



The Newcastle upon Tyne Hospitals
NHS Foundation Trust



Annual Report and Accounts 2021/22



Healthcare at its best
with people at our heart



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Annual Report

and Accounts

2021/22

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Chairman and Chief Executive Introduction

Thank you for taking the time to read our Annual Report.

This has been the second year where the COVID-19 pandemic has cast its shadow over the UK, and it has inevitably continued to have a substantial impact on the NHS. Colleagues across the organisation have worked tirelessly to support our patients as ongoing public restrictions and the isolation of those in contact with the virus had a dramatic effect. Although high levels of vaccination made the coronavirus less severe for most people, we have continued to see

large numbers of patients needing support in hospital and a significant number of staff absences due to COVID-19.

It's appropriate that we begin our annual report this year by recognising and appreciating our whole staff team. Their response has continued to be remarkable. Colleagues have supported each other, worked flexibly, at speed and in areas they are not always familiar with, through the most challenging of circumstances to ensure that we have been able to care for our patients.



The impact of COVID-19 on our wider society will take many years to reverse, with the legacy of long waiting times for operations being one of the most urgent areas for action. Throughout the year we have focussed on plans and activity to streamline our pathways to minimise extended delays both in outpatient and surgical areas.

This has been supported by the successful opening of our 'Newcastle Westgate Cataract Centre' which opened in July and has created the capacity to perform up to 1,000 procedures each month – dramatically improving patient experience by reducing the time each patient spends in the unit from 3 hours to about 50 minutes.

Our new £20 million Day Treatment Centre is also under fast-track construction, creating four new theatres and dedicated capacity for thousands of day case procedures from summer 2022.

Throughout the pandemic we have responded swiftly to the challenges we have faced, creating new wards, new labs, new skills and knowledge and new ideas. It is clear that this approach will continue to serve us well into the future.

What has continued to shine through is the remarkable care, compassion and joy of our staff. This was shown most clearly to the public through our TV series 'Geordie Hospital' which came to Channel 4 in January 2022. The 6-part series showcased some of our valued and skilled staff across our hospitals along with many brave patients who shared their journeys.

Watching the wonderful stories of Kit being so well cared for as he waited for a new heart, Jason walking for the first time after a serious accident and Kimberley receiving a new kidney from her sister Debra was truly life affirming. It reminded us all how crucial it is for us to excel in both the clinical care that we provide and the support services which underpin our work.

This year has also been underpinned by our focus on quality improvement as our partnership with the internationally renowned Institute for Healthcare Improvement (IHI) has helped us to focus on three strategic areas: Quality improvement, listening and responding to staff through 'What matters to you' and enhancing our leadership approach. We are proud of our outstanding services but know that we must never stop learning and improving if we are to continue to meet our responsibilities.

Throughout our Annual Report you will find many more examples of our work on Collaborative Newcastle, the achievements of our world class research programmes, our digital developments and of course our clinical excellence. We hope you find this inspiring and informative.



**Dame
Jackie Daniel**
Chief Executive Officer



**Professor
Sir John Burn**
Chairman

21 June 2022

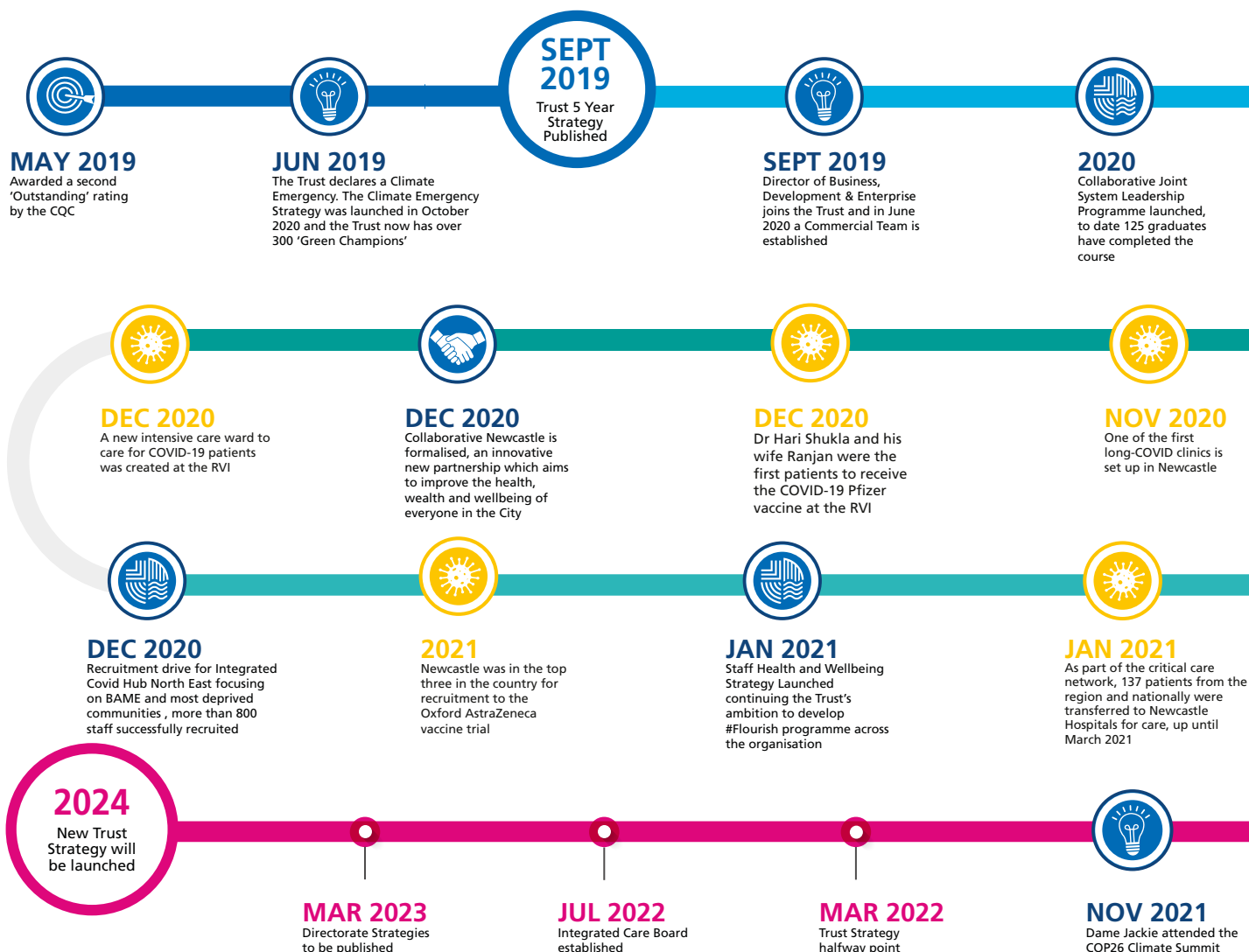
Our Trust Strategy, Vision and Values

The Trust's five-year strategy was published in September 2019 and as we approach the halfway point, it is timely to consider progress against the strategic objectives.

The two years since the Trust strategy launched have been unprecedented and in May 2020, the Trust Board and Executive Team took the opportunity to undertake a review of its contents. They agreed it still fits and is the right direction for the Trust.

The Trust has achieved some great things during the last 30 months including many that were not considered when the strategy was written. These include:

- A comprehensive COVID-19 response, including Collaborative Newcastle;
- The Nightingale Hospital North East (NHNE);
- The Integrated COVID Hub North East (ICHNE); and



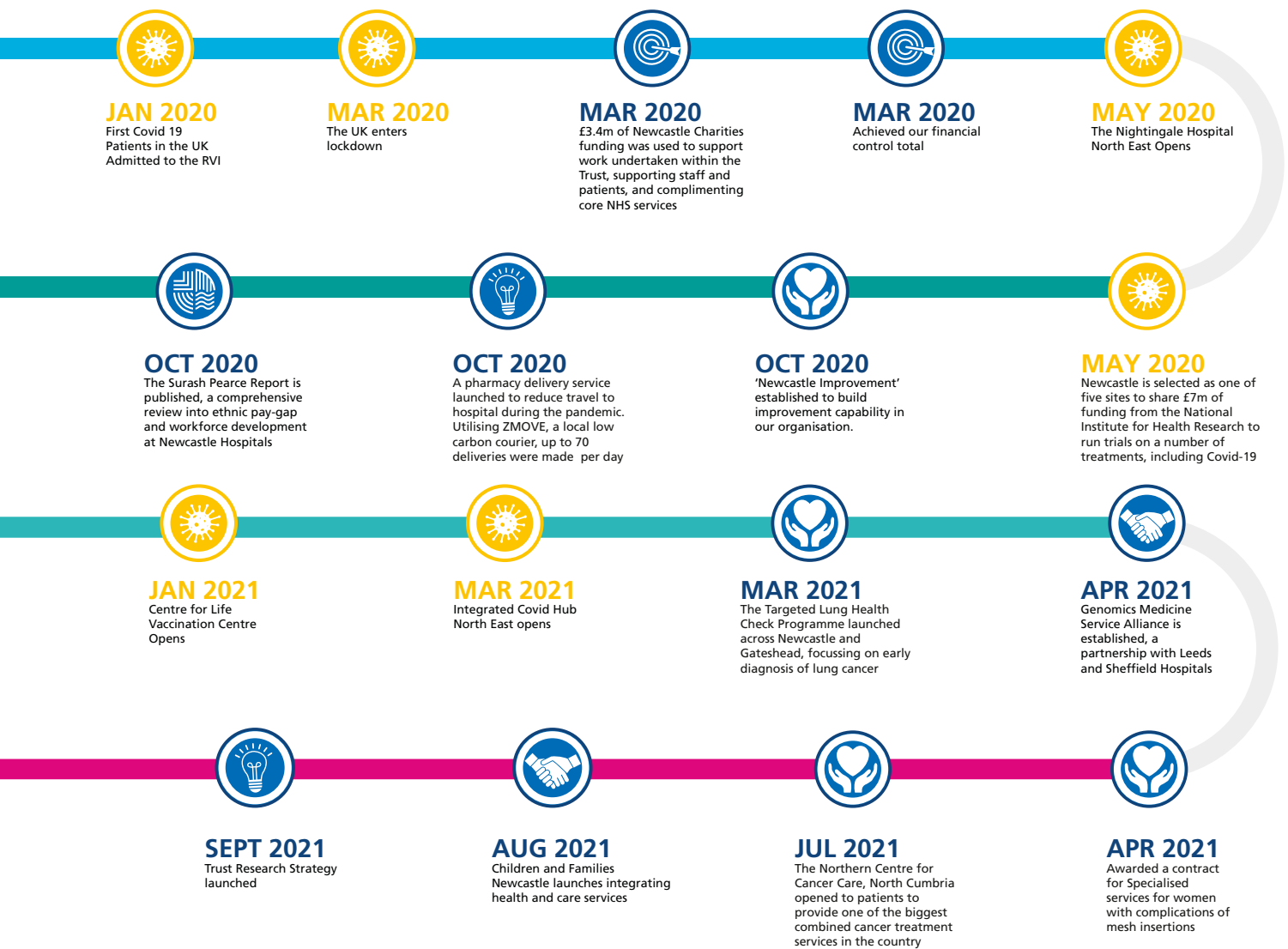
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- Becoming the vaccination lead for the North East and North Cumbria (NENC).

The Trust also continued to make strides towards achieving many of its strategic objectives, with some examples shown in the timeline graphic below. The pandemic has allowed the Trust to expedite many developments linked to the strategy, for example the use of virtual appointments so that patients did not have to attend hospital sites. It has also slowed progress in some areas and Trust performance has been significantly impacted, which will take time to recover and then excel.

The Trust will continue to focus on achieving the current strategic objectives over the next couple of years, and with learning from the pandemic, and an eye on the future, will begin to think about what comes next.

We have begun working with the directorates to refresh their clinical strategies and have organised a series of workshops to provide information on the changes within the NHS which will impact on our organisation. The directorate strategies should be completed in early 2023 and will help to inform the next iteration of the Trust wide strategy.



Our vision is:

'Newcastle Hospitals – Achieving local excellence and global reach through compassionate and innovative healthcare, education and research'

Our values, which were developed wholly by our staff and guide everything that we do as we grow to achieve our vision, are:

- **We care and are kind**

We care for our patients and their families, and we care for each other as colleagues.



- **We have high standards**

We work hard to make sure that we deliver the very best standards of care in the NHS. We are constantly seeking to improve.



- **We are inclusive**

Everyone is welcome here. We value and celebrate diversity, challenge discrimination and support equality. We actively listen to different voices.



- **We are innovative**

We value research, we seek to learn and to create and apply new knowledge.



- **We are proud**

We take huge pride in working here and we all contribute to our ongoing success.



These values form part of our five-year strategy (2019-2024) which was developed in collaboration with clinical and managerial staff across the Trust to ensure that the clinical voice was at the heart of the Trust's strategic developments.

Our challenge, during the pandemic, the recovery period, and beyond is to not only grow and develop our own organisation, but to continue to play a broader leadership and anchor role in improving the health and wellbeing of the city of Newcastle upon Tyne and the Integrated Care System (ICS).

Our strategy can be accessed via the Trust website.





Service Developments and Achievements

Regional cataract centre opened to transform patient care

A state-of-the-art theatre 'hub' dedicated to cataract surgery opened its doors to patients offering more personalised, streamlined care.

Newcastle Westgate Cataract Centre – a three-theatre, purpose built clinical facility – has the capacity to perform up to 1,000 cataract procedures a month, which is almost double the number undertaken before the coronavirus pandemic.

The centre was designed to ensure that patients have exceptional clinical care and is streamlined so they do not have to wait around – meaning each patient spends between 40 minutes to an hour in the unit rather than the usual time of about 3 hours.

Personalised care is provided throughout by a dedicated nurse who checks in the patient and remains with them throughout their journey. The patient sits in a special chair throughout and is wheeled into theatre for their day case procedure. After being given information on aftercare, their nurse will escort them to their waiting transport just outside the centre.

The ophthalmology team provides cataract surgery to patients across the region with just over a fifth of patients (21%) living in Newcastle. With demand increasing year-on-year, cataract surgery is the most commonly performed surgery in the NHS and can make a huge impact on patients' quality of lives.

To find the best solution for patients, the team worked closely with estates colleagues and building contractors, drawing up plans to secure a £7m investment, with the whole project taking less than a year to complete at the height of the pandemic.



United Kingdom (UK) first for heart team

Little Grace Westwood became the first child in the UK to have a mobile Berlin Heart driving unit (the Berlin Heart Excor ACTIVE™) – at the age of just 18 months. In May, doctors at the Freeman Hospital fitted the portable driving unit which operates the pump assisting blood flow to the heart.



Previously, the Berlin heart pump (Berlin Heart™) was powered by a large heavy machine with a battery life of 20 to 30 minutes unplugged, meaning the vast majority of patient time had to be spent on the ward.

Grace's new driving unit is fully portable, with a battery life of up to eight hours, which means mum and dad can attach it to a pushchair and do something most families take for granted – take their beloved daughter outside to the park for a walk.

The Trust was pivotal in bringing this device to market and patients and families were also given a voice throughout the project which influenced its manufacture and design. Ultimately, our goal is to reduce the stress and impact of a long-term hospitalisation on the children – and their families – by offering them mobility and autonomy in their daily lives in the hospital environment.

World-leading technology helps to fight heart disease

Cardiologists at the Freeman are using revolutionary 3D scans that can diagnose coronary heart disease in just 20 minutes.

The pioneering technology means that tens of thousands of patients every year will be assessed and treated five times faster by using 'HeartFlow Analysis' – an analytical tool that turns a CT scan of the heart into a 3D image.

This world-leading technology allows doctors to quickly diagnose coronary heart disease – which accounts for a quarter of deaths in the region – without the need for more invasive procedures, such as angiograms, and decide the appropriate treatment for the patient.

Treatment includes surgery, medication, or having a stent fitted, while those with less serious conditions can get lifestyle advice or medication to lower cholesterol.



Promoting safe, personalised care in midwifery

The Nova team – a group of eight midwives based at Newcastle Birthing Centre – was set up to support pregnant women across the city through all stages of their pregnancy, birth and in the postnatal period.

The team provide care following the continuity of carer model – a national initiative developed as part of the Maternity Transformation Programme, which works towards achieving the vision set out in Better Births (2016), a National Maternity Review promoting safe, personalised care.

The Nova team is the second continuity of carer team at the Trust and means those expecting a baby have the opportunity to meet all of the midwives providing their care. This more personalised approach offers many benefits including improved outcomes for mothers and babies, as well as a better experience and satisfaction in overall care. For the midwives, it also means they can build strong relationships with the women they care for.

In June, Newcastle Birthing Centre also marked the 10th anniversary of the first baby – Finley Carter – being born at the centre.



Excellence in cancer care



Thousands of patients in North Cumbria are now benefitting from state-of-the-art cancer diagnosis and treatment closer to home at the Northern Centre for Cancer Care North Cumbria.

The £35m facility, housed in the Cumberland Infirmary in Carlisle, was officially opened by the Secretary of State for Health and Social Care, Sajid Javid, in August and is used by patients from across north, west and east Cumbria, making it one of the biggest combined cancer treatment services in the country.

The centre brings new, cutting-edge services under one roof in North Cumbria for the first time including a chemotherapy day unit, radiotherapy machines and a CT scanner as well as outpatients, consultation and examination rooms. It also means most adult cancer patients in Cumbria will not have to travel to Newcastle for their care and treatment.

Services at the centre are run by the Trust as part of the Northern Centre for Cancer Care, which also has a site at the Freeman Hospital, and earlier in the year we welcomed almost 100 oncology staff who transferred to us from North Cumbria Integrated Care NHS Foundation Trust. The Prime Minister, Boris Johnson, also visited the centre later in the year.



Major breakthrough in cancer care

Cancer specialists made a major breakthrough in an international study – led by Newcastle childhood cancer expert Professor Deborah Tweddle – that could lead to a cure for some youngsters with high-risk neuroblastoma, a rare and aggressive type of cancer of the nervous system.

Between 5 and 10 children are diagnosed in Newcastle each year with one of the different forms of neuroblastoma but sadly, barely half of all children diagnosed live beyond five years of diagnosis despite treatment.

The results of the study, published in the *Journal of Clinical Oncology*, describe how alterations in the neuroblastoma's ALK (anaplastic lymphoma kinase) gene

are associated with a significantly poorer prognosis for children with high-risk disease.

By identifying this important genetic marker, it means patients should be put on ALK inhibitors at the time of diagnosis with the hope of a cure.



Estates

Continued investment in our estate and facilities is a key component of the delivery of safe, high-quality care and we have set out a major, ten-year programme of strategic estate improvements.

At the moment, some of our most complex and specialist services are provided from ageing buildings that do not meet the standards that we would expect and many need costly upgrades and maintenance, while other facilities need to be replaced or fully refurbished.

We are currently working on three major estates projects which will enable us to continue to provide – and future proof – specialist clinical care of the highest quality, as well as support the Trust's recovery plan from the pandemic. These are as follows:

- **Day treatment centre:** Work got underway to build a new day treatment centre at the Freeman

Hospital to help us address some of the waiting list challenges caused by the COVID-19 pandemic.

This fast-track project will see the development of four new theatres (as well as day case assessment and a recovery area), enabling our teams to carry out thousands of additional low complexity procedures in specialties such as musculoskeletal health (MSK), urology, surgery and some cardiothoracic services.

The facility will allow us to transfer thousands of day case procedures from our main hospital theatres which, in turn, will free them up to carry out more complex work, as well as supporting the Trust's programme to increase planned (elective) surgery and reduce long waits in the most challenged surgical specialties.



Doing this also allows us to transform procedures that have traditionally required an overnight stay into a day case, achieving our aim of reducing patient days away from home.

This £20m investment will support patients from across the city and the wider region and it is hoped building work, which is being done in partnership with Robertson, will be completed in August 2022, with services starting in the following weeks.

- **Children’s heart centre:** In the spring, we began a process to support our application for planning permission for a new dedicated Children’s Heart Centre which will be next to – and part of – The Great North Children’s Hospital (GNCH).

This state-of-the-art centre will become the new home of all of our children’s heart services, including heart transplants, and is an ambitious and exciting project that would bring all of our paediatric services together on one site.

It will also mean that young patients – and their families – do not have to travel between the Freeman Hospital and the Royal Victoria Infirmary (RVI) for different care and treatment.

This is the next phase of our important journey and follows NHS England’s decision in 2017 that Newcastle Hospitals would continue to provide Level 1 congenital heart disease (CHD) services after a formal public consultation.

If planning permission is granted, building work is expected to start in 2023 but key to a successful integration will be the involvement of our patients, their families, our staff and wider network partners and stakeholders.

- **New specialist hospital building:** Plans for a new specialist hospital building which will be home for many of our specialist services including adult critical care, burn care, North East Assisted Ventilation Service, out-patient elements of maternity services and for patients with cystic fibrosis have started to take shape.

This proposed building will also provide more ward and theatre space which means that we will be able to treat patients who have seen their planned care delayed because of the COVID-19 pandemic.

The Trust is currently seeking investment from the Department of Health and Social Care’s New Hospitals Programme to finance the project.



Launch of children's palliative care service

CHIPS – the Children's Holistic Integrated Palliative Service – was launched to support children and their families across the NENC.

This small team of specialist nurses and doctors are based at the Great North Children's Hospital but work across the region's hospitals and in the community, supporting children and their families as well as offering advice, teaching and training to other health care teams.

The CHIPS team support children with a wide range of conditions and their focus is very much about enhancing the quality of life for those with a serious or life-threatening condition, as well as end of life care.

The development of this new regional service comes after collaboration between a regional network of partners representing specialist teams from NHS Trusts, community services and hospices.

Supporting carers

The Trust, in collaboration with Newcastle Carers, introduced a carers information and advice worker to work directly with frontline staff and patients to improve support offered to family members, friends and partners with caring responsibilities.

This includes personalised information, advice and, where appropriate, onward referral to additional health and social care services to support and enable carers in their caring role.

Coming into hospital can be a worrying time for anyone and carers can often have additional concerns, so promoting a culture of supporting and working in partnership with carers is a key priority for the Trust.

Improving diagnostic tools for epilepsy

Clinicians and scientists have led an international team of epilepsy experts to redefine the language used to describe seizures in a tool used to diagnose patients with genetic diseases.

The Human Phenotype Ontology (HPO) is a freely available map of human symptoms used widely by medical and research teams around the world which can select and interpret genetic tests.



Identifying a genetic cause in epilepsy can help doctors to select which treatments to recommend and which to avoid and the team led by the Trust, Newcastle University and the Children's Hospital of Philadelphia (Pennsylvania) redesigned the concepts of seizures in the HPO, using the latest expert opinions from the International League Against Epilepsy.

The new map now consists of five times as many concepts by which a seizure can be described helping doctors to make genetic diagnoses for people with epilepsy, and researchers to make the most of data to discover new causes.

