Bradford Teaching Hospitals
NHS Foundation Trust

Annual Report and Accounts 2022/23

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Presented to Parliament pursuant to Schedule 7, paragraph 25 (4) (a) of the National Health Service Act 2006

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1. INTRODUCTION

1.1. WE ARE BRADFORD

Bradford Teaching Hospitals NHS Foundation Trust (the Trust) was created on 1 April 2004. It serves a local population of around 550,000 and employs over 6,400 people working across six sites.

We are one of the few hospitals around the country which delivers care, teaching and research. To do well in any one of these domains is an achievement. It is an even greater challenge to excel in all three, but that is our ambition.

We strive for excellence and are committed to learning from, and leading, best practice to make sure we are delivering quality care. We aim to have a workforce representative of the communities we serve so we're the best place for our patients and our people. To this end, we have a vision for the Trust that describes our ambition and where we want to be as an organisation.

Our vision is *"to be an outstanding provider of healthcare, research and education, and a great place to work."*

Our values sum up who we are as an organisation. They are:

- *we care*
- *we value people*
- *we are one team*

We all work together to bring these values to life in our everyday work – whether we are working with patients or each other, *We are Bradford.*

2. PERFORMANCE REPORT

2.1. OVERVIEW OF PERFORMANCE

2.1.1. PURPOSE OF SECTION

This section aims to provide sufficient information to understand the organisation, its purpose, the key risks to the achievement of its objectives and how it has performed during the year.

2.1.2. STATEMENT FROM THE CHIEF EXECUTIVE ON PERFORMANCE

2022/23 has been another very busy year as we continue to move out of the COVID pandemic and return to "normal" business after some of the toughest years in NHS history.

We continued to see an influx of COVID-19 patients in hospital throughout the year and, coupled with significant system pressures, there was no down-time for our staff. But we consistently kept at the job of caring for our patients and witnessed incredible compassion, strength and unity from our colleagues, our partners and our communities.

We welcomed England's Chief Medical Officer, Professor Sir Chris Whitty. He heard how the pandemic was still impacting our hospitals and community, and praised the fantastic efforts of all our staff.

2022 saw the launch of our new corporate strategy – our roadmap for the next five years. This set out what we will do, and laid the foundations for the sort of organisation we want to be. An inclusive, kind, innovative and ambitious place in which our people and our patients can thrive.

Above all, we want to ensure we focus on the things that really matter to our people, our patients, and our place.

This year we accelerated development of the way we provide hospital care at home – known as virtual care. We have already won national awards for this in Children's Services and in Care of the Elderly.

A virtual hospital and virtual services are methods that we use to give hospital standard care to patients closer to, and often within, their own home. Not only can we deliver clinical care safely but patients are often spared the need to travel to, or stay in, hospital.

We spread the approach right across all our services and created our "Virtual Royal Infirmary". This is a virtual hospital, without walls, where a patient's treatment and care can begin and end in their own home with support from our fantastic people every step of the way.

We continued to play an important part in medical and scientific breakthroughs. Once again, in the race to find a COVID-19 vaccine, we brought a world-first clinical trial to Bradford and were the first study site in the world to go live. We were chosen as one of only a handful of sites to launch the Cov-Boost study, providing vital data on the effectiveness of a vaccine against the Omicron variant of COVID-19.

Our new £1.7 million da Vinci Xi robot dedicated to cancer surgery operated on its first patient at Bradford Royal Infirmary. The new machine is used for carrying out minimally-invasive operations on patients with urology, bladder, kidney, and head and neck cancers.

We pioneered robotic urological surgery in Yorkshire with our first robot in 2012. The acquisition of a second da Vinci Xi robot this year means that a wider variety of cancer surgeries can now be operated on.

As well as urological (prostate, bladder, kidney) and head and neck cancer surgeries, patients can now undergo robotic-assisted surgery for a variety of colorectal procedures, bowel and gynaecological cancers as well as hernia repair. A greater number of patients with different conditions will be able to be treated and benefit from this innovative type of surgery.

This is a fantastic achievement and our enhanced programme of multi-specialty robotic-assisted surgeries and procedures has put us on the map internationally.

We made great strides in transforming our hospitals to improve patient care. Clinical areas were refurbished to restart elective activity and green pathways were implemented to keep patients safe during the pandemic.

We opened a new £7million acute surgical unit at Bradford Royal Infirmary to improve the environment and experience of surgical patients.

Three state-of-the-art operating theatres were also unveiled after a major refurbishment worth almost £4.5million. These ultramodern, hi-tech spaces form part of a five theatre suite – our Bronte theatres.

Brand new maternity theatres also officially opened at our Women's and Newborn Unit as part of our drive to provide outstanding care to women.

Our Shared Haemodialysis Care Unit opened to improve the experience of care for renal patients in Bradford.

This year saw the creation of the Bradford District and Craven Health and Care Partnership where we and our partners all operate and "Act as One" with the ambition of keeping people 'happy, healthy at home'.

2022 was a hugely successful year for Trust colleagues and partners across our place and West Yorkshire Health and Care Partnership who were shortlisted several times and won multiple prestigious awards.

At a place level, Bradford District and Craven Health and Care Partnership were shortlisted for the Performance Recovery Award at the HSJ (Health Service Journal) Awards for the work in 'Technology and Relationships Improving Flow'.

This followed on from the success of Bradford's Vaccination in Pregnancy Programme which was a recipient of the Highly Commended accolade at the HSJ Patient Safety Awards. Our vaccination programme rollout was also shortlisted multiple times at both the Nursing Times Awards and Nursing Times Workforce Awards.

The Trust's Freedom to Speak Up team was shortlisted for the Freedom to Speak Up Award at the HSJ Awards for their outstanding work during the COVID-19 pandemic. And to top off the fantastic year, the Trust won the Patient Safety Award in the Health Business Awards.

Our Outstanding Maternity Services and Embedding Kindness programmes were shortlisted in the Maternity and Midwifery Services Initiative of the Year and Best Staff Wellbeing Initiative categories respectively.

The excellent work of our maternity services was also highlighted as we celebrated the launch of the critically acclaimed BBC series, Yorkshire Midwives on Call, which was all about the work of our Homebirth team. There was drama, emotion and tender moments as TV cameras followed the work of our amazing midwives as they delivered babies in people's homes across the district.

None of these successes – and many other 2022 highlights you can see on our website – could have been achieved without the incredible compassion, strength and unity shown by our colleagues, our partners and our communities.

2.1.3. Purpose and activities of the Foundation Trust

All foundation trusts are required to have a constitution, containing detailed information about how they will operate. The purpose of the Trust is set out in its constitution[1] as follows:

"The principal purpose of the Foundation Trust is the provision of goods and services for the purposes of the health service in England.

The Foundation Trust may provide goods and services for any purposes related to:

- *the provision of services provided to individuals for or in connection with the prevention, diagnosis or treatment of illness, and*

- *the promotion and protection of public health."*

In short, the purpose of the Trust can be summarised in its vision which is *"to be an outstanding provider of healthcare, research and education; and a great place to work".*

We have five strategic objectives that provide the link between our vision and the actions required to deliver it. They are to:

1. provide outstanding care for patients, delivered with kindness;
2. deliver our financial plan and key performance targets;

[1] https://www.bradfordhospitals.nhs.uk/wp-content/uploads/2021/11/BTHFT-Constitution-July-2021.pdf

3. be one of the best NHS employers, prioritising the health and wellbeing of our people and embracing equality, diversity and inclusion;
4. be a continually learning organisation and recognised as leaders in research, education and innovation; and
5. collaborate effectively with local and regional partners to reduce health inequalities and achieve shared goals.

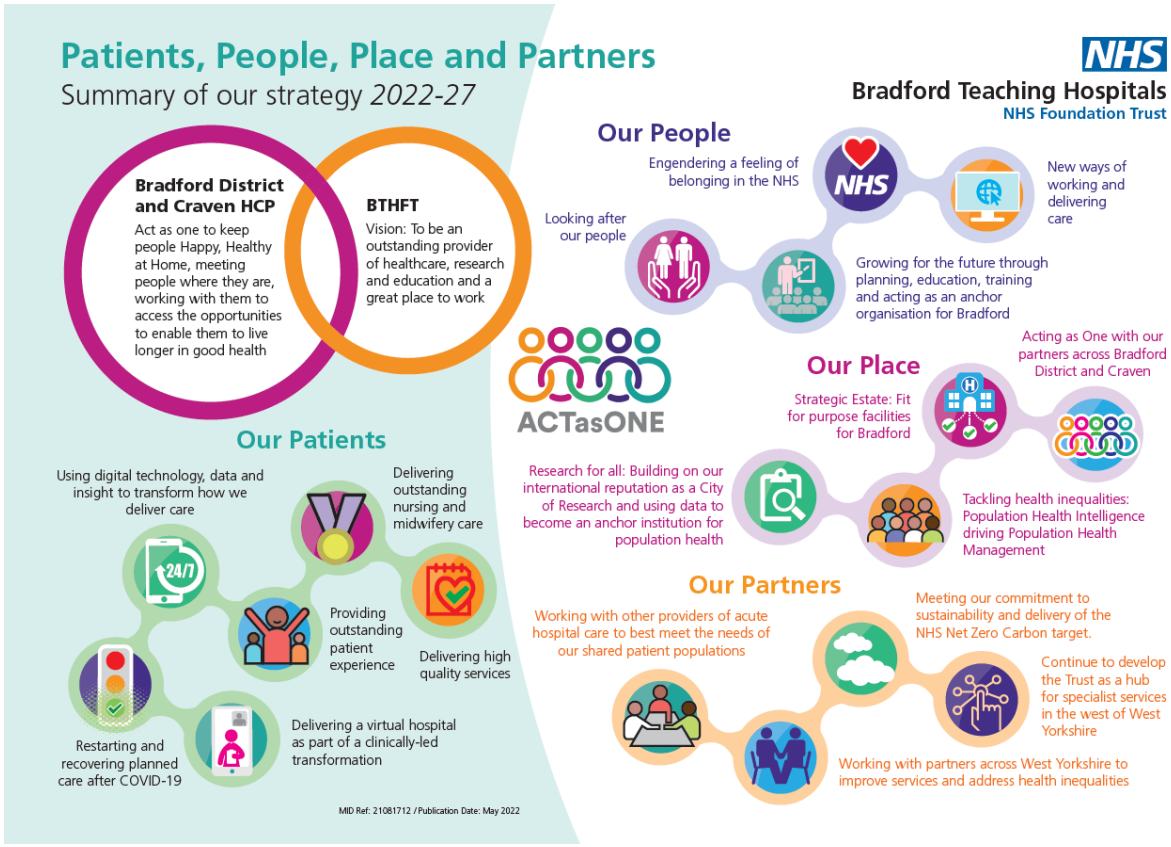
These objectives frame the practical steps we take to help deliver our Trust vision and implement our corporate strategy 'Our Patients, Our People, Our Place and Our Partners', which was published in June 2022. We developed the strategy with our patients, our people, the public and our partner organisations. It explains how our ambitions are not simply a list of things we want to do. They are coherent and mutually reinforcing and will ensure that we meet our strategic objectives.

We are proud to be part of the Bradford District and Craven Health and Care Partnership, with a shared ambition to 'Act as One' to keep people 'happy, healthy at home'.

Progress against the objectives is reported through the dashboard reports which are presented to the relevant Academies and to the Board at each meeting.

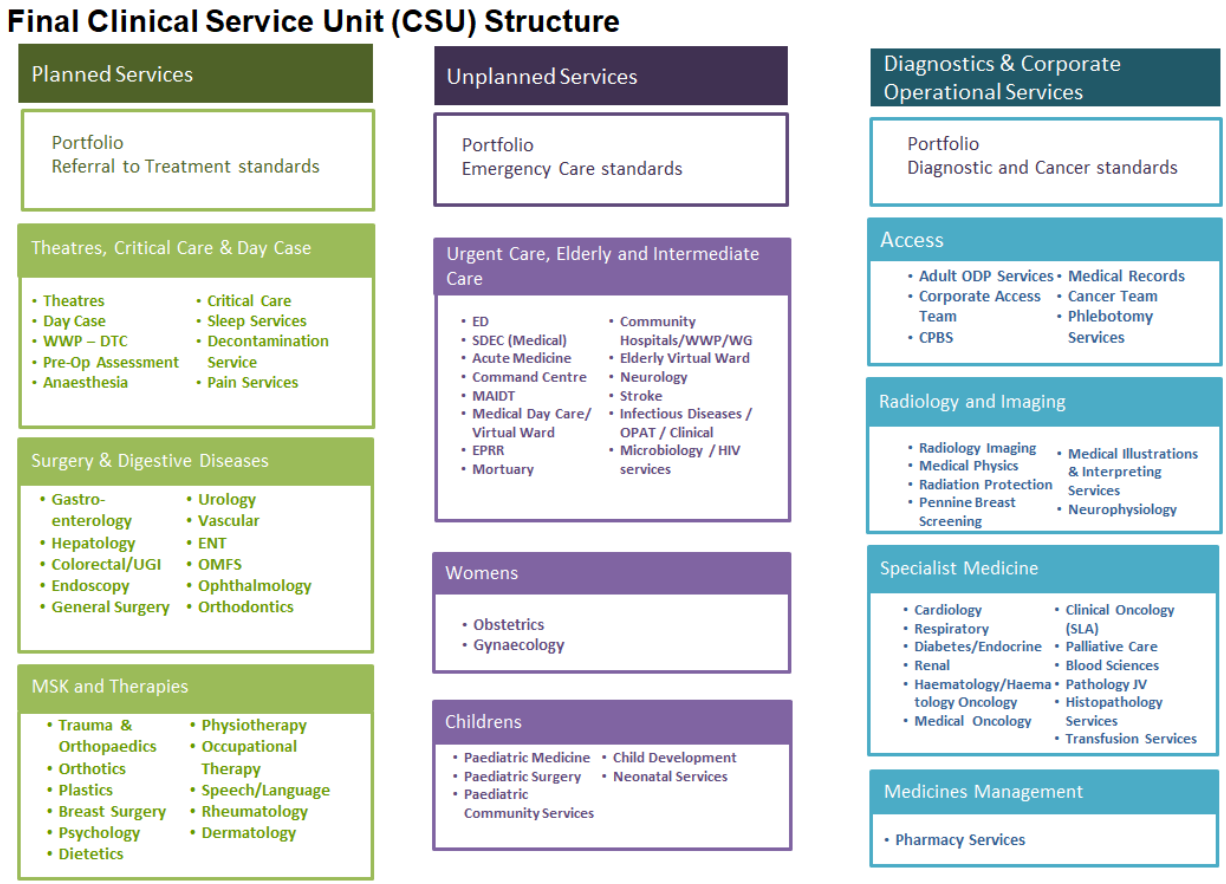
A summary of our strategy is below (see figure 1).

Figure 1 – Summary of our strategy 2022-27



In terms of the operational leadership structure, the Trust implemented a new Clinical Service Unit (CSU) model in 2022. The new structure enables multidisciplinary and multidimensional operational leadership, with decision making and accountability within the CSU triumvirate (see figure 2).

Figure 2 - Clinical service units



2.1.4. History of the Trust and statutory background

On 1 April 2004, Bradford Teaching Hospitals NHS Trust was authorised to become an NHS Foundation Trust by Monitor, the then Independent Regulator of NHS Foundation Trusts, under Section 6 of the Health and Social Care (Community Health and Standards) Act 2003[2].

The Trust is an integrated Trust that provides acute, community, inpatient and children's health services. The acute services are provided from the Bradford Royal Infirmary site.

In addition to Bradford Royal Infirmary and St Luke's Hospital, the Trust provides a range of services from community sites at Westbourne Green, Westwood Park, Shipley, Eccleshill, Skipton and the Bradford Macula Centre. It serves a population of around 550,000 people from Bradford and the surrounding area. We have approximately 630 acute beds, employ over 6,750 members of staff, and have more than 500 volunteers supporting our services, and we have been delighted to continue welcoming back our valued volunteers this year following a pause during the pandemic. In 2022/23 our Trust services delivered 5,068 babies, performed 16,872 operations in theatre and handled 446,204 outpatient appointments. We had 141,064 attendances at our Emergency Department.

2.1.5. Key issues, opportunities and risks affecting the Trust

The Trust uses a Board Assurance Framework (BAF) as a tool for the Board of Directors to assure itself of, or describe the confidence that it has about, the successful delivery of its strategic objectives. The strategic risks described in the BAF are based on a collective assessment by the

[2] https://www.legislation.gov.uk/ukpga/2003/43/contents

executive directors. The mitigation of these risks is scrutinised by the non-executive directors at Academy and Board meetings. The strategic risk profile underpinning the BAF is directly influenced by the high scoring operational risks identified by wards, specialties, CSUs or corporate departments which may impact the effective delivery of the strategic objectives.

The highest scoring strategic risks that the Trust has been exposed to during 2022/23 include staffing and recruitment to vacancies, impacts of COVID-19 and backlogs on meeting performance targets, the ability to transform services and delivery of the capital plan. There have only been minimal changes to the Trust's strategic risks during the year:

- to combine two separate risks relating to staffing;
- to update the capital risk to reflect the ability to deliver the programme as well as the funding allocation; and
- to update the performance risk to reflect the impact of backlogs caused by previous waves of COVID-19, in addition to any current waves.

The risks have been mitigated through a range of controls which are reported on the BAF. This includes recruitment plans, operational improvement plans and tight governance of the capital programme.

It is anticipated that the financial position will be more challenging during 2023/24; therefore the associated risk scores will be higher.

Further details, including the Trust's highest scoring operational risks as at February 2023 are described in the Performance Analysis (section 2.2.2.4).

In terms of opportunities, the Trust will continue to work with its partners across Bradford District and Craven and West Yorkshire to achieve the 'triple aim' duty to support better health and wellbeing for everyone, better quality of health services for all and sustainable use of NHS resources. We will also learn and improve through the ongoing implementation of our 'outstanding' programmes which currently include maternity services, theatres and pharmacy services. We will also continue to take advantage of new and innovative ways of working, for example through our 'Virtual Royal Infirmary' programme which will ensure that we can support patients with flexible and timely care, and empower them to take control of their own health.

The BAF was maintained by the executive directors throughout the year and presented to the Board of Directors at each meeting. Therefore, the Board of Directors was routinely provided with oversight of the identification, analysis and management of risk to the delivery of the strategic objectives. Key controls were identified and together with their associated assurances were presented in the BAF. The Board therefore has had clear sight of significant risks and ensured actions were prioritised appropriately. Further details regarding the Trust's risk management arrangements are included in the Annual Governance Statement (section 3.8).

2.1.6. GOING CONCERN DISCLOSURE

After making enquiries, the directors have a reasonable expectation that the services provided by the Trust will continue to be provided by the public sector for the foreseeable future being a minimum of 12 months from the date of signing these accounts. 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.

2.1.7. JOINT FORWARD PLANS AND CAPITAL RESOURCE PLANS

A five year Joint Forward Plan is being developed, this process is being led by the West Yorkshire Health and Care Partnership and will be submitted to NHS England by 30 June 2023. We are contributing to the development of plans through the Bradford District & Craven Place, which will develop a place based plan to feed into the Joint Forward Plan.

The NHS capital plan for West Yorkshire was developed between the NHS West Yorkshire Integrated Care Board (ICB) and its partner NHS Trusts and Foundation Trusts. It covers the full financial year 2022/23, from 1 April 2022 to 31 March 2023. Whilst the ICB was only formally established from 1 July 2022, partners worked together under the pre-existing West Yorkshire Health and Care Partnership arrangements on this system capital plan.

The West Yorkshire system worked together successfully to deliver an operational capital plan for 2022/23 which is fully utilised. The capital plan for 2022/23 combines the system operational capital allocation, reflecting year one of a multi-year settlement and other confirmed national programme funding. The NHS provider system allocation is resourced through internally generated funding (cash and depreciation within organisations). National programme schemes are resourced through the issue of public dividend capital.

The ICB has allocated the provider system operation capital to the ten NHS providers in West Yorkshire based on the national methodology utilised by NHS England to derive the system allocation. This incorporates factors such as the level of backlog maintenance in each organisation and the value of the depreciation charge on assets. NHS providers utilise this resource to support 'business as usual' capital schemes, such as backlog maintenance, equipment replacement and IT expenditure.

The system aims to best deploy operational and national capital to support strategic priorities. It is, however, recognised that the level of capital resource available to West Yorkshire does not allow all strategic priorities to be delivered. The extent to which this creates risks for organisations, places and the wider system is captured through established risk management systems and processes.

2.1.8. SUMMARY OF PERFORMANCE

2.1.8.1. Performance summary

During the 2022/23 Financial Year, the Trust has been working to improve its performance against the core contractual targets, including those indicated within the NHS Oversight Framework 2022/23. Part of this work has been a continuation of the restart and recovery of elective services following the impact of COVID-19.

The table below describes the results achieved against some of the targets, identified as part of the NHS Oversight Framework for 2022/23. Further analysis is included later in the report but highlights are captured here.

Figure 3 - Monthly results achieved against selected NHS Oversight Framework 2022/23 KPIs

KPI	4 Hour Emergency Care Standard	28 day Cancer FDS	62 day Cancer first treatment	18 weeks RTT Incomplete	MRSA infections	Summary Hospital-Level Mortality Indicator
Apr-22	72.94%	79.27%	80.27%	70.88%	1	103.73
May-22	74.84%	82.02%	81.57%	72.51%	0	98.69
Jun-22	74.82%	81.47%	80.37%	72.17%	0	100.94
Jul-22	73.67%	81.53%	77.89%	70.85%	2	108.12
Aug-22	73.56%	77.92%	83.59%	72.19%	0	112.08
Sep-22	74.82%	72.46%	76.80%	71.17%	0	119.85
Oct-22	72.75%	74.66%	79.82%	72.27%	0	127.51
Nov-22	71.08%	76.76%	73.76%	73.28%	0	112.13

Dec-22	67.85%	78.20%	69.94%	72.07%	0	156.90
Jan-23	74.44%	75.51%	78.17%	72.75%	0	
Feb-23	72.92%	80.46%	71.55%	72.67%	1	
Mar-23	72.03%	76.88%	79.50%	70.02%	0	
2022/23	**72.93%**	**78.16%**	**77.38%**	**71.90%**	**4**	**113.89***
2021/22	77.58%	81.98%	78.23%	70.85%	5	104.50*

* Latest available Summary Hospital-Level Mortality Indicator (SHMI) is up to Dec-22

During 2022/23 the Trust has increased the amount of elective activity it has undertaken with significant improvement in theatre operating and outpatient attendances. During the same period demand has also increased significantly. GP referrals, especially for suspected cancer and other urgent conditions have increased to well above the levels received pre-COVID-19 and attendances to the Emergency Department have also increased, being particularly high in June, July and again in November and December. As a result, performance against the core waiting time standards has not improved as anticipated, but as shown later in the report, the Trust has performed above the national average for each, which reflects the challenges the NHS is facing.

Patients attending the Emergency Department waited longer for a decision about their care during 2022/23 compared to the previous year. The Trust's position compared to other acute providers actually improved over this period and time to initial assessment reduced. As part of the 2023/24 annual plan the Trust has aligned its existing Urgent and Emergency Care improvement plan to the national recovery plan and anticipates improvement as schemes embed.

The number of referrals for suspected cancer increased by 2,349 (10.9%) in 2022/23 compared to 2021/22. The care we provided these patients remained relatively stable with 77.38% of patients treated within 62 days, compared to 78.37% in the previous year and 74.97% the year prior. Wait time for first appointment remained above the 93% national standard to be within two weeks and the new measure of informing patients of whether they have cancer or not within 28 days met the 75% target at 78.16%.

Referral to Treatment (RTT) performance improved slightly, with the growth in activity prioritised successfully to treat both the most urgent and the longest waiting patients. As we progress into 2023/24, further growth in activity is planned to help reduce the overall waiting list size which remains high due to the growth in demand mentioned earlier.

Quality of Care continues to be at the forefront of the Trust's activities with our continued focus on building on our success and continuously improving the patient and service user experience. Despite the challenges on clinical services the Trust has continued to have oversight of quality with executive led daily safety huddles and weekly meetings of the Quality of Care Panel to facilitate the review of quality and safety issues on a real time basis. This includes the oversight of patient safety events, patient experience and the identification of learning and improvement opportunities.

Quality metrics have continued to be monitored at the Quality and Patient Safety Academy, a committee of the Board. As we develop our insight and use of data the dashboard is being reviewed to reflect our quality priorities with a mix of process and outcome measures. Our quality metrics are also reviewed with clinical teams to support ownership and accountability at the point of care delivery. This supports our nursing accreditation programme and our on-going participation in the national 'Magnet4Europe' research programme. This is an international nursing quality accreditation programme which promotes a participative shared governance and leadership model which empowers nurses at every level.

The Trust has continued to embed the Medical Examiner role increasing the number of patient deaths being reviewed to 100%. This role has now extended into the community to support our local General Practitioners to also review deaths.

We have a continued focus on all elements of the National Patient Safety Strategy including preparations to transition from the current Serious Incident Framework to the new Patient Safety Incident Response Framework. We continue to build our culture of learning which is underpinned by our work on 'civility in the work place' and 'just culture' by aligning our Human Resource policies, the development of our People Plan and behavioural framework to ensure staff feel supported and empowered to raise concerns.

2.1.8.2. Finance summary

Normal financial control and governance arrangements have recommenced for 2022/23. The Trust has met its financial targets, even though it faced on-going and increasingly challenging operational pressures.

The Trust was required to deliver a breakeven position to contribute to the West Yorkshire Integrated Care System's (ICS) overall break-even target set by NHS England (NHSE). The Trust has reported a £7.8m deficit for 2022/23. However, this includes a £9.2m impairment to the value of land and buildings asset, and an adjustment for depreciation on donated assets and donations for capital purchases. NHSE excludes these adjustments from its assessment of a Trust's operating results, and when these are removed the relevant margin for the year is a small surplus of £0.2m, which is £0.2m better than the planned breakeven position.

Figure 4 - Income and Expenditure Position Including Impairment

	21/22	22/23 plan	22/23 Actual	22/23 variance	Change vs 21/22
Operating Income (including Top-up)	533.7	526.0	573.6	47.6	39.9
Operating expenditure	(513.4)	(503.5)	(554.4)	(50.9)	(41.0)
EBITDA	**20.3**	**22.5**	**18.4**	**(4.1)**	**(1.1)**
Non-Operating Expenditure	(19.7)	(18.0)	(17.0)	1.0	2.7
Impairment	(9.6)	0.0	(9.2)	(9.2)	0.4
Margin	**(9.0)**	**4.5**	**(7.8)**	**(12.3)**	**1.2**

Figure 5 - Income and Expenditure Position Excluding Impairment and Depreciation on Donated Assets and Donations

	21/22	22/23 plan	22/23 Actual	22/23 variance	Change vs 21/22
Operating Income (excluding Top-up / Reimbursement)	527.7	521.4	571.0	49.6	43.3
Operating expenditure	(513.3)	(503.5)	(554.4)	(50.9)	(41.1)
EBITDA	**14.4**	**17.9**	**16.6**	**(1.3)**	**2.2**
Non-Operating Expenditure	(19.7)	(18.0)	(17.0)	1.0	2.7
Impairment	(9.6)	0.0	(9.2)	(9.2)	0.4
Margin excluding Top-up	**(14.9)**	**(0.1)**	**(9.6)**	**(9.5)**	**5.3**
Remove impairment	9.6	0.0	9.2	9.2	(0.4)
Remove depreciation on donated assets and donations for capital purchases	0.7	(4.5)	(2.0)	2.4	(2.7)
Margin on control total basis	**(4.6)**	**(4.6)**	**(2.4)**	**2.2**	**2.2**
Top-up / Reimbursement Funding	6.0	4.6	2.6	-2.0	-3.4
Margin including Top-up on control total basis	**1.4**	**(0.0)**	**0.2**	**0.2**	**(1.2)**

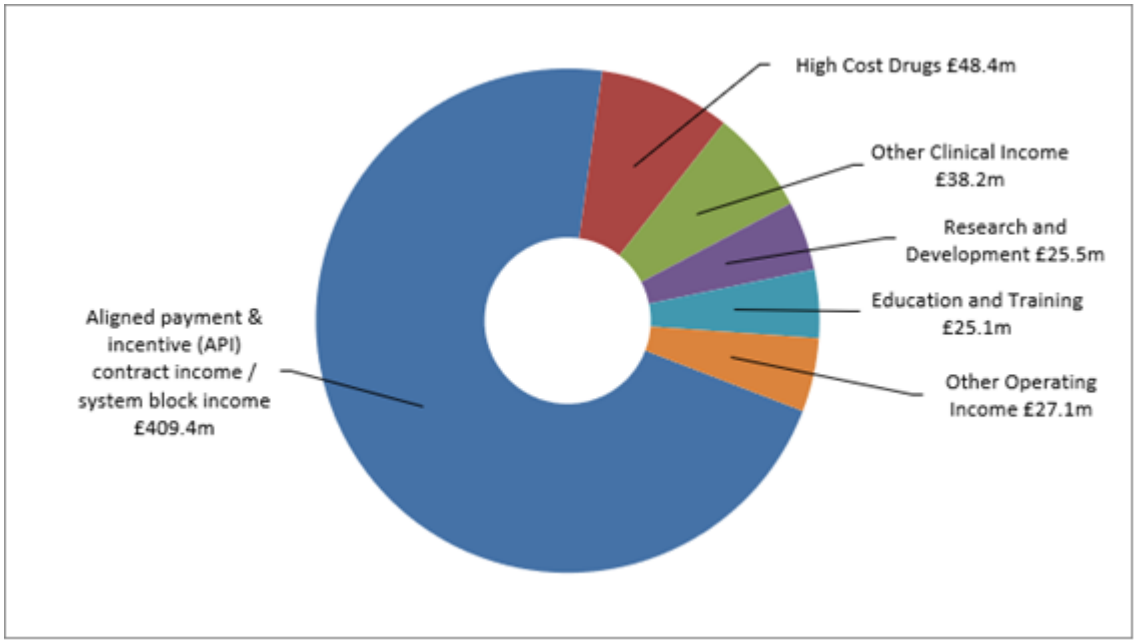
Income

The total income reported for the 2022/23 financial year was £573.6m, which is split as follows:

- Aligned Payment & Incentive/Block Income - £409.4m
- High-cost drugs - £48.4m
- Other clinical income - £38.2m
- Research and Development - £26.4m
- Training and Education income - £25.1m
- Other operating income - £27.1m

A more detailed breakdown of income in 2022/23 is provided in figure 6.

Figure 6 - Breakdown of income for 2022/23



Aligned payment and incentive (API) contract income / system block income is primarily income from ICBs and NHSE in relation to the provision of patient treatment services under the simplified contractual and commissioning arrangements. Other income is primarily non-patient related income and includes income for education and training, research activities, catering, car parking and other services.

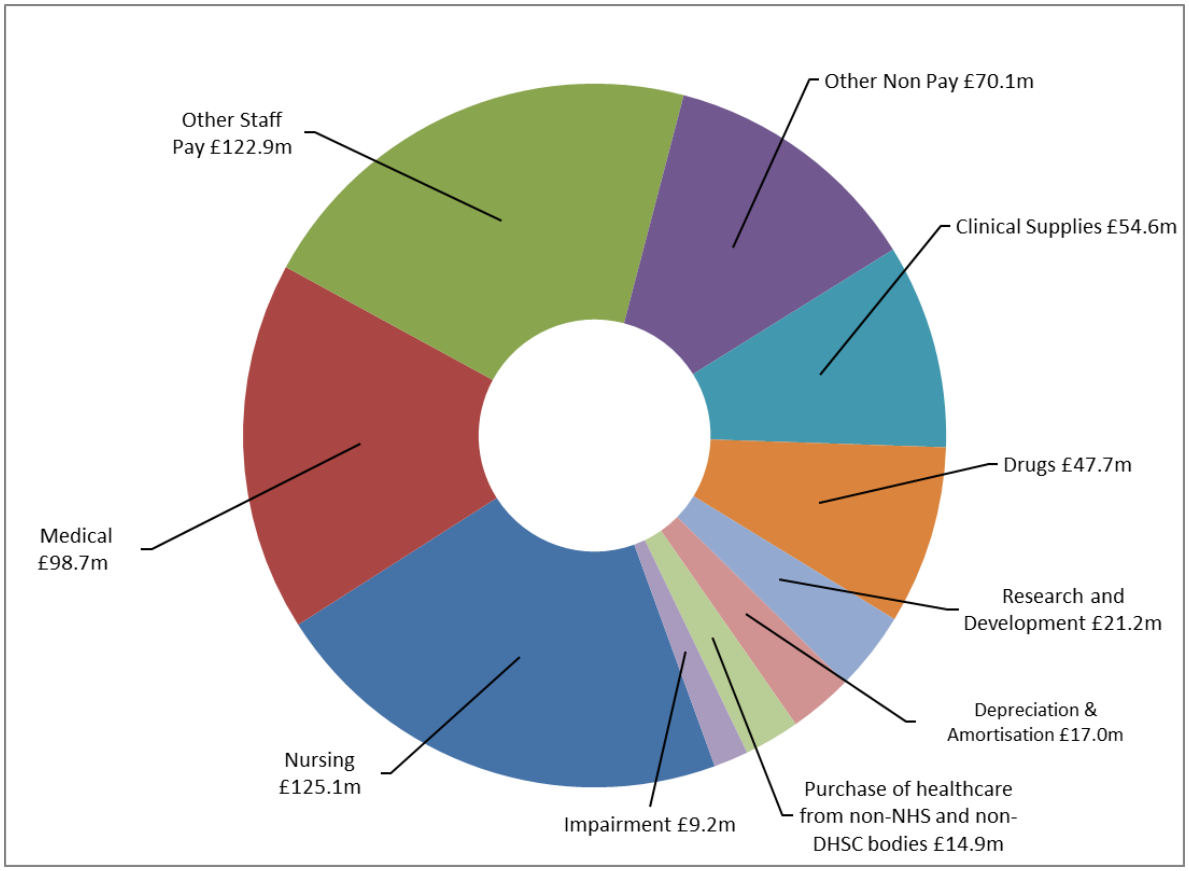
Expenditure

Including the impairment, the total expenditure reported for 2022/23 was £581.4m, which is split as follows:

- Payroll bill for employed and agency staff: £346.7m
- Non-Pay costs: £208.5m
- Depreciation and Amortisation: £17.0m
- Impairments (nil cash impact): £9.2m.

A more detailed breakdown of expenditure in 2022/23 is provided in figure 7.

Figure 7 - Breakdown of expenditure for 2022/23



2.2. PERFORMANCE ANALYSIS

2.2.1. MEASUREMENT OF PERFORMANCE

Performance Monitoring

Performance Monitoring defines the processes used by the Trust to both report information externally to meet our regulatory and contractual requirements, and review internally to assure the organisation is delivering against Key Performance Indicators (KPIs) and Strategic Objectives.

The Trust is regulated primarily by NHS England (NHSE) and the Care Quality Commission (CQC). It has contractual relationships with NHS commissioning bodies such as NHSE and our local Integrated Care Board (ICB). The Trust has made monthly submissions to these bodies throughout 2022/23.

The Trust continually measures its performance against a wide variety of measures, including but not limited to:

- NHS Oversight Framework KPIs
- NHS Use of Resources KPIs
- National contract quality measures
- Quality measures agreed with local commissioners
- Internally agreed performance measures aligned to strategic objectives and improvement priorities

The Trust is contractually obliged to provide regular Performance Monitoring and Assurance reports to its regulators and continues to meet these obligations. These returns include routine daily, monthly and quarterly reports, and have also included ad hoc reports when requested.

For relevant indicators, the Trust uses the nationally-mandated definitions as provided by:

- NHS Oversight Framework
- NHS Data Dictionary definitions
- NHS contract technical guidance

The Board of Directors retains overall responsibility for ensuring systems and controls are in place that are sufficient to mitigate any significant risks which may threaten the achievement of the organisation's strategic objectives. The Board Assurance Framework (BAF) governs these assurance processes.

The BAF provides assurance that the performance of the organisation is systematic, consistent, independently verified, and incorporated within a robust governance framework.

The BAF also allows that:

- Relevant KPIs are defined and selected to provide assurance against all regulatory and contractual requirements.
- Relevant KPIs are defined and selected to provide assurance against all strategic organisational objectives.
- The Board of Directors carries ownership and oversight of all selected KPIs.
- The Board of Directors actively sets targets, tolerances and thresholds for the effective management and monitoring of risk and uncertainty.

The Trust's Performance and Accountability Framework

The Trust also has a Performance and Accountability Framework that provides systems and processes to ensure that current performance information is visible throughout the organisation, from Ward-to-Board. It also provides clear lines of accountability and escalation throughout the organisation.

The Framework is aligned to a model of learning, improvement and assurance. The overall aim of improving performance is to deliver better outcomes for patients and this is at the heart of how the Trust approaches these activities.

The approach performance monitoring set out in the framework supports delivery of the Trust's strategic objectives with:

- Alignment of service plans and ambitions to overarching objectives
- Measures that are relevant in the context of these plans
- Progress and improvements being considered in this same context
- Shared principles throughout the organisation (vertical and horizontal alignment)

It also supports adherence to CQC quality domains and considers performance in the broadest sense with:

- Holistic views and correlation across sometimes separated domains
- Key lines of enquiry used to structure conversations
- Improvement plans with timescales and measurable benefits

Performance information is used daily across the organisation to support decision making. Weekly reviews are in place to track selected KPIs and an academy structure which supports the BAF meets monthly to ensure learning and improvement is driving the agenda forward.

Clinical Service Units (CSUs) replicate these approaches and regular Executive Team and CSU Leadership Team meetings are scheduled where the breadth of performance and delivery against plans can be discussed with a balance between assurance sought and support given.

Senior leadership and corporate departments provide further support to this process and will lead on any cross cutting improvement objectives aligned to academy work plans.

2.2.2. Analysis of Performance

2.2.2.1. Quality of Care, Access and Outcomes

Quality Objectives

We continue to be proud of the quality of care that we deliver to our patients. Following the CQC inspection in 2019 we were rated overall as Good. All of the 'Must Do' actions identified have been completed and the Trust continues to monitor progress against the 'Should Do' actions through the 'Moving to Outstanding' monthly meeting.

Despite the continued challenges of the COVID-19 pandemic through the dedication and tenacity of our staff we remained committed to providing the highest quality of healthcare at all times and our Act as One programme has continued to make progress in tackling health inequalities by prioritising patients whose need is most as our services recover following the pandemic.

The quality priorities are assigned to the appropriate academy where regular reports are received from the leads providing updates and progress. The quality dashboard has been under review to ensure the appropriate qualitative and quantitative metrics have been identified to support our improvement work. The granularity of the priorities are addressed at the relevant working group which report to the academies on a monthly basis.

We identified four quality priorities to focus on during the last year:

1. Improve the management of deteriorating patients by embedding the use of the electronic application co-designed with our industry partner to show real-time and actionable data based on the national guidance in relation to the timing and escalation of physiological observations known as NEWS2 (National Early Warning Score) and other clinical factors to support early intervention and escalation.
2. Improve patient experience by further developing and 'Embedding Kindness' that was developed during 2020.
3. Continue to reduce the number of still births by continuing with our 'Outstanding Maternity Services' transformation programme.
4. Advance equality, diversity and inclusion (EDI) by consulting and engaging with our staff and communities as part of a 3 year strategic EDI strategy.

National Patient safety Alerts (NPSA)

During the period 1 April 2022 – 31 March 2023, 11 National Patient Safety Alerts were issued and responded to within the set timescales. All actions from the alerts were completed by the deadline.

The Trust process for managing and responding to National Patient Safety Alerts has been further strengthened by including the Trust Patient Safety Specialists in the initial review of any alerts issued. This has been mandated in the process flow chart for managing National Patient Safety Alerts, published on 22 March 2022, which the Trust is fully compliant with.

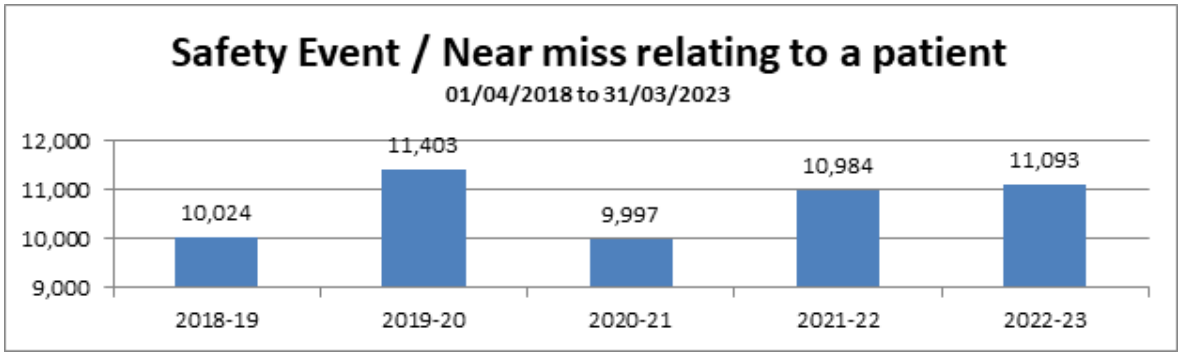
Incident Reporting

The Trust uses the Datix electronic reporting and management system which enables staff to report any safety events affecting both patients and staff. At the Trust we promote an open and transparent culture that encourages staff to report incidents and be open and honest with those involved, providing an apology and complying with the statutory Duty of Candour where the threshold is met. Incident reporting is indicative of a robust learning culture where actions are implemented to prevent recurrence and to strengthen systems and processes in place. The Trust

shares learning from incidents widely within the organisation and also at a West Yorkshire forum to facilitate wider learning and improvement.

Figure 8 shows the number of reported safety events at the Trust, including near misses over the last five years. Incident reporting increased during 2019/20 and decreased during the Covid-19 pandemic. There has been a steady increase back to just below pre-pandemic levels.

Figure 8 – Number of reported safety events at the Trust 2022/23



Safety Culture

The Trust appointed a dedicated Patient Safety Specialist in April 2022, to lead on the implementation of the national NHS Patient Safety Strategy[3]. To embed the strategy within the Trust we are working with partners and external stakeholders to understand our safety culture by talking about harm, how we can build safer systems to provide the right care, as intended, every time and learning from what works well, not just what does not.

We recognise that the foundation of the strategy is to continue to build a safety culture within our organisation. The key features for healthcare organisations that want to be safe are: staff who feel psychologically safe; valuing and respecting diversity; a compelling vision; good leadership at all levels; a sense of teamwork; openness and support for learning. These features are underpinned by the essential elements of:

- A just culture, where psychological safety means we will hear more, learn more and can act more to improve care. [4]
- Positivity kindness and civility, as when these are missing safety is compromised.[5]

Our progress on the development of a safety culture will be monitored through NHS Staff Survey metrics about fairness and effectiveness of reporting, and staff confidence and security in reporting. The Trust will also work towards developing a wider set of metrics to understand its safety culture which will inform further improvement work to support our evolving safety culture. This work will be undertaken in collaboration with the existing work streams of just culture and civility led by the Trust's Organisational Development team and Human Resources as well as our Patient Experience Strategy 'Embedding Kindness'.

Mortality Data

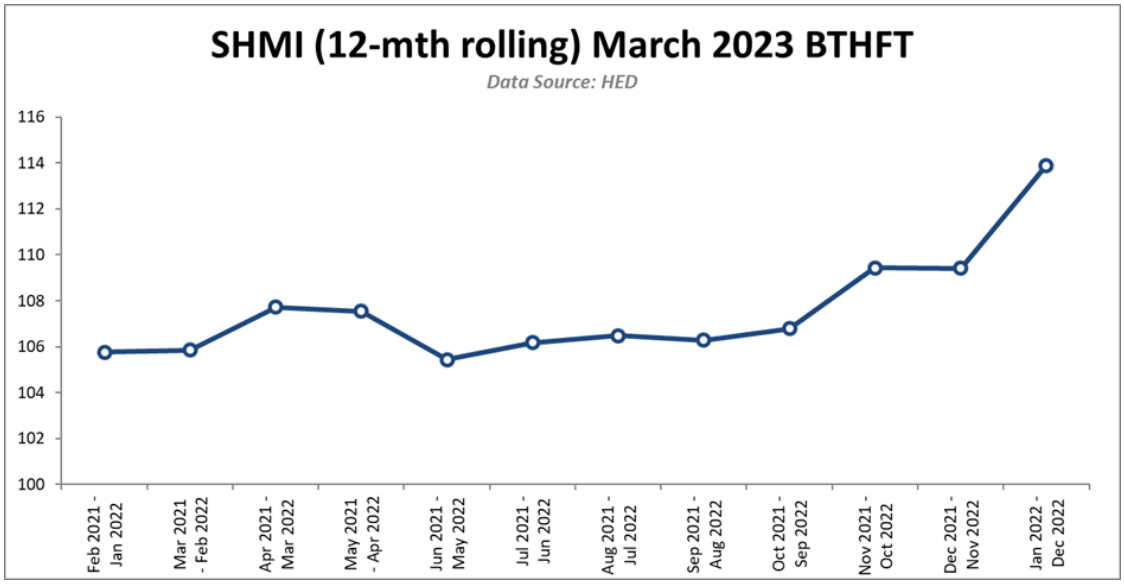
The Summary Hospital-Level Mortality Indicator (SHMI) is the ratio between the actual number of patients who die during or within 28 days of hospitalisation at the Trust and the number that would be expected to die on the basis of average England figures, given the characteristics of the patients treated there. If the value is greater than 100, this indicates that the patient group being studied has a higher mortality level than the NHS average.

[3] The NHS Patient Safety Strategy. Safer Culture, safer systems, safer patients (July 2019)
[4] https://www.england.nhs.uk/patient-safety/a-just-culture-guide/
[5] Porath C, Pearson C (2013) The price of incivility. Harvard Business Rev 91(1-2): 114-21, 146.

Figure 9 – Summary Hospital-Level Mortality Indicator

SHMI 12-month rolling	Indicator Value	Number of provider spells	Number of patients discharged who died in hospital or within 30 days	Number of Expected Deaths
Feb 2021 - Jan 2022	105.77	71,746	1,569	1,483.39
Mar 2021 - Feb 2022	105.85	72,520	1,568	1,481.28
Apr 2021 - Mar 2022	107.72	72,744	1,582	1,468.69
May 2021 - Apr 2022	107.54	72,520	1,555	1,445.92
Jun 2021 - May 2022	105.44	72,296	1,516	1,437.75
Jul 2021 - Jun 2022	106.17	72,092	1,526	1,437.28
Aug 2021 - Jul 2022	106.49	71,652	1,513	1,420.85
Sep 2021 - Aug 2022	106.29	71,646	1,507	1,417.86
Oct 2021 - Sep 2022	106.78	71,754	1,503	1,407.60
Nov 2021 - Oct 2022	109.44	71,960	1,525	1,393.51
Dec 2021 - Nov 2022	109.41	72,420	1,510	1,380.12
Jan 2022 - Dec 2022	113.89	72,973	1,554	1,364.51

Figure 10 – Summary Hospital-Level Mortality Indicator – 12 Month Rolling



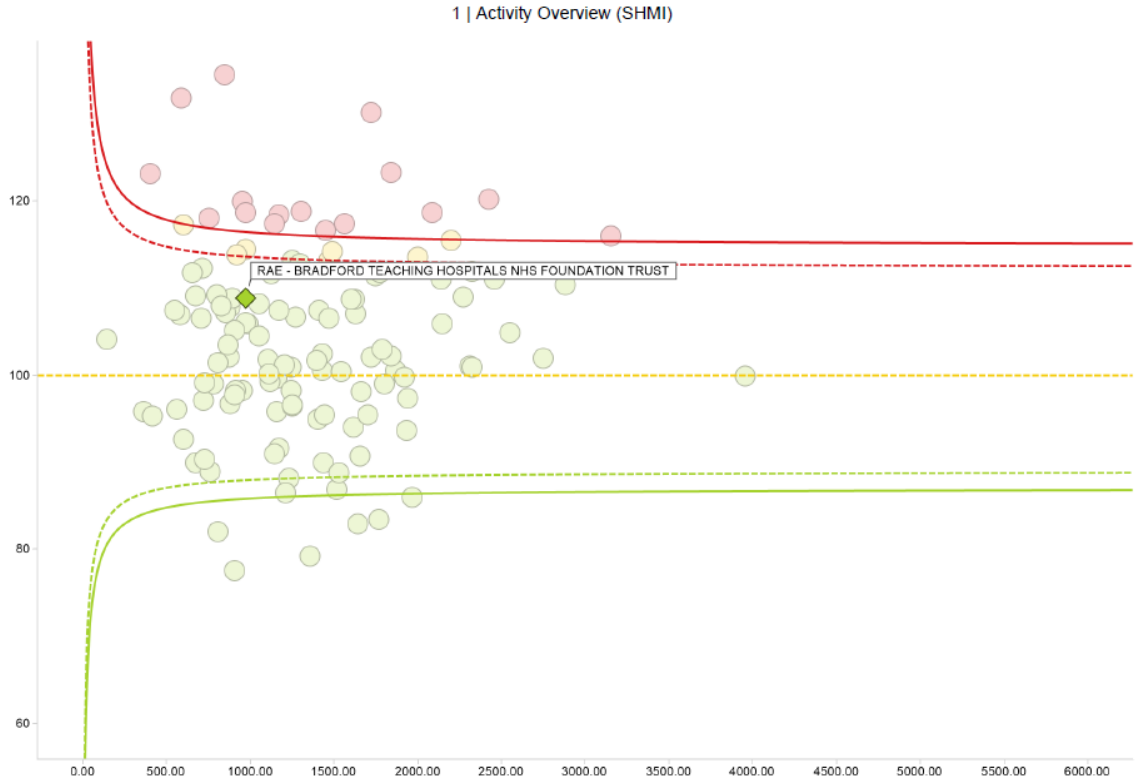
The current available Healthcare Evaluation Data (HED) covers a 12-month period from January 2022 – December 2022 with our current SHMI value being 113.89 which is within the expected range (see figure 11). Over the 12-month period our average SHMI value was 107.56. Whilst we have been consistently above a value of 100, indicating that we have a higher mortality rate than the NHS average for patients during or within 28-days of hospitalisation, it is important to note that SHMI is not an indication of avoidable deaths or of quality of care.

