions:

(a) references to “the accounts” and to “the annual accounts” refer to:

for an NHS foundation trust in its first operating period since being authorised as an NHS foundation trust, the accounts of an NHS foundation trust for the period from point of licence until 31 March

for an NHS foundation trust in its second or subsequent operating period following initial authorisation, the accounts of an NHS foundation trust for the period from 1 April until 31 March

for an NHS foundation trust in its final period of operation and which ceased to exist as an entity during the year, the accounts of an NHS foundation trust for the period from 1 April until the end of the reporting period

(b) "the NHS Foundation Trust" means the NHS Foundation Trust in question.

2. Form and content of accounts

(1) The accounts of an NHS foundation trust kept pursuant to paragraph 24(1) of Schedule 7 to the 2006 Act must comply with the requirements of the Department of Health and Social Care Group Accounting Manual (DHSC GAM) in force for the relevant financial year.

3. Annual accounts

(1) The annual accounts submitted under paragraph 25 of Schedule 7 to the 2006 Act shall show, and give a true and fair view of, the NHS foundation trust’s income and expenditure, cash flows and financial state at the end of the financial period.

(2) The annual accounts shall follow the requirements as to form and content set out in chapter 1 of the NHS Foundation Trust Annual Reporting Manual (FT ARM) in force for the relevant financial year.

(3) The annual accounts shall comply with the accounting requirements of the Department of Health and Social Care Group Accounting Manual (DHSC GAM) as in force for the relevant financial year.

(4) The Statement of Financial Position shall be signed and dated by the chief executive of the NHS foundation trust.

4. Annual accounts: Statement of accounting officer’s responsibilities

(1) The statement of accounting officer’s responsibilities in respect of the accounts shall be signed and dated by the chief executive of the NHS foundation trust.

5. Annual accounts: Foreword to accounts

(1) The foreword to the accounts shall be signed and dated by the chief executive of the NHS foundation trust.

Signed by the authority of NHSI, the independent Regulator of NHS Foundation Trusts

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR TO 31 March 2022

		2021/22		2020/21	
		Group	Foundation Trust	Group	Foundation Trust
	Note	£000	£000	£000	£000
Operating income from continuing operations	3	**240,869**	**238,043**	**228,250**	**226,192**
Operating expenses of continuing operations:	4				
- Operating expenses		**(242,087)**	**(240,611)**	**(224,190)**	**(223,320)**
- Exceptional item - Reversal of Impairment/(Impairment)*		**4,001**	**4,001**	**(24,313)**	**(24,313)**
Operating Surplus/(Deficit) before Finance costs		**2,783**	**1,434**	**(20,253)**	**(21,441)**
FINANCE COSTS					
Finance income	6.1	**43**	**675**	**16**	**666**
Finance expense - financial liabilities	6.2	**-**	**(821)**	**(7)**	**(877)**
Finance expense - unwinding of discount on provisions	6.2 / 17.2	**10**	**10**	**8**	**8**
Public Dividend Capital - dividends payable		**(845)**	**(845)**	**(761)**	**(761)**
NET FINANCE COSTS		**(792)**	**(980)**	**(744)**	**(964)**
Gains/(losses) of disposal of assets	6.4	**10**	**-**	**10**	**10**
Movement in fair value of other investments	6.4	**12**	**-**	**81**	**-**
Share of profit/ (loss) of associates/ joint ventures	20.3	**713**	**713**	**465**	**465**
Corporation Tax Expense	1.18	**(489)**	**-**	**(428)**	**-**
SURPLUS/(DEFICIT) FOR THE YEAR		**2,237**	**1,166**	**(20,869)**	**(21,930)**

OTHER COMPREHENSIVE INCOME **Will not be reclassified to income and expenditure**		Group	Foundation Trust	Group	Foundation Trust
	Note	2021/22 £000	2021/22 £000	2020/21 £000	2020/21 £000
Impairments/Reversals	7	**651**	**651**	**(5,849)**	**(5,849)**
Revaluations	7	**270**	**270**	**149**	**149**
Other reserve movements		**45**	**45**	**216**	**-**
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		**3,203**	**2,132**	**(26,353)**	**(27,630)**
Surplus/ (deficit) for the period attributable to:					
Airedale NHS Foundation Trust		**2,237**	**1,166**	**(20,869)**	**(21,930)**
Total		**2,237**	**1,166**	**(20,869)**	**(21,930)**
Total comprehensive income/ (expense) for the period attributable to:					
Airedale NHS Foundation Trust		**3,203**	**2,132**	**(26,353)**	**(27,630)**
Total		**3,203**	**2,132**	**(26,353)**	**(27,630)**

All operations are continuing.

*An impairment of £24,313k was charged to operating expenses as an exceptional item in 2020/21 due to reduced life expectancy of Airedale General Hospital based on its construction method of Reinforced Autoclaved Aerated Concrete (RAAC) panels. In 2021/22, due to completion of a proportion of the ongoing remedial works, a reversal of £4,001k of the previous impairment has been credited to operating expenses. See sections 1.8.2, 1.22.2 for further details.
This part of the overall impairment has been pulled out separately as it directly relates to the exceptional item from last year.

The notes on pages 117 to 155 form part of these accounts.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 March 2022

		31 March 2022		31 March 2021	
		Group	Foundation Trust	Group	Foundation Trust
	Note	£000	£000	£000	£000
Non-current assets					
Property, plant and equipment	7	**62,121**	**62,121**	**36,703**	**36,703**
Investments in subsidiary / joint ventures	20.3/20.4	**778**	**9,669**	**515**	**9,406**
Other Investments	20.5	**605**	**-**	**580**	**-**
Loans to subsidiary	20.4	**-**	**17,838**	**-**	**18,451**
Receivables	10.1	**2,749**	**1,143**	**3,183**	**1,594**
Total non-current assets		**66,253**	**90,771**	**40,981**	**66,154**
Current assets					
Inventories	9	**2,596**	**1,167**	**2,896**	**1,421**
Receivables	10.1	**9,436**	**8,785**	**8,017**	**8,732**
Loans to subsidiary	20.4	**-**	**613**	**-**	**592**
Cash and cash equivalents	11	**29,522**	**22,873**	**26,182**	**21,864**
Total current assets		**41,554**	**33,438**	**37,095**	**32,610**
Current liabilities					
Trade and other payables	12	**(31,482)**	**(30,966)**	**(27,424)**	**(28,569)**
Provisions	17	**(3,603)**	**(3,364)**	**(1,071)**	**(825)**
Lease liability	14.2	**-**	**(1,500)**	**-**	**(1,515)**
Other liabilities	13	**(3,886)**	**(3,886)**	**(2,095)**	**(2,095)**
Total current liabilities		**(38,971)**	**(39,716)**	**(30,590)**	**(33,004)**
Total assets less current liabilities		**68,836**	**84,493**	**47,486**	**65,759**
Non-current liabilities					
Provisions	17	**(1,134)**	**(1,134)**	**(1,318)**	**(1,318)**
Lease liability	14.2	**-**	**(22,261)**	**-**	**(23,761)**
Other liabilities	13	**(3,208)**	**(3,208)**	**(3,348)**	**(3,348)**
Total non-current liabilities		**(4,342)**	**(26,603)**	**(4,666)**	**(28,427)**
Total assets employed		**64,494**	**57,890**	**42,820**	**37,332**
Financed by (taxpayers' equity)					
Public Dividend Capital		**74,358**	**74,358**	**55,887**	**55,887**
Revaluation reserve		**2,355**	**2,355**	**1,454**	**1,454**
Income and expenditure reserve		**(13,579)**	**(18,823)**	**(15,829)**	**(20,010)**
Charitable fund reserves	20.5	**1,360**	**-**	**1,308**	**-**
Total taxpayers' equity		**64,494**	**57,890**	**42,820**	**37,332**

The notes on pages 117 to 155 form part of these accounts.

The financial accounts on pages 108 to 155 were approved by the Board of Directors on

Signed on its behalf by: ……Foluke Ajayi - Chief Executive

Date: 21 June 2022

CONSOLIDATED STATEMENT OF CHANGES IN TAXPAYERS' EQUITY

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 at the time of establishment of the predecessor NHS organisation. Additional PDC may also be issued to trusts by the Department of Health and Social Care. A charge, reflecting the cost of capital utilised by the Trust, is payable to the Department of Health as the public dividend capital dividend.

Income and Expenditure Reserve

The balance of this reserve is the accumulated surpluses and deficits of the Trust.

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 income. 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.

Charitable funds reserve

This reserve comprises the ring-fenced funds held by the NHS charitable funds consolidated within these financial statements. These reserves are classified as restricted or unrestricted; a breakdown is provided in note 20.5

The notes on pages 117 to 155 form part of these accounts.

CONSOLIDATED STATEMENT OF CHANGES IN TAXPAYERS' EQUITY FOR THE YEAR ENDED 31 March 2022

GROUP	Public Dividend Capital	Income and Expenditure Reserve	Revaluation Reserve	Charitable Funds Reserve	Total Tax Payers Equity
	£000	£000	£000	£000	£000
Balance as at 1 April 2021	55,887	(15,829)	1,454	1,308	42,820
Public Dividend Capital received	18,471	-	-	-	18,471
Surplus/(Deficit) for the financial year	-	2,185	-	52	2,237
Transfer to retained earnings on disposal of assets	-	20	(20)	-	-
Other reserve movements	-	45	-	-	45
Net impairments	-	-	651	-	651
Revaluations - property, plant and equipment	-	-	270	-	270
Balance at 31 March 2022	74,358	(13,579)	2,355	1,360	64,494

CONSOLIDATED STATEMENT OF CHANGES IN TAXPAYERS' EQUITY FOR THE YEAR ENDED 31 March 2021

GROUP	Public Dividend Capital	Income and Expenditure Reserve	Revaluation Reserve	Charitable Funds Reserve	Total Tax Payers Equity
	£000	£000	£000	£000	£000
Balance as at 1 April 2021	51,205	4,325	7,883	1,078	64,491
Public Dividend Capital received	4,682	-	-	-	4,682
Deficit for the financial year	-	(21,099)	-	230	(20,869)
Transfer to retained earnings on disposal of assets	-	729	(729)	-	-
Other reserve movements	-	216	-	-	216
Net impairments	-	-	(5,849)	-	(5,849)
Revaluations - property, plant and equipment	-	-	149	-	149
Balance at 31 March 2021	55,887	(15,829)	1,454	1,308	42,820

The statement of changes in taxpayers' equity is for the Group, the consolidated Charitable fund balances are identified separately in the table.

The notes on pages 117 to 155 form part of these accounts.

FOUNDATION TRUST STATEMENT OF CHANGES IN TAXPAYERS' EQUITY FOR THE YEAR ENDED 31 March 2022

Foundation Trust	Public Dividend Capital	Income and Expenditure Reserve	Revaluation Reserve	Total Tax Payers Equity
	£000	£000	£000	£000
Balance as at 1 April 2021	55,887	(20,010)	1,454	37,332
Public Dividend Capital received	18,471	-	-	18,471
Surplus/(Deficit) for the financial year	-	1,166	-	1,166
Transfer to retained earnings on disposal of assets	-	20	(20)	-
Other reserve movements	-	-	-	-
Net impairments	-	-	651	651
Revaluations - property, plant and equipment	-	-	270	270
Balance at 31 March 2022	74,358	(18,823)	2,355	57,890

FOUNDATION TRUST STATEMENT OF CHANGES IN TAXPAYERS' EQUITY FOR THE YEAR ENDED 31 March 2021

Foundation Trust	Public Dividend Capital	Income and Expenditure Reserve	Revaluation Reserve	Total Tax Payers Equity
	£000	£000	£000	£000
Balance as at 1 April 2021	51,205	1,190	7,883	60,278
Public Dividend Capital received	4,682	-	-	4,682
Deficit for the financial year	-	(21,930)	-	(21,930)
Transfer to retained earnings on disposal of assets	-	729	(729)	-
Net impairments	-	-	(5,849)	(5,849)
Revaluations - property, plant and equipment	-	-	149	149
Balance at 31 March 2021	55,887	(20,010)	1,454	37,332

The Statement of Changes in Taxpayers' Equity analyses the movements in reserves and public dividend capital since the previous year.