Climate-friendly pain relief

Newcastle mum Kaja Gersinska became the first person in the UK to use climate-friendly pain relief during labour after giving birth at Newcastle's RVI.

Entonox, also known as gas and air, is a mixture of nitrous oxide and oxygen and has been used to provide pain relief for women in labour for over one hundred years. However, nitrous oxide is a powerful greenhouse gas, almost 300 times more potent than carbon dioxide, and escapes into the atmosphere after being exhaled by a patient.

Kaja gave birth to her beautiful daughter, Rosie Martha O'Sullivan, who weighed 6lb 6oz, in the Newcastle Birthing Centre in September and breathed the gas and air into a Mobile Destruction Unit (MDU) – a machine designed to collect and destroy residual nitrous oxide from exhaled gas and air.

The technology, developed by Medclair, is widely used in Sweden and collects the exhaled nitrous oxide, a potent greenhouse



gas, and 'cracks' it into nitrogen and oxygen which are harmless. The MDU purifies 99.6% of the nitrous oxide entering the unit and as well having a huge benefit to the environment it also benefits staff by reducing the amount of nitrous oxide they are exposed to while they work.

"I feel very privileged and proud actually – it's the little things you don't often think about and it's nice that someone thought about making these changes which will be better for the environment and for midwives who are working here all the time" – Kaja Gersinska

Trust marks 10,000th clinical trial

The Trust marked – and celebrated – the registration of its 10,000th clinical trial, 46 years after the first ever trial was carried out.

In 1975, our study management team conducted a trial that looked at how proteins on the surface of breast cancer cells contribute to the various different types of breast cancer and its potential to spread.

The 10,000th study will test the effectiveness of a treatment called extracorporeal photopheresis (ECP) on patients who develop severe organ rejection following a lung transplant.

ECP is a type of therapy designed to stop

a group of white blood cells, known as lymphocytes, attacking the body following an organ transplant. Sadly, some patients become very poorly with organ rejection after their lung transplant and don't survive, however it's hoped that this study could help to change this.

The study (National Institute for Health Research (NIHR) 130612) is being led by Professor Andrew Fisher from the Institute of Transplantation at the Freeman Hospital and Newcastle University on behalf of all five lung transplant centres in the UK and is funded by the Efficacy and Mechanism Evaluation (EME) Programme, a Medical Research Council (MRC) and NIHR partnership.



Evaluating the use of statins to improve quality of donated organs

The world's biggest donor intervention study – SIGNET (Statins for improving organ outcome in transplantation) – was launched in the UK to look at improving the quality of donated organs.

The study is the largest ever global single, blind randomised controlled trial in organ donation, and will look to recruit 2,600 patients after the diagnosis of death by neurological criteria (DNC) in 79 hospital Trusts across the UK over 4 years.

It is hoped that, in the long-term, evidence will show that statins will

reduce inflammation and improve organ quality and therefore the drug can be used safely as a standard part of care for organ donors.

The study is being funded by a £1.3m research grant from the NIHR Health Technology Assessment Programme following an application from Newcastle University and will be run by NHS Blood and Transplant's Clinical Trials Unit in Cambridge, with Newcastle Hospitals being the sponsors.

Charity funds Motor Neurone Disease research

The Trust received £250,000 from leading charity My Name's Doddie Foundation to explore whether certain types of medications already used to treat other conditions could slow progression of motor neurone disease (MND).

There are approximately 5,000 people living with MND in the UK, a disease which affects the brain and motor nerves, and causes weakness that gets worse over time. Sadly, there is currently no cure, and the disease eventually leads to death.

The funding will be used to support the set-up and running of the MND-SMART clinical trial which will test multiple drugs, speeding up the time it takes to find effective medicines that can slow the progression of MND.

A research co-ordinator post has also been created to oversee the day-to-day running of the trial, supported by funding from the charity.



World first scientific study

A world-first scientific study has shown that whole genome sequencing can uncover new diagnoses for people across a variety of rare diseases and may deliver enormous benefits to the NHS.

The pilot study, published in *New England Journal of Medicine*, of rare undiagnosed diseases involved analysing the genes of 4,660 people from 2,183 families – all of whom were early participants in the 100,000 Genomes Project.

Newcastle experts led one of the three pilot sites. The study identified that using whole genome sequencing led to a new diagnosis for 25% of the participants. Of these new diagnoses, 14% were found in regions of the genome that would be missed by other conventional methods, including other types of non-whole genomic tests.

Scientists at Newcastle University's Centre of Research Excellence for Rare Disease were involved in the study, with Professor John Sayer, deputy dean of clinical medicine at Newcastle University and a consultant nephrologist at the trust, leading recruitment for the North East.

State-of-the-art eye care hub

A state-of-the-art eye care hub designed to increase capacity and reduce pressures on eye care services at the RVI opened its doors to patients.

In partnership with Bayer, the Trust has transformed a vacant ward to improve medical retina services, offering more people with sight-threatening conditions timely treatment and helping to reduce unnecessary delays for assessment or treatment.

New national nurse training centre opens its doors

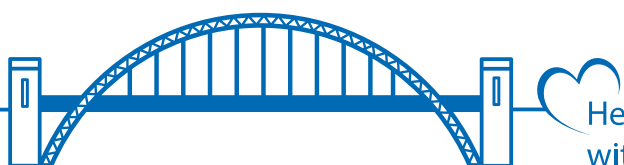
Up to 7,000 new nurses, midwives and training associates a year will complete the final stage of their training at Northumbria University after it was awarded the contract to become one of five national OSCE testing centres.

Northumbria University worked in partnership with the Trust and Newcastle City Council to submit the bid for centre status with the building opening in March 2022.

The 'OSCE' – Observed Structured Clinical Examination – is the practical part of the Test of Competence that all overseas trained nurses or those returning after a career break are required to take before they can be registered to practice.

Previously there were only three test centres in the UK, but with rising demand to bring people with the right skills and knowledge onto the UK's nursing register as quickly as possible, the Nursing and Midwifery Council (NMC) increased national testing capacity.

As well as providing increased capacity, the new service will also implement new patient pathways to ensure anyone who might have missed eye care appointments due to the pandemic, are seen quickly and referred to the appropriate care team.



Joint health and social care apprenticeship launched

The Trust and Newcastle City Council launched an innovative, joint health and social care support worker apprenticeship – thought to be the first of its kind in the country.



Developed through Collaborative Newcastle, the apprenticeship involves structured education and training to gain the required knowledge, skills and behaviours to work in the sector.

We were delighted to welcome our first cohort of apprentices in-year, with training taking 18 months to complete, including opportunities for hands-on work experience which is split between hospital and social care settings. All those who successfully complete the apprenticeship will be guaranteed an interview for a post with either Newcastle City Council or Newcastle Hospitals.

New self-service tool aims to keep emergency care for those who need it most

The Trust launched a new self-service tool – in partnership with NHS Digital – to help people booking into the Emergency Department at the RVI use emergency care appropriately.

Anyone who is not a medical emergency, has not got a booked arrival time through 111 or a referral letter from their General Practitioner (GP), are asked to check their symptoms on a new self-service tool on tablets located in the entrance.

The tool asks a series of questions and – based on the information provided – gives people information to help them decide what to do next. In certain situations, people may decide that their condition can be managed at home or with over-the-counter medication.

In other circumstances, people may decide to book an appointment with their usual GP, or, if their symptoms are potentially more serious, may still decide to go to Accident and Emergency (A&E). The tool is open seven days a week with arrival co-ordinators available to help anyone needing further advice.



Supporting Newcastle's homeless with free COVID-19 testing

A pioneering COVID-19 testing pilot, believed to be the first in the country to specifically support the homeless community, was launched in Newcastle making testing routinely available to people who otherwise may not have been accessing it.

The ICHNE, which is hosted by the Trust, designed the self-test support pilot, which uses one-to-one encouragement to help individuals take a test whilst being verbally guided by a trained person. Users are then assisted to record their result by smartphone or via 119.

Over time, this gives people confidence and a routine to test themselves independently, helping to break the chain of transmission.

The project worked with homeless charities and supported housing providers including Home Group, Changing Lives, DePaul, and Newcastle City Council and provided tailored support for those who are experiencing homelessness, or coming out of homelessness. Building on the pilot, the COVID-19 hub team has also worked with Newcastle City Council to provide access to testing for individuals supported by Tyne Housing, across 21 different sites.



Seven-day cancer services

Newcastle Hospitals' cancer service expanded to seven days a week, enabling patients to receive treatment quicker with greater flexibility.

The day treatment cancer service previously ran Monday to Friday in the Northern Centre for Cancer Care, managing emergency admissions and over 60 patients a day for their chemotherapy treatment.

As well as expanding capacity, the service has also developed in response to changing cancer treatments such as immunotherapy which have, subsequently, resulted in many patients being able to stay on treatment and live with cancer.

It also opens up the opportunity for patients living with cancer who still want – and are able – to work to have greater flexibility with appointments, providing financial security which can be a huge concern for patients and their families.

New researcher development institute

A £3.2m grant from Newcastle Hospitals Charity will support a new researcher development institute, dedicated to the progression of research talent amongst our nurses, midwives and allied health professionals.

As well as providing greater access to dedicated funding, the institute will give staff the support, flexibility and autonomy to establish and spearhead research alongside their clinical practice, bringing about huge benefits for both patients and colleagues.



NENC COVID-19 vaccination programme

Throughout the year, our COVID-19 vaccination programme continued to be rolled out across the NENC during which time millions of doses have been administered to our local population from dedicated hubs and GP-led centres to community pharmacies, pop-up clinics and vaccination buses.

Working closely with our health and care partners, there is now sufficient capacity within the region's primary care and community pharmacy to vaccinate the eligible population for both annual flu and COVID-19 into the future.

As a result, two of our large capacity vaccination centres at the NHNE and the Durham Arnison Centre closed at the end of the financial year, and we would like to thank staff and volunteers who stepped up to run and support them.

We would also like to acknowledge all those involved in the programme, including GP surgeries, community pharmacy teams, hospitals, the ambulance service, school vaccination services, local authority public health teams, community and voluntary sectors, which have now vaccinated a majority of people in this region against COVID-19.

ICHNE

The ICHNE provided a unique and valuable resource to strengthen the region's pandemic response. Hosted by Newcastle Hospitals, the hub brought together NHS, local authority, university and other partners and had three components:

- **Baltic Park Lighthouse Laboratory** – a high-capacity, purpose-built testing facility that processed over 8 million COVID-19 tests between March 2021 and March 2022.
- **Coordination and Response Centre** – a regional team which provided additional, bespoke levels of insight and analysis, bringing together information, specialist knowledge and resources to identify and manage local and regional risks through the pandemic.
- **North East Innovation Lab** – a specialist team of NHS scientists who work with industry developers and universities to assess and validate the performance of the next generation of diagnostics. The

lab team has recently been awarded £1.4m of national funding to continue vital work to evaluate the latest testing technologies.

Throughout the pandemic, the ICHNE supported true partnership working, sharing resources and expertise across teams and organisations, with a resulting improvement to our regional resilience.



Ageing at the heart of Newcastle's future

A cutting-edge £500m development supporting the understanding, care and innovation of products and services for an ageing population was given the go-head. Newcastle University is leading the regeneration of the former General Hospital site in an ambitious masterplan to help people live longer and healthier lives through global research in ageing and research.

The planned development, which will take approximately 10-years to complete, will link research and innovation across the whole 29-acre site and provide unique solutions for living, leisure, learning and employment as we age. Newcastle University is working in partnership with the Trust and a number of other key partners in bringing this vision together.

Geordie Hospital



Image courtesy of Channel 4 ©

As the country came out of lockdown in the summer of 2021, we granted production company Curve Media access to our hospitals, our staff and our patients as part of a new documentary series they were making for Channel 4 – Geordie Hospital.

While we were feeling (and still continue to feel) the pressures of the pandemic, the programme was deliberately not about COVID-19 – but rather our people and a warm-hearted look at what else goes on behind the scenes at a busy hospital Trust.

The six-part series, which aired in the spring, followed our incredible staff through a typical shift – from world class medics saving and transforming lives to the support teams who make it happen and attracted an average of 1.1m viewers. Our thanks to all of the staff and patients who gave up their time and expertise to make it happen.



Digital Developments

The Trust has experienced another transformational year within digital services. In the past 12 months, there has been a huge increase in digital demand across the organisation, highlighting the dependency on the service and recognising digital as a key enabler. Providing digitally enabled care that supports more informed and safer decisions remains a key part of the 'Pioneering' pillar of the Trust's strategy.

The introduction of the Digital Health Team in April 2021 has made a real difference in improving patient care. The team has taken great steps in optimising the e-Patient Record system, working with colleagues to support training, simplifying processes, and collaborating on new digital initiatives that benefit across all areas of the Trust.

Newcastle Hospitals has achieved international recognition for its digital maturity and use of electronic patient record technology. The Trust has achieved Stage 6 against the Electronic Medical Record Adoption Model (EMRAM) assessed by the international Healthcare Information and Management Systems Society (HIMSS), joining only 7 other NHS organisations at this level of digital capability.

The Trust has been officially accredited as a Global Digital Exemplar for fulfilling its commitments as part of the Global Digital Exemplar (GDE) programme with NHS England.

The Trust leads on the regional strategic initiative to join up health and social care records through the Great North Care Record (GNCR). This has continued to deliver collaborative care through the NENC over the last 12 months. It is now one of the largest and most accessed shared care records in the UK. The patient facing capability to manage and access their appointments and clinical correspondence is due to be launched.



MyGNCR, a platform integrated with the NHS App, will provide patients with a single digital front door to access secondary care services.

In recognition of the importance of protecting our patients' data, the Trust continues to strengthen its cyber defences and has a rolling programme to maintain them.

Technology has demonstrated that we can work more collaboratively when we are better connected and is crucial to providing safer care and improving patient experience. As we complete the implementation of the digitisation of services, we are now shifting focus to ensuring our staff and patient experience is optimised and advancing technologies are used to enhance our use of data to further improve our patients' experience, safety and quality of care.

Partnerships

We are very clear in our strategy that our intent is always to be a highly effective partner, developing and delivering integrated care, playing our part in local, regional, national and international programmes.

Our role in system working and system leadership has a long history which has been strongly evidenced this past year. Summarised below are three examples of partnership working where the Trust has demonstrated its local, regional, national and international reach.

The examples cited cover:

- 1) The establishment of the **NENC Integrated Care Board (ICB)**;
- 2) **Collaborative Newcastle** – a demonstration of exemplar place based engagement; and
- 3) The **Newcastle Innovation Health Partners (NHIP)** – our Academic Health Science Centre, awarded in April 2020.

We're a partnership bringing together the NHS, councils, combined authorities, voluntary and partner organisations from right across our region. We are a collaboration of organisations committed to looking at new and different ways to work to improve the overall health of the three million people we serve.

1. Establishment of the NENC ICS

ICSs are a key part of the NHS long-term plan and are intended to bring about major changes in how health and care services are planned, paid for and delivered. ICSs are partnerships that bring together providers and commissioners of NHS services across a geographical area with local authorities and other local partners, to collectively plan and integrate care to meet the needs of their population. ICSs are the latest in a long line of initiatives aiming to integrate care across local areas. They have grown out of sustainability and transformation partnerships (STPs), local partnerships formed in 2016.



The values of the ICS are that collaboration is better than competition and that this can be achieved across providers and through systems, thereby providing fairer access to services.

There are 18 ICSs in the country, the largest being the NENC ICS, which serves a population of over 3 million people.

ICSs are organised at a system, place and neighbourhood level:

- Systems – setting and leading overall strategy for 1-3mn people;
- Place – town or district for between 250-500,000 people; and
- Neighbourhood – Community Services and GPs for 30-50,000 people.

The future of ICSs will become legislated later in 2022 and as part of this transition, we have seen Professor Sir Liam Donaldson appointed as Chair Designate and Samantha Allen appointed as Chief Executive designate for the NENC ICB. Together, they are appointing an ICB board and included within the board will be two placed based directors.

There will be a strong relationship forged between the NENC Provider Collaborative (a collaborative of the NHS Chief Executives across the NENC), the ICB and Newcastle Hospitals as the major tertiary health care provider in the ICS.

There are six key priorities for the NENC ICS, being:

- 1. Health and Prevention:** Collaborating across services and locations to improve health and reduce health inequalities.
- 2. Our People:** Working together to ensure a strong and sustainable workforce.
- 3. Digital Care:** Bringing together all parts of our health and care system to push forward our digital journey.
- 4. Mental Health:** Improving access and standards of mental healthcare to support people with mental illness.
- 5. Learning Disabilities:** Transforming services and care for people with a learning disability and or autistic people.
- 6. Optimising Services:** Finding solutions for health services that are under the greatest of pressure.

We were pleased to welcome Sam Allen to visit Newcastle Hospitals on 11 April 2022. Ms Allen quoted:

“The support that tertiary services provide for the whole region and much further afield is apparent in every clinical area that I visited, and it’s important that our specialist services thrive so that our whole population can benefit from world-class care. There is a palpable pride from all of the staff I met.

We are entering a new era of collaboration in healthcare where no one part of our system can operate without the others, and the innovation and clinical excellence that I’ve seen today will be a key part of our success.”



2. Collaborative Newcastle – A Demonstration of Exemplar Place Based Engagement



Collaborative Newcastle is an innovative and ambitious partnership which aims to improve the health, wealth and wellbeing of everyone in the city. Unique in scope and scale, we have brought together the NHS, local government, higher education, and voluntary and community sector to work with, and for, local people and communities.

We believe our approach is pretty radical. We're pushing boundaries, breaking down silos and challenging established ways of working in order to achieve a single, shared vision. We're supporting our staff, at all levels, to collaborate

more easily with colleagues in other organisations. We're combining efforts, expertise and resources in new and creative ways. We're driving forward major projects to integrate health and care, improve skills and productivity, boost investment and tackle the climate emergency. And we're working collectively in this way to reduce inequalities and provide better opportunities for the people of Newcastle.

Our journey began, as many local trips do, with the Tyne and Wear Metro. The map below shows Metro stops in Newcastle, overlaid with healthy life expectancy figures (the average age when poor health begins, and quality of life is badly affected) for each area. It tells a stark story about the health outcomes and life opportunities for people in Newcastle. It's perhaps the most visual representation of the challenge we face in terms of reducing inequalities and was very much the starting point for our collaboration.



Despite our public services being amongst the best in the country, these healthy life expectancy figures tell a different story and that's because access to healthcare is just one small piece of the jigsaw. There are lots of other factors that affect an individual's health, wealth, and wellbeing – from employment, housing, finances, and education to the food we eat and the family, friends, or community around us.

Collaborative Newcastle partners recognised that working in isolation was no longer an option. No single organisation could provide all the solutions or make a big enough difference to tackle the inequalities that exist. We believe that we need to work creatively and collectively to tackle the big things that are holding people back.

In a relatively short space of time and set against the backdrop of a global pandemic, Collaborative Newcastle has already made significant progress, working in partnership across the city to drive forward projects to support each of our three pillars. Headlines include:

Net Zero Carbon

- Newcastle was the first city in the world where the city council, hospital trust and a university declared a Climate Emergency and made a Net Zero commitment.
- For two years in a row, Newcastle City Council has been internationally recognised and accredited by Carbon Disclosure Platform (CDP) as an International Climate Leader, one of only 11 local authorities in the UK and 95 cities worldwide in 2021.
- We have also secured around £30m of Government funding to help decarbonise public buildings across the city. This is allowing a substantial investment in improving the energy efficiency of public buildings, enabling renewable energy generation, and delivering low carbon heating systems to a range of buildings across the city including schools, libraries, leisure centres, offices, theatres, and more.

Growth and Prosperity

- Working with partners across the city, Invest Newcastle has facilitated a record number of new investments and expansions, creating and safeguarding more than 2,500 jobs, with East Pilgrim Street, Biosphere 2, and Stephenson Quarter developments all progressing.
- As city partners, we have combined to promote the city's key projects and worked together to create a strong case for Government funding in our key economic opportunities, which resulted in two successful Levelling Up Fund bids.
- Through our Collaborative Newcastle Universities Agreement, we have brought together our research to support innovation and economic growth in key sectors including health, energy, data and culture and creative.
- We continue to develop a joined-up approach to skills and support for businesses to start up and grow. The universities are supporting student enterprise spin-outs and are working together with Newcastle College Group to build skills pathways to support economic growth.

Health and Care

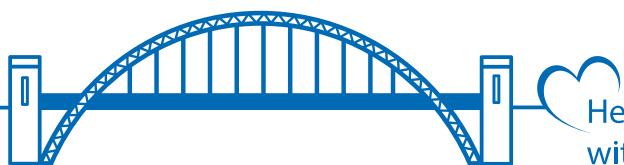
- We established the region's integrated COVID-19 hub, which was developed by Collaborative Newcastle partners during the first wave of the pandemic. The hub continues to deliver opportunities and projects to support economic growth in the region: it has created 800 jobs, signed 21 commercial scientific contracts with companies as far afield as China, and established a regional call centre to provide support for local councils and the NHS.
- We developed and launched a new and integrated approach to supporting children and families in the city. Children and Families Newcastle provides community based, accessible and joined-up support and services for children, young people and their families, including the creation of new community hubs and a team of 'family partners'.
- We won a prestigious national health sector award for our collective work to support care home residents and staff during the COVID-19 pandemic. Collaborative Newcastle received the Health and Local Government Partnership Award at the national Health Service Journal (HSJ) Awards 2021.
- We have established an innovative, joint health and care apprenticeship. This integrated approach to developing the future generation of health and social care professionals is thought to be the first of its kind in the country.

Our Ambitions

Our aim is to improve the health, wealth and wellbeing of everyone in Newcastle through radical new ways of joint working across the city's anchor institutions and wider partners. Through Collaborative Newcastle, we have committed to work together to:

- Reduce inequalities;
- Tackle the big things that hold people back;
- Provide better opportunities for all – children, families, adults, and the elderly alike;
- Place individual wellbeing at the heart of all our collaborative and individual action;
- Work with local people to respond to local needs and build on the strengths and assets that already exist in our communities;
- Use evidence and data to inform our plans and evaluate our progress; and
- Create a city that is just, inclusive, green, innovative and entrepreneurial.

You can find out more about Collaborative Newcastle on our website www.Collaborativenewcastle.org



3. The NHIP - Our Academic Health Science Centre (AHSC), Awarded April 2020



Throughout 2021/22, NHIP continued to bring partner organisations¹ together to deliver on its ambitions. The three subcommittees of the NHIP Board progressed key initiatives across partners in the following areas:

Education and Training

An NHIP submission has received £201k through the Office for Students to work with Health Education England (HEE) and the ICS to develop a course in Digital Health that focuses on upskilling the healthcare workforce.