The Trust has also undertaken an extensive review of deaths that occurred in December 2022 in light of an increased number of adult inpatient mortalities. The review involved liaising with the Medical Examiner's Office at the Trust to access Medical Certificates of Cause of Death (MCCDs) for patients who passed away in December 2022 and December 2021. This was to ascertain if there was any pattern in cause of death for patients in December 2022, with a comparison to the previous year. In addition the Trust uses the structured judgement review (SJR) methodology for

the mortality review process. This is a nationally recognised approach with the underpinning principle that trained clinicians use explicit statements to comment on the quality of healthcare in a manner that is reproducible.

All SJR requests for December 2022 were expedited as a cluster review to determine if there was a cause for concern in the overall quality of care delivered to patients throughout December 2022. No cause for concern was found and all learning and potential improvements identified in the review have been escalated where appropriate.

Figure 11 – Summary Hospital-Level Mortality indicator – Funnel plot comparator



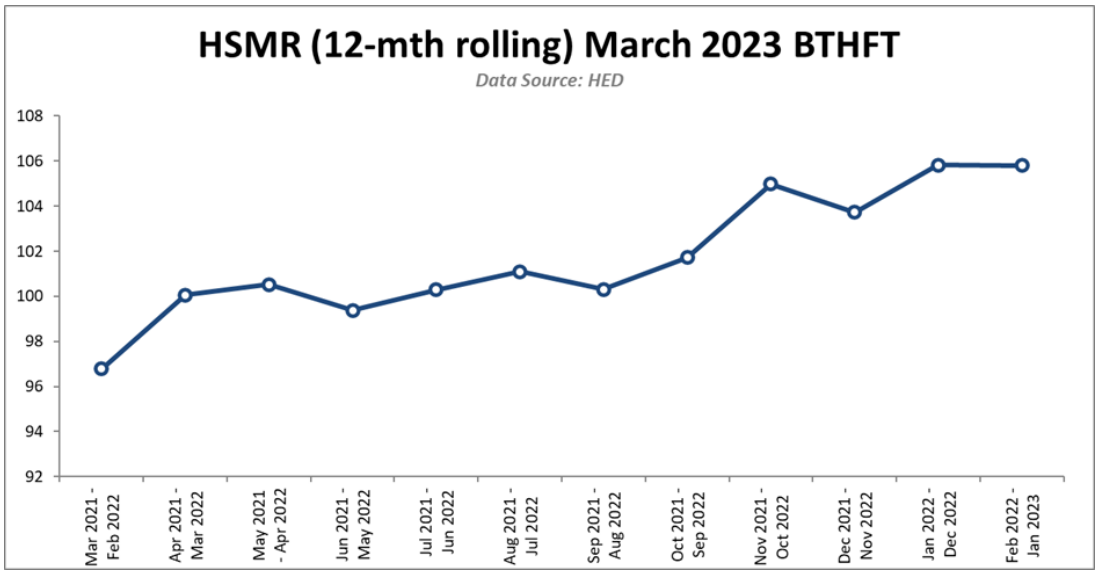
Hospital Standardised Mortality Ratio (HSMR) is the ratio of observed deaths to the expected number of in-hospital deaths at the end of a continuous inpatient (CIP) spell. A value greater than 100 means that the patient group being studied has a higher mortality level than the NHS average. Unlike the SHMI which is capped at 28 days, the HSMR considers the entire period a patient had continuous inpatient care. Any spells ending in transfer to another NHS hospital are linked together and are referred to as a superspell. This allows for a difference between discharge from the first trust and admission to the next trust of up to two days. The HSMR indicator aggregates provider spells into a single super-spell if patients are transferred to other providers before calculating risks. If death occurs, it is counted against each provider.

Figure 12 – Hospital Standardised Mortality Ratio data

HSMR 12-month rolling	Indicator Value	Number of Super-Spells	Number of Observed Deaths	Number of Expected Deaths
Mar 2021 - Feb 2022	96.78	33,420	893	922.69
Apr 2021 - Mar 2022	100.05	33,548	916	915.51
May 2021 - Apr 2022	100.52	33,490	917	912.22
Jun 2021 - May 2022	99.38	33,542	906	911.64
Jul 2021 - Jun 2022	100.29	33,354	916	913.36

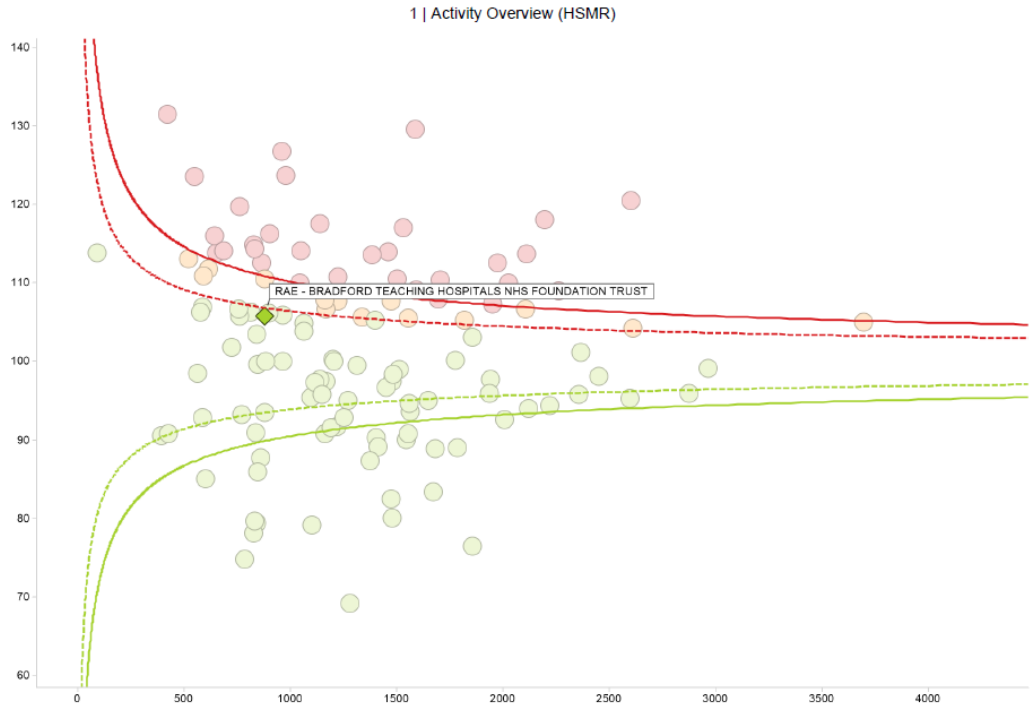
HSMR 12-month rolling	Indicator Value	Number of Super-Spells	Number of Observed Deaths	Number of Expected Deaths
Aug 2021 - Jul 2022	101.09	33,074	916	906.14
Sep 2021 - Aug 2022	100.31	33,135	913	910.21
Oct 2021 - Sep 2022	101.72	33,281	921	905.40
Nov 2021 - Oct 2022	104.99	33,380	956	910.57
Dec 2021 - Nov 2022	103.72	33,539	953	918.84
Jan 2022 - Dec 2022	105.83	33,631	975	921.27
Feb 2022 - Jan 2023	105.81	32,447	928	877.07

Figure 13 – Hospital Standardised Mortality Ratio data



The current available Healthcare Evaluation Data (HED) covers a 12-month period from March 2021 to January 2023 with our current HSMR value being 105.81 which is within the expected range (See figures 13 and 14), with our average value across the period being 101.7. The Trust's HSMR demonstrates that the Trust has remained within expected limits during the reporting period.

Figure 14 – Hospital Standardised Mortality Ratio – Funnel Plot comparator

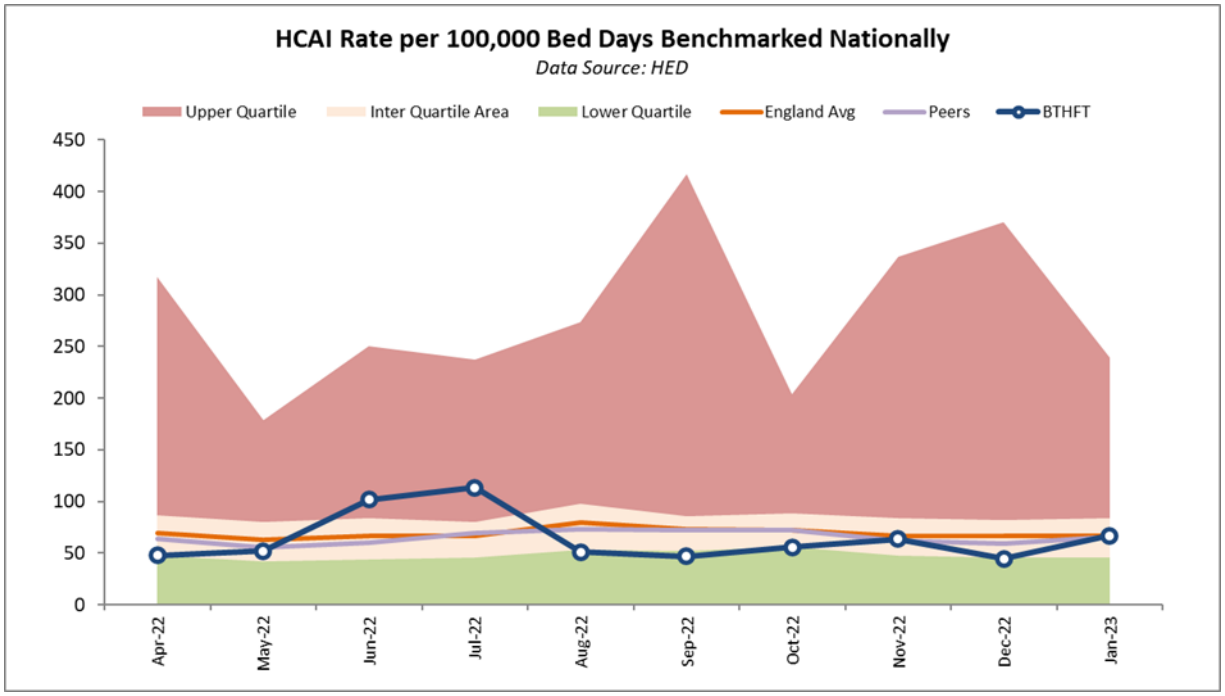


Healthcare Associated Infection

The Infection Prevention and Control Board Assurance Framework (IPC BAF) was developed during the COVID-19 pandemic to support all healthcare providers to effectively self–assess their compliance with UK Health Security Agency (UKHSA) and other COVID-19 related infection prevention and control guidance and to identify risks and mitigating actions. The IPC BAF was revised in December 2021 and then September 2022. The compliance to the IPC BAF was monitored regularly and included in the reports presented to the relevant committees.

The latest information available on Healthcare Evaluation Data (HED) in relation to infection rates shows the Trust's position for Clostridium difficile Infections (CDI) and bloodstream infections caused by Methicillin-resistant Staphylococcus aureus (MRSA), Methicillin Sensitive Staphylococcus Aureus (MSSA), Escherichia coli (E. coli), Pseudomonas and Klebsiella Species in relation to the national distribution for each of these infections. The data (figure 15) highlights that the Trust has remained equal or below peers' median throughout the year except June and July 2022. This was due to an abrupt increase in CDI cases during June and July 2022. All cases received a detailed post infection review (PIR) including review of antibiotic prescribing, inspection of standards of PPE (Personal Protective Equipment), hand hygiene compliance and standards of environmental cleaning. Learning is shared through the Trust's patient safety incident reporting processes. Following the PIR and inspections, a CDI improvement plan was developed to focus on lessons learnt and was shared with CSU Directors and Deputy Directors of Nursing, pharmacy, microbiology/ID consultants, and Facilities Managers. Hence the improvement was observed from August 2022 onwards.

Figure 15 – Healthcare Associated Infections Rate per 100 000 Bed Days 2022/23



Patient Experience

Work in relation to Patient Experience has gone from strength to strength over the past year. Some of the highlights are as follows:

- The embedding kindness project which evolved from the Patient Experience Strategy has been shared with NHS England receiving national and local interest #embeddingkindness.
- Strong links with our new Organisational Development Team has enabled us to develop our thinking around civility in the workplace and wellbeing in relation to kindness. Patient Experience have representation at the Workplace Civility Board to ensure that key messages and work streams work alongside and complement each other.
- Work with the national group Ageing Without Children (AWOC) has resulted in a 'Kindness Conference' being held. This was very well received when it took place in the autumn of 2022 with a plan for a further conference in 2023.
- The Spiritual, Pastoral and Religious Care (SPaRC) service (formally chaplaincy) has received national recognition and awards for their pioneering new model of working.
- The SPaRC team have launched an interactive platform accessible by smartphone to increase their reach to patients and staff. This has gained a lot of interest from other organisations and is supported by religious leaders from the community.
- The Trust has been working towards obtaining Veteran Accreditation status. It has been recommended that the Trust is in a position to apply for silver accreditation status. A veteran lead has been identified with plans to engage with the volunteer service in recruiting ex-service personnel. Their role would be to support veterans and serving personnel alongside the veteran lead. This is to ensure that service persons and their families are not disadvantaged due to them moving areas frequently.

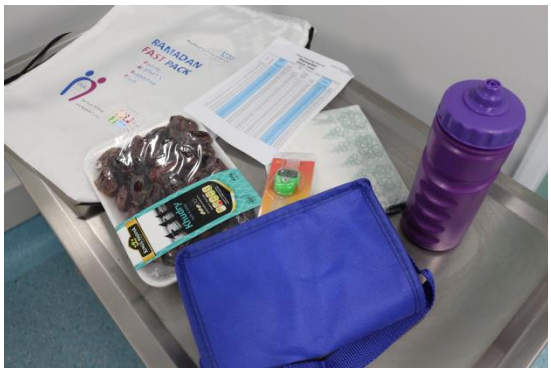
This rewarding and exciting work has led to national nominations for Leadership awards for members of the Patient Experience team.

During the past year the Trust's approach to spiritual support has also been reviewed. This has enabled us to consider how we care for all. The new Bradford model SPaRC focuses on collaborative working with patients and their families and becoming part of the wider hospital team. The model is underpinned by 7 anchors:

- Equality
- Person Centred care
- Belief Based care
- Spiritual and reflected Spaces
- Collaborative practice
- Professional Practice and Data
- Data and Organising

The model has been well received by staff and patients and has received regional awards, generated national interest including the NHS England Review Committee who considers our model as an exemplar of inclusivity. The SPaRC team, in collaboration with the University of Bradford, have also developed an IT Application for staff and patients. This provides a plethora of resources and information and was launched in spring 2022. They have recently been shortlisted for a HSJ Award for this work.

The SPaRC team have also had external recognition and enquiries about their Fast packs first developed in 2022. These include pop up prayer facility packs that have helped managers support their colleagues during the Ramadan period. A bigger and more organised campaign commenced for the Holy month of Ramadan that started mid-March 2023.



The Carer's Passport and care plan was launched towards the end of 2021 alongside a Carer's Charter. The Carers Passport is designed to support Carers and ensure they are supported throughout a patient's hospital admission. The passport is supported by the Lead Nurses for Dementia and the Lead Nurse for learning disabilities. Feedback has been positive so far. An audit of compliance and usage will be conducted in 2023.

The implementation of VIP pathway and red backpacks was successfully launched in the early part of 2023 enabling patients with additional needs to be identified and additional support to be provided. The pathway allows for a more streamlined transition between home, community settings and hospital so that it is less overwhelming for patients and their carers. This was started following discussions with people with additional needs and after reviewing complaints and incidents.

The Patient and Public Involvement team continue to work on a number of projects to enable public engagement to take place and changes to be made as a direct result of feedback. For example; working with partner agencies to gain feedback from service users with Special Educational Needs and Disability (SEND) in our community paediatric department; working with our local Healthwatch team regarding service user experience of virtual appointments; and contributing to the City of Bradford Metropolitan District Council's stakeholder group for people with visual and hearing impairment visiting our sites to enable future improvements to be made.

Our Maternity Unit has worked in partnership with the Maternity Voices Partnership (MVP) to modernise our facilities based on the experience of women, all clinical areas in Maternity have now had a "15 step review" and the findings of these have been included in our plans to refashion the unit.

Further work has been commenced with the paediatric inpatient team and the VRI (Virtual Royal Infirmary) to produce a virtual tour of the hospital to alleviate anxiety in children with additional needs.

The Relatives Line was implemented during COVID-19 however it has been so successful it has been made a substantive service. It is staffed by three registered nurses and reduces the number of calls from families to the wards allowing staff time to deliver care. Users of the service value the nursing expertise and the time they are able to give to their enquiries.

Figure 16 – Relatives Line Activity 2022/23

Month	Calls Presented	Calls handled	% HANDLED
Apr-22	1,331	1,157	87%
May-22	830	793	96%
Jun-22	754	676	90%
Jul-22	1,387	1,259	91%
Aug-22	1,346	1,231	91%
Sep-22	1,221	1,140	93%
Oct-22	1,214	998	82%
Nov-22	1,198	1,045	87%
Dec-22	1,376	1,198	87%
Jan-23	1,178	1,063	90%
Feb-23	1,297	1,080	83%
Mar-23	1,161	876	75%

Friends and Family Test (FFT)

Figure 17 – Friends and Family Test Responses 2022/23 by Area

	Very Good	Good	Neither good nor poor	Poor	Very poor	Don't Know	Grand Total
A&E Feedback	4,670	2,374	900	832	1,864	102	10,679
Inpatient Feedback	1,924	341	27	6	14	3	2,315
Outpatient Feedback	5,337	742	162	90	143	16	6,490
Maternity Feedback	134	10	3	10	19	2	178
Totals	**12,065**	**3,467**	**1,092**	**938**	**2,040**	**123**	**19,662**

The overall Trust position score from FFT at time of reporting is a decreased score of 78.9% of patients scoring the Trust as 'very good' or 'good' in comparison to the previous year of 84.0%. This is reflective of Datix reports and complaints received due to a number of variables including staffing and acuity of patients which can lead to increased dissatisfaction.

SMS text messaging made up the majority of the responses included in the table below.

Figure 18 – Friends and Family Test Responses 2022/23

Rating	No.	Percentage
Very good	12,065	61.17%
Good	3,467	17.58%
Neither good nor poor	1,092	5.54%
Don't know	123	0.62%
Poor	938	4.76%
Very poor	2,040	10.34%

The Trust has recently tendered for and appointed a new contractor for FFT – Healthcare Communications UK Ltd. The aim is to significantly improve the volume of FFT responses. There will be a reduced reliance on paper feedback forms, although these will still be available, and an increased volume of SMS responses. QR codes will be added to posters in all patient areas to encourage FFT feedback through the electronic route. It is hoped that the anonymity offered by the use of QR codes will improve response rates and the quality of data. The new system has yet to be launched but the data for January - April 2023 will be uploaded retrospectively from feedback forms. The responses recorded in the tables above are for the period April - December 2022 as the transfer of software provider proceeds.

CQC surveys

During 2021/22 the Trust has taken part in the mandated CQC surveys (Urgent and Emergency Care, Inpatient survey, Children's and Young People and Maternity surveys).

The Outstanding Maternity Service programme has been working with patients and staff to improve the outcomes for service users and their babies. They have had national recognition with their television documentary following the home birth team.

The Children and Young People's survey was carried out with reduced scoring in some areas however the report acknowledges that the survey was conducted during the pandemic and therefore access to play facilities, access to heat and store own food were limited and this was reflected in the scoring.

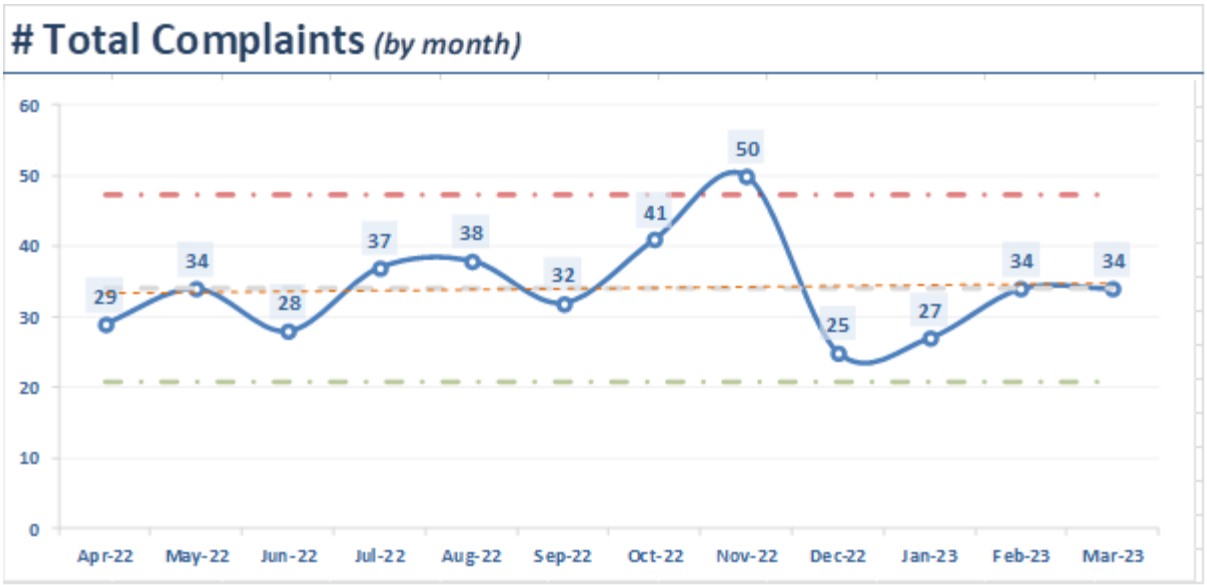
It has generated a number of work streams with improvements being made particularly in the areas of:

- A review of the child specific menu. A trial has been undertaken in conjunction with the catering department, dietetics and children to revise the menu to a more child friendly version. To be audited in 2023/24.
- Work has been undertaken in collaboration with the theatre team to improve the experience of children attending theatres for surgical procedures. Baggins the bear is now a familiar sight around the organisation.
- Posters QR codes for patient experience.
- Play (new toys, crafts for adolescents) ordered and the playroom has now been re-opened.
- Communication bedside folders completed.
- To increase the number of responses to the next survey by actively promoting the survey to families.

Complaints

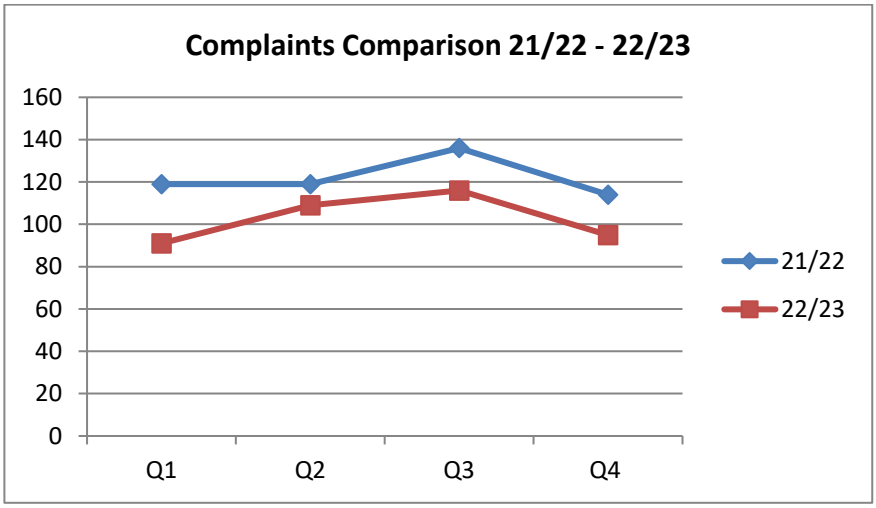
The Patient Experience team receive complaints and compliments into the organisation and support the CSUs in responding to concerns. The number of complaints as shown in the table has reduced overall in comparison to the previous year. Many complaints are now resolved through face to face meetings with complainants. Arranging to meet with complainants has led to a timelier investigation/response.

Figure 19 – Total Complaints by Month 2022/23



- The red and green lines show the upper and lower control limits (these are calculated fields based on the actuals)
- The blue lines are the actuals e.g. the number of complaints
- The grey line is the average of the actuals
- The orange dotted line is the trend (again, based on the actuals)

Figure 20 – Total Complaints by Quarter 2022/23 and 2021/22



Learning from complaints is being shared via different forums and in liaison with patients and the Equality, Diversity and Inclusion service. Patient stories are shared at the Trust Board with patients who are keen to support organisational learning.

The Bereavement team continue to support families after the death of their loved ones with high volumes of calls and face to face meetings being responded to. The team work closely alongside the mortuary team and the medical examiner's office to provide holistic care to the deceased person and their family/carers.

Improvements to Bereavement Services:

- Electronic records – both Bereavement records and cremation forms are logged onto an electronic database.
- Change of Evolve – GP death notifications/final GP notifications have changed from Evolve to EPR, standardising the documentation used.
- Bereavement waiting area improvements – newly decorated bereavement area for relatives providing a quiet reflective space.
- Revised internal property process – electronic internal database to log all property that comes to bereavement. All property logged and signed into the bereavement office. Reiterated bereavement will not take property without a property list.

Ongoing projects for bereavement team in the year ahead:

- Review publications for next of kin.
- Continue to work closely with funeral directors to ensure that services can take place in a timely manner.
- Review the full hospital funeral process including the financial impact to the Trust.
- Working with the safeguarding team with an emphasis on safeguarding the deceased and their property.
- Review of internal and external website content.

Projects for the Patient Experience team for the year ahead

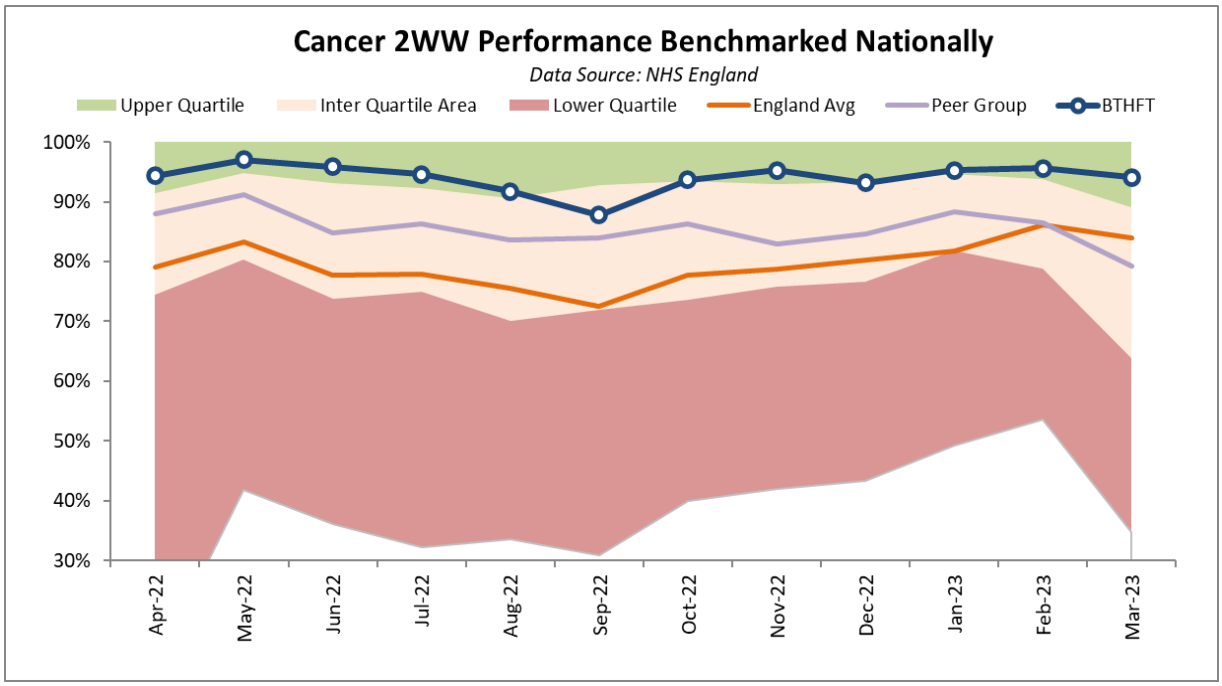
- Launch our revised engagement strategy.
- In partnership with the University of Bradford launch our “Clinical Customer Care” training.
- Increase the number of Patient-Led Assessment of the Care Environment (PLACE) visits.

Access Key Performance Indicators

Cancer 2 Week Wait

Patients referred to us on Fast Track pathways have continued to receive their first appointment within 2 weeks in the majority of cases and performance compares favourably to other Trusts in England.

Figure 21 – Cancer 2 Week Wait Performance 2022/23



In addition to sustaining the early escalation of capacity and demand changes which allows services to respond to this standard within timescales there has also been significant work relating to optimal pathways that ensure this first appointment is designed to support earlier diagnosis. This includes the use of one stop and straight to test approaches which allow diagnostic tests earlier in a patient’s pathway.

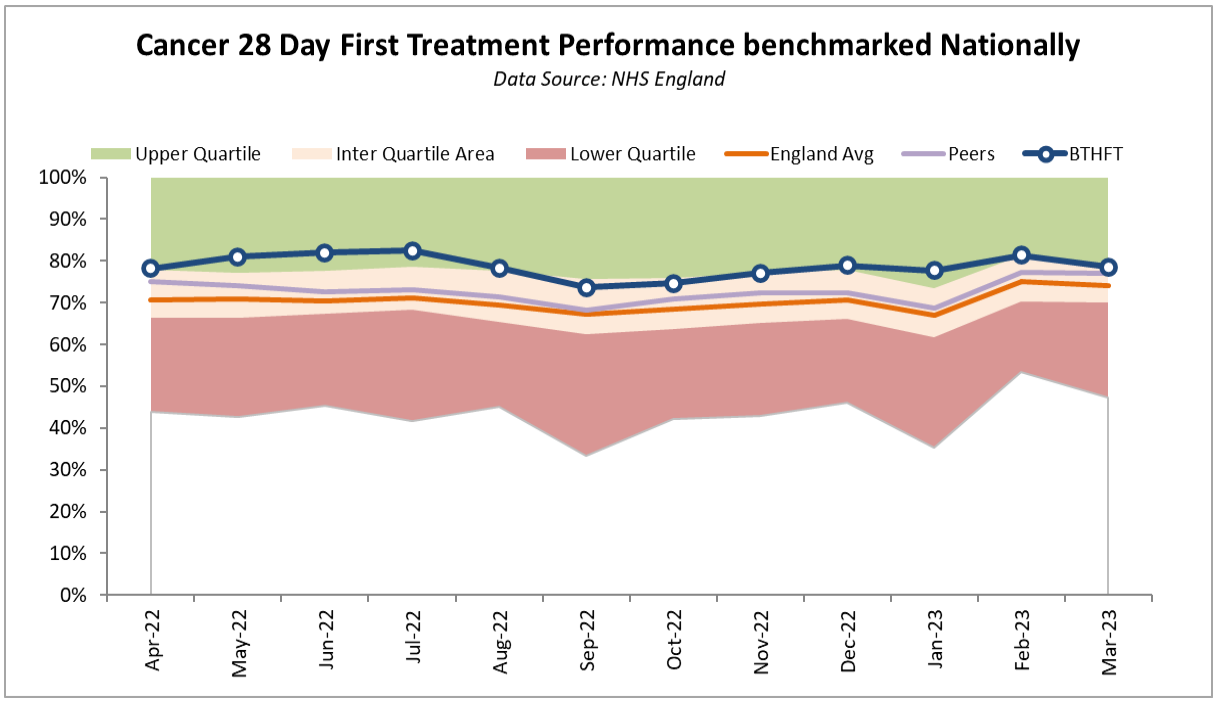
This performance has been delivered against an increase of 2,349 (10.9%) in 2 Week Wait (2WW) referrals compared to 2021/22 and 1,835 (8.5%) compared to the pre-COVID-19 levels seen during 2019/20.

Cancer 28 day Faster Diagnosis Standard (FDS)

The introduction of this standard is designed to ensure that patients will be diagnosed or have cancer ruled out within 28 days of their referral. For 2022/23 performance was above the 75% target and compares favourably with other Trusts, remaining in the upper quartile for most of the year.

As with the 2WW standard, focus on ensuring patients are seen early on in this first stage of the pathway supports performance against the 28 day FDS standard. Strategies are jointly targeted and coordinated to manage pressures as the number of patients increases, having seen a growth of 2,405 patients on the previous year.

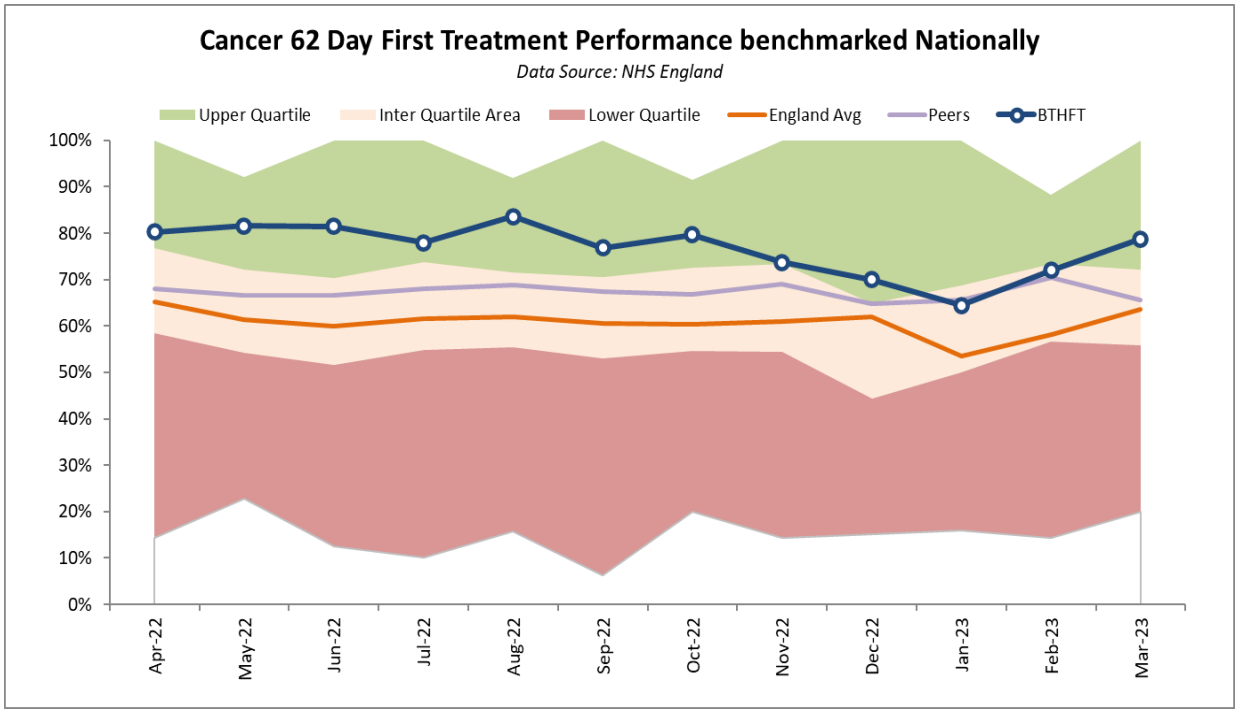
Figure 22 – Cancer 28 day FDS Performance 2022/23



Cancer 62 Day First Treatment

During 2022/23 clinical prioritisation has been used to ensure the most urgent cases are treated first. Consistent scrutiny of patients waiting the longest time has been sustained to support this process and improve data quality. Increased demand and reduced capacity within some key tumour groups has made meeting the 85% standard an ongoing challenge but the number of patients waiting more than 62 days is reducing and performance benchmarks favourably compared to other Trusts.

Figure 23 – Cancer 62-Day First Treatment Performance 2022/23



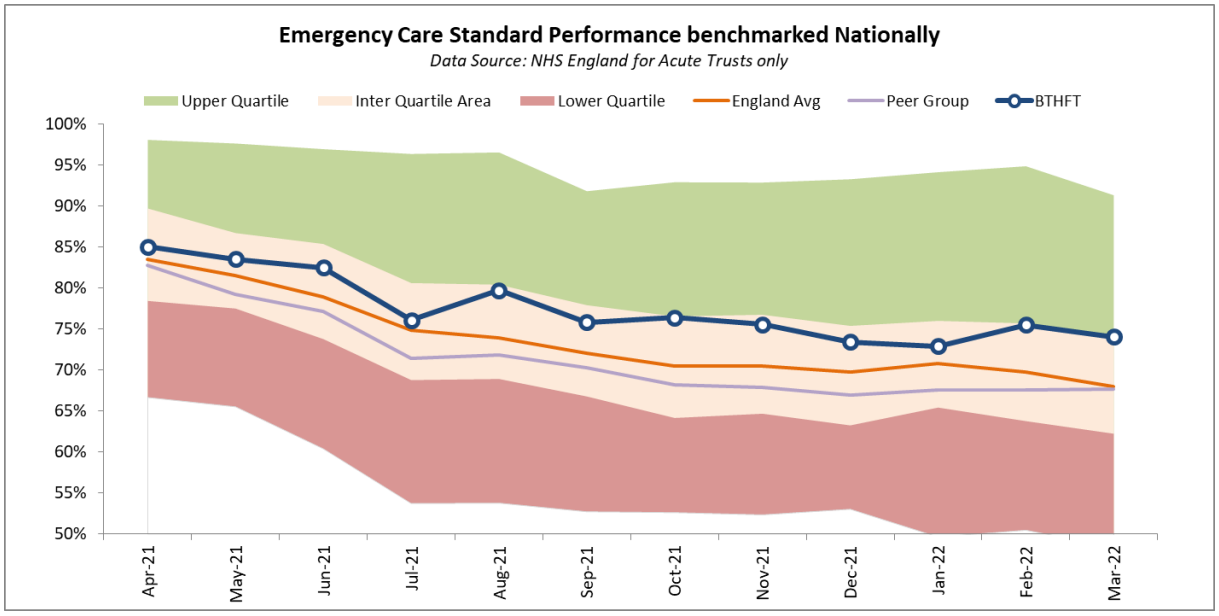
The Trust has engaged proactively with national priorities relating to cancer services, supporting the West Yorkshire Cancer Alliance to deliver service developments including initiatives focussed on patient experience during and after cancer treatment. The Trust has also worked in collaboration with primary care to increase earlier presentation and identification of cancer whilst also ensuring resource is still able to focus on the most urgent cases.

The Trust has an ambitious programme of work relating to cancer pathways which includes the ongoing roll out of optimal pathways and further pathway analysis to minimise any potential delays to treatment. Continuous improvement is embedded within this approach and tumour groups have been quick to adopt best practice and mandated pathway changes following learning from the COVID-19 pandemic.

Emergency Care Standard (ECS)

The Trust sustained a comparatively strong ECS performance throughout 2022/23, remaining in the upper quartile nationally, although overall performance did decline. This included a challenging winter where demand increased earlier than forecast with additional increases in flu and paediatric presentations impacting almost all hospitals in England.

Figure 24 – Emergency Care Standard Performance 2022/23



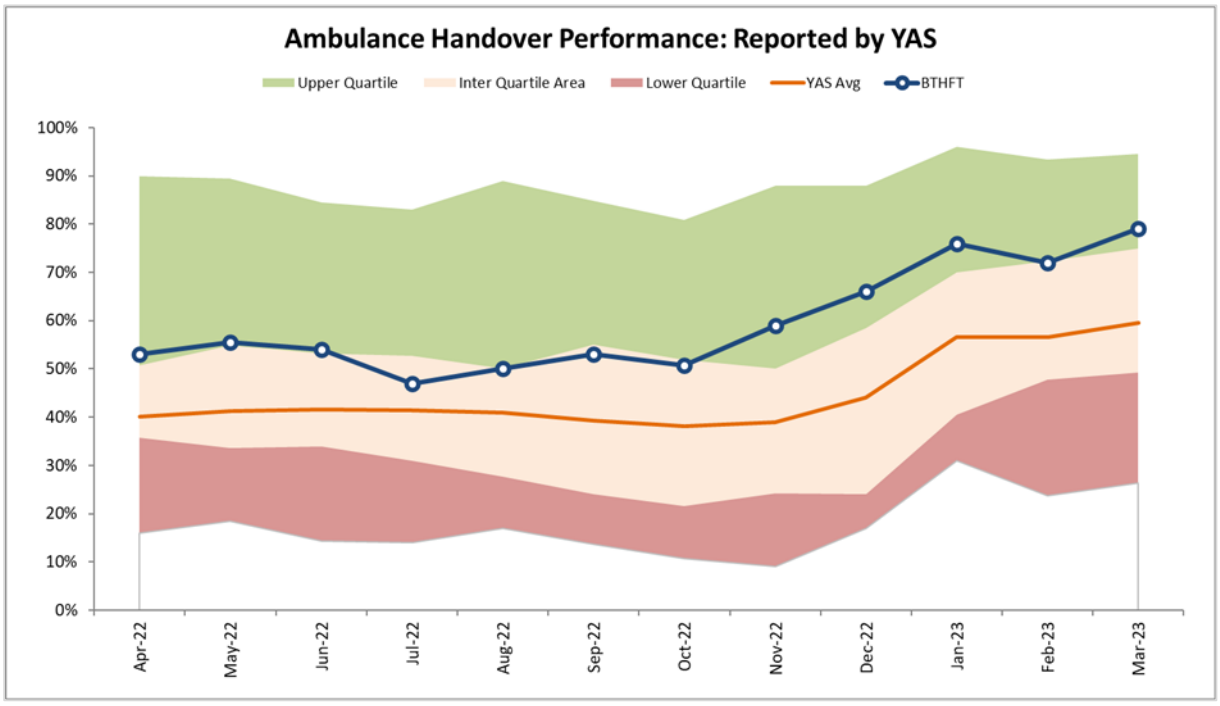
Improvements throughout 2022/23 include the increased utilisation of Same Day Emergency Care pathways (up 25% on 2021/22) to prevent admission into hospital wards, improved ward based data for decision making which has supported earlier discharge and changes to the staffing model and allocation to areas of the Emergency Department (ED) which has improved time to initial assessment (reduced from 32 minutes to 25 minutes).

Ambulance Handover

A national priority for 2022/23 was to work with ambulance trusts to reduce the delay seen in releasing ambulance crews after they bring a patient to an ED. This is an area where Bradford Royal Infirmary (BRI) was highlighted as having higher than average delays and significant effort has been applied to improving this.

The ED has been remodelled during 2022/23 with additional footprint available for ambulance handovers during peak periods which was a problem previously. Joint working between Yorkshire Ambulance Service NHS Trust (YAS) and the Trust's ED team has introduced new operating procedures, increased self-handover, and easier flow from the ambulance assessment area to other areas based on clinical presentation. Performance at BRI since November 2022/23 has been upper quartile in the region.

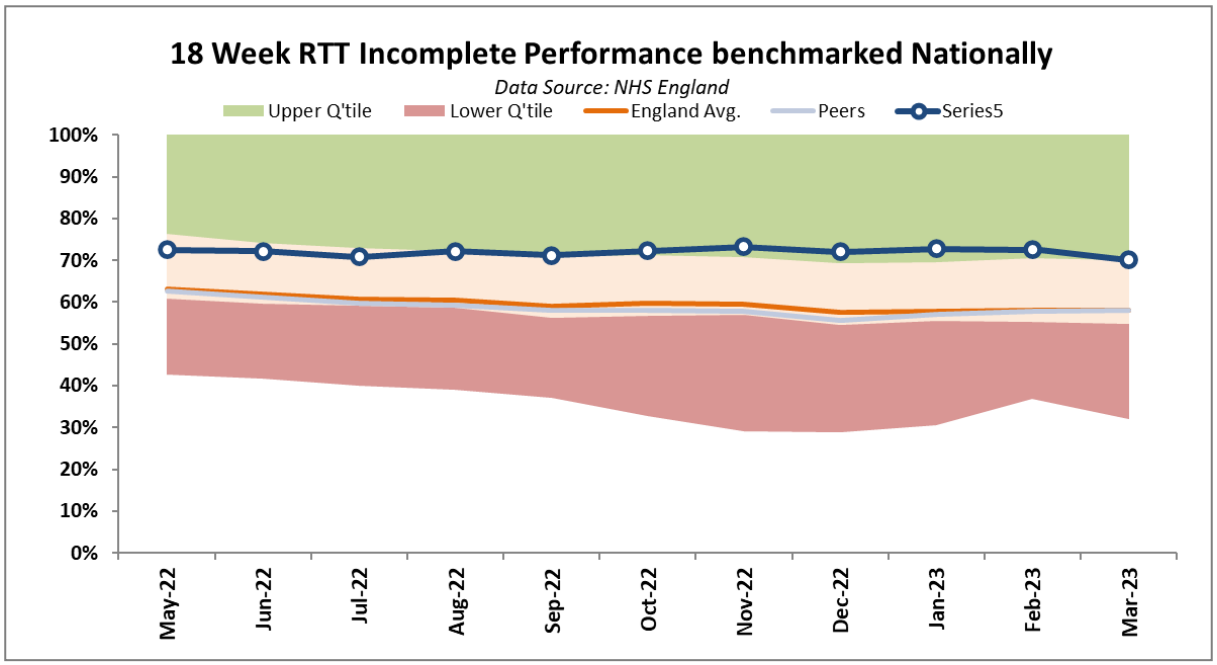
Figure 25 – 15 minutes Ambulance Handover Performance 2022/23



Referral to Treatment

Referral to Treatment (RTT) performance has remained stable during 2022/23 with the Trust consistently delivering above the England average during this period and remaining within the upper quartile since August 2022.

Figure 26 – 18 Week Referral to Treatment Performance 2022/23



During 2022/23 the Trust has continued to increase both its inpatient and outpatient activity with support from the independent sector, delivering an increase of 7.1% compared to 2021/22. Reducing workforce supply challenges and increasing the number of cases per theatre session or outpatient clinic are part of the 2023/24 plan to increase activity further and reduce the waiting list.

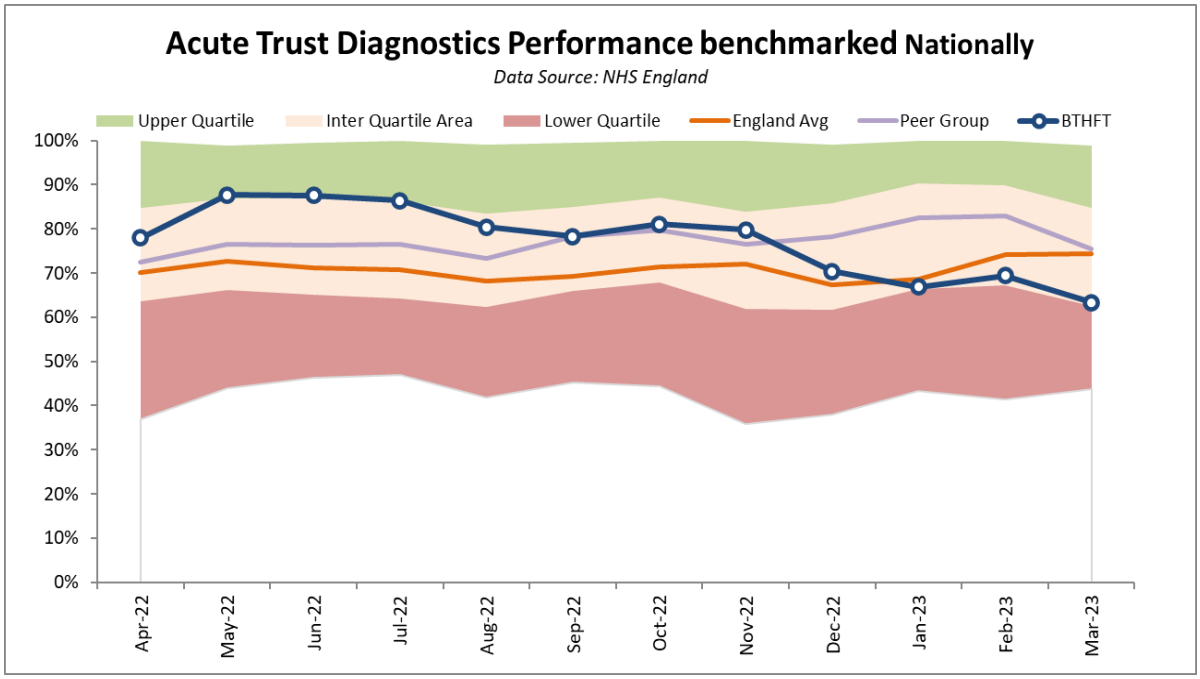
The Trust's focus on chronological booking and waiting list validation alongside clinical prioritisation have resulted in a 51% reduction in the volume of waits exceeding 52 weeks (1,100 in March 2022 to 534 in March 2023). The Trust ended March 2023 with four 78-week waiters compared to 307 in March 2022, and no patients waiting greater than 104 weeks.