The notes on pages 117 to 155 form part of these accounts.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 March 2022

	Note	2021/22 Group	2021/22 Foundation Trust	2020/21 Group	2020/21 Foundation Trust
		£000	£000	£000	£000
Cash flows from operating activities					
Operating (deficit)/surplus from continuing operations		2,783	1,434	(20,253)	(21,441)
		2,783	1,434	(20,253)	(21,441)
Non-cash income and expense					
Depreciation and amortisation	4/7	4,839	4,839	3,192	3,192
Impairments and reversals	4/7.1	(605)	(605)	24,313	24,313
Non-cash donations/grants credited to income	7.8	(407)	(407)	(442)	(442)
(Increase)/Decrease in receivables		(1,626)	(235)	13,658	11,648
(Increase)/Decrease in other Assets		-	-	146	-
(Increase)/Decrease in inventories		300	254	(895)	(702)
Increase/(Decrease) in trade and other payables		(1,534)	(1,296)	(1,007)	(1,409)
Increase/(Decrease) in other liabilities		1,651	1,651	1,501	1,501
Increase/(Decrease) in provisions		2,358	2,365	698	519
Corporation Tax Paid		(433)	-	(361)	-
Charitable Funds - net adjustments for working capital movements, non-cash transactions and non-operating cash flows		27	-	89	-
Other movements in cash flow		(11)	(1)	3	1
NET CASH GENERATED FROM OPERATIONS		7,342	7,999	20,642	17,179
Cash flows from investing activities					
Interest received		28	675	1	666
Proceeds from sales / settlements of financial assets / investments (incl repayments issued on loans to subsidiaries)		-	592	-	572
Distributions received from joint ventures		450	450	130	130
Purchase of Property, Plant and Equipment		(23,167)	(25,059)	(14,121)	(9,714)
Sales of Property, Plant and Equipment		-	-	10	10
Receipt of cash donations to purchase capital assets		249	249	-	-
Net cash used in investing activities		(22,440)	(23,093)	(13,980)	(8,336)
Cash flows from financing activities					
Public dividend capital received		18,471	18,471	4,682	4,682
Loans repaid		-	-	(508)	(508)
Capital element of finance lease rental payments		-	(1,515)	-	(1,465)
Interest Paid		-	-	(7)	(7)
Interest element on Finance lease		-	(820)	-	(871)
PDC dividend paid		(33)	(33)	(1,162)	(1,162)
Net cash generated from/(used in) financing activities		18,438	16,103	3,005	669
Net increase in cash and cash equivalents	11	3,340	1,009	9,667	9,513
Cash and cash equivalents at 1 April	11	26,182	21,864	16,515	12,351
Cash and cash equivalents at 31 March	11	29,522	22,873	26,182	21,864

The notes on pages 117 to 155 form part of these accounts.

Note 1 Accounting Policies and Other Information

Note 1.1 Basis of Preparation

The Department of Health and Social Care has directed that the financial statements of the Trust shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (GAM), which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the GAM 2021/22 issued by the Department of Health and Social Care. 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.

Note 1.1.1 Accounting Convention

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

Note 1.2 Going Concern Basis

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. The directors have a reasonable expectation that this will continue to be the case.

The Trust has developed a financial plan for 2022/23 which enables it to deliver a balanced financial position, although this will involve the achievement of a challenging waste reduction programme. The Trust knows of no change in market conditions that would impact on its ability to continue to operate successfully.

Note 1.3 Consolidation

The Consolidated Accounts of Airedale NHS Foundation Trust show both the NHS Foundation Trust and the Group balances. The Group balances comprise Airedale NHS Foundation Trust, Airedale Hospital and Community Charity and the subsidiary, AGH Solutions Limited.

Subsidiary entities are those over which the Trust is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The income, expenses, assets, liabilities, equity and reserves of subsidiaries are consolidated in full into the appropriate financial statement lines.

The Trust has three Joint Ventures in the group accounts these are Immedicare LLP, Integrated Pathology Solutions LLP and Integrated Laboratory Solutions LLP. These are accounted for using the equity method.

Where subsidiaries' accounting policies are not aligned with those of the Trust (including where they report under UK Financial Reporting Standard (FRS) 102 or 101) then amounts are adjusted during consolidation where the differences are material. Inter- entity balances, transactions and gains/losses are eliminated in full on consolidation.

NHS Charitable Funds

The Trust is the corporate trustee to Airedale Hospital & Community Charity. The Trust has assessed its relationship to the charitable fund and determined it to be a subsidiary because the Trust is exposed to, or has rights to, variable returns and other benefits for itself, patients and staff from its involvement with the charitable fund and has the ability to affect those returns and other benefits through its power over the fund.

The charitable fund's statutory accounts are prepared to 31 March in accordance with the UK Charities Statement of Recommended Practice (SORP) which is based on UK Financial Reporting Standard (FRS) 102. On consolidation, necessary adjustments are made to the charity's assets, liabilities and transactions to:

- recognise and measure them in accordance with the Trust's accounting policies and
- eliminate intra-group transactions, balances, gains and losses.

Joint Ventures

Joint ventures are arrangements in which the Trust has joint control with one or more other parties, and where it has the rights to the net assets of the arrangement. Joint ventures are accounted for using the equity method.

Note 1.4 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 year end, the Trust accrues income relating to performance obligations satisfied in that year. Where the Trust's entitlement to consideration for those goods or services is unconditional a contract receivable will be recognised. Where entitlement to consideration is conditional on a further factor other than the passage of time, a contract asset will be recognised. Where consideration received or receivable relates to a performance obligation that is to be satisfied in a future period, the income is deferred and recognised as a contract liability.

Revenue from NHS contracts

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

The Trust also receives additional income outside of the block payments to reimburse specific costs incurred and, in 2020/21, other income top-ups to support the delivery of services. Reimbursement and top-up income is accounted for as variable consideration. In 2021/22, this reimbursement moved from NHS England to Commissioners (CCGs).

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

Revenue from research contracts

Where research contracts fall under IFRS 15, revenue is recognised as and when performance obligations are satisfied. For some contracts, it is assessed that the revenue project constitutes one performance obligation over the course of the multi-year contract. In these cases it is assessed that the Trust's interim performance does not create an asset with alternative use for the Trust, and the Trust has an enforceable right to payment for the performance completed to date. It is therefore considered that the performance obligation is satisfied over time, and the Trust recognises revenue each year over the course of the contract. Some research income alternatively falls within the provisions of IAS 20 for government grants.

NHS injury cost recovery scheme

The Trust receives income under the NHS injury cost recovery scheme, designed to reclaim the cost of treating injured individuals to whom personal injury compensation has subsequently been paid, for instance by an insurer. The Trust recognises the income when performance obligations are satisfied. In practical terms this means that treatment has been given, it receives notification from the Department of Work and Pension's Compensation Recovery Unit, has completed the NHS2 form and confirmed there are no discrepancies with the treatment. The income is measured at the agreed tariff for the treatments provided to the injured individual, less an allowance for unsuccessful compensation claims and doubtful debts in line with IFRS 9 requirements of measuring expected credit losses over the lifetime of the asset.

Education

The Trust receives income training from Health Education England (HEE). A performance obligation relating to delivery of training which is satisfied over the financial year. The obligation is met in line with the payments made in year. Training is received and consumed simultaneously by the customer as the Trust performs it. The customer in such a contract is HEE, but the benefits received are indirect as services are provided to the trainee.

Note 1.5 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 grants is used to fund capital expenditure, it is credited to the consolidated statement of comprehensive income once conditions attached to the grant have been met. Donations are treated in the same way as government grants.

Apprenticeship service income
The value of the benefit received when accessing funds from the Government's apprenticeship service is recognised as income at the point of receipt of the training service. Where these funds are paid directly to an accredited training provider from the Trust's Digital Apprenticeship Service (DAS) account held by the Department for Education, the corresponding notional expense is also recognised at the point of recognition for the benefit.

Note 1.6 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

1.6.1 NHS Pension Scheme
Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

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

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

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

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

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

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

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

Note 1.6 Expenditure on Employee Benefits (continued)

Other Pension Costs

Airedale NHS Foundation Trust offers an additional defined contribution workplace pension scheme, the National Employment Savings Scheme (NEST) for those staff ineligible to contribute to the NHS Pension.

The cost to the Foundation Trust of participating in the scheme is taken as equal to the contributions payable to that scheme for the accounting period.

Note 1.7 Expenditure on Other Goods and Services

Expenditure on goods and services is recognised when, and to the extent that they have been received, 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.

Note 1.8 Property, Plant and equipment

Note 1.8.1 Recognition

Property, plant and equipment is capitalised where:

• it is held (either physically or by legal title) 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.

Where a large asset, for example a building, includes a number of components with significantly different asset lives, e.g. plant and equipment, then these components are treated as separate assets and depreciated over their own useful lives.

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. Where a component of an asset is replaced, the cost of the replacement is capitalised if it meets the criteria for recognition above. The carrying amount of the part replaced is de-recognised. 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.

Note 1.8.2 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 are measured subsequently at valuation. 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.

Note 1.8.2 Property, Plant and equipment Measurement (Continued)

The carrying values of property, plant and equipment are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Land and buildings are valued at current value in accordance with the revaluation model set out in IAS 16. Land and buildings are revalued at least every five years. More frequent valuations are carried out if the Foundation Trust believes that there has been a significant change in value.

Valuations are carried out by professionally qualified valuers in accordance with the Royal Institute of Chartered Surveyors Valuation standards. The most recent asset valuation was undertaken by Cushman and Wakefield with a valuation date of 31 March 2022.

This valuation has taken into account the current market valuation, the deterioration of the Reinforced Autoclaved Aerated Concrete (RAAC) panel construction of large areas of Airedale General Hospital and the extent to which the current programme of remedial works have mitigated that deterioration. The current valuation has led to a partial reversal of the previous reduction in value (£4m of the £30m). This valuation and RAAC issue will be covered in more detail in section 1.22.1 and 1.22.2.

The valuations are carried out primarily on the basis of depreciated replacement cost on a modern equivalent asset basis for specialised operational property and current value for non-specialised operational property, using the alternative site method.

Valuation using the modern equivalent asset basis, with an alternative site means that the valuer has taken into consideration the modern needs of the Trust, in relation to the size and layout of a possible replacement hospital. The valuation also uses the alternative site methodology which means the Hospital could be built in an area where land costs are less than in the current location. Modern Equivalent Valuation as applied at Airedale is covered in more detail in section 1.22.2.

For non-operational properties including surplus land, the valuations are carried out at open market value.

Assets in the course of construction are valued at cost and are revalued by professional valuer when they 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.