Plans were also developed for the NHIP Academy, with a vision to become a sector leader with the definitive UK health and care academic careers development programme. This will focus on driving inclusive career development of the most promising leaders, across disciplines and backgrounds such as:

- Doctors and Dentists;
- Nurses, Midwives, Allied Health Professionals, Pharmacists and Healthcare Scientists;
- Methodologists; and
- Public Health and Social Care researchers.

The NHIP Academy will formally launch in 2022 and will be led by Professor Dave Jones who is a clinical hepatologist in the Trust, as the Director of the NHIP Academy.

Research Strategy and Innovation

New research satellites in Robotics and Advanced Therapies were established and began engagement internally and externally. Diagnostics North East (DNE) held an annual conference, promoting the research infrastructures, capabilities and resources in this area.

NHIP partner organisations have also collaborated on the development of large bids, including the successful NIHR £3.1m artificial intelligence (AI) Multiply bid which is focused on multiple long-term conditions and polypharmacy. NHIP is currently progressing through the NIHR Patient Safety Research Collaboration bid in England. This bid involves Newcastle City Council, Newcastle Hospitals and Cumbria, Northumberland and Tyne and Wear NHS Foundation Trust bidding for one of the £7m Centres.

¹ Newcastle University; Newcastle upon Tyne Hospitals NHS Foundation Trust; Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust; AHSC - NENC; Newcastle City Council.

People and Culture

During 2021/22, Maurya Cushlow, Executive Chief Nurse, was appointed as the new Chair for the People and Culture subcommittee and has been leading the group in positive progress against the original plan. Five NHIP senior fellowships have been appointed through pooled funding in the areas of vascular surgery, paediatrics, rheumatology, intermediate care and haematology. Work continues in the development of new service roles and tackling the top challenges across the NHS and higher education interface.

Alongside the work of the subcommittees, colleagues have also been collaborating across partners on patient and citizen engagement, digital skills, and the development of an NHIP Industrial Strategy.

A regular programme of Lightning talks, featuring leading experts in COVID-19, inequalities, digital surgery and robotics, was also delivered across the year, engaging stakeholders and encouraging interactive discussion from attendees.



Looking to the future, NHIP partners also made a significant commitment of £3.3m of new cash investment to support the NHIP integrated programme over the next three years. This programme now involves many colleagues across all partners, delivering an ambitious and integrated plan that provides patient and citizen benefit, driving performance and targeting new funding possibilities. NHIP will also be recruiting a new Chief Operating Officer to lead the programme over the coming years and continue to bring together world-class research, education and clinical practice for the benefit of the region.





Research

It is well recognised that clinical research can lead to scientific breakthroughs and the discovery of new treatments for a wide range of health conditions, but it also plays a key role in improving patient care, staff satisfaction and retention, and patient experience.

In September 2021, we launched our five-year Clinical Research Strategy, setting out how we will collectively embed research across the Trust to ultimately create a better future for our patients, staff, and communities. A copy of this is available on our website.

Recognised for research excellence in areas such as cancer, rare disease and child health, the strategy aims to cement the Trust's reputation nationally and internationally while making a difference to local people.

Despite the challenges brought on by the pandemic, our teams have continued to deliver world-class research. We are very proud of our achievements and the commitment colleagues have shown to keep vital studies running.

A summary of some of our achievements in research include:

- We are one of eight AHSCs in the UK. As detailed in the 'Partnerships' section earlier, our AHSC is called the Newcastle Health Innovation Partners (NHIP) and Newcastle Hospitals is one of five core partners. Examples of NHIP's success include:
 - o As part of NHIP, we were awarded joint senior NHIP clinical fellowships to aspiring clinical academics who recently completed training. These appointments are a key part of NHIP's vision to help translate research into real-world benefit.
 - o One of these five clinical academic fellows, Dr Tom Hellyer, honorary intensive care consultant, has been awarded a £1.9m grant to determine whether antibiotic exposure in critically ill patients with sepsis can be safely reduced by shortening the duration of the initial course. Awarded as part of the Health Technology Assessment grant from the NIHR, the funding will deliver a large trial recruiting over 2,000 patients from 50 critical care units in the UK.
 - o Professor Chris Harding, consultant urological surgeon at Newcastle Hospitals and honorary clinical senior lecturer at Newcastle University, led a study which showed that an antiseptic is an effective alternative to standard antibiotic treatment for preventing recurrent urinary tract infections in women.
 - o NIHR has awarded funding for a study which uses artificial intelligence to assess the relationship between multiple long-term conditions and a patient taking different types of medication to manage these conditions.
- The NIHR Newcastle Clinical Research Facility (CRF), jointly run by the Trust and Newcastle University, received over £5m to continue its early phase research. In the last five years alone, the facility has supported 406 clinical studies and over 9,200 people have participated in research.



- We received £250,000 from the My Name's Doddie Foundation to test treatments that could reduce symptoms associated with motor neurone disease.
- Mr Andrew Bowey, consultant orthopaedic spinal surgeon, and Mr David Fender, consultant orthopaedic surgeon, performed a world-first operation as part of an international clinical trial. The operation was performed as part of the BRAIVE IDE study which tests the effectiveness of a new device to treat children with scoliosis.
- Two patients became the first in the UK to undergo a pioneering new treatment for liver cancer in a partnership between Newcastle and St James's Hospital in Leeds as part of US-based HistoSonics' #HOPE4LIVER study. The patients from Newcastle and Bradford received the treatment which uses histotripsy, a form of therapeutic-focused ultrasound, to destroy targeted primary and metastatic liver tumours without the need for invasive incisions or needles entering the patient's body.
- Building on our robotic surgery credentials, we are part of a major national study which will compare traditional methods of knee replacement versus a surgeon using a robotic arm to carry out the procedure.
- Newcastle Hospitals is one of nine endoscopy units taking part in a ground-breaking study called COLO-DETECT. The study is trialling the use of GI Genius, a new AI device designed to help clinicians identify polyps during colonoscopies (examinations used to detect changes or abnormalities in the bowel). Dr David Nylander, a consultant gastroenterologist who is also the Trust's director of endoscopy and clinical director for the North of Tyne bowel screening programme, is leading the study from Newcastle.
- We are working in partnership with The Christie NHS Foundation Trust in Manchester on a national research study which uses a blood test to match cancer patients with the right clinical trial for them. The study is funded by the Sir Bobby Robson Foundation and The Christie Charity.
- The John Walton Muscular Dystrophy Centre and the NIHR Newcastle CRF dosed the first patient in Europe as part of a clinical trial to find treatments for a rare condition called Pompe disease.
- NIHR Patient Recruitment Centre: Newcastle, run by Newcastle Hospitals, won a Bright Ideas in Health award in the research impact category for the irritable bowel syndrome (IBS) RELIEVE virtual trial.
- In the NIHR Clinical Research Network (CRN) Participant in Research Experience Survey, 96% of participants said they felt that our researchers valued them taking part in the research.
- In support of the Trust's climate emergency strategy, we have made a commitment to make research activities more sustainable. Towards the end of 2020, we formed a research sustainability working group with members of staff from across research. We continue to support the Trust's sustainability agenda, with a focus on reducing travel, embracing technology for study design and administration, and staff training.



Awards and Achievements

Engagement with young patients earns national award

Childhood healthcare experts at the GNCH received the paediatrics involvement and engagement in research (PIER) prize from the Royal College of Paediatrics of Child Health, in partnership with the NIHR.

The team were recognised for their PERFORM project – a multi-disciplinary approach involving and engaging children and young people in research that aims to develop new diagnostic tests for childhood fevers, to help differentiate the cause of fevers and identify which children are at risk of serious infections.

Children and young people were involved in the study from the very



beginning, helping shape the resources and the consent process, in addition to inspiring many initiatives such as a pop-up hospital.

Queen's honour for consultant

Consultant Gastroenterologist, Dr David Nylander, was awarded a Member of the Order of the British Empire (MBE) for his services to health in Sierra Leone and the UK, as part of the Queen's overseas and international birthday honours list.

Over a number of years, David has been sharing his expertise in gastroenterology overseas, travelling to the West African Coast to deliver training in endoscopy in partnership with The Choithram Memorial Hospital (CMH). His achievement is coupled alongside his commitment to the NHS and his leadership of services in the North East.

A rising star

Senior research physiotherapist, Dr Kate Hallsworth, received a Rising Star Award from the European Association for the Study of the Liver for her outstanding commitment to improving services for patients with non-alcoholic fatty liver disease (NAFLD).

The award showcases the work of leading liver nurses and Allied Health Professionals (AHPs) whose focus is on putting people with, or at risk of, liver disease at the heart of their practice and Kate was nominated by colleagues for her pioneering work, over the last 10 years, towards helping to shape the service for patients with NAFLD.



Unique Honorary Medical Director appointment

Dr Sarah Brown – a consultant liaison psychiatrist for Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust and lead for the psychiatric liaison team in Newcastle – was appointed as an Honorary Associate Medical Director at the Trust.

Sarah is one of the first Psychiatric Associate Medical Directors in an acute trust, underlining our organisational commitment to providing high standards of care to people who have mental health needs.

COVID-19 – special service of commemoration and thanksgiving

Staff who were on Newcastle Hospitals' frontline in the battle against COVID-19 were part of a special service of commemoration and thanksgiving in London on the 73rd birthday of the NHS.

Five clinicians, including some of the team who treated the UK's first confirmed coronavirus patients at the RVI, attended the service at St Paul's Cathedral joining NHS Chief Executive at the time Sir Simon Stevens, NHS Medical Director Professor Stephen Powis, and England's Chief Nurse Ruth May among others. They were:

- Matthias Schmid, the head of the department for infection and tropical medicine;
- Ashley Price, consultant physician in infectious diseases;



- Lucia Pareja-Cebrian, Director of Infection Prevention and Control and consultant microbiologist; and
- Staff nurse Maria Wafer and consultant psychologist Dr Victoria Miller, who were both part of the team which set up one of the first specialist long COVID clinics in the UK.

Digital 'bot' wins national award

A digital programme which has saved thousands of hours in staff time a year at the trust won an IDC European Future of Work Awards 2021. The Human Resources (HR) team received the 'Best Augmented Workforce' award for their robotic process automation (RPA) programme, which has made a huge difference to staff on a day-to-day basis.

In essence, the programme has helped to minimise everyday HR processes and tasks – which previously would have been manually inputted – with the introduction of 'bots' for appraisal input and probationary reviews. To date, the programme has saved thousands of hours in staffing time, increasing both efficiency and satisfaction.

Chief Midwifery Officer Awards

Midwives Diane Buggy and Sonja Kelly were recognised for going above and beyond after being awarded prestigious Chief Midwifery Officer Awards by Deputy Chief Midwifery Officers Sascha Wells-Munro and Jess Read.

Diane received the Gold Award – recognising lifetime achievements for midwives – for her work supporting women in the west end of Newcastle, a lot of which was in her own time, by collecting equipment a new mother might need and creating a mothers-to-mothers network.



Sonja was presented the silver award for her contribution to patients and the profession through her work with UK-Med – a core partner of the UK Government’s Emergency Medical Team (EMT), the frontline of the UK’s response to a humanitarian crisis overseas.

Sonja was part of a team who travelled to South Sudan to help deliver an essential obstetrics and neonatal care training course – the first maternal and reproductive health teaching visit for UK-Med.

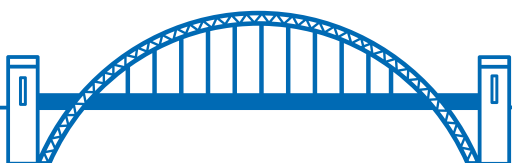
Later in the year, much loved midwife Jennifer McDermott was posthumously awarded the Chief Midwifery for England’s gold medal in recognition of her distinguished career spanning over 55 years in the NHS and exceptional contribution to the profession. Chief Midwifery Officer Professor Jacqueline Dunkley-Bent presented the posthumous award to Jennifer’s daughter, Terry, during an emotional presentation at the RVI.

Flagship role for the region and the UK

Dr Annette Hand, a renowned expert on Parkinson’s Disease, was appointed the NENC’s first Clinical Academic Professor in Nursing – one of the first key roles of its type in the UK.

This flagship clinical chair post – a joint position between the Trust and Northumbria University – is part of our shared vision to deliver world-leading nursing through outstanding research, education and clinical practice.

As Professor in Nursing, Annette will develop and drive a collaborative nursing, midwifery and allied health professional research and academic agenda that will, fundamentally, improve patient and carer outcomes.





NHS first 'specialty' appointment for Long COVID

Dr Graham Burns, a consultant physician at the RVI and lecturer at Newcastle University, was appointed the NHS's first ever National Specialty Adviser for Long COVID – a role created to help meet demand for ongoing care from people suffering long term physical and psychological after-effects from the virus.

He is one of five new clinical leads – which also cover urgent and emergency care and elective care – to provide expert advice to the NHS Medical Director, Professor Stephen Powis, and to the programme teams working to support local NHS teams improve services for patients in these areas.

Student Nursing Times Awards

Innovative approaches to ensure high quality student nurse placements continued across Newcastle during the height of the pandemic and were recognised in the Student Nursing Times Awards.

Claire Winter, a clinical educator based in the central operating department at the Freeman Hospital, was a finalist in the practice supervisor of the year category for developing a 'gold standard' student development programme.

The health visiting and school nursing team in Newcastle's out of hospitals and community services were also named as finalists in the student placement of the year – community award category for their blended approach to teaching student nurses remotely.

Regional first for neonatal unit

Our Neonatal Unit at the RVI became the first in the region to be awarded United Nations International Children's Emergency Fund (UNICEF) Baby Friendly Initiative full accreditation.

The initiative – a global partnership between the World Health Organisation (WHO) and UNICEF – aims to support maternity, neonatal and health visiting services to support families with infant feeding and developing close and loving relationships so that all babies and families can get the best possible start in life. The final stage of accreditation – stage 3 – was based on experiences of parents who currently – or have recently – had a baby stay on the unit.

NHS honoured as official starters of the Great North Run



Sister Jade Trewick, a senior sister/charge nurse on ward 49 – a respiratory support unit at the RVI which provides both intensive care and step-down care for COVID-19 patients – was one of four ‘NHS heroes’ chosen to officially start the Great North Run.

Historically, starters have always been public figures who have achieved great things in their chosen fields, but organisers wanted to recognise NHS staff who worked so hard to care for our communities under such difficult circumstances during the pandemic.

She was also part of the event’s Great North Thank You Campaign that paid tribute to fourteen inspirational individuals through a large-scale visual installation along the entire course at the run.

Novel approach to ‘hands face space’

Infection prevention control nursing assistant, Kim Williams-Davies, was a finalist in the Royal College of Nursing Awards for her innovative approach in supporting staff – and others – to stay safe during the COVID-19 pandemic.

Kim’s work in implementing the national initiative – ‘Hands, Face, Space’ – in a novel and effective way was recognised in the ‘**Outstanding contribution to infection prevention and control**’ category.

Her approach contributed to a demonstrable reduction in COVID-19 infection rates among staff – nearly 70% – helping the organisation to safely keep as many people at work as possible, during an incredibly challenging time.

Being a game changer

The Trust joined forces with Newcastle United Foundation to become a ‘Be a Game Changer Champion’, the Foundation’s mental health campaign that uses the power of football to engage football fans in conversations about mental health.

Funded by Newcastle City Council, NENC Suicide Prevention Network and the Premier League Charitable Fund, it aims to raise awareness of mental health issues and contribute to a reduction in the region’s suicide rate.

The health and wellbeing of all staff is one of our highest priorities and by becoming a champion, we are strengthening our commitment to promoting mental health awareness and wellbeing amongst our staff.



A rising star

Healthcare assistant, Jade Taylor, from the main outpatients team was named 'Rising Star of the Year' in the region's annual Health Care Support Worker Awards in recognition of her hard work and commitment towards learning many new competencies during a short period of time, whilst learning how to work in a large multi-disciplinary team, as part of a large, complex NHS organisation.



HSJ Awards

Collaborative Newcastle, of which the Trust is a partner, won the Health and Local Government Partnership Award at the national HSJ Awards for its work to support care home residents and staff during the COVID-19 pandemic.

As the pandemic hit, joint working was accelerated across the Collaborative to ensure that we could protect the most vulnerable people in the city, whilst maintaining our core services, and we worked together to create a Care Home Wraparound Support Team which was dedicated to providing the support, advice, treatment, care, training and equipment needed.

The team was fundamental in helping shape local outbreak control planning – reviewing the data on local cases, sharing information and acting quickly to respond – and as soon as the vaccine became available, a programme was developed to support care homes.

Newcastle Hospitals was also 'highly commended' in the Acute or Specialist Trust of the Year category and finalists in two other categories – Connecting Services and Information and Provider Collaboration of the Year – The GNCR on behalf of NENC ICS.

Bright Ideas in Health

The NIHR Patient Recruitment Centre (PRC) won the Bright Ideas in Health Award 'research impact category' for setting up one of the first virtual trials in England.

The **RELIEVE-IBSD Virtual Trial** enabled research staff to test a new treatment for patients with IBS and diarrhoea despite the pandemic, using digital technology.

Our deterioration/sepsis team were also winners for 'digital innovation in health and social care' for their **deteriorating patient electronic alert** initiative, which uses innovative, digital technology to improve patient safety by rapidly identifying patients whose condition is worsening.

This system was also shortlisted in the 'demonstrating an impact upon patient safety/quality improvement' category while collaborative working between the team at the GNCH and the North East's Young's People Advisory Group (YPAG) to develop a three-year programme of virtual work experience opportunities was shortlisted in the 'innovation in hospital or community education' category.

Partnership working award

A pilot partnership between the team at the GNCH and Citizens Advice Gateshead was recognised at the National Citizens Advice Annual Conference for 'Best Partnership Working'.

The Direct Access to Social Welfare Advice project provides families with an expert social welfare adviser to support them when a child is diagnosed with a long-term medical condition, which may impact a families' finances. At the time of award submission, the project had successfully supported over 280 families with children at the hospital with over £900,000 total income gained.



British Journal of Nursing Award winners

The Newcastle specialist continence service were winners of the '**Continence Nurse of the Year**' category at this year's British Journal of Nursing Awards.

The service submitted their light urinary incontinence project (LiP) with a core focus on good bladder healthcare and reducing the reliance on continence products whilst improving quality of life for patients and their loved ones.

Their project has involved 29 practices and 20 district nursing teams with around 50 members of community-based healthcare staff undergoing formal training to be able to carry out the pelvic floor assessments and instigate the appropriate treatments, resulting in really positive evaluation and feedback.



Celebrating 200 years of ophthalmology

We marked the 200th anniversary of the opening of the Newcastle Eye Infirmary – one of the first dedicated specialist eye hospitals to open in the UK in March 1822.

Advancements in treatments and technology over the last two centuries have really revolutionised the way we care for patients and today the team perform around 65,000 procedures every year. Thanks to the Tyne and Wear Archives who shared some wonderful historic images to help us capture this event.



Gold employer

As an organisation, we recognise and celebrate the value that diversity brings and fully support every member of staff to be their authentic self, so we were delighted the Trust received a gold employer award from Stonewall – the world’s second-largest Lesbian, Gay, Bisexual, Transgender, Queer and/or Questioning, Intersex, Allies, Asexual and Pansexual (LGBTQ+) charity, in recognition of its commitment to the inclusion of LGBTQ+ staff in the workplace.



Transformational leader

Non-Executive Director, Steph Edusei, received the Transformational Leader award at the Northern Power Women Awards for her work in promoting equal rights and ensuring the voices of ethnically minoritised women are heard nationally and strategically.



Newcastle Hospitals Charity

Newcastle Hospitals Charity is the official charity for Newcastle Hospitals. Their mission is to help our hospitals to go further by providing support for compassionate and innovative healthcare, education, and research.

They work in partnership with Newcastle Hospitals to complement the world-class healthcare services and proudly support patients, staff, and the wider communities of Newcastle Hospitals by funding a range of initiatives – from cutting-edge research to vital improvements to the patient experience and environment.

The last year has seen the charity's most prolific year to date; they have supported Newcastle Hospitals and the wider North East community with £10 million of grant funding. Supporting innovative, creative, and touching projects from all facets of the hospital community, this funding will make a positive impact and help drive Newcastle Hospitals forward.

The charity would like to give thanks to their generous and compassionate supporters, who have enabled the charity to offer vital aid to Newcastle Hospitals



staff as the COVID-19 pandemic continued to add additional strain, as well as look to the future with some exciting new projects and initiatives. External partners, such as NHS Charities Together, have also enabled the charity to enact real change, both within the hospital community and further afield.



In the past 12 months, the charity has helped to support a range of projects, including additional psychological support to frontline staff working at the GNCH, pioneering technology to improve the number of successful organ transplantations carried out at Newcastle Hospitals, plus little things like the creation of a LEGO radiology scanner to help ease the anxiety of the hospital's younger patients as they prepare for procedures.

The charity supports the hospitals as a whole – ensuring funds are spent where they are most needed – and works flexibly to offer urgent support. As well as generally supporting the hospitals, the charity is the home of three funds:

- The Great North Children's Hospital Foundation, which supports children and their families who come to the GNCH (based at the RVI) for treatment and care, including funding life-changing research, projects to make the hospital more welcoming for children and support services for children and their families, such as a financial hardship fund.
- The Sir Bobby Robson Foundation, which works to help find more effective ways to detect and treat cancer for patients across the North East, Cumbria and beyond. The Foundation funds clinical trials and cancer research, pioneering cancer treatment and innovative cancer support services, such as acupuncture, complementary therapies, and counselling.
- Charlie Bear for Cancer Care, which supports patients who are living with cancer, their families and carers, and staff at the Northern Centre for Cancer Care. This fund works to keep pace with fast-moving developments in cancer care and treatment, funds local research projects to develop new treatments, specialist staff training and

initiatives to help patients feel more comfortable during their treatments.

As always, the charity remains committed to ensuring it makes best use of all resources for Newcastle Hospitals patients, staff, and the wider region.



Impact

2021/22 was another year of uncertainty and hard work for everyone at Newcastle Hospitals, and the charity responded to the challenges we all faced by agreeing grants worth more than £10 million in the year.

The range of grants was enormous, from allocations of less than £100 – small grants that made a big and immediate difference to patients and staff – right up to a grant of more than £3 million to support the development of the Trust's Nursing, Midwifery and Allied Health Professionals (NMAHP) Researcher Development Institute.

The year included an overhaul of how the charity receives and manages applications, making improvements that played a big part in the increase in levels of grant-making, as did the appointment – for the first time – of a dedicated grants team.

Any member of Trust staff – with Directorate-level support – can apply for charitable funding, and a new online process means that decisions on smaller

grants are made and communicated increasingly quickly.

The charity allocated more than **£500,000** in easy-access, smaller (less than £25,000) grants in 2021/22, with these primarily focusing on staff health, wellbeing, and development, and on staff-led initiatives that improved the experience of Newcastle Hospitals patients.