In 2023/24 the priority will be reducing the total waiting list size. In addition to increasing activity, the Trust will also look closely at the effectiveness of outpatient appointments to progress and conclude episodes of care and maximise opportunities to focus outpatient capacity on patients that need it by promoting GP Assist, Advice and Guidance and Patient Initiated Follow Ups (PIFU) to reduce unnecessary attendances.

Diagnostic Waiting Times

Diagnostic wait times have increased during 2022/23. For those patients referred to us for routine diagnostic services, performance has dipped to within the inter quartile although for most of the year this remained at about the national average.

Figure 27 – Acute Trusts 6-week DM01 Diagnostics Performance 2022/23



Demand for radiology has increased significantly and the need to replace an MRI scanner reduced capacity which impacted on performance. Improvement is expected from April 2023 when the new scanner is operational. Endoscopy performance also reduced in 2022/23 due to reduced capacity within the department's workforce but performance has started to improve, and this is expected to continue into next year.

Despite the downturn in the overall position, performance for patients on fast track pathways, which includes all cancer referrals, has been sustained at above 90% for a shorter two-week turnaround from request to report being available. This is an important part of the Trust's overall ability to meet the cancer wait time standards and an operational priority which will continue into 2023/24.

2.2.2.2. Preventing Ill Health and Reducing Inequalities

See section 2.2.7.

2.2.2.3. People and Leadership Capability

Thrive

We have a very clear objective - to be one of the best NHS employers, prioritising the health and wellbeing of our people and embracing equality, diversity and inclusion and our 'Thrive' approach supports us to achieve this. The aim of Thrive is to ensure we create a community where all our people can learn, grow and reach their full potential, and that the Trust is a place where everyone is heard, is treated with dignity and respect and trusted to do their job. The Thrive online portal, which is a 'one stop shop' for everything our colleagues may need, such as wellbeing support, development opportunities, and staff benefits and recognition schemes, has continued to grow and in the first year, there have been over 70,000 hits to 60 live pages on the portal. Staff are accessing the portal from desktops, mobiles and tablets illustrating the accessibility of the portal.

During the last year, we have held 23 roadshows at all sites across the Trust to promote Thrive and we held our first Thrive Festival in November 2022. The week aimed to:

- Raise awareness of Thrive;
- Celebrate all that has been achieved during the first year of the Thrive approach and launch of the Thrive Portal;
- Bring Thrive to life for staff in a fun and engaging way; and
- Listen to staff about what other support they need the Trust to focus on to enable them to Thrive at work and beyond.

The Thrive Festival was held in collaboration with many teams across the Trust including Equality, Diversity and Inclusion (EDI), Human Resources (HR), Executives, Staff Gym, Occupational Health, Flexible Workforce and SPaRC, providing a holistic view on how staff Voice, wellbeing, development and recognition are supported at the Trust.

During 2022/23 we also began 'Thrive Live' – a regular question and answer session with Mel Pickup, our Chief Executive and other members of the Executive Team. These sessions provide all staff with the opportunity to meet Mel and the Executive Team and ask any questions they may have. We have also run a number of localised sessions with leaders in specific Services.

We have also launched a fortnightly Thrive Bulletin signposting staff directly to the portal and is themed on four main areas of Thrive- wellbeing, voice, recognition, and development.

Going forward, we have plans to refresh the Thrive portal so it is more interactive and accessible. We will also focus on developing the Thrive brand and providing the content that staff need to enhance their experience at work.

Civility

Civility in the workplace has been a significant focus during 2022/23 and remains a key theme for 2023/24. It is a key priority to reduce the proportion of staff who say they have personally experienced harassment, bullying, or abuse at work. The Civility Programme Board has now been established for one year and has led the delivery of key priorities including:

- **Awareness and launch of civility campaign**

We launched our civility campaign in October 2022 through several pop up events aligned to anti-bullying week. Communications were also distributed via Let's Talk, the Thrive bulletin, screensavers and on the TV screens across all sites. Posters have also been distributed across all sites. These have been designed based on messages created by the Royal College of Obstetricians and Gynaecologists which have had a good impact in other organisations.

- **Development of a Behavioural Framework (Our People Charter)**

Figure 28 – Our People Charter

The 'Our People Charter' has been created by staff which brings to life our Trust values and the behaviours that we want staff to role model. The four statements as seen on the left hand side 'What others can expect from me and my team' utilise the existing value statements already familiar across the Trust. The right hand side, 'What you can expect from BTHFT (the Trust)' are additional comments which have been drafted in line with the engagement process, utilising feedback and comments from colleagues and the programme board. The Charter has been added to induction, appraisals, and our development opportunities so that it is a framework that is brought to life by our staff. It is also being reflected into Person Specifications and the recruitment process through pre-interview and interview questions.

As part of our ongoing work-plan, the Harassment and Bullying Policy will be reviewed in 2023/24. There will also be the launch of staff and manager civility development sessions and the introduction of resources designed to support staff if they have experienced, witnessed or have been accused of incivility or poor behaviours.

Health and Wellbeing

Health and wellbeing also remains a key priority. We know that the pandemic continues to impact on our people. We encourage all staff to have a wellbeing conversation with their manager or trusted colleague. These focus on having an open and honest conversation about health and wellbeing through curious questions and compassion.

This year, we have had a significant focus on financial wellbeing. We know the cost of living crisis has impacted on our people and we have taken steps to offer support and signposting to staff. We have introduced discounted meals at both BRI and St Luke's Hospital and we have also introduced 'Salary Finance' which offers staff the opportunity to take our an advance on their salary, free financial education, simple savings products and affordable loans repaid through salary. We have joined forces with Barclays who have run a series of financial wellbeing events for staff on themes such as getting ready to be financially independent, taking control of your Credit Score, buying a new home and top tips for staying on top of your finances. We have provided nine webinars promoting financial wellbeing, each focusing on a different subject including tips to manage rising housing costs, understanding APR and credit rating, and financial hardship and where to turn for support.

We have also done work to highlight support around the NHS Pension Scheme, helping staff to understand more and find out about their Total Reward and Annual Benefit statements and to explore retirement options.

We have recruited a Staff Gym and Well-Being Manager who is leading work to increase awareness of the benefits of physical activity.

The Specialist Occupational Therapist within Occupational Health is now offering yoga sessions to support staff who are experiencing stress/tension. The emphasis is on gentle movement and stretches, tension release and relaxation.

Use of the in-house clinical psychology service and referrals to the Occupational Health Psychologist continue to grow, this is supplemented by sign-posting staff to other mental health support via the West Yorkshire Mental Health Hub, Employee Assistance Programme (EAP) service, and other local providers

We have continued to focus on encouraging staff to have their COVID-19 boosters and flu vaccinations.

Development

Our objective is to develop leaders at all levels through creating an environment of continuous learning and improvement. We want those who lead to provide clear vision and direction, think strategically at a system level and plan ahead. We want them to engage with their team, listen to ideas and involve them in decisions that affect them.

In 2022, we held our first Thrive Leadership Conference. This was attended by over 350 staff across two venues. The overall objective of the 'Thriving at BTHFT (the Trust)' Start of Year Conference was:

- To be a day of positivity, high energy and moving forward vision.
- To acknowledge and celebrate what got us here - the last 2.5 years.
- To offer the space for colleagues to refuel and reboot to the best version of themselves.
- To launch and live our refreshed values and behaviours.
- To introduce and launch the new corporate strategy.
- To build our resilience and map for the road ahead.

Key note speakers presented on civility, teams, self-awareness and how individuals could be their best selves at work. Feedback on the event was extremely positive and we will hold a second Thrive Leadership Conference in 2023/24.

We have also continued to develop and refresh our three Leadership Pathways - Aspiring Leaders, Developing Leaders and Progressing Leaders. Each pathway is now available as a face to face offer. Cohorts of 15 participants can complete their chosen pathway over 2 days with the opportunity to work with a learning partner, build a network and learn in an interactive environment. In 2022/23, over 300 colleagues registered or took part with the Pathways.

In 2023/24, we will launch a fourth Leadership Pathway –'Advancing Leaders' for those in the most Senior Leadership roles.

As part of our leadership offer, we have also developed skills in delivering a number of psychometric tools which we will offer to more learners on the Leadership Pathways in 2023/24. This will help identify and develop key leadership competencies and behaviours.

People Promise

During 2022/23, we were chosen by NHS England to become a 'People Promise Exemplar Site' – one of just 23 across the country. This meant we were given funding for a role (the People Promise Manager) to test the hypothesis that if an organisation focuses on delivering all the elements of the NHS People Promise, it will have a positive impact on staff experience and retention. We are pleased that early indicators demonstrate some positive improvements although we recognise that significant, long lasting change will take time.

As part of the People Promise work, we have focused on increasing the number and quality of Exit Interviews, improving new starter's onboarding experience, providing support for new managers, and the development of our health and wellbeing offering. A significant part of the role has also been to develop our financial wellbeing offer as mentioned above. As an Exemplar site, we have received additional support and funding to launch: Medical Career Conversations training, Culture Leadership Programme (in development), and Scope for Growth (Talent Management Conversations) – all of which are significant focuses for 2023/24.

Flexible Working

The Trust's Flexible Working Policy has been updated and manager and employee guides have been developed and launched. Workshops to support managers are being developed and will launch in March, providing examples of flexible working good practice and myth busting, as well as giving managers a forum to ask questions or raise concerns. For 2023/24, we have been selected as one of five exemplar organisations to be part of a programme which will involve direct support for improvements in flexible working through rostering from the Clinical Workforce Productivity team at NHSE.

2.2.2.4. Risk Profile

The Trust considers both strategic and operational risks. Strategic risks are included in the Board Assurance Framework (BAF) and operational risks are recorded on the electronic risk register system (Datix). Further information on our risk and control framework, including how we score risks, is included in section 3.8.5 (Annual Governance Statement).

<u>Strategic Risk</u>

The highest scoring strategic risks that the Trust has been exposed to during 2022/23 are as follows:

- ***If** we don't have the right staff in the right place with the right knowledge, skills and expertise, **then** we won't be able to deliver effective services, **resulting in** unsafe care, poor patient experience and outcomes / **If** we are unable to recruit to our vacancies, **then** our current staff will be placed under additional pressure and we may be unable to provide safe staffing levels, **resulting in** an adverse impact on patient safety and experience, staff experience and wellbeing, and an increase in staff turnover* – in January 2023, the Board agreed to combine these risks given the commonalities between the risks and the associated controls and assurances. The current risk score has remained at 16 throughout the year (the current risk score is the score at the time of each review of the risk, taking into account the mitigations which are in place). The mitigations include our domestic and international recruitment plans, links with Further and Higher Education institutions, the development of our 'Thrive' initiative and our work as part of the Bradford District & Craven place 'Growing for the Future' work stream.

- ***If** the Trust continues to be impacted by COVID-19 and/or is unable to manage the backlogs caused by previous waves, **then** we may not be able to deliver our key performance targets, **resulting in** an adverse impact on patient safety, patient experience and potential regulatory action* – this risk has reduced from a current score of 20 to 16 during the year, following improvements across a number of areas such as Referral to Treatment (RTT) 104 and 78

week waits, and cancer treatments. The Board also approved circa £16m to deliver COVID-19 recovery. Other mitigations include operational improvement plans, Clinical Service Unit (CSU) to Executive meetings, and a successful bid under the Targeted Investment Fund (TIF) to create dedicated day case theatres at St Luke's Hospital.

- ***If** the Trust is unable to transform its services, **then** we may not be able to deliver resilient services that are fit for the future, **resulting in** a loss of staff, and a negative impact on patient safety, experience and outcomes* – the current risk score has remained at 16. Mitigations include work with our partners in Bradford District & Craven and the West Yorkshire Association of Acute Trusts (WYAAT), for example to address fragile services, and our internal operational improvement plans.

- ***If** the capital funding allocation from the ICS is not sufficient to meet our requirements and/or we are unable to deliver our capital programme in full by the end of the financial year, **then** we may not be able to make the capital investments required to maintain safe and sustainable services, **resulting in** a negative impact on the quality of care, potential regulatory action, and a negative impact on the Trust's reputation* – the current score was increased from 12 to 16 in October 2023 due to the emerging risk around the ability to deliver the programme due to supply chain issues. Mitigations include intensified oversight and governance of the capital programme via the Capital Strategy Group and Capital Operational Group, project phasing or the bringing forward of projects to manage the overall quantum, and re-purposing existing capital allocations elsewhere in overall programme to support risk.

The Board has noted the potential increased risk in 2023/34 relating to financial sustainability. It is clear that 2023/24 will much more challenging than the current financial year. The exact parameters are not yet known, given the uncertainty around a number of key variables and in particular the Elective Recovery Fund but is it not anticipated that the financial improvement target will be below 5%.

<u>Operational Risk</u>

Our escalation process involves all risks with a current score of 15 and abovebeing escalated to the Executive Team, Academies and Board via the high level risk register.

The high level risk register is monitored each month at meetings of the executive team and at the relevant Academy, where the effectiveness of mitigating actions is considered.

As at March 2023, the high level risk register contains 17 risks, five of which have a current score of 20. These risks are described below; mitigating actions have been developed and are recorded on the high level risk register, along with the details of the action plan lead and the date for completion of these actions.

- There is a risk of Major or Catastrophic harm to patients due to COVID driven operational pressures.
- There is a risk of harm to patients, staff and visitors within planned and un-planned care due to the Trust's inability to maintain safe staffing levels as a result of the sustained Covid-19 pandemic; potentially resulting in, poor experiences of care, increased patient and staff dissatisfaction, complaints, incidents, increased sickness levels, claims, and a negative impact on the reputation and financial status of the Trust.
- There is a risk that Children and Young People (CYP) admitted to children and adult wards in mental health crisis have variation in their practice/care. There is no policy to manage physical restraint and or rapid tranquilisation on children's ward. Use of Section 5 (2) used inappropriately on the adult wards.
- If the Trust does not invest significant capital resources to reduce the identified backlog maintenance and critical infrastructure risk of its estate, significant business continuity impact

due to failure of estates infrastructure / engineering systems / building fabric will be experienced.
- Increase in the cost of gas and power at Bradford Royal Infirmary and St Luke's Hospital from the 1st April 2024 when the Trusts current price agreement expires.

All of the above risks have remained at a current score of 20 during the year with the exception of the safe staffing risk which reduced to a score of 16, but was increased back to 20 in January 2023 due to increases in sickness absence, the numbers of patients with higher acuity requiring greater care (including Non-Invasive Ventilation), and the number of COVID, Flu and Respiratory Syncytial Virus (RSV) cases leading to additional capacity requirements.

A risk has also been added to the register during the year with a current score of 15, in relation to industrial action and the potential impact on service provision, patient safety and elective recovery.

2.2.3. DELIVERING A NET ZERO HEALTH SERVICE

On 1 July 2022, the NHS became the first health system to embed net zero into legislation, through the Health and Care Act 2022. This places duties on NHS England, and all trusts, foundation trusts, and integrated care boards to contribute towards statutory emissions and environmental targets The key piece of statutory guidance 'Delivering a Net Zero National Health Service', has targets of reducing carbon emissions from hospital operations direct emissions (called Scope 1) and grid electricity (called Scope 2) by 80% in 2032 and net zero carbon emission in 2040 and becoming a net zero healthcare provider by 2045.

As a healthcare provider, employer and purchaser of goods and services, the Trust recognises that it has a significant impact on the local and wider environment. As part of the West Yorkshire Health and Care Partnership the Trust accepted a more challenging target of 2038 to meet the Scope 1 and Scope 2 targets for emissions. The Trust's Green Plan is due to be rewritten in the next year in line with the latest guidance and with national key areas of focus informing the production of this plan.

Figures 29 and 30 below illustrate that the Trust has reduced its hospital operational carbon emissions (Scope 1 and 2) by 34% in the past eleven years. The main contributor to the Trust's current carbon footprint is burning of natural gas for heating, hot water and onsite generation of electricity. The Trust buys renewable energy certificates which allow it to report zero carbon from imported electricity that is market based. This demonstrates a 95% reduction in carbon footprint of electricity since 2010/11. The actual carbon footprint at any time of day or night is a location based footprint which takes account of the grid electricity mix that is being imported rather than bought through the bulk contract. Over the course of the year, this gave a reduction of 67% in the carbon footprint of electricity since 2010/11.

Figure 29 – Hospital Operational Carbon Emissions (Scope 1 and 2) has reduced by 22% over the last eleven years

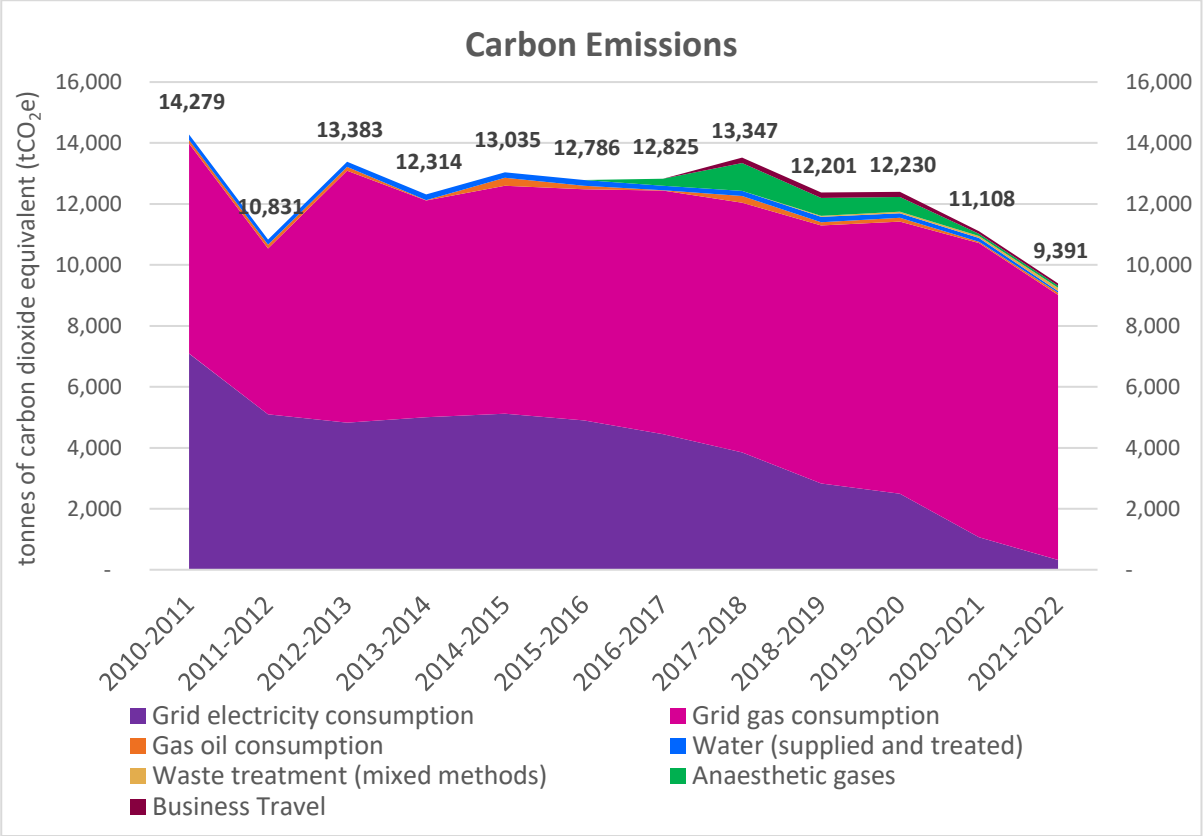


Figure 30 – Carbon emissions performance for each of the *Delivering a net zero NHS* carbon footprint parameters

Delivering a Net Zero NHS Parameters	2010/2011 tCO_2e	2021/2022 tCO_2e	% Change
Grid electricity consumption (market - based)	7,090	322	-95%
Grid electricity consumption (location - based)	7,090	2,372	-67%
Grid gas consumption	6,894	8,695	26%
Gas oil consumption	121	74	-38%
Water (supplied and treated)	175	52	-70%
Waste treatment	0	107	0
Anaesthetic gases	0	68	0
Business travel	0	73	0
Total (market-based for 2021/22)	**14,280**	**9,391**	**-34%**
Total (location-based for 2021/22)	**14,280**	**11,441**	**-20%**

The Trust is continually improving its data collection methodology to provide carbon footprint transparency and this is the reason for zero data returns for some parameters

The use of combined heat and power units on site and the decarbonisation of the National Grid has meant that a two thirds drop in carbon from electricity consumption has occurred over the last eleven years, regardless of the calculation method employed.

The comparable percentage drop in the carbon associated with water consumption is due to the use of renewables and low carbon technology within the water supply industry.

Gas usage and carbon remained high as the levels of ventilation and open window policies to combat COVID-19 had a negative effect on energy saving measures.

The path to a Net Zero NHS has become clearer over the past year particularly in regard to building energy and carbon emissions. It is very likely that the reliance on large gas fired boiler systems for primary heating will be replaced by heat pump technologies.

Waste treatment carbon reduction is being approached through an emphasis on the circular economy. Although the impact of the pandemic has stalled some of the carbon reductions that have been able to be achieved in waste management, due to more waste having to be treated as infectious which required more energy for heat treatment as part of the disposal process.

In order to achieve Net Zero continual improvement will need to be achieved alongside the implementation of new technologies. Successes over the past year include:

- The continued replacement of fluorescent and halogen light fittings with LED;
- The refurbished Ear, Nose and Throat (ENT) Theatres at BRI having individual air handling ventilation units that are on high efficiency variable speed motors; and
- The development of Heat Decarbonisation Plans for the Trust's main sites that plot the pathway to electrical heat pump based systems to provide central heating and domestic hot water.

2.2.4. Social, Community, Anti-Bribery and Human Rights: Issues and Policies

The Trust has forged strong links with the local communities it serves. We work in partnership with other local health economy partners on shared equality objectives and consult with the local community on our progress. These issues are very important to the Trust so we have opted to include a full Equality Report in section 3.4. This covers employment, training and hate crime reporting. Information about the Trust's anti-fraud, bribery and corruption policy can be found in section 3.3.2 on Staff Policies and Actions.

2.2.5. Events since year end

The Care Quality Commission (CQC) published an inspection report in relation to the Trust's Maternity services on 26 May 2023. Further details are included in section 3.1.3 (NHS England's Well-Led Framework).

2.2.6. Overseas Operations

The Trust has no overseas operations.

2.2.7. Disclosure on equality of service delivery

2.2.7.1. How the Trust has had due regard to the aims of the public sector equality duty

The public sector equality duty forms part of the Equality Act 2010 and requires us, as an NHS public sector organisation, to have due regard to the need to:

- Eliminate discrimination, harassment and victimisation
- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it

We continue to utilise our equality impact assessment methodology process in ensuring equality impact assessment are being carried on new policies and practices, including our building design and renovations. A number of completed assessments have taken place with equality considerations built in from the onset. A number of drop in sessions in empowering staff and managers to conduct these assessments have been carried out.

Our Equality Diversity and Inclusion (EDI) strategy (see 3.4.3) will also play a crucial role in ensuring we are meeting the requirements of the public sector equality duty.

2.2.7.2. Equality of service delivery: data

We collect data about age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation as part of a number of patient feedback measures. Examples of where this data is collected include the NHS Friends and Family Test[6], feedback from our patient experience service[7] which includes almost 1500 patient contacts in the last year, and national Care Quality Commission (CQC) surveys[8] in which the Trust participates.

The Friends and Family Test data is used to help inform service delivery and improvements in care to the diverse communities we serve.

2.2.7.3. Equality of service delivery: activities by the Trust to promote equality of service delivery

In addition to the work being undertaken at place level there are a number of initiatives undertaken with our own Patient Experience and Chief Nurse Team to promote the equality of service in relation to all protected characteristics as defined by the equality act 2010. The nine protected characteristics are age, gender, disability, sexual orientation, religion and belief, race, transgender, pregnancy and maternity, marriage and civil partnership. We are learning continually from patient feedback and complaints, and our lead for equality, diversity and inclusion is involved in the review of any complaints pertaining to equality and diversity issues.

A few examples of our work to promote equality of service delivery include:

- We are working with recognised partners to provide comprehensive guidance about access to our sites. This includes bespoke mapping of our premises in terms of accessibility as well as locations of patient and visitor toilets and changing facilities.
- During the pandemic the Trust set up an engagement meeting with community groups. This has evolved to a formal monthly meeting with representation from member organisations from across our community. We are developing our Patient Experience and Engagement Strategy with this group.
- We adhere to the Accessible Information Standard[9] and provide information in different formats which include easy read, large print braille, and text-phone for hearing and speech difficulties. Our interpreting services provides written and verbal translations where required and support clinic appointments.

The Trust is aware how sensory impairment in any form can have a significant impact on a person's life and wellbeing for them, their families and loved ones. Our local statistics in Bradford suggest that out of an estimated population of 542,100:

- 83,500 have hearing loss

[6] https://www.nhs.uk/using-the-nhs/about-the-nhs/friends-and-family-test-fft/
[7] https://www.bradfordhospitals.nhs.uk/patients-and-visitors/patient-experience/
[8] https://www.cqc.org.uk/publications/surveys/surveys
[9] http://www.england.nhs.uk/ourwork/accessibleinfo/

- 3,531 have sight impairment
- Between 220-3,136 have combined hearing and sight impairment

(Ref-Office of National Statistics (2020) Estimated population data for Bradford.[10])

A significant amount of these people within our community will access our services for care and treatment or as a relative of a loved one.

The Trust continues to work with AcessAble[11]. The Trust partnered with AccessAble a number of years ago to create detailed access guides for all of the Trust's hospitals. These guides are 100 per cent facts, figures and photographs that provide useful information about how best to access the Trust for people with individual requirements. This covers things from parking to hearing loops, walking distances and accessible toilets. These guides are under continual review and update for accuracy.

During 2022/23 the Trust has worked with Ageing without Children to raise awareness, information and support for people ageing without children. The vision is that people without children are enabled to age well. Training has been rolled out following learning from a patient story shared at Board of Directors.

To widen inclusivity and encourage people of all faiths and none to receive pastoral support our Spiritual, Pastoral and Religious Care Team (SPaRC) have initiated the Bradford model. This is a model designed to be inclusive to all who access the hospital irrespective of their beliefs, including all major and minor world religions and those with worldviews that are more humanist or individual in nature. All beliefs are regarded as equal and the team endeavour to understand individual needs, responding in ways to bring calm and strength.

Signed

Mel Pickup
Chief Executive
12 July 2023

[10] https://ubd.bradford.gov.uk/about-us/population/
[11] https://www.bradfordhospitals.nhs.uk/patients-and-visitors/accessible-information

3. ACCOUNTABILITY REPORT

3.1. DIRECTORS' REPORT

The Board of Directors consists of people with the range of experience and expertise necessary to steward the Trust. They provide the vision, oversight and encouragement required for the Trust to thrive. They make decisions collectively according to the Reservation of powers to the Board and scheme of delegation[1] (April 2023), they each share the same responsibility and liability. The chairman and the non-executive directors are accountable to the Council of Governors.

The Board of Directors is responsible for all aspects of the operation and performance of the Trust, and for its effective governance. This includes setting the corporate strategy and organisational culture, taking those decisions reserved for the Board, and being accountable to our stakeholders for those decisions. The Board is responsible for the preparation of the annual report and accounts. The Board considers whether the annual report and accounts, taken as a whole, are fair, balanced, and understandable. It provides the information necessary for patients, regulators and other stakeholders to assess the Trust's performance, business model and strategy. The scheme of delegation[2] sets out the matters reserved for the Board of Directors in full.

In 2022/23, the Board of Directors included the following positions: Dr Maxwell Mclean - Chairman, Ms Julie Lawreniuk, Deputy Chair and Senior Independent Director and Professor Mel Pickup, Chief Executive.

All directors are required to meet the standards of the 'fit and proper persons requirement[3]' and to make annual declarations. The register of declarations of interests[4] provides details of external directorships and other positions of authority held by the directors of the Trust and is made publicly available on the Trust's website.

Our constitution[5] was last approved by the Board and the Council in July 2021.

Further information about the Board of Directors[6] is available on our website or, from the Associate Director of Corporate Governance/Board Secretary at:

- email: corporate.governance@bthft.nhs.uk
- telephone to 01274 382993; or
- in writing to Corporate Governance Office, Trust Headquarters, Chestnut House, Bradford Royal Infirmary, Bradford, Duckworth Lane, Bradford BD9 6RJ.

The directors confirm that the Trust complies with the cost allocation and charging guidance issued by HM Treasury and there were no declarations of donations to political parties during the year.

3.1.1. THE BOARD OF DIRECTORS

The Board of Directors is legally responsible for the day-to-day management of the Trust and is accountable for the operational delivery of our services, targets and performance as well as defining and implementing our strategy. It has a duty to ensure the provision of safe and effective

[1] https://www.bradfordhospitals.nhs.uk/wp-content/uploads/2022/05/Reservation-of-Powers-to-the-Board-and-Scheme-of-Delegation-Jan22.pdf
[2] https://www.bradfordhospitals.nhs.uk/wp-content/uploads/2022/05/Reservation-of-Powers-to-the-Board-and-Scheme-of-Delegation-Jan22.pdf
[3] https://www.cqc.org.uk/guidance-providers/regulations-enforcement/regulation-19-fit-proper-persons-employed
[4] https://bthft.mydeclarations.co.uk/declarations
[5] https://www.bradfordhospitals.nhs.uk/wp-content/uploads/2021/11/BTHFT-Constitution-July-2021.pdf
[6] https://www.bradfordhospitals.nhs.uk/our-trust/how-we-make-decisions/

services for our service users, which it does by having in place effective governance structures, and by:

- establishing and upholding the Trust's values and culture;
- setting the strategic direction;
- ensuring the Trust provides high quality, safe, and effective services;
- promoting effective dialogue with the Trust's local communities and partners;
- monitoring performance against Trust objectives, targets, measures and standards;
- providing effective financial stewardship; and
- ensuring high standards of governance are applied across the Trust.

Full details regarding the Board's responsibilities, as required to be disclosed under the NHS Foundation Trust Code of Governance[12], are available under section 4.1. Appendix 1.

The Chairman is responsible for ensuring that the Board of Directors focuses on the strategic development of the Trust and that robust governance and accountability arrangements are in place. The Chairman of the Trust chairs both the Board of Directors and the Council of Governors and ensures there is effective communication between the two bodies and that, where necessary, the views of the governors are taken into account by the Board.

Whilst the executive directors individually are accountable to the Chief Executive for the day-to-day operational management of the Trust, they are, along with the non-executive directors, part of the unitary Board. They all share corporate responsibility and liability for ensuring that the Trust operates safely, effectively and economically. They do this by making objective decisions in the best interests of the Trust. The non-executive directors assure themselves of performance by holding the executive directors to account for the achievement of the agreed goals, objectives, targets and measures.

The Board has set out the Trust's vision, values and strategic objectives[13]. In March 2022 the Board approved our new corporate strategy for 2022-2027 titled 'Our Patients, Our People, Our Place and Our Partners'[14]. The strategy was officially launched on 20 June 2022 and it explains how we will work towards our vision to be an "outstanding provider of healthcare, research and education and a great place to work". We are proud to be part of the Bradford District & Craven Health and Care Partnership, with a shared ambition to Act as One to keep people happy, healthy at home.

The Board is made up of individuals who have the appropriate balance of skills, experience, independence and knowledge to enable the Board to discharge its duties and responsibilities effectively. It provides leadership in a transparent manner, subscribes to the Trust's values, and adheres to the accepted standards of behaviour in public life, including the seven principles of public life more commonly referred to as the 'Nolan Principles'. The make-up of the Board is prescribed within the Trust's constitution[15].

Figure 31 shows the Non-Executive members of the Board in 2022/23.

Figure 31 – Non-Executive Directors 2022/23

Name	Role	Term start	Term end
Dr Maxwell Mclean	Chairman	01/05/2019	30/04/2025
Professor Janet Hirst	Non-Executive Director	13/09/2021	(resigned 31/01/2023)
Mr Mohammed Hussain	Non-Executive Director	01/09/2019	31/08/2025

[12] https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/327068/CodeofGovernanceJuly2014.pdf
[13] https://www.bradfordhospitals.nhs.uk/our-trust/strategy/
[14] https://www.bradfordhospitals.nhs.uk/our-trust/strategy/
[15] https://www.bradfordhospitals.nhs.uk/wp-content/uploads/2021/11/BTHFT-Constitution-July-2021.pdf

Name	Role	Term start	Term end
Ms Julie Lawreniuk	Non-Executive Director	01/09/2019	31/08/2025
Ms Sughra Nazir	Non-Executive Director	20/01/2022	19/01/2025
Mr Jon Prashar	Non-Executive Director	01/02/2018	31/01/2024
Mr Altaf Sadique	Non-Executive Director	01/12/2020	30/11/2023
Mr Barrie Senior	Non-Executive Director	01/12/2017	30/11/2023
Ms Karen Walker	Non-Executive Director	01/01/2021	31/12/2023

In January 2023 Professor Janet Hirst, the Non-Executive Director nominated by the School of Medicine, University of Leeds resigned from her role. A nomination has been received from the School of Medicine which was approved by the Council of Governors on 10 March 2023 subject to the completion of checks required under the Fit and Proper Persons regulations[16]. The checks are expected to be completed after year end. Details regarding the appointment of the nominee will be included in the Annual Report 2023/24.

Figure 32 shows the Executive members of the Board in 2022/23.

Figure 32 – Executive Directors 2022/23

Name	Role	Appointed	To
Professor Mel Pickup	Chief Executive	01/11/2019	Present
Mr Sajid Azeb	Chief Operating Officer / Deputy Chief Executive	12/10/2020	Present
Ms Pat Campbell*[1]	Director of Human Resources	01/12/2008	31/03/2023
Professor Karen Dawber	Chief Nurse	29/08/2016	Present
Mr John Holden	Director of Strategy and Integration / Deputy Chief Executive	22/08/2016	Present
Mr Mark Holloway*	Director of Estates and Facilities	06/07/2020	Present
Mr Matthew Horner	Director of Finance	01/08/2012	Present
Mr Faeem Lal*	Interim Director of Human Resources	01/04/2023	Present
Dr Paul Rice*	Chief Digital and Information Officer	01/01/2021	Present
Dr Ray Smith	Chief Medical Officer	01/01/2021	Present
**Non-voting Executive Director* *[1]Ms Pat Campbell retired on 31 March 2023*			

Board profiles

The Board continuously reviews its make-up to determine gaps in skills and knowledge required to support the Board in achieving the Trust objectives. A recommendation has been made during the year to the Governors' Nominations and Remuneration regarding the appointment of a Non-Executive Director to represent the School of Medicine, Leeds University. The report on the work of the Governors' Nominations and Remuneration Committee is reported on further under section 3.2.3.3 Governors' Nominations and Remuneration Committee (for non-executive directors).

The division of responsibilities between the Chairman of the Trust and Chief Executive was last confirmed by the Board of Directors on 11 May 2023.

The Board of Directors considers annually the independence of the Board and for 2022/23 it confirms that it considers all the Non-Executive directors (including the Chair) to be independent in character and judgement.

The Board has considered the declarations[17] made by Ms Julie Lawreniuk and Mr Barrie Senior with regard to 'close family ties with any of the trust's advisors, directors or senior employees'. The Board has assured itself that there are no relationships or circumstances which could affect or appear to affect, the director's judgment.

[16] https://www.cqc.org.uk/guidance-providers/regulations-enforcement/regulation-19-fit-proper-persons-employed
[17] https://bthft.mydeclarations.co.uk/home

The Board has assured itself that there are no relationships or circumstances which could affect or appear to affect, the director's judgment.

Non-Executive Directors

Dr Maxwell Mclean, Chairman

Max joined the Trust on 1 May, 2019 from Bradford's Clinical Commissioning Group (CCG), where he had been lay member for patient and public involvement and vice-chair of the governing body since 2012. While in this role he was particularly keen on championing the involvement of patients in influencing how the CCG commissioned services. He also chaired the CCG's quality committee, primary care commissioning committee and the communications, equality and engagement group.

Max retired from West Yorkshire Police in 2010 as the force's senior detective after more than 30 years' service. As head of the Homicide and Major Enquiry Team, he oversaw all major criminal investigations in the county and led on partnership working with a variety of local and national agencies tackling crime in some of the most deprived communities. He led nationally for the police service on tackling domestic abuse and made significant national and international improvements in responses to domestic violence and child protection.

In 2015, Max graduated from the University of Huddersfield with a PhD after studying the ways in which coroners carry out their duties. His work on criminology and coroners' services has been published in various academic journals. Max also chairs the NHS England Independent Investigations Governance Committee (IIGC), which provides strategic governance oversight for independent investigations following mental healthcare-related homicides.

Max lives in Bradford with his wife and three children, who were all born in the city.

Mr Mohammed Hussain, Non-Executive Director

Mohammed works at senior level in a portfolio career spanning national regulation, education, national healthcare technology and service redesign. He is the Senior Clinical Lead for Live

Services at NHS Digital[18]. In this role he is responsible for leading a multidisciplinary clinical team which is tasked with ensuring that NHS Digital's services have the appropriate clinical assurance and governance. Mohammed has been working in national clinical informatics roles since 2009, delivering services such as the Electronic Prescription Service, NHS Mail, Summary Care Records and more across England. He is also a Founding Fellow of the Faculty of Clinical Informatics. Mohammed was a Council Member on the General Pharmaceutical Council, the pharmacy regulator, and is a Fellow of both the Royal Pharmaceutical Society and the Association of Pharmacy Technicians UK, both awards recognising distinction for services to the profession of Pharmacy. He has previously held roles as a lecturer practitioner at the University of Leeds, and a pharmaceutical advisor for the NHS in Leeds.

Mohammed is currently a member of the Expert Advisory Board for the School of Pharmacy at Bradford University. Mohammed continues to practice as a pharmacist alongside his other duties at NHS Digital, the Trust and NHS England. He is passionate about health technology, championing diversity and delivering excellent clinical care.

Ms Julie Lawreniuk, Non-Executive Director (Deputy Chair of the Board / Senior Independent Director)

Qualified accountant Julie became a Non-Executive Director with the Trust in September 2019. She was born and educated in Bradford and still lives in the city. She is passionate about Bradford and a supporter of the local football club. Julie has a Master's degree in Finance and Accountancy, and prior to joining the Trust was Deputy Chief Officer and Chief Finance Officer for the three Bradford District and Craven Clinical Commissioning Groups. She brings a wealth of NHS experience, with a career that has spanned over 27 years working across a number of NHS organisations including both providers and commissioners and covering a variety of senior leadership roles.

Julie also worked in the private finance sector for 11 years before joining the NHS in 1992. She is also a Board member at Incommunities.

In addition to her role as a Non-Executive Director at the Trust, Julie is the Chair of the Bradford District and Craven Health and Care Partnership Finance and Performance Committee, and, in that capacity, is also a member of the Bradford District and Craven Health and Care Partnership Board.

[18] NHS Digital merged with NHS England on 1 February 2023. All references to NHS Digital now, or in the future, relate to NHS England.

Ms Sughra Nazir, Non-Executive Director

Sughra is Director and a management consultant supporting the health and social care sector with care quality, safeguarding and regulatory compliance. She is an associate with the Social Care Institute for Excellence and is currently contracted by the NMC. She is a serving Parish Councillor and currently Vice Chair for the Sandy Lane Parish Council. Her previous roles include working for the Care Quality Commission as an inspector and as a National Provider Relationship Lead. Sughra has also served as a Governor with Bradford District Care NHS Foundation Trust and has held Non-Executive Director and Operations and Compliance Director positions with adult social care organisations. Drawing on her regulatory background and 28 years health and social care experience, Sughra has addressed care provider conferences and written for trade journals on improving care quality, achieving outstanding CQC ratings and meeting the needs of diverse communities. Sughra is a member of a number of national diversity and disability networks and has particular interest in improving maternity, children with disabilities, learning disability and dementia services.

A lifelong Bradfordian, Sughra qualified as a social worker in 1997 and is very passionate about supporting the Trust to deliver the best patient experience and outcomes.

Mr Jon Prashar, Non-Executive Director

Jon's last full time role was as the group Director of diversity and inclusion at the Places for People group. He has over 30 years of experience of working in the public, private and voluntary sectors and a background in construction, personnel, organisational development and training, with a wealth of experience in building relationships and promoting equality and inclusion. Jon has focused on designing and delivering best practice. He is adept at designing new operational processes and delivering robust communication plans to ensure that employees, service users, contractors and partners promote equality and harness the opportunities created by diversity. He has been a board member of the Housing Diversity Network, a member of Homes England Equality and Diversity Board and is currently a board member of 54 North Housing Association.

Jon has a visual impairment and considers himself to be the very lucky owner of a guide dog.

Mr Altaf Sadique, Non-Executive Director

Altaf Sadique, Founder, Investor and Managing Director at iBox Healthcare, a Leeds based technology SME. He has enjoyed a successful serial entrepreneur leadership career spanning 32 years and has delivered major projects for both global retail businesses, as well as, public sector organisations including healthcare providers. iBox Healthcare's software solution focusses principally on Healthcare Virtualisation and Patient Flow Management for NHS Trusts and prominent international clients including Helios Healthcare. Additionally, he has help build the IoT enabled Cloud Computing Platform and the Customer Centred Connected Retail Platforms for the 2012 London Olympics (LOCOG).

Altaf has experience of collaborative healthcare research and innovation projects funded by the EU European Commission Horizon Program and the UK Technology Strategy Board working on the Future Internet & 5G PPP, IoT and Connected Supply Chains for FMD. More recently, he has been appointed Chief Technology Officer for the 6G for Health Institute (Leipzig), where he is currently developing the 6G Healthcare standards for both next generation platforms and telecoms infrastructure.

Altaf is born and bred in Yorkshire, and enjoys golf, travel, sufi poetry and music.

Mr Barrie Senior, Non-Executive Director

Barrie was appointed a non-executive director and chairman of the Audit Committee at the Trust on 1 December, 2017. Barrie was born, educated, and qualified as a chartered accountant in Bradford. He is a Fellow of the Institute of Chartered Accountants in England and Wales (FCA). His career to date spans partnership roles with two major accounting firms, finance and corporate development director roles with two significant Yorkshire-based PLCs, and non-executive director and audit committee chairman positions.

For five years prior to joining the Trust, Barrie was non-executive director and chairman of the Audit Committee at Yorkshire Ambulance Service NHS Trust.

Ms Karen Walker, Non-Executive Director

Karen has spent 30 years in the Customer Services industry, gaining a wealth of experience spanning financial services, utilities and telecoms at brands such as telephone and online bank First Direct, Centrica and Virgin Media. She is currently Director of Strategy and Change at the Independent Parliamentary Standards Authority, the independent regulator of MPs' pay and business costs, and is responsible for developing and delivering a three-year strategy that creates a customer-focused culture and a sustainable, efficient and seamless service for the UK's 650 MPs and their staff. She has a background in operational and change leadership, culture change, regulation, credit management and customer service excellence and is renowned for developing purposeful customer-centric cultures to drive advocacy and great customer outcomes, breaking down barriers to service excellence.

Karen has a keen interest in people and customers and firmly believes valued people value customers. She is looking forward to translating her experience into helping Bradford achieve great patient outcomes and service excellence.

In addition to her role as a Non-Executive Director at the Trust, Karen is the Deputy Chair of the Bradford District and Craven Health and Care Partnership People Committee.

Yorkshire born and bred, Karen enjoys being outdoors and spends most of her spare time at the side of a rugby pitch, supporting her son and keeping the players safe in her role as Club Welfare Officer at Siddal ARLFC.

Professor Janet Hirst, Non-Executive Director (up to 31 January 2023)

Janet is Professor in Maternal Healthcare and Head of the School of Healthcare in the Faculty of Medicine and Health at the University of Leeds. She leads a talented team of staff who deliver undergraduate and postgraduate pre-registration education for nursing (adult, child and mental health), midwifery, social work and psychotherapy/counselling; as well as postgraduate and professional development for pharmacists, advanced clinical practitioners and other NHS workforce priority areas. She has an underpinning background in clinical nursing and midwifery and a strong academic grounding (applied to health) having held posts within the NHS and at the University of Leeds as an applied health researcher, educator, leader and manager. Her academic and educational activities centre the quality of maternal care. Janet also has a track record in developing research capacity amongst undergraduate and postgraduate students across

healthcare professions. Janet has a strong sense of equality and inclusion and is interested in career pathways as a means to optimise everyone's' experience of health and wellbeing within communities, families and as individuals by generating and disseminating knowledge through the highest quality health and social care professional education and applied health and social care research.

Executive Directors

Professor Mel Pickup, Chief Executive Officer

Initially training as a nurse Mel undertook a variety of clinical and managerial roles joining her first Board as Director of Nursing in 2001. Mel continued to work at Board level, taking on a wider portfolio of Director responsibilities, first in Rotherham and then Wrightington Wigan and Leigh NHS Trust becoming Chief Nurse, Director of Operations and Deputy CEO before taking up her first CEO role in 2007. Mel has been CEO in three NHS Foundation Trusts – joining Bradford in November 2019. Mel has a wide breadth of experience and an excellent reputation as a clinician and a leader and a strong track record of building successful collaborations across Health and care sectors.

In addition to her role as CEO of the Trust Mel is also the Place Lead/Accountable Officer for the Bradford District and Craven – 'Act as One' Health and Care Partnership one of the five places in the West Yorkshire Health & Care Partnership.

Mr Sajid Azeb, Deputy Chief Executive and Chief Operating Officer

Saj has worked across several NHS organisations and has significant experience of dealing with complex service issues through the various operational and strategic management roles he has held over his 20-year career within the NHS. Prior to joining Bradford Teaching Hospitals NHS Foundation Trust, he worked at Leeds Teaching Hospitals. Having joined the NHS in a clinical capacity in 2000, he moved into a career in NHS Management in 2003, while at the same time undertaking a Masters degree in Business Administration.

Saj is an experienced leader and has skills across performance, budgetary, personnel and service development functions. He is a highly regarded individual and has established an excellent

reputation for service delivery among clinical and management colleagues both at a local and regional level.

Ms Pat Campbell, Director of Human Resources (up to 31 March 2023)

Pat is a Chartered Fellow of the CIPD (Chartered Institute of Personnel and Development) and has worked in the NHS since 1986, primarily in HR roles. She has held the position of director of HR at the Trust since December 2008, having previously held the positions of personnel manager and deputy director of HR.

Professor Karen Dawber, Chief Nurse

Karen was appointed Chief Nurse at the Trust in August 2016, prior to this Karen has worked in Executive roles in three Foundation Trusts and has over 15 years of experience at Board level. An experienced nurse and service manager, she started her career as a paediatric nurse at Manchester Children's Hospital before moving into general management and transformational work.

Karen enjoys not just working and leading services at Bradford Teaching Hospitals NHS Foundation Trust but also a wider role across the Bradford District and Craven Place. Karen has a reputation for delivering, developing and initiating high quality services. Karen is passionate about patient quality and the impact that well-led and motivated staff have on the care we are able to give to patients.

Karen was named in the inaugural list of Health Service Journal's LGBT leaders and takes a keen and active interest in the equality and diversity agenda.

Mr John Holden, Deputy Chief Executive and Director of Strategy and Integration

John was appointed Director of Strategy and Integration at the Trust in August 2016 and, in April 2017, Deputy Chief Executive. From 1 April 2019 to 31 October 2019 John was Acting Chief Executive. He spent most of his career in senior roles at the Department of Health and NHS England, has shaped strategy at national level, and was responsible for leading NHS England's policy on a range of issues, including the Academic Health Science Networks and the review to decide the national provision of Congenital Heart Services. In previous roles John was responsible for NHS quality regulation, Foundation Trust policy, major capital investment programmes, and project management of the comprehensive spending review to secure NHS funds from the Treasury.