Property, plant and equipment which has been reclassified as 'held for sale' cease to be depreciated upon the reclassification. Assets in the course of construction and residual interests in off-Statement of Financial Position PFI contract assets are not depreciated until the asset is brought into use or reverts to the Trust, respectively.

Useful 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
Land	-	-
Buildings, excluding dwellings	6	56
Dwellings	25	44
Plant & machinery	5	15
Transport equipment	7	7
Information technology	5	10
Furniture & fittings	5	12

Finance-leased assets (including land) are depreciated over the shorter of the useful life or the lease term, unless the Trust expects to acquire the asset at the end of the lease term in which case the assets are depreciated in the same manner as owned assets above.

Note 1.8.2 Property, Plant and equipment - Measurement (Continued)

Disposals
The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the Statement of Comprehensive Income.

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 (i) the impairment charged to operating expenses; and (ii) 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.

There have been two transactions this year that have impacted operating expenditure;

- Impairment of the New Barn Theatre into use	£3,396k
- Partial Reversal of the previous year RAAC impairment	(£4,001k)
- Net Impairment/(Reversal)	(£605k)

Note 1.8.3 De-recognition

Assets intended for disposal are reclassified as 'held for sale' once the criteria in IFRS 5 are met. The sale must be highly probable and the asset available for immediate sale in its present condition.
Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged and the assets are not revalued, except where the 'fair value less costs to sell' falls below the carrying amount. Assets are de-recognised when all material sale contract conditions have been met.

Property, plant and equipment which is to be scrapped or demolished does not qualify for recognition as 'held for sale' and instead is retained as an operational asset and the asset's useful life is adjusted. The asset is de-recognised when scrapping or demolition occurs.

Note 1.8.4 Donated and grant funded assets

Donated and grant funded property, plant and equipment assets are capitalised at their fair value on receipt. The donation/grant is credited to income at the same time, unless the donor has imposed a condition that the future economic benefits embodied in the grant are to be consumed in a manner specified by the donor, in which case, the donation/grant is deferred within liabilities and is carried forward to future financial years to the extent that the condition has not yet been met.

The donated and grant funded assets are subsequently accounted for in the same manner as other items of property, plant and equipment.

This includes assets donated to the trust by the Department of Health and Social Care or NHS England as part of the response to the coronavirus pandemic. As defined in the GAM, the trust applies the principle of donated asset accounting to assets that the trust controls and is obtaining economic benefits from at the year end.

Note 1.8.5 Private Finance Initiative (PFI) Transaction

PFI transactions which meet the IFRIC 12 definition of a service concession, as per FReM - are recognised as property, plant and equipment, together with an equivalent finance lease liability. Subsequently, the assets are accounted for as property, plant and equipment.

The Trust currently has no PFI transactions.

Note 1.8.6 Intangible Assets

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

Software
Software which is integral to the operation of hardware, eg an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software which is not integral to the operation of hardware, e.g. application software, is capitalised as an intangible asset.

The Trust currently has no intangible assets as all software is integral to the hardware.

Note 1.9 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 3 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.

There are no significant cash and cash equivalent balances held by the entity that are not available for use by the group.

Note 1.10 Inventories

Pharmacy inventories are valued at weighted average historical cost. All other inventories are valued at the lower of cost and net realisable value using the first in, first out (FIFO) method.

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

Note 1.11 Financial Assets and Financial Liabilities

Note 1.11.1 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 the Office of National Statistics (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, i.e. when receipt or delivery of the goods or services is made.

Note 1.11.2 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 income and expenditure. Fair value is taken as the transaction price, or otherwise determined by reference to quoted market prices or valuation techniques.

Financial assets or financial liabilities in respect of assets acquired or disposed of through finance leases are recognised and measured in accordance with the accounting policy for leases described below.

Financial assets are classified as subsequently measured at amortised cost, fair value through income and expenditure.

Financial liabilities classified as subsequently measured at amortised cost.

Financial assets and financial liabilities at amortised cost

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 lease arrangements and loans receivable and payable.

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. They are included in current assets.

The Trusts loans and receivables comprise; cash and cash equivalents, NHS contract receivables, and other contract receivables.

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 and a financing income or expense. In the case of loans held from the Department of Health and Social Care, the effective interest rate is the nominal rate of interest charged on the loan.

Note 1.11 Financial Instruments and Financial Liabilities (Continued)

Note 1.11.2 Classification and Measurement (continued)

Financial assets at fair value through income and expenditure
Financial assets measured at fair value through profit or loss are those that are not otherwise measured at amortised cost or at fair value through other comprehensive income. This category also includes financial assets acquired principally for the purpose of selling in the short term (held for trading) and derivatives. Derivatives which are embedded in other contracts, but which are separable from the host contract are measured within this category. Movements in the fair value of financial assets in this category are recognised as gains or losses in the Statement of Comprehensive income.

Impairment of Financial Assets
For all financial assets measured at amortised cost including lease receivables, contract receivables and contract assets or assets measured at fair value through other comprehensive income, the Trust recognises an allowance for expected credit losses.

The Trust adopts the simplified approach to impairment for contract and other receivables, contract assets and lease receivables, measuring expected losses as at an amount equal to lifetime expected losses. For other financial assets, the loss allowance is initially measured at an amount equal to 12-month expected credit losses (stage 1) and subsequently at an amount equal to lifetime expected credit losses if the credit risk assessed for the financial asset significantly increases (stage 2).

There are no expected credit losses for intra-NHS debtors. The Trust and AGH Solutions split other debtors into categories i.e. overseas visitors, private patients, medical records, staff and general. These classes are assessed for expected credit losses based on the last 12 months' data, and the percentages are then applied to the current debts.

For financial assets that have become credit impaired since initial recognition (stage 3), expected credit losses at the reporting date are measured as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

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.

Note 1.11.3 Derecognition

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.

Note 1.12 Leases

Note 1.12.1 The Trust as lessee

Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

Finance Leases
Where substantially all risks and rewards of ownership of a leased asset are borne by the Trust, the asset is recorded as property, plant and equipment and a corresponding liability is recorded. The value at which both are recognised is the lower of the fair value of the asset or the present value of the minimum lease payments, discounted using the interest rate implicit in the lease. The implicit interest rate is that which produces a constant periodic rate of interest on the outstanding liability.

The asset and liability are recognised at the commencement of the lease. Thereafter the asset is accounted for an item of property plant and equipment.

The annual rental charge is split between the repayment of the liability and a finance cost so as to achieve a constant rate of finance over the life of the lease. The annual finance cost is charged to finance costs in the Statement of Comprehensive Income. The lease liability, is de-recognised when the liability is discharged, cancelled or expires.

Note 1.12 Leases (continued)

Note 1.12.1 The Trust as lessee (continued)

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

Contingent rentals are recognised as an expense in the period in which they are incurred.

Leases of land and buildings
Where a lease is for land and buildings, the land component is separated from the building component and the classification for each is assessed separately.

Note 1.12.2 The Trust as lessor

The Trust has no current lease arrangements as lessor.

Note 1.13 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 the discount rates published and mandated by HM Treasury.

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 at Note 17.3

Non-clinical Risk Pooling
The Trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the Trust pays an annual contribution to NHS Resolution and in return receives assistance with the costs of claims arising. The annual membership contributions, and any excesses payable in respect of particular claims are charged to operating expenses when the liability arises.

Note 1.14 Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets, but are disclosed in Note 15 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in Note 15, unless the probability of a transfer of economic benefits is remote. Contingent liabilities are defined as:
• possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or
• present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

Note 1.15 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 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 Department of Health and Social Care (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 calculated is not revised should any adjustment to net assets occur as a result the audit of the annual accounts.

Note 1.16 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 fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

AGH Solutions Limited is a wholly owned subsidiary and is registered for VAT.

Note 1.17 Climate change levy

Expenditure on the climate change levy is recognised in the Statement of Comprehensive Income as incurred, based on the prevailing chargeable rates for energy consumption.

Note 1.18 Corporation Tax

At Budget 2021, the government announced that the Corporation Tax main rate (for all profits except ring fence profits) will remain at 19% for the financial year starting 1 April 2022, and will then rise to 25% for the financial year starting 1 April 2023.

Airedale NHS Foundation Trust
The Trust is a Health Service body within the meaning of s519 ICTA 1988 and accordingly is exempt from taxation in respect of income and capital gains within categories covered by this. There is power for the Treasury to dis-apply the exemption in relation to the specified activities of a Foundation Trust (s519 (3) to (8) ICTA 1988), but as at 31 March 2017 this power has not been exercised. Accordingly the Trust is not within scope of Corporation Tax.

AGH Solutions Limited
AGH Solutions Limited is a wholly owned subsidiary and is subject to Corporation Tax.

Deferred Taxation
Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities, for reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted on the reporting date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Deferred taxation - 2021/22 £1.794m (2020/21 - £1.777m). See Note 24.

Note 1.19 Foreign Exchange

The functional and presentational currency of the Trust is sterling.

Transactions that are denominated in a foreign currency are translated into sterling at the exchange rate ruling on the dates of the transactions. Resulting exchange rate gains and losses are taken to the Statement of Comprehensive Income.

Note 1.20 Third Party Assets

Assets belonging to third parties (such as money held on behalf of patients) are banked and shown within cash and creditors in the Trust's accounts.

Note 1.21 Dispensation from the Application of Accounting Standards

IFRS 16 Lease - Application required for accounting periods beginning on or after 1 January 2019, but not yet adopted by the FReM: early adoption is not therefore permitted. However, application for the NHS is now deferred until 2022/23 Accounting year. The deferral does not apply to the Trust's wholly owned subsidiary (AGH Solutions Ltd), who will report under IFRS 16 in its 2021/22 accounts. When consolidating the subsidiary into the Trust's group accounts, the Trust group accounting policies will continue to be on an IAS 17 basis in 2021/22, so consolidation adjustments will be required.

See section 1.26 for more information on IFRS 16 and the impact assessment for the Trust in 2022/23

Note 1.22 Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Trust's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates and the estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Note 1.22.1 Critical Judgements in Applying Accounting Policies

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

Valuation of Land & Buildings

HM Treasury requires Trusts to value their land and buildings on a Modern Equivalent Asset (MEA) basis i.e. the "replacement cost", based on the cost of a modern replacement asset that has the same productive capacity as the property being valued. IAS 16 requires Trusts to ensure that fixed assets are shown in their accounts at a fair value. To ensure compliance a full review of land and buildings values was undertaken. The Trust commissioned Cushman and Wakefield to conduct this piece of work with the remit that the MEA valuation should be based on an alternative site basis, but in the current location. The site is valued based on the size of the modern equivalent, and not the actual site area occupied at current (i.e. MEA site area 6.8 hectares, compared to existing site 20.93 hectares, a reduction of 2/3).

As stated in note 1.8.2, the Trust has had a revaluation of its estate as at 31 March 2022, which was a full revaluation of all the RAAC impacted assets, which incorporated a site visit to update the valuer on the condition of the RAAC panel construction of the hospital and the remedial works undertaken in 2021/22. A good housekeeping valuation was undertaken for the new Barn Theatre which came into use in March 2022. The remaining parts of the estate were updated on a desktop valuation basis.

With regards to assets in the course of construction, management have assessed there are no indicators of impairment as at the balance sheet date.

The valuation is net of VAT, due to the limited options to re-provide a new hospital build, the most probable option would be to build using a PFI or special purpose vehicle, in which circumstances VAT would be recoverable. The Trust set up a wholly owned subsidiary which is a limited company registered for VAT, which will be responsible for providing a fully managed hospital, which supports the option to value net of VAT. The substance of the transaction between the Trust and AGH Solutions Limited, for the Property, Plant and Equipment has resulted in a finance lease.