Some examples of these smaller grants include:

- £12,000 for the establishment of a Hardship Fund for patients and families at the GNCH who are facing financial difficulty, in partnership with Amazon Gateshead.
- £5,000 for the provision of fruit to staff in the Cancer Services and Clinical Haematology directorate.
- £3,000 for a LEGO model of a radiotherapy machine to familiarise children with what their treatment will look like.
- £228 to enable the Chaplaincy to purchase clothes for patients who are admitted with nothing suitable to wear.

Applications for grants of more than £25,000 are considered by the full Charity Committee, which during this period agreed grants worth more than £7 million in support of Directorate-level or Trust-wide schemes.

As well as supporting hospital staff and patients directly, these larger grants play a massive role in funding research and innovation, tackling health inequalities, and creating healthier communities across Newcastle and the North East.

Some highlights are as follows:

- £3,192,246 for the Newcastle upon

Tyne Hospitals NMAHP Researcher Development Institute, which will support hundreds of staff to turn their research ideas and aspirations into reality.

- £982,000 for *Duplication to Personalisation*, a Collaborative Newcastle project that collates and analyses health and care data to identify people whose care could be improved, and re-design, innovate and improve the services and support available.
- £203,000 for the establishment of Cycle Hubs at the Freeman, RVI and Regent Point.
- £138,756 for Active Hospitals, a pilot project embedding physical activity within the health system helping people keep active and avoid having to come back to hospital.
- £74,345 for the purchase of an Abdominal Normothermic Regional Perfusion (ANRP) machine to aid with transplant operations, increasing the number of viable organs for transplantation.
- £59,357 for *Helping Hands*, a social welfare service for Trust staff, delivered by Citizens Advice Gateshead.



While the majority of the charity's grants stay within Newcastle Hospitals, a number of external charities were also supported in 2021/22, in line with the charity's aspiration to take a collaborative approach to addressing health inequalities in the community, supporting people while they're in hospital, and preventing readmission.

Partner organisations that were supported in this way included:

- Centre for Sustainable Healthcare.
- Children's Cancer North.
- Citizens Advice Gateshead.
- Daft as a Brush.
- Healthworks Newcastle.
- Medicinema.
- Newcastle Carers.
- Newcastle United Foundation.
- North East Wellbeing.

In addition, non-NHS organisations were well represented amongst the organisations with whom the charity worked in partnership on the NHS Charities Together Community Partnerships COVID-19 Response grant programme.

As the biggest NHS charity in the region, Newcastle Hospitals Charity led a funding bid to this programme on behalf of the NENC ICS and received **£1,567,845** for eight two-year community partnership projects that are being delivered by a range of partners both from within the NHS and from the charity sector.

The projects that received funding are helping to tackle health inequalities, improve people's mental health and wellbeing, and offer specialist support to people disproportionately affected by the



direct and indirect impacts of COVID-19. Partner organisations on the programme include:

- Barnardo's.
- Coping with Cancer North East.
- County Durham Community Foundation.
- Cumbria Community Foundation.
- Family Action.
- Middlesbrough & Stockton Mind.
- Wearside Women in Need.
- Your Voice Counts.

This programme was a significant part of the charity's continued response to COVID-19, alongside several other grants that dealt with the ongoing effects of the pandemic. These included occupational health support for Trust staff who have had COVID-19 and are returning to work, broader psychological support for staff in the Children's, Critical Care, and Community directorates, and much-needed upgrades to staff rest areas and outdoor spaces.

Finally, keeping Newcastle at the forefront of research and innovation

remains a charity priority, and 13 major research grants were approved in 2021/22, with a total value of **£433,520**.

Applications for these grants are assessed by the Joint Research Executive Scientific Committee (JRESC), which brings together experts from across Newcastle Hospitals and Newcastle University. Each application for research funding goes through a robust assessment process before JRESC makes final recommendations to the charity as to what should be funded.

Conditions and diseases that the research funded in 2021/22 will help Newcastle – and the world – tackle include: Chronic Fatigue Syndrome, Depression, Mitochondrial DNA disease and Duchenne Muscular Dystrophy.

The Charity Committee and staff team are determined to build on the progress made in 2021/22 and priorities for the new financial year include continued high levels of engagement and grant-making, the further improvement of policies and processes relating to grant applications, and the development of dedicated grant programmes on specific themes such as hardship, research, staff wellbeing and sustainability.



Fundraising

Community Fundraising

Newcastle Hospitals Charity is lucky to have some incredible supporters within the local community, and this period has seen another spate of successful community fundraising. Despite COVID-19 restrictions still influencing fundraising activities, charity supporters have managed to hold some events and fundraising activities, including golf days, non-uniform days at school and social evenings when restrictions have eased. Some examples included:

- The Byers family, who organised a charity night in honour of their Dad, Terence after he sadly suffered a heart attack and needed surgery. They raised a fantastic £1,632 for the Cardiothoracic Centre at the Freeman Hospital.
 - Knop Law Primary School, who raised an incredible £625 for The Great North Children's Hospital Foundation. They held a non-uniform day before finishing for the Christmas break. They fundraised in support of pupil Gracie Atkinson who was sadly involved in a traffic accident and needed care and rehabilitation at the hospital.
 - A team of long-term Sir Bobby Robson Foundation supporters who held their annual Kevin Outhwaite Memorial Golf Day again in 2021, which was well supported and raised £4,000. Lady Elsie Robson attended the event along with one of the charity's fundraisers, to thank the supporters.
 - The family of baby Tyne (who sadly is currently being treated at the GNCH for leukaemia), who raised £2,051 for Newcastle Hospitals Charity fund, The
- Great North Children's Hospital Foundation. They raised this amazing amount at a band and raffle night (plus it was match-funded kindly by Barclays) organised by Marie Middleton, along with baby Tyne's parents Chloe and Brad.
 - Michelle Barron, who organised a charity football match in memory of her dad who sadly passed away last year. Michelle's dad received treatment at the Freeman and Michelle wanted to give something back. Michelle raised £2,170 to benefit the North East and Cumbria Transport and Retrieval (NECTAR) service fund within the charity.
 - And finally, the charity received fantastic support from the other side of the world! Iain Chisholm organised 'The Live Forever Cup' with two teams - England v Rest of the World match in Brisbane in support of The Sir Bobby Robson Foundation. Iain raised an incredible £5,500!



Partnership Funding



The festive season proved to be a highlight in terms of fantastic charitable support from companies who helped to fund a series of projections, illuminations and festive decorations that brought some much-needed light and festive cheer into the lives of staff, patients, and visitors at Newcastle Hospitals.

Special thanks to: Medical Architecture, CAD 21, Geoffrey Robinson Limited, Robertson CE Limited, and Tolent Construction Ltd who all, for the second year running, contributed to our outdoor illuminations. The Charity team were also able to lead on a festive carol service and light switch on at the RVI and Freeman Hospitals and invited some of the young patients and Very Important Persons (VIPs) to switch the lights on.

In addition to this, the Charity team contacted local corporates and suppliers to offer them the opportunity to become a 'Hospital Partner' and bring some much-needed additional festive cheer to our staff and patients at the RVI; the GNCH and the Freeman Hospital by raising or donating a minimum of £300.

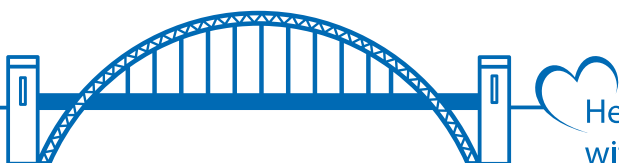
We are thrilled that 22 corporates took part in this campaign and a total of £14,750 was raised. Their support was used to provide decorations on the wards

and around the hospitals and to buy seasonal gifts/activities for the patients staying in the hospital over the festive season, helping to brighten their time at Newcastle Hospitals.

Corporate support

The support of local businesses is of great importance to Newcastle Hospitals Charity, and in this period the charity's corporate supporters have continued to provide opportunities that benefit our patients and staff in a number of valuable ways. Some examples included:

- Newcastle Building Society, who passed a £3 million landmark in their support for The Sir Bobby Robson Foundation after renewing funding of an Oncology Research Nurse position. This vital role is within the Sir Bobby Robson Cancer Trials Research Centre, which sits in the Northern Centre for Cancer Care at the Freeman.
- Amazon Gateshead, who donated £12,000 to Newcastle Hospitals Charity fund The Great North Children's Hospital Foundation. Their donation was used to a pilot 'Hardship Fund' to benefit children and families at the Great North Children's Hospital.
- The team at EC Business Solutions in Hebburn, who raised an incredible £7,439 for The Great North Children's Hospital Foundation. They were inspired by their colleague Hannah and her son Jordan-Lee, who is being cared for at the GNCH after being diagnosed with Acute Lymphoblastic Leukaemia. The team held several fundraising events including an auction, bake sale, chilli-eating contest, and sponsored waxing to raise this amazing amount.
- HMS Northumberland, who continued to support The Sir Bobby Robson Foundation as their chosen charity.



The Ship's Company has now raised £1,700 through various challenges on board and movie nights.

Legacies

A gift to Newcastle Hospitals Charity in the form of a legacy is the greatest honour the charity can receive and this year, it received almost £1.9 million from 69 legacy donations. Some examples of the generous individuals who chose to support Newcastle Hospitals Charity with a legacy donation are:

- Mr and Mrs Stokoe, who generously chose to support the Children's Heart Ward at the Freeman Hospital. Speaking about her parents, Kay Stokoe said:

"Our late parents, Mr and Mrs Stokoe made a financial donation to the Children's Heart Ward at the Freeman Hospital in their Will in recognition for the wonderful care the hospital provided to their grandson, who was born with a heart defect. It was important to our parents to recognise and support the excellent work of the National Health Service and its dedicated staff. Thank you for everything you do."

- Keith Edward Hall, who supported The Sir Bobby Robson Foundation.
- David Thomas Thornthwaite, who supported The Sir Bobby Robson Foundation.
- Betty Cooper, who supported Heart Research at the Hospitals.
- Rosemary Brewery Picker who supported Newcastle Hospitals Charity in general.

In total, 18 legacies were left to The Sir Bobby Robson Foundation, 11 for Newcastle Hospitals Charity and two for The Great North Children's Hospital Foundation.

Gifts in Kind

A huge thank you to all the corporate and community supporters who have generously donated many gifts in kind for our Newcastle Hospitals patients and colleagues in recognition of their hard work over the last year. These thoughtful gifts have included refreshments, toys, personal care kits for patients, chocolates, biscuits, and raffle prizes to name a few. Some examples included:

- 250 pairs of pyjamas for young patients staying at the GNCH donated by Children's Hospital Pyjamas.
- A range of arts and crafts were donated to The Great North Children's Hospital Foundation by Clowns in the Sky, for play specialists to use with patients.
- John Lewis kindly donated multiple boxes of delicious Quality Street chocolates to Newcastle Hospitals Charity to help boost staff morale.
- Graeme from Sticky Sponge kindly donated an amazing stag-shaped cake to hardworking staff at the RVI and Freeman. Graeme was inspired after his son received care at the RVI, as well as other members of his family.



Arts Programme

Since June 2021, the Charity has been piloting arts programming across the Trust, with the addition of a dedicated Arts Programme Manager. This aligns the charity's strategic priority to 'establish an Arts Engagement Programme for staff, patients and the local community', with the goal of 'improving the patient and visitor experience, enhancing care for patients and the local community'.

The arts programme thus far, has included: new site-specific wall murals *Wor Mosaic* by North East artists Padma Rao and Miki Z in the Urology Stone Centre, *Freeman Hospital*; an online, *in-conversation with artist Richard Bliss* on LGBT+ History Month; visits at both RVI, and Freeman sites from *The Travelling Gallery & BALTIC*; online Creative Writing workshops for staff in partnership with The Open University; a number of works from the series *Watchful Waiting* installed at Freeman, of acclaimed photographer Johannah Churchill, who trained as a nurse in the Trust; and in May the charity will unveil a new site-specific commission in the Leazes Staff Bistro by artist & designer Emer Tumilty.

Newcastle Hospitals Charity Arts Programme has lots of exciting projects coming up, working with staff, patients, and communities, and continuing to evidence the benefits of bringing creative practice into the Trust and beyond, as they align to best practice in creative health nationally.

Charity Strategy

The work of the charity is led by three goals. They work to improve the patient and visitor experience, enhancing care for patients and the wider community, improve staff health, wellbeing, and development and to tackle health inequalities and key health issues for our region and nationally.

Following the launch of a 5-year strategic plan (2021 – 2026), these goals have informed all work of the charity during this period, including becoming an integral part of the grant's approval process – ensuring each grant helps the charity achieve these goals.

The charity looks forward to bringing regular updates on the progress of the strategy as they continue to grow and develop.

Connecting with Newcastle Hospitals Charity

If you would like to find out more about the work of Newcastle Hospitals Charity including their latest events, projects, fundraising opportunities, and how to donate, please visit the Newcastle Hospitals Charity website:

charity.newcastle-hospitals.nhs.uk/

You can get in touch with the Charity team by calling the charity office on **0191 213 7235** or by emailing **nuth.charity@nhs.net**. You can also find them on social media, below:

 [Newcastle_NHS](#)

 [NewcastleHospitalsCharity](#)

 [Newcastle_NHS](#)

 [Newcastle Hospitals Charity](#)





1. Performance Report

A. Overview of Performance

The objective of this overview is to provide a summary of:

- The Newcastle upon Tyne Hospitals NHS Foundation Trust,
- Its purpose,
- The key risks to the Trust's objectives, and
- How the Trust has performed during the year.



Our Activities

The Newcastle upon Tyne Hospitals NHS Foundation Trust is one of the largest and most successful teaching NHS Trusts in the United Kingdom, offering its communities a wider range of specialist services than any other.

The sites listed below provide pioneering local, regional and national services of the highest quality:

- Freeman Hospital, including the Institute of Transplantation (IoT), the Northern Centre for Cancer Care (NCCC), and Renal Services Centre;
- The RVI, including the GNCH and the Great North Trauma and Emergency Centre;
- The Centre for Aging and Vitality (CAV – formerly Newcastle General Hospital) which is home to the region's NECTAR service, Westgate Road Urgent Treatment Centre, Newcastle Diabetes Service, Newcastle Westgate Cataract Centre and Clinics for Research and Service in Themed Assessment (CRESTA);
- Newcastle Dental Hospital;
- Newcastle Fertility Centre;
- Northern Genetics Centre;
- New Croft House (Newcastle Sexual Health Services);
- Molineux Urgent Treatment Centre;
- Ponteland Road Urgent Treatment Centre; and
- Manor Walks Leisure Centre (Cramlington).

Every one of our services makes an invaluable contribution to the lives of those people requiring our care, but our flagship services include:

- The **Great North Trauma and Emergency Centre** at the RVI – a department that has traditionally seen approximately 140,000 new patients each year. The major trauma centre

treats people from as far afield as Cumbria and the Scottish Borders. In a typical year, the Trust can expect to see approximately 240,000 emergency attendances.

- The **Cardiothoracic Centre** at the Freeman Hospital – a regional and national centre of excellence for respiratory and cardiac care, providing specialist treatment for adults and children.
- The **Great North Children's Hospital** – one of only 14 major children's medical centres in the UK, GNCH provides treatment for children across the whole of the North of England.
- The **Northern Centre for Cancer Care** – the largest centre of its kind in the North of England, providing state-of-the-art cancer care for the people of Newcastle and beyond, as well as world leading clinical research.
- The **Institute of Transplantation** – where the first successful heart transplant on a child was carried out in 1987. It was also the site for the first single and dual lung transplants in Europe and continues to deliver exceptional results.
- The **Bubble Unit** at the RVI – one of only two units in the country where children with severely compromised immune systems can be treated in an air-tight isolation ward.
- **Newcastle Birthing Centre** at the RVI – a top rated maternity unit which helps bring approximately 6,000 babies into the world each year. This is one of the UK's largest maternity units and provides the highest standard of care for parents and their families.

As an anchor organisation for the North East, several COVID-19 related sites were commissioned to serve NENC as a whole, including:

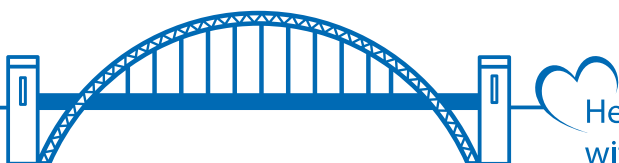
- **NHNE:** originally established as a contingency hospital in partnership with other local organisations, NHNE played a key role in the North East's vaccination efforts, acting as a large-scale vaccination centre. The site closed on 31 March 2021.
- **ICHNE:** over the past year, ICHNE provided three key services: a 'Lighthouse' testing laboratory; an innovation lab developed in conjunction with universities and

industry; and a Coordination and Response Centre (CRC) to support public health teams in managing COVID-19 risks, with strong links to the national Test and Trace programme.

- **NENC COVID-19 Vaccine programme:** headquartered at NHNE, this service was coordinated by the Trust and led by a dedicated System Vaccination Operation Centre (SVOC).

Key Risks to Delivering our Objectives

The key risks to the achievement of the Trust objectives are detailed within this report as part of the Annual Governance Statement (AGS).





Are you feeling happy?

This will make you feel much better



Are you feeling sad?



The Trust

The Newcastle upon Tyne Hospitals NHS Foundation Trust was founded on 1 June 2006 under the provisions of the Health and Social Care (Community Care and Standards) Act 2003 (consolidated on the National Health Service Act 2006).

The previous organisation – The Newcastle upon Tyne Hospitals NHS Trust – was formed on 1 April 1998 following the merger of the Freeman Group of Hospitals NHS Trust with the Royal Victoria Infirmary & Associated Hospitals NHS Trust.

The Trust reviewed its aim, vision and values, and published its five-year strategy during 2019/20. A copy of this can be found on the Trust's website.

Our strategic goals are:

- **Patients**
Putting patients at the heart of everything we do. Providing care of the highest standard focussing on safety and quality.
- **People**
Supported by Flourish, our cornerstone programme, we will ensure that each member of staff is able to liberate their potential.
- **Partnerships**
We will be an effective partner, developing and delivering integrated care and playing our part in local, regional, national and international programmes.
- **Pioneers**
Ensuring that we are at the forefront of health innovation and research.
- **Performance**
Being outstanding, now and in the future.



Our core aim is to provide 'healthcare at its best with people at our heart' and our core value areas are:

- **We care and are kind**

We care for our patients and their families, and we care for each other as colleagues.



- **We have high standards**

We work hard to make sure that we deliver the very best standards of care in the NHS. We are constantly seeking to improve.



- **We are inclusive**

Everyone is welcome here. We value and celebrate diversity, challenge discrimination and support equality. We actively listen to different voices.



- **We are innovative**

We value research. We seek to learn and to create and apply new knowledge.



- **We are proud**

We take huge pride in working here and we all contribute to our ongoing success.



Going Concern

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

Operating and Financial Performance

Financial Performance

The Trust continued to demonstrate financial resilience in the 2021/22 financial year with a £0.4 million surplus on an NHS England and NHS Improvement (NHSE/I) Control Total basis (2020/21 surplus of £4.7 million). The Trust remains well placed to address the funding challenge facing all public services. In particular, the underlying strength in the balance sheet will provide financial resilience in future years.

Income

In response to the COVID-19 pandemic, NHSE suspended all healthcare contracting and implemented an emergency finance regime from the start of 2020/21. The objective of NHSE was to ensure NHS Trusts had sufficient funds to meet the demands of the COVID-19 pandemic. As a result, the main driver for income was not activity delivered but costs incurred. The regime continued into 2021/22. The Trust was funded based on the H2 (second half of financial year) 2020/21 'block envelope' adjusted for inflation and System Development Funding (SDF) together with the distribution of system top-up and COVID-19 allocation. In addition, the Trust earned the Elective Recovery Fund (ERF) of £21.7 million linked to the achievement of elective activity targets.

The Trust generated total income of £1,372.6 million (2020/21: £1,302.6 million). This is higher than last year mainly due to a general uplift to the block funding (£19.3 million), vaccination programme (£15.9 million increase), ERF (£21.7 million), and drugs and devices charges increase (£18.1 million) with a reduction in top-up funding.

As a result of the COVID-19 pandemic, the Trust generated less income from trading activities because the footfall of patients and visitors was far less. However, income from services provided to other Trusts, organ retrieval, private and overseas patients, specialist services outside the NHSE contract, and the NHS Injury Scheme were maintained.

Expenditure

Total expenditure for the year was £1,337.4 million (excluding finance costs and impairments), (2020/21: £1,267.8 million). The finance regime for H1 (first half of financial year) rolled into H2 to cover Trust costs and expenditure is very close to income, with a small surplus of £0.4 million. The COVID-19 Vaccination

Programme expenditure (outside the financial envelope) exactly equals income. A number of Elective Recovery Schemes have continued and been developed to support and manage the number of elective patients on the waiting list and to return to 2019/20 activity levels.



The Trust has managed to deliver the Financial Plan during 2021/22 despite continued COVID-19 challenges over the course of the year. This has meant the need to continue covering staff absences due to COVID-19, through the use of staff bank, overtime, agency and locums. There has been significant investment in the Trust's estate, investment in medical equipment and Information Technology (IT) infrastructure through the deployment of non-recurring income to manage this.

The Trust does have variances against specific types of expenditure:

- Pay expenditure includes additional pension cost of £29.8 million matched by income, the cost of enhanced overtime rates, a staff Christmas Bonus, a provision for the re-banding of staff, offset by savings associated with the COVID-19 Vaccination Programme and across the majority of directorates due to a relatively low fill rate as COVID-19 restrictions have made recruitment difficult.
- Drugs are underspent, mainly related to matched drugs and a corresponding variance on income and an underlying growth in cost for 'block' drugs and old Payment by Results (PbR) tariff drugs, as some types of patient activity have increased.
- Expenditure in relation to medical and surgical equipment replacement (including defibrillators), offset by the impact of reduced patient activity (relative to pre COVID-19 levels).
- Additional premises expenses to support COVID-19 working, including estates spend, IT, Private Finance Initiative (PFI), and medical equipment.

Capital Expenditure Plans

Capital expenditure totalled £46.5 million (2020/21: £55.7 million). Expenditure was primarily for works to assist the Trust

with dealing with the elective recovery into 2022/23, the replacement of medical equipment, new medical equipment and investment in IT infrastructure. In addition, investment was provided to reduce backlog maintenance and refurbish departments.

Delivering Value for Money in the Public Interest

The Trust's cost efficiency programme continued to be suspended during 2021/22 due to the COVID-19 pandemic.

The Trust took the opportunity to partner with the IHI to support the creation of additional capacity and development of capability to deliver ongoing quality and financial improvements. Work to embed a quality improvement methodology has continued, alongside a strategic focus on delivering improved outcome for outpatients and supporting elective care recovery.