From 1995 to 1996, John was Private Secretary to the Secretary of State for Health. He studied at the universities of York and California and holds an MBA from Manchester Business School. John's portfolio includes corporate governance, communications, virtual services, innovation, the outstanding pharmacy programme and he is the senior responsible officer for diabetes transformation in Bradford District and Craven.

Mr Mark Holloway, Director of Estates and Facilities

Mark is an experienced estates and facilities professional and has worked at several NHS organisations as director and in senior leadership roles throughout his career.

A qualified building services engineer, Mark has led a range of estate transformational programmes including service modernisation, strategic estate modelling and regional estate integration. He has developed a range of estate strategies and large multi-million-pound capital development programmes including Local Improvement Finance Trust (LIFT), private finance initiative (PFI) and hospital re-build schemes.

Mark has been involved with pioneering a range of ward-based service transformation programmes to improve patient-focused care and service delivery at ward level. He is passionate about creating the best possible patient care environments and hospital support service delivery.

Mr Matthew Horner, Director of Finance

Matthew has a degree in Accountancy and Finance, and is a qualified member of the Chartered Institute of Public Finance and Accountancy. His NHS finance career spans over 30 years and covers a variety of finance roles. For the last 21 years, he has worked for the Trust in Bradford, progressing from Finance Manager to Deputy Director of Finance.

Matthew subsequently joined the Board as Acting Director of Finance in November 2011, and was appointed substantive Director of Finance in August 2012.

Dr Paul Rice, Chief Digital and Information Officer

Paul Rice joined Bradford and Airedale NHS foundation trusts from his role as Regional Director of Digital Transformation for NHS England and Improvement in the North East and Yorkshire. He has been the senior responsible owner for substantial national digital transformation programmes relevant to hospital electronic patient records, mental health, transforming primary care, maternal and child health. Paul was formerly the Director of the Long-Term Conditions programme in Yorkshire and Humber with a focus on Telehealth. He has been a Primary Care Trust director, a transformation director in the NHS Modernisation Agency and a policy lead in the Department of Health.

Paul holds a BA degree in Law and Accounting (Manchester), a Masters in Informatics Leadership (Imperial) and a Doctorate in Medical Law and Bioethics (Manchester). He is also a graduate of the Said Business School (Oxford), where he completed the Major Projects Leadership Academy, and a Fellow of the British Computing Society.

Paul is a trustee of Yorkshire Cancer Research and a volunteer fundraiser with Macmillan Cancer Support.

Dr Ray Smith, Chief Medical Officer

Ray was appointed to the position of Chief Medical Officer at Bradford Teaching Hospitals NHS Foundation Trust in December 2020. He trained at Leeds University Medical School, qualifying in 1988. His first job as a junior doctor was in Bradford the same year. Ray went on to train in Medicine and Anaesthetics in the Yorkshire region and Portland, Oregon. He became a Consultant Anaesthetist at Bradford Teaching Hospitals in 1998, and has since gone on to hold a number of management roles within clinical risk management and service delivery.

Prior to his appointment to the role of Chief Medical Officer, he held the Associate Medical Director and Deputy Chief Medical Officer for Professional Medical Standards roles. He holds a particular interest in developing and supporting all Trust staff.

Mr Faeem Lal, Interim Director of HR (from 1 April 2023)

Faeem joined the Trust in 2019 and was the Deputy Director of HR before taking up the Interim Director of HR position. He has worked in a range of public sector HR roles across Education, Criminal Justice, Social Care and the NHS. Faeem is a Chartered Fellow of the CIPD (Chartered Institute of Personnel and Development). He has a Bachelor's degree in IT and Management (University of Bradford), a postgraduate diploma in HR (CIPD) (University of Huddersfield) and a Masters in Leadership, Management and Change (University of Bradford).

Attendance at meetings of the Board of Directors during 2022/23

During 2021/22 our governance framework was adapted as we responded to the pandemic. The new governance model, signalling revised governance arrangements and responsibilities was first implemented in Autumn 2020 and has continued to be developed in 2022/23. Further details are included in the Annual Governance Statement in section 3.8.5.7.

Board meetings have continued to take place bi-monthly. However, we are pleased to have started the move away from wholly virtual meetings (held that way as a consequence of the pandemic) and, from July 2022, we have held a number of our meetings in-person and every other meeting virtually.

One of the advantages of the virtual meetings is that these are able to be published on-line so affording many the opportunity of watching them at a time of their choosing. Virtual meetings of our Board of Directors held in-year have been recorded and published online[19], along with annotated agendas which can be accessed here[20].

Figure 33 reports on the number of meetings attended by Board members in-year.

Figure 33 – 2022/23 Open Board of Directors attendance

Board Member	Role	Meetings Attended
Professor Mel Pickup	Chief Executive Officer	5 of 6
Mr Sajid Azeb	Deputy Chief Executive / Chief Operating Officer	6 of 6
Ms Pat Campbell	Director of Human Resources	5 of 6
Professor Karen Dawber	Chief Nurse	6 of 6
Professor Janet Hirst	Non-Executive Director	5 of 5
Mr John Holden	Deputy Chief Executive / Director of Strategy and Integration	5 of 6
Mr Mark Holloway	Director of Estates and Facilities	5 of 6
Mr Matthew Horner	Director of Finance	4 of 6
Mr Mohammed Hussain	Non-Executive Director	5 of 6
Ms Julie Lawreniuk	Non-Executive Director	6 of 6
Dr Maxwell Mclean	Chairperson	6 of 6
Ms Sughra Nazir	Non-Executive Director	5 of 6
Mr Jon Prashar	Non-Executive Director	6 of 6
Dr Paul Rice	Chief Digital and Informatics Officer	4 of 6
Mr Altaf Sadique	Non-Executive Director	5 of 6
Mr Barrie Senior	Non-Executive Director	5 of 6
Dr Ray Smith	Chief Medical Officer	5 of 6
Ms Karen Walker	Non-Executive Director	6 of 6

The meetings are also routinely attended by the Associate Director of Corporate Governance / Board Secretary.

Committees and Academies of the Board of Directors

In line with statutory requirements the Board of Directors has a (Board) Nominations and Remuneration Committee (further details on the activities of this committee are available in section 3.2.3.2) and an Audit Committee. The work of the Audit Committee is detailed further in this chapter. In addition, the Board has a Charitable Funds Committee, Quality and Patient Safety Academy, Finance and Performance Academy and, People Academy**.** The Terms of Reference for all Board Committees and Academies are available on the Trust website here[21].

Reports from the Chairs of the Audit Committee, Charitable Funds Committee and the Academies are presented at the Open Board of Directors and as part of the Council of Governor meetings.

Audit Committee

The purpose of the Audit Committee is to provide an independent and objective view of internal control to the Board of Directors and the Accountable Officer. It provides assurance regarding the comprehensiveness and the reliability of assurances on governance, risk management, the control environment and the integrity of financial statements.

The Audit Committee supports the Board by critically reviewing and reporting on the relevance and robustness of the governance structures and assurance processes on which the Board places reliance.

[19] https://www.youtube.com/@BTHFTBradfordTeachingHospitals/videos
[20] https://www.bradfordhospitals.nhs.uk/our-trust/bod-meetings/
[21] https://www.bradfordhospitals.nhs.uk/our-trust/corp-gov/

The matters to be considered by the Audit Committee are included within the Audit Committee Terms of Reference which are reviewed annually and approved by the Board of Directors.

With regard to the work of the Audit Committee during 2022/23, the committee considered and reviewed the following reporting from Internal Audit and Counter Fraud:

- Annual Internal Audit Charter
- Annual Internal Audit Performance Review
- Counter Fraud Annual Plan 2022/23
- Counter Fraud Annual Report 2021/2022
- Counter Fraud Progress Reports
- Effectiveness of the Trust's Counter Fraud, Bribery and Corruption Policies and Procedures
- Follow up of Internal Audit Recommendations
- Head of Internal Audit Opinion 2021/22
- Internal Audit 2023/24 Planning Process
- Internal Audit Annual Report 2021/22
- Internal Audit Effectiveness Review
- Internal Audit Progress Reports
- Internal Audit Recommendations Benchmarking Report
- Internal Audit Report: BH13 2023 Improving Financial Sustainability

The Audit Committee members were also in receipt of the monthly insight reports from the Internal Audit Network (TIAN)

The Audit Committee considered and reviewed the following reporting from the Trust;

- Annual Accounts 2022/23 Update
- Annual Accounts 2021/22
- Annual Governance Statement 2021/22
- Annual Report 2021/22
- Annual Reports from the Academies
- Appropriateness of Single Source Tenders
- Assurance regarding compliance with Risk Management Strategy
- Audit Committee Annual Report July 2021 – June 2022
- Audit Committee Annual Self-Assessment
- Audit Committee Work Plan
- Board Assurance Framework
- Charitable Funds Annual Report and Accounts 2021/22 Progress Report
- Clinical Audit Annual Report 2021/22
- Clinical Audit High Priority Work Plan 2022/23
- Compliance with Conditions of the Providers Licence (Annual Self-Certification)
- Conflicts of Interest/Declarations Annual Report 2021/22
- Corporate Governance Statement
- Cyber Security
- Data Quality (DQ) Assurance
- Draft Letter of Representation 2021/22
- Effectiveness of Whistleblowing/Freedom to Speak Up (FTSU) Arrangements
- Exception reports: Schedules of Losses and Special Payments and Single Tender Waivers
- External Auditor Contract
- Healthcare Financial Management Association (HFMA) Financial Sustainability Self-Assessment
- High Level Risk Register
- Assurance: Key IT systems Progress report
- Losses and Special Payments Policy Update

- Partnership Arrangements: Implications for the Audit Committee
- Pathology Joint Venture Annual Accounts 2021/2022
- Production of Quality Account 2021/22
- Progress report on Compliance with the 'Policy for the Development and Management of Trust Policies'
- Proposed changes to Scheme of Delegation/Standing Financial Instructions
- Risk Management Position Statement
- Risk Management Strategy Update
- Third Party Assurance
- Update on Increasing Overseas Debt Figures
- Use of External Audit for Non-Audit Purposes Policy Review

The Audit Committee considered and reviewed the following reporting from the external auditors:

- Annual External Audit Performance Review
- Auditor's Annual Report 2021/22 & Certificate of Completion
- Annual Accounts 2021/22
- ISA 260
- External Audit Annual Plan 2022/23
- Sector Update and Benchmarking Report

In-year, the Audit Committee considered and approved the following items:

- Audit Committee Annual Report to Board
- Audit Committee Annual Self-Assessment, Terms of Reference and Work Plan 2021/22
- The Trust's Annual Report and Accounts 2021/22
- Internal Audit Plan
- Losses and Special Payments Policy Update
- Proposed changes to Scheme of Delegation/Standing Financial Instructions

Throughout 2022/23 the Audit Committee considered the following significant risks highlighted by the External Auditor, Deloitte LLP:

- Accounting for capital expenditure
- Management override of Controls
- Property valuation

The minutes from the meetings of the Audit Committee, along with reports from its Chair highlighting the key items for discussion, are routinely presented at the public meetings of the Board of Directors and to the Council of Governors. These documents are available on the Trust website.

In-year, the Audit Committee also held private meetings with Internal Audit (Audit Yorkshire) and the External Auditor (Deloitte).

The committee's membership has been as follows:

- Mr Barrie Senior, Non-Executive Director, Audit Committee Chair
- Ms Sughra Nazir, Non-Executive Director
- Mr Jon Prashar, Non-Executive Director
- Ms Julie Lawreniuk, Non-Executive Director

The Audit Committee met seven times during the year. Attendance at these meetings is detailed in figure 34.

Figure 34 – 2022/23 Audit Committee attendance

Audit Committee Membership	Meetings attended
Mr Barrie Senior, Audit Committee Chair	7 of 7
Ms Julie Lawreniuk, Non-Executive Director	7 of 7
Ms Sughra Nazir, Non-Executive Director	5 of 7
Mr Jon Prashar, Non-Executive Director	6 of 7

Audit Committee meetings are also attended by the Director of Finance, a Deputy Director of Finance, the Associate Director of Corporate Governance / Board Secretary and the Head of Corporate Governance. The Chief Executive Officer attends at least one meeting per year to present the Annual Governance Statement. Representatives of both Internal and External Audit also routinely attend meetings.

3.1.2. Better Payment Practice Code

The Better Payment Practice Code requires organisations to aim to pay all valid undisputed invoices by the due date or within 30 days of receipt of goods or a valid invoice, whichever is later. As an NHS Foundation Trust, we are not bound by this code, but seek to abide by it as it represents best practice.

Figure 35 - Better Payment Practice Code

	2022/23		2021/22	
	Number	£000	Number	£000
Total non-NHS trade invoices paid in-year	53,377	290,031	54,783	211,628
Total non-NHS trade invoices paid within target	48,778	271,396	50,462	195,963
Percentage of non-NHS trade invoices paid within target	91%	94%	92%	93%
Total NHS trade invoices paid in-year	1,632	17,612	1,587	16,293
Total NHS trade invoices paid within target	1,475	16,464	1,392	14,320
Percentage of NHS trade invoices paid within target	90%	94%	88%	88%

We aim to improve transactional processing to pay creditors within this target whilst maintaining a balance on appropriate authorisation and validation of invoices. Performance against the better payment practice code has improved in the past year. Work is continuing to improve performance and achieve the target in 2023/24.

As at 31 March 2023, the total liability to pay interest due to failing to pay invoices within 30 days was nil (31 March 2022: nil).

3.1.3. NHS England's well-led framework

Our approach to quality and quality governance is presented in detail in the Annual Governance Statement in section 3.8.

Patient care

The Care Quality Commission (CQC) undertook an unannounced visit at the Trust on Wednesday 20 April 2022, as part of a wider system review of urgent and emergency care. The formal report was published on 17 August 2022. This inspection was not rated by the CQC as this was part of a wider system review. However, individual organisations received a comprehensive report. The report was favourable and highlighted the ongoing work and identified the following areas for improvement:

- The Trust should ensure that there is a dedicated, fully risk-assessed room available for patients presenting to the emergency department experiencing mental health crisis.

- The Trust should ensure that there is a sustained improvement in the oversight and treatment of sepsis.
- The Trust should ensure there is a sustained improvement in the quality of patient records to ensure that they are fully documented and up-to-date with all observations.
- The Trust should continue to work with system partners to improve patient flow.

The Accident and Emergency Department team started to address these areas following the initial verbal feedback on the day of the visit. Good progress has been made and work continues to ensure that these issues are fully addressed. The Trust's overall rating for the well-led domain[22] is 'good'. The reasons for this can be read in their report on the CQC website[23].

The CQC also undertook an announced inspection of Maternity services in January 2023 as part of their national maternity inspection programme, looking only at the 'safe' and 'well-led' questions. The report was published on 26 May 2023 and is available on the CQC website[24]. The CQC found improvements in the Trust's Maternity services and the care provided to women and their babies. This means that Bradford Royal Infirmary's overall rating improved from 'requires improvement' to 'good' – which reflects the hard work, dedication and compassion of our colleagues.

The Trust made significant improvements in the 'well-led' standard for Maternity services – moving from 'inadequate' to 'good'. The Trust's leadership approach developed through the Outstanding Maternity Services programme was recognised as outstanding practice.

The overall rating for Maternity services remains as 'requires improvement', however the positive improvements made by the Trust were recognised, including the new purpose-built surgical theatres and an open and honest culture where staff are continually learning to make improvements.

The Trust is very proud of the changes made and is committed to continuing to make improvements to provide the very best care to women and their families.

Inspectors found the following areas of good practice:

- Leaders ran services well using reliable information systems and supported staff to develop their skills.
- Staff felt respected, supported and valued. They were focused on the needs of women and people receiving care. Staff were clear about their roles and accountabilities.
- Staff worked well together for the benefit of women and people using the service.
- The service investigated incidents and shared learning with staff.

The CQC identified the following 'must' and 'should' actions:

- The service must ensure the safe and proper use, administration, recording and storage of medicines.
- The service must ensure medical staffing for maternity triage is reviewed so there are sufficient numbers of suitably qualified, competent staff to deliver the service in line with national guidance.
- The service should continue to ensure there are sufficient numbers of suitably qualified, competent, skilled and experienced persons must be deployed to meet the needs of people who use the service.
- The service should continue to make improvements to the maternity services waiting areas to ensure effective oversight of patients waiting to be seen can be maintained.

[22] https://www.cqc.org.uk/guidance-providers/nhs-trusts/what-we-will-inspect-nhs-trusts
[23] https://api.cqc.org.uk/public/v1/reports/edcfb304-14c0-4e3e-8557-de663e8533f0?20210113203413
[24] https://api.cqc.org.uk/public/v1/reports/d7a4bd50-0442-4973-b45c-7fb6ba2463a2?20230526070057

- The service should improve completion of equipment checks in line with trust policies and appropriate maintenance schedules.
- The service should continue improve access to interpretation services for women and pregnant people.
- The service should ensure staff always complete and update risk assessments and applicable key documentation (including modified early obstetric warning scores, and intrapartum 'fresh eyes') for each woman.

In recognition of the unprecedented pressures on the NHS during the pandemic, the CQC suspended its routine inspection regime. However, regular virtual engagement meetings continued throughout the year to provide assurance of the effectiveness of actions being taken to address the findings of the CQC inspections in 2020 and 2018 and external well-led reviews undertaken in 2016 and 2017. These meetings also provide an opportunity to address any patient enquiries made directly to the CQC as well as open and transparent dialogue relating to challenges of the on-going COVID-19 pandemic and the impact of services and share innovation and improvements made to services.

Stakeholder relations

During 2022/23, we have continued to work closely with our partners across both Bradford District and Craven and West Yorkshire, including:

- **West Yorkshire Association of Acute Trusts (WYAAT) - Provider Collaborative**

Working closely with our partners in WYAAT we aim to improve care for patients and deliver efficiencies through a number of joint projects spanning areas such as procurement, workforce and radiology. During 2022/23, activities have included continued work to standardise procurement processes to leverage economies of scale and move to a more sustainable approach, joint work to reduce the backlog of elective waiting lists and recover elective services, and the development of Community Diagnostic Centres.

- **West Yorkshire Health and Care Partnership - Integrated Care System (ICS)**

We have continued to work in partnership as part of the West Yorkshire Health and Care Partnership, which was placed on a statutory footing from July 2022, in line with the Health and Care Act 2022. We have participated in shared programmes of work and have contributed to the development of plans for the future of integrated care.

The Partnership launched a five year integrated care strategy in 2020. This has been refreshed and an updated version was published in March 2023. A five year Joint Forward Plan is also being developed, and will be submitted to NHS England by 30 June 2023. We are contributing to the development of plans through the Bradford District & Craven Place, which will develop a place based plan to feed into the Joint Forward Plan.

- **Bradford District and Craven Health and Care Partnership – Place Based Partnership**

Each place based partnership must have arrangements which provide strategic leadership of place and ensure clear and aligned leadership and line management of place-based staff. Our Chief Executive Mel Pickup has been appointed as the 'Place Leader' for the Bradford District and Craven Health & Care Partnership.

Act as One describes the approach for our partnership that serves a population of around 650,000 people, with a health and care workforce of around 33,000, supported by over 5,000 voluntary and community sector organisations. The partnership is made up of NHS, local authority, Healthwatch, community and voluntary sector organisations and independent care providers working towards a vision of people living 'happy, healthy at home'.

The Partnership is governed by the Bradford District and Craven Health and Care Partnership Board, which became a committee of the West Yorkshire Integrated Care Board following its establishment as a statutory body in July 2022. Our Chair and Chief Executive are members of the Partnership Board. One of our Non-Executive Directors (Julie Lawreniuk) is also a member of the Board, in her capacity as chair of the Bradford District and Craven Finance and Performance Committee.

The Partnership Board leads the coordinated planning and delivery of our local health and care system. Our partnership arrangements include:

- shared system committees focused on quality, people and finance and performance;
- a clinical forum ensuring clinical and professional views are heard, and clinical leadership is embedded in all parts of our partnership;
- a citizen forum steering group to oversee the range of work to bring people together to influence decision making, and provide assurance and advice to the Partnership Board;
- 'Act as One' strategic priorities addressing Access to Care; Children and Young People; Healthy Communities; Mental Health, Learning Disabilities and Neurodiversity; and Workforce; and
- co-ordinated action on the critical enabling functions of our health and care system – reducing inequalities, living well, estates and digital and information intelligence.

Our partnership arrangements are underpinned by the Strategic Partnering Agreement (SPA), which documents the way we work together, how we reach decisions collectively, and confirms our shared ambition. The SPA has been updated to reflect the new arrangements which were formalised in July 2022.

- **Joint Ventures (JVs)**

We are building on the progress made in the established JVs (Integrated Pathology Solutions LLP and Integrated Laboratory Solutions LLP) with Airedale NHS Foundation Trust and Harrogate and District NHS Foundation Trust to deliver laboratory-based pathology services. These JVs continue to deliver benefits including economies of scale, shared expertise and delivering high quality diagnostic services to other primary and secondary care providers.

3.1.4. Fees and charges (income generation)

The Trust's income generation activities aim to achieve profit, which is then used in patient care. None of these schemes exceed £1 million nor are they sufficiently material to warrant separate disclosure. The revenues and expenditure relating to these are included in the annual accounts.

3.1.5. Charitable donations

During 2021/22, Bradford Hospitals' Charity[25] received £406,000 in income. The total income has been invested across our Charity's four funds, which are: children and young people (which includes neonatal), elderly and dementia, cancer,and our sunshine fund (which is everything else).

Our fundraisers have continued to support our BIG Neonatal Appeal[26], with the Lord Mayor of Bradford choosing to raise money for the appeal during his ceremonial year. The Charity has invested funds to support both babies and their families. Equipment has been funded to make babies more comfortable and aid development, as well as a number of other items, such as

[25] https://bradfordhospitalscharity.org/
[26] https://bradfordhospitalscharity.org/big-neonatal-appeal/

comfortable furniture and sibling activities, to support families who spend time in the Neo Natal Unit.

3.1.6. INCOME DISCLOSURES

As required under Section 43(2A) of the NHS Act 2006 (as amended by the Health and Social Care Act 2012), the Trust confirms that the income it received from the provision of goods and services for the purposes of the health service in England is greater than the income it received from the provision of goods and services for any other purpose. Furthermore, the generation of "non-NHS related income" does not impact adversely on the quality of healthcare services delivered by the Trust.

Signed

Mel Pickup
Chief Executive
On behalf of the Board of Directors
12 July 2023

3.2. REMUNERATION REPORT

3.2.1. ANNUAL STATEMENT

Annual statement from the Chairman of Bradford Teaching Hospitals NHS Foundation Trust's Nominations and Remuneration Committee

I am pleased to present the Directors' Remuneration report for the financial year 2022/2023. The Nominations and Remuneration Committee is established by the Board of Directors, with primary regard to executive directors' remuneration and terms and conditions of service.

The report is divided into two parts:

- senior managers' remuneration policy;
- the annual report on remuneration, which includes details about directors' service contracts, and sets out governance matters such as committee membership, attendance and the business undertaken by the Committee.

Major decisions on remuneration

The committee met on three occasions in the year.

Salary reviews/proposals were agreed on behalf of the Chief Digital and Information Officer, the Chief Operating Officer/Deputy Chief Executive and the Director of HR. The committee also agreed to accept the recommendations of the Senior Salaries Review body (SSRB) and awarded the annual pay increase of 3% to all Executive Directors backdated to 1st April 2022. The committee also made decisions on earn back clauses in line with contracts of employment during the course of the year.

Finally the committee approved the search and selection process and remuneration for the new Chief People and Purpose Officer following the retirement of the Director of HR.

Signed

Julie Lawreniuk
Deputy Chair

(On behalf of Dr Maxwell Mclean**,** Trust Chairman and Chair of the Nominations and Remuneration Committee for Executive Directors)
12 July 2023

3.2.2. SENIOR MANAGERS' REMUNERATION POLICY

Figure 36 – Executive directors' remuneration policy

Element of policy	Purpose and link to strategy	How operated in practice	Maximum opportunity	Changes to remuneration policy from previous year
Base Salary	To enable the Foundation Trust to attract, retain and motivate suitably skilled and experienced executive directors.	As determined by salary band. New directors are now appointed on a spot salary. Historically it was the norm to appoint on a three-point salary band. If a director is not appointed to the maximum point on their salary scale any incremental increase in pay is based on them displaying exceptional performance which is tied in with the Trust meeting its regulatory and corporate objectives. In determining the appropriate starting salary, the committee considers: • Guidance on pay for very senior managers in NHS trusts and foundation trusts – NHSI 2018; • Salary levels for similar positions through the NHS Providers Annual Remuneration Survey and knowledge of market; • Individual skills and experience; • 'Established' pay ranges in acute NHS Trusts and Foundation Trusts published by NHSE; • Cost of living increases awarded in line with any pay award made by the senior salaries review body as advised by NHS England. No annual bonuses are paid; and • Any opinion received by NHSE. These factors are taken into account when setting and reviewing the salaries of staff who earn over £150,000. The contract of employment authorises deductions from salary on any amount owed to us including but not limited to any overpayment or rent.	The committee on occasion will also recognise changes in the role, and/or duties of a director and salary progression for newly appointed directors.	No change. Awaiting publication of the VSM framework.
Benefits (table)	To enable the Foundation Trust to attract, retain and motivate suitably skilled and experienced executive directors.	Pension related benefits only	As per NHS Pension Scheme regulations	No change

Element of policy	Purpose and link to strategy	How operated in practice	Maximum opportunity	Changes to remuneration policy from previous year
Pension	To enable the Foundation Trust to attract, retain and motivate suitably skilled and experienced executive directors.	The standard NHS Pension Scheme is operated The Trust does not operate a pension recycling scheme. (Pensions recycling is where an employer passes on unused employer contributions to an employee who has opted out of the employer's pension scheme).	As per NHS Pension Scheme regulations	No change

Figure 37 – Non-executive directors' remuneration policy

Position	Remuneration	Policy
Chairman	£55,145	The remuneration for all Non-Executive Directors (including the Chairman) is reviewed by the Governors' Nominations and Remuneration Committee (NRC) in line with section 7.13 of the Governors' NRC terms of reference. In year the Council considered the remuneration of the Non-Executive Directors (including the Chairman) at its meeting held on 20 October 2022 where the Council confirmed that: • No changes are made to Non-Executive Director remuneration at the current time. • The decision of 'no change' made by the Council of Governors (in January 2022) regarding the Chairman's remuneration, effective from 1 May 2022, should remain in place. The decisions on both the Chair and other Non-Executive Director levels of remuneration were informed by the current benchmarking information provided by NHS Providers and, the guidance[27] published in 2019 by NHS Improvement (now NHS England) proposing a 'remuneration structure for NHS provider chairs and non-executive directors'. There are no additional fees payable for other duties and no other items that are considered to be remunerationin nature. The Non-Executive Directors (including the Chair) do not receive pensionable remuneration.
Non-Executive Directors	£13,785	

[27] https://www.england.nhs.uk/non-executive-opportunities/about-the-team/remuneration-structure-nhs-provider-chairs-and-non-executive-directors/

Policy on payment for loss of office

Where loss of office is on the grounds of redundancy, it is calculated in line with Agenda for Change terms and conditions. Loss of office on the grounds of gross misconduct would result in a dismissal without payment of notice.

The figures included in the accounts show there were no compulsory redundancy payments made in 2022/23 for loss of office for Directors.

Statement of consideration of employment conditions elsewhere in the Foundation Trust

The Trust has not consulted with employees when determining its remuneration policy for executive directors. The Trust takes into account available benchmarking data and the guidance on pay for very senior managers published by NHSE to enable us to recruit and retain the best people.

3.2.3. ANNUAL REPORT ON REMUNERATION

3.2.3.1. Service contracts

Senior manager contracts contain a notice period of three or six months dependent on role and when the appointment was made. Permanent contracts are issued unless there is a requirement for a specific fixed term role. Contracts are dated with the first day of appointment, the dates of which are as set out in the Board of Directors section of the Directors' report, at 3.1.1.

3.2.3.2. Nominations and Remuneration Committee (for executive directors)

The Board of Directors has established a Nominations and Remuneration Committee. Its responsibilities include consideration of matters relevant to the appointment, remuneration and associated terms of service for executive directors.

The committee comprises the Chairman and all non-executive directors. The Chief Executive is in attendance and will discuss Board composition, succession planning, remuneration and performance of executive directors. The Chief Executive is not present during discussions relating to her own performance or remuneration. The Director of Human Resources (HR) is in attendance and will provide employment advice and guidance as necessary. She withdraws from the meeting when any discussions are held with regard to her performance or remuneration. The Director of HR also acts as committee secretary.

The committee met three times during the year. No new recruitment took place during 2022/23 in respect of Executive appointments although the committee commenced the search and selection process for the Chief People and Purpose Officer following the retirement of the Director of HR. They agreed to the appointment of Gatenby Sanderson as a reputable recruitment experts signed up to the Crowne Commercial Services Framework to manage process. The fee charged by Gatenby Sanderson is commercially confidential but remains within the bounds of the Crown Commercial Services Framework. The committee agreed the maximum remuneration package which could be offered based on the benchmarking data from the NHS Providers Remuneration Report. In respect of remuneration decisions the committee agreed a non-consolidated increase in pay for 2021/22 for the Chief Digital and Information Officer which is a shared appointment with Airedale NHS Foundation Trust. They also reviewed the salary of the Chief Operating Officer when he took up the post of Deputy Chief Executive following 6 months in post

which had been agreed as part of his original appointment. This then ensured equity with the other Deputy Chief Executive post. The committee also reviewed the salary of the Director of HR on review of relevant benchmarking data.

The committee also:

- Awarded the annual pay increase of 3% to Executive Directors as recommended by the Senior Salaries Review Body.
- Noted the approach being taken to Executive Director appraisals.
- Reviewed the terms of reference.
- Agreed minor amendments to the Fit and Proper Person assurance process in advance of the publishing of a Fit and Proper Person Test Framework and guidance being published as part of the Kark Review implementation work.
- Reviewed the updated Code of Governance for NHS Provider Trusts which had been presented to January's Board of Directors and agreed actions to ensure compliance on areas that were within the remit of the committee.
- Agreed interim arrangements to cover the Chief People and Purpose Officer post until a substantive appointment was made.

Figure 38 – Attendance and membership during 2022/23

Board NRC membership	Meetings attended
Dr Maxwell Mclean, Chairman	3 of 3
Ms Sughra Nazir, Non-Executive Director	2 of 3
Mr Barrie Senior, Non-Executive Director	3 of 3
Mr Jon Prashar, Non-Executive Director	2 of 3
Ms Julie Lawreniuk, Non-Executive Director	3 of 3
Mr Mohammed Hussain, Non-Executive Director	3 of 3
Mr Altaf Sadique, Non-Executive Director	3 of 3
Ms Karen Walker, Non-Executive Director	3 of 3
Ms Janet Hirst, Non-Executive Director	0 of 2
Professor Mel Pickup (in attendance), Chief Executive	3 of 3
Ms Pat Campbell (in attendance), Director of HR	3 of 3

See section 3.3.4 Staff Policies and Actions for the policies used by the Nominations and Remunerations Committee (for directors).

3.2.3.3. Governors' Nominations and Remuneration Committee (for non-executive directors)

The Governors' Nominations and Remuneration Committee (NRC) is a sub-committee of the Council of Governors charged with developing and presenting recommendations to the Council of Governors with regard to non-executive director (NED) appointments, reappointments and their remuneration in line with the governors' statutory duties.

In accordance with the terms of reference 'meetings shall be held as required, but at least twice in each financial year'. During 2022/23 the NRC met a total of three times. The meetings are chaired by Dr Maxwell Mclean. Where a conflict arises with regard to the meeting chair, there is a process in place for the NRC to appoint a replacement chair from amongst the Governor members of the NRC.

Figure 39 – Membership and meeting attendance for 2022/23

Governors NRC membership	Meetings Attended
Dr Maxwell Mclean, Chairman	3 of 3
Mr Dermot Bolton, Public Governor	3 of 3

Governors NRC membership	Meetings Attended
Mr Mark Chambers, Public Governor	3 of 3
Professor Alastair Goldman, Partner Governor	2 of 3
Mr David Wilmshurst, Public Governor	3 of 3
Ms Raquel Licas, Staff Governor	2 of 2
Ms Helen Wilson, Staff Governor	2 of 3

In addition to the Chair and the Governor membership of the NRC, a number of key officers from within the Foundation Trust attend the meetings to provide advice and guidance where required. The following were in attendance for the year.

Figure 40 – Key Foundation Trust staff in attendance at the Governors' Nominations and Remuneration Committee for 2022/23

Governors NRC- key FT staff in attendance	Meetings Attended
Ms Pat Campbell, Director of HR	2 of 3
Ms Laura Parsons, Associate Director of Governance/Board Secretary	3 of 3
Ms Jacqui Maurice, Head of Corporate Governance	3 of 3

The remit of the NRC is detailed within the NRC terms of reference which are considered annually by the Council of Governors. The terms of reference were approved in January 2021 and reviewed in July 2022. There were no changes made. The terms of reference are available here[28].

The NRC has an annual work programme which is reviewed and agreed annually. Where required recommendations are agreed and presented to the Council of Governors for approval. In-year the committee has dealt with the following business:

- Report on the outcome of the Chair Appraisal where the NRC received the report from the Senior Independent Director (SID) who confirmed that the appraisal had been undertaken in line with the process approved by the Council of Governors. The SID further confirmed that "the performance of the Chair continues to be effective and demonstrates commitment to the role".
- Report on the outcome of the NED Appraisals where the NRC received a report from the Chairman. The Chair confirmed that the appraisals had been undertaken in line with the process approved by the Council of Governors and formally advised the NRC that "following the formal performance evaluation of each NED; the performance of each NED continues to be effective and demonstrates commitment to the role".
- Annual review of the NED/Chair appointment process.
- Outcomes from the annual NRC evaluation.
- Annual review of the NRC Terms of Reference.
- Search for NED to represent the School of Medicine, University of Leeds.
- Development of the proposed process to be undertaken for the removal of a NED or Chair.
- Annual review of the NED Terms and Conditions.
- Annual review of the NED/Chair remuneration.
- Review of the NED terms and conditions, job description and person specification.
- Commenced the development of a proposal to the Council on the appointment of two new NEDs.

[28] https://www.bradfordhospitals.nhs.uk/wp-content/uploads/2021/06/NRC-Terms-of-Reference-Approved-Jan-2021.pdf

3.2.3.4. Disclosures required by Health and Social Care Act

Salaries over £150,000

There was no new appointment made in 2022/23 where a salary was over £150,000, there were 2 cases where the national pay award resulted in an increase which took the salaries above £150,000. The Trust reviews salaries against the established pay ranges in acute NHS Trusts and Foundation Trusts and the salaries remain within the these ranges.

Expenses claimed by directors

The total number of directors holding office during 2022/23 was 18 (the number in 2021/22 was 17). The number of directors receiving expenses during 2022/23 was eight (the number 2021/22 was six). The aggregate sum of expenses paid to directors in 2022/23 was £548 (in 2021/22 was £657).

Expenses claimed by governors

The total number of governors holding office during 2022/23 is 23 (the number 2021/22 was 15). The number of governors receiving expenses during 2022/23 is 1 (the number in 2021/22 was nil). The aggregate sum of expenses paid to governors in 2022/23 is £23.80 (in 2021/22 it was nil).

Figure 41 – Remuneration of senior managers 2022/23 (subject to audit)

Note: It is the view of the Board that the authority and responsibility for controlling major activities is retained by the Board and is not exercised below this level.

Name and title	Salary and fees	All taxable benefits	Annual performance related bonuses	Long term performance related bonuses	All pension related benefits	Total
2022/23	(Bands of £5,000)	(to the nearest £100)	(Bands of £5,000)	(Bands of £5,000)	(Bands of £2,500)	(Bands of £5,000)
	£000's	£00's	£000's	£000's	£000's	£000's
Maxwell Mclean (Chairman)	55 – 60	0	0	0	0	55 – 60
Mel Pickup (Chief Executive)	225 – 230	0	0	0	0 – 2.5	230 – 235
Sajid Azeb (Chief Operating Officer/ Deputy Chief Executive)	150 - 155	0	0	0	60.0 – 62.5	210 – 215
John Holden (Director of Strategy and Integration / Deputy Chief Executive)[29]	145 – 150	0	0	0	0	145 – 150
Ray Smith (Chief Medical Officer)[30]	210 – 215	0	0	0	0	210 – 215
Karen Dawber (Chief Nurse)	140 – 145	0	0	0	37.5 – 40.0	180 – 185
Matthew Horner (Director of Finance)	150 – 155	0	0	0	0	150 – 155
Patricia Campbell (Director of Human Resources)	120 – 125	0	0	0	0	120 – 125
Paul Rice (Chief Digital & Information Officer) [31]	135 – 140	0	0	0	0	135 - 140
Mark Holloway (Director of Estates and Facilities)	110 – 115	0	0	0	0 – 2.5	110 – 115
Altaf Sadique (Non-Executive Director)	10 – 15	0	0	0	0	10 – 15
Karen Walker (Non-Executive Director)[32]	10 – 15	0	0	0	0	10 – 15
Barrie Senior (Non-Executive Director)	10 – 15	0	0	0	0	10 – 15
Jon Prashar (Non-Executive Director)	10 – 15	0	0	0	0	10 – 15
Julie Lawreniuk (Non-Executive Director)[33]	15 – 20	0	0	0	0	15 – 20
Mohammed Hussain (Non-Executive Director)	10 – 15	0	0	0	0	10 – 15
Janet Hirst (Non-Executive Director)[34]	10 – 15	0	0	0	0	10 – 15
Sughra Nazir (Non-Executive Director)	10 - 15	0	0	0	0	10 - 15

[29] John Holden (Director of Strategy and Integration / Deputy Chief Executive) – left the NHS Pension Scheme on 1st April 2022.

[30] Ray Smith (Chief Medical Officer) – left the NHS Pension Scheme on 1st April 2022.

[31] Paul Rice (Chief Digital and Information Officer)- In addition to this role, Paul Rice is also the Chief Digital & Information Officer at Airedale NHS Foundation Trust. A recharge at 40% was made by Airedale NHS foundation Trust to Bradford Teaching Hospitals NHS Foundation Trust.

[32] Karen Walker (Non – Executive Director) - In addition to this role, Karen Walker is also an Independent Member at Bradford District and Craven Health and Care Partnership.

[33] Julie Lawreniuk (Non – Executive Director) - In addition to this role, Julie Lawreniuk is also an Independent Chair at Bradford District and Craven Health and Care Partnership.

[34] Janet Hirst (Non-Executive Director) – until 31st January 2023.

Note: The value of pension benefits accrued during the year is calculated as the real increase in pension multiplied by 20, less the contributions made by the individual. The real increase excludes increases due to inflation or any increase or decrease due to a transfer of pension rights.
This value derived does not represent an amount that will be received by the individual. It is a calculation that is intended to provide an estimation of the benefit being a member of the pension scheme could provide.
The pension benefit table provides further information on the pension benefits accruing to the individual. As non-executive members do not receive pensionable remuneration, there are no entries in respect of pensions for non-executive members.

Figure 42 – Remuneration of senior managers 2021/22 (subject to audit)

Note: It is the view of the Board that the authority and responsibility for controlling major activities is retained by the Board and is not exercised below this level.

Name and title	Salary and fees	All taxable benefits	Annual performance related bonuses	Long term performance related bonuses	All pension related benefits	Total
2021/22	(Bands of £5,000)	(to the nearest £100)	(Bands of £5,000)	(Bands of £5,000)	(Bands of £2,500)	(Bands of £5,000)
Maxwell Mclean (Chairman)	55 - 60	0	0	0	0	55 - 60
Mel Pickup (Chief Executive)	220 - 225	0	0	0	65.0 - 67.5	285 - 290
John Holden (Director of Strategy and Integration / Deputy Chief Executive)	145 - 150	0	0	0	42.5 - 45.0	185 - 190
Sajid Azeb (Chief Operating Officer/ Deputy Chief Executive)	135 - 140	0	0	0	77.5 - 80.0	215 - 220
Karen Dawber (Chief Nurse)	135 - 140	0	0	0	20.0 - 22.5	160 - 165
Ray Smith (Chief Medical Officer)	200 - 205	0	0	0	250.0 - 252.5	455 - 460
Matthew Horner (Director of Finance)[35]	145 - 150	0	0	0	70.0 - 72.5	220 - 225
Patricia Campbell (Director of Human Resources)	120 - 125	0	0	0	80.0 - 82.5	200 - 205
Paul Rice (Chief Digital & Information Officer) [36]	130 - 135	0	0	0	97.5 - 100.0	230 - 235
Mark Holloway (Director of Estates and Facilities)	115 - 120	0	0	0	92.5 - 95.0	210 - 215
Altaf Sadique (Non-Executive Director)	10 - 15	0	0	0	0	10 - 15
Karen Walker (Non-Executive Director)	10 - 15	0	0	0	0	10 - 15
Selina Ullah (Non-Executive Director)[37]	5 - 10	0	0	0	0	5 - 10
Barrie Senior (Non-Executive Director)	10 - 15	0	0	0	0	10 - 15
Jon Prashar (Non-Executive Director)	10 - 15	0	0	0	0	10 - 15
Julie Lawreniuk (Non-Executive Director)	10 - 15	0	0	0	0	10 - 15
Mohammed Hussain (Non-Executive Director)	10 - 15	0	0	0	0	10 - 15

[35] Matthew Horner (Director of Finance) - left the NHS Pension Scheme on 31 December 2021

[36] Paul Rice (Chief Digital and Information Officer) - In addition to this role, Paul Rice is also the Chief Digital & Information Officer at Airedale NHS Foundation Trust. A recharge at 40% was made by Airedale NHS foundation Trust to Bradford Teaching Hospitals NHS Foundation Trust.

[37] Selina Ullah (Non-Executive Director) - until 31 August 2021

Janet Hirst (Non-Executive Director)[38]	5 - 10	0	0	0	0	5 - 10
Sughra Nazir (Non-Executive Director)[39]	0 - 5	0	0	0	0	0 - 5

[38] Janet Hirst (Non-Executive Director) - from 13 September 2021
[39] Sughra Nazir (Non-Executive Director) - from 20 January 2022

Figure 43 – Pension entitlements of senior managers 2022/23 (subject to Audit)

Name and Title	Real increase in pension at pension age	Real increase in pension lump sum at pension age	Total accrued pension at pension age at 31st March 2023	Lump sum at pension age related to accrued pension at 31st March 2023	CETV at 1st April 2022	Real increase in CETV	CETV at 31st March 2023
2022/23	(Bands of £2,500)	(Bands of £2,500)	(Bands of £5,000)	(Bands of £5,000)	(Nearest £1,000)	(Nearest £1,000)	(Nearest £1,000)
Mel Pickup (Chief Executive)	0 – 2.5	(5.0 – 7.5)	110 – 115	235 – 240	2,074	24	2,195
Sajid Azeb (Chief Operating Officer)	2.5 – 5.0	2.5 – 5.0	45 – 50	75 – 80	567	40	645
Karen Dawber (Chief Nurse)	2.5 – 5.0	0 – 2.5	50 – 55	100 – 105	854	39	937
Patricia Campbell (Director of Human Resources)	(0 – 2.5)	(5.0 – 7.5)	55 – 60	140 – 145	1,246	(29)	1,273
Paul Rice (Chief Digital & Information Officer)	0 – 2.5	(5.0 – 7.5)	45 – 50	85 – 90	867	(11)	900
Mark Holloway (Director of Estates and Facilities)	0 – 2.5	(2.5 – 5.0)	25 - 30	45 - 50	400	(3)	424

Cash equivalent transfer value (CETV) figures are calculated using the guidance on discount rates for calculating unfunded public service contribution rates that was extant on 31 March 2023. HM Treasury published updated guidance on 27 April 2023; this guidance will be used in the calculation of 2023/24 CETV figures.

Note: As Non-Executive members do not receive pensionable remuneration, there are no entries in respect of pensions for Non-Executive members.

John Holden (Director of Strategy and Integration / Deputy Chief Executive) - left the NHS Pension Scheme on 1st April 2022
Ray Smith (Chief Medical Officer) - left the NHS Pension Scheme on 1st April 2022
Matthew Horner (Director of Finance) - left the NHS Pension Scheme on 31 December 2021

3.2.3.5. Fair pay multiples (subject to audit)

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

The banded remuneration of the highest paid director in the Trust in the financial year 2022/23 was £227,500 (2021/22: £222,500). This is a change between years of 2.2% (2021/22: no change).

Total remuneration includes salary, non-consolidated performance-related pay and benefits-in-kind, but not severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions. No performance pay or bonus payments were made to the highest paid director.

For employees of the Trust as a whole, the range of remuneration in 2022/23 was from £227,500 to £7,500 (2021/22: £222,500 to £7,500). The percentage change in average employee remuneration (based on total for all employees on an annualised basis divided by the full time equivalent number of employees) between years is 8.91% (2021/22: 3.83%). No employees received remuneration in excess of the highest-paid director in 2022/23. No performance pay or bonus payments were made in year.

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.

Figure 44 – Pay Ratio Information

2022/23	25th percentile	Median	75th percentile
Salary component of pay	£23,415	£34,943	£43,842
Total pay and benefits excluding pension benefits	£23,415	£34,943	£43,842
Pay and benefits excluding pension: pay ratio for highest paid director	9.7: 1	6.5: 1	5.2: 1

2021/22	25th percentile	Median	75th percentile
Salary component of pay	£20,330	£31,534	£39,467
Total pay and benefits excluding pension benefits	£20,330	£31,534	£39,467
Pay and benefits excluding pension: pay ratio for highest paid director	10.9: 1	7.1: 1	5.6: 1

Signed

Mel Pickup
Chief Executive
12 July 2023

3.3. STAFF REPORT

3.3.1. ANALYSIS OF STAFF COSTS AND NUMBERS (SUBJECT TO AUDIT)

Figure 45 – Staff Costs 2022/23 (£'000)

Staff Costs	Permanently employed	Other	2022/23 Total	2021/22 Total
Salaries and wages	283,500	593	284,093	255,852
Social security costs	28,991	0	28,991	24,369
Apprenticeship Levy (pay element)	1,406	0	1,406	1,276
Pension cost - defined contribution plans employer's contributions to NHS pensions	30,057	0	30,057	28,543
Pension cost - employer contributions paid by NHSE on provider's behalf	13,145	0	13,145	12,500
Temporary staff - agency/contract staff	0	9,807	9,807	10,079
Total gross staff costs	**357,099**	**10,400**	**367,499**	**332,619**

Figure 46 – Average number of employees Whole Time Equivalent for 2022/23

	Total Number	Permanent Number	Other Number
Medical and dental	946	894	52
Administration and estates	1,929	1,786	143
Healthcare assistants and other support staff	749	744	5
Nursing, midwifery and health visiting staff	2,031	1,606	425
Scientific, therapeutic and technical staff	807	802	5
Other	4	4	0
Total average numbers	**6,466**	**5,836**	**630**
Of which, number of employees (WTE) engaged on capital projects	3	3	0

Figure 47 – Average number of employees Whole Time Equivalent for 2021/22

	Total Number	Permanent Number	Other Number
Medical and dental	881	873	8
Administration and estates	1,882	1,778	104
Healthcare assistants and other support staff	714	712	2
Nursing, midwifery and health visiting staff	2,044	1,610	434
Scientific, therapeutic and technical staff	777	768	9
Other	3	3	0
Total average numbers	**6,301**	**5,744**	**557**
Of which, number of employees (WTE) engaged on capital projects	9	9	0

Figure 48 – 31 March 2023 distribution of staff, male and female

At 31 March 2023 – headcount figures, excluding agency and contract and bank staff			
Group	Female	Male	Total
Directors	7	11	18
Senior Managers	290	146	436
Other Employees	4,929	1,388	6,317
Total	**5,226**	**1,545**	**6,771**

Figure 49 – 31 March 2022 distribution of staff, male and female (subject to audit)

At 31 March 2022 – headcount figures, excluding agency and contract and bank staff			
Group	Female	Male	Total
Directors	8	11	19
Senior Managers	268	144	412
Other Employees	4,730	1,312	6,042
Total	**5,006**	**1,467**	**6,473**

Figure 50 - Sickness Absence Data 1 January 2022 – 31 December 2022

Figures Converted by DH to Best Estimates of Required Data Items			Statistics Published by NHS Digital from ESR Data Warehouse	
Average FTE 2022	Adjusted FTE days lost to Cabinet Office definitions	Average Sick Days per FTE	FTE-Days Available	FTE-Days recorded Sickness Absence
5,750	92,687	16.1	2,098,635	150,359

The Department for Health and Social Care Group Accounting Manual 2022/23[40] requires that sickness absence data be reported by each individual body in their annual report. The sickness absence figures are reported on a calendar year basis, rather than for the financial year. This is because we are obliged to use only the published statistics which are produced using data from the ESR Data Warehouse. The sickness absence rate for the period 1 January 2022 to 31 December 2022 was 7.16%.