ERF Deferral

The Trust received £1.5m of ERF funding in 2021/22 for insourcing. The Trust has assessed this contract under IFRS 15 and recognised it as a performance obligation satisfied over time. As the Trust did not complete its performance obligations in full before 31st March 2022, a contract liability (deferred income) has been included in the annual accounts to recognise this fact. Using the output method to calculate the stage of completion, the deferred income balance of £1,031k is directly attributable to the 69% of insourcing sessions that were incomplete at the accounting date.

Doctors Study Leave Provision

The Trust has set aside a provision to the value of £1,769k, for doctors to carry forward their study leave entitlement from the last two years into the next financial year, which they have been unable to utilise due to the COVID-19 pandemic. The Trust consider this to be a provison under IAS 37, as it meets the three necessary criteria as below;

a) a present obligation (legal or constructive) - the Trust has communicated the offer to allow doctors to carry forward their study leave,

b) a probable future cashflow i.e. 'more likely than not' - the cost of backfilling the doctors post while they undertake the study leave,

c) the amount can be estimated reliably - the Trust has records of what leave has been untaken over the last two years based on an annual allowance of 10 days per annum, reviewing current booking levels for the new financial year and adjusting for predicted levels of staff turnover.

Note 1.22.2 Key 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:

a) Property Plant and Equipment
The Trust's accounting policy for property, plant and equipment is detailed in Note 1.8. The carrying value of property, plant and equipment is detailed in Note 7. As stated above Cushman and Wakefield (C&W) has provided an MEA valuation of land and buildings, whilst on an annual basis management estimates the useful economic lives of equipment based on management's judgement and experience. When management identifies that actual useful lives differ materially from the estimates used to calculate depreciation, that charge is adjusted prospectively. This judgement has been used in determining the asset lives of different areas of the site, on the basis of their condition.

(a1) Reinforced Autoclaved Aerated Concrete (RAAC) panels
The temporary impairment of areas of the hospital which is where significant and urgent remedial works are required to the RAAC construction elements in order to extend the safe useful life of the affected buildings until 2030. C&W advised the Trust that the associated liability would be taken into account by a potential Purchaser of the asset as at 31 March 2022, and should therefore be accounted for in the valuation. As at 31 March 2022, the Trust are however not in a position where they are able to reliably measure/quantify the extent and cost of the remedial works required and therefore not able to reliably take the liability into account in the valuation.

To mitigate the above uncertainty, the Trust has had its 2nd annual review with C&W on the condition of the RAAC panels from the ongoing site surveys and the positive impact of the remedial works that have been undertaken in 2020/21.

The updated information led to a £4m reversal of the previous temporary impairment.

It will continue to be reviewed annually and the effect of the planned remedial works will be adjusted for as required.

(a2) Sensitivity analysis
Due to the assumption in the valuation methodology, generating a degree of uncertainty, this will increase any sensitivities around changes in the values of buildings.
A 1% change in the valuation would have £309k impact on the Trust statement of financial position with a £5k impact on the PDC dividend due to be paid next year and accrued in these financial statements.
A variation of 1 year on asset lives would impact on the Trust statement of financial position by £1.72m (2020/21 - £1.49m).

Note 1.23 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.

Note 1.24 Early adoption of standards, amendments and interpretations

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

Note 1.26 Standards, amendments and interpretations in issue but not yet effective or adopted

IFRS 16 Leases

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

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

On transition to IFRS 16 on 1 April 2022, the trust will apply the standard retrospectively without restatement and with the cumulative effect of initially applying the standard recognised in the income and expenditure reserve at that date. For existing operating leases with a remaining lease term of more than 12 months and an underlying asset value of at least £5,000, a lease liability will be recognised equal to the value of remaining lease payments discounted on transition at the trust's incremental borrowing rate. The trust's incremental borrowing rate will be a rate defined by HM Treasury. For 2022, this rate is 0.95%. The related right of use asset will be measured equal to the lease liability adjusted for any prepaid or accrued lease payments. No adjustments will be made on 1 April 2022 for existing finance leases.

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

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

	£000
Estimated impact on 1 April 2022 statement of financial position	
Additional right of use assets recognised for existing operating leases	4,533
Additional lease obligations recognised for existing operating leases	(4,533)
Changes to other statement of financial position line items	-
Net impact on net assets on 1 April 2022	**-**
Estimated in-year impact in 2022/23	
Additional depreciation on right of use assets	(1,963)
Additional finance costs on lease liabilities	(44)
Lease rentals no longer charged to operating expenditure	2,054
Other impact on income / expenditure	-
Estimated impact on surplus / deficit in 2022/23	**47**
Estimated increase in capital additions for new leases commencing in 2022/23	**73**

2 Operating segments

The Trust's core activities fall under the remit of the Chief Operating Decision Maker ("CODM") as defined by IFRS 8 'Operating Segments', which has been determined to be the Board of Directors.

These activities are primarily the provision of NHS healthcare, the income for which is received through contracts with commissioners. In 2021/22, the majority of the Trust's income from NHS commissioners was in the form of block contract arrangements. During the first half of the year the Trust received block funding from its commissioners with a top-up from NHSi/E to ensure financial balance was maintained. For the second half of the year, block contract arrangements were agreed at Integrated Care System level with agreements in place around the management of any financial risk.

Our main commissioners for the year are listed in the related party disclosure (see Note 20.2).

The Trust manages the delivery of healthcare services across a total of 5 Clinical Groups. Performance is reported at Clinical Group level to the Trust Board, as one group.

The Trust has applied the criteria from IFRS 8 Operating Segments because the Clinical Groups provide similar services, have homogenous customers, common production processes and a common regulatory environment. The overlapping activities and interrelation between the groups also suggests that this is appropriate. The Clinical Groups report to the CODM, and it is the CODM that ultimately makes decisions about the allocation of budgets, capital funding and other financial decisions.

On this basis the Trust believes that there is one segment. The overall surplus reported to the Trust Board under the Clinical Group reporting structure was £1,166k excluding the Airedale Hospital & Communtiy Charity and AGH Solutions Limited, which is the same as the position reported in the Statement of Comprehensive Income.

There have been no changes from prior periods in the measurement methods used to determine reported segment profit or loss.

The composition of the entity's reportable segments has not changed since the previous reporting period.

AGH Solutions Limited is a wholly owned subsidiary of the Trust reporting to the Trust's Board but is managed as an independent limited company.

AGH Solutions Limited's activities are **primarily those of the Operator of a Fully Managed Healthcare Facility**.

2.1 Operating Segments-Statement of Cash Flow

AGH Solutions Limited and Airedale Hospital & Communtiy Charity's activities are included in this account for consolidation.

3 Operating Income from continuing operations

All income from patient care activities relates to contract income recognised in line with accounting policy 1.4

3.1 Analysis operating income

	Note	2021/22 Group	2021/22 Foundation Trust	2020/21 Group	2020/21 Foundation Trust
Income from patient care activities (by nature):		**£000**	**£000**	**£000**	**£000**
Block contract / System Envelope income		102,660	102,660	77,073	77,073
High cost drugs from Commissioners		11,703	11,703	10,028	10,028
Other NHS Clinical Income		38,331	38,331	30,944	30,944
Community Services		5,326	5,326	5,180	5,180
Private patient income		21	21	38	38
Elective Recovery Fund		4,627	4,627	-	-
** Additional pension contribution central funding		6,386	6,080	5,974	5,650
Other non-protected Clinical income		49,704	49,834	67,534	67,709
Total income from activities		**218,758**	**218,582**	**196,771**	**196,622**
Income from patient care activities (by source):					
NHS Foundation Trust		2,286	2,109	2,654	2,505
NHS Trusts		141	141	36	36
CCGs and NHS England		207,374	207,374	185,429	185,350
Local Authorities		-	-	66	-
Department of Health & Social Care - other		-	-	69	69
NHS Other		15	15	-	145
Non NHS: Private Patients		21	21	38	38
Non NHS: Overseas visitors		5	5	7	7
* NHS injury scheme (see below)		412	412	298	298
Non NHS: Other		8,504	8,505	8,174	8,174
Total income from activities		**218,758**	**218,582**	**196,771**	**196,622**
Other operating income from contracts with customers (in accordance with IFRS 15):					
Research and development (contract)		1,502	1,502	972	972
Education and training (excluding notional apprenticeship levy income)		7,980	7,952	6,629	6,629
Non-patient care services to other bodies		2,547	1,533	2,232	822
*** Reimbursement and top up funding		3,095	3,095	13,542	13,542
Income in respect of employee benefits accounted on a gross basis		540	540	820	818
Other contract income (see note 3.2)		4,482	3,298	2,405	2,373
Other non-contract operating income (non-IFRS 15):					
Rental revenue from operating leases		-	-	-	-
Notional income from Apprenticeship Fund		677	677	455	455
**** Donated equipment from DHSC for COVID response (non-cash)		158	158	357	357
Cash donations for the purchase of capital assets - received from other bodies		249	249	-	-
Contributions to expenditure - receipt of equipment donated from **** DHSC for COVID response below capitalisation threshold		-	-	3	3
Contribution to expenditure - consumables (inventory) donated from **** DHSC group bodies for COVID response		457	457	3,514	3,514
Charitable and other contributions to expenditure		-	-	85	85
Charitable Funds: Incoming Resources excluding investment income		424	-	465	-
Total other operating income		**22,111**	**19,461**	**31,479**	**29,570**
Total operating income		**240,869**	**238,043**	**228,250**	**226,192**

* NHS injury scheme income is subject to a provision for doubtful debts of 23.76% (2020/21 - 22.43%) to reflect expected rates of collection.

** 6.3% Pension contribution from Department of Health.

*** This relates to income received to reimburse for additional costs incurred during the COVID response and top ups for lost income.

****These relate to equipment or consumables given to the Trust to aid in the COVID-19 response.

3.2 Analysis of Other Contract Income: Other

	2021/22 Group	2021/22 Foundation Trust	2020/21 Group	2020/21 Foundation Trust
	£000	£000	£000	£000
Car Parking	442	429	187	184
Catering	397	-	296	-
Estates maintenance	-	-	-	-
Pharmacy Sales	38	38	2	2
Staff Accommodation rental	107	4	5	5
Crèche services	757	757	605	605
Clinical Tests	-	-	18	18
Clinical Excellence	-	-	-	-
Other income	2,741	2,070	1,292	1,559
	4,482	**3,298**	**2,405**	**2,373**

The "other income" is made up of a wide variety of items, including items such as course fees income and sales of non patient services to other organisations. Clinical Tests include the provision of Telemedicine services.

3.3 Income from activities arising from commissioner requested services

Under the terms of its provider licence, the Trust is required to analyse the level of income from activities that has arisen from commissioner requested and non-commissioner requested services. Commissioner requested services are defined in the provider licence and are services that commissioners believe would need to be protected in the event of provider failure.

This information is provided in the table below:

	2021/22 Group	2021/22 Foundation Trust	2020/21 Group	2020/21 Foundation Trust
	£000	£000	£000	£000
Commissioner requested services	162,947	162,647	187,465	187,465
Non-commissioner requested services	55,811	55,935	9,306	9,157
Total	**218,758**	**218,582**	**196,771**	**196,622**

Please note - For the 2020/21 Comparator, due to the COVID-19 pandemic the funding from Commissioners was split into 2 separate funding regimes through the financial year. As a practical expedient all commissioner block income was included as commissioner requested, as due to the limitations imposed by the pandemic, there was minimal activity that was not essential/mandatory. Therefore, the values are not directly comparable with the current year.