The Balance Sheet

The assets of the Trust's owned estate were valued at £385.2 million on 31 March 2022. In addition, the Trust has a further £173.8 million of PFI assets. The Trust has valued its land and buildings on a single, optimal site basis and funded via an alternative to PFI/PF2 arrangements. Such funding is exempt from Value Added Tax (VAT). The closing year end cash balance on 31 March 2022 was £220.1 million (2020/21: £237.7 million). While this balance provides strength as a leading healthcare provider, the Trust continues to operate in an increasingly challenged financial environment and changing business delivery landscape.

Future view

As we move into 2022/23, the NHS finance regime is moving back towards pre-pandemic procedures including the restoration of healthcare contracting.

The central element of the 2022/23 finance regime remains a block envelope funding with continued emphasis on managing finances in partnership with other NHS bodies in the ICP. The 2022/23 regime does bring back an element of funding related to activity with an Elective Recovery Funding scheme – the Trust has received funding deemed to be sufficient to achieve a target level of elective activity – set at 110% of 2019/20 activity (104% expressed in financial terms). If the value of elective activity delivered varies up or down relative to the 104%, the income will be varied by Commissioners to match.

The finance regime also includes a reduction in the amount of non-recurrent support for COVID-19 related expenditure; this reflects the view that the NHS will need to return to “normal” as the country moves out of the pandemic. The Trust’s financial plan includes substantial investment to make good schemes implemented over the last two years and new schemes to apply from April 2022, and to address cost pressures. The Trust’s financial plan includes a £20 million recurrent cost improvement target and relies upon further non-recurrent savings and other non-recurrent benefits.

The main challenges to the Trust going into 2022/23 are:

- The challenges of emerging from the pandemic with a finance regime that is defined primarily as block envelopes not related to activity levels.
- Operational challenges to achievement of elective activity valued at 104% of the activity delivered in 2019/20 and reduce the backlog of patients on the waiting list within the funding and capacity available.
- Achievement by the Trust’s directorates of a £20 million recurrent cost improvement target.

- The risk of cost pressures driven by supply side inflation in the economy.
- Delivering a capital programme that is adequate to preserve capacity and quality in a NHS-wide constrained capital funding environment.

Subsidiaries

The Trust is a stakeholder in a number of spinoffs and commercial ventures. The Trust also holds shares in and is represented on the Board of Pulse Diagnostics Limited, which is seeking to commercialise an invention for the non-invasive detection of Peripheral Vascular Disease. Trust Directors and staff who sit on the Boards of spin-off companies are not remunerated for that role.

In Summary

The Trust has had a successful year in terms of financial performance in that it has met its financial targets without having to compromise clinical quality. Looking to the future, the NHS will continue to face an uncertain financial environment in 2022/23.

However, we believe we are well placed to face the future with a financial plan in place that addresses service developments and cost pressures that have been on hold during the pandemic. That plan relies upon recurrent cost improvements and non-recurrent funding; however, the Trust has a healthy balance sheet and a track record of transformation to respond to challenges. The Board of Directors recognise 2022/23 will be a challenging year but is confident of maintaining sound financial management and provision of a service portfolio of both national and international esteem and that the accounts are prepared on a going concern basis



B. Analysis of Performance

Performance

Over the course of the past year, the NHS has continued to operate in an environment of extreme pressure as COVID-19 has repeatedly retreated and resurged, fuelled by the emergence of the delta and omicron variants. The various COVID-19 waves placed increased pressure on the Trust's core activities as the Trust accommodated fluctuating volumes of COVID-19 inpatients, despite high levels of staff absence. Amongst these pressures, the Trust also delivered high volumes of COVID-19 vaccines swiftly and safely. Certain periods saw particularly intense vaccination activity, notably at the beginning of 2021/22 as the vaccine programme accelerated and then just prior to Christmas as the booster programme sought to quell the worst impacts of the omicron variant. Within this climate, the focus has remained on recovery – ensuring that patients receive the best care and achieve the strongest outcomes in spite of unprecedented disruption to services.

The Trust developed the *Recovery Plus* programme to implement recovery initiatives, such as increasing elective and outpatient activity volumes to above and beyond pre COVID-19 levels, in order to reduce waiting list backlogs. The core objective of these initiatives was, and continues to be, to ensure that those with the most pressing need continue to access care in a timely fashion, with regional collaboration undertaken to help maintain equity of access.

Despite the additional pressures created by COVID-19, when benchmarked against peers both nationally and regionally, the Trust continued to deliver excellent levels of performance and clinical outcomes. Achievement of national performance metrics designed for periods of normal pre COVID-19 activity does however continue to be negatively impacted by the effects of the pandemic, as well as other factors.

Challenged areas of performance include:

- Activity volumes below pre COVID-19 levels;
- A&E four-hour standard;
- Referral to treatment (RTT) 18 weeks standard;
- RTT Long Waiters including >52 week and >104 week waiters;
- 6 week diagnostic standard;
- Cancer waiting time standards;
- Improving access to psychological therapies (IAPT) access and recovery standards; and
- Dementia standards.

In seeking to maintain and, indeed, to improve peoples' experience of the Trust and their outcomes, directorates have continued to have their performance monitored through the Trust's Directorate Performance Review process.

This process assesses large volumes of data on topics including:

- Activity and income;
- Finance;
- Core operational standards and internal key performance indicators (KPIs);
- Human resources:

- Reviews of the risk register;
- Productivity; and
- Service improvements.

These reviews are complemented by Quality and Patient Safety Reviews chaired by the Medical Director.

2021/22 Activity by Point of Delivery against 2019/20

Of the many consequences of the pandemic, the reduction in activity levels in 2020/21 will likely have the most durable and impactful consequences. Indeed, in 2021/22, fluctuations in activity caused by the aforementioned resurgence in COVID-19 infections meant that an immediate, or at least expedited, return to 2019/20 levels was not possible. This limited the Trust's capability to improve performance against national RTT, diagnostic and cancer standards: the rise of the delta variant led to the closure of some beds and postponement of some operations, with the protection of priority surgery and cancer operations; the sharp rise of COVID-19 inpatients and staff absences caused by the omicron variant disrupted efforts to recover both activity and performance.

For 2021/22, a revised financial regime was devised by NHSE/I, whereby expenditure would be matched by NHSE/I and commissioners. This contrasts to the

traditional PbR contracting mechanism which the Trust had had in place for many years prior to COVID-19. This revised financial regime limited the negative financial impact on the Trust from delivering lower activity levels than prior to the COVID-19 pandemic. Finance and activity plans were submitted for H1 and H2. Subsequently, financial risk ratings were suspended.

Compared with 2020/21, day case and elective activity increased by 38.4% and non-elective and emergency activity rose by 16.7%. This shows that whilst activity volumes were unable to return to pre COVID-19 levels in 2021/22, compared to 2020/21, the Trust was in a better position to balance delivering non-COVID activity, alongside caring for people with COVID-1.

Outpatient attendances rose by 15.4% compared to 2020/21, with outpatient procedures growing by 57%. Going forward, there is a national expectation

	2019/20 Actual	2020/21 Actual	2021/22 Actual	19/20-21/22 Variance
Inpatient Activity	223,948	162,015	209,187	-14,761 (-7%)
Day Case	115,892	77,198	108,923	-6,969 (-6%)
Elective	24,661	15,397	19,263	-5,398 (-22%)
Emergency & Non-Elective	83,395	69,420	81,001	-2,394 (-3%)
Outpatient Activity	1,103,374	943,627	1,139,642	36,268 (3%)
New Outpatients	259,105	229,518	273,928	14,823 (6%)
Review Outpatients	625,274	591,683	673,448	48,174 (8%)
Outpatient Procedures	218,995	122,426	192,266	-26,729 (-12%)



that follow up outpatient activity will be reduced by 25%, with an increased focus on patient-initiated follow-up (PIFU) and

the continued use of virtual consultations where appropriate.

A&E Activity

Although the Trust did not meet the A&E four-hour standard in any month of 2021/22, it was consistently one of the best performing organisations in England, with performance against the 4-hour standard averaging 86.4%. The strongest

performance was observed at the beginning of the financial year with April performance at 92%. However, as the year progressed, performance declined from these levels, with March 2022 performance standing at 82.4%.

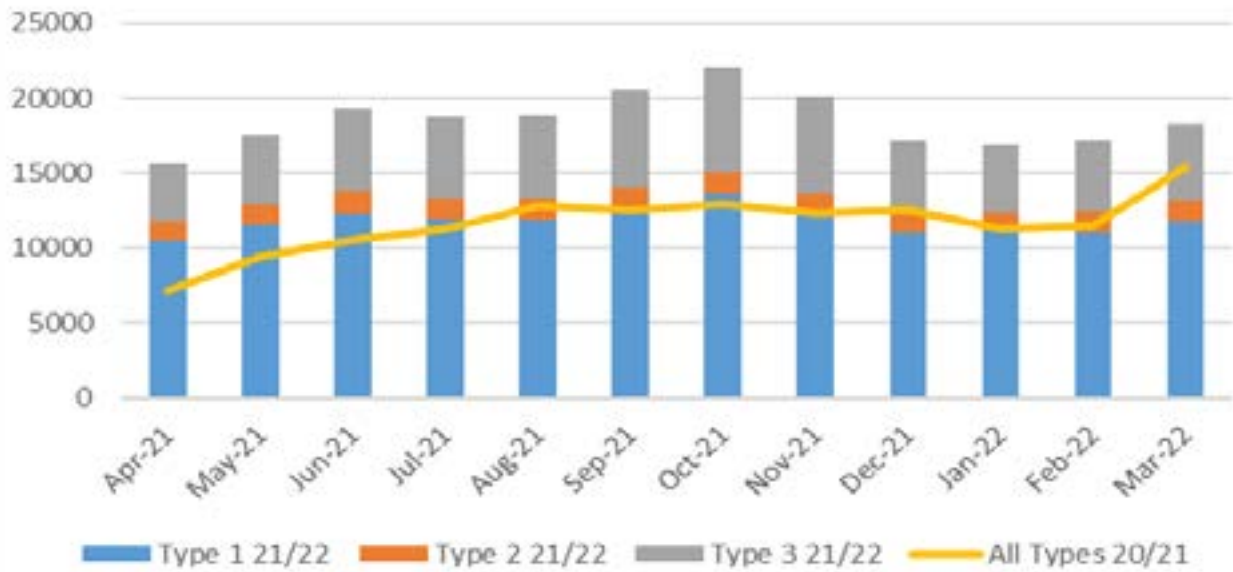


The agility of the Trust's emergency care staff has been demonstrated throughout the year, as they regularly made adjustments in response to shifting national guidance and policy. Staff also responded well to the average acuity of patients being higher compared to pre COVID-19 levels, and they have continued to deliver care despite reduced staffing levels caused by the prevalence of COVID-19.

Type 1 attendances rose by 31.6% compared to 2020/21, with a notable increase in attendances in periods where COVID-19 prevalence was low, particularly in the latter part of 2021. Attendances of all types were 70% higher than in 2020/21. Type 3 attendances jumped most markedly, leaping by 257% on 2020/21 levels, as both the Westgate and Molineux Urgent Treatment Centres remained open for most of 2021/22, having had to close for large periods of 2020/21 due to COVID-19².

² A Type 1 A&E department is a consultant led service that operates on a 24 hour basis with full resuscitation facilities and designated facilities for the accommodation of patients; a Type 2 A&E department is a consultant led service with a focus on a single speciality, such as ophthalmology or dental, and also has appropriate accommodation for the reception of patients; a Type 3 department is a service that can be doctor or nurse-led and can be co-located with another A&E department type, but are often sited in the community.

A&E Attendance Levels



The Trust performed strongly against a number of other key emergency indicators.

Across all months and across all sites, the Trust met the targets for both the unplanned re-attendance rate and the left department without being seen rate. There were, however, a greater number of trolley waits over 12 hours than occurred in 2020/21. In 2021/22, there were three such occurrences: one in April 2021; one in August 2021; and one in October 2021.

There were also a greater number of A&E handover delays greater than 60 minutes, with 16 observed across the year, compared to just 1 in 2020/21. The greatest concentration of these was between August 2021 and February 2022, where there were 15 such waits. For both metrics, however, performance compared favourably with national comparators.

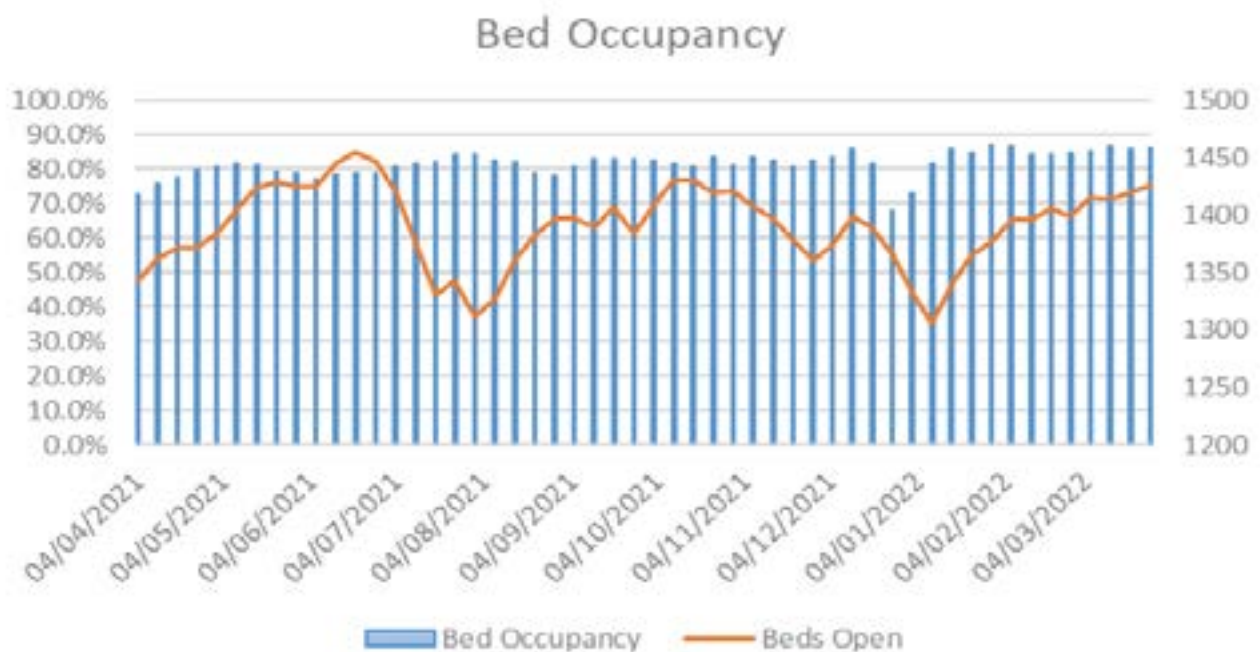
Other Emergency Indicators		Threshold	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22
Trolley Waits in A&E >12 hours		Nil	1	0	0	0	1	0	1	0	0	0	0	0
A&E Handover Delays 30-60 minutes		Nil	8	5	7	23	115	104	117	97	66	102	83	123
A&E Handover Delays > 60 minutes		Nil	0	0	1	0	2	2	4	1	2	2	2	0
Unplanned re-attendance rate - 7 days	RVI - Main Emergency Department	5%	2.0%	2.0%	2.3%	2.1%	2.0%	1.9%	2.0%	1.8%	1.8%	1.8%	2.4%	2.3%
	Eye Casualty	5%	0.3%	0.2%	0.3%	0.0%	0.4%	0.1%	0.2%	0.1%	0.2%	0.2%	0.1%	0.3%
	Walk-in Centres	5%	0.1%	0.0%	0.1%	0.0%	0.1%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Left department without being seen rate	RVI - Main Emergency Department	5%	2.3%	2.3%	2.9%	3.2%	3.7%	3.8%	4.2%	3.3%	2.7%	2.4%	3.2%	3.5%
	Eye Casualty	5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%
	Walk-in Centres	5%	0.1%	0.1%	0.2%	0.2%	0.3%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%



Bed Occupancy

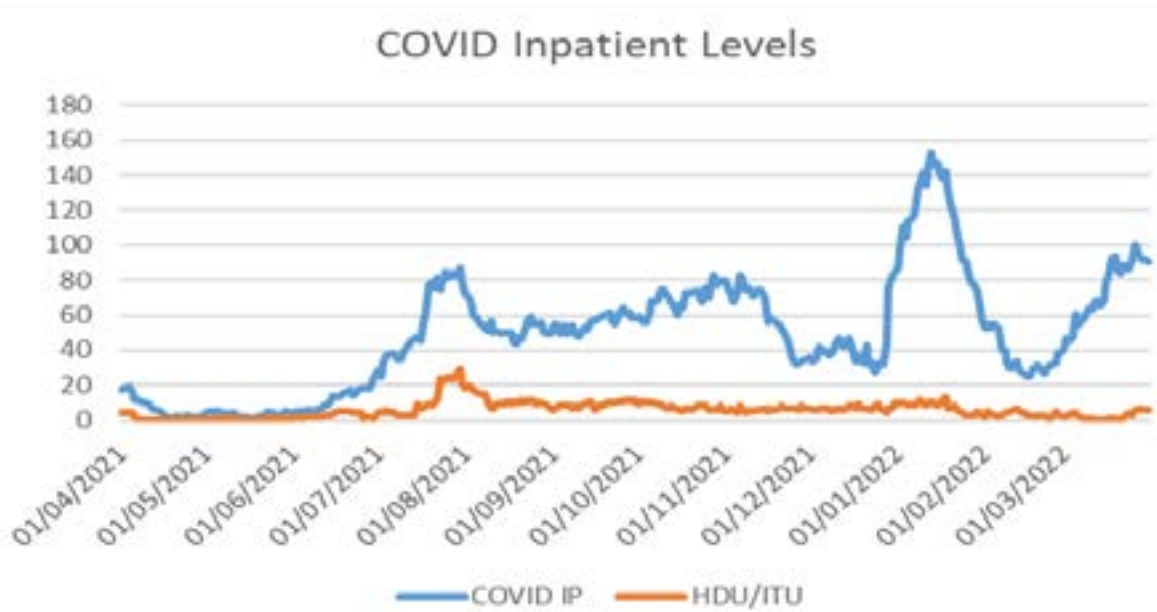
The 2021/22 year began as the nation emerged from COVID-19 restrictions and as such, bed occupancy has continued to grow throughout the year. Peaks and troughs in occupancy levels have corresponded with the wider prevalence of COVID-19, but as elective activity has been maintained throughout 2021/22, there were no sharp drops akin to 2020/21.

As both the Trust and services adapted to a new reality of 'living with' COVID-19, particularly from summer 2021 onwards, occupancy levels hovered around the 80% mark. Towards the end of the year, though, occupancy rates began to rise, reaching 87% in some weeks as the Trust continued its efforts to accommodate both elective and emergency patients. These efforts to increase activity and treat higher numbers of patients took place in the context of ongoing and changing Infection Prevention and Control (IPC) measures throughout 2021/22.



Within this climate, Newcastle Hospitals continues to accommodate a high volume of COVID-19 positive patients, consistently accommodating upwards of 50 COVID-19 positive patients. This rose to as high as 150 COVID-19 positive inpatients in January 2022, although this

did not translate into a proportionate demand on High Dependency Unit (HDU) and Intensive Care Unit (ICU) as the vaccine programme demonstrated its effect.



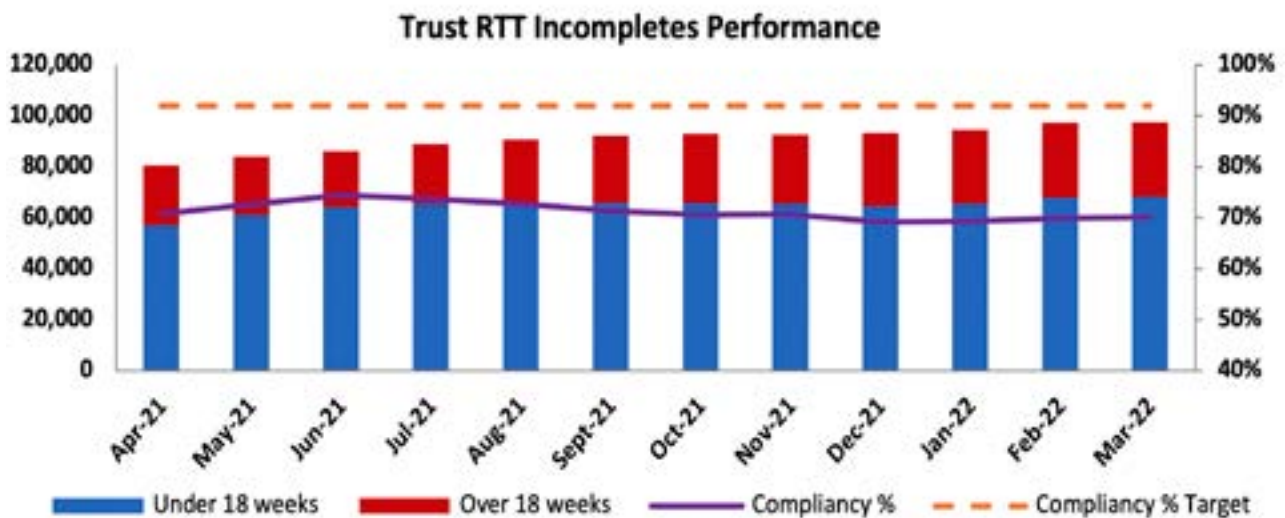
RTT Waiting Times

With the continued impacts of COVID-19 on the Trust’s ability to deliver activity, performance has fallen far short of the RTT 92% standard as intense efforts continue to attempt to counter the effects of the pandemic. Compliance has remained consistent throughout the year, remaining within a window punctuated by a low of 66.4% and a high of 72.6%.