Information about staff turnover for 2022/23 is also available on the website of NHS Digital[1]

3.3.2. STAFF POLICIES AND ACTIONS

Disability Equality and Disability Leave Policy

This policy was launched in November 2019 and since then there has been considerable focus on raising the profile of disability equality and long term health conditions across the Trust. The policy focusses on providing reasonable adjustments for those who require these in terms of employment, including those who become disabled whilst in employment. The Disability Equality and Disability Leave Policy has been in place for three years now, and feedback received so far has been positive. To ensure we are in line with good practice around disability equality, we reviewed the policy in December 2022 in collaboration with our disability staff network (Enable) and only minor updates were made. There has been considerable focus throughout 2022/2023 on increasing awareness and training our managers on disability equality and their role and responsibility in terms of disability equality in the workplace, including their approaches to reasonable adjustments. As part of our efforts in raising the profile of disability through our Workforce Disability Equality Standard (WDES) Innovation Fund, we have arranged a number of drop-in sessions for any staff member, manager or team leader wanting to learn more about a range of areas in supporting disabled staff at work.

40 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1149508/group-accounting-manual-2022-to-2023-updated-april-2023.pdf

[1] https://digital.nhs.uk/data-and-information/publications/statistical/nhs-workforce-statistics

This policy has been a live policy during the financial year 2022/2023. The policy is shared widely on the Foundation Trust's website. We also make reference to this policy in the Induction session for new Trust staff and in our newly developed Equality, Diversity & Inclusion training for managers. The training will be delivered every quarter to all new and existing managers and team leaders.

Our focus on the Workforce Disability Equality Standard (WDES) gives us further opportunity to advance disability equality across the Foundation Trust, including our approaches to recruitment and selection. We are in the process of reviewing and refreshing our 2022/ 2023 WDES action plan and this will be co-produced with the disability staff equality network.

Trans Equality Policy

The Trans Equality Policy went through a rigorous review process during 2022/2023, including targeted engagement and consultation with the Trans community and subsequently, the policy has been presented at a range of governance meetings, including the Equality and Diversity Council, People Academy and Joint Negotiating Consultative Committee (JNCC), and was ratified in May 2023.

Bullying and Harassment Policy

We are currently in the process of reviewing our existing Bullying and Harassment Policy as part of our wider focus on civility in the workplace with focus on 'informal conflict resolution'. The policy is currently undergoing a comprehensive review and will be approved in summer 2023.

Overhaul of the Recruitment and Selection Policy and Practices

Following the overhaul of our Recruitment and Selection Policy and practices in 2021/22 we are also in the process of developing a recruitment and selection toolkit for job applicants using best practice examples to highlight ways in which the Trust will promote equality, diversity and inclusion in its recruitment practices. The recruitment and selection training for managers has also been reviewed with the inclusion of the Equality Act 2010 weaved into the training and refreshed in line with the updated policy and to ensure all recruiting managers are effectively trained to ensure our recruitment practices are inclusive.

Health and Safety Performance

The Trust's People Strategy commits to ensuring that we identify and proactively manage the risks to health, safety and wellbeing of our staff and others.

We have increased the frequency of the Health and Safety Committee from quarterly to bi-monthly to provide a proactive response to issue raised. The Committee receives a number of reports relating to staff health and safety and sub groups covering risk assessments, incidents and a more focused review on issues identified. In addition to monitoring incident data centrally, it is also monitored at CSU level via formal governance processes

The Health and Safety department during 2022/23 has undertaken numerous risk assessments, investigations and review of safe systems of work. The department has undertaken a review of the Trust health and safety policies and procures to provide further guidance to staff.

During 2022/23 the department undertook a gap analysis to evaluate and refocus health and safety in relation to legislation and they identified gaps to facilitate continued improvement.

The gaps identified have provided the Trust with an overall level of compliance with health and safety and an organisational action plan has been developed.

In 2023/24 the health and safety department will continue to review compliance with legislation. They will be reviewing the processes for externally reported incidents and overseeing a number of planned projects. The main focus will be on achieving the actions identified by the organisational action plan.

Occupational Health

Over the last 12 months occupational health has focused on assisting staff to work safely by providing adjustment and return to work advice to enable successful returns to work, we have provided signposting to external support as well as offering in-house psychological support to staff with complex psychological problems via the occupational health clinical psychologist service. The service has continued to refine/review risk assessment and isolation/return to work guidance to reflect National guidance as we learn to live with Covid-19. Occupational Health has delivered the staff flu vaccination campaign and worked closely with community colleagues to deploy the Autumn COVID-19 booster. The service continues to support with pre-employment checks, including the enhanced health clearance checks that are required for the overseas cohorts.

Recruitment of a new Staff Gym/Well-Being Manager has resulted in delivering opportunities for staff to get more physically active at work, the '12 days of fitmas' programme that staff were asked to engage with during December offered fun, interactive sessions with the physical fitness staff. Yoga and pilates sessions have also been offered to staff across the Trust.

Counter Fraud and Corruption

See section 3.5.5.2.

3.3.3. STAFF SURVEY

3.3.3.1. Staff Engagement

Our vision is to be an outstanding provider of healthcare, research and education, as well as a great place to work. We know that if staff are happy in their place of work that this has a direct impact on their performance and therefore on patient experience and outcomes.

Over the last year, we have grown and developed our 'Thrive' approach. This is a one stop shop for all the things that staff need to know/are entitled to as a member of staff at the Trust and includes wellbeing support, development opportunities, rewards and benefits, and opportunities for staff to have their say on what matters to them. Thrive is an online portal that all staff can access via a laptop, smartphone or tablet device. However, Thrive is much more than just a portal – it is our ethos and our way to create a community at the Trust where everyone can learn, grow, and reach their full potential. We have continued to run Thrive roadshows at all Trust sites so that staff have access to face to face contact and opportunities to find out what is available to them as a valued member of staff. We have also continued to invest in staff facilities with redevelopments of three staff areas at BRI and an outside space which is currently being built.

Alongside Thrive, we have a group of staff engagement champions, 'Staff Engagers' – who provide a link into services. They offer real time feedback about what is going on in their area and also spread awareness of corporate / organisational activities. We also run 'Thrive Live', which is a monthly question and answer session with the Chief Executive and

Executive Team. This enables staff to ask any question they may have and increases the visibility of leadership. We also participate in the quarterly people pulse survey.
We have also maintained our focus on wellbeing – we send out a fortnightly email which highlights opportunities through Thrive. This has a dedicated section on wellbeing, signposting to local, regional and national support. A Specialist Occupational Therapist offers therapeutic 1-1 support for staff with issues such as fatigue management, stress awareness, relaxation and sleep hygiene and a Clinical Psychologist is also now available from the Workplace Health and Well-Being Centre for staff who are experiencing more complex psychological problems such as moderate anxiety, depression, Obsessive-Compulsive Disorder (OCD) or Post-Traumatic Stress Disorder (PTSD) which have a direct impact on work. Another focus has been on financial wellbeing and how we support our people through the cost of living crisis.

3.3.3.2. NHS staff survey

The NHS staff survey is conducted annually. From 2021/22 the survey questions align to the seven elements of the 'NHS People Promise' and retain the two previous themes of 'engagement' and 'morale'. These replaced the ten indicator themes used in previous years. All indicators are based on a score of 10 for specific questions with the indicator score being the average of those.

2022/23 and 2021/22

The response rate to the 2022 survey among Trust staff was 37%, (2021: 47.21%). This year there was a reduction in the Trust's staff engaging with the survey compared to the 2021 staff survey; however this is in line with the national trend which has shown an overall decline in responses compared to last year. We have performed well in the areas that were identified as priorities in 2021 – specifically around reward and recognition, the role of line managers and some small improvements relating to civility, respect and appreciation.

In summary, we are above average in eight of the nine themed areas. The remaining themed area, 'We are Safe and Healthy' scored in line with average scores. In the 2021 staff survey, we were above average in just one of the themed areas, showing a significant improvement following the key priority areas developed from the 2021 results.

Scores for each indicator, together with that of the survey benchmarking group (which is comprised of Acute and Acute and Community NHS Trusts) is presented below:

Figure 51 – NHS Staff Survey People Promise Indicators Scores

People Promise Theme	Trust Score 2022	Benchmark Group Score 2022	Trust Score 2021	Benchmarking Group Score 2021
We are compassionate and inclusive	7.3	7.2	7.1	7.2
We are recognised and rewarded	5.9	5.7	5.8	5.8
We have a voice that counts	6.8	6.6	6.7	6.7
We are safe and healthy	5.9	5.9	5.8	5.9
We are always learning	5.6	5.4	5.3	5.2
We work flexibly	6.1	6.0	5.8	5.9
We are a team	6.7	6.6	6.4	6.6

People Promise Theme	Trust Score 2022	Benchmark Group Score 2022	Trust Score 2021	Benchmarking Group Score 2021
Staff engagement	6.9	6.8	6.8	6.8
Morale	5.8	5.7	5.7	5.7

2020/21

Scores for each indicator together with that of the survey benchmarking group (Acute and Acute and Community Trusts) are presented below.

Figure 52 – NHS Staff Survey Indicator Scores 2020 and 2019

	2020 – Trust Score	2020 Benchmark Score	2019 – Trust Score	2019 – Benchmark Score
Equality, diversity and inclusion	8.9	9.1	9.0	9.0
Health and Wellbeing	6.0	6.1	6.1	5.9
Immediate Managers	6.7	6.8	7.0	6.8
Morale	6.3	6.2	6.4	6.1
Quality of Care	7.6	7.5	7.6	7.5
Quality of Appraisals	n/a	n/a	5.7	5.6
Safe Environment – Bullying and Harassment	7.9	8.1	8.1	7.9
Safe Environment – Violence	9.5	9.5	9.5	9.4
Safety Culture	6.8	6.8	6.9	6.7
Staff Engagement	7.1	7.0	7.2	7.0
Team Working	6.5	6.5	6.8	6.6

Future priorities and targets

The survey has highlighted the following key priority areas for particular focus over the next year:

We each have a voice that counts:

- Ensuring staff feel confident and safe to speak out if there is something that needs to change;
- Embedding a just and learning culture approach – i.e. focusing on how we create a culture where colleagues feel supported and empowered to learn when things don't go as expected, rather than allocating blame; and
- Improving response rates for staff engagement events including (but not limited to) NHS staff survey results and the national quarterly pulse survey.

We are safe & healthy:

- Continue with our focus on civility and behaviours at a local department level.

We are always learning:

- Continue to support our staff with access to the right learning and development opportunities when they need them and invest in our people to build confidence and capability.

Morale:

- Support our staff and managers to have effective conversations – such as stay interviews, wellbeing conversations and talent management conversations.

Our aim is to continue to improve our scores across all of the themes and an action plan is under development to ensure priorities and actions are clear and timely objectives are set. These will be monitored on a quarterly basis through the People Academy.

3.3.3.3. Equality and Diversity

We have seen an improvement in our overall 'Equality & Diversity' score in the 2022 staff survey results, rising above the average score of 8.1 to 8.2. This element falls under the 'We are compassionate and inclusive' element of the People Promise for 2022.

The staff survey plays a major part in the annual Workforce Race Equality Standard (WRES), Workforce Disability Equality Standard (WDES) and Gender Pay Gap data collection and action plans. We have continued our efforts in raising the profile of race, disability and gender equality across the Trust. We will be further analysing the results with an equality lens ensuring any key trends or themes are considered within the 2023/24 action plans.

We have reviewed and refreshed our WRES and WDES action plans for 2022/23, these were co-produced with our staff equality networks and approved at the People Academy in October 2022. The action plans have been aligned to the NHS People Plan and People Promise with particular focus on:

- Workforce Representation, Recruitment & Retention
- Leadership, Learning & Development
- Staff Experience (Inclusion & Belonging)

Improved performance for both WRES and WDES is essential in ensuring the Trust is reducing the gap in some of the workforce inequalities that are evident. We have good infra-structure and strong foundations in place which will enable us to improve our performance over the next 12 months and further updates will follow in due course.

3.3.4. TRADE UNION FACILITY TIME

Figure 53 – The total number of employees who were relevant union officials during 2022/23

Number of employees who were relevant union officials during the relevant period	45
Full-time equivalent employee number	40.51

Figure 54 – Percentage of time spent on facility time

Percentage of time	Number of employees
0%	29
1-50%	15
51%-99%	0
100%	1

Figure 55 – Percentage of pay bill spent on facility time

Total cost of facility time	£58,721
Total pay bill	£367,352,000
Percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0.02%

3.3.5. CONSULTANCY AND OFF-PAYROLL ARRANGEMENTS (SUBJECT TO AUDIT)

When considering the employment of workers off-payroll the Trust completes an Employer Status Indicator test that can be found on HMRC's website. Any engagements deemed by the test to constitute employment must be paid through payroll. The Trust also requires all roles required in statute, such as the Chief Executive, Chief Nurse, Medical Director and Director of Finance, to be on payroll.

The Trust did not engage in any off-payroll worker engagements at any point during the year ended 31 March 2023 earning £245 per day or greater.

The Trust did not engage off-payroll board member, and/or, senior officials with significant financial responsibility, between 1 April 2022 and 31 March 2023.

In 2022/23 the Trust spent £1,145,000 on consultancy (£1,025,000 in 2021/22).

3.3.6. EXIT PACKAGES (SUBJECT TO AUDIT)

Figure 56 - All exit packages 2022/23

	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
Exit package cost band (including any special payment element)			
<£10,000	1	0	1
£10,000 - £25,000	1	1	2
£25,001 - 50,000	0	0	0
£50,001 - £100,000	0	0	0
£100,001 - £150,000	0	0	0
£150,001 - £200,000	0	0	0
>£200,000	0	0	0
Total number of exit packages by type	2	1	3
Total resource cost (£)	£27,158	£15,874	£43,032

Figure 57 - All exit packages 2021/22

	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
Exit package cost band (including any special payment element)			
<£10,000	1	1	2
£10,000 - £25,000	1	1	2
£25,001 - 50,000	0	0	0
£50,001 - £100,000	0	0	0
£100,001 - £150,000	0	0	0
£150,001 - £200,000	0	0	0
>£200,000	0	0	0
Total number of exit packages by type	**2**	**2**	**4**
Total resource cost (£)	£17,900	£19,000	£36,900

Figure 58 - Exit packages, non-compulsory departure

	2022/23 Agreement number	2022/23 totalvalue of agreements £000	2021/22 agreement number	2021/22 totalvalue of agreements £000
Voluntary redundancies including early retirement contractual costs	0	0	0	0
Mutually agreed resignations (MARS) contractual costs	0	0	0	0
Early retirements in the efficiency of the service contractual costs	0	0	0	0
Contractual payments in lieu of notice	1	16	0	0
Exit payments following employment tribunals or court orders	0	0	1	12
Non-contractual payment requiring HM Treasury (HMT) approval	0	0	1	7
Total	1	16	2	19
Of which: Non-contractual payments requiring HMT approval made to individuals where the payment value was more than 12 months of their annual salary			0	0

3.3.7. GENDER PAY GAP

See section 3.4.15 of the Equality Report.

3.4. EQUALITY REPORT

3.4.1. ESTABLISHING OUR EQUALITY AND DIVERSITY COUNCIL (EDC)

The Trust's EDC continues to meet regularly and is chaired by the Trust's Chief Executive who is also the Trust's Executive Sponsor for equality, diversity and inclusion. The EDC has continued focus on workforce equality and diversity related matters, including the Trust's approach to tackling health inequalities. Membership of the EDC is reviewed regularly with focus on ensuring its role and remit is fit for purpose. The terms of reference for EDC are reviewed annually. Having the EDC in place demonstrates the Trust's commitment and collective responsibilities in advancing EDI and our focus on tackling health inequalities.

3.4.2. STAFF ENGAGEMENT

We have continued to ensure staff are engaged and informed on a number of different areas. We held a Q&A session in December 2022 for staff who had concerns or questions regarding the Flu and COVID-19 vaccinations. The session was facilitated by the Head of Equality, Diversity and Inclusion along with key individuals from across the Trust who formed a 'panel of experts' who listened,and provided reassurance and support on the challenges and concerns raised in relation to COVID-19 and vaccine hesitancy.

There has also been a range of engagement and information sessions with our staff equality networks showcasing and celebrating a whole range of equality related events.

The Trust's Head of Equality, Diversity and Inclusion is also involved with a range of Place level activity in relation to staff engagement and involvement. For example, in November 2022 we held a week long disability equality festival 'Connected on Disability' as part of Disability History Month. This was in collaboration and partnership with other organisations within Bradford & Craven, such as Bradford District Care NHS Foundation Trust, the local authority, higher education and wider health and social care partners under the theme of 'Act as One'.

3.4.3. Equality and Diversity Strategy

There are a number of national levers in terms of our responsibilities in advancing equality, diversity and inclusion. We are currently in the process of developing a dedicated Equality, Diversity and Inclusion (EDI) strategy. This new strategy sets out the Trust's ambitions and plan of action to promote and advance equality of opportunity, with sharp focus on belonging and inclusion. It has been shaped from our willingness to listen and involve our staff and key stakeholders through extensive consultation; from partnerships with our equality networks and understanding their experiences of working and being service users and patients and from the learning we have gained from external benchmarking, peers and partners.

The strategy aims to drive a step change in the culture of our organisation, helping us to embed and advance EDI, for the benefit of our staff, patients and the wider community.

The strategy will be a three year strategy and was approved by our Board of Directors in March 2023. The following five strategic refreshed objectives have been identified to develop and action over the next three years. These are:

- Education, Empowerment and Support
- Effective Staff and Community Engagement and Involvement
- Population Health Inequalities
- Promoting Inclusive Behaviours
- Reflective and Diverse Workforce

The strategy will be accompanied by a year on year implementation plan which will also show the progress we are making.

3.4.4. Workforce Race Equality Standard (WRES)/ Workforce Disability Standard (WDES)

Our refreshed race and disability action plans in response to our requirements for WRES and WDES were presented to the Trust's People Academy in October 2022. These were approved by the People Academy with targeted action taking place with the overall aim of improving our performance on WRES and WDES.

Both action plans have been developed to reflect targeted focus for all the indicators that require improvement, with the aim of bringing about positive change across the Trust in terms of race and disability equality.

The overall percentage of Ethnic Minority staff in the workforce has risen over the past three years and if we consider the People Academy dashboard figure we have effectively achieved our target of having an overall workforce that is representative of the local population (35%) by 2025 which is really positive. However, we recognise there is still work to do to ensure we have a representative workforce at all levels of the organisation. Our People Academy dashboard update for May 2022 reflected an encouraging 1% increase in

representation of Ethnic Minority staff at senior leadership levels in the last 12 months (where Ethnic Minority staff currently represents 15.5% of senior leaders at the Trust). However, although we are making a steady improvement, we are still below our target of 35% representation and consequently there will be continued focus on improving this in our 2022/2023 WRES action plan.

In developing these action plans, consideration has also been made to the EDI activity taking place at both regional and place level and the Trust's Corporate Strategy[41], which was launched in 2022. It also aims to reflect the objectives outlined in the National NHS People Plan 2020/21 and the People Promise[42] which places significant focus and attention to the wider system diversity and inclusion agenda.

The Trust's Race Equality Staff Inclusion Network (RESIN) and the Trust's Disability Equality Staff Network (Enable) have been involved in the development of each action plan which this year have been grouped into three key themes; These are: 'Workforce Representation, Recruitment & Retention', 'Leadership, Learning & Development' and 'Staff Experience (Inclusion & Belonging)'.

3.4.5. LGBT+ Equality

Our LGBT+ staff network has also been refreshed with a newly appointed chair and deputy chair. The network have been actively involved in delivering the Rainbow Badge training and involved with raising the profile of LGBT+ equality across the Trust.

3.4.6. WDES Innovation Fund

As part of our work in advancing disability equality, we were successful in obtaining some funding as part of the WDES Innovation Fund. This has allowed us to develop and create an impactful video of six members of staff who share their positive lived experiences on how they are supported in the workplace in terms of managing their disability/long term health condition at work. The video is also accompanied with a travelling photography exhibition, capturing hidden disabilities, physical disabilities, long-term health conditions, learning disabilities and disability by association. The video and photo display have both had positive feedback and are having a strong positive impact within the organisation, and with some of our Partners across the region.

3.4.7. Staff Networks

Our staff networks were re-launched in May 2022 as part of National Staff Network Day. We strongly believe staff equality networks are a key building block to the Trust's diversity and inclusion agenda where staff can share their lived experiences and effectively influence the Trust's diversity and inclusion agenda. Our network representatives are active members of the Equality and Diversity Council (EDC) where they have a voice to influence EDI across the organisation. We have continued our efforts to further engage with diverse staff across the Trust, with the aim of providing safe space, responding to risks, concerns and issues and with a view to understanding their lived experience and using this to bring about a change in the culture of the organisation. Recent examples include; a Filipino nurse appreciation event, celebrations for Black History Month, marking the festival of Diwali, and LBGT+ History month.

[41] https://www.bradfordhospitals.nhs.uk/our-trust/strategy/
[42] https://www.england.nhs.uk/ournhspeople/online-version/lfaop/our-nhs-people-promise/the-promise/

3.4.8. Disability, Equality and Disability Leave Policy

See section 3.3.2 Staff Policies and Actions.

3.4.9. Trans Equality Policy

See section 3.3.2 Staff Policies and Actions.

3.4.10. Bullying and Harassment policy

See section 3.3.2 Staff Policies and Actions.

3.4.11. Overhaul of the Recruitment and Selection Policy and Practices

See section 3.3.2 Staff Policies and Actions.

3.4.12. Project Search – Supporting young disabled people with learning disabilities into employment

We continue to support and host Project Search, an initiative aimed at young people with learning difficulties and continue to make a positive impact on all graduates and their families.

3.4.13. Reporting of harassment and bullying/hate crime

We have maintained the hate crime reporting functionality on Datix and continue to ensure staff reporting harassment and bullying issues via Datix are made aware of the support that is available to them.

3.4.14. Launch of the Trust's Reciprocal Mentoring Scheme

We have successfully rolled out an internal reciprocal mentoring scheme, where executive and non-executive colleagues have been partnered with aspiring leaders from across the organisation. The scheme has been targeted to staff from an ethnic minority background and those with a disability or long-term health condition. The review of this scheme is due to be completed end of March with plans to roll out the second cohort in May 2023.

3.4.15. Gender Pay Gap

On 31 March 2022 our workforce comprised of 6,670 staff, of which; 5,127 (76.87%) were women and 1,543 (23.13%) were men. Our mean gender pay gap (reported in March 2023, but at the snapshot date of 31 March 2022) was 26.06% and our mean bonus pay gap was 30.76%. Since we began reporting our Gender Pay Gap in 2018 (as at March 2017) there have been fluctuations in our mean Gender Pay Gap figure, but we have seen an overall improvement of 5.28%, which is positive. Other key findings from this years' data include:

- Women continue to be under-represented at more senior levels and over-represented at middle management levels.
- Men continue to be significantly under-represented in nursing and midwifery roles, admin and clerical and other areas such as Allied Health Professions (AHPs).
- Men earn on average 34.55% more in bonuses than women (clinical excellence awards for medical and dental consultants).

We will continue to work with our Gender Equality Reference Group to review the data in more detail and refresh our action plan for 2023/2024. At this stage, there is no indication that we should change the focus of our action plan. The key areas of focus will continue to be:

- Talent management.
- Leadership development/ women in leadership.
- Blockers for women progressing: the Gender Equality Reference Group will explore potential blockages and opportunities for progressing gender equality at the Trust.
- Further developing a culture of flexible working focussing on front line roles.
- The under-representation of men in nursing and midwifery, admin and clerical and other areas such as Allied Health Professions.
- Continued work with other NHS Trusts and partners at place level to learn from best practice and explore opportunities to develop joint activities.
- Further detailed data analysis of the upper quartile of pay.

In celebration of International Women's Day; on 8 March we held a live stream of the NHS Confederation Health and Care Women Leaders Webinar. The webinar was an uplifting and inspirational event which highlighted work that is under way to progress gender equality and make a positive difference for women working in health and care. Speakers included Amanda Pritchard, Chief Executive and Dr Bola Owolabi, Director of Health Inequalities Improvement, NHS England.

On 20 March we also held an engagement event to explore flexible working for front line staff. This work is being aligned to the NHS People Promise.

3.4.16. Equality and Diversity Training

We have updated and reviewed our focus on equality and diversity training. We have developed a half day face to face training course which explores the impact of EDI both in terms of patients and our workforce, and also includes focus on our wider responsibilities in managing EDI in the workplace. An initial pilot of the training with a group of colleagues meant we could ensure we included a good balance of the contents in terms of learning and awareness. We have mandated that our EDI training now be completed every 3 years.

3.4.17. Interpreting Services

Our interpreting services team supported people on no fewer than 50,363 occasions, and in over 50 different languages. It meets the needs of non-English speakers and British Sign Language users, primarily through face-to-face interpreting. We also provide support using telephone and video, to ensure 24-hour access, seven days a week. Requests for support in other formats, such as Braille, are also met through our team. As the range of languages continues to increase the Interpreting Service have carried out further recruitment to ensure the needs of all our patients are met effectively. The top 10 languages requested are shown below

Figure 59 - Top 10 languages requested through interpreter services

Language	Number of requests
Urdu/Punjabi	23,468
Czech/Slovak	6,852
Polish	3,629
Arabic	3,275
Bengali	2,667
Hungarian	1,485
Kurdish	1,115
Pushto	886
Romanian	746
BSL	626

3.5. NHS FOUNDATION TRUST CODE OF GOVERNANCE

3.5.1. STATEMENT OF COMPLIANCE

We have 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.

In May 2023, the Board of Directors reviewed our compliance with the NHS Foundation Trust Code of Governance to identify any areas for further development.

The review concluded that, with regard to the provisions in the Code to which "comply or explain" is applicable, the Trust is compliant with all those provisions.

Appendix 1 provides a guide to the location within this Annual Report of the disclosures required under the Code and those additional disclosures required by NHS England (NHSE) as described within their Annual Reporting Manual 2022/23.

3.5.2. GOVERNANCE AND ORGANISATIONAL ARRANGEMENTS

The basic governance structure of all NHS Foundation Trusts includes members, a Council of Governors, and a Board of Directors.

This structure is well developed at the Trust and is set out in our Foundation Trust Constitution[43].

3.5.3. OUR FOUNDATION TRUST MEMBERSHIP

Membership strengthens the links between healthcare services and the local community; it is voluntary, free of charge and obligation. Members can give their views on relevant issues to help improve the experience for patients, visitors and staff. Our Trust membership is made up of public, patients and staff. All members are required to be at least 16 years old.

[43] https://www.bradfordhospitals.nhs.uk/wp-content/uploads/2021/11/BTHFT-Constitution-July-2021.pdf

During the year, local people and those accessing our services as a patient or carer, or those with any other connection to our Trust, have been able to become a member of the Trust by completing the online membership form[44].

Public membership: Our public membership is divided into six sub-constituencies which cover Keighley, Shipley, Bradford East, Bradford South, Bradford West and 'rest of England and Wales'. With the exception of our staff, postcode will determine the membership constituency.

Patient (out of Bradford) membership: Patients, or the carers of patients, who live outside of our Bradford district can join our patient membership constituency.

Staff membership: Our staff membership constituency is divided into four groups. These cover nursing and midwifery, medical and dental, allied health professionals and scientists, and 'all other staff groups' (administration and clerical staff, estates and facilities staff and some members of staff who provide additional clinical services).

Number of members

Figure 60 highlights our membership at the start of the year and at the end showing changes in between. The previous year's information is also provided for comparison.

Figure 60 - Membership for the period 2022/23 and 2021/22

Membership size and movements		
Public constituency	**2022/23**	**2021/22**
At year start (April 1)	34,796	35,143
New members	103	20
Members leaving	2,007	367
At year end (March 31)	32,892	34,796
Patient constituency	**2022/23**	**2021/2022**
At year start (April 1)	6,104	6,176
New members	2	3
Members leaving	558	75
At year end (March 31)	5,548	6,104
Staff constituency	**2022/23**	**2021/2022**
At year start (April 1)	5,865	5,725
New members	248	310
Members leaving	144	170
At year end (March 31)	5,969	5,865

[44] https://secure.membra.co.uk/Join/BradfordTeaching

Figure 61 - Analysis of Public and Patient Membership 2022/23

Analysis of Public and Patient membership		
	As at 31 March 2023	
Public constituency	**Number of members**	**Eligible membership (Bradford Metropolitan District Council population)**
Age (years):		
17-21	6	34,454
22+	32,332	375,874
Ethnicity:		
White	23,272	352,317
Mixed	35	12,979
Asian or Asian British	8,950	140,149
Black or Black British	84	9,267
Other	16	7,740
Gender analysis		
Male	14,733	268,776
Female	17,985	276,061
Patient constituency	**Number of members**	**Eligible membership**
Age (years):		
0-16	0	N/A
17-21	0	N/A
22+	5,507	N/A

The analysis excludes:

- 554 public members with no dates of birth,
- 535 members with no stated ethnicity
- 173 members with no gender
- 41 patient members with no dates of birth

Membership representation, engagement and communications

Representation

In year, public and patient membership has declined overall by 2,565 members (6%) leaving the Trust with a total public and patient membership of 38,440 at 31 March 2023. 105 new members have joined the Trust in year.

With regard to our public membership constituencies of Bradford East, Bradford South, Bradford West and Keighley; the number of public members within the 16-21 age group is under-represented. With regard to those aged over 22 years the Trust is over represented by approximately 30%. With regard to ethnicity the Trust is fairly well represented in relation to the majority of our communities served. With regard to gender the Trust is slightly over-represented with regard to female members by approximately 4%. We have no members reporting that they are transgender.

The profile of the membership is also monitored to determine whether it reflects our population from a socio-economic perspective using the 'National Readership Survey (NRS) grades system' which focusses on occupation. With regard to the NRS system our

membership remains fairly representative of the communities we serve who form part of groups C1 and C2 (Supervisory or clerical and junior managerial roles, administrative or professional and, skilled manual workers). For Groups A and B (higher managerial roles, administrative or professional. Intermediate managerial roles, administrative or professional); our membership is over-represented by approximately 5%. For groups D and E (semi-skilled and unskilled manual workers, state pensioners, casual and lowest grade workers, unemployed with state benefits); we are under-represented within our membership by approximately 5%.

With regard to membership recruitment, the focus for this year has been the development of a wide range of communication channels and methods to support the recruitment of new members. This includes the use of social media, information screens here in the Trust, posters and pull-up banners, a welcome pack for new members, a governor toolkit to support engagement and, linking with the Trust partners to share key messages.

The benefits of these, alongside the further development of the engagement programme are expected to bring results, particularly with regard to our younger age group, in the next year.

Figure 62 - Socio-Economic profile of the Trust's Membership as at 31 March 2023

The following classifications based on the occupation of the chief income earner within a household have been applied to our membership. As at 31 March 2023 our Public membership reflects the following compared to our local population (BMDC) and the national population.

	Public Membership	% of Membership	Base (BMDC)	% of Base (BMDC) area	% of National Base
ONS Classifications	**32,822**	**100%**	**207,179**	**100%**	**100%**
AB: Higher managerial roles, administrative or professional. Intermediate managerial roles, administrative or professional.	6,953	21	33,961	16	26
C1: Supervisory or clerical and junior managerial roles, administrative or professional.	8,931	27	59,573	29	36
C2: Skilled manual workers.	7,486	23	43,122	21	19
DE: Semi-skilled and unskilled manual workers. State pensioners, casual and lowest grade workers, unemployed with state benefits only.	9,452	29	70,523	34	19

Further information about social grade data is available here[45].

Member and public engagement

The Trust has in place a Membership Development Plan which was approved by the Board of Directors in November 2021 following consultation with the Council of Governors in October 2021. The plan sets out a series of objectives for the Trust, to continue to maintain, grow and engage with its membership, including the actions that it will take to meet these objectives. Three core themes were identified and the objectives and subsequent actions are centred on the following themes:

- Engagement/Involvement
- Communication
- Recruitment

The plan is published on the Trust website and is available here[46]. Whilst the Membership Plan Delivery Group was established in December 2021 to oversee the implementation of the plan, its work was delayed due to the nationally directed Trust response to the Omicron Variant (COVID-19) and as such held its first meeting in March 2022. This group has also met quarterly throughout 2022/23 (June 2022, September 2022, December 2022 and March 2023) and reports biannually to the Board of Directors and the Council of Governors on progress with regard to the plan. During 2022/23 engagement/involvement activities were limited as the Trust was returning to 'business as usual' in stages following the pandemic. The following provides a snapshot of the key areas of engagement/involvement and communications.

- **Annual General Meeting / Annual Members Meeting:** The Trust held an in-person annual members meeting/annual general meeting[47] (AGM/AMM) on 31 October 2022 (our first in person AGM/AMM) in three years to present the annual report and accounts 2021/22 to our members and the public.

[45] https://pamco.co.uk/how-it-all-works/interview-and-questionnaire/social-grade/
[46] https://www.bradfordhospitals.nhs.uk/wp-content/uploads/2022/01/BTHFT-Membership-Plan-2022-Approved.pdf
[47] https://www.bradfordhospitals.nhs.uk/agm2021/

NHS
Bradford Teaching Hospitals
NHS Foundation Trust

Annual General Meeting and Annual Members Meeting 2021-22

Monday 31st October 2022 from 5pm to 7pm
Snacks and refreshments available from 4.15pm
Sovereign Lecture Theatre, Field House, Bradford Royal Infirmary , Duckworth Lane, BD9 6RJ

Another year like no other...

Hear about how our Trust has performed over the last year - in particular how we have dealt with the continued impact of COVID-19. Followed by our special presentation on:

Embedding Kindness and Civility

"Civility saves lives..."
Hear about how we are embedding a culture of kindness and civility to make the Trust a great place to work, and ultimately improve outcomes for our patients.

Please book places in advance

Get in touch
- To book places
- If you need a parking permit
- To let us know about any special requirements
- If you have any questions you want to raise with the Board

Email membership@bthft.nhs.uk or phone 01274 364794

Annual report and accounts 2021/22
Our annual report and accounts will be published on our website at the beginning of October

Why not become one of our foundation trust members? To join and receive regular news updates on our hospitals scan the QR code and follow the link:

Improving our quality of care: 2021/22

NHS
Bradford Teaching Hospitals
NHS Foundation Trust

Progressing our top four priorities in 2021/2

Improving the management of deteriorating patients
- Embracing the very latest digital technology

Improving patient experience
- Roll-out of our Embedding Kindness programme

Continued reduction in stillbirths
- Launch of our Outstanding Maternity Services (OMS) Programme

Advancing equality, diversity and inclusion
- Development of a ground-breaking three-year strategy

Our year of quality – in numbers

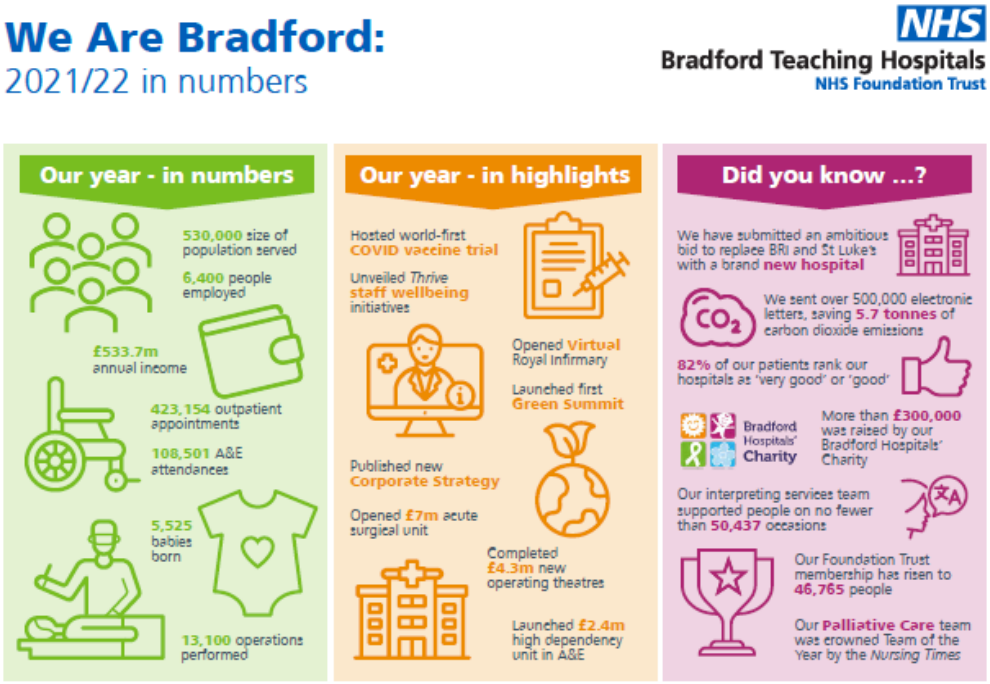
10,384 – patients participating in approved research
100% – success in meeting data security standards
2 – national awards for our virtual care initiative
30,409 – Friends and Family Tests received
60 – kindness awards presented
90%+ – one-to-one care in maternity
41 – different health services provided

New Priorities for 2022/23

Reducing in-patient falls
Upgrading incident reporting system
Further improving pressure ulcer prevention
Building on still birth reductions

Urgent and Emergency Care CQC survey

Our Trust was named the most improved family of hospitals, thanks to:
- **Privacy** at reception
- **Reduced** wait time to see a clinician
- **Overall length** of visit
- **Confidence** in clinicians
- **Cleanliness** of the department
- **Dignity** and **respect**.



Opportunities were provided in advance of the event for questions to be submitted by members and the public which were addressed at the meeting. A video of the whole proceedings was also posted following the event for others, unable to join us in person, to view. The video is available here.

This year's special guest speakers were Laura Booth, Quality Lead for Patient Experience and Cat Shutt, Assistant Director of HR/Head of Organisational Development, who discussed progress made against the Trust's Embedding Kindness and Civility Programmes which aim to embed a culture that is grounded in civility and kindness that makes our Trust an outstanding place to work and where everyone has a real sense of belonging.

- **Major Membership Mailing:** The Trust invested in a significant mail-out to approximately 15,000 of our members for whom we do not hold a valid email address. The core objective of the mailing was the ability for the Trust to provide more timely communications in a cost effective way, to promote the new membership portal and, a new 'email updater'. This new development provides the opportunity for all members to take control of their own data. At year end the number of new emails we had added to our register totalled 934.

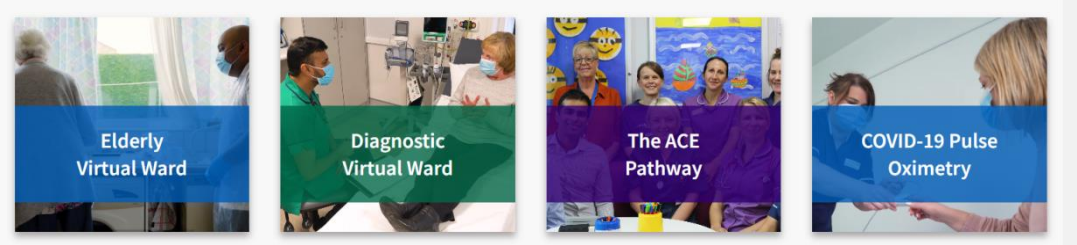
- **Patient-Led Assessments of the Care Environment (PLACE) programme:** Members signed up to become patient assessors as part of the Trust drive to deliver the revived PLACE programme.

- **A&E Patient Experience Event:** We also saw a diverse group of people, including members; join a half-day session that focussed in on our Accident and Emergency department. The session has helped identify how we could make things better for our service users.

- **Volunteering:** Our Volunteering Service is now recruiting new members following a hiatus of approximately two years due to the pandemic. Our members have been encouraged to sign up.

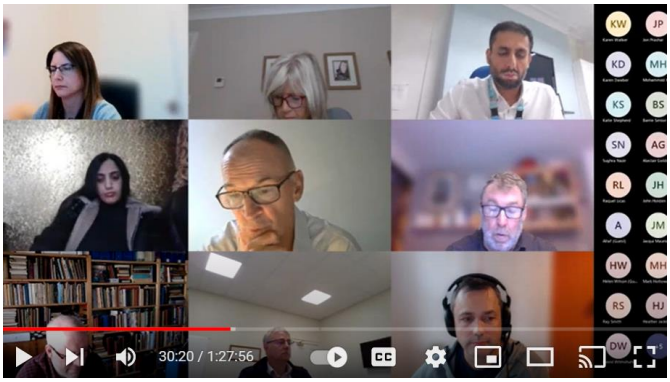
- **Research Volunteers:** Members were invited to participate in a research project being run by the Patient Safety Translational Research Centre on the quality and safety of how patients' journeys are coordinated through hospitals.

- **Virtual Royal Infirmary:** Members have been invited to complete a survey on the development of our virtual services which are designed to provide hospital standard care to patients closer to where they live and often in their own home.



- **Corporate Strategy:** Members had in the previous year been invited to comment on our proposed Corporate Strategy through a survey. We shared with our members 'Our Patients, Our People, Our Place and Our Partners' explaining how our Trust would work towards our vision to be an 'outstanding provider of healthcare, research and education and a great place to work'.

- **Council meetings:** Council meetings have continued to take place quarterly in year. These have been delivered both virtually and in-person. The virtual meetings have been recorded and members and the public are able to access the recordings, which are posted online shortly following the meeting, on the Trust's YouTube channel here.[48]

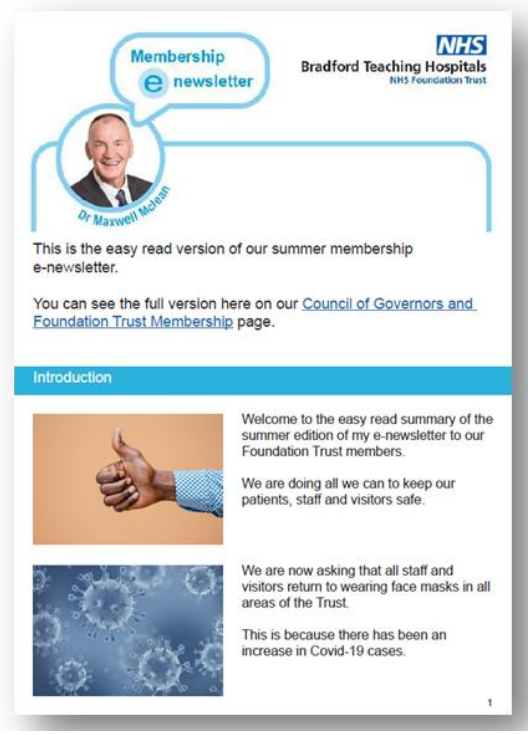


[48] https://www.youtube.com/@BTHFTBradfordTeachingHospitals/videos

Annotated agendas to guide viewers are available here[49] alongside the meeting papers. The links to view these are circulated via our membership communications. The papers and agendas for council of governor meetings are published on the Trust's website in advance of the meetings taking place.

Communications

We have continued to improve our communications with our members and the public in year through the routine provision of our membership e-newsletters and quarterly bulletins[50]. These are also provided in easy-read versions.



Members and the public have also been provided with links to 'Mel's monthly news round ups'[51]. Each month these videos provide the very latest information on how our hospitals have coped with the restart following COVID-19 and, importantly, key developments aimed at improving our services.

[49] https://www.bradfordhospitals.nhs.uk/our-trust/cog-meetings/
[50] https://www.bradfordhospitals.nhs.uk/our-trust/membership-news/
[51] https://www.youtube.com/channel/UCbMe0YV6GzoCOXcm34U2uRw

Mel Pickup's Weekly News Round-Up, Edition 101, 06 Jan 2023 (Review of 2022)

General and targeted emails alongside the e-bulletins and monthly membership news emails have continued to be sent to publicise and seek nominations for our governor elections which concluded in May 2022 and in December 2022. The election results are reported on in full under section 5.3.4 titled Election Processes held in-year.

Contact procedures for the membership

If members have specific issues they wish to raise they are advised to contact the council of governors or the membership office via any of the following methods:

- General membership email: members@bthft.nhs.uk
- Governors' email: governors@bthft.nhs.uk
- Post: The Trust Membership Office, Trust Headquarters, Chestnut House, Bradford Royal Infirmary, Duckworth Lane, Bradford BD9 6RJ
- Telephone: 01274 364794

Becoming a member

To join as a member of our Foundation Trust please visit this link[52].

3.5.4. Council of Governors

The Council of Governors is an integral part of the governance structures that exist in all NHS foundation trusts.

The role of the council of governors is to hold the non-executive directors individually and collectively to account for the performance of the board of directors and to represent the interests of the Trust's members and members of the public. Governors are elected from the Trust's membership and most of the seats on a council of governors have to be held by elected public and patient governors (where a trust has patient governors).

[52] https://secure.membra.co.uk/bradfordteachingapplicationform/

Governor engagement with patients, visitors, and staff

Canvassing the opinion of the trust's members and the public, and for appointed governors the body they represent, on the NHS foundation trust's forward plan

Following the publication of operational planning guidance for the 2023/24 planning round in December 2022, the Council of Governors has been sighted on the guidance and the three priorities set by NHS England. As we are now part of the Bradford District & Craven Health and Care Partnership and the West Yorkshire Health and Care Partnership, the Council is sighted on the development of the Joint Forward Plan and the feedback received and considered at the West Yorkshire Integrated Care Board (ICB) and the West Yorkshire Health and Care Partnership Board meetings. The Joint Forward Plan Consultation report is available at this link[53].

3.5.4.1. Composition of the Council of Governors

There are 20 seats on our Council of Governors with 13 seats available for public and patient governors, four seats available for staff governors and three seats available for partner governors (to represent our key stakeholder organisations).

Figure 63 provides details of the Trust's Council member's in-year, the constituency, group or organisation they represent, their terms of office and a record of their attendance at the four formal meetings held in-year.

Figure 63 - Members of the Council of Governors during 2022/23

Public Governors (elected)		Term start date	Term end date	Meetings attended 2022/23
Mr David Wilmshurst	Shipley	12/2019	12/2025	4 of 4
Ms Aleksandra Atanaskovic	Shipley	03/01/2023	02/01/2026	1 of 1
Ms Caroline Chapman	Shipley	05/2021	04/2024 (resigned 21.11.22)	2 of 3
Mr Dermot Bolton	Bradford West	12/2019	12/2025	4 of 4
Mr Ibrar Hussain	Bradford West	05/2021	04/2024	4 of 4
Mr Khalid Choudhry	Keighley	05/2022	05/2025	2 of 3
Ms Wendy McQuillan	Keighley	04/2019	05/2022	1 of 1
Mr Kursh Siddique	Bradford East	05/2019 11/2022	05/2022 11/2025	1 of 1 1 of 1
Ms Heather Jacklin	Bradford East	05/2022	05/2025	2 of 3
Ms Kathryn Simons-Porter	Bradford East	05/2022	05/2025 (resigned 27.9.22)	0 of 1
Ms Stella Hall	Bradford East	04/2019	05/2022	0 of 1
Mr Adrian Cresswell	Bradford South	05/2021	04/2024	3 of 4
Dr Farideh Javid	Bradford South	01/2023	01/2026	1 of 1
Patient Governors (elected)				
Ms Hardev Sohal		04/2019	05/2022	1 of 1
Mr Mark Chambers		12/2019	12/2025	4 of 4
Staff Governors (elected)				
Ms Helen Wilson	AHPs	12/2019	12/2025	4 of 4
Ms Ruth Wood	All Other Staff Groups	03/2020	02/2023	2 of 4
Ms Raquel Licas	Nursing & Midwifery	05/2022	05/2025	3 of 3
Mr John Bolton	Medical & Dental	05/2022	05/2025 (resigned 3.2.22)	3 of 3
Partner Governors (appointed by our stakeholders)				

[53] https://www.wypartnership.co.uk/application/files/6716/7829/1118/JFP_Consultation_report_-_final.pdf

Public Governors (elected)		Term start date	Term end date	Meetings attended 2022/23
Professor Anne Forster	University of Leeds	05/2021	04/2024	2 of 4
Professor Alastair Goldman	University of Bradford	06/2019	05/2025	4 of 4
Cllr Tariq Hussain	BMDC	06/2019	05/2022	1 of 1
Cllr Fozia Shaheen	BMDC	11/2022	10/2025	1 of 2

Lead Governor	*Ms Wendy McQuillan (up to 05/2022)* *Mr Mark Chambers (from 05/2022 to 05/2025)*
Vice Chair of the Council of Governors	*Mr David Wilmshurst*

The maximum term length for a Governor is three years. Governors can serve a maximum of nine consecutive years in total (generally equivalent to three full term lengths). Profile information about all of our Governors[54] is available on our website.

3.5.4.2. Election processes held in-year

An election process to recruit to vacancies in the following constituencies was launched in March 2022 and concluded in May 2022.

- Bradford East (2)
- Bradford South (1)
- Keighley (2)
- Patient (1)
- Rest of England and Wales (1)
- Staff: Medical and Dental (1)
- Staff: Nursing and Midwifery (1)

Elections were held in Bradford East and in the Staff constituency for the Medical and Dental group. Two candidates were elected unopposed, in the Staff constituency for the Nursing and Midwifery group and in Keighley. No nominations were received for; Bradford South, the Patient constituency and, the 'Rest of England and Wales' constituency.