3.4 Private patient income

Section 164(3) of the Health and Social Care Act removes condition 10, (which restricted income from private charges), from the Trust's Terms of Authorisation. The Foundation Trust are now required by the Act and constitution (rather than by the terms of Authorisation), to ensure that income derived from activities related to the Trust's principal purpose of delivering goods and services for the purposes of the NHS exceeds income derived from other activities. To increase this income in any financial year by 5% or more, the Trust is required to seek approval from the Council of Governors. In 2021/2022 the Trust has not increased the percentage beyond the 5% threshold.

3.5 Overseas visitors (relating to patients charged directly by the Trust)

	2021/22 Group	2021/22 Foundation Trust	2020/21 Group	2020/21 Foundation Trust
	£000	£000	£000	£000
Income recognised this year	**5**	**5**	**7**	**7**
Cash payments received in year	**10**	**10**	**7**	**7**
Amounts added to provision for impairment of receivables (relating to invoices raised in current and prior years)	**0**	**0**	**0**	**0**
Amounts written off in-year (relating to invoices raised in current and previous years)	**23**	**23**	**17**	**17**

4. Operating Expenses from continuing operations

4.1 Operating expenses comprise:

	Note	2021/22 Group	2021/22 Foundation Trust	2020/21 Group	2020/21 Foundation Trust
		£000	£000	£000	£000
Purchase of healthcare from NHS and DHSC bodies		1,396	1,396	1,729	1,742
Purchase of healthcare from non NHS bodies		882	846	1,295	1,320
Employee expenses - staff		170,166	158,145	160,759	148,983
Remuneration of non-executive directors		145	136	146	140
Supplies and services - clinical (excluding drug costs)		19,375	12,910	16,781	12,025
Supplies and services - clinical utilisation of consumables from DHSC group bodies for COVID response		1,087	1,087	2,732	2,732
Supplies and services - general		1,947	125	2,870	111
Supplies and services - general: notional cost of equipment donated from DHSC for COVID response below capitalisation threshold		-	-	3	3
Drugs Inventories consumed		14,951	14,951	12,473	12,473
Inventories written down (net, including inventory drugs)		71	71	41	41
Consultancy costs		696	328	264	219
Establishment		1,422	1,065	1,247	865
Premises - business rates payable to local authorities		251	247	614	614
Premises - other		8,182	28,839	9,132	28,547
Transport (including patient travel)		553	447	684	645
Depreciation on property, plant and equipment	7.1	4,839	4,839	3,192	3,192
Impairments of property, plant and equipment	7.1	(605)	(605)	24,313	24,313
Movement in credit loss allowance: contract receivables / contract assets		14	14	(48)	(48)
Movement in credit loss allowance: all other receivables and investments		(214)	(214)	201	213
Change in provisions discount rate(s)		-	-	-	-
Audit services- statutory audit*		102	102	102	102
Other auditors remuneration**		20	-	18	-
Audit fees payable to external auditor of charitable fund accounts		3	-	2	-
Internal audit costs - (not included in employee expenses)		88	60	47	37
Clinical negligence - amounts payable to NHS Resolution (premiums)		6,126	6,126	5,410	5,410
Legal fees		154	146	115	115
Insurance		107	22	123	27
Research and development		1	1	-	-
Education and training		1,366	1,351	1,177	1,156
Notional apprenticeship expenditure		677	677	455	455
Rentals under operating leases - minimum lease payments		2,113	1,926	1,948	1,896
Losses, ex gratia & special payments- (not included in employee expenses)		-	-	-	-
NHS charitable funds: Other resources expended	20.5	406	-	329	-
Other		1,765	1,573	349	304
Operating expenses		**238,086**	**236,610**	**248,503**	**247,633**

Amounts payable to Grant Thornton (UK) LLP totalled £102K, which is for the statutory group audit fee. Grant Thornton will not be performing the independent examination of Airedale Hospital & Community Charity. Airedale Hospital & Community Charity is in the process of procuring a firm to independently examine the charitable funds accounts for 2021/22, and as such a placeholder figure of £3k has been accrued in their accounts based on the previous years charge.

* Statutory Audit fees include VAT

** The auditing of accounts of any associate of the Trust - AGH Solutions Limited. This audit is performed by Cowgill Holloway LLP (trading as Cowgills). The external audit liability is limited to a maximum of £2 million.

4.2 Operating leases as lessee

The Trust has an operating lease in place with Siemens for the provisions of Radiology equipment. The value of lease payments for the year 2021/22 was £1,342k. This lease arrangement commenced on 22 October 2001 and was scheduled to run for 15 years, this was subsequently extended for 4 years with a possible additional extension of a further 4 years. An extension until October 2022 has been agreed. A review of the lease arrangements has determined that this should be treated as an operating lease under IFRS. Siemens invested £1.73 million at the start of the contract and it is envisaged that a total of £6.35 million will be spent on new equipment during the period of the contract. At the end of the contract, the Trust has the option to purchase the equipment at its market value or may require the operator to remove it. The annual charge for the service is fixed and includes an amount for maintenance.

The balance of lease payments relates to small operating leases in respect of photocopiers, cars, leased property and other equipment. In all these cases the Trust has the option to purchase the equipment at its market value at the end of the lease or can require the operator to remove them.

4.2.1 Operating expenses include:

	2021/22	2021/22	2020/21	2020/21
	Group	Foundation Trust	Group	Foundation Trust
	£000	£000	£000	£000
Other minimum operating lease rentals	2,113	1,926	1,948	1,896
	2,113	1,926	1,948	1,896

4.2.2 Total future minimum operating lease payments due:

	2021/22	2021/22	2020/21	2020/21
	Group	Foundation Trust	Group	Foundation Trust
	£000	£000	£000	£000
Within 1 year	1,414	1,319	1,859	1,849
Between 1 and 5 years	1,504	1,419	1,497	1,496
After 5 years	343	343	-	-
	3,261	3,081	3,356	3,345

5. Employee expenses and numbers

5.1 Employee expenses

	Group					
	2021/22			2020/21		
	Total	Permanently Employed	Other	Total	Permanently Employed	Other
	£000	£000	£000	£000	£000	£000
Salaries and wages	129,219	129,219	-	121,530	121,530	-
Social Security Costs	12,734	12,734	-	11,669	11,669	-
Apprenticeship levy	597	597	-	550	550	-
Employer contributions to NHS Pensions Agency	20,997	20,997	-	19,697	19,697	-
Other Pensions	-	-	-	104	104	-
Termination benefits	-	-	-	-	-	-
Agency staff	6,619	-	6,619	7,545	-	7,545
NHS Charitable funds staff	-	-	-	-	-	-
	170,166	163,547	6,619	161,095	153,550	7,545

	Foundation Trust					
	2021/22			2020/21		
	Total	Permanently Employed	Other	Total	Permanently Employed	Other
	£000	£000	£000	£000	£000	£000
Salaries and wages	120,066	120,066	-	112,707	102,529	10,178
Social Security Costs	12,040	12,040	-	11,037	11,037	-
Apprenticeship levy	567	567	-	522	522	-
Employer contributions to NHS Pensions Agency	19,996	19,996	-	18,641	18,641	-
Other Pensions	-	-	-	54	54	-
Termination benefits	-	-	-	-	-	-
Agency staff	5,476	-	5,476	6,357	-	6,357
NHS Charitable funds staff	-	-	-	-	-	-
	158,145	152,669	5,476	149,318	132,783	16,535

	Group					
	Total 2021/22 Number	Permanently Employed Number	Other Number	Total 2020/21 Number	Permanently Employed Number	Other Number
Medical and dental	379	366	13	356	312	44
Administration and estates	957	919	38	716	680	36
Healthcare assistants and other support staff	767	766	1	906	843	63
Nursing, midwifery and health visiting staff	811	798	13	771	728	43
Scientific, therapeutic and technical staff	415	414	1	434	431	3
Other	8	8	-	-	-	-
Total	3,337	3,271	66	3,183	2,994	189

	Foundation Trust					
	Total 2021/22 Number	Permanently Employed Number	Other Number	Total 2020/21 Number	Permanently Employed Number	Other Number
Medical and dental	379	366	13	356	312	44
Administration and estates	573	573	-	374	355	19
Healthcare assistants and other support staff	765	764	1	905	842	63
Nursing, midwifery and health visiting staff	811	798	13	771	728	43
Scientific, therapeutic and technical staff	409	408	1	426	423	3
Other	7	7	-	-	-	-
Total	2,944	2,916	28	2,832	2,660	172

WTE = Whole time equivalents

5.3 Retirement due to ill health

During 2021/22 from the 1 April 2021 to the 31 March 2022 there was 1 early retirement from the NHS agreed on the grounds of ill health (2020/21 - 1). The estimated additional pension liability of this ill-health retirement was £47k (2020/21 : £91k). The cost of these ill-health retirements will be borne by the NHS Business Authority - Pensions Division.

5.4 Exit packages

There are no exit packages in 2021/2022 (2020/21 no exit packages).

5.5 Directors Remuneration

	Year ended 31 March 2022 Group £000	Year ended 31 March 2022 Foundation Trust £000	Year ended 31 March 2021 Group £000	Year ended 31 March 2021 Foundation Trust £000
Aggregate emoluments to Executive Directors	917	917	789	789
Remuneration to Non-Executive Directors	137	137	136	136
Pension Costs	109	109	104	104
	1,163	**1,163**	**1,029**	**1,029**

There has been no compensation or exit packages paid for directors resigning in the year

6 Finance and Other

6.1 Finance Income (Group)

Finance income represents interest received on assets and investments in the period.

	2021/22	2020/21
	£000	£000
Interest on bank accounts	28	1
NHS charitable fund investment income	15	15
Total finance income	43	16

6.2 Finance Expenditure (Group)

Finance expenditure represents interest and other charges involved in the borrowing of money or asset financing.