By the end of 2021/22, the number of patients on the Patient Tracking List (PTL) had risen to almost 100,000, having grown by approximately a third since the beginning of the year. Evidence of

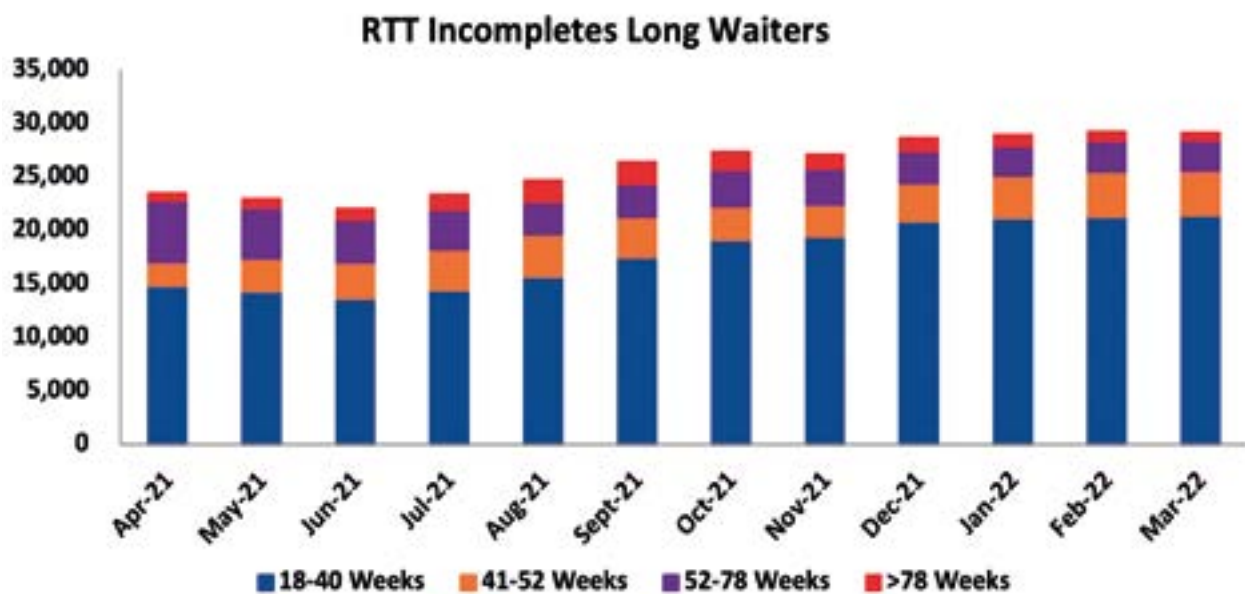
growth in the number of patients being referred to the Trust indicates that the treatment of long waiters will continue to pose a significant challenge. Enduring efforts have, however, ensured a steady decline in the number of people waiting for more than 104 weeks for treatment in the latter part of 2021/22.

Between April and January, the number of people in this category had grown from 11 to 258 but has since fallen to less than half of that level, totalling 115 by the end of the year.



Longer-lasting impacts can, however, be seen throughout the RTT waiting list. For example, at the end of the year, the number of patients waiting for more than 18 weeks stood at 29,121; the number of patients waiting for more than 52 weeks totalled 3,533; and the number of patients waiting longer than 78 weeks numbered 660. At the beginning of the 2019/20 financial year, these totals were 6,753, 0 and 0 respectively, providing a stark reminder of the scale of the impacts of the pandemic. Nonetheless, due

attention should be paid to the progress that has been made over the course of 2021/22. For an extended period in the year, the number of people waiting for more than 52 weeks stood comfortably over 5,000 and the number of people waiting over 78 weeks was over 2,000. To bring these numbers down to their current levels from the aforementioned peaks is testament to the sustained efforts of staff, notwithstanding the scale of the challenge that remains.



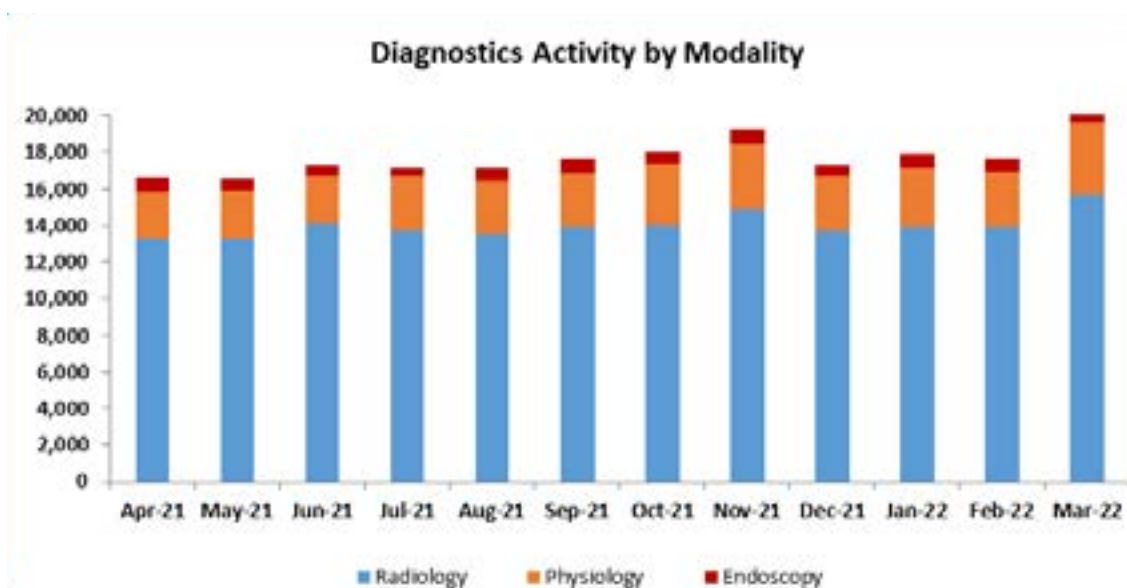
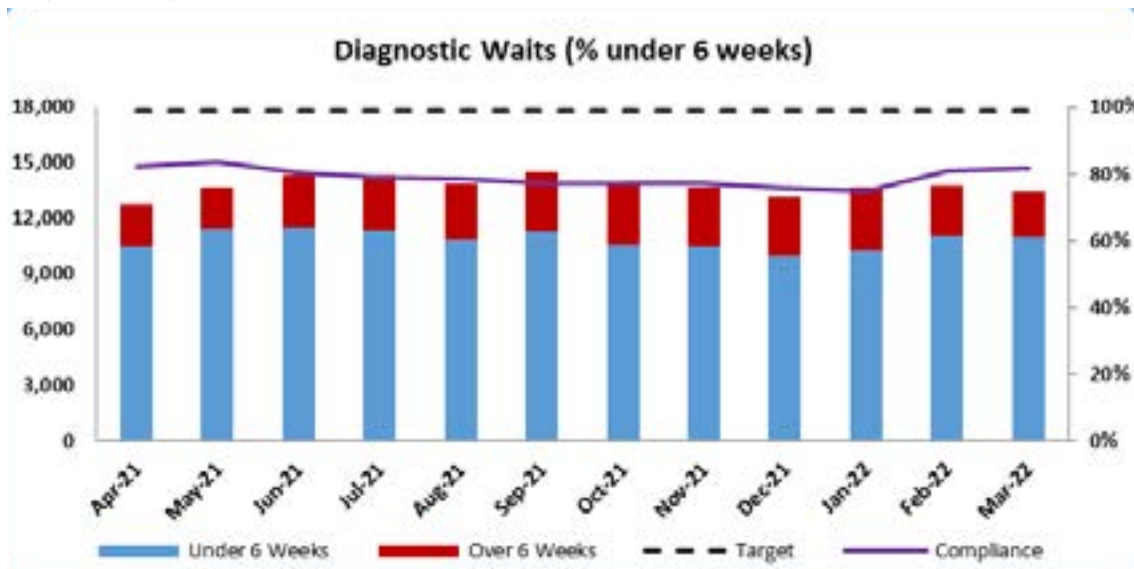
Compared nationally, the Trust has the eighth largest PTL, but the highest level of compliance against the 18-week target of the ten organisations with the largest PTLs. As of February 2022, national compliance was 62.6%, 7.4% short of Newcastle Hospitals' position.

Diagnostics

In 2021/22 the Trust did not meet the target of 99% of patients waiting less than 6 weeks for diagnostic tests in any month, with performance peaking at 83.7% in May 2021. The ongoing impact of the COVID-19 pandemic, including staff shortages and stricter IPC measures, have provided a challenging climate in which to meet demand. The size of the overall waiting list has stabilised, and, in March 2022, the Trust delivered its largest volume of diagnostic tests since October 2019, exceeding the average activity delivery between April 2019 and February 2020 by 9%.

Wherever possible, services have provided additional clinic sessions to maximise available assets (through both waiting list initiatives and insourcing), as well as utilising additional capacity provided by independent sector organisations.

Furthermore, capacity has significantly expanded throughout the year in our MRI and CT services as a result of the establishment of the local Community Diagnostic Hub in Blyth, utilised in partnership with Gateshead Health NHS Foundation Trust.



Cancer

The achievement of national cancer targets as we learn to live with COVID-19 will be a key priority for both NHS organisations and the public. However, in 2021/22, the Trust struggled to meet these targets.

As in 2020/21, despite the pressures of the COVID-19 pandemic, cancer activity has been an operational priority with activity levels remaining high in aid of ensuring optimal outcomes for people in our communities.

Cancer Waiting Times	Target	Apr 21	May 21	Jun 21	Jul 21	Aug 21	Sep 21	Oct 21	Nov 21	Dec 21	Jan 22	Feb 22	Mar 22
All cancers: 2 week wait	93%	48.0%	52.0%	53.1%	55.0%	55.7%	61.1%	69.3%	60.5%	75.2%	82.8%	92.0%	TBC
2 Week Wait for Symptomatic Breast Patients (Cancer Not initially Suspected)	93%	22.0%	21.3%	21.6%	39.0%	57.1%	50.8%	32.7%	23.1%	19.1%	24.9%	37.2%	TBC
All cancers: 1 month diagnosis to first treatment	96%	94.1%	95.8%	90.3%	92.8%	92.2%	89.7%	91.9%	90.9%	92.5%	85.0%	85.2%	TBC
All cancers: 1 month diagnosis to subsequent treatment - surgery	94%	80.0%	90.9%	84.7%	75.7%	73.9%	77.6%	74.8%	71.7%	72.4%	59.1%	73.6%	TBC
All cancers: 1 month diagnosis to subsequent treatment - drug	98%	95.7%	98.1%	99.2%	97.6%	96.0%	98.4%	98.7%	97.8%	97.2%	94.1%	96.8%	TBC
All cancers: 1 month diagnosis to subsequent treatment - radiotherapy	94%	97.4%	97.5%	97.6%	97.5%	98.2%	94.8%	98.3%	98.5%	97.5%	96.1%	97.9%	TBC
All cancers: 2 month urgent referral to treatment	85%	70.3%	71.1%	70.0%	63.3%	64.4%	51.3%	51.5%	54.4%	49.0%	54.6%	50.3%	TBC
Percentage patients referred from cancer screening service treated within 62 days	90%	84.7%	84.5%	85.1%	76.9%	74.3%	64.3%	72.4%	82.4%	71.9%	69.0%	71.4%	TBC

Despite continued efforts to meet cancer targets, the 31-day subsequent radiotherapy treatment standard was the only one met in each month. The only other performance measure met in any month was the 31-day subsequent drug treatment standard, which was met in four months. Performance against the suspected cancer two week

wait standard recovered strongly in the latter part of the year, reaching 92% in February 2022, with compliance having stood at only 48% in April 2021. Performance against the 62-day standard, however, declined throughout the year with a peak of 71% in May 2021 and a low of 49% in December 2021.

IAPT Indicators

Throughout 2021/22, the Trust comfortably exceeded the targets for seeing IAPT patients within both 6 and 18 weeks. On the other hand, the Trust failed to meet the target regarding the proportion of people who have depression and/or anxiety disorders who receive

psychological therapies. Additionally, the moving to recovery standard was not met in any month, although performance did improve in the latter part of the year, as the strongest performance compliance was observed in March 2022 following two consecutive months of improvement.

IAPT Indicators	Target	Apr 21	May 21	Jun 21	Jul 21	Aug 21	Sep 21	Oct 21	Nov 21	Dec 21	Jan 22	Feb 22	Mar 22
The proportion of people who have depression and/or anxiety disorders who receive psychological therapies	1.58%	1.46%	1.28%	1.38%	1.18%	1.13%	1.23%	1.31%	1.57%	1.34%	1.37%	1.17%	1.25%
The proportion of people who complete treatment who are moving to recovery	50.0%	41.0%	42.6%	38.60%	36.3%	41.7%	38.0%	36.0%	38.1%	41.3%	37.8%	40.5%	43.7%
% of patients seen within 6 weeks	75.0%	90.8%	91.8%	92.9%	94.2%	91.0%	95.2%	95.1%	97.8%	98.3%	98.4%	99.2%	98.8%
% of patients seen within 18 weeks	95.0%	100.0%	99.8%	100.0%	100.0%	99.8%	100.0%	100.0%	99.8%	100.0%	100.0%	99.4%	99.0%

Dementia Standards

The Trust was unable to meet the national standard for two of the three dementia metrics during 2021/22. More positively, the referral metric, as in 2020/21, was met in every month, with 100% compliance across the whole year.

Over the course of the year, some additional measures were introduced in the hope of improving performance against these metrics. For example, the dementia care team provide support to Assessment Suite to aid with the screening of patients entering hospital. Additionally, a dementia and delirium dashboard provides accurate, regularly updated information to wards.

Standards	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22
% asked the dementia case finding question within 72 hours of admission.	49%	35%	57%	44%	49%	49%	39%	23%	25%	23%	23%	25%
% reported as having had a dementia diagnostic assessment including investigations.	17%	30%	18%	27%	17%	14%	25%	50%	33%	24%	50%	24%
% who are referred for further diagnostic advice in line with local pathways.	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Healthcare Related Infections

In 2021/22 there were 0 cases of Methicillin-Resistant Staphylococcus Aureus (MRSA), compared with 1 case in 2020/21. The national trajectory for Clostridium Difficile (C.Diff) was not met in 2021/22, with 169 cases recorded against a national threshold

of 98. Potential COVID-induced causes for the failure to meet this target include higher acuity of patients; suspension of post-infection review meetings; and suspension of antimicrobial audits.



Countering Fraud

The Trust takes a proactive and robust stance against fraud, bribery and corruption in alignment with the NHS Counter Fraud Authority strategy. This includes the professional investigation of suspicions of wrongdoing and the protection of anyone who raises concerns of this nature.

This risk-based approach has seen the quality and quantity of referrals to the

Fraud Team remain high, with demonstrable positive outcomes in terms of criminal sanctions, disciplinary sanctions and pursuing financial redress.

The Trust has a Fraud, Bribery and Corruption Policy and Response Plan in place with regular updates on activity, policies and processes presented to the Trust Audit Committee.

Equality of Service Delivery

Equality of service delivery is given due regard throughout the Trust, including in eliminating unlawful discrimination, advancing equality of opportunity, and fostering good relations between people who share a protected characteristic and those who do not.

This has been promoted throughout the organisation during 2021/22 including through the following:

- Appointment of two co-clinical directors for health inequalities and three clinical leads for health inequalities to work alongside the executive lead for Health Inequalities – Martin Wilson, Chief Operating Officer.
- Monthly meetings of cross trust Health Inequalities Group, with a diverse membership including clinical, managerial, public health, research and expert partners by experience.
- Expansion of prevention programmes across the Trust including for smoking and alcohol, and leading the COVID-19 vaccination programme for the whole of the NENC area.
- Use of near-live dashboards that show demand, waiting time, and care progression for all patients, with ability to 'drill down' via protected characteristics of age, gender, ethnicity and by indices of multiple deprivation and community of residence. These tools have been used to understand the impact of inequalities within Newcastle residents and is being used to inform the Trust's elective recovery programme.
- Promoting equality of service delivery through transforming models of care. This includes Collaborative Newcastle, which is our innovative partnership with Newcastle City Council, GPs, care homes, the voluntary sector, and the mental health trust to improve the health, wealth, and wellbeing of everyone in the city. Through new ways of closer joint working Collaborative Newcastle aims to reduce inequality and provide better opportunities for all – children, families, adults and the elderly alike.
- As an employer through our Flourish cornerstone programme, including through our vibrant staff networks and other mechanisms.

Sustainability

As the first healthcare organisation in the world to declare a climate emergency, we have earned a reputation for sustainability leadership within the healthcare sector.

Our Shine Annual Report this year shows that we have made significant progress in a lot of areas, but we are still not achieving the rates of decarbonisation necessary to halt our contribution to the health crisis that is the climate crisis. We are dangerously exceeding our own carbon budget and must ramp up our collective efforts to bring our emissions down.

We have produced a detailed, stand-alone, Sustainable Healthcare in Newcastle (Shine) Report for 2021/22. This is available on the Trust website and includes an in-depth explanation of our carbon footprint as well as more information on our performance against a full range of sustainability actions in 2021/22 and our plans for 2022/23, some of which is summarised below.



Our Climate Emergency Strategy for 2020-25 uses the definitions set out in the 'Delivering a Net Zero NHS' report from NHS England and NHS Improvement (see diagram) to define our three goals.

1. Zero Carbon Care

- By 2030, the emissions we control will be net zero – our 'Newcastle Hospitals Carbon Footprint'.
- By 2040, the emissions we can influence will be net zero – our 'Newcastle Hospitals Carbon Footprint Plus'.




2. Clean Air

- By 2030, our operational transport activities generate no harmful air pollution.
- By 2040, our healthcare facilities are accessed by only zero emission travel.

3. Zero Waste

- By 2030, we will reuse and repair everything that can be reused and repaired.
- By 2040, we will produce no waste. We will manage resources within the circular economy, with items surplus to requirements becoming a resource in another part of the system.



Shine Theme	Our Achievements in 2021/22
 <p data-bbox="229 495 373 539">Energy</p>	<p data-bbox="459 241 1406 353">This year, we secured a grant of £145,000 from the Low Carbon Skills Fund and have developed Heat Decarbonisation Plans for both our main hospital sites.</p> <p data-bbox="459 371 1401 521">We have begun to ensure we can support the shift from fossil fuel-based heat to low carbon sources and are working in collaboration with local anchor institutions on city and region-wide decarbonisation projects.</p> <p data-bbox="459 539 1347 613">We have continued with our commitment to procure 100% renewable electricity, in place since 2016.</p> <p data-bbox="459 631 1406 743">The Trust’s energy procurement strategy has protected our energy costs against the unprecedented high prices seen in the last year.</p> <p data-bbox="459 761 1414 873">We continued to deliver a range of energy efficiency improvements such as LED lighting, improved heat distribution, and building control management.</p>
 <p data-bbox="237 1104 363 1149">Water</p>	<p data-bbox="459 909 1386 1021">We have increased automatic metering of water supplies in order to monitor and analyse use and implement processes to detect leaks.</p>
 <p data-bbox="237 1417 363 1462">Waste</p>	<p data-bbox="459 1182 1425 1368">Despite challenges presented by the pandemic, we have worked to improve and maintain strong waste segregation routines and waste hierarchy movement in our clinical areas, through an improved waste auditing process alongside new training materials.</p> <p data-bbox="459 1386 1418 1422">We have also implemented waste minimisation projects including:</p> <ul data-bbox="459 1440 1418 1946" style="list-style-type: none"> <li data-bbox="459 1440 1370 1514">• A new cannulation pack for Oncology to reduce waste, standardise practice and improve IV related infection rates; <li data-bbox="459 1532 1418 1568">• Avoided waste through the use of reusable lab coats in ICHNE lab; <li data-bbox="459 1585 1418 1621">• Recycling of plastic bottles used for oral nutritional supplements; <li data-bbox="459 1639 1275 1675">• Introduced large metal recycling boxes into theatres; <li data-bbox="459 1693 1418 1767">• Installed a food waste dewatering system at the RVI to reduce food volumes which was then sent to a recycling plant; <li data-bbox="459 1785 1362 1859">• Completed an EU project looking at reducing plastic use in healthcare; and <li data-bbox="459 1877 1410 1946">• Began the roll out of over 300 additional recycling bins across the RVI and Freeman Hospital.



Buildings & Land

Sustainability has been included as a critical element of two major new build projects. Both projects target **Building Research Establishment Environmental Assessment Method (BREEAM) 'outstanding'** and include an **all-electric design in line with zero carbon and clean air objectives**. We have also been working with **Passivhaus Institute** on the feasibility of achieving their standard for the new builds, in what would be a UK first for an acute hospital building.

A **biodiversity action plan has been completed for the green spaces at the RVI and Freeman Hospital** and locations have been identified for development into biodiverse areas. A number of areas around the Trusts various sites have been identified by staff for our **'Green the Grey'** project.

The renewal of our Grounds Maintenance contract will now include **10 Principles to Support Biodiversity** on site.



Purchasing

We have created a Sustainable Procurement working group to progress action on the **measurement and reduction of the carbon footprint from our supply chain** and we are working to build Government and Central NHSE/I mandate on social value into procurement processes.

We are taking steps to improve our data on the carbon in our 'Newcastle Hospitals Carbon Footprint Plus'. Supplier engagement has started to take place to **establish support for our Climate Emergency Strategy commitments**.

We have maintained our **Meat Free Mondays** and have engaged with our dieticians and catering team to begin the process of implementing the **Silver Food for Life standard**.

Newcastle Hospitals were the first Acute Trust in country to achieve the Chartered Institute of Procurement and Supply (CIPS) Ethical Procurement Mark.





Journeys

This year, we continued to **expand our fleet of electric vehicles**.

We have a published aspiration to become a Clean Air Hospital - rated excellent on the Clean Air Hospital Framework. In support of this, we have:

- Installed Air Quality Monitoring kit on site at the RVI;
- We have introduced a no idling policy; and
- We continue to expand our fleet of electric vehicles and electric bicycles.

We are working in partnership with the NENC ICS, Global Action Plan and Boehringer Ingelheim to develop an ICS Clean Air Framework.

Three members of staff **cycled from London to Glasgow for COP26** to raise awareness about the climate crisis, air pollution and its impact on child health, as well as raising funds for local sustainability projects.



Care

We continue to lead on **sustainable anaesthetic practices** and have been working on innovative projects to **reduce the damaging impact of anaesthetic gases** including a trial with Medclair to safely crack the exhaled Nitrous Oxide in our Delivery Suite into inert Oxygen and Nitrogen.

A Sustainable Respiratory Care **multi-disciplinary team has been established to reduce the carbon footprint related to inhaler use** with an initial focus on management of asthma through inhaler technique to maximise efficiency of inhaler devices.

Links have been made with the newly established Newcastle Improvement Faculty to **embed sustainability into the quality improvement process** and a Shine toolkit produced and promoted to **enable clinicians to implement sustainability improvement projects in their specialties**. We have developed a **Shine Award** and the first one was awarded to a staff led project to reduce single use plastic.

We are working with partners and clinicians to better **understand and measure the planetary impact of care pathways and identify ways to reduce the carbon footprint associated with our delivery of care**.

Our Ophthalmology team partnered with Alcon to undertake the world's first carbon neutral cataract surgery.



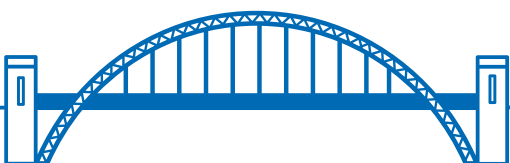
People

Sustainability in HR working group has **embedded sustainability into job descriptions, person specifications and job adverts**. Work is underway to embed Shine into appraisals, via our professional leadership behaviours refresh.

We launched a range of tools to enable staff to deliver sustainable healthcare. This included our staff engagement programme **Shine Rewards which had 1,000 staff sign up**.

This year, we made a **£50,000 Climate Emergency Action Fund** available to kick start small-scale staff led sustainability projects and piloted **Sustainability Ambassador training** for our first cohorts of sustainability leaders.

We have developed **Climate Emergency for Managers** training and developed a 'what good looks like' model for departments to enable them to **embed sustainability**.