Governors joining the Council from May 2022 were:

- Mr Khalid Choudhry, Public Governor Keighley
- Ms Heather Jacklin, Public Governor Bradford East
- Ms Kathryn Simons-Porter, Public Governor Bradford East
- Sister Raquel Licas, Staff: Nursing and Midwifery
- Dr John Bolton, Staff: Medical and Dental

An election process to recruit to vacancies in the following constituencies was launched in September 2022 and concluded in December 2022.

- Bradford West (1)
- Bradford South (1)
- Shipley (2)
- Keighley (1)
- Rest of England and Wales (1)
- Patient (Out of Bradford) (2)
- Staff: AHP & Scientists (1)

[54] https://www.bradfordhospitals.nhs.uk/our-trust/how-we-make-decisions/

- Staff: All other staff groups (Admin & Clerical, Estates & Ancillary and, Additional Clinical Services) (1)

Elections were held in Bradford West, Bradford South and Shipley. Three candidates were elected unopposed, in the Patient (Out of Bradford) membership constituency; and the Staff constituencies for the AHP & Scientists group and the 'all other staff' group.

Governors joining or re-elected to the Council from December 2022 were:

- Dr Farideh Javid, Public Governor Bradford South
- Ms Aleksandra (Alex) Atanaskovic, Public Governor Shipley
- Mr David Wilmshurst, Public Governor Shipley (re-elected)
- Mr Dermot Bolton, Public Governor Bradford West (re-elected)
- Mr Mark Chambers, Patient Governor (Out of Bradford) (re-elected)
- Ms Helen Wilson, Staff: AHP & Scientists (re-elected)
- Ms Ruth Wood, Staff: All other staff groups (re-elected)

At year-end the Council carries three Governor vacancies in the following constituencies:

- Keighley
- Rest of England and Wales
- Patient (Out of Bradford)

Both election processes described above have been undertaken in accordance with the rules outlined in appendix one of the Trust Constitution and were managed by the Returning Officer, Ms Ciara Hutchinson, Civica Election Services, The Election Centre, 33 Clarendon Road London, N8 0NW.

3.5.4.3. Council of Governors' Register of Interests

All governors are required to comply with the Council of Governors' Code of Conduct and declare any interests that may result in a potential conflict of interest in their role as governor. The interests are publicly available on our website here[55] as part of the Trust's declarations of interest register. The latest extract from the register is also included with the papers at each Council of Governors meeting. In addition, the register can be obtained from the Associate Director of Corporate Governance/Board Secretary via the following methods:

- Email: membership@bthft.nhs.uk
- Post: The Foundation Trust Membership Office, Trust Headquarters, Chestnut House, Bradford Royal Infirmary, Duckworth Lane, Bradford BD9 6RJ
- Telephone: 01274 364794

3.5.4.4. Council of Governors Statutory Duties and responsibilities

The Council of Governors hold a number of statutory duties and responsibilities. The powers of the governors are established under statute. The Council of Governors may not delegate any of its powers to a committee or sub-committee; however, it may appoint a committee to assist in carrying out its functions.

[55] https://bthft.mydeclarations.co.uk/

The statutory duties of the Council of Governors are to:

- Appoint and remove the Chairman and non-executive directors;
- Set the terms and conditions and remuneration of the Chairman and non-executive directors;
- Approve the appointment of the Chief Executive;
- Appoint the external auditor;
- Receive the Annual Accounts, Auditor's Report and Annual Report;
- Convene the Annual Members' Meeting;
- Be consulted on the forward plan (annual plan) of the organisation;
- Approve any proposed increases in private patient income of 5% or more in any financial year;
- Represent the interests of the Members of the Trust as a whole and the interests of the public;
- Require one or more of the directors to attend a governors' meeting to obtain information about the Trust's performance of its functions or the director's performance of their duties (and for deciding whether to propose a vote on the Trust's or Director's performance);
- Approve significant transactions;
- Approve an application by the Trust to enter into a merger, acquisition, separation or dissolution; and
- Approve amendments to the Trust's Constitution.

3.5.4.5. Council of Governors Nominations and Remuneration Committee

The Council of Governors has established a Governors' Nominations and Remuneration Committee that meets at least quarterly to deal with the appointment and/or reappointments of non-executive directors and the appointment/reappointment of the Chairman. Their purview includes remuneration, terms of office and NED/Chairman annual performance evaluation. The Remuneration Report under section 3.2.3.3 includes a report on the work of the Governors' Nominations and Remuneration Committee in-year.

3.5.4.6. Council of Governors' meetings

During 2022/23 the Council of Governors' meetings have routinely included the delivery of key presentations, and agenda items that have elicited challenge and supported discussion between governors and directors.

The agendas and papers including the minutes for the Council of Governors[56] meetings are available on our website.

With regard to their statutory duties and responsibilities the Council has, during 2022/23:

- Received the Annual Accounts, Auditor's Report and the Annual Report;
- Approved the remuneration of the Chair and the Non-Executive Directors;
- Reappointed Ms Julie Lawreniuk and Mr Mohammed Hussain as Non-Executives for a second term each;
- Approved a search to be undertaken for a NED nominated by the Leeds School of Medicine, University of Leeds;
- Approved the appraisals process for the Chairman and the Non-Executive Directors;

[56] https://www.bradfordhospitals.nhs.uk/our-trust/how-we-make-decisions/

- Received the report from the Chairman on the outcome of the appraisals process of the Non-Executive Directors;
- Received the report from the Senior Independent Director on the outcomes of the appraisal of the Chairman;
- Received information on the Priorities and Operational Planning Guidance for 2023/24;
- Received regular reports from the Governors Nominations and Remuneration Committee (NRC) on the business conducted by the NRC;
- Reviewed the Constitution; and
- Approved the External Auditor contract.

The Council of Governors has also received, reviewed and/or approved the:

- Appointments of NRC Members;
- Action Plan relating to Governors' Annual Evaluation;
- Appointment of the Lead Governor of the Council of Governors;
- Chair and NED Appraisal Processes 2022;
- Lead Governor Appointment;
- Governors Nominations and Remuneration Committee Terms of Reference;
- Process for the Annual Council of Governors Effectiveness / Skills and Knowledge Audit;
- Bradford District & Craven Citizens' Forum;
- Chairman's Report;
- Matters raised with Governors by Members, Patients and the Public;
- Report on the Inpatient Survey;
- Governors Nominations & Remuneration Committee (NRC) Report;
- Reports from the Chief Executive regarding the Trust's response to COVID-19; and from key Executives regarding; Patients, People, Partners and Place;
- Annual Members Meeting/AGM 2022;
- Governors' statutory duties in light of emerging health and care partnerships;
- Delivery of the Trust's Membership Plan;
- Board Committees and Academies Chair Reports;
- Process for the appointment of a Chair / Non-Executive Director / Associate Non-Executive Director;
- Council of Governors Standing Orders;
- Actions from the Governors Annual Evaluation / Skills, Knowledge and Development Audit;
- Council of Governors Terms of Reference;
- Council of Governors Annual Work Plan;
- Governors Code of Conduct; and
- Summary from pre-meetings with NEDs.

To support the delivery of their duties Council members have also, in year, been invited to attend in-depth Executive-led briefing sessions covering:

- The Trust's operational performance in relation to key indicators;
- The Trust's Operational and Financial Plan 2022/23;
- Quality Account Improvement Priorities 2022/23;
- Quality Account Improvement Priorities Progress Report 2022/23;
- Quality Account Improvement Priorities 2023/24;
- NHS Providers session on accountability;
- Maternity services / stillbirths;
- Institute of Health Research site visit;
- Education Services site visit;

- Bradford Royal Infirmary Estates/Clinical site visit; and
- St Luke's Hospital Estates/Clinical site visit.

3.5.4.7. Directors' attendance at the Council of Governors meetings

Executive and Non-Executive Directors routinely attend the meetings of the Council of Governors.

In 2022/23 the Council of Governors has not exercised its 'power under paragraph 10C of schedule 7 of the NHS Act 2006 to require one or more of the directors to attend a governors' meeting for the purpose of obtaining information about the Trust's performance or its functions or the directors' performance of their duties'.

3.5.4.8. Governors' effectiveness

In April 2022 the Council considered the outcomes of the Governors Annual Evaluation and the Trust, in conjunction with the Council, developed an action plan to address those areas identified as requiring improvement. Part of the review included the effectiveness of the Council. The Council considered the size of the Council of Governors and determined that at 20 members, it was adequate. The key area identified as requiring focus, and a summary of the actions taken in response, is identified as 'Representing the interests of the Trust's members and the local population'.

The Membership Plan Delivery Group has met as planned in this year. A Governor toolkit to support individual Governor engagement has been developed alongside other materials to support monthly Governor events at the Bradford Royal Infirmary site and the St Luke's hospital site. The programme began in April 2023. Governors continue to be encouraged to share trust communications amongst their contacts and networks. The Council is also in receipt of the Integrated Care Board (ICB) links and have been directed to the regular reports that the ICB delivers on the Listen In events managed by the ICB. The Council meeting agenda also continues to include as a regular item 'Matters raised with Governors by members, patients and the public'.

Governors continue to be in receipt of the agenda for Board meetings which is circulated in tandem with the circulation of papers to Board members and prior to publication on the Trust's website. Access to the Board papers including the confirmed minutes from the previous Board meetings[57] is available on our website.

3.5.4.9. Governor engagement with patients, visitors, and staff

A number of Governors signed up to the PLACE visits and, took part in the A&E Patient Experience Event. Governors were integral to the planning and delivery of the programme for the AGM/AMM 2022. Mr David Wilmshurst, Vice-Chair of the Council of Governors, with the support of a number of governors, presented the Governor and Membership report. This was supplemented by the publication of the Governor Highlights Report for 2021/22 Your Guide to our Year[58].

[57] https://www.bradfordhospitals.nhs.uk/our-trust/how-we-make-decisions/
[58] https://www.bradfordhospitals.nhs.uk/wp-content/uploads/2022/10/HG2943-BTH-AGM-%E2%80%98Your-guide-to-our-Year-202122-Report-2.pdf

3.5.4.10. External engagement

Governors are active within a range of third sector and statutory organisations that form part of the local health economy and these relationships inform their engagement with the Board of Directors. Governors have also attended or been involved in engagement activities specific to their role as governors. In-year this has included Governors' attendance or involvement in:

- National Governors' Conference, FOCUS, delivered by NHS Providers;
- A month in the life of Bradford District and Craven Place based partnership; and
- Bi-annual Governors Virtual Workshops delivered by NHS Providers.

3.5.4.11. Governors' learning and development

Learning and development has been provided to the full Council through the additional in-depth sessions and referenced earlier in this chapter under **Council of Governors' meetings.**

All new members of the Council have taken part in the Governor Induction programme which includes mandated attendance at the Core Skills training session delivered by Governwell (NHS Providers) and participation within an internally delivered session providing an overview of our Foundation Trust, the type of information Governors receive, the role of a Governor and, how Governors should carry this out.

3.5.4.12. Communicating with governors

There has been continued focus on the methods of communication with governors to ensure that they are in receipt of information that supports their understanding and knowledge of developments at the Trust at all levels. The Trust has been encouraging governors to support the dissemination of good news stories to the individuals, groups and organisations they are associated with. The methods of communication include:

- A quarterly Chairman's Bulletin from Dr Maxwell Mclean to ensure that governors are kept abreast of key developments, at the Trust and externally, as well as a key in-depth focus on Trust performance in selected areas. This important bulletin also includes news items and briefings from a range of statutory and non-statutory organisations which has included CQC, NHSE and NHS Providers;
- Routine receipt by Governors of all press releases;
- Access to the Trust's 'Let's Talk' weekly communication to staff; and
- Ensuring issues of critical importance are flagged with Governors prior to press releases being circulated.

Members and the public are able to communicate with the Council of Governors via the following methods.

- Email: governors@bthft.nhs.uk

- Post: c/o The Foundation Trust Membership Office, Trust Headquarters, Chestnut House, Bradford Royal Infirmary, Duckworth Lane, Bradford BD9 6RJ

- Telephone: 01274 364794

3.5.5. AUDIT AND COUNTER FRAUD SERVICES

3.5.5.1. External audit

The external auditor for the Trust is:

Deloitte LLP
One Trinity Garden
Broad Chare
Newcastle-upon-Tyne
NE1 2HF

Deloitte LLP was reappointed as the external auditor by the Council of Governors on 23 April 2020.

Figure 64 - External audit fees

Fee (excluding VAT)	2022/23 £000	2021/22 £000
Audit of Trust	67	64
Value for money	14	13
Additional fees	29	0
Total audit services – statutory audit	**110**	**77**
Audit of Charity*	0	12
Total	**110**	**89**

*Bradford Hospitals Charity is currently procuring for an External Auditor to audit the 2022/23 Charity Reporting and Accounts.

3.5.5.2. Internal audit and counter fraud service

Internal audit and counter fraud services are provided by Audit Yorkshire. The Director of Finance sits on the Audit Yorkshire Board which oversees Audit Yorkshire at a strategic level.

An internal audit charter formally defines the purpose, authority and responsibility of internal audit activity. This document was last approved by the Audit Committee in July 2021 and updated and reviewed in July 2022.

In-year the Audit Committee approved the planning methodology to be used by internal audit to create the Internal Audit Plan for 2022-2025, and gave formal approval of the Internal Audit Operational Plan in April 2022. The Internal Audit Operational Plan has not been fully delivered in-year and a number of audits have been deferred to 2023/2024.

The conclusions as well as all findings and recommendations of finalised internal audit reports are shared with the Audit Committee. The committee can, and does,challenge internal audit on assurances provided, and requests additional information, clarification or follow-up work if considered necessary. Executive of limited or low assurance level report are asked to attend the Audit Committee to provide further assurance.

A system is in place whereby all internal audit recommendations are shared with the Director of Finance on a monthly basis which is then shared with other Executives. Progress towards the implementation of agreed recommendations is reported (including full details of all outstanding recommendations) to the Executive Management Team and the Audit Committee on at least a quarterly basis. This has continued to be an area of focus by the committee during the year and Trust management has worked hard with the support of internal audit to ensure that the process for responding to internal audit recommendations has been improved. This is evidenced by the significant reduction in the number of outstanding recommendations as at year end which was supported by the implementation of a new internal audit software system.

The Counter Fraud Annual Plan 2022/23 was reviewed and approved by the Audit Committee in May 2022. The local counter-fraud specialist (LCFS) presented regular reports detailing progress towards achievement of the plan, as well as summaries of investigations undertaken.

The counter fraud policy is implemented via a well-publicised zero tolerance approach to fraud. There are regular newsletters sent out to all staff covering fraud of all kinds. The newsletter promotes fraud awareness and vigilance while encouraging staff to report suspected fraud via the established routes. The message is relayed by informing and involving staff to get them to assist in its prevention and deterrence.

This message is reinforced in the Trust's counter fraud internet section which features the details of the LCFS and to how report fraud in a variety of ways. Staff are also given the opportunity to engage with counter fraud at induction when they are sent a welcome email by the LCFS and supplied all appropriate contact details. Fraud Prevention Masterclasses have taken place throughout the year and presentations are delivered on specific fraud topics in addition to the distribution of fraud prevention notices from the Counter Fraud Authority and other fraud alerts.

The Counter Fraud Functional Standard is a Government initiative to set the expectations for the management of fraud risk in central Government organisations. The Trust is currently working in line with the NHS Counter Fraud Authority timelines for full compliance.

3.6. NHS OVERSIGHT FRAMEWORK

3.6.1. INTRODUCTION

NHS England's NHS Oversight Framework provides the framework for overseeing systems including providers and identifying potential support needs. NHS organisations are allocated to one of four 'segments'.

A segmentation decision indicates the scale and general nature of support needs, from no specific support needs (segment 1) to a requirement for mandated intensive support (segment 4). A segment does not determine specific support requirements. By default, all NHS organisations are allocated to segment 2 unless the criteria for moving into another segment are met. These criteria have two components:

a) objective and measurable eligibility criteria based on performance against the six oversight themes using the relevant oversight metrics (the themes are: quality of care, access and outcomes; people; preventing ill-health and reducing inequalities; leadership and capability; finance and use of resources; local strategic priorities)

b) additional considerations focused on the assessment of system leadership and behaviours, and improvement capability and capacity

An NHS foundation trust will be in segment 3 or 4 only where it has been found to be in breach or suspected breach of its licence conditions.

3.6.2. SEGMENTATION

NHS England has placed the Trust in segment two.

This segmentation information is the Trust's position as at 17 April 2023. Current segmentation information for NHS trusts and foundation trusts is published on the NHS England website.[59]

[59] https://www.england.nhs.uk/publication/nhs-system-oversight-framework-segmentation/

3.7. STATEMENT OF ACCOUNTING OFFICER'S RESPONSIBILITIES

Statement of the chief executive's responsibilities as the accounting officer of Bradford Teaching Hospitals 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 Officer Memorandum* issued by NHS England.

NHS England has given Accounts Directions which require Bradford Teaching Hospitals 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 Bradford Teaching Hospitals 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's Group Accounting Manual and in particular to:

- observe the Accounts Direction issued by NHS England, 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 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*.

Signed

Mel Pickup
Chief Executive
12 July 2023

3.8. ANNUAL GOVERNANCE STATEMENT

3.8.1. INTRODUCTION

Under the NHS Act (2006) all NHS entities are required to prepare an annual governance statement. The statement considers internal controls and reports on any significant issues that have arisen during the financial year, including information and quality governance. The Chief Executive signs the document which forms part of the Annual Report.

3.8.2. SCOPE OF RESPONSIBILITY

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the Trust's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me. I am also responsible for ensuring that the 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*.

3.8.3. 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 the 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 the Trust for the year ended 31 March 2023 and up to the date of approval of the annual report and accounts.

3.8.4. CAPACITY TO HANDLE RISK

The Trust is committed to the principles of good governance and recognises the importance of effective risk management as a fundamental element of its governance framework and system of internal control. We recognise that healthcare provision, and the activities associated with caring for patients, employing staff, providing premises and managing finances are all, by their very nature, risk activities and will therefore involve a degree of risk. These risks are present on a day-to-day basis throughout the Trust. We take action to manage risk to a level which is tolerable. We acknowledge that risk can rarely be totally eradicated, and a level of managed residual risk will be accepted.

Risk management is therefore an intrinsic part of the way we conduct business, and its effectiveness is monitored by both our performance management and assurance systems.

As Chief Executive, I am the Accounting Officer for the Trust. I have overall responsibility for ensuring effective risk management arrangements are in place. I am supported by the Director of Strategy and Integration and Chief Medical Officer, who are the lead directors for risk management and the Associate Directors of Quality and of Corporate Governance who together develop and manage the corporate approach to the management of risk, including the risk management strategy and the use of the BAF. I routinely use the BAF, the Trust's high level risk register, internal audit, the local counter fraud service, and external audit to ensure proper arrangements are in place for the discharge of our statutory functions, as well

as to detect and to act upon any risks and to ensure that the Trust can discharge its statutory functions in a legally compliant manner.

As Chief Executive, I have delegated some key responsibilities to other executive directors as shown at figure 65.

Figure 65 - Executive directors' key responsibilities

Role	Executive director Lead
Accounting Officer	Chief Executive
Allegations against professionals	Director of Human Resources
Caldicott Guardian	Chief Medical Officer
Controlled drugs	Chief Medical Officer
Corporate governance	Director of Strategy and Integration
Digitisation	Chief Digital and Information Officer
Doctors in difficulty	Chief Medical Officer
Emergency planning	Chief Operating Officer
End of life	Chief Nurse
Equality and diversity	Director of Human Resources
Fire safety	Director of Estates and Facilities
Freedom to Speak Up	Chief Nurse
Fundamental standards of quality and safety (CQC)	Chief Executive
Health and safety	Director of Estates and Facilities
Infection prevention and control	Chief Nurse
Learning from deaths	Chief Medical Officer
Patient safety	Chief Medical Officer Chief Nurse
Responsible Officer	Chief Medical Officer
Senior Information Risk Owner	Chief Digital and Information Officer

The executive directors of the Trust, individually and collectively, also have responsibility for providing assurance in relation to the risks associated with the Trust's strategic objectives and regulatory compliance to the Board of Directors.

I am accountable to the chairperson of the Trust for my performance and to NHS England (NHSE) for the performance of the Trust.

All executive directors' report to me and the executive team is held to account for its performance through regular one-to-one meetings with me, individual annual performance reviews and through challenge from the non-executive directors.

The non-executive directors are accountable to the chairperson. They are expected to hold the executive directors to account and to use their skills and experience to make sure that the interests of patients, staff and the Trust as a whole, remain paramount. They have a significant responsibility for scrutinising the business of the Trust, particularly in relation to risk and assurance.

The Trust provides a comprehensive mandatory training programme. Training is also delivered centrally and within individual clinical service units/specialties.

During 2022/23, the quality team have provided incident reporting and risk management training in response to staff needs. Whilst there is an acknowledgement of significant pressure on staff the Trust has continued to reinforce the requirements of the mandatory training policy, and the duty of staff to complete training deemed mandatory for their role and is a key element of the annual appraisal process. A training needs analysis has been undertaken in light of the Trust's recent operation management restructure. An updated training package which will be role specific will be designed and delivered to ensure that the revised Risk Management Strategy will continue to be embedded across the organisation.

We have continued with our focus on developing awareness and skills in relation to high quality and focussed risk assessment and business continuity planning amongst clinical and non-clinical staff.

The NHS has a key role in responding to large scale emergencies and major incidents and throughout 2022/23 the emergency planning team has worked to ensure that the Trust is adequately prepared for any such events. We have in place plans that are substantially compliant with the requirements of the NHS England Emergency Planning Resilience and Response Core Standards (2015) and associated guidance.

During 2022/23 the submission date for the core standards was 28 October 2022. The Trust's return was submitted by the deadline. The Trust declared a 'Substantially Compliant' position, with compliance in relation to 59 out of 64 standards. An action plan has been developed to detail how the Trust will achieve compliance in relation to the five partially compliant standards.

The Board of Directors recognises that it has a legal duty to ensure, as far as is reasonably practicable, the health, safety and welfare of all patients, employees, contractors and members of the public who access the Trust's services or use the Trust's premises. Compliance with the Health and Safety legislative framework, under which the Trust operates, is reflected in our current policies. The policies provide an overarching framework for the management of risk across all areas of the Trust and are applicable to both clinical and non-clinical risk management. We have a Health and Safety Committee, which reports to the People Academy and ensures that it has all other health and safety related committees in place.

The effectiveness of our implementation of our BAF was audited by our internal auditors, Audit Yorkshire, during 2022/23 who found there was significant assurance relating to the processes we have in place.

3.8.5. THE RISK AND CONTROL FRAMEWORK

3.8.5.1. Our strategic approach to risk management

We recognise that the specific function of risk management is to identify and manage risks that threaten our ability to meet our strategic objectives. We are clear, therefore, that

understanding and responding to risk, both clinical and non-clinical, is vital in making the Trust a safe and effective healthcare organisation.

We identify risk whether as a missed opportunity or a threat, or a combination of both, and assess the significance of a risk as a combination of probability and consequences of the occurrence.

All our staff have a responsibility for identifying and minimising risk. This is achieved within a progressive, honest and open culture where risks, mistakes and incidents are identified quickly and acted upon in a positive way.

Our Risk Management Strategy was approved by the Board of Directors in July 2022. The strategy describes an integrated approach to ensure that all risks to the achievement of the Trust's objectives, are identified, evaluated, monitored, and managed appropriately. It defines how risks are linked to one or more of our strategic objectives, and clearly defines the risk management structures, risk tolerance, accountabilities, and responsibilities throughout the Trust.

Risk identification, assessment, management and escalation sources include workplace risk assessments, analysis of incidents, complaints, claims, external safety alerts, the 'Freedom to Speak Up' initiative, and assessments of compliance with other standards, targets and indicators.

There is an expectation that risk assessment is a key feature of all normal management processes. All areas of the Trust have an ongoing programme of risk assessments, which inform our risk registers. Risks are evaluated using the Trust risk matrix which contributes to decision making in the context of risk appetite and risk tolerance. We rate these risks on a scale from 1-25, where 25 is the highest risk. Risks are appropriately graded and included on the risk register.

3.8.5.2. Strategic risk management

Strategic risks are recorded on the Board Assurance Framework (BAF). The purpose of the BAF is to assure the Board that the Trust is mitigating the identified significant risks to the delivery of its strategic objectives adequately and that there are no significant gaps in assurance.

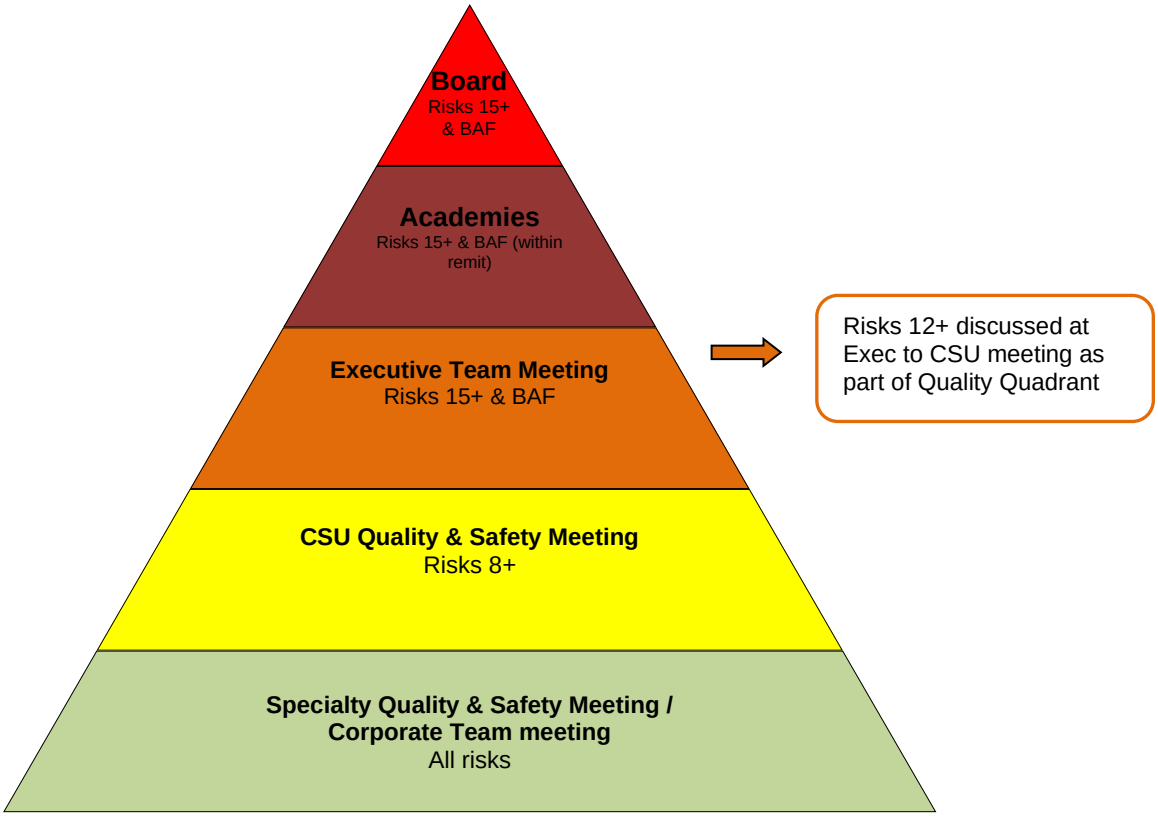
The Board of Directors is responsible for identifying strategic risks. The BAF is reviewed and monitored by the Executive Team and Board six times per year. Our Academies also review the strategic risks within their remit six times per year and provide assurance to the Board that the risks are being managed appropriately.

3.8.5.3. Operational risk management

We use a single electronic risk management system (Datix) to record our operational risks, which links all key risk elements (including incident reporting, complaints, and claims and inquest management). All of these elements are used to inform the risk register, which is also held on Datix.

In November 2021, a new risk escalation process was introduced, to ensure that risks are escalated by their score, rather than those which are deemed to be strategic. The escalation framework is outlined in figure 66 below.

Figure 66 - Risk escalation framework



We manage risks at Board, Academy, Executive, corporate department, CSU and specialty level. All types of risk identified are graded using a common grading matrix, which measures the risks on a scale from 1 to 5 in terms of both consequence and likelihood. The consequence and likelihood scores are then multiplied together to give an overall score between 1 and 25.

Risks are escalated and de-escalated through these different levels depending on the **current** risk score. The current risk score is the score at the time of each review of the risk, taking into account the mitigations which are in place. Any risks with a current score of 15 or above are reported to the Trust Executive Team for discussion. If the Executive Team agree that the current score is 15 or above from a Trust-wide perspective, it is included on the High Level Risk Register.

The High Level Risk Register is a dynamic document which is constantly changing as actions are taken addressing high risk issues for the organisation. New risks are added as they are identified.

The High Level Risk Register is fully reviewed every month at the Executive Team Meeting alongside a summary of the key changes and progress against mitigating actions. High Level Risks are assigned to one or more of the three Academies or the Board (as appropriate), who will have oversight of the actions being taken to mitigate the risks. At each meeting the Academies review the High Level Risks within their remit. The purpose of these reviews is to provide assurance to the Board that all relevant risks are appropriately recognised and that all appropriate actions are being taken on appropriate timescales where risks are not appropriately controlled.

The Board receives and reviews the full High Level Risk Register (risks with a current score of 15 and above) at each meeting. The Board also receives details of the discussions held at the Executive Team Meeting via the risk report, and at the Academies via the Chairs' reports.

Risks with a current score of 12 and above are reported as part of the CSU to Executive meetings, to provide the Executive team with an overview of risks which have the potential to become high level risks.

3.8.5.4. Risk appetite

The Board of Directors has a defined risk appetite statement (figure 67), which is aligned to the strategic objectives of the organisation, determining the amount of risk considered desired (both opportunistic related to delivery of the strategic objectives) and tolerated (usually related to operational risk).

Figure 67 - Our risk appetite

The Board of Directors recognises that the Trust's long term stability and continued development of effective relationships with our patients, their families and carers, our staff, our community, and our strategic partners is dependent upon the delivery of our strategic objectives. It also recognises that the "Good" rating applied to the Trust by the CQC in 2020 has an influence on the risk appetite of the organisation.

The Board of Directors believes that our risk appetite appropriately reflects the progress that the Trust has made in implementing and assuring its Clinical Strategy 2017-2022 and its associated strategies and plans and is fully aligned to our ambition. A balanced approach has been taken to reviewing the specific areas of risk associated with each strategic objective by the Board of Directors, and without exception, there is a minimal appetite in relation to any risks to patient safety, staff safety or regulatory compliance.

Strategic objective	Risk appetite	Description
To provide outstanding care for our patients, delivered with kindness	**Open -** We are willing to consider all potential delivery options and choose while also providing an acceptable level of reward	*Our mission is to provide high quality care to our patients at all times and we will not accept risks that could affect our ability to do this. Our mission is our key organisational driver that directly supports our strategic objective to provide outstanding care for patients, delivered with kindness, improving outcomes for our patients and their carers by providing safe, effective, personal and responsive care. We will hold patient safety in the highest regard and are strongly averse to any risk, clinical, operational, workforce or related to strategic partnerships that may jeopardise it. But we have insight, we manage risk, we engage and involve, we improve and innovate and we assure, which enables us to have an open risk appetite in relation to our strategic objective to provide outstanding care for our patients, we are willing to consider all potential delivery options and choose, while also providing an acceptable level of reward.*
To deliver our financial plan	**Open -** We are willing to consider all potential delivery options and choose while also providing an acceptable level of reward	*We will not tolerate risk to patient safety in order to deliver the Financial Plan, however we will accept a degree of compromise on optimum levels of care, but actively avoiding any safety concerns. We will strive to meet regulatory requirements but will not set unrealistic challenges that compromise the delivery of clinical strategic ambitions. We will provide realistic forecasts to regulators under 'no surprises' expectation. We will maintain an open and honest relationship with our commissioners and jointly recognise financial necessities, but will continue to ensure that the Trust is appropriately recompensed for the activity delivered. The Trust will ensure that cash balances will be maintained at a level that protects the Trust's ongoing trading liabilities. Subject to sufficient reserves the Trust will invest to transform, but only when the realisable benefits are fully tested and assured and adequate liquidity is preserved.*
To deliver our key performance targets	**Cautious -** We have a preference for safe delivery options that have a low degree of residual risk and only	*Patient safety is our highest priority in all aspects of performance management and operational delivery. Where we have the ability to increase activity in order to achieve our performance targets we will do this as long as it does not create other areas of unacceptable risk. We will work with other acute providers, other health and social care agencies including the*

	a limited reward potential	*independent sector and voluntary services to deliver activity, day to day operations to safely achieve our performance targets.*
To be one of the best NHS employers, prioritising the health and wellbeing of our people and embracing equality, diversity and inclusion	**Seek -** We are eager to be innovative and to choose options offering higher business rewards (despite greater inherent risk)	*The Trust is clear that we will not accept risk where it involves potential exposure to significant harm for employees. Examples include:* • *Bullying or harassment of employees by their managers or colleagues* • *Discrimination of employees by their managers or colleagues* • *Exposing employees to faulty machines or equipment* • *Exposing employees to machines or equipment where this may result in a detrimental known impact on the health of the employee.* *However in relation to all other elements of achieving our strategic objective to be one of the best NHS employers the Trust will pursue workforce innovation and be pro-active around developing and trialling new ways of working and new job role/career pathway opportunities. By doing this we will seek to both increase workforce supply and improve the skills and capabilities of our people, ensuring we provide high quality care to our patients at all times.*
To be a continually learning organisation and recognised as leaders in research, education and innovation	**Open -** We are willing to consider all potential delivery options and choose while also providing an acceptable level of reward	*The Trust recognises that to be a continually learning organisation it must have a broadly open approach that aligns the different areas of risk. These areas of risk include those associated with education and training, research translation, new technology, engagement and the learning management system. We are committed to identifying, developing, deploying and embedding learning at every level of the organisation to improve the quality of care for patients.*
To collaborate effectively with local and regional partners, to reduce health inequalities and achieve shared goals	**Seek -** We are eager to be innovative and to choose options offering higher business rewards (despite greater inherent risk)	*We will only collaborate if we are assured that the operational or financial impact of that collaboration will not be adverse. We will actively collaborate to increase our influence. We will actively explore opportunities for value added innovation.*

3.8.5.5. Risk profile

Our risk profile is described in section 2.2.2.4 (Performance Analysis).

3.8.5.6. Quality governance

A revised Quality Governance Framework was approved by the Executive Team on 4 April 2022 and implemented on 5 September 2022 alongside the new operational management model. The Quality Governance Framework sets out a model for quality governance that is supported by the alignment of a centralised team of Quality and Patient Safety Facilitators to the Clinical Service Unit's (CSU) operational structure. These posts support the CSU managerial and leadership triumvirate in the same way that Finance and Human Resource Business partners currently support CSUs. This ensures that all CSUs are supported equally, quality governance arrangements are aligned to current national strategies, are fit for purpose to support the organisation as well as the revised regulation and commissioning arrangements as they are implemented in during 2023.

The revised Quality Governance Framework seeks to ensure that CSUs are able to perform effectively, enabling clear information flow, escalation and accountability within the CSU and through to Board and back to wards and departments. These post holders, as experts in quality, patient safety and risk management, supporting a standardised approach to enable each CSU to discharge their governance responsibilities. Monthly CSU Quality and Safety meetings have a standardised agenda and terms of reference based around the Care

Quality Commission's 5 regulatory domains, Safe, Effective, Caring, Responsive and Well Led. This includes a review of the CSU risk register, identifying new and emerging risks as well as a review of current mitigation and relating scores. Following discussions if the risk scores 12 or above this will trigger escalation to executives.

As part of the evolving development of our 'Academy' approach to sub-committees of the Board of Directors, our CSU's triumvirates will be required to present to representatives of all 3 Academies at a 'coming together' event on annual basis. This will provide an opportunity for the team to present to members of the Academies their quality improvement achievements for the previous year and their priorities and plans for the coming year and will inform the Quality Improvement teams annual work plan.

Compliance with CQC requirements is monitored through the Trust's Moving to Outstanding meetings which are chaired by the Chief Nursing Officer and Associate Director of Quality. The Trust participates in regular engagement meetings with representatives of the CQC.

Details relating to the quality of performance information are included in section 3.8.8 below.

3.8.5.7. Management of risks to compliance with the NHS Foundation Trust licence condition 4 (FT Governance)

Compliance with the FT Code of Governance and NHS Provider Licence is formally reviewed on an annual basis. This was last carried out by the Executive Management Team and reported to the Board of Directors in May 2023. The review concluded that the Trust was compliant with all requirements and no risks were identified. The Trust's governance arrangements are described below.

The Board reviewed its effectiveness in late 2022 through a survey completed by all Board members (excluding the Chair). The highlights were presented at the Board Development Session in December 2022 and it was agreed that the results should be discussed in further detail, with the support of an external facilitator. The facilitated session took place in February 2023 and a number of actions have been recommended to improve Board effectiveness, which were discussed further in April 2023. Some of the recommendations have already been implemented, for example revising the format of the Academy Chair reports to focus on how the meeting felt and the assurances received, as opposed to a summary of the items discussed at the meeting (which can be obtained from the minutes).

During 2022/23, the Trust has continued to embed its Academy governance model, which was developed and introduced in the latter half of 2020/21. Academies were introduced to focus on learning, improvement and assurance in relation to quality and patient safety; people; and finance and performance.

An annual review of each Academy was undertaken in May 2022. The initial outcomes from these reviews were presented to the Academies on 29 June. Further work was then undertaken to develop the terms of reference (including membership) and work plans for the Academies, and proposed changes were presented to the Academies on 28 September. The updated terms of reference and work plans were approved by the Board on 10 November 2022.

The key changes made as a result of the reviews are outlined below:

<u>Quality & Patient Safety Academy</u>

The format of the Academy meetings was changed as follows:

1. The number of meetings was increased from 10 to 12 per year.
2. The 12 meetings are split into 6 Assurance and 6 Learning and Improvement meetings per year. The Assurance meetings take place in the months preceding the Board meetings so that the assurance can feed into the Board in a timely way. The membership of the Assurance meetings is smaller, including the Non-Executive Directors, lead Executives and key senior managers only, to allow for a focused discussion. The Learning and Improvement meetings have a broader membership so that insight can be sought from, and shared with, a broader range of staff.

In addition to the regular Academy meetings:

3. It was agreed to add two extraordinary meetings per year inviting half of the CSU Triumvirates to each meeting to facilitate a deep dive of quality within the CSU (Quality Health Check). These meetings will also consider people, finance and performance impacts, and will be attended by members of all three Academies. The first meeting will take place in May 2023.
4. It was also agreed to introduce an annual celebration event to facilitate showcasing of Quality Improvement within CSUs (linked to the Quality Health Check). This will support learning and improvement across CSUs. This will take place in Autumn 2023.

The aim of the revised arrangements is to help to manage the Academy's large workload in a more effective way, and also ensure that appropriate focus is given to assurance, learning and improvement at the relevant meetings, rather than trying to cover all elements in every meeting.

<u>People Academy</u>

The membership of the Academy has been updated to include representation from nursing colleagues and to align with the new CSU structure. Further consideration will be given to the involvement of more frontline colleagues.

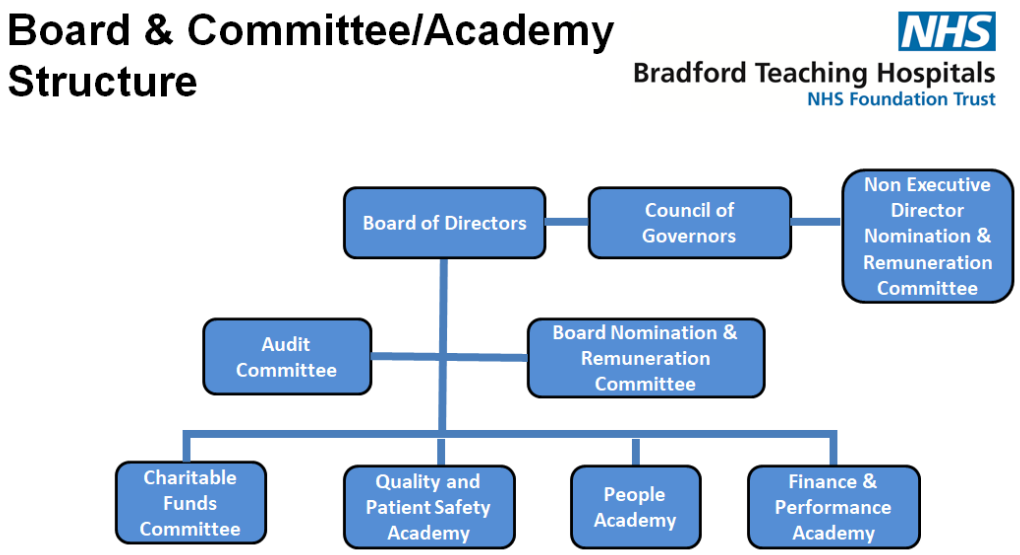
<u>Finance & Performance Academy</u>

The Academy's Terms of Reference (TOR) have been reviewed and there are proposed changes to the membership to align with the new CSU structure and include representation from nursing colleagues.

Whilst the feedback from the effectiveness review suggested that more time should be spent on learning and improvement, due to the nature of the business considered by the Academy and the level of external scrutiny, it was acknowledged that there is likely to be more of a focus on assurance compared to the other Academies.

The current governance structure is outlined at figure 68.

Figure 68 - Governance structure



The **Board** has overall responsibility for performance of the Trust – its three key roles are to formulate strategy, ensure accountability, and shape culture.

The focus of the **Audit Committee** is to seek assurance on the relevance and robustness of governance **structures** and assurance **processes,** on which the Board places reliance.

The role of the **academies** is to seek assurance, ensure learning and drive improvement in relation to their respective areas of responsibility. They have a broad membership to ensure that there is input from across the Trust and to enable learning and improvements to be shared widely. Four non-executive directors sit on each academy, two of whom act as the Chair and Deputy Chair.

Quality & Patient Safety Academy - the academy's role relates to all aspects of quality and is aligned to the NHS Patient Safety Strategy[60] and national quality standards. Several clinical working groups report to the Academy to provide assurance that safety, clinical outcomes, patient safety and patient experience across the Trust's services is compliant with national standards and the requirements of NHS regulators and commissioners of services.

People Academy - the academy's role relates to the effectiveness of the people management arrangements for the Trust. The academy seeks assurance of compliance with legal and regulatory requirements relating to people, oversees the delivery of action plans, for example relating to the staff survey and Workforce Race Equality Standard, and monitors a range of metrics including safe staffing levels, sickness absence and turnover. Working groups have been set up to align with the commitments within the NHS People Plan, and these report to the Academy on a regular basis. The Health & Safety Committee also reports to the People Academy.

Finance and Performance Academy – the academy's remit includes the management of assets and resources in relation to the setting and achievement of financial targets, business objectives and the financial stability of the Trust, and the effective management of all performance-related matters. It has oversight of the development of the Trust's financial and

[60] https://www.england.nhs.uk/patient-safety/the-nhs-patient-safety-strategy/

business plans, performance against national standards, contractual indicators and trust-defined indicators, including benchmarking data where appropriate to ensure that opportunities for learning and improvement are identified.

The Board receives a Chair's report and supporting documents from each of the academies, to provide assurance and enable issues to be escalated where required.

3.8.5.8. Assuring the validity of the Corporate Governance Statement

The Trust undertakes a full self-assessment against the NHS Provider Licence conditions on an annual basis. The assessment for 2022/23 was reviewed by the Board on 11 May 2023 and it was confirmed that the Trust can provide evidence of compliance with all Licence conditions. The assessment against Licence Condition FT4 (NHS Foundation Trust Governance Arrangements) forms the Corporate Governance Statement. The Trust will publish a Corporate Governance Statement on its website by 30 June 2023.

3.8.5.9. Embedding risk management in the activity of the organisation

Risk management is embedded within the Trust at all levels, with risks being considered by specialties, clinical service units and corporate departments. This has been enhanced by the introduction of the revised Quality Governance Framework in 2022/23, as described above.

3.8.5.10. Public stakeholder involvement in risk management

The Board of Directors actively engages with the Council of Governors and our respective public stakeholders in the reporting of the financial and performance management of the Trust and in the management of risks which impact on them. The Council of Governors is a key mechanism in ensuring that our public stakeholders are involved in the understanding and contextualisation of risk. The Council meets formally four times per year and receives reports and updates on performance, quality and safety. The Board of Directors meets in public and all papers are available on our website. During 2021/22 we developed a new membership plan which includes a number of actions to enhance our member engagement and communication activities, and we have continued to implement the actions during 2022/23.

I lead the Trust's executive team in developing positive relationships with stakeholder partners including the local authority, and other partner organisations across Bradford and across the region through the West Yorkshire Association of Acute Trusts (WYAAT) to support the detection and management of system-wide risk and ensure that patients are provided with the highest possible care within the resources available.

We directly participate in the Bradford District & Craven Partnership Board, Bradford District Wellbeing Board, the Health and Social Care Scrutiny Committee and Safeguarding Boards, as well as a range of other forums for service planning, performance and contracting.

On a wider footprint, the Trust is a partner organisation within the West Yorkshire Health and Care Partnership (the Integrated Care System) and is working with others within health and social care to implement key elements of the acute and out of hospital health and social care strategy.

3.8.5.11. Workforce and staffing assurance

On behalf of the Board, the People Academy seeks assurance that the Trust has robust workforce strategies and staffing processes that are safe, sustainable and effective. Reports are also presented to the Board to ensure that the information and discussions are open and

transparent. The Nursing Workforce Board Assurance Framework is presented to the People Academy on a bi-annual basis. Throughout 2022/23, the Academy has also received updates relating to the Trust's response to the NHS People Plan, updates on our nursing recruitment and retention plans, and nurse staffing data. A strategic nurse staffing review was presented to the Academy in November 2022; the Academy was supportive of the proposed changes to the establishment which were subsequently approved by the Board. The Academy has also reviewed the workforce planning submission which forms part of the 2023/24 operational plan.

3.8.5.12. Data security

The Chief Digital and Informatics Officer and Senior Information Risk Owner (SIRO) ensures that there is effective information governance in place. The Caldicott Guardian in the Trust is the Chief Medical Officer. The Caldicott Guardian works closely with the SIRO, particularly where there are any identified information risks relating to patient data.

The Trust ensures effective information governance through a number of mechanisms, including education, policies and procedures, IT controls, and IT vulnerability testing, and by demonstrating annual compliance with the Data Security Standards of the Data Protection and Security Toolkit (DSPT). The Trust has also been awarded the international governance standard for IT and Data Security ISO27001.

3.8.5.13. CQC registration requirements

The Trust is fully compliant with the registration requirements of the CQC.

3.8.5.14. Register of interests

The Trust has published on our website an up-to-date register of interests, including gifts and hospitality, for decision-making staff (as defined by the Trust with reference to the guidance) within the past twelve months as required by the Managing Conflicts of Interest in the NHS[61] guidance.

3.8.5.15. NHS Pension Scheme

As an employer with staff entitled to membership of the NHS Pension Scheme[62], 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.

3.8.5.16. Equality and Diversity

Control measures are in place to ensure that all the Trust complies with its obligations under equality, diversity and human rights legislation.

[61] https://www.england.nhs.uk/publication/managing-conflicts-of-interest-in-the-nhs-guidance-for-staff-and-organisations/
[62] https://www.nhsbsa.nhs.uk/nhs-pensions

3.8.5.17. Carbon Reduction

The Trust has undertaken risk assessments and has plans in place which take account of the 'Delivering a Net Zero Health Service' report under the Greener NHS programme. The Trust ensures that its obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

3.8.6. REVIEW OF ECONOMY, EFFICIENCY AND EFFECTIVENESS OF THE USE OF RESOURCES

Normal financial control and governance arrangements have recommenced for 2022/23, which saw the reintroduction of robust performance management arrangements and the delivery and tracking of financial improvement opportunities to meet the stretching targets set nationally and at an ICS level. The Trust has met its financial targets, even though it faced on-going and increasingly challenging operational pressures.

We have a range of tools and an effective governance infrastructure to ensure resources are used economically, efficiently and effectively. This includes monthly finance and performance reports to the Executive Team and the Finance and Performance Academy that complement the use of a finance and performance dashboard. The Board of Directors uses an integrated dashboard, alongside detailed reports to support key metrics, in general and by exception, and the BAF to assure and ensure that the Trust is using resources effectively. The Trust also provides financial performance information and forecasts to NHS England, the West Yorkshire Integrated Care Board and the Bradford District and Craven Health & Care Partnership on a monthly basis.

Our resources are managed within the framework set by the Standing Financial Instructions, and various guidance documents (which include the performance management and accountability framework together with the budgetary management framework), which have an emphasis on budgetary control, effective deployment of resources and financial management and ensuring that service developments are implemented with appropriate financial controls.