	2021/22	2020/21
	£000	£000
Interest expense:	-	7
Interest on late payment of commercial debt	-	-
Total interest expense	-	7
Unwinding of discount on provisions	(10)	(8)
Other finance costs	-	-
Total finance costs	(10)	(1)

6.3 The late payment of commercial debts (interest) Act 1998 / Public Contract Regulation 2015 (Group)

	2021/22	2020/21
	£000	£000
Amounts included within interest payable arising from claims made under this legislation	-	3
	-	3

6.4 Other gains / (losses) Group

	2021/22	2020/21
	£000	£000
Gains on disposal of assets	10	10
Total gains / (losses) on disposal of assets	10	10
Fair value gains / (losses) on charitable fund investments	12	81
Total other gains / (losses)	22	91

7. Property, plant and equipment (Group and Foundation Trust)

7.1 Current year property, plant and equipment comprises of the following elements:

	Land	Buildings excluding dwellings	Dwellings	Assets under construction and payments on account	Plant and Machinery	Transport Equipment	Information Technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation/gross cost at 1 April 2021 - brought forward	3,259	13,417	3,568	3,964	10,017	102	12,111	274	46,711
Additions - purchased	-	2,186	-	20,498	2,723	-	2,917	-	28,324
Additions - equipment donated from DHSC for COVID response (non-cash)	-	-	-	-	158	-	-	-	158
Additions - donations of physical assets (non-cash)	-	-	-	-	-	-	-	-	-
Additions - assets purchased from cash donation/grants	-	33	-	166	-	-	50	-	249
Impairments charged to the revaluation reserve	-	(10)	-	-	-	-	-	-	(10)
Reversal of impairments credited to the revaluation reserve	200	432	29	-	-	-	-	-	661
Revaluations	256	(970)	76	-	-	-	-	-	(638)
Reclassifications	-	8,342	-	(8,342)	-	-	-	-	-
Disposals/derecognition	-	-	-	-	(222)	(16)	-	-	(238)
Cost or valuation At 31 March 2022	**3,715**	**23,430**	**3,673**	**16,286**	**12,676**	**86**	**15,078**	**274**	**75,217**
Accumulated depreciation at 1 April 2021 - brought forward	-	-	-	-	4,891	75	4,872	170	10,008
Provided during the year	-	1,430	83	-	919	22	2,359	26	4,839
Impairments charged to operating expenses	-	3,396	-	-	-	-	-	-	3,396
Reversal of impairments credited to operating expenses	(34)	(3,809)	(158)	-	-	-	-	-	(4,001)
Revaluations	34	(1,017)	75	-	-	-	-	-	(908)
Disposals	-	-	-	-	(222)	(16)	-	-	(238)
Depreciation at 31 March 2022	**-**	**-**	**-**	**-**	**5,588**	**81**	**7,231**	**196**	**13,096**
7.2 Property, plant and equipment financing - 2021/22									
Net book value as at 31 March 2022									
Owned - Purchased	3,715	23,397	3,673	16,120	6,614	5	7,797	78	61,398
Finance Leased	-	-	-	-	-	-	-	-	-
Owned - Donated/Granted	-	33	-	166	-	-	50	-	249
Owned - Equipment donated from DHSC and NHSE for COVID response	-		-	-	474		-	-	474
NBV total at 31 March 2022	**3,715**	**23,430**	**3,673**	**16,286**	**7,088**	**5**	**7,847**	**78**	**62,121**

7.3 Current year analysis of property, plant and equipment:

In 2021/22, equipment previously used in the provision of services were disposed of and replaced as necessary in order to continue to meet the Foundation Trust's obligations to provide Commissioner Related Services.

Under IFRS 9 Fair value hierarchy, the Trust's assessment is that all assets fall under Level 2.

At 31 March 2022 the Trust's land and Buildings were revalued on a modern equivalent asset basis. The valuation work carried out by Cushman and Wakefield has confirmed that the valuation has been undertaken with regard to International Financial Reporting Standards (IFRS) as applied to the United Kingdom public sector and in accordance with HM Treasury guidance, International Valuation Standards and requirements of the Royal Institution of Chartered Surveyors (RICS) Valuation Standards (current edition as at the valuation date). At the 31st March 2022 the New Barn Theatre was revalued into use as it was transferred from asset under construction during the financial year. The modular ICU/Decant ward remains within asset under construction as it comes into use early in financial year 2022/23.

7. Property, plant and equipment (Group and Foundation Trust)

7.4 Prior year property, plant and equipment comprises of the following elements:

	Land	Buildings excluding dwellings	Dwellings	Assets under construction and payments on account	Plant and Machinery	Transport Equipment	Information Technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation/gross cost at 1 April 2020 - brought forward	2,956	41,215	5,447	1,047	8,342	102	15,385	274	74,767
Additions - purchased	-	2,942	-	2,904	1,681	-	4,503	-	12,030
Additions - equipment donated from DHSC for COVID response (non-cash	-	-	-	-	357	-	-	-	357
Additions - donations of physical assets (non-cash)	-	-	-	13	72	-	-	-	85
Impairments charged to the revaluation reserve	-	(5,628)	(358)	-	-	-	-	-	(5,986)
Reversal of impairments credited to the revaluation reserve	135	2	-	-	-	-	-	-	137
Revaluations	168	(25,114)	(1,521)	-	-	-	-	-	(26,467)
Reclassifications	-	-	-	-	-	-	-	-	-
Disposals/derecognition	-	-	-	-	(435)	-	(7,777)	-	(8,212)
Cost or valuation At 31 March 2021	**3,259**	**13,417**	**3,568**	**3,964**	**10,017**	**102**	**12,111**	**274**	**46,711**
Accumulated depreciation at 1 April 2020 - brought forward	-	1,248	161	-	4,557	54	11,167	144	17,331
Provided during the year	-	812	82	-	769	21	1,482	26	3,192
Impairments charged to operating expenses	-	24,120	1,278	-	-	-	-	-	25,398
Reversal of impairments credited to operating expenses	(19)	(1,066)	-	-	-	-	-	-	(1,085)
Revaluations	19	(25,114)	(1,521)	-	-	-	-	-	(26,616)
Disposals	-	-	-	-	(435)	-	(7,777)	-	(8,212)
Depreciation at 31 March 2021	**-**	**-**	**-**	**-**	**4,891**	**75**	**4,872**	**170**	**10,008**
7.5 Property, plant and equipment financing - 2020/21									
Net book value as at 31 March 2021									
Owned - Purchased	3,259	13,289	3,568	3,951	4,697	2	7,238	80	36,084
Finance Leased	-	-	-	-	-	-	-	-	-
Owned - Donated/Granted	-	128	-	13	73	25	-	23	262
Owned - Equipment donated from DHSC and NHSE for COVID response	-		-	-	357		-	-	357
NBV total at 31 March 2021	**3,259**	**13,417**	**3,568**	**3,964**	**5,127**	**27**	**7,238**	**103**	**36,703**

7.6 Prior year analysis of property, plant and equipment:

At 31 March 2021 the Trust's land and Buildings were revalued on a modern equivalent asset basis. The valuation work carried out by Cushman and Wakefield has confirmed that the valuation has been undertaken with regard to International Financial Reporting Standards (IFRS) as applied to the United Kingdom public sector and in accordance with HM Treasury guidance, International Valuation Standards and requirements of the Royal Institution of Chartered Surveyors (RICS) Valuation Standards (current edition as at the valuation date).

7.7 Revaluation of Property, Plant and Equipment (Group and Foundation Trust)

Note 1.8 of the accounting policies defines the accounting treatment required by the Trust following a revaluation. In 2021/2022 the net book value of the Property continues to be valued net of VAT.

7.8 Donors of property, plant and equipment:

	2021/22 £000	2020/21 £000
Friends of Airedale	-	-
National Pathology Imaging Collaborative (NPIC) Grant	50	-
Airedale Hospital & Community Charity	33	73
HELP (Helicopter Emergency Landing Pads)	166	12
Covid assets from DHSC*	158	357
	407	442

No restrictions or conditions were placed on the donated assets by the donor, with the exception of the donation from HELP which can only be used for the provision of a helicopter landing pad. Donated assets are valued at the cost paid by the donor which reflects their fair value.

* The COVID assets donated by DHSC to Airedale were X-ray machines which became available following the decommissioning of the Nightingale facilities.

7.9 Public Dividend Received

Public Dividend Capital (PDC) of £18,471k has been received in 2021/22.
Public Dividend Capital (PDC) of £4,682k has been received in 2020/21.

8. Current year intangible fixed assets (Group and Foundation Trust)

The Trust had no intangible fixed assets at the 31 March 2022 (31 March 2021 - none).

9. Inventories

9.1 Analysis of inventories

	31 March 2022 £000 Group	31 March 2022 £000 Foundation Trust	31 March 2021 £000 Group	31 March 2021 £000 Foundation Trust
Drugs	748	748	550	550
Other	1,662	267	1,530	89
Energy	34	-	34	-
Consumables donated from DHSC group (Personal Protective Equipment)	152	152	782	782
Total	2,596	1,167	2,896	1,421

9.2 Inventories recognised in expenses

	2021/22 £000 Group	2021/22 £000 Foundation Trust	2020/21 £000 Group	2020/21 £000 Foundation Trust
Inventories recognised as an expense in the year	26,886	20,416	26,322	15,430
Write-down of inventories (including losses)	71	71	41	41
Total	26,957	20,487	26,363	15,471

10. Trade and other receivables

10.1 Trade and other receivables are made up of:

Current	Note	31 March 2022 £000 Group	31 March 2022 £000 Foundation Trust	31 March 2021 £000 Group	31 March 2021 £000 Foundation Trust
Contract receivables		6,430	5,565	6,378	6,258
Allowance for impaired contract receivables / assets		(307)	(307)	(293)	(293)
Allowance for impaired other receivables		(100)	(91)	(358)	(349)
Prepayments		1,289	777	1,043	904
VAT Receivables		1,622	1,622	253	1,252
PDC Dividend receivable		-	-	633	633
Other receivables		493	1,212	350	326
Clinician pension		6	6	-	-
Charitable Funds Trade and other receivables	20.5	3	-	11	-
Total		9,436	8,785	8,017	8,732
Non-Current					
Contract receivables - with other related parties		2,479	873	2,716	1,127
Other receivables		-	-	-	-
Clinician pension		270	270	467	467
Total		2,749	1,143	3,183	1,594

The majority of the NHS Foundation Trust's trade is with Clinical Commissioning Groups, as commissioners for NHS patient care services. As Clinical Commissioning Groups are funded by the government to buy NHS patient care services, no credit scoring for them is considered necessary.

10. Trade and other receivables (continued)

10.2 Allowances for credit losses
Allowances for credit losses - 2021/22

	31 March 2022 £000	31 March 2022 £000
	Group	Foundation Trust
Balance at 1 April 2021	651	641
New allowances arising	-	-
Changes in existing allowances	14	14
Reversals of allowances	(214)	(214)
Utilisation of allowances (write offs)	(44)	(44)
Balance at 31 March 2022	407	397

The lifetime expected credit loss provision has been calculated under IFRS 9 principals. The total debt (excluding NHS debt) has been split into a number of debtor classes, and then each type of risk assessed for potential write-off. The basis for the lifetime expected credit loss has been calculated using the historical probability of write-off for that class, as a percentage of the annual debt.

NHS Injury Benefit Scheme income is subject to a provision for impairment of 23.76% (2020/21 22.43%) to reflect expected rates of collection. Other debts are split into classes and assessed for impairment under IFRS 9 by using the simplified method to calculate the expected credit loss over the lifetime of the debt. This assessment is based on the historic probability of collection adjusted for any forward-looking information available.

Allowances for credit losses - 2020/21

	31 March 2021 £000	31 March 2021 £000
	Group	Foundation Trust
Balance at 1 April 2020	498	476
New allowances arising	213	213
Reversals of allowances	(60)	(48)
Balance at 31 March 2021	651	641

11. Cash and cash equivalents

	31 March 2022		31 March 2021	
	Group	Foundation Trust	Group	Foundation Trust
	£000	£000	£000	£000
Opening balance at 1 April	26,182	21,864	16,515	12,351
Net change in year	3,340	1,009	9,667	9,513
Closing balance at 31 March	29,522	22,873	26,182	21,864
Made up of:				
Cash with Government Banking Service	22,869	22,869	21,860	21,860
Cash at commercial banks and in hand	6,653	4	4,322	4
Cash and cash equivalents	29,522	22,873	26,182	21,864

12. Trade and other payables

	Note	31 March 2022 Group	31 March 2022 Foundation Trust	31 March 2021 Group	31 March 2021 Foundation Trust
Current		£000	£000	£000	£000
Trade payables		3,065	4,230	4,056	4,011
Capital payables		6,448	8,963	1,042	5,449
Accruals		6,331	5,416	11,507	9,568
Annual Leave Accrual*		2,278	2,215	2,125	2,125
VAT payable		1,828	-	83	-
Social Security Costs		1,896	1,795	1,687	1,597
Other taxes payable		1,644	1,577	1,315	1,255
Other Payables		7,684	6,591	5,487	4,564
PDC dividend payable		179	179	-	-
Charitable Funds - Trade and other payables	20.5	129	-	122	-
TOTAL		31,482	30,966	27,424	28,569

*Annual Leave Accrual
Due to the material nature of the value, the annual leave accrual is shown separately from other accruals in the accounts.