Health and Safety

We take the health and safety of our staff, patients and visitors very seriously.

We have a dedicated Health and Safety Committee that monitors performance through receiving reports and updates on a range of areas, including:

- Staff related incidents e.g. trips, slips, falls, violence and aggression;
- Quarterly reports on health and safety compliance audits;
- Quarterly reports on the health and safety inspection programme;
- The slips, trips and falls reduction action plan;
- Safe working environments;
- Provision and support of lone working devices;
- Work to reduce violence and aggression by patients towards staff;
- Arrangements to manage and reduce staff stress; and
- A range of health and safety related training for example stress at work and risk assessment.

During 2021/22, there were 46 incidents that met the criteria for reporting to the Health and Safety Executive via Reporting of Injuries, Diseases, and Dangerous Occurrences Regulations (RIDDOR). All RIDDOR incidents have been investigated appropriately and, where necessary, remedial action has been implemented and lessons shared.



Dame Jackie Daniel
Chief Executive Officer

21 June 2022





2. Accountability Report

Board of Directors

Between 1 April 2021 and 31 March 2022, the Board of Directors met on seven occasions. Six of these meetings were formal, whereas one was extraordinary. The extraordinary meeting was convened to approve the content of the Annual Report and Accounts 2020/21.

In compliance with the requirements of the Health and Social Care Act 2012, the Board holds part of its meetings in public. A private session also takes place to discuss confidential business items. Formal meetings of the Board of Directors take place bi-monthly, with a private board development session held during the alternate months.

Due to the social distancing requirements associated with the pandemic, meetings of the Board have taken place both virtually, utilising Microsoft Teams, and in person at venues both within the Trust and in the city. Members of the public have continued to be able observe proceedings.

The Board of Directors has overall responsibility for the strategic direction of the Trust, taking into account the views of the Council of Governors. Executive and Non-Executive Directors have an open invitation to attend meetings of the Council of Governors.

The Board is responsible for ensuring that the day-to-day operation of the Trust is as effective, economical and efficient as possible and that all areas of identified risk are managed appropriately.

A detailed Schedule of Reservation and Delegation of Powers is in place, and it sets out explicitly those decisions which are reserved for the Board, those that may be determined by standing committees, and those that are delegated to managers.


In April 2019, the Trust implemented a revised governance structure, with the following committees created to provide assurance to the Board of Directors:


- Appointments and Remuneration Committee;
- Audit Committee;
- Finance Committee;
- Newcastle Hospitals' Charity Committee;
- People Committee; and
- Quality Committee.



Each of the committees is chaired by a Non-Executive Director.


The balance, completeness and appropriateness of the members of the Board is reviewed periodically and when vacancies arise among Executive or Non-Executive Directors.




Board member	Biography	Attendance at Ordinary Meetings (Attendance at Extraordinary Meeting)
 <p>Professor Sir John Burn Chairman</p> <p>Appointed 1 December 2017 for 3 years</p> <p>Reappointed 1 December 2020 for 3 years</p>	<p>Sir John became Chairman of the Trust on 1 December 2017.</p> <p>He obtained a first-class honours degree in Human Genetics and an MD with distinction from Newcastle University, where he has been Professor of Clinical Genetics since 1991.</p> <p>He was appointed as a Consultant Specialist in Newcastle in 1984 and led the regional NHS Genetics Service for 20 years. As well as helping to create the Centre for Life, which houses an education and science centre alongside the regional genetics service and NHS fertility service and he leads the Cancer Prevention Group there, part of the Newcastle University Faculty of Medical Sciences.</p> <p>He is a Fellow of the Royal Colleges of Physicians (London and Edinburgh), Paediatrics and Child Health, Obstetricians and Gynaecologists, and a Fellow of the Academy of Medical Sciences.</p> <p>Sir John was knighted in 2010 and was chosen as one of the first 20 'local heroes' to have a brass plaque on Newcastle Quayside in 2014. He also received the Living North award in 2015 for services to the North East. He is Co-Director of the international organisation, Global Variome, which seeks to share knowledge of genetic variation for clinical benefit and sits on the Executive Board of the Human Genome Organisation. Sir John is Chair for the Newcastle based DNA device company, QuantuMDx Ltd.</p> <p>Previous roles include Chair of the British Society for Genetic Medicine, President of the European Society of Human Genetics, Lead Clinician of the Northern Strategic Authority and Non-Executive Director at NHS England.</p> <p>As Trust Chairman, Sir John:</p> <ul style="list-style-type: none"> • Chairs the Board of Directors and ensures that a corporate vision and strategy is developed and maintained; • Chairs the Council of Governors and acts as a bridge between the Council of Governors and the Board of Directors; 	<p>6 of 6 (1 of 1)</p> <p><i>Due to an ongoing conflict of interest relating to ICHNE and the Chairman's role in QuantumDX, the Chairman did not participate in any such discussion relating to COVID-19 testing at Board meetings.</i></p>

<p>Professor Sir John Burn Chairman</p> <p>Appointed 1 December 2017 for 3 years</p> <p>Reappointed 1 December 2020 for 3 years</p>	<ul style="list-style-type: none"> • Ensures the Council of Governors has appropriate arrangements in place to hold the Board of Directors to account through the Non-Executive Directors; • Has a close working relationship with the Trust’s Chief Executive; • Is an Ambassador for Newcastle Hospitals and the wider healthcare system; and • Represents the Trust at local, national and international level. 	
 <p>Ms Gillian Baker Non-Executive Director and Chair of the Newcastle Hospitals’ Charity Committee</p> <p>Appointed 1 July 2019 for 3 years</p>	<p>Gillian joined the Board as a Non-Executive Director on 1 July 2019. She has over 30 years’ experience working in the charity, health and local authority sectors specialising in children’s social care, criminal justice and community development.</p> <p>The ‘thread’ that runs through her career, is that of reducing inequalities and in improving outcomes for people and communities.</p> <p>In the course of her career she has worked in a women’s refuge, in a number of community projects in the west end of Newcastle and in Scotland, as well as leading on a range of regional and national strategies for young offenders. She has also successfully set up and run a local charity.</p> <p>Gillian is now Director of Development at Lloyds Bank Foundation – an independent charitable trust which supports small charities across England and Wales through grant funding, capacity building and working to influence and shape their future. This involves working across all sectors, to ensure those small community-based organisations remain at the forefront of dealing with a range of difficult issues, such as homelessness or drug and alcohol dependency.</p> <p>Gillian has a Masters in social research, is a Churchill Fellow and a Trustee of the Community Foundation in Tyne and Wear. She has previously served as a Non-Executive Director with North East Ambulance Service, as well as being a school governor.</p>	<p>6 of 6 (1 of 1)</p>

 <p>Mr Graeme Chapman Non-Executive Director and Chair of the Quality Committee from November 2021</p> <p>Appointed 30 July 2020 for 3 years</p>	<p>Graeme joined the Board as a Non-Executive Director on 30 July 2020. He has over 30 years' experience delivering business transformation across a number of industries, including Healthcare, Life Sciences, Central Government, Retail Banking, Manufacturing and Utilities.</p> <p>Graeme started his career in engineering with a strong focus on the energy sector but mid-career transitioned to information technology. Graeme was employed at Microsoft for 21 years, spending the last 10 years working in Health and Life Sciences. Graeme's work centred around the delivery of digital transformation for the Healthcare and Life Sciences eco system.</p> <p>Graeme holds a Masters degree in Engineering from Northumbria University and has post graduate qualifications in Management and Marketing.</p> <p>Having been born, educated and worked in Newcastle, Graeme has a strong passion for the region and the potential for it to further grow and develop.</p>	<p>6 of 6 (1 of 1)</p>
 <p>Ms Maurya Cushlow Executive Chief Nurse</p> <p>Appointed 1 January 2019 in substantive post (appointed 1 April 2018 on secondment as interim)</p>	<p>Maurya Cushlow was appointed as Executive Chief Nurse of Newcastle Hospitals in January 2019, and is proud to lead the organisation's 7,000 nurses, midwives and allied health professionals, which collectively make up the Trust's largest professional group.</p> <p>Since qualifying as a staff nurse in Sunderland over 30 years ago, she has enjoyed a varied and successful career across the full spectrum of health care sectors - acute, community, and commissioning where she worked as an Accountable Officer before returning to her roots as a nurse. Maurya has particularly enjoyed working in partnership across the boundaries of both health and social care, gaining significant, strategic executive board level experience along the way.</p> <p>Committed to improving the health and the quality of care for patients, Maurya is passionate about ensuring the long-term sustainability of health care and in particular driving quality improvement and service transformation, leading the Trust's 'Newcastle Improvement' team.</p> <p>A proud nursing professional, Maurya is an unwavering advocate for ensuring the development of our nurses, midwives and allied health professionals through strong, clear leadership and the creation of the right conditions to empower satisfied and supported staff to deliver high quality, safe patient care.</p>	<p>6 of 6 (1 of 1)</p>

<p>Ms Maurya Cushlow Executive Chief Nurse</p> <p>Appointed 1 January 2019 in substantive post (appointed 1 April 2018 on secondment as interim)</p>	<p>Maurya is Chair of the Newcastle Health Innovation Partners' People and Culture Group, Chair of the Cumbria North East Directors of Nursing and a member of The Health Foundation's Q Community and has an MBA as well as a Post Graduate Certificate in Business and Executive Coaching.</p> <p>As Executive Chief Nurse, Maurya is responsible for:</p> <ul style="list-style-type: none"> • Providing nursing, midwifery and allied health professionals leadership to deliver and maintain the highest standard of clinical care and the best experience for those who use our services; and • Working in partnership to deliver safe and effective care. 	
 <p>Dame Jackie Daniel Chief Executive</p> <p>Appointed 1 May 2018</p>	<p>Dame Jackie began her NHS career as a nurse before moving into management and has been a Chief Executive Officer for 20 years leading a range of acute, mental health and specialist trusts.</p> <p>She was appointed as Chief Executive of Newcastle Hospitals in May 2018. Since then, the Trust retained its outstanding Care Quality Commission (CQC) status, and was the first healthcare organisation in the world to declare a climate emergency.</p> <p>She has a degree in Nursing Studies, a Masters degree in Quality Assurance in Health & Social Care and is a qualified business and personal coach. A strong advocate of developing diverse leadership and supporting women in leadership roles.</p> <p>Dame Jackie is passionate about the improvement in the health, wealth and wellbeing of those living in our region.</p> <p>She is currently a member of the NHS Assembly, an Independent Member of the Board of the Office for Strategic Coordination of Health Research (OSCHR), a 3-year team from January 2021, a member of the National People Board and a member of the Recovery, Resilience and Growth Oversight Board. She is also a Director of the Academic Health Science Network (AHSN) and Northern Health Science Alliance (NHSA).</p>	<p>5 of 6 (1 of 1)</p>

<p>Dame Jackie Daniel Chief Executive</p> <p>Appointed 1 May 2018</p>	<p>As Chief Executive Officer, Dame Jackie is responsible for:</p> <ul style="list-style-type: none"> • Ensuring good governance – corporate, clinical, research, employment, statutory and regulatory; • Sustaining a ‘going concern’; • Ensuring service provision and delivery to optimal standards in the public interest; • Ensuring good internal and external relations; and • Providing organisational leadership. 	
 <p>Mrs Angela Dragone Finance Director</p> <p>Appointed 9 March 2009</p>	<p>An NHS career accountant, Angela has more than 25 years senior leadership experience.</p> <p>On a national level, she is Chair of the Shelford Finance Directors Group and is engaged in the development of financial policy and funding frameworks.</p> <p>Angela’s responsibilities as Finance Director include:</p> <ul style="list-style-type: none"> • Strategic financial planning (capital and revenue); • Leading the finance function (financial services, income and financial management); • Ensuring financial governance and effective financial reporting; • Financial transformation; • Supplies and procurement; and • The financial aspects of the Trust’s PFI contracts. 	<p>6 of 6 (1 of 1)</p>



Ms Steph Edusei
Non-Executive Director

Appointed 1 August 2021



Steph Edusei became a Non-Executive Director in August 2021. Steph is currently Chief Executive of St Oswald's Hospice, a large specialist hospice for children and adults based in Newcastle and is a Board member for the North East England Chamber of Commerce.



Steph started her career at the Freeman Hospital in 1996 and joined the NHS Graduate Management Training Scheme in 2001 subsequently holding a number of middle and senior management roles across/ in local hospital Trusts including at Newcastle Hospitals, the North East Ambulance Service NHS Foundation Trust and in commissioning organisations. She helped set up Northumberland Clinical Commissioning Group before leaving the NHS to run Healthwatch Newcastle and Healthwatch Gateshead alongside her management consultancy and leadership coaching business.

She is a strong supporter of her local community having been a leader with Girlguiding UK for over 30 years and a school governor, and is a trustee with The Angelou Centre, a black-led women's charity based in Newcastle which offers training, counselling and refugee support. She has a passion for involving the public and patients in healthcare and is a strong advocate for equality, diversity and inclusion. Steph speaks publicly on racism and discrimination, and provides coaching and mentoring support to people from minoritised communities.

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(0 of 0)



 <p>Mr Jonathan Jowett Non-Executive Director, Senior Independent Director, Chair of the People Committee, and Chair of the Appointments and Remuneration Committee</p> <p>Appointed 1 November 2016</p> <p>Appointed 1 November 2019</p>	<p>Jonathan joined as Non-Executive Director in November 2016. His executive role is Company Secretary and General Counsel at Greggs plc, where he is a member of the Operating Board, reporting to the Chief Executive.</p> <p>He is a lawyer by profession and has spent most of his career working in international manufacturing companies across a variety of sectors including medical product and consumer healthcare.</p> <p>Jonathan’s responsibilities at Greggs include legal and government affairs, risk management and insurances, internal audit, food safety, health and safety, sustainability and pensions’ administration.</p> <p>He is Secretary to the PLC board and its committees, and is responsible for governance and corporate policies, and its efficient and effective administration.</p> <p>Jonathan gained national recognition from his peers in the 2012 Financial Times Innovative Lawyers awards for his contribution to developing the law on VAT on hot food. In his spare time, he is an advisor to the Board of Darlington Football Club.</p>	<p>6 of 6 (1 of 1)</p>
 <p>Mr Bill MacLeod Non-Executive Director and Chair of the Audit Committee (from August 2021)</p> <p>Appointed 30 July 2020 for 3 years</p>	<p>Bill became a Non-Executive Director at Newcastle Hospitals on 30 July 2020. He is a Chartered Accountant and was a partner at PricewaterhouseCoopers LLP for 25 years specialising in Audit.</p> <p>He held a number of senior positions with the firm including Senior Partner of the Newcastle office. On a national basis, he served on PricewaterhouseCoopers UK’s Supervisory Board, chaired the firm’s own Audit and Risk Committee and his final role was as the firm’s Ethics Partner with oversight of professional ethics and conduct.</p> <p>Bill has chaired the International Advisory Board at Newcastle University Business School since 2015 and joined the Council of Newcastle University in 2020. He is also a director of Newcastle Gateshead Initiative, chairing its Finance Group, as well as a member of the Ethics Board of the Institute of Chartered Accountants of Scotland.</p>	<p>6 of 6 (1 of 1)</p>

 <p>Dr Vicky McFarlane Reid Executive Director for Enterprise and Business Development</p> <p>Appointed 23 September 2019</p>	<p>Vicky joined the Trust in September 2019 as the Executive Director for Enterprise and Business Development. She is responsible for the development of the Trust's Commercial Enterprise Unit which seeks to maximise the organisation's ability to deliver non-NHS revenues which can be reinvested back into patient care.</p> <p>Business planning, strategy management, service development, performance and contracting are also within her remit, and she is the executive sponsor for sustainable healthcare and climate change.</p> <p>Vicky has a PhD in Molecular Ecology and a BSc in Biology and before joining the Trust spent 17 years working for Leica Biosystems (a Danaher company) in the field of Cancer Diagnostics as the Director for Research and Development.</p>	<p>6 of 6 (0 of 1)</p>
 <p>Professor Kath McCourt Non-Executive Director, Deputy Chair (from 1 August 2021), and Chair of the Quality Committee (up to November 2021)</p> <p>Appointed 1 December 2015 for 3 years</p> <p>Appointed 1 December 2018 for 3 years</p> <p>Appointed 1 December 2021 for 1 year</p>	<p>Kath joined the Board as a Non-Executive Director in December 2015 and has had an extensive career as a nurse, midwife and educationalist in the UK and overseas.</p> <p>Kath was formerly a Pro-Chancellor and Executive Dean of the Faculty of Health and Life Science at Northumbria University.</p> <p>During her career Kath has been nominated, elected and represented her employer and the nursing profession in a variety of regional, national and international settings.</p> <p>She has significant Board level experience through chairing committees and groups and has been an advisory consultant to a number of overseas governments and organisations including the World Health Organisation and is presently the President of the Commonwealth Nurses and Midwives Federation.</p> <p>Kath is an Honorary Colonel, 201 Field Hospital – Newcastle upon Tyne, Fellow of the Royal College of Nursing and received the CBE in the Queen's Birthday Honours 2012 for services to nursing.</p>	<p>5 of 6 (1 of 1)</p>



Mr Steven Morgan
Non-Executive Director and Chair of the Finance Committee

Appointed 1 October 2018 for 3 years

Appointed 1 October 2021 for 3 years

Steven joined the Board of Directors in October 2018. A dual American and UK citizen, Steven is an independent Copeland Borough Councillor in West Cumbria and member of the Borough Executive.

He is a former director at the UK's main nuclear site, Sellafield, and was the Executive Director for Capital Programmes and Projects at Heathrow, where he was responsible for the design and construction of Terminal 2 and finishing the Terminal 5 complex.

In addition to his role as a Non-Executive Director, Steven is currently on the Hinkley Point Nuclear construction board. Steven retired from the Ministry of Defence as Commercial Director in 2017 and is a retired US Navy Rear Admiral. In America, he was Logistics Director of the Defense Logistics Agency.

In the United States, he was Chairman of the Board of a mental health hospital, President of an environmental remediation division and Chief Financial Officer of several companies including a shipbuilding company and a nuclear reactor fabrication business.

Steven holds a Masters in Business Administration (MBA) from George Washington University and is a Fellow of the Chartered Institute of Procurement and Supply and the Institute of Civil Engineers.

6 of 6
(1 of 1)



David, a CIPFA (Chartered Institute of Public Finance and Accountancy) chartered accountant, joined the Trust Board as Non-Executive Director in August 2012.

2 of 2
(1 of 1)

He was formerly the Director of Finance and Communications at the North East Strategic Health Authority (NESHA) where he also held the role of Acting Chief Executive for a 26-month period.

Mr David G Stout
Non-Executive
Director,
Deputy Chair,
and Chair
of the Audit
Committee
(until July 2021)

David has significant health expertise having worked in Director of Finance roles across a number of NHS organisations.

He is also an experienced Local Government finance professional who has held finance roles at three North East local authorities over a 13 year period and has held a number of advisory roles including being part of the Arbitration Panel for NHS contracting disputes.

Appointed 1
August 2012
for 3 years

Appointed 1
August 2015
for 3 years

Appointed 1
August 2018
for 3 years

Term of office
ended on 31
July 2021





Mr Andy R Welch
Medical Director/Deputy Chief Executive

Appointed to Director role on 1 April 2013

Appointed to Deputy Chief Executive role in October 2019

Andy was appointed Executive Medical Director in 2013 having previously been Associate Medical Director and Cancer Lead. Since 2019 he has, in addition, been Deputy Chief Executive. He chairs the Northern Cancer Alliance, is co-chair of the Cancer Alliance's Leadership Forum and is Chair of the National Lung Health Check Programme, which commenced in 2020. He continues to practice clinically as a Consultant Head and Neck Surgeon.

Andy advises on clinical and strategic issues and is the Trust's Responsible Officer and Caldicott Guardian. His team includes a Deputy Medical Director, eight Associate Medical Directors and six Corporate Clinical Directors, whose extensive portfolios include:

- Quality and patient safety;
- Infection prevention and control;
- Cancer standards;
- Clinical operational matters;
- Trauma;
- Medical education and training;
- Clinical risk, governance, effectiveness and audit;
- Clinical research and innovation;
- New procedures, drug, medicines management;
- Medical staff health and wellbeing; and
- Primary care liaison

He is responsible for the efficient use of resources – theatre efficiency, patient flow, job planning, remuneration, working patterns, service sustainability and improvement.

The Directors of Clinical Risk and Effectiveness, Director of Pharmacy, and eighteen clinical directors report to him directly.

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(1 of 1)

Mr Welch attended the private session of the November 2021 Board meeting, however sent apologies for the public session.



Mr Martin Wilson
Chief Operating Officer

Appointed 8 October 2018

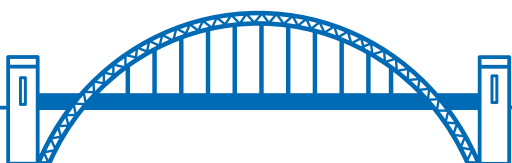
Martin (pronoun: he/him) is Chief Operating Officer and oversees the Trust's 20 clinical directorates and the staff who work in them. In addition, he is Managing Director of the ICHNE, the NHNE, and the joint senior responsible officer for the COVID-19 vaccination programme across the NENC ICS.

Martin is chair of the Collaborative Newcastle Joint Director Team, the innovative partnership of the city's council, NHS organisations, GPs, care homes and voluntary sector which aims to improve the health, wealth and wellbeing of local people, and reduce inequality, through new ways of closer joint working.

Prior to joining Newcastle Hospitals, Martin held national roles at the Department of Health and Social Care, and at NHS England and NHS Improvement, where he was the Director of Strategy/Deputy National Director responsible for emergency and elective care. Martin is a registered nurse and a graduate of the NHS Management Training Scheme.

Having grown up and lived most of his life in Newcastle, he worked for a number of years at Northumbria Healthcare and the North East Strategic Health Authority, before moving to London where he held director roles at St George's Hospital, University College London Hospitals and McKinsey & Company.


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(1 of 1)



In January 2020, the Trust Board introduced a voluntary, unremunerated and non-voting Newcastle City Council Associate Non-Executive Director role and welcomed Mrs Pat Ritchie, Chief Executive of Newcastle City Council, into the role.

Mrs Ritchie stood down from Newcastle City Council during Autumn 2021, Mrs Pam Smith became Chief Executive of the Council in January 2022 and joined the Trust as an Associate Non-Executive Director.

On 1 October 2020, Professor David Burn's role on the Board of Directors transitioned from Non-Executive Director to Associate Non-Executive Director representing Newcastle University.