We have a risk based three-year audit plan with our internal auditors and we regularly use the audits to evaluate our effective use of resources. The Trust has undergone seven internal audits during 2022/23 within the finance domain, with all to date achieving at least a 'significant assurance' opinion. Three of the seven have received 'high assurance' - Financial Transactions; Financial Planning and Budget Setting; and IFRS Effectiveness and Risk Management.

Our external auditors are required to satisfy themselves that we have made proper arrangements for securing economy, efficiency and effectiveness in our use of resources. This is assessed in a separate value for money audit which seeks to validate our position in this respect and reports any significant weaknesses identified. The External Auditors' Annual Report produced in August 2022 (relating to the 2021/22 financial year) reported that they had not identified any significant weaknesses in the Trust's VfM (value for money) arrangements, and so did not report any recommendations in respect of significant weaknesses. They also commented that they were satisfied that the Trust has sufficient arrangements in place to ensure both financial sustainability and to improve economy, efficiency and effectiveness for the size and function of the Trust.

We have complied with the cost allocation and charging requirements set out in HM Treasury and Office of Public Sector Information Guidance.

To ensure that any cost improvement schemes - developed through the clinical service unit and departmental structure - do not impact adversely on the quality of patient care, a Trust approved quality impact assessment process is led by the Chief Medical Officer and the Chief Nurse. This ensures that any schemes identified as having risks to patient safety have controls or mitigation in place before they are commenced, wholly or partially, or are not commenced at all. In addition, there is a retrospective review of all schemes where the risk was assessed as low, to ensure that there were no unintended adverse outcomes.

At their last review in 2019 the CQC and NHSE rated the Trust's use of resources as 'good'.

Recruitment and retention remain a concern for the Trust. The recruitment market for many medical staff, some Allied Health Professionals and Registered Nurses is challenging, as is recognised in the NHS Workforce Strategy. The Trust has invested in additional staff to support recruitment activity and is using insourcing and outsourcing methods to meet capacity and demand pressures.

3.8.7. Information Governance

During the last financial year, the organisation has had 2 externally reportable incidents where personal data has been compromised. That is, high risk information governance incidents that have been reported to the Information Commissioner's Office (ICO). No action has been taken against the Trust.

The ICO has previously confirmed it believes there are no systemic problems related to incidents in the Trust reported to them previously. The SIRO (Senior Information Risk Officer) and Caldicott Guardian are fully briefed on all reportable incidents, and any recommendations from the ICO are taken on board. In the event of notification of any action planned by the ICO all senior individuals involved would be fully briefed and actions agreed in close liaison with the ICO. A strong emphasis continues to be put on staff awareness around information governance and training to reduce information risk and avoid breaches generally.

Details of data security and protection incidents (personal data breaches) are set out in the tables below. Figure 69 confirms the externally reportable incidents. Figure 70 details all information governance incidents classified at lower-level security to 03/03/2023.

Figure 69 - Personal data breaches reported to ICO 2022/23

Date of incident (month)	Nature of incident	Nature of Data involved	Number of Data subjects potentially affected	Notification steps
Dec 2022 WR130665	Unauthorised Disclosure	Clinical	one	Reported to ICO, no action taken
Sep 2022 WR127199	Unauthorised Disclosure	Clinical	one	Reported to ICO, no action taken

Figure 70 - Other personal data incidents 2022/23

Category	Breach type (ICO categorisation)	Total number of incidents in this category	
Confidentiality	Unauthorised or accidental disclosure	15 29 01 11 21 03	Data emailed to wrong recipient Data posted/faxed to wrong recipient Failure to redact data Verbal disclosures Accessing records Cyber security misconfiguration (e.g. inadvertent publishing of data on website; default passwords
Availability	Unauthorised or accidental loss	2 10	Loss or theft of paperwork Data left in insecure location
Availability	Unauthorised or accidental destruction	N/A	Insecure disposal of paperwork
Integrity	Unauthorised or accidental alteration	53	Other principle seven failure (information incorrect on patient record)

3.8.8. Data Quality and Governance

We have ensured that there are systems and processes in place for the collection, recording, analysis, and reporting of data. Robust controls are in place to continually evaluate data and ensure it remains accurate, valid, reliable, timely, relevant, and complete on use. These controls are visible via a Trust-wide data quality framework. All data collection and information systems used to record pathway data, clinical activity and/or administrative information across the Trust are within the scope of these controls which assure data across the entire lifecycle, from the point of capture through to disposal.

High quality data is a fundamental requirement for the Trust to conduct its business efficiently and effectively. We are committed to a 'right first time' approach to data quality which applies to all areas: patient care; service development and transformation; corporate governance; and operational and performance management. High quality data is crucial to enable the right decisions to be made regarding patient care.

It is particularly important for us to assure the quality and accuracy of elective waiting time and patient pathway data. We have a range of governance mechanisms to ensure that data generated, collected and used, both internally and externally, is subject to an appropriate level of scrutiny, validation procedures and assurance processes. This includes data quality 'kite marking' of all Board dashboard indicators, service sign-off processes for mandatory reports, and an annual rolling improvement plan.

Priority data quality issues are monitored through a suite of exception reports and associated data issue tracking and resolution application which presenting anomalies to operational teams for increased visibility and pro-active management and resolution. Reporting from this informs areas of focus for the Data Quality Resolution Group Meeting.

The Data Quality (DQ) Issue Resolution Group is made up of subject matter experts sourced from Corporate Access Team, Informatics Business Intelligence, Informatics DQ, Education and Training team and Clinical Informatics. This group will review and agree actions needed to resolve issues, identify process or configuration changes required, undertake a risk assessment of process failures and assess training requirements and targeted support.

An EPR Data Quality Prevent, Correct and Clear model is currently being progressed to support the Data Quality Policy enabling the 'right first time' aim by implementing a tiered infrastructure for operational teams to follow that will enable prevention, correctional locally with support corporately for complex corrections and clear, minimising risk of backlog growths, delays to patient care and improved activity recording.

Virtual data quality drop-in sessions are available for administrative and clinical staff to raise issues and focus on priorities relating to error prevention, correction and validation at an operational level.

The Data Quality Issue Resolution Group will be a sub-committee of the Data Intelligence and Insight Committee which is currently being established; this will ensure the maintenance of business critical and master data are appropriate and effective, ensuring subsequent reports, analyses, and decision-making are based on high quality, accurate and reliable data.

Our data quality maturity is assessed on a bi-annual basis through a standard model, reported and approved by the DGB through to the Audit Committee and Quality and Patient Safety Academy.

Formal education and training programmes support appropriate use of our key information systems for new starters (clinical and administrative) and refresher training is available for priority areas. The Business Intelligence data quality improvement team offers bespoke training support through drop-in sessions, and one-to-one engagement workshops for operational staff focusing on areas for improvement.

3.8.9. 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 and 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 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 of Directors and its committees and plan to address weaknesses and ensure continuous improvement of the system is in place.

In support of this:

- The final Head of Internal Audit Opinion on the effectiveness of the system of internal control was presented to the Trust's Audit Committee on 22 June 2023. The overall opinion for the 2022/23 reporting period provides Significant Assurance, that there is a good system of internal control designed to meet the organisation's objectives, and that controls are generally being applied consistently.
- Internal audits have provided a range of assurance levels, from limited to high assurance. For each internal audit report where a limited assurance opinion is given, the executive director responsible is asked to attend the Audit Committee to discuss the action being taken as a result of the audit. For all internal audit reports, detailed lists of prioritised recommendations are agreed, and the implementation of these recommendations is followed up by internal audit and reported to the Audit Committee.
- The BAF and risk registers provide me with assurance of the effectiveness of the controls being used to manage the risks to the organisation in achieving its strategic

objectives and that they have been regularly reviewed. The internal audit of the BAF carries an opinion of significant assurance.

- Through the use of an integrated dashboard the Board and its Academies routinely review contemporaneous and quality assured data in relation to quality, finance, performance, workforce and strategic partnerships.
- The Audit Committee reviews the system of integrated governance, risk management and internal control, across the whole of the organisation's activities - both clinical and non-clinical. The committee maintains an oversight of general risk management structures and ensures appropriate information flows to the Audit Committee in relation to the Trust's overall internal control and risk management position. In carrying out this work the committee primarily utilises the work of internal audit, external audit and other assurance functions, but it is not limited to these audit and assurance functions. It also seeks reports and assurances from Directors and managers as appropriate, concentrating on the overarching systems of integrated governance, risk management and internal control, together with indicators of their effectiveness.
- The CQC undertook a well-led inspection in December 2019 at which the Trust was rated as 'good' overall.

Conclusion

No significant internal control issues have been identified which have caused an impact on the completion of this Annual Governance Statement.

Consideration was given to:

- the Trust's workforce management provider (Electronic Staff Record (ESR)) receiving a qualified audit opinion in line with the requirement of the ISAE 3000 Standard. The exceptions identified by the service auditor have been reviewed, and it is not considered that there are any associated risks that will have an impact on the Trust.

Signed in respect of the Annual Governance Statement and the Accountability Report

Mel Pickup
Chief Executive
12 July 2023

4. APPENDICES

4.1. APPENDIX 1 – CODE OF GOVERNANCE DISCLOSURES

The specific set of disclosures required to be included in the Annual Report to meet the requirements of the Foundation Trust Code of Governance and the additional requirements of the NHSI Annual Reporting Manual are listed below along with the section identifying where they are located within this Annual Report.

Relating to	FT Code of Governance reference	Summary of requirement	Section reference within the annual report
Board and Council of Governors	A.1.1	The schedule of matters reserved for the board of directors should include a clear statement detailing the roles and responsibilities of the council of governors. This statement should also describe how any disagreements between the council of governors and the board of directors will be resolved. The annual report should include this schedule of matters or a summary statement of how the board of directors and the council of governors operate, including a summary of the types of decisions to be taken by each of the boards and which are delegated to the executive management of the board of directors.	3.1.1 3.5.4
Board, Nomination Committee(s), Audit Committee, Remuneration Committee	A.1.2	The annual report should identify the chairperson, the deputy chairperson (where there is one), the chief executive, the senior independent director (see A.4.1) and the chairperson and members of the nominations, audit and remuneration* committees. It should also set out the number of meetings of the board and those committees and individual attendance by directors. Part of this requirement is also contained within paragraph 2.22 as part of the directors' report. ** This requirement is also contained in paragraph 2.41 of the Annual Reporting Manual (ARM) as part of the remuneration report requirements. The disclosure relating to the remuneration committee should only be made once.*	3.1.1 3.2.1 3.2.3.2
Council of Governors	A.5.3	The annual report should identify the members of the council of governors, including a description of the constituency or organisation that they represent, whether they were elected or appointed, and the duration of their appointments. The annual report should also identify the nominated lead governor.	3.5.4.1
Council of Governors	n/a	The annual report should include a statement about the number of meetings of the council of governors and individual attendance by governors and directors.	3.5.4.1
Board	B.1.1	The board of directors should identify in the annual report each non-executive director it considers to be independent, with reasons where necessary.	3.1.1
Board	B.1.4	The board of directors should include in its annual report a description of each director's skills, expertise and experience. Alongside this, in the annual report, the board should make a clear statement about its own balance, completeness and appropriateness to the requirements of the NHS foundation trust.	3.1.1
Board	n/a	The annual report should include a brief description of the length of appointments of the non-executive directors, and how they	3.1.1

Relating to	FT Code of Governance reference	Summary of requirement	Section reference within the annual report
		may be terminated	
Nominations Committee(s)	B.2.10	A separate section of the annual report should describe the work of the nominations committee(s), including the process it has used in relation to board appointments.	3.2.3.2
Nominations Committee(s)	n/a	The disclosure in the annual report on the work of the nominations committee should include an explanation if neither an external search consultancy nor open advertising has been used in the appointment of a chair or non-executive director.	n/a
Chair/Council of Governors	B.3.1	A chairperson's other significant commitments should be disclosed to the council of governors before appointment and included in the annual report. Changes to such commitments should be reported to the council of governors as they arise, and included in the next annual report.	3.1.1
Council of Governors	B.5.6	Governors should canvass the opinion of the trust's members and the public, and for appointed governors the body they represent, on the NHS foundation trust's forward plan, including its objectives, priorities and strategy, and their views should be communicated to the board of directors. The annual report should contain a statement as to how this requirement has been undertaken and satisfied.	3.5.4.9
Council of Governors	n/a	If, during the financial year, the Governors have exercised their power* under paragraph 10C** of schedule 7 of the NHS Act 2006, then information on this must be included in the annual report. This is required by paragraph 26(2) (aa) of schedule 7 to the NHS Act 2006, as amended by section 151 (8) of the Health and Social Care Act 2012. * Power to require one or more of the directors to attend a governors' meeting for the purpose of obtaining information about the foundation trust's performance of its functions or the directors' performance of their duties (and deciding whether to propose a vote on the foundation trust's or directors' performance). ** As inserted by section 151 (6) of the Health and Social Care Act 2012)	3.5.4.7
Board	B.6.1	The board of directors should state in the annual report how performance evaluation of the board, its committees, and its directors, including the chairperson, has been conducted.	3.2.3.3. 3.5.4.8. 3.8.4. 3.8.5.7.
Board	B.6.2	Where there has been external evaluation of the board and/or governance of the trust, the external facilitator should be identified in the annual report and a statement made as to whether they have any other connection to the trust.	n/a
Board	C.1.1	The directors should explain in the annual report their responsibility for preparing the annual report and accounts, and state that they consider the annual report and accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for patients, regulators and other stakeholders to assess the NHS foundation trust's Performance, business model and strategy. Directors should also explain their approach to quality governance in the Annual Governance Statement (within the annual report). See also ARM paragraph 2.95.	3.1.1 3.7 3.8.5.6
Board	C.2.1	The annual report should contain a statement that the board	3.8.3

Relating to	FT Code of Governance reference	Summary of requirement	Section reference within the annual report
		has conducted a review of the effectiveness of its system of internal controls.	3.8.9
Audit Committee/control environment	C.2.2	A trust should disclose in the annual report:) if it has an internal audit function, how the function is structured and what role it performs; or) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	3.5.5.2
Audit Committee/ Council of Governors	C.3.5	If the council of governors does not accept the audit committee's recommendation on the appointment, reappointment or removal of an external auditor, the board of directors should include in the annual report a statement from the audit committee explaining the recommendation and should set out reasons why the council of governors has taken a different position.	n/a
Audit Committee	C.3.9	A separate section of the annual report should describe the work of the audit committee in discharging its responsibilities. The report should include: • the significant issues that the committee considered in relation to financial statements, operations and compliance, and how these issues were addressed; • an explanation of how it has assessed the effectiveness of the external audit process and the approach taken to the appointment or re-appointment of the external auditor, the value of external audit services and information on the length of tenure of the current audit firm and when a tender was last conducted; and • if the external auditor provides non-audit services, the value of the non-audit services provided and an explanation of how auditor objectivity and independence are safeguarded.	3.1.1 3.5.5.2
Board/Remuneration Committee	D.1.3	Where an NHS foundation trust releases an executive director, for example to serve as a non-executive director elsewhere, the remuneration disclosures of the annual report should include a statement of whether or not the director will retain such earnings.	n/a
Board	E.1.5	The board of directors should state in the annual report the steps they have taken to ensure that the members of the board, and in particular the non-executive directors, develop an understanding of the views of governors and members about the NHS foundation trust, for example through attendance at meetings of the council of governors, direct face-to-face contact, surveys of members' opinions and consultations.	3.5.4.7 3.5.4.8
Board/Membership	E.1.6	The board of directors should monitor how representative the NHS foundation trust's membership is and the level and effectiveness of member engagement and report on this in the annual report.	3.5.3
Membership	E.1.4	Contact procedures for members who wish to communicate with governors and/or directors should be made clearly available to members on the NHS foundation trust's website and in the annual report.	3.5.3
Membership	n/a	The annual report should include: • a brief description of the eligibility requirements for joining different membership constituencies, including the boundaries for public membership; • information on the number of members and the number of	3.5.3

Relating to	FT Code of Governance reference	Summary of requirement	Section reference within the annual report
		members in each constituency; and • a summary of the membership strategy, an assessment of the membership and a description of any steps taken during the year to ensure a representative membership [see also E.1.6 above], including progress towards any recruitment targets for members.	
Board/Council of Governors	n/a	The annual report should disclose details of company directorships or other material interests in companies held by governors and/or directors where those companies or related parties are likely to do business, or are possibly seeking to do business, with the NHS foundation trust. As each NHS foundation trust must have registers of governors' and directors' interests which are available to the public, an alternative disclosure is for the annual report to simply state how members of the public can gain access to the registers instead of listing all the interests in the annual report. See also ARM paragraph 2.22 as directors' report requirement.	3.1.1

Bradford Teaching Hospitals NHS Foundation Trust

Annual Accounts

for the year ended 31 March 2023

Presented to Parliament pursuant to Schedule 7, paragraph 25 (4) (a) of the National Health Service Act 2006

CONTENTS

NATIONAL HEALTH SERVICE ACT 2006

DIRECTIONS BY NHS ENGLAND IN RESPECT OF NHS FOUNDATION TRUSTS' ACCOUNTS

NHS England, with the approval of the Secretary of State, in exercise of powers conferred on it by paragraphs 24(1A) and 25(1) of Schedule 7 to the National Health Service Act 2006 (the '2006 Act'), 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 NHS England
Signed:

Name: Amanda Pritchard (Chief Executive)
Dated: March 2023

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF GOVERNORS OF BRADFORD TEACHING HOSPITALS NHS FOUNDATION TRUST

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

In our opinion the financial statements of Bradford Teaching Hospitals NHS Foundation Trust (the 'Foundation Trust'):

- give a true and fair view of the state of the Foundation Trust's affairs as at 31 March 2023 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with the accounting requirements of the Department of Health and Social Care Group Accounting Manual, as directed by NHS England; and
- have been prepared in accordance with the requirements of the National Health Service Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in taxpayers' equity;
- the statement of cash flows; and
- the related notes 1 to 24.

The financial reporting framework that has been applied in their preparation is applicable law and the accounting requirements of the Department of Health and Social Care Group Accounting Manual, as directed by NHS England.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)), the Code of Audit Practice issued by the Comptroller & Auditor General and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the foundation trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

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

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 foundation trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

The going concern basis of accounting for the Foundation Trust is adopted in consideration of the requirements set out in the Department of Health and Social Care Group Accounting Manual which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

OTHER INFORMATION

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

RESPONSIBILITIES OF ACCOUNTING OFFICER

As explained more fully in the statement of accounting officer's responsibilities, the accounting officer is responsible for the preparation of the financial statements and 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 Foundation 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 they have been informed by the relevant national body of the intention to dissolve the foundation trust without the transfer of the Foundation Trust's services to another public sector entity.

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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations, including fraud

We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which our procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

We considered the nature of the Foundation Trust and its control environment, and reviewed the Foundation Trust's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management internal audit and local counter fraud, about their own identification and assessment of the risks of non-compliance with laws and regulations.

We obtained an understanding of the legal and regulatory framework that the Foundation Trust operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. This included the National Health Service Act 2006.

- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Foundation Trust's ability to operate or to avoid a material penalty. These included the Data Protection Act 2018 and relevant employment legislation.

We discussed among the audit engagement team including relevant internal specialists such as valuations and IT regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures performed to address them are described below:

- the determination of whether items of expenditure are capital in nature and, the value of work completed on major projects, as at 31 March 2023, are subjective: we tested the expenditure on a sample basis to assess whether they meet the relevant accounting requirements to be recognised as capital in nature; we agreed a sample of year-end capital accruals to supporting documentation and assessed whether the capitalised expenditure is recognised in the correcting accounting period.

- the judgemental nature of key assumptions used in property valuations: we engaged our property specialists to assess the assumptions and methodology used to value the estate; we tested the source data provided to the valuer by the Trust and for a sample of assets we confirmed that the calculation of the valuation movement was correctly performed and correctly recorded in the underlying fixed asset records.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;

- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;

- enquiring of management and internal audit concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations;

- enquiring of the local counter fraud specialist and review of local counter fraud reports produced; and

- reading minutes of meetings of those charged with governance and reviewing internal audit reports.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE NATIONAL HEALTH SERVICE ACT 2006

In our opinion:

- the parts of the Remuneration Report and Staff Report subject to audit have been prepared properly in accordance with the National Health Service Act 2006; and

- the information given in the Performance Report and the Accountability 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

USE OF RESOURCES

Under the Code of Audit Practice and Schedule 10(1(d)) of the National Health Service Act 2006, we are required to report to you if we have not been able to satisfy ourselves that the foundation trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Our work in respect of the foundation trust's arrangements is not complete at the date of our report on the financial statements. We will report the outcome of our work on the foundation trust's arrangements and include any additional exception reporting in respect of significant weaknesses in our audit completion certificate and our separate Auditor's

Annual Report. We are satisfied that the remaining work is unlikely to have a material impact on the financial statements.

Respective responsibilities of the accounting officer and auditor relating to the foundation trust's arrangements for securing economy, efficiency and effectiveness in the use of resources

The accounting officer is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in the use of the foundation trust's resources.

We are required under the Code of Audit Practice and Schedule 10(1(d)) of the National Health Service Act 2006 to satisfy ourselves that the foundation 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 foundation trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We undertake our work in accordance with the Code of Audit Practice, having regard to the Auditor Guidance Notes issued by the Comptroller & Auditor General, as to whether the foundation trust has proper arrangements for securing economy, efficiency and effectiveness in the use of resources against the specified criteria of financial sustainability, governance, and improving economy, efficiency and effectiveness.

The Comptroller & Auditor General has determined that under the Code of Audit Practice, we discharge this responsibility by reporting by exception if we have reported to the foundation trust a significant weakness in arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2023 by the time of the issue of our audit report. Other findings from our work, including our commentary on the foundation trust's arrangements, will be reported in our separate Auditor's Annual Report.

ANNUAL GOVERNANCE STATEMENT AND COMPILATION OF FINANCIAL STATEMENTS

Under the Code of Audit Practice, we are required to report to you if, in our opinion:

- the Annual Governance Statement does not meet the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual, is misleading, or is inconsistent with information of which we are aware from our audit; or

- proper practices have not been observed in the compilation of the financial statements.

We are not required to consider, nor have we considered, 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 respect of these matters.

REPORTS IN THE PUBLIC INTEREST OR TO THE REGULATOR

Under the Code of Audit Practice, we are also required to report to you if:

- any matters have been reported in the public interest under Schedule 10(3) of the National Health Service Act 2006 in the course of, or at the end of the audit; or

- any reports to the regulator have been made under Schedule 10(6) of the National Health Service Act 2006 because we have reason to believe that the foundation trust, or a director or officer of the foundation trust, is about to make, or has made, a decision involving unlawful expenditure, or is about to take, or has taken, unlawful action likely to cause a loss or deficiency.

We have nothing to report in respect of these matters.

Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate until we have completed our work in respect of the foundation trust's arrangements for securing economy, efficiency and effectiveness in its use of resources (as reported in the Matters on which we are required to report by exception – Use of resources section of our report) and

the work necessary to issue our statement on consolidation schedules. We are satisfied that our remaining work in these areas is unlikely to have a material impact on the financial statements.

USE OF OUR REPORT

This report is made solely to the Council of Governors and Board of Directors ("the Boards") of Bradford Teaching Hospitals NHS Foundation Trust, as a body, in accordance with paragraph 4 of Schedule 10 of the National Health Service Act 2006. Our audit work has been undertaken so that we might state to the Boards 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 Boards as a body, for our audit work, for this report, or for the opinions we have formed.

Paul Hewitson (Key Audit Partner)
For and on behalf of Deloitte LLP
Appointed Auditor
Newcastle upon Tyne, United Kingdom
12 July 2023

Independent auditor's certificate of completion of the audit

Issue of opinion on the audit of the financial statements

In our audit report for the year ended 31 March 2023 issued on 12 July 2023 we reported that, in our opinion, the financial statements:

- gave a true and fair view of the state of the foundation trust's affairs as at 31 March 2023 and of its income and expenditure for the year then ended;
- had been properly prepared in accordance with the accounting policies directed by NHS England; and
- had been prepared in accordance with the requirements of the National Health Service Act 2006.

Foundation trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

As part of our audit, we are required to report to you if we are not able to satisfy ourselves that the foundation trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

As at the date of issue of our audit report for the year ended 31 March 2023 on 12 July 2023, we had not completed our work on the foundation trust's arrangements, and had nothing to report in respect of this matter as at that date.

Certificate of completion of the audit

In our audit report for the year ended 31 March 2023 issued on 12 July 2023, we explained that we could not formally conclude the audit on that date until we had completed our work in respect of the foundation trust's arrangements for securing economy, efficiency and effectiveness in its use of resources and the work necessary to issue our statement on consolidation schedules. We have now completed our work in these areas.

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

We have nothing to report in respect of the foundation trust's arrangements for securing economy, efficiency and effectiveness in its use of resources.

We certify that we have completed the audit of Bradford Teaching Hospitals NHS Foundation Trust in accordance with requirements of Chapter 5 of Part 2 of the National Health Service Act 2006 and the Code of Audit Practice issued by the Comptroller & Auditor General.

Paul Hewitson (Key Audit Partner)
For and on behalf of Deloitte LLP
Appointed Auditor
Newcastle upon Tyne, United Kingdom
7 September 2023

FOREWORD TO THE ACCOUNTS

These accounts for the year ended 31 March 2023 have been prepared by Bradford Teaching Hospitals NHS Foundation Trust (the NHS foundation trust) in accordance with paragraph 24 and 25 of Schedule 7 to the National Health Service Act 2006 and are presented to Parliament pursuant to Schedule 7, paragraph 25 (4) (a) of the National Health Service Act 2006.

Signed:

Name: Mel Pickup (Chief Executive)
Dated: 12 July 2023

1. STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2023

	Note	2022/23 £000	2021/22 £000
Operating income from patient care activities	2.1	495,982	469,323
Other operating income	2.1	77,606	64,399
Operating expenses	3.1	(581,399)	(538,787)
OPERATING DEFICIT		**(7,811)**	**(5,065)**
FINANCE COSTS			
Finance income	5	1,773	46
Finance expense	6.1	(465)	(317)
Public dividend capital dividends payable	6.2	(3,640)	(3,598)
NET FINANCE COSTS		**(2,332)**	**(3,869)**
Other losses		(48)	(41)
Share of profit of associates / joint ventures	10	865	0
DEFICIT FOR THE YEAR		**(9,326)**	**(8,975)**
Other comprehensive income			
Will not be reclassified to income and expenditure:			
Impairment (losses) / reversal of impairments	17.1	(5,873)	2,323
Revaluation gains	17.1	6,373	2,391
TOTAL COMPREHENSIVE EXPENDITURE FOR THE YEAR		**(8,826)**	**(4,261)**

All income and expenses shown relate to continuing operations.

The notes on pages 14 to 58 form part of these accounts.

2. STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023

	Note	31 Mar 2023 £000	31 Mar 2022 £000
Non-current assets			
Intangible assets	7.1	8,575	12,050
Property, plant and equipment	8.2, 8.4	208,560	208,345
Right of use assets	9.1	10,882	0
Investments in associates and joint ventures	10	435	0
Trade and other receivables	12.1	2,000	1,939
Total non-current assets		**230,452**	**222,334**
Current assets			
Inventories	11	9,686	7,982
Trade and other receivables	12.1	27,097	21,164
Cash and cash equivalents	18.1	73,062	81,139
Total current assets		**109,845**	**110,285**
Current liabilities			
Trade and other payables	13	(93,578)	(84,588)
Borrowings	15.1	(3,095)	(3,107)
Lease liabilities	15.1	(1,397)	0
Provisions	16.1	(1,190)	(964)
Other liabilities	14	(11,664)	(16,732)
Total current liabilities		**(110,924)**	**(105,391)**
Total assets less current liabilities		**229,373**	**227,228**
Non-current liabilities			
Borrowings	15.1	(13,584)	(16,636)
Lease liabilities	15.1	(9,502)	0
Provisions	16.1	(7,206)	(4,342)
Other liabilities	14	(2,387)	(4,360)
Total non-current liabilities		**(32,679)**	**(25,338)**
Total assets employed		**196,694**	**201,890**
Financed by taxpayers' equity			
Public Dividend Capital		154,846	151,216
Revaluation reserve	17.1, 17.2	51,811	52,912
Income and expenditure reserve		(9,963)	(2,238)
Total taxpayers' equity		**196,694**	**201,890**

These accounts together with notes on pages 14 to 58 were approved by the Board of Directors on [insert date].

Signed:

Name: Mel Pickup (Chief Executive)
Dated: 12 July 2023

3. STATEMENT OF CHANGES IN TAXPAYERS' EQUITY FOR THE YEAR ENDED 31 MARCH 2023

	Total £000	Public Dividend Capital £000	Revaluation reserve (see note 17.1) £000	Income and expenditure reserve £000
Taxpayers' equity at 1 April 2022	**201,890**	**151,216**	**52,912**	**(2,238)**
Deficit for the year	**(9,326)**	0	0	(9,326)
Other transfers between reserves	**0**	0	(1,601)	1,601
Net impairments	**(5,873)**	0	(5,873)	0
Revaluations – property, plant and equipment	**6,373**	0	6,373	0
Public dividend capital received	**3,630**	3,630	0	0
Taxpayers' equity at 31 March 2023	**196,694**	**154,846**	**51,811**	**(9,963)**
Taxpayers' equity at 1 April 2021	**195,268**	**140,333**	**49,706**	**5,229**
Deficit for the year	**(8,975)**	0	0	(8,975)
Other transfers between reserves	0	0	(1,508)	1,508
Net impairments	**2,323**	0	2,323	0
Revaluations – property, plant and equipment	**2,391**	0	2,391	0
Public Dividend Capital received	**10,883**	10,883	0	0
Taxpayers' equity at 31 March 2022	**201,890**	**151,216**	**52,912**	**(2,238)**

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.

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 expenditure. Subsequent downward movements in asset valuations are charged to the revaluation reserve to the extent that a previous gain was recognised unless the downward movement represents a clear consumption of economic benefit or a reduction in service potential.

Income and expenditure reserve

The balance of this reserve is the accumulated surpluses and deficits of the NHS foundation trust.

4. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

	Note	2022/23 £000	2021/22 £000
Cash flows from operating activities			
Operating deficit		(7,811)	(5,065)
Non-cash income and expense			
Depreciation and amortisation	3.1	16,996	15,789
Net Impairments	3.4	9,217	10,600
Income recognised in respect of capital donations (cash and non-cash)	2.1	0	(1,004)
(Increase) / decrease in trade and other receivables		(6,461)	353
(Increase) / decrease in inventories		(1,704)	113
Increase in trade and other payables		16,080	13,501
Increase / (decrease) in other liabilities		(7,041)	3,701
Increase / (decrease) in provisions		3,049	(257)
Net cash flows from operations		**22,325**	**37,731**
Cash flows from investing activities			
Interest received		1,773	46
Proceeds from sales / settlements of financial assets / investments		430	0
Purchase of intangible assets		(2,659)	(4,965)
Purchase of property, plant and equipment and investment property		(25,580)	(29,712)
Sale of property, plant and equipment and investment property		50	0
Initial direct costs or up front payments in respect of new right of use asset (lessee)		(22)	0
Receipt of cash donations to purchase capital assets		0	78
Net cash flows used in investing activities		**(26,008)**	**(34,553)**
Cash flows from financing activities			
Public dividend capital received		3,630	10,883
Repayment of loans to the Department of Health and Social Care		(3,052)	(3,052)
Capital element of lease liability repayments		(1,327)	0
Interest paid on DHSC loans		(327)	(369)
Interest element of lease liability repayments		(109)	0
Public dividend capital dividend paid		(3,209)	(4,516)
Net cash flows from financing activities		**(4,394)**	**2,946**
(Decrease)/increase in cash and cash equivalents		(8,077)	6,124
Cash and cash equivalents at 1 April		81,139	75,015
Cash and cash equivalents at 31 March	18.1	**73,062**	**81,139**

NOTES TO THE ACCOUNTS

4.1.1. NOTE 1 ACCOUNTING POLICIES AND OTHER INFORMATION

NHS England has directed that the financial statements of all NHS foundation trusts shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (DHSC GAM), which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the DHSC GAM 2022/23 issued by the Department of Health and Social Care. The accounting policies contained in the DHSC 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 DHSC GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the NHS foundation trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to the accounts.

1.1 Accounting convention

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

1.2 Going Concern

These accounts have been prepared on a going concern basis. The financial reporting framework applicable to NHS bodies, derived from the HM Treasury Financial Reporting Manual, defines that the anticipated continued provision of the entity's services in the public sector is normally sufficient evidence of going concern. The directors have a reasonable expectation that this will continue to be the case.

1.3 Consolidation

Joint Venture

Joint Ventures are arrangements in which the NHS foundation trust has joint control with one or more other parties, and has the rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint Ventures are accounted for using the equity method.

In 2015/16 the NHS foundation trust entered into two joint venture limited liability partnerships Integrated Pathology Solutions LLP and Integrated Laboratory Solutions LLP. The NHS foundation trust currently holds a 33.33% equity investment in both organisations, with losses limited to £1 each, with Airedale NHS Foundation Trust and Harrogate and District NHS Foundation Trust (from October 2019). The joint ventures have been established to deliver and develop laboratory based pathology services.

NHS Charitable Fund

The NHS foundation trust has not consolidated the financial statements of Bradford Hospitals Charity (the Charity), charity registration number 1061753, on the grounds of materiality.

The NHS foundation trust is the Corporate Trustee of the Charity and is governed by the law applicable to trusts, principally the Trustee Act 2000 and the Charities Act 1993, as amended by the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 (as modified by section 5 and the Schedule to Order) and the Statement of Recommended Practice (FRS 102, effective from 01 January 2015). The NHS foundation trust Board of Directors has devolved responsibility for the on-going management of funds to the Charitable Fund Committee, which administers the funds on behalf of the Corporate Trustee.

1.4 Income

Revenue from contracts with customers

Where income is derived from contracts with customers, it is accounted for under IFRS 15. The DHSC 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 NHS foundation trust is contracts with commissioners for health care services. Funding envelopes are set at an Integrated Care System (ICS) level. The majority of the Trust's income is earned from NHS commissioners in the form of fixed payments to fund an agreed level of activity.

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

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

The Trust also receives income from commissioners under Commissioning for Quality Innovation (CQUIN) and Best Practice Tariff (BPT) schemes. Delivery under these schemes is part of how care is provided to patients. As such CQUIN and BPT payments are not considered distinct performance obligations in their own right; instead they form part of the transaction price for performance obligations under the overall contract with the commissioner. In 2022/23 payment under these schemes is included in fixed payments from commissioners based on assumed achievement of criteria.

Revenue was recognised to the extent that collection of consideration is probable. Where contract challenges from commissioners are expected to be upheld, the NHS foundation trust reflected this in the transaction price and derecognised the relevant portion of income.

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 NHS foundation trust's interim performance does not create an asset with alternative use for the NHS foundation trust, and the NHS foundation 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 NHS foundation 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 NHS foundation 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 NHS foundation 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. This has been measured by a Compensation Recovery Unit rate of 24.86% (2021/22: 23.76%).

Grants and donations

Government grants are grants from government bodies other than income from commissioners or Trusts for the provision of services. Where a grant is used to fund revenue expenditure it is taken to the Statement of Comprehensive Income to match that expenditure. Where the grant is used to fund capital expenditure, it is credited to the consolidated statement of comprehensive income once conditions attached to the grant have been met. Donations are treated in the same way as government grants.

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 NHS foundation 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.

1.5 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 annual accounts to the extent that employees are permitted to carry forward leave into the following period.

NHS Pension Scheme

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Both schemes are unfunded, defined benefit schemes that cover NHS employers, general practices and other bodies, allowed under the direction of Secretary of State for Health and Social Care, in England and Wales. The schemes are not designed in a way that would enable employers to identify their share of the underlying assets and liabilities. Therefore the schemes are accounted for as though they are defined contribution scheme: the cost to the NHS foundation trust is taken as equal to the employer's pension contributions payable to the scheme for the accounting period. The contributions are charged to operating expenses as they become due.

Additional pension liabilities arising from early retirements are not funded by the schemes except where the retirement is due to ill-health. The full amount of the liability for the additional costs is charged to the operating expenses at the time the NHS foundation trust commits itself to the retirement, regardless of the method of payment.

1.6 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.

1.7 Property, plant and equipment

Recognition

Property, plant and equipment is capitalised where:

- it is held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to, or service potential be provided to, the NHS foundation 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 a cost of at least £5,000; or
    - collectively, a number of items have a cost of at least £5,000 and individually have a cost of £250 or more, where the assets are functionally interdependent, had broadly simultaneous purchase dates, are anticipated to have similar disposal dates and are under single managerial control; or
    - have a cost of £250 or more and form part of the initial set up cost of a new building or refurbishment of a ward or unit, where the value is consistent with that of grouped assets.

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 (SoCI) in the period in which it is incurred.

Measurement

Valuation

All property, plant and equipment assets are measured initially at cost, representing the costs directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management.

Assets are measured subsequently at valuation. Assets which are held for their service potential and are in use (i.e. operational assets used to deliver either front line services or back office functions) are measured at their current value in existing use. Assets that were most recently held for their service potential but are surplus with no plan to bring them back into use are measured at fair value where there are no restrictions on sale at the reporting date and where they do not meet the definitions of investment properties or assets held for sale.

Revaluations of property, plant and equipment are performed with sufficient regularity to ensure that carrying values are not materially different from those that would be determined at the end of the reporting period. Current values in existing use are determined as follows:

- Land and non-specialised buildings – market value for existing use
- Specialised buildings – depreciated replacement cost on a modern equivalent asset basis.

For specialised assets, current value in existing use is interpreted as the present value of the asset's remaining service potential, which is assumed to be at least equal to the cost of replacing that service potential. Specialised assets are therefore valued at their depreciated replacement cost (DRC) on a modern equivalent asset (MEA) basis. An MEA basis assumes that the asset will be replaced with a modern asset of equivalent capacity and location requirements of the services being provided.

Assets held at depreciated replacement cost have been on a single site basis with reprovision of all services on the current Bradford Royal Infirmary site. This meets the location requirements of the services being provided.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees. Assets are revalued and depreciation commences when the assets are brought into use.

IT equipment, transport equipment, furniture and fittings, and plant and machinery that are held for operational use are valued at depreciated historic cost where these assets have short useful lives or low values or both, as this is not considered to be materially different from current value in existing use.

For non-operational properties, including surplus land, the valuations are carried out at open market value. Any new building construction or an enhancement to an existing building or building related expenditure of greater than, or equal to, £1,000,000 will necessitate a formal impairment valuation.

Depreciation

Items of property, plant and equipment are depreciated on a straight line basis over their 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 have 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 NHS foundation trust, respectively.

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 SoCI as an item of 'other comprehensive income'.

Impairments

In accordance with the DHSC 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. In 2022/23 the impairment is £15,090,000 and in 2021/22 there was an impairment of £8,277,000.

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.

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.

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.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds (if any) and the carrying amount of the asset and is recognised in the SoCI.

Donated, government grant and other 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 NHS foundation trust by the Department of Health and Social Care as part of the response to the coronavirus pandemic. As defined in the DHSC GAM, the NHS foundation trust applies the principle of donated asset accounting to assets that the NHS foundation trust controls and is obtaining economic benefits from at the year end.

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 is shown in the table below:

	Min life Years	Max life Years
Land	-	-
Buildings, excluding dwellings	15	53
Dwellings	27	45

Plant & machinery	5	15
Transport equipment	7	7
Information technology	4	10
Furniture & fittings	7	10

Finance-leased assets (including land) are depreciated over the shorter of the useful life or the lease term, unless the NHS foundation 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.

1.8 Intangible assets

Recognition

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the NHS foundation 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 NHS foundation trust and where the cost of the asset can be measured reliably.

Software

Software which is integral to the operation of hardware, e.g. 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.

Measurement

Intangible assets are recognised initially at cost, comprising all directly attributable costs needed to create, produce and prepare the asset to the point that it is capable of operating in the manner intended by management.

Subsequently intangible assets are measured at current value in existing use. Where no active market exists, intangible assets are valued at the lower of depreciated replacement cost and the value in use where the asset is income generating. Revaluation gains and losses and impairments are treated in the same manner as for property, plant and equipment. An intangible asset which is surplus with no plan to bring it back into use is valued at fair value where there are no restrictions on sale at the reporting date and where they do not meet the definitions of investment properties or assets held for sale.

Intangible assets held for sale are measured at the lower of their carrying amount or fair value less costs to sell.

Amortisation

Intangible assets are amortised on a straight line basis over their expected useful lives in a manner consistent with the consumption of economic or service delivery benefits.

Useful lives reflect the total life of an asset and not the remaining life of an asset. The range of useful lives for intangible assets are between 2 and 10 years.

1.9 Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of pharmacy inventories is measured using weighted average historical cost method. The cost of other inventories is measured using the First In First Out (FIFO) method. Provision is made where necessary for obsolete, slow moving inventory where it is deemed that the costs incurred may not be recoverable through usage or sale.

The NHS foundation trust received inventories including personal protective equipment from the Department of Health and Social Care at nil cost. In line with the DHSC GAM and applying the principles of the IFRS Conceptual Framework, the NHS foundation trust accounted for 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 of Health and Social Care.

1.10 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 NHS foundation trust's cash management. Cash, bank and overdraft balances are recorded at current values.

1.11 Climate Change Levy

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

1.12 Financial assets and financial liabilities

Recognition

Financial assets and financial liabilities arise where the NHS foundation 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 DHSC GAM expands the definition of a contract to include legislation and regulations which give rise to arrangements that in all other respects would be a financial instrument and do not give rise to transactions classified as a tax by ONS.

This includes the purchase or sale of non-financial items (such as goods or services), which are entered into in accordance with the NHS foundation trust's normal purchase, sale or usage requirements, are recognised when, and to the extent which, performance occurs, i.e. when receipt or delivery of the goods or services is made.

Classification and measurement

Financial assets and financial liabilities are initially measured at fair value plus or minus directly attributable transaction costs except where the asset or liability is not measured at fair value through 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 are classified as subsequently measured at amortised cost.

Financial liabilities are 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.

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.

Impairment of financial assets

For all financial assets measured at amortised cost including lease receivables, contract receivables and contract assets the NHS foundation trust recognises an allowance for expected credit losses.

The NHS foundation 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).

Expected credit losses are calculated by applying a rolling 3 year average write off percentage against Non-NHS aged debt. The write off percentage for each financial year is based upon the total invoice written off against total invoices raised in the respective financial year. This approach is applied to a number of income streams to capture their different risk profiles.

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.

De-recognition

Financial assets are de-recognised when the contractual rights to receive cash flows from the assets have expired or the NHS foundation trust has transferred substantially all the risks and rewards of ownership.

Financial liabilities are de-recognised when the obligation is discharged, cancelled or expires.

1.13 Leases

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

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

Initial application of IFRS 16

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

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

The NHS foundation trust as a lessee

Initial recognition and measurement

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

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

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

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

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

Subsequent measurement

As required by a HM Treasury interpretation of the accounting standard for the public sector, the Trust employs a revaluation model for subsequent measurement of right of use assets, unless the cost model is considered to be an appropriate proxy for current value in existing use or fair value, in line with the accounting policy for owned assets. Where consideration exchanged is identified as significantly below market value, the cost model is not considered to be an appropriate proxy for the value of the right of use asset.

The Trust subsequently measures the lease liability by increasing the carrying amount for interest arising which is also charged to expenditure as a finance cost and reducing the carrying amount for lease payments made. The liability is also remeasured for changes in assessments impacting the lease term, lease modifications or to reflect actual changes in lease payments. Such remeasurements are also reflected in the cost of the right of use asset. Where there is a change in the lease term or option to purchase the underlying asset, an updated discount rate is applied to the remaining lease payments.

The NHS foundation trust as a lessor

The Trust assesses each of its leases and classifies them as either a finance lease or an operating lease. 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.

Where the Trust is an intermediate lessor, classification of the sublease is determined with reference to the right of use asset arising from the headlease.

Finance leases

The NHS foundation trust does not currently hold Finance leases.

Operating leases

Income from operating leases is recognised on a straight-line basis or another systematic basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

The Trust as lessee

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

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

The Trust as lessor

Leases of owned assets where the Trust is lessor were unaffected by initial application of IFRS 16. For existing arrangements where the Trust is an intermediate lessor, classification of all continuing sublease arrangements has been reassessed with reference to the right of use asset.
2021/22 comparatives

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

1.14 Provisions

The NHS foundation 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
- where 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.

Early retirement provisions and injury benefit provisions both use the HM Treasury's pension discount rate of 1.70% in real terms (2021/22: minus 1.30%).

Clinical negligence costs

NHS Resolution operates a risk pooling scheme under which the NHS foundation trust pays an annual contribution to the NHS Resolution, which, in return, settles all clinical negligence claims. Although the NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the NHS foundation trust. The total value of clinical negligence provisions carried by the NHS Resolution on behalf of the NHS foundation trust is disclosed at note 16 but is not recognised in the NHS foundation trust's accounts.

Non-clinical risk pooling

The NHS foundation trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the NHS foundation trust pays an annual contribution to the 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.

1.15 Contingencies

Contingent assets (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 20 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 20, 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.

1.16 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 Trust. 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 NHS foundation trust. PDC is recorded at the value received.

A charge, reflecting the cost of capital utilised by the NHS foundation 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 NHS foundation trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, with certain additions and deductions as defined in the PDC dividend policy issues by the DHSC. This policy is available at https://www.gov.uk/government/publications-on-financing-available-to-nhs-trusts-and-foundation-trusts.

In accordance with the requirements laid down by the DHSC (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the "pre-audit" version of

the annual accounts. The dividend calculated is not revised should any adjustment to net assets occur as a result the audit of the annual accounts.

1.17 Value Added Tax

Most of the activities of the NHS foundation trust are an exempt VAT supply 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 both intangible assets and property, plant and equipment. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

1.18 Corporation Tax

The NHS foundation 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 a power for the Treasury to disapply the exemption in relation to the specified activities of a trust (s519A (3) to (8) ICTA 1988), but, as at 31 March 2023, this power has not been exercised. Accordingly, the NHS foundation trust is not within the scope of corporation tax.

1.19 Foreign exchange

The functional and presentational currencies of the NHS foundation trust are sterling.

A transaction which is denominated in a foreign currency is translated into the functional currency at the spot exchange rate on the date of the transaction.

Where the NHS foundation trust has assets or liabilities denominated in a foreign currency at the SoFP date:

- monetary items are translated at the spot exchange rate on 31 March 2023;
- non-monetary assets and liabilities measured at historical cost are translated using the spot exchange rate at the date of the transaction; and
- non-monetary assets and liabilities measured at fair value are translated using the spot exchange rate at the date the fair value was determined.

Exchange gains or losses on monetary items (arising on settlement of the transaction or on re-translation at the SoFP date) are recognised in income or expense in the period in which they arise.

Exchange gains or losses on non-monetary assets and liabilities are recognised in the same manner as other gains and losses on these items.

1.20 Third party assets

Assets belonging to third parties in which the NHS foundation trust has no beneficial interest (such as money held on behalf of patients) are not recognised in the accounts. However, they are disclosed in note 16.1 to the accounts in accordance with the requirements of HM Treasury's FReM.

1.21 Losses and special payments

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the NHS or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled. Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis.

The losses and special payments note is compiled directly from the losses and compensations register which reports on an accrual basis with the exception of provisions for future losses.

1.22 Gifts

Gifts are items that are voluntarily donated, with no preconditions and without the expectation of any return. Gifts include all transactions economically equivalent to free and unremunerated transfers, such as the loan of an asset for its expected useful life, and the sale or lease of assets at below market value.

1.23 Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2022/23.

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

IFRS 17 Insurance Contracts

The standard is yet to be adopted by the FReM and therefore early adoption is not permitted. Work has not yet started on understanding the impact that this standard will have in the NHS.

At this stage and subject to any interpretation by the FT ARM, we do not envisage a material impact on the NHS foundation trust's financial statements as a result of adopting IFRS 17.

1.25 Critical accounting judgements

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

Valuation of land and buildings

The valuation of land and buildings has been identified as a critical accounting judgement. The valuation is provided by an independent valuer, Cushman & Wakefield, who have applied the modern equivalent asset valuation. This approach assumes that the asset would be replaced with a modern equivalent, not a building of identical design. The modern equivalent may well be smaller than the existing asset, for example due to technological advances in plant and machinery or reduced operational use.