13. Other liabilities

	31 March 2022 Group	31 March 2022 Foundation Trust	31 March 2021 Group	31 March 2021 Foundation Trust
Current	£000	£000	£000	£000
Deferred income : Contract Liability (IFRS 15)	3,886	3,886	2,095	2,095
Non-Current				
Deferred income : Contract Liability (IFRS 15)	3,208	3,208	3,348	3,348
	7,094	7,094	5,443	5,443

The main two figures in this current section are;
-£1,031k for elective insourcing. The Trust received £1.5m of ERF funding in 2021/22 for insourcing. The deferred income balance of £1,031k is directly attributable to the 69% of insourcing sessions that were incomplete at the accounting date.
-£821k donation from HELP received in 2021/22 for the construction of a Helipad which will commence in 2022/23.

The figures in this non-current section and £139k of the Current section relate to the deferred income/contract liability (IFRS 15) balance resulting from bringing the arrangements with FRONTIS onto the Statement of Financial Position as required by Department of Health and Social Care guidance. The residences came into use in May 2005 and the deferred income credit balance is set to reduce in equal instalments over a period of 40 years from that date, whereupon ownership will transfer to the Trust. (Note 22).
Additionally there is £49k of deferred income from Overseas visitors agreed with Bradford, District and Craven CCG, the balance being deferred income/ contract liability (IFRS 15) from organisations that have a contract that could allow the amounts to be recovered, for which income will be released in line with service delivery.

14. Borrowings (Group and Foundation Trust)

14.1 External Financing / Loans

The Trust has no external financing or loan arrangements in 2021/22.

14.2 Finance lease obligations by type

	31 March 2022 Group	31 March 2022 Foundation Trust	31 March 2021 Group	31 March 2021 Foundation Trust
	£000	£000	£000	£000
Current				
Buildings	-	775	-	749
Equipment	-	725	-	765
Non-Current				
Buildings	-	22,261	-	23,036
Equipment	-	-	-	725
	-	23,761	-	25,276

The Trust has a 25 year finance lease with its wholly owned subsidiary, AGH Solutions Limited, which commenced on 1 March 2018. For the Group this is classed as an inter-entity transaction and is eliminated on consolidation.

Amounts payable under finance leases:	Minimum lease payments				Present value of minimum lease payments			
	March 2022 £000 Group	March 2022 £000 Foundation Trust	March 2021 £000 Group	March 2021 £000 Foundation Trust	March 2022 £000 Group	March 2022 £000 Foundation Trust	March 2021 £000 Group	March 2021 £000 Foundation Trust
Within one year	-	1,500	-	1,515	-	1,500	-	1,515
Between one and five years	-	3,371	-	3,986	-	3,371	-	3,986
After five years	-	18,890	-	19,775	-	18,890	-	19,775
Present value of minimum lease payments	-	23,761	-	25,276	-	23,761	-	25,276

15. Contingencies (Group and Foundation Trust)

At 31 March 2022 the NHS Foundation Trust has £2k contingent liability for legal expenses, which is based upon information provided by NHS Resolution.

16. Third Party Assets (Group and Foundation Trust)

Airedale NHS Foundation Trust held £1k of monies on behalf of patients at the 31st March 2022 (£1k for 31st March 2021).

17. Provisions

17.1a Provisions current and non-current (Group)

	Current		Non-current	
	31 March 2022 Group	31 March 2021 Group	31 March 2022 Group	31 March 2021 Group
	£000	£000	£000	£000
Pensions relating to the early retirement of staff pre 1995	115	128	864	851
Legal claims	6	3	-	-
Clinical Pensions	6	-	270	467
Other	3,476 *	940	-	-
	3,603	1,071	1,134	1,318

* Other provisions (current) have increased in 2021/22, mainly due to the following three items;
1) Doctors Study Leave £1,769k, a provision to provide for the carry forward of untaken study leave by doctors over the previous two years during the COVID-19 pandemic
2) Paediatric Doctors Backpay £481k, a provision related to the introduction of the new rota/job plan which began in 2017.
3) SAS Doctors £313k - a liability generated from a change in the SAS Doctors contract.

17.1b Provisions current and non-current (Trust)

	Current		Non-current	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
	Foundation Trust	Foundation Trust	Foundation Trust	Foundation Trust
	£000	£000	£000	£000
Pensions relating to the early retirement of staff pre 1995	115	128	864	851
Legal claims	6	3	-	-
Clinical Pensions	6	-	270	467
Other (see narrative disclosed in 17.1a)	3,237	694		-
	3,364	825	1,134	1,318

17.2 Provisions by category

	Pensions relating to the early retirement of staff pre 1995	Legal claims	Clinical Pensions	Other	Total
	£000	£000	£000	£000	£000
At 1 April 2021	979	3	467	940	2,389
Arising during the year	208	6	-	2,884	3,098
Utilised during the year	(124)	-	-	(93)	(217)
Reversed Unused	(74)	(3)	(191)	(255)	(523)
Unwinding of discount	(10)	-	-	-	(10)
At 31 March 2022	979	6	276	3,476	4,737
Expected timing of cash flows:					
Within one year	115	6	6	3,476	3,603
Between one and five years	461	-	12	-	473
After five years	403	-	258	-	661
	979	6	276	3,476	4,737

The legal claims have a probability factor of 10%, 50%, 75% and 94% and are expected to settle within the next year. This Statement is based on information provided by the NHS Litigation Authority. Full reimbursement of these provisions is expected from the NHS Litigation Authority for amounts above the excess. No amounts have been 'back-to-backed' with other NHS organisations.

A provision has been made for Clinical Pensions based on an estimate provided by the Department of Health, for which it will reimbursement from the department when the claims are made. This agreement covers 2019/2020 additional tax contributions.
The 'Other' provisions column comprises provisions in respect of a number of issues which are expected to be settled within 12 months, in addition to those mentioned in 17.1a above, there are a small number of employment cases which were outstanding at the end of the financial year. All the provisions relate to Airedale NHS Foundation Trust.

17.3 Contingent liability

Clinical Negligence Liabilities
£161,828,428 is included in the provisions of the NHS Resolution at 31 March 2022 in respect of clinical negligence liabilities of the Trust (31 March 2021 - £128,728,410).

18. Losses and special payments (Group and Foundation Trust)

	31 March 2022		31 March 2021	
	Number of cases	Value of Cases £000	Number of cases	Value of Cases £000
Losses				
Loss of Cash	-	-	-	-
Bad Debts	40	31	111	28
Stores losses	103	73	22	41
Other	2	4	5	2
	145	**108**	138	**71**
Special payments				
Compensation under legal obligation	-	-	-	-
Loss of personal effects	8	3	9	7
Overtime corrective payments (nationally funded)	1	416 *	-	-
Other	1	-	-	-
	10	**419**	**9**	**7**
Total losses and special payments	**155**	**527**	**147**	**78**

The NHS Foundation Trust's losses and special payments include uncollectable private patient/other debts and ex gratia payments in respect of the loss of personal items. The payments are recorded on a cash basis rather than an accruals basis.

*Overtime Corrective Payments (Flowers judgement)
Guidance issued for 2020/21 year-end asked employers to accrue the cost of the nationally agreed corrective payments and associated income based on the nationally agreed estimates.
Airedale NHS Foundation Trust and AGH Solutions Ltd made the actual corrective payments to affected employees in September 2021. These corrective payments are considered special payments for which HMT Treasury approval was sought nationally by NHS England on local employers' behalf.
Ongoing costs (including the impact on 2021/22 pay) are not special payments as these reflect determined entitlements under employment contracts.

19. Contractual Commitments

Commitments under capital expenditure contracts at 31 March 2022 were £144k (£5,980k for 2020/2021).

20. Related Party Transactions

20.1 Transactions with Key Management Personnel

IAS 24 requires disclosure of transactions with key management personnel during the year. Key management personnel are defined in IAS as "those persons having authority and responsibility for planning, direction and controlling the activities of the entity directly or indirectly, including any director (whether executive or otherwise) of that Entity". The Trust has deemed that its key management personnel are the board members (directors and non-executive directors) of the Trust.

	2021/22	2020/21
	£000	£000
The transactions with board members are as follows	1,163	1,029

The expenditure above, is key management personnel compensation which is analysed as follows

	2021/22	2020/21
	£000	£000
Short term employment benefits	1,054	925
Post-employment benefits	109	104
	1,163	1,029

Short term employment benefits include salaries, employer's social security contributions and benefit in kind.

Post-employment benefits include employer's contribution to the NHS Pension Scheme.

The remuneration of individual Board members are disclosed within the Trust's annual report. There were no outstanding balances with directors as at 31 March 2022

Other than key management personnel compensation as shown above, none of the board members or parties to them has undertaken any material transactions with the NHS Foundation Trust.

20.2 Transactions with other related parties

Airedale NHS Foundation Trust is a body corporate established by order of the Secretary of State for Health.

The Department of Health and Social Care is the parent department and as such is regarded as a related party. During the year the NHS Foundation Trust had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department. These entities are listed below:

The Department of Health and Social Care regards £3m to be the level at which formal agreement between parties is required, the parties which meet this criteria are included below

NHS Bradford, District & Craven CCG
NHS East Lancashire CCG
NHS Wakefield CCG
Health Education England
NHS England (Core and Regional Office)
NHS Resolution
HM Revenue and Customs (HMRC)
NHS Pension Scheme

In addition, the NHS Foundation Trust has had a number of transactions with other Government Departments and other central and local Government bodies.

20.3 Transactions with Joint Ventures

The Foundation Trust has a 50% equity share in Immedicare LLP, with Involve Ltd. The profit is shown on page 4 of the accounts as share of profit of associates / joint ventures. The Trust is limited to a loss of £200 with this Joint venture.

The Trust has a 33% equity in Integrated Laboratory Solutions LLP (ILS) and Integrated Pathology Solution LLP (IPS) with Bradford Teaching Hospitals NHS Foundation Trust and Harrogate & District NHS Foundation Trust. The Trust is limited to a loss of £1 with these Joint ventures.

In applying the Equity method the Trust provides summarised financial information for the Joint Ventures. The interest is shown on page 111 of the accounts as share of profit of associates / joint ventures, as below;

Name of Joint Venture (JV)	Cumulative Profit	Interest held	Share of JV
	£000	%	£000
Immedicare LLP	365	50.00%	183
Integrated Laboratory Solutions LLP	1,339	33.33%	446
Integrated Pathology Solutions LLP	254	33.33%	85
Total	1,958		713

The amount of £778k on page 112, includes £65k of brought forward undistributed profit from Immedicare related to 2020/21 which was accounted for through income in the previous year.

20.4 Summary Financial Activities Wholly Owned Subsidiary - AGH Solutions Limited (Unaudited)

The year-end for the AGH Solutions Limited is 31st March 2022.