1.26 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:

i. Impairments are recognised where management believe that there is an indication of impairment (through for example, obsolescence). They are recognised where the carrying amount of an asset exceeds its estimated recoverable amount. Significant assets of the NHS foundation trust are reviewed for impairment as they are brought into operational use. Where possible specialists are used to value the recoverable amount however there remains a degree of uncertainty within these estimates. The value of impairments charged to the

Statement of Comprehensive Income is disclosed in Note 7 Intangible Assets and Note 8 Property, plant and equipment. Total impairment losses charged in 2022/23 amounted to £15,090,000 (2021/22: £8,277,000).

ii. The valuation of the NHS foundation trust's estate is based on reports from a Chartered Surveyor on a five-year rolling basis, supplemented by indices provided by the Surveyor in the intervening period where values change by 5% or more. These property valuations and useful economic lives are based on the Royal Institute of Chartered Surveyors valuation standards. The valuation indices include estimates for building costs including materials and adjustments for local market values. The net book value of the NHS foundation trust's land, buildings and dwellings as at 31 March 2023 was £170,507,000 (31 March 2022: £169,616,000).

iii. The NHS foundation trust hold a number of provisions where the actual outcome may vary from the amount recognised in the financial statements. Provisions are based on the most reliable evidence available at the year-end, however by their nature they are a matter of judgement and estimation. Provisions that carry a high degree of uncertainty include those relating to legal settlements yet to be finalised. These include employment tribunals, claims relating to employee contracts and third party and employee liability claims. Details surrounding provisions held at the year-end are included in Note 16 Provisions. Uncertainties and issues arising from provisions and contingent liabilities are assessed and reported in Note 16 Provisions and Note 20 Contingent liabilities / assets. As at 31 March 2023 provisions amounted to £8,396,000 (31 March 2022: £5,306,000) and contingent liabilities amounted to £75,000 (31 March 2022: £74,000).

iv. The NHS foundation trust has a number of agreements in place to provide services over more than one year (for example, contracts relating to research and development). These agreements are reviewed at each Statement of Financial Position date to identify which contractual obligations have been completed and which remain outstanding. The revenue recognised in the year reflects the calculated value of the completed contractual obligations. Income which has been deferred to future periods relating to these contracts at 31 March 2023 amounted to £14,051,000 (31 March 2022: £21,092,000).

v. When accounting for lease agreement the NHS foundation trust has applied a deemed life where appropriate to estimate the period for which the lease will be in place. This can include assumptions around taking up contractual extension periods or estimating the period a lease will be in place for a rolling contract. The total liability arising for these lease arrangements as at 31 March 2023 amounted to £10,899,000 (31 March 2022: nil).

4.1.2. NOTE 2 OPERATING INCOME

Note 2.1 Income from patient care (by nature)

	Note	2022/23 £000	2021/22 £000
Income from activities			
Income from commissioners under API contracts[1]		409,373	348,289
High cost drugs income from commissioners		48,426	40,693
Private patient income		138	99
Elective recovery fund		12,004	1,282
Agenda for change pay award central funding[2]		10,867	0
Additional pension contribution central funding[3]		13,145	12,500
Other clinical income	2.2	2,029	66,460
Total income from activities		**495,982**	**469,323**
Other operating income from contracts with customers:			
Research and development		19,639	10,077
Education and training		24,040	21,909
Reimbursement and top up funding		2,593	6,028
Income in respect of employee benefits accounted on a gross basis	2.3	5,536	5,436
Other Income	2.4	17,441	9,581
Other non-contract operating income			
Research and development (non-contract)		5,820	7,909
Education and training		1,015	882
Receipt of capital grants and donations		0	1,004
Charitable and other contributions to expenditure		1,193	1,573
Revenue from operating leases[4]	2.8	329	0
Total other operating income		**77,606**	**64,399**
Total		**573,588**	**533,722**
Of Which:			
Related to continuing operations		573,588	533,722
Related to discontinued operations		0	0

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

[2]In March 2023 the government announced an additional pay offer for 2022/23, in addition to the pay award earlier in the year. Additional funding was made available by NHS England for implementing this pay offer for 2022/23 and the income and expenditure has been included in these accounts as guided by the Department of Health and Social Care and NHS England. In May 2023 the government confirmed this offer will be implemented as a further pay award in respect of 2022/23 based on individuals in employment at 31 March 2023.

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

[4]2020/21 Revenue from operating leases of £40,000 was reported as Other Income.

Note 2.2 Other clinical income

Other clinical income in the main comprises Road Traffic Accident (RTA) income £1,021,000 (2021/22: £900,000), cystic fibrosis and maternity pathway £580,000 (2021/22: £500,000), and income from overseas patients £427,000 (2021/22: £234,000).

Other clinical income in 2021/22 also included Covid 19 funding which is now reported as income from commissioners under API contracts (2021/22: £64,700,000).

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

	2022/23 £000	2021/22 £000
Income recognised this year	427	234
Cash payments received in-year	43	14
Amounts added to provision for impairment of receivables	345	87
Amounts written off in-year	38	684

Note 2.3 Income in respect of employee benefits accounted for on a gross basis

Provider to provider income relates to services provided by the NHS foundation trust to other trusts or commissioners. Income recorded under this heading relates to ear, nose and throat, ophthalmology and plastic surgeons working at Calderdale and Huddersfield NHS Foundation Trust £294,000 (2021/22: £287,000) and Airedale NHS Foundation Trust £1,733,000 (2021/22: £1,779,000). Individual posts and services are charged to Leeds Teaching Hospitals £239,000 (2021/22: £344,000), Bradford District Care Trust £557,000 (2021/22: £535,000) and other hospitals across Yorkshire £209,000 (2021/22: £153,000). Funding for other initiatives includes West Yorkshire ICB £614,000 (2021/22: £184,000), Department of Health and Social Care and Health Education England £332,000 (2021/22: £315,000) and support to non NHS organisations £1,558,000 (2021/22: £1,839,000) including McMillian Cancer Support and Marie Curie Hospice for doctors, nurses, AHPs and administrative staff.

Note 2.4 Other income

Other income, in the main, includes income associated with services provided to other NHS and Non NHS organisations & local authorities £11,412,000 (2021/22: £6,390,000), non-recurrent winter surge funding from NHS England £2,000,000 (2021/22: nil), pharmacy sales £1,172,000 (2021/22: £1,282,000), car parking income £1,111,000 (2021/22: £465,000), catering £175,000 (2021/22: £627,000), clinical excellence awards £372,000 (2021/22: £289,000) and staff accommodation £262,000 (2021/22: £233,000).

Note 2.5 Segmental analysis

The Chief Operating Decision Maker (CODM) is the Board of Directors because it is at this level where overall financial performance is measured and challenged. The Board of Directors primarily considers financial matters at a trust wide level. The Board of Directors is presented with information on clinical divisions but this is not the primary way in which financial matters are considered.

The NHS foundation trust has applied the aggregation criteria from IFRS 8 operating segments because the clinical divisions provide similar services, have homogenous customers, common production processes and a common regulatory environment. Therefore the NHS foundation trust believes that there is one segment and have reported under IFRS 8 on this basis.

To effectively manage financial performance the Board of Directors review organisation wide income and expenditure, cash, liquidity and capital programme delivery against an approved annual plan. The Board of Directors also review operational performance including waiting lists, achievement of the emergency care standard, length of stage and bed occupancy.

Note 2.6 Income from patient care (by source)

Income from activities	**2022/23 £000**	**2021/22 £000**
NHS England	108,842	86,427
Clinical commissioning groups	95,222	381,084
Integrated care boards[1]	289,751	0
NHS Foundation Trusts	187	182
NHS Trusts	393	382
NHS other (including Public Health England)	1	0
Non-NHS: private patients	138	99
Non-NHS: overseas patients (non-reciprocal, chargeable to patient)	427	234
Injury cost recovery scheme	1,021	915
Total income from activities	**495,982**	**469,323**
Of which:		
Related to continuing operations	495,982	469,323
Related to discontinued operations	0	0

[1] Integrated Care Boards (ICB) replaced Clinical Commissioning Groups (CCG) from 1 July 2022. Total income from ICBs and CCGs in 2022/23 was £384,973,000 (2021/22: £381,084,000).

Note 2.7 Income from activities arising from commissioner requested services

	2022/23 £000	2021/22 £000
Income for services designated as commissioner requested services	493,815	467,511
Income from services not designated as commissioner requested services	2,167	1,812
Total	**495,982**	**469,323**

Under the terms of its provider license, the NHS foundation 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 license and are services that commissioners believe would need to be protected in the event of provider failure.

Note 2.8 Operating leases - NHS foundation trust as lessor

This note discloses income generated in operating lease agreements where Bradford Teaching Hospitals NHS Foundation Trust is the lessor.

The NHS foundation trust has applied IFRS 16 to account for lease arrangements from 1 April 2022 without restatement of comparatives. Comparative disclosures in this note are presented on an IAS 17 basis. This includes a different maturity analysis of future minimum lease receipts under IAS 17 compared to IFRS 16.

Operating lease income relates to letting out catering and retail space within both the Bradford Royal Infirmary and St Luke's Hospital and for the housing of telephone masts.

Operating lease income

	2022/23 £000	2021/22 £000
Lease receipts recognised as income in year:		
Variable lease receipts / contingent rents	329	0
Total in-year operating lease income	**329**	**0**

2.9 Future lease receipts

	31 March 2023 £000
Future minimum lease receipts due at 31 March 2023:	
- not later than one year	420
- later than one year and not later than two years	430
- later than two years and not later than three years	435
- later than three years and not later than four years	435
- later than four years and not later than five years	438
- later than five years	491
Total	**2,649**

No future minimum lease receipts were identified as due at 31 March 2022.

4.1.3. **Note 3 Operating expenses**

Note 3.1 Operating expenses

	Note	2022/23 £000	2021/22 £000
Purchase of healthcare from NHS and DHSC bodies		1,819	1,870
Purchase of healthcare from non NHS bodies and non-DHSC bodies		13,038	6,376
Staff and executive directors costs		346,730	314,077
Non-executive directors		104	155
Supplies and services – clinical (excluding drug costs)		54,638	57,477
Supplies and services – general		25,541	24,247
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)		47,710	43,131
Inventories written down		8	0
Consultancy costs		1,145	1,025
Establishment		2,410	3,365
Premises – business rates collected by local authorities		1,707	1,536
Premises – other		8,731	7,722
Transport – (business travel only)		539	476
Transport – other (including patient travel)		5	4
Depreciation on property, plant & equipment and right of use assets		11,791	10,345
Amortisation on intangible assets		5,205	5,444
Impairments net of (reversals)	3.4	9,217	10,600
Movement in credit loss allowance: contract receivables / assets		306	9
Change in provisions discount rate[1]		(654)	99
Audit services – statutory audit		132	92
Internal Audit – non-staff		233	203
Clinical negligence – amounts payable to the NHS Resolution (premium)		15,630	16,216
Legal fees		198	188
Insurance		461	474
Research and development – staff costs		10,791	10,065
Research and development – non-staff		10,366	9,098
Education and training – staff costs		9,454	8,137
Education and training – non-staff		1,163	2,165
Education and training – notional expenditure funded from apprenticeship fund		1,015	882
Expenditure on short term leases (current year only)		371	0
Operating lease expenditure (comparative only)[2]		0	2,106
Redundancy costs		45	0
Car parking and security		10	8
Hospitality		11	82
Other losses and special payments – staff costs		377	0
Other losses and special payments – non-staff		112	138
Other services (e.g. external payroll)		1,040	975
Total		**581,399**	**538,787**

[1]2022/23 Change in provisions discount rate excludes £864,000 relating to the 2019/20 clinicians pension reimbursement which is reported within provisions but is held by NHS England and excluded from operational expenditure.

[2]2021/22 Operating lease expenditure of £2,106,000 is provided for comparative purposes and is reported under the accounting treatment of IAS 17 Leases.

Note 3.2 Other audit remuneration

There were no non-audit fees payable to the external auditor in 2022/23 (2021/22: nil).

Note 3.3 Limitation on auditor's liability

In accordance with SI 2008 no.489, the Companies (Disclosure of Auditor Remuneration and Liability Limitation Agreement) Regulations 2008, the limitation on auditor's liability for the year ended 31 March 2023 is £1,000,000 (31 March 2022 £1,000,000).

Note 3.4 Impairment of assets

	2022/23 £000	2021/22 £000
Unforeseen obsolescence	215	0
Changes in market price	9,002	10,597
Other	0	3
Total net impairments charged to operating surplus	**9,217**	**10,600**
Impairments charged to the revaluation reserve	5,873	(2,323)
Total net impairments	**15,090**	**8,277**

4.1.4. NOTE 4 EMPLOYEE EXPENSES

Note 4.1 Employee expenses

	2022/23 £000	2021/22 £000
Salaries and wages	284,093	255,852
Social security costs	28,991	24,369
Apprenticeship Levy	1,406	1,276
Employer's contributions to NHS Pensions	43,202	41,043
Temporary Staff - Agency / contract staff	9,807	10,079
Total	**367,499**	**332,619**
Included within :		
Costs capitalised as part of assets	147	340

All employer pension contributions in 2022/23 and 2021/22 were paid to the NHS Pensions Agency.

The operating employee expense, excluding costs capitalised as part of assets, of £367,352,000 is reported in note 3.1 Operating expenses as Staff and executive directors costs (£346,730,000), Research and Development – staff costs (£10,791,000), Education and training – staff costs (£9,454,000) and Special payments – staff costs (£377,000).

Salaries and wages include £24,883,000 for internal temporary bank staff (2021/22: £17,956,000).

Included in the above figures are the following balances for executive directors:

	2022/23	2021/22
	£000	£000
Directors' remuneration	1,418	1,253
Employer pension contributions in respect of directors	125	172

Note 4.2 Average number of employees

	2022/23	2021/22
	WTE	WTE
Medical and dental	946	881
Administration and estates	1,929	1,882
Healthcare assistants and other support staff	749	714
Nursing, midwifery and health visiting staff	2,031	2,044
Scientific, therapeutic and technical staff	807	777
Other	4	3
Total	**6,466**	**6,301**
of which		
Number of employees engaged on capital projects	3	9

Note 4.3 Exit package cost band (including any special payment element)

	2022/23	2022/23	2021/22	2021/22
	Total number of exit packages	Total cost of exit packages £000	Total number of exit packages	Total cost of exit packages £000
<£10,000	1	3	2	9
£10,000 - £25,000	1	24	2	28
£25,001 - £50,000	0	0	0	0
£50,001 - £100,000	0	0	0	0
Total	**2**	**27**	**4**	**37**

Note 4.4 Exit packages: other (non-compulsory) departure payment

	2022/23 Agreements Number	2022/23 Total value of agreements £000	2021/22 Agreements Number	2021/22 Total value of agreements £000
Contract payments in lieu of notice	1	16	0	0
Exit payments following employment tribunals or court orders	0	0	1	12
Non-contractual payments requiring HMT approval	0	0	1	7
Total	**1**	**16**	**2**	**19**

Note 4.5 Early retirements due to ill health

	2022/23 £000	2022/23 Number	2021/22 £000	2021/22 Number
Number of early retirements on the grounds of ill-health	-	5	-	4
Value of early retirements on the grounds of ill-health	103	-	185	-

Note 4.6 Analysis of termination benefits

	2022/23 £000	2022/23 Number	2021/22 £000	2021/22 Number
Number of cases	-	0	-	0
Cost of cases	0	-	0	-

Note 4.7 Pension Costs

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

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

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2023, is based on valuation data as 31 March 2022, updated to 31 March 2023 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

b) Full actuarial (funding) valuation

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

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

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

Auto-enrolment / NEST Pension Scheme

On 1 April 2013, the NHS foundation trust signed up to an alternative pension scheme, NEST, to comply with the Government's requirement for employers to enrol all their employees into a workplace pension scheme, to help people to save for their retirement.

From 1 April 2013, any employees not in a pension scheme were either enrolled into the NHS Pension Scheme or, where not eligible for the NHS Scheme, into the NEST Scheme. Employees are not entitled to join the NHS Pension Scheme if they:

- are already in receipt of an NHS pension;
- work full time at another trust; or
- are absent from work due to long-term sickness, maternity leave, etc. when the statutory duty to automatically enrol applies.

The NHS foundation trust is required to make contributions to the NEST pension fund for any such employees enrolled. From April 2019 onwards the combined contribution rate (employee and employer) is 8%, with a contribution of 3% from the NHS Foundation Trust.
Employees are permitted to opt out of the auto-enrolment, from either the NHS Pension Scheme or NEST, if they do not wish to pay into a pension, but they will lose the contribution made by the NHS foundation trust.

In the financial year to 31 Mar 2023, the NHS foundation trust made contributions totalling £115,000 into the NEST fund (31 March 2022 £99,000).

4.1.5. NOTE 5 FINANCE INCOME

	2022/23 £000	2021/22 £000
Interest on bank accounts	1,773	46
Total	**1,773**	**46**

Interest receivable relates to interest earned with the Government Banking Service and the National Loans Fund.

4.1.6. NOTE 6 FINANCE COSTS AND PUBLIC DIVIDEND CAPITAL DIVIDEND

Note 6.1 Finance costs

Finance expenditure represents interest and other charges in the borrowing of money or asset financing.

	2022/23 £000	2021/22 £000
Interest expense:		
Interest on loans from the Department of Health and Social Care	315	359
Interest on lease obligations	109	0
Total interest expense	**424**	**359**
Unwinding of discount on provisions	41	(42)
Total finance costs	**465**	**317**

Interest expense on loans from the Department of Health and Social Care of £315,000 (2021/22: £359,000) was due on the following loans.

Date Total Loan Taken	Duration of Loan	Total Loan Amount (£000)	Remaining Amount to Withdraw (£000)	Amount Repaid (£000)	Balance Outstanding (£000)	Total Interest (£000)
20 June 2016	20 Years	20,000	0	7,364	12,636	262
19 September 2016	8 Years	16,000	0	12,000	4,000	53
		36,000	**0**	**19,364**	**16,636**	**315**

No interest or compensation has been paid under the Late Payment of Commercial Debts (Interest) Act 1998 during 2022/23 or 2021/22.

Note 6.2 Public dividend capital dividend

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 Trust. HM Treasury has determined that PDC is not a financial instrument within the meaning of IAS 32. A charge, reflecting the cost of capital utilised by the NHS foundation trust, is payable as PDC dividend. See accounting policy 1.17 for an explanation of how this dividend is calculated.

The amount payable this year is £3,640,000 (2021/22: £3,598,000), which is 3.50% of the year's average relevant net assets of £195,129,000 (2021/22: £194,650,000) less average daily cleared cash balance £91,143,000 (2021/22: £91,841,000) at 3.50%.

Note 6.3 Losses and special payments

NHS Foundation Trusts are required to record cash and other adjustments that arise as a result of losses and special payments. These losses to the NHS foundation trust will result from the write off of bad debts, compensation paid for lost patient property, or payments made for litigation claims in respect of personal injury. In year the NHS foundation trust has had 115 (2021/22: 394) separate losses and special payments, totalling £519,000 (2021/22: £1,985,000). The bulk of these were in relation to bad debts and ex gratia payments in respect of overtime corrective payments to staff.

Losses and special payments are reported on an accruals basis but excluding provisions for future losses.

	2022/23 Total Number of Cases Number	2022/23 Total Value of Cases £000	2021/22 Restated Total Number of Cases Number	2021/22 Restated Total Value of Cases £000
Losses				
Cash losses	17	5	10	3
Bad debts and claims abandoned	56	69	309	687
Total losses	**73**	**74**	**319**	**690**
Special Payments				
Ex-gratia payments[1]	42	445	74	1,288
Special severance payment[2]	0	0	1	7
Total special payments	**42**	**445**	**75**	**1,295**
Total losses and special payments	**115**	**519**	**394**	**1,985**

Included within 2022/23 ex-gratia payments are salary sacrifice lease car VAT refunds of £377,000. These payments were made following a refund to the NHS Foundation Trust for VAT paid on salary sacrifice lease cars. The refund was paid to staff who incurred these costs through their salary sacrifice agreements between October 2012 and August 2021.

Included within 2021/22 ex-gratia payments are overtime corrective payments to staff of £454,000. These payments were made following the Flowers court ruling which entitles staff to holiday pay on overtime.

[1]The comparative special payments disclosure has been restated by 1 ex-gratia payment case of £698,000 to include a non-performance related award payment of £100 that was paid to staff. NHS

England has clarified they consider this type of transaction meets the definition a “special payment” as it was not contractually required.

[2]The compariatve special payment disclosure has been restated by 1 special severance payment case of £7,000. This settlement was approved and paid in 2021/22 but was not previously disclosed.

4.1.7. NOTE 7 INTANGIBLE ASSETS

Note 7.1 Intangible assets 2022/23

	Total	Software licences
	£000	£000
Valuation / gross cost at 1 April	22,538	22,538
Additions – purchased / internally generated	1,730	1,730
Reclassifications	0	0
Disposals / derecognition	0	0
Gross cost at 31 March	**24,268**	**24,268**
Accumulated amortisation at 1 April	10,488	10,488
Provided during the year	5,205	5,205
Impairments	0	0
Reclassifications	0	0
Disposals / derecognition	0	0
Amortisation at 31 March	**15,693**	**15,693**
Net book value at 31 March 2023	**8,575**	**8,575**
Net book value at 31 March 2022	**12,050**	**12,050**

Note 7.2 Intangible assets 2021/22

	Total	Software licences
	£000	£000
Valuation / gross cost at 1 April	19,978	19,978
Additions – purchased / internally generated	6,430	6,430
Additions – donation of physical assets (non cash)	0	0
Reclassifications	270	270
Disposals / derecognition	(4,140)	(4,140)
Gross cost at 31 March	**22,538**	**22,538**
Accumulated amortisation at 1 April	**8,911**	**8,911**
Provided during the year	5,444	5,444
Impairments	3	3
Reclassifications	270	270
Disposals / derecognition	(4,140)	(4,140)
Amortisation at 31 March	**10,488**	**10,488**
Net book value at 31 March 2022	**12,050**	**12,050**
Net book value at 31 March 2021	**11,067**	**11,067**

All assets classed as intangible meet the criteria set out in IAS 38 (2) in terms of identifiability, control (power to obtain benefits from the asset), and future economic benefits (such as revenues or reduced future costs). The cost less residual value of an intangible asset with a finite useful life is amortised on a systematic basis over that life, as required by IAS 38 (97).

The electronic patient records system is a material asset within the NHS foundation trusts intangible assets balance. The closing net book value of the asset was £2,079,000 (2021/22: £3,118,000) which will be amortised over the life of the service contract which expires on 31 January 2025.

4.1.8. NOTE 8 PROPERTY, PLANT AND EQUIPMENT

Note 8.1 Property, plant and equipment 2022/23

	Total	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant and machinery	Transport equipment	Information technology	Furniture and fittings
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation/Gross cost at 1 April	**240,326**	**10,877**	**156,001**	**3,100**	**9,205**	**41,892**	**56**	**19,084**	**111**
Additions – purchased[1]	**19,419**	0	6,173	13	(552)	9,461	45	4,280	(1)
Additions – donations / grants	**0**	0	0	0	0	0	0	0	0
Impairments charged to revaluation reserve	**(9,750)**	0	(9,750)	0	0	0	0	0	0
Reversal of impairments credited to revaluation reserve	**3,877**	0	3,819	58	0	0	0	0	0
Reclassifications	**0**	0	7,935	0	(7,935)	0	0	0	0
Revaluations	**(7,356)**	(547)	(7,097)	288					
Disposals	**(4,333)**	0	0	0	0	(4,313)	0	(20)	0
Valuation/Gross cost at 31 March	**242,183**	**10,330**	**157,081**	**3,459**	**718**	**47,040**	**101**	**23,344**	**110**
Accumulated depreciation at 1 April	**31,981**	**0**	**362**	**0**	**0**	**22,083**	**39**	**9,390**	**107**
Provided during the year	**10,389**	0	4,624	104	0	3,379	6	2,273	3
Impairments charged to operating expenses	**12,438**	600	11,623	0	0	215	0	0	0
Reversal of impairments charged to operating expenses	**(3,221)**	0	(3,221)	0	0	0	0	0	0
Revaluations	**(13,729)**	(600)	(13,025)	(104)	0	0	0	0	0
Reclassifications	**0**	0	0	0	0	0	0	0	0
Disposals	**(4,235)**	0	0	0	0	(4,215)	0	(20)	0
Accumulated depreciation at 31 March	**33,623**	**0**	**363**	**0**	**0**	**21,462**	**45**	**11,643**	**110**

[1]2022/23 Capital expenditure for Assets under construction includes the unwinding of expenditure accrued in 2021/22 for large building schemes. The final billing for these schemes was less than the amount accrued and is reported as negative in year capital expenditure.

A full revaluation for land, buildings and dwellings was carried out at 31 March 2023 by the independent valuer Cushman & Wakefield. The modern equivalent asset valuation was applied based on a single site replacement of the NHS foundation trust's buildings based at the Bradford Royal Infirmary.

Plant and Machinery assets with a total gross value of £4,313,000 were disposed of in 2022/23 (2021/22: £6,533,000). The vast majority of these assets had a nil net book value. The large disposal includes assets which have been held for over 7 years and were no longer in use.

Note 8.2 Property, plant and equipment financing 2022/23

	Total	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant and machinery	Transport equipment	Information technology	Furniture and fittings
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Owned - purchased	**204,573**	10,330	154,608	3,459	718	23,701	56	11,701	0
Donated	**3,987**	0	2,110	0	0	1,877	0	0	0
Net book value at 31 March	**208,560**	**10,330**	**156,718**	**3,459**	**718**	**25,578**	**56**	**11,701**	**0**

There are no restrictions imposed by the donors on the use of donated assets.

Note 8.3 Property, plant and equipment 2021/22

	Total	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant and machinery	Transport equipment	Information technology	Furniture and fittings
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation/Gross cost at 1 April	**226,078**	**9,062**	**146,252**	**3,019**	**7,026**	**43,273**	**39**	**17,131**	**276**
Additions – purchased	**31,208**	0	1,440	0	22,741	4,200	3	2,822	2
Additions – donations / grants	**1,004**	0	84	0	0	920	0	0	0
Impairments charged to operating expenses	**(3,748)**	0	(3,748)	0	0	0	0	0	0
Impairments charged to revaluation reserve	**6,071**	0	5,897	174	0	0	0	0	0
Reclassifications	**(270)**	0	20,562	0	(20,562)	32	14	(241)	(75)
Revaluations	**(12,764)**	1,815	(14,486)	(93)	0	0	0	0	0
Disposals	**(7,253)**	0	0	0	0	(6,533)	0	(628)	(92)
Valuation/Gross cost at 31 March	**240,326**	**10,877**	**156,001**	**3,100**	**9,205**	**41,892**	**56**	**19,084**	**111**
Accumulated depreciation at 1 April	**33,676**	**0**	**0**	**0**	**0**	**25,357**	**23**	**8,051**	**245**
Provided during the year	**10,345**	0	4,823	97	0	3,185	2	2,209	29
Impairments charged to operating expenses	**13,333**	0	13,333	0	0	0	0	0	0
Reversal of impairments charged to operating expenses	**(2,736)**	(1,008)	(1,728)	0	0	0	0	0	0
Revaluations	**(15,155)**	1,008	(16,066)	(97)	0	0	0	0	0
Reclassifications	**(270)**	0	0	0	0	33	14	(242)	(75)
Disposals	**(7,212)**	0	0	0	0	(6,492)	0	(628)	(92)
Accumulated depreciation at 31 March	**31,981**	**0**	**362**	**0**	**0**	**22,083**	**39**	**9,390**	**107**

Note 8.4 Property, plant and equipment financing 2021/22

	Total	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant and machinery	Transport equipment	Information technology	Furniture and fittings
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Owned - Purchased	**204,006**	10,877	153,448	3,100	9,205	17,664	17	9,694	1
Donated	**4,339**	0	2,191	0	0	2,145	0	0	3
Net book value at 31 March	**208,345**	**10,877**	**155,639**	**3,100**	**9,205**	**19,809**	**17**	**9,694**	**4**

4.1.9. NOTE 9 LEASES

This note details information about leases for which the Trust is a lessee. In the main the NHS foundation trust leases community based buildings from other NHS organisations. The NHS foundation trust also leases some items for medical equipment which are used for a range of services.

Note 9.1 Right of use assets 2022/23

	Total	Property (land and buildings)	Plant & machinery	Of Which: leased from DHSC group bodies
	£000	£000	£000	£000
IFRS 16 implementation - adjustments for existing operating leases / subleases	**11,919**	11,218	701	10,416
Additions	**365**	0	365	0
Valuation/gross cost at 31 March 2023	**12,284**	**11,218**	**1,066**	**10,416**
Provided during the year	**1,402**	1,170	232	1,042
Accumulated depreciation at 31 March 2023	**1,402**	**1,170**	**232**	**1,042**
Net book value at 31 March	**10,882**	**10,048**	**834**	**9,374**
Net book value of right of use assets leased from NHS providers				1,209
Net book value of right of use assets leased from other DHSC group bodies				8,165

Note 9.2 Reconciliation of the carrying value of lease liabilities

Lease liabilities are included within borrowings in the statement of financial position. A breakdown of borrowings is disclosed in note 15.

	2022/23
	£000
Carrying value at 31 March 2022	0
IFRS 16 implementation - adjustments for existing operating leases	11,883
Lease additions	343
Interest charge arising in year	109
Lease payments (cash outflows)	(1,436)
Carrying value at 31 March 2023	**10,899**

Lease payments for short term leases, leases of low value underlying assets and variable lease payments not dependent on an index or rate are recognised in operating expenditure. These payments are disclosed in Note 3.1. Cash outflows in respect of leases recognised on-SoFP are disclosed in the reconciliation above.

Note 9.3 Maturity analysis of future lease payments at 31 March 2023

	Total 31 March 2023	Of which leased from DHSC group bodies: 31 March 2023
	£000	£000
Undiscounted future lease payments payable in:		
- not later than one year;	1,495	1,091
- later than one year and not later than five years;	5,389	4,363
- later than five years.	4,451	4,364
Total gross future lease payments	**11,335**	**9,818**
Finance charges allocated to future periods	(436)	(400)
Net lease liabilities at 31 March 2023	**10,899**	**9,418**
Of which:		
- Leased from other NHS providers		1,215
- Leased from other DHSC group bodies		8,203

Note 9.4 Maturity analysis of finance lease liabilities at 31 March 2022 (IAS 17 basis)

The NHS foundation trust did not hold any finance lease agreements on an IAS 17 basis as at 21 March 2022.

Note 9.5 Commitments in respect of operating leases at 31 March 2022 (IAS 17 basis)

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

	2021/22
	£000
Operating lease expense	
Minimum lease payments	2,106
Total	**2,106**

	31 March 2022
	£000
Future minimum lease payments due:	
- not later than one year;	4,730
- later than one year and not later than five years;	2,402
Total	**7,132**

Note 9.6 Initial application of IFRS 16 on 1 April 2022

IFRS 16 as adapted and interpreted for the public sector by HM Treasury has been applied to leases in these financial statements with an initial application date of 1 April 2022.

The standard has been applied using a modified retrospective approach without the restatement of comparatives. Practical expedients applied by the Trust on initial application are detailed in the leases accounting policy in note 1.13.

Lease liabilities created for existing operating leases on 1 April 2022 were discounted using the weighted average incremental borrowing rate determined by HM Treasury as 0.95%.

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

	1 April 2022 £000
Operating lease commitments under IAS 17 at 31 March 2022	**7,132**
Impact of discounting at the incremental borrowing rate	(62)
IAS 17 operating lease commitment discounted at incremental borrowing rate	**7,070**
Less:	
Commitments for short term leases	(170)
Other adjustments:	
Differences in the assessment of the lease term	8,453
Other adjustments	(3,470)
Total lease liabilities under IFRS 16 as at 1 April 2022	**11,883**

4.1.10. NOTE 10 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

	2022/23	2021/22
	£000	£000
Carrying value at 1 April - brought forward	**0**	**0**
Share of profit[1]	865	0
Disbursements / dividends received	(430)	0
Carrying value at 31 March	**435**	**0**

[1]2022/23 Share of profit includes £519,000 for profit generated in the 2021/22 financial year.

The NHS foundation trust has a 33.33% equity share and voting rights in both Integrated Pathology Solutions LLP and Integrated Laboratory Solutions LLP, with losses limited to £1 each. Neither Integrated Pathology Solutions, nor Integrated Laboratory Solutions hold capital assets.

The NHS foundation trust established Integrated Pathology Solutions LLP and Integrated Laboratory Solutions LLP with Airedale NHS Foundation Trust in February 2016. Both organisations held a 50% equity share. In October 2019 Harrogate and District NHS Foundation Trust became a partner in both organisation and all three partners now hold a 33.33% equity share. Control is shared equally between the three partners and both organisation are considered to be joint ventures.

Interests in Joint Ventures:

	2022/23			2021/22		
	Profit	Gross Assets	Net Assets	Profit	Gross Assets	Net Assets
	£000	£000	£000	£000	£000	£000
Integrated Laboratory Solutions LLP	711	3,570	932	1,459	4,401	446
Integrated Pathology Solutions LLP	330	1,506	373	460	1,208	612
Total	**1,041**	**5,077**	**1,305**	**1,919**	**5,609**	**1,058**

4.1.11. NOTE 11 INVENTORIES

	31 Mar 23	31 Mar 22
	£000	£000
Consumables	4,379	3,674
Drugs	5,217	4,248
Energy	90	60
Total	**9,686**	**7,982**

Inventories recognised in expenses for the year were £48,625,000 (2021/22: £43,131,000). Write-down of inventories recognised as expenses for the year were £8,000 (2021/22: nil).

In response to the COVID 19 pandemic, the Department of Health and Social Care centrally procured personal protective equipment and passed these to NHS providers free of charge. During 2022/23 the Trust received £911,000 of items purchased by DHSC (2021/22: £1,468,000).

These inventories were recognised as additions to inventory at deemed cost with the corresponding benefit recognised in income. The utilisation of these items is included in the expenses disclosed above.

4.1.12. NOTE 12 RECEIVABLES

Note 12.1 Trade receivables and other receivables

	31 Mar 23	31 Mar 22
	£000	£000
Current		
Contract receivables	21,724	14,559
Allowance for impaired contract receivables / assets	(1,097)	(805)
Prepayments	3,235	4,264
PDC dividend receivable	823	1,254
VAT receivables	2,002	1,458
Other receivables	410	434
Total	**27,097**	**21,164**
Non-current		
Contract receivables	1,020	1,117
Other receivables – revenue	980	822
Total	**2,000**	**1,939**
Of which receivables from NHS and DHSC group bodies		
Current	15,659	9,091
Non-current	980	822

Note 12.2 Allowances for credit losses 2021/22

	2022/23	2022/23	2021/22	2021/22
	Contract receivables and contract assets	All other receivables	Contract receivables and contract assets	All other receivables
	£000	£000	£000	£000
Allowances as at 1 April – brought forward	**805**	**0**	**928**	**0**
New allowances arising	235		41	0
Changes in existing allowances	46	0	0	0
Reversals of allowances	25	0	(32)	0
Utilisation of allowances (write offs)	(14)	0	(132)	0
Total	**1,097**	**0**	**805**	**0**

Note 12.3 Exposure to credit risk

The NHS foundation trust receives the majority of it's income from West Yorkshire ICB, NHS England and statutory bodies and therefore the credit risk is negligible.

4.1.13. NOTE 13 TRADE AND OTHER PAYABLES

	31 Mar 23 £000	31 Mar 22 £000
Current		
Trade payables	10,711	13,462
Capital payables	9,270	16,360
Other taxes payable[1]	7,983	7,418
Pension contributions payable	4,189	3,994
Other payables	5,667	2,481
Accruals	55,758	40,693
Total	**93,578**	**84,588**
Of which payables from NHS and DHSC group bodies:		
Current	5,669	2,216

[1]2021/22 pension contribution payable of £3,994,000 was previously reported as Trade payables. This has been reported separately for greater transparency.

4.1.14. NOTE 14 OTHER LIABILITIES

	31 Mar 23 £000	31 Mar 22 £000
Current		
Deferred income: contract liabilities	11,664	16,732
Total other current liabilities	**11,664**	**16,732**
Non-current		
Deferred income: contract liabilities	2,387	4,360
Total other non-current liabilities	**2,387**	**4,360**

4.1.15. NOTE 15 BORROWINGS

Note 15.1 Borrowings

	31 Mar 23 £000	31 Mar 22 £000
Current		

Loans from DHSC (capital loans)	3,095	3,107
Lease liabilities[1]	1,397	0
Total	**4,492**	**3,107**
Non-current		
Loans from DHSC (capital loans)	13,584	16,636
Lease liabilities[1]	9,502	0
Total	**23,086**	**16,636**

[1]The NHS foundation trust has applied IFRS 16 to lease arrangements from 1 April 2022 without restatement of comparatives. More information about leases and the impact of this change in the accounting policy can be found in note 1.13.

Note 15.2 Borrowings Reconciliation of liabilities arising from financing activities

	Loans from DHSC	Lease Liability	Total
	£000	£000	£000
Carrying value at 1 April 2022	**19,743**	**0**	**19,743**
Cash movements:	(3,052)	(1,327)	(4,379)
Financing cash flows – payments and receipts of principal			
Financing cash flows – payments of interest	(327)	(109)	(436)
Non-cash movements:			
Impact of implementing IFRS 16 on 1 April 2022	0	11,883	11,883
Additions	0	343	343
Application of effective interest rate	315	109	424
Carrying value at 31 March 2023	**16,679**	**10,899**	**27,578**

4.1.16. NOTE 16 PROVISIONS

Note 16.1 Provisions for liabilities and charges

	Current 31 Mar 23 £000	Current 31 Mar 22 £000	Non-current 31 Mar 23 £000	Non-current 31 Mar 22 £000
Pensions – Injury benefits	126	123	1,737	2,312

Legal claims	0	0	486	552
Equal pay	0	0	3,581	143
Other	1,064	841	1,402	1,335
Total	**1,190**	**964**	**7,206**	**4,342**

Note 16.2 Provisions for liabilities and charges analysis 2022/23

	Total	Pensions – Injury benefits	Legal Claims	Equal Pay	Other
	£000	£000	£000	£000	£000
At 1 April 2022	**5,306**	**2,435**	**552**	**143**	**2,176**
Change in the discount rate	**(1,518)**	(586)	0	0	(932)
Arising during the year	**5,638**	56	213	3,438	1,931
Utilised during the year – cash	**(562)**	(74)	0	0	(488)
Reversed unused	**(529)**	0	(279)	0	(250)
Unwinding of discount rate	**61**	32	0	0	29
At 31 March 2023	**8,396**	**1,863**	**486**	**3,581**	**2,466**
Expected timings of cash flows:					
-not later than one year	**1,190**	126	0	0	1,064
-later than one year and not later than five years	**7,206**	1,737	486	3,581	1,402
Total	**8,396**	**1,863**	**486**	**3,581**	**2,466**

Legal claims relate to a provision for claims relating to employment tribunals. Equal pay claims relate to a provision for claims relating to employment contracts.

Other contains amounts due as a result of third party and employee liability claims of £1,483,000. The values are based on information provided by the NHS Resolution, NHS Business Services Authority and NHS Pensions.

Other also includes clinician pension tax reimbursement of £983,000 (2021/22: £824,000). This relates to a commitment to repay clinicians the tax charge they incur when their pension grows above the annual allowance threshold. Payment will be made on retirement and the scheme is only open to members of the NHS Pension scheme.

As at 31 March 2023 the provisions of NHS Resolution include £252,376,000 (31 March 2022: £404,377,000) in respect of clinical negligence liabilities of the NHS foundation trust.

4.1.17. NOTE 17 REVALUATION RESERVE MOVEMENT

Note 17.1 Revaluation reserve movement – 2022/23

	Note	Total revaluation reserve	Revaluation reserve – intangibles	Revaluation reserve – property, plant and equipment
		£000	£000	£000
Revaluation reserve at 1 April		52,912	0	52,912
Net Impairments	3.4	(5,873)	0	(5,873)

Revaluations	6,373	0	6,373
Transfers to other reserves	(1,601)	0	(1,601)
Revaluation reserve at 31 March	**51,811**	**0**	**51,811**

Note 17.2 Revaluation reserve movement – 2021/22

	Note	Total revaluation reserve £000	Revaluation reserve – intangibles £000	Revaluation reserve – property, plant and equipment £000
Revaluation reserve at 1 April		49,706	0	49,706
Net Impairments	3.4	2,323	0	2,323
Revaluations		2,391	0	2,391
Transfers to other reserves		(1,508)	0	(1,508)
Revaluation reserve at 31 March		52,912	0	52,912

4.1.18.

4.1.19. NOTE 18 CASH AND CASH EQUIVALENTS

Note 18.1 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, in hand and cash equivalents. Cash equivalents are readily convertible investments of known value which are subject to an insignificant risk of change in value.

	2022/23 £000	2021/22 £000
At 1 April	**81,139**	**75,015**
Net change in year	(8,077)	6,124
At 31 March	**73,062**	**81,139**
Broken down into:		
Cash at commercial banks and in hand	17	26
Cash with the Government Banking Service	73,045	81,113
Cash and cash equivalents as in SoFP and SoCF	**73,062**	**81,139**

Third party assets held by the NHS foundation trust at 31 March 2023 were £3,000 (31 March 2022: £3,000).

Note 18.2 Pooled budgets

The NHS foundation trust is not party to any pooled budget arrangements in 2022/23 or 2021/22.

4.1.20. NOTE 19 CONTRACTUAL CAPITAL COMMITMENTS AND EVENTS AFTER THE REPORTING PERIOD

Note 19.1 Contractual capital commitments

Commitments under capital expenditure contracts at the reporting date were £1,328,000 (31 March 2022: £1,335,000). The NHS foundation trust has capital commitments for a number of capital schemes which include the purchase of a number of pieces of medical equipment, a number of pieces of IT hardware and software, and a number of estates enabling work schemes.

Note 19.2 Other financial commitments

Other financial commitments at the reporting date were £2,523,000 (31 March 2022: £3,810,000). The NHS foundation trust has financial commitments for the ongoing support and maintenance charges for the electronic patient records system.

Note 19.3 Events after the reporting period

There are no events after the reporting period to disclose.

4.1.21. NOTE 20 CONTINGENT LIABILITIES / ASSETS

	31 Mar 23 £000	31 Mar 22 £000
Value of contingent liabilities		
NHS Resolution legal claims	75	74
Total	**75**	**74**

At 31 March 2023 the NHS foundation trust has £75,000 contingent liability (31 March 2022: £74,000). This includes £75,000 for legal expenses, which is based upon the information provided by NHS Resolution (31 March 2022: £74,000).

4.1.22. NOTE 21 RELATED PARTY TRANSACTIONS

Note 21.1 Related party transactions

The NHS foundation trust is a public interest body authorised by NHSI, the Independent Regulator for NHS foundation trusts.

During the year none of the Board members nor members of the key management staff, nor parties related to them, has undertaken any material transactions with the NHS foundation trust.

The Register of Interests for the Council of Governors for 2022/23 has been compiled in accordance with the requirements of the Constitution of the NHS foundation trust.

The Department of Health and Social Care is regarded as a related party. During the year the NHS foundation trust has had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department. These include NHS England, NHS Resolution, HM Revenue and Customs, NHS Pension Service, Health Education England, NHS Bradford Districts CCG, NHS Bradford City CCG and NHS Airedale, Wharfedale and Craven CCG and West Yorkshire ICB.

The NHS foundation trust has also received capital payments from a number of funds held within the Charity, the trustee of which is the NHS foundation trust. Furthermore, the NHS foundation trust has levied a management charge on the Charity in respect of the services of its staff. The Charity accounts have not been consolidated into the NHS foundation trust's accounts (see note 1.3).

Note 21.2 Related party balances

	2022/23 Income £000	2022/23 Expenditure £000	2021/22 Income £000	2021/22 Expenditure £000
Value of transactions with other related parties				

Charitable fund	464	0	486	0
Non-consolidated joint ventures	149	11,358	67	11,742
Total	**613**	**11,358**	**553**	**11,742**

	2022/23 Receivables £000	2022/23 Payables £000	2021/22 Receivables £000	2021/22 Payables £000
Value of balances with other related parties				
Charitable fund	13	0	27	0
Non-consolidated joint ventures	179	362	81	1,285
Total as at 31 March 2022	**192**	**362**	**108**	**1,285**

In line with the DHSC interpretation of IAS 24 related parties the NHS foundation trust only collect details of transactions and balances with bodies or persons outside of the whole of government accounts boundary.

4.1.23. NOTE 22 PRIVATE FINANCE TRANSACTIONS

The NHS foundation trust is not party to any Private Finance Initiatives. There are therefore no on-SoFP or off-SoFP transactions which require disclosure.

4.1.24. NOTE 23 FINANCIAL INSTRUMENTS

IFRS 7, Financial Instruments: Disclosures, requires disclosure of the role that financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities. The NHS foundation trust actively seeks to minimise its financial risks. In line with this policy, the NHS foundation trust neither buys nor sells financial instruments. 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.

Liquidity risk

Liquidity risk is the NHS foundation trust's ability to meet its cash obligations in delivering services to patients.

The NHS foundation trust's net operating costs are predominantly incurred to deliver, one year, nationally mandated healthcare contracts with a range of Commissioners. Commissioners are financed from resources voted annually by Parliament. In 2022/23 and 2021/22 the NHS foundation trust received contract income in accordance with set block payments paid on a monthly basis.

The NHS foundation trust currently finances the majority of its capital expenditure from internally generated funds and funds made available from Government, in the form of additional Public Dividend Capital, under an agreed limit. In addition, the NHS foundation trust can borrow, both from the DHSC Financing Facility and commercially, to finance capital schemes. Financing is drawn down to match the spend profile of the scheme concerned and the NHS foundation trust is not, therefore, exposed to significant liquidity risks in this area.

Interest rate risk

Interest rate risk is the NHS foundation trust's exposure to interest rates fluctuations.

With the exception of cash balances, the NHS foundation trust's financial assets and financial liabilities carry nil or fixed rates of interest. The NHS foundation trust monitors the risk but does not consider it appropriate to purchase protection against it.

Foreign currency risk

Foreign currency risk is the NHS foundation trust's exposure to changing currency exchange rates impacting income, expenditure or the value of assets and liabilities.

The NHS foundation trust has negligible foreign currency income, expenditure, assets or liabilities.

Credit risk

Credit risk is the potential for lost income should creditors be unable to pay debts owed to the NHS foundation trust.

The NHS foundation trust receives the majority of its income from NHS England, West Yorkshire ICB and statutory bodies and therefore the credit risk is negligible.

The NHS foundation trust's 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;
- UK registered banks directly regulated by the FSA ; and
- UK registered building societies directly regulated by the FSA.

The policy limits the amounts that can be invested with any one non-government owned institution and the duration of the investment to between £3,000,000 and £12,000,000 for no more than 3 months.

Price risk

Price risk is due to increases or decreasing market prices leading to high costs or reduced income for the NHS foundation trust.

The NHS foundation trust is not materially exposed to any price risks through contractual arrangements.

4.1.25. NOTE 24 FINANCIAL ASSETS AND LIABILITIES

Note 24.1 Financial assets by category

	31 Mar 23 £000	31 Mar 22 £000
Assets as per SoFP at 31 March		
Trade and other receivables excluding non-financial assets – with NHS and DHSC bodies	15,816	8,659
Trade and other receivables excluding non-financial assets – with other bodies	7,221	7,468
Cash and cash equivalents at bank and in hand	73,062	81,139
Total	**96,099**	**97,266**

All financial assets are held at amortised cost.

Note 24.2 Financial liabilities by category

	31 Mar 23 £000	31 Mar 22 £000

Liabilities as per SoFP at 31 March

Borrowings excluding finance lease and PFI liabilities	16,679	19,743
Obligations under leases	10,899	0
Trade and other payables excluding non-financial liabilities – with NHS and DHSC bodies	5,604	2,155
Trade and other payables excluding non-financial liabilities – with other bodies	79,991	75,015
Provisions under contract	5,849	2,142
Total	**119,022**	**99,055**

All financial liabilities fall within "other financial liabilities" and are held at amortised cost.

Note 24.3 Fair values

For all of the NHS foundation trust's financial assets and financial liabilities, fair value approximates carrying value.

Note 24.4 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.

	31 Mar 23	**31 Mar 22**
	£000	**£000**
In one year or less	91,260	81,217
In more than one year but not more than five years	17,411	10,606
In more than five years	12,356	9,116
Total	**121,027**	**100,939**

5. ACRONYMS

CCG	Clinical Commissioning Group
CQUIN	Commissioning for Quality and Innovation
DHSC	Department of Health and Social Care
DHSC GAM	Department of Health and Social Care Group Accounting Manual
FT ARM	NHS Foundation Trust Annual Reporting Manual
FReM	Financial Reporting Manual
FSA	Financial Services Authority
IAS	International Accounting Standards
ICB	Integrated Care Board
ICTA	Income and Corporate Taxes Act
IFRIC	International Financial Reporting Interpretations Committee

IFRS	International Financial Reporting Standards
MEA	Modern Equivalent Asset
NEST	National Employment Savings Trust
NHS	National Health Service
ONS	Office for National Statistics
PDC	Public Dividend Capital
SoCI	Statement of Comprehensive Income
SoCF	Statement of Cash Flows
SoFP	Statement of Financial Position
The Charity	Bradford Hospitals' Charity
VAT	Value Added Tax
WTE	Whole Time Equivalents