Investment in Subsidiary Undertakings

The shares in the subsidiary company AGH Solutions Limited comprises a 100% holding in the share capital consisting of 8,891,000 ordinary £1 shares.

Loan to subsidiary

At its inception, AGH Solutions Limited was financed by a loan from Airedale NHS Foundation Trust of £20,746k, to be repaid over 25 years. As at 31st March 2022 the amount outstanding on the loan is £18,451k.

Financial Performance

The unaudited financial statements of AGH Solutions Limited show a profit of £1,018k for 2021/22 (£881k restated 2020/21). The restatement following audit of the accounts improved the financial position by £45k.

20.5 Analysis of Airedale Hospital & Community Charity Charitable Funds reserve

Airedale Hospital & Community Charity

Statement of Financial Activities

Funds of Charity	**2021/22 £000**	**2020/21 £000**
Restricted Funds	4 *	92
Unrestricted Funds	1,356	1,216
	1,360	**1,308**

*NHS Charities Together Grants
The Restricted fund balance related to NHS Charities together as at 31st March 2022 was nil (2020/21 £88k).

Movements on Reserves

	Total	**Restricted**	**Unrestricted**
Balance At 1 April 2021	1,308	92	1,216
Net incoming	52	(88)	140
Balance at 31 March 2022	**1,360**	**4**	**1,356**

The year-end for the Charitable Funds is 31st March each year.

NHS charitable funds are consolidated by NHS foundation trusts where the trust determines they have control as outlined in accounting policy. Other foundation trusts may also have charities meeting the definition of local control that are not locally consolidated on the grounds of materiality.

Restricted funds are funds that are to be used in accordance with specific restrictions imposed by the donor, for example where the donor has specified that their donation should be spent on a specified ward, patients, nurses or project fund. Endowment funds are funds which the trustees are required to invest or to keep and use for the charity's purposes.

Unrestricted income funds comprise those funds that the trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include general funds, where the donor has not specified or restricted the use the charity may make of their donation. General funds additionally generate income from Gift Aid, investment income, interest and donations given specifically to cover running costs.

21. Financial instruments.

Management considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial accounts approximate to their fair value.

Because of the continuing service provider relationship that the NHS Foundation Trust has with the Clinical Commissioning Groups and the way those Clinical Commissioning Groups are financed, the NHS Foundation Trust is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of limited companies. The NHS Foundation 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 NHS Foundation Trust in undertaking its activities.

In accordance with IFRS 7 Financial Instruments: Disclosures, the NHS Foundation Trust should disclose information that enables users of the accounts to evaluate the nature and extent of risks arising from financial instruments to which the entity is exposed at the end of the reporting period. These risks typically include, but are not limited to the following four categories:

i) Credit Risk
The risk that one party will cause a financial loss for the other party by failing to discharge an obligation.

The Foundation Trust receives the majority of its income from Clinical Commissioning Groups and Statutory bodies and so the credit risk is negligible. The Foundation Trusts treasury management policy minimises the risk of loss of cash invested by limiting its investments to
- the government banking service and the National Loans Fund
- Banks registered directly regulated by the PRA (Prudential Regulation Authority)

The policy limits the amounts that can be invested with any one non-government owned institution and the duration of the investment to £3m and 3 months.

ii) Liquidity Risk
The risk that an entity will encounter difficulty in meeting obligations associated with its financial liabilities

The Foundation Trust's net operating costs are incurred under the current financial regime of block contracts which remain in place for the next financial year.

• The elective recovery fund will continue in 2022/23, which enables systems to earn income linked to the achievement of elective activity targets including funding any increased use of independent sector capacity. Income earned by the system is distributed between individual entities by local agreement. Income earned from the fund is accounted for as variable consideration.

• Based on a series on scenarios, the Trust is expecting to be able to manage a balanced financial position for 2022/23.

The Trust also finances its Capital expenditure from retained depreciation, and any accumulated surpluses.

iii) Market Risk
The risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

With the exception of cash balances, the Foundation Trust's financial assets and financial liabilities carry nil or fixed rates of interest. The Foundation Trust monitors the risk but does not consider it appropriate to purchase protection against it.
The Foundation Trust is not materially exposed to any price risks through contractual arrangements.

iv) Foreign Currency Risk
Foreign currency risk is the financial risk arising from fluctuations in the value of a base currency (£) against a foreign currency in which an organisation has assets or obligations.
The Foundation Trust has negligible foreign currency income, expenditure assets or liabilities.

21 Financial instruments (continued)

21.1 Carrying value of financial assets (Group)

Carrying value and fair value of financial assets as at 31 March 2022

	Held at amortised cost 31 March 2022 £000	Held at fair value through I&E 31 March 2022 £000	Total book value 31 March 2022 £000
Trade and other receivables excluding non financial assets	9,054	-	9,054
Cash and cash equivalents	28,641	-	28,641
Consolidated NHS Charitable fund financial assets	-	1,489	1,489
Total at 31 March 2022	**37,695**	**1,489**	**39,184**

Carrying value and fair value of financial assets 31 March 2021

	Held at amortised cost 31 March 2021 £000	Held at fair value through I&E 31 March 2021 £000	Total book value 31 March 2021 £000
Trade and other receivables excluding non financial assets	9,260	-	9,260
Cash and cash equivalents	25,343	-	25,343
Consolidated NHS Charitable fund financial assets	-	1,430	1,430
Total at 31 March 2021	**34,603**	**1,430**	**36,033**

21.2 Carrying value of financial assets (Trust)

Carrying value and fair value of financial assets as at 31 March 2022

	Held at amortised cost 31 March 2022 £000	Total book value 31 March 2022 £000
Trade and other receivables excluding non financial assets	7,529	7,529
Other investments / financial assets (AGHS Loan)	18,451	18,451
Cash and cash equivalents	22,873	22,873
Total at 31 March 2022	**48,853**	**48,853**

Carrying value and fair value of financial assets 31 March 2021

	Held at amortised cost 31 March 2021 £000	Total book value 31 March 2021 £000
Trade and other receivables excluding non financial assets	7,537	7,537
Other investments / financial assets (AGHS Loan)	19,043	19,043
Cash and cash equivalents	21,864	21,864
Total at 31 March 2021	**48,443**	**48,443**

21 Financial instruments (continued)

21.3 Carrying value of financial liabilities (Group)

Carrying value of financial liabilities 31 March 2022

	Held at amortised cost 31 March 2022 £000	Total book value 31 March 2022 £000
Loans from the Department of Health and Social Care	-	-
Trade and other payables (excluding non financial liabilities)	25,806	25,806
Total at 31 March 2022	**25,806**	**25,806**

Carrying value of financial liabilities 31 March 2021

	Held at amortised cost 31 March 2021 £000	Total book value 31 March 2021 £000
Loans from the Department of Health and Social Care	-	-
Trade and other payables (excluding non financial liabilities)	24,217	24,217
Total at 31 March 2021	**24,217**	**24,217**

21.4 Carrying value of financial liabilities (Trust)

Carrying value of financial liabilities 31 March 2022

	Held at amortised cost 31 March 2022 £000	Total book value 31 March 2022 £000
Loans from the Department of Health and Social Care	-	-
Obligations under finance leases	23,761	23,761
Trade and other payables (excluding non financial liabilities)	27,415	27,415
Total at 31 March 2022	**51,176**	**51,176**

Carrying value and fair value of financial liabilities 31 March 2021

	Held at amortised cost 31 March 2021 £000	Total book value 31 March 2021 £000
Loans from the Department of Health and Social Care	-	-
Obligations under finance leases	25,276	25,276
Trade and other payables (excluding non financial liabilities)	25,717	25,717
Total at 31 March 2021	**50,993**	**50,993**

Management consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial accounts approximate to their fair value, due to the nature of financial instruments held.

21.5 Maturity of financial liabilities

The following maturity profile of financial liabilities is based on the contractual undiscounted cash flows. This differs to the amounts recognised in the statement of financial position which are discounted to present value.

	Group		Trust	
	31 March 2022 £000	31 March 2021 £000	31 March 2022 £000	31 March 2021 £000
In one year or less	25,806	24,217	28,915	27,232
In more than one year but not more than five years	-	-	3,371	3,130
In more than five years	-	-	18,890	20,631
Total	**25,806**	**24,217**	**51,176**	**50,993**

22. Private Finance Initiative contracts

22.1 PFI schemes off-Statement of Financial Position

The Trust has no off-statement of Financial Position PFI schemes.

22.2 PFI schemes on-Statement of Financial Position

Since May 2005 residential services have been provided to the Trust by FRONTIS, a registered social landlord. This involved FRONTIS constructing an accommodation block and mews houses. FRONTIS are responsible for the maintenance of the accommodation and management of residential accommodation services, including the collection of rents from tenants. The Trust guarantees an occupancy level of 90%, but FRONTIS remits a share of any rents received for occupancy over 90%.

The accounting treatment of this arrangement was covered in a DHSC publication called 'Accounting for PFI under IFRS'. In this publication it was recognised that such arrangements (although not technically a PFI) involved the operator receiving all or most of its income from individual users rather than the Trust. The arrangement falls within the scope of IFRIC 12 and such is recognised as an item of Property, Plant & Equipment on the Statement of Financial Position at its fair value. The opposite entry at the point at which the asset was recognised was as a deferred income balance.

The arrangement is set to run for a period of 40 years from May 2005, but does not involve any cash flows between the Trust and FRONTIS. As such there is no imputed finance lease and service charges. During this period FRONTIS are responsible for maintaining the property, but at the end of the 40 year period ownership will revert to the Trust.

23. Corporation Tax

	2021/22 £000	2020/21 £000
UK corporation tax expenses	423	350
Adjustment from prior year	-	-
current tax expenses	**423**	**350**
Origination and reversal of temporary differences	(9)	-
Deferred tax charge / (credit)	75	78
Total income tax (income)/expense in statement of comprehensive Income	**489**	**428**

Reconciliation of Effective tax rate

Surplus for the year	**1,018**	**1,259**
Tax using the UK corporation tax rate of 19%	193	239
Deferred tax - not recognised	-	-
Expenses not deductible to tax	283	189
Other - Short-term timing differences	13	-
Total tax (income) expense	**489**	**428**

24. Deferred Tax

	2021/22 £000	2020/21 £000
Deferred Tax brought forward	1,777	1,855
Movement in year	17	(78)
Change in tax rate	-	-
Deferred Tax carried forward	**1,794**	**1,777**

25. Intra-Government Balances (Group and Foundation Trust)

	Receivables amounts falling due within one year	Receivables amounts falling due after more than one year	Payables amounts falling due within one year	Payables amounts falling due after more than one year
	£000	£000	£000	£000
English NHS Foundation Trusts	555	-	1,516	-
English NHS Trusts	120	-	63	-
Department of Health and Social Care (DHSC)	-	-	-	-
Public Health England & UKHSA	-	-	3	-
Health Education England	1,504	-	-	-
NHS England & CCGs	2,759	-	399	-
Special Health Authorities	-	-	41	-
NDPB's	-	-	-	-
Other DHSC bodies	-	-	1,430	-
Other Whole Government Accounting bodies	1,648	-	7,432	-
As at 31 March 2022	6,586	-	10,884	-

26. Events after the Reporting year

There are no adjusting or non-adjusting events of a financial nature after the reporting year requiring disclosure.

Annual accounts of:
Airedale NHS Foundation Trust
Airedale General Hospital
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Airedale NHS Foundation Trust is an NHS provider of Healthcare.

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