Board Member	Biography	Attendance at Ordinary Meetings (Attendance at Extraordinary Meeting)
 <p>Professor David Burn Associate Non-Executive Director</p> <p>Appointed 1 October 2020</p>	<p>David was appointed as Associate Non-Executive Director in October 2020, following a three-year term as Non-Executive Director. He is Pro-Vice-Chancellor of the Faculty of Medical Sciences at Newcastle University and a Professor of Movement Disorders Neurology and Honorary Consultant Neurologist for Newcastle Hospitals.</p> <p>His first degree was at Oxford (Physiological Sciences), returning to his native North East for clinical training and early medical jobs, including neurology. After further neurology training and undertaking research in London (National Hospital for Neurology and Neurosurgery, Queen Square and Hammersmith Hospital), he was appointed as a Consultant Neurologist and Senior Lecturer in Newcastle in 1994.</p> <p>David has an international reputation for research in dementia associated with Parkinson's.</p> <p>He is a NIHR Emeritus Senior Investigator, chairs the NIHR Translational Research Collaboration for Dementia and the board of the Northern Health Science Alliance, and is Director of the NIHR/ NHS England-Improvement Newcastle Health Innovation Partners AHSC.</p>	<p>6 of 6 (0 of 1)</p> <p><i>Professor D Burn attended the private sessions of the January and March 2022 meetings, however sent apologies for the public sessions.</i></p>

 <p>Mrs Pat Ritchie Associate Non-Executive Director</p> <p>Appointed January 2020</p> <p>Stood down 15 October 2021</p>	<p>Pat joined the Trust’s Board of Directors as an Associate Non-Executive Director in January 2020.</p> <p>As Chief Executive of Newcastle City Council, Pat has delivered a significant programme of transformational change since joining in 2013, creating the conditions for sustained economic growth in the city. Notably, she secured the multi-million pound investment deal to bring Legal and General to Newcastle’s flagship ‘Helix’ development.</p> <p>Pat also led on negotiations with the government to secure a devolution deal for the new North of Tyne Mayoral Combined Authority.</p> <p>She is former Chief Executive of the Homes and Communities Agency (Homes England) and former Deputy Chief Executive of the Regional Development Agency (One North East). Pat continues to influence housing and economic development policy nationally.</p> <p>She co-chaired the Service Transformation Challenge Panel government taskforce in 2014 and in January 2020, Pat became Chair of the Government Property Agency. She oversees its priorities to improve working environments on the government estate, support new ways of working and drive productivity and engagement.</p>	<p>0 of 3 (0 of 1)</p>
 <p>Mrs Pam Smith Associate Non-Executive Director</p> <p>Appointed 27 January 2022</p>	<p>Pam joined Newcastle City Council as Chief Executive in January 2022 having been Chief Executive at Stockport Council since 2017 where she was also Greater Manchester’s Lead Chief Executive for ‘Age Friendly Greater Manchester’, and she continues to be the Solace lead spokesperson for Housing.</p> <p>Pam was previously Chief Executive at Burnley Council and has also worked for the Audit Commission.</p> <p>Pam joined Newcastle City Council at a time of great change and opportunity as the city sought to emerge strongly from the pandemic.</p> <p>Pam is passionate about people, communities and neighbourhoods and is eager to work with residents and colleagues from across the region to achieve the best outcomes for the people of Newcastle; leveraging the opportunities that levelling up and devolution offer to secure outstanding schools, excellent jobs and high-quality homes to make Newcastle one of the best places in the world to grow up, work and live.</p>	<p>1 of 2</p>

The following senior directors also attend the Board of Directors:

- Mrs Caroline Docking – Assistant Chief Executive and Director of Communications and Engagement.
- Mrs Dee Fawcett – Director of Human Resources.
- Mr Graham King – Chief Information Officer.
- Mrs Angela O’Brien – Director of Quality and Effectiveness.
- Mr Rob Smith – Director of Estates.

The Board of Directors was supported by:

- Mrs Kelly Jupp – Trust Secretary;
- Mrs Fay Darville – Deputy Trust Secretary; and
- Mrs Gillian Elsander – Corporate Governance Officer and Personal Assistant to the Chairman and Trust Secretary.

The Council of Governors has the power to terminate the appointments of the Chairman and other Non-Executive Directors, subject to the approval of 75% of the memberships.

The accounts have been prepared in line with the cost allocation and charging requirements set out in HM Treasury and Office of Public Sector Information guidance. The Newcastle upon Tyne Hospitals NHS Foundation Trust acts as Corporate Trustee for the Newcastle upon Tyne Hospitals NHS Charity, the results of which are consolidated into the Group accounts.

The Trust has not made any political donations during 2021/22.

During the year, the following conflicts of interest were declared during Board of Directors meetings:

- The Chairman declared an interest in QuantumDX as Vice-Chair. This was an ongoing interest regarding matters pertaining to COVID-19 testing and the creation of the ICHNE. It was agreed that whilst the Chairman would observe any Board discussion in public regarding ICHNE, that he would not take part in any such discussions;
- Mrs P Ritchie and Mrs P Smith declared interests in matters pertaining to Newcastle City Council;
- Professor D Burn declared an interest in matters pertaining to Newcastle University; and
- Mr G Chapman declared an interest in matters pertaining to Microsoft.

During 2021/22 members of the Board of Directors claimed a total of £222.06 (2020/21 £763.98) in expenses. This was largely for business travel.

Audit Committee

Committee Purpose

The key purpose of the Audit Committee is to provide the Board with:

- An independent and objective review of financial and organisational controls, the system of integrated governance and risk management systems and practice across the whole of the organisation's activities (both clinical and non-clinical);
- Assurance of value for money;
- Compliance with relevant and applicable law;
- Compliance with all applicable guidance, regulation, codes of conduct and good practice; and
- Advice as to the position of the Trust as a "going concern."

It does this through receipt of assurances from auditors, management and other sources.

Committee Membership and Meetings

The Committee is appointed by the Board from the Non-Executive Directors of the Trust and consists of five members, with a quorum being two members.

Four ordinary meetings and one extraordinary meeting were held between 1 April 2021 and 31 March 2022 and attendance was as follows:

Committee Member	Attendance at ordinary meetings	Attendance at extraordinary meeting
Mr D Stout, Non-Executive Director (Committee Chair until 31 July 2021)	2 of 2*	1 of 1
Mr B MacLeod, Non-Executive Director (Committee Chair from 1 August 2021)	4 of 4	1 of 1
Mr J Jowett, Non-Executive Director	4 of 4	1 of 1
Mr S Morgan, Non-Executive Director	4 of 4	1 of 1
Professor K McCourt, Non-Executive Director	4 of 4~	1 of 1
Mr G Chapman, Non-Executive Director	1 of 1~	N/a

*Mr Stout's final 3-year term of office as a Trust Non-Executive Director ended on 31 July 2021.

~ Mr Chapman took over as Chair of Quality Committee in November 2021 therefore replaced Professor McCourt as a member of the Audit Committee from this date



The Committee met the minimum number of five meetings per year and other attendees at the meetings have included:

- External and Internal Audit at all meetings;
- The Trust's Fraud Specialist Manager;
- Management, represented by the Finance Director, Assistant Chief Executive and the Chief Operating Officer. The Executive Chief Nurse, Medical Director and Director of Quality and Effectiveness are permitted to attend as required;
- The Trust Secretary and Deputy Trust Secretary who also provide secretariat support to the Committee; and
- The Head of Corporate Risk & Assurance.

During 2021/22, the following training sessions were provided to Committee members (and offered to all Board members):

- 27 July 2021 – session hosted by PwC and provided training in relation to the role of the Audit Committee (specifically covering the Committees role regarding the BAF and Risk), common pitfalls, current 'hot topics' and a comparison of public/private sector Audit Committees.
- 13 September 2021 – session hosted by Sintons and provided an overview of key legislation pertinent to the role of the committee and NEDs, including the Health and Safety at Work Act, directors disqualification, corporate manslaughter, gross negligence manslaughter, data protection and disciplinary appeals.

In addition, a further briefing was scheduled at a board development session during 2021 on fire safety following discussion of risks regarding fire protection at the RVI at an Audit Committee meeting.

Governance, Internal Control and Risk Management

The committee is required to review the establishment and maintenance of an effective system of integrated governance, risk management and internal control across the whole of the Trust's activities that supports the achievement of the Trust's objectives, internal control and risk management.

The Audit Committee had a schedule of business for the year. There were some slight deviations from the schedule of business during the year as a consequence of the COVID-19 pandemic. These deviations were discussed and agreed during the regular committee agenda setting meetings with the committee chair and the executive lead.

The Audit Committee uses a rolling programme and action log to track committee actions.

The Committee has reviewed:

- Its terms of reference and schedule of business.
- The Head of Internal Audit opinion (June 2021).
- The Board Assurance Framework (BAF); being the underlying assurance processes that indicate the achievement of corporate objectives and the effectiveness of management of principal risks.
- Risk management arrangements and the BAF risk management annual report.
- Amendments required to the scheme of delegation, standing financial instructions and standing orders.
- The response to the external auditors on:

- ISA+240: Audit Committee responsibilities for preventing fraud in the Annual Accounts.
- ISA+250: Audit Committee responsibilities for being satisfied that the Annual Accounts comply with laws and regulations.
- ISA+501: Specific consideration of the potential for, and actual, litigation and claims affecting the financial statements.
- ISA+570: Consideration for the Going Concern Assumption in an audit of financial statements.

Committee members agreed the response for submission to the External Auditors for the year 2020/21.

The BAF focuses on the key risks against achievement of the strategic objectives. The BAF is a 'live' document which is continuously reviewed and updated by the corporate risk & assurance department. Each meeting of the committee is updated on the BAF and register.

Each committee of the board has a responsibility to review, assess and gain assurance on the effectiveness of mitigations and action plans as set out in the BAF specific to the committee purpose and function. Quarterly each committee of the board receives a report detailing the:

- Executive Lead review undertaken during the previous three month period and any recommendations for risks held on the BAF aligned to that committee;
- Assurances received and any areas requiring committee consideration;
- Number of risks held on the BAF, movements in risks and the risks

categorised by risk type;

- Risks added/removed to the Executive Oversight Register during the period; and
- Operational risk profile.

The Trust Board's risk appetite statement was last updated in January 2021 and is currently being reviewed. The statement will be presented to the May 2022 Board meeting for consideration.

During the year, the Trust's Board also received a standing update on corporate governance matters.

Updates from the Finance, Quality and People committee chairs continues to appear as a standing agenda item on the Audit Committee agenda, with any matters raised for the committee members' attention by exception.

The BAF and corporate-level risk management internal audit reports received a substantial assurance rating from AuditOne, with no issues of note.

The Committee is satisfied that the system of risk management in the organisation is adequate in identifying risks and allows the Board of Directors to understand the appropriate management of those risks. The committee believes there are no areas of significant duplication or omission in the systems of governance (that have come to the committee's attention) that have not been adequately resolved.

Internal Audit

The Committee has ensured that there is an effective internal audit function established by management that meets mandatory Internal Audit Standards and provides appropriate independent assurance. The Trust receives its internal audit service from AuditOne.



This was achieved by:

- Reviewing and approving the Internal Audit Plan 2021/2022, including regular updates of performance against the plan.
- Consideration of the major findings arising from internal audit work and management's responses.
- Receipt of the Internal Audit Annual Report and Head of Internal Audit Opinion.
- Monitoring progress with implementation of agreed audit recommendations.

The committee received a report from the internal auditor at each of its meetings which summarised the audit reports issued since the previous meeting.

The internal audit plan for 2021/22 was based on a risk assessment approach centred on discussions with senior staff and directors and was linked to the organisation's assurance framework. Assurances from Internal Audit reports are, where possible, mapped to the BAF clearly in the BAF document itself.

Good progress continued to be made during the year in relation to the completion of historic internal audit recommendations.

The following limited assurance reports relating to 2020/21 were followed up and reported to/discussed by the Audit Committee during the year 2021/22:

- Mobile Device Management. The follow up report was rated 'good'; and
- Data Security and Protection (DSP) Toolkit (Interim). The final report was rated as 'substantial' as the initial findings had been addressed.

Eleven high priority recommendations were identified by Internal Audit and reported during 2021/22, these covered the following internal audits:

- BAF and Risk Management – one recommendation (reported April 2021).
- Payroll Controls – one recommendation (reported April 2021).
- Mobile Device Management – two recommendations (reported April 2021).
- Fire Safety (Follow Up) – one recommendation (reported June 2021).
- Data: Cancer Faster Diagnosis Standard audits – one recommendation (reported June 2021).
- Data Security and Protection Toolkit – three recommendations (reported July 2021).
- Performance Monitoring / Data Quality – Belsay Unit – one recommendation (reported July 2021).
- PFI Contract Monitoring – one recommendation (reported October 2021).

Regular updates on the progress in relation to limited assurance audits and high priority recommendations were received by Committee members during the year from management and internal audit.

The COVID-19 pandemic, along with more general workforce challenges in relation to some long-term staff sickness and leavers within AuditOne, significantly impacted the delivery of internal audit and Technology Risk Assurance (TRA) audits throughout 2021/22. This resulted in some changes made to the Internal Audit Plan for the year, as discussed and agreed with Committee members. Internal Audit performance against plan was discussed

at every Committee meeting during the year, with agreement reached to focus delivery on the core audits required to fulfil the Head of Internal Audit opinion requirements.

During the year, Committee members also discussed the strategy for delivering digital and technology assurance audits and the need for specialist expertise in this area.

An external assessment of AuditOne was commissioned through the Institute of Internal Auditors (IIA), who appointed an external independent assessor to complete the assessment and AuditOne received the highest rating of "Generally Conforms" against Internal Auditing Standards.

External Audit

The committee has reviewed the work and findings of external audit and considered the implications and management responses to their work.

This was achieved by:

- Discussing and agreeing with the external auditor the nature and scope of the audit as set out in the external audit annual plan.
- Reviewing external audit reports, together with the appropriateness of management responses.
- Receiving the year-end audit opinion and ISA 260 report (Trust and Charity). For 2021/22, there was no requirement to undertake audit procedures on the Quality Report. During 2021/22, the value for money conclusion certificate was signed separate to the audit opinion, at a later point during the financial year.
- Receiving the Annual Audit Letter.

The Council of Governors has the statutory responsibility for the appointment of the external auditors, and this process is led by a sub-group of public Governors supported by Trust officers and the Chair of the Audit Committee. During 2018, a robust procurement and evaluation process was undertaken regarding the external audit contract with Mazars LLP appointed as the Trust's external auditors with effect from 1 October 2018 for 3 years to 30 September 2021. The contract included an option to extend for a further 1 year after the 3 years – the extension was taken via approval from the Council of Governors in October 2020. A report was presented to the Governors in October 2021 to award up to a two-year extension to the current contract in place with Mazars LLP. Governors agreed to approve for one year and reconsider during 2022. This followed a satisfactory review of external audit performance undertaken.

The Mazars LLP external audit fees for 2021/2022:

- Statutory Accounts £67,160 (excluding VAT) which is consistent with the statutory fee invoiced for 2020/21.
- Charity Accounts £12,600 (inclusive of VAT).

For 2021/22, there was no mandated requirement to undertake external audit procedures on the Quality Report and therefore no fee was charged in relation to this.

To ensure that the independence of the external auditors is not compromised where work outside the scope of the Audit Code has been procured from the external auditors, the Trust has a policy which requires that no member of the team conducting the external audit may be a member of the team carrying out



any additional work and their lines of accountability must be separate.

During 2019/20, the Trust's policy on Non-Audit Work was reviewed and updated. This was approved at the April 2020 committee meeting and then by the Council of Governors electronically.

No additional services/non-audit work was carried out by Mazars LLP during 2021/22.

An additional £5,550 (including VAT) was paid to Mazars LLP during 2021/22 which related to the 2020/21 accounts, being:

- ICHNE additional work £4,950; and
- Sampled component by the National Audit Office (NAO) £600.

Management

The Committee has challenged the assurance process when appropriate and has requested and received assurance reports/verbal updates from Trust management throughout the year.

Following changes in data security requirements, the structure of the Trust's information governance (IG) and data security provision was reviewed and updated during the year. Further the associated reporting arrangements were revised, with changes reported to the Audit Committee in January 2022. It was agreed at that time that regular updates would continue to be provided to the committee going forward on information governance and cyber security.

Financial Areas of Review

The Committee has ensured that the systems for financial reporting to the board are subject to review.

The Committee has achieved this primarily through review and approval

of the Annual Accounts, including those of the Newcastle upon Tyne Hospitals NHS Charity. The committee also reviewed the external audit opinion and fed back relevant comments for consideration by the external auditors.

In the course of 2021/22, there were no significant issues that the committee had to consider in relation to the financial statements. During the year, the Committee reviewed the following key areas of management judgement and significant risks:

- Accounting for PFI (Trust);
- Management over-ride of controls (Group and Trust);
- Property, Plant and Equipment Valuation (Trust); and
- Revenue recognition (Trust).

Other areas discussed between external audit and management during the year, and reported to the Audit Committee, related to:

- Accounting for the ICHNE;
- Valuation guidance: useful economic lives;
- Fire remedial work provision; and
- Expenditure recognition.

These have been considered through the presentation of the external audit plan, associated progress updates and discussions during Committee meetings.

The Annual Accounts and Annual Report were originally due for submission to NHSE/I on 15 June 2021, however, due to some specific isolated issues with the accounts (being ICHNE asset accounting and the provision made for Fire remediation works), the Trust had applied for and was granted an extension to 29 June 2021. Additional

time was required to ensure consistent accounting treatment across several NHS bodies regarding ICHNE operations.

Other Areas of Action and Review

The Committee has:

- Reviewed details of all losses and compensation payments.
- Received reports on approved single tender actions where applicable.
- Reviewed regular debtors and creditors reports.
- Received regular reviews of the counter fraud work plan, the fraud response log, associated progress reports, the annual report on counter fraud, updates on the requirements of the Government Functional Standard 013: Counter Fraud and the refreshed NHS Counter Fraud Authority Strategy.
- Reviewed the minutes of associated committees.
- Reviewed the content of the statutory annual report (including the annual governance statement).
- Reviewed and endorsed changes to the Trust's scheme of delegation, standing orders and standing financial instructions.
- Received the annual accounts preparation timetable and subsequently the annual accounts and going concern review.
- Received an annual report on special severance payments/settlement agreements.
- Approved the Trust's annual Modern Slavery Act statement.
- Received updates on standards of business conduct, including declarations of interest, fit and proper persons and the annual review of the register of gifts and hospitality.
- Received a report on waivers and breaches of the Trust's standing financial instructions.
- Received an action log to follow up previous committee meeting actions.
- Received an update on the Clinical Audit Process.
- Received updates from the chairs of the Quality, People and Finance Committees.
- Approved the internal audit charter and protocol 2021/22 (April 2021).
- Discussed changes proposed to changes to delegated powers for authorised signatories within the Joint Research Office and agreed further work was required before a decision be made as to the changes proposed.
- Received further updates on:
 - The positive progress made in relation to the follow up of internal audit recommendations;
 - The new audit code of practice;
 - Corporate records;
 - Procurement and supplies activity;
 - The impact on the annual report and accounts submission deadline of two specific accounting matters for 2020/21 remaining under discussion close to the required submission date; and
 - Changes in accounting requirements as a result of changes made to International Financial Reporting Standard (IFRS) 16 Leases.





Better Payments Practice Code (BPPC), Invoice Payment Performance and Income Disclosures

BPPC

The Trust is required to pay trade creditors in accordance with the national Better Payments Practice Code and Government Accounting Rules, which require that:

- Bills are paid within 30 days, unless covered by other agreed payment terms;
- Disputes and complaints are handled by a nominated officer;
- Payment terms are agreed with all traders prior to the commencement of contracts;
- Payment terms are not varied without prior agreements with traders; and
- There is a clear policy of paying bills in accordance with contracts.

Any complaints received from traders regarding payments were recorded, investigated and the appropriate action taken, where necessary.

The Trust paid 91% of non-NHS trade invoices within target (2020/21: 58%) and 92% of NHS trade invoices were paid within target (2020/21: 51%). Full details of the Trust's performance against the Better Payment Practice Code are included within note 6.1 of the Annual Accounts.

Invoice Payment Performance

The total amount of any liability to pay interest which accrued by virtue of failing to pay invoices within the 30 day period where obligated to do so was £4,948k (2020/21 £7,627k). The total amount of interest actually paid in discharge of any such liability was £6k (2020/21 £1k).

Income Disclosures

The Trust has complied with Section 43 (2A) of the NHS Act 2006 (as amended by the Health and Social Care Act 2012) which required that the income from the provision of goods and services for the purposes of the health services in England must be greater than its income from the provision of goods and services for any other purposes.

The impact of other income on the Trust is insignificant. The Trust statutory accounts include a detailed breakdown of other income in notes 3 and 4 of the Accounts and further information is disclosed in the Operating and Financial Performance section.



NHS Improvement's Well-Led Framework

The CQC undertook a well-led review and inspection of core services between 15 January to 28 February 2019. The Trust was rated 'Outstanding' overall and in the well-led, responsive, caring, and effective domains, and 'Good' in the safe domain.

The AGS within this report outlines the review of leadership and governance in line with NHS Improvement's (NHSI) well-led framework in arriving at its overall evaluation of the organisation's performance, internal control, and Board assurance.

The Trust can confirm there are no material inconsistencies between:

- The AGS;
- The Corporate Governance Statement;
- The Annual Report; and
- Reports from the CQC planned and responsive reviews of the Trust and any consequent action plans developed by the Trust.

There were two on-site inspections undertaken by the CQC during 2021/2022. In June 2021, an inspection of the Trust's compliance with the Ionising Radiation (Medical Exposure) Regulations 2017 (IR(ME)R) was conducted in the departments of Nuclear Medicine and Radiotherapy. The inspectors found a high standard of regulatory compliance, with areas of outstanding practice noted in both departments.

There was also an inspection of the Paediatric Sexual Assault Referral Centre (SARC), which took place in December 2021. The CQC do not currently apply ratings to the services in sexual assault

referral centres, however the findings of the inspection demonstrated compliance with all regulatory requirements.

Throughout the pandemic, the Trust has continued to focus on quality and has sought assurance via a range of processes. The Trust's well-established internal peer review programme has continued. This process is underpinned by the methodology of the CQC inspection framework however, once again our programme was modified this year, balancing the impact of the pandemic against the requirement to seek ongoing assurance on the quality of care delivered. Each Directorate, supported by the senior nursing team and the Clinical Governance and Risk Department (CGARD), completed a self-assessment tool, evaluating their performance against each of the 5 CQC domains and then subsequently rating each one.

The outcomes, and supporting evidence, for each directorate were reviewed by a ratification panel chaired by the Medical Director to enable external review and to achieve a consistent approach to the ratings awarded to each area. A report was received by the Quality Committee and the outcomes forwarded to the Chief Operating Officer for ongoing oversight at the Directorate Performance Reviews.

Information relating to the Trust's patient care activities is outlined in the Quality Account 2021/22. The quality priorities contained within the Quality Account were agreed following consultation with several groups and organisations including members of the public, commissioners, and local authorities. Progress against these priorities has been monitored over the last 12 months by the Trust Board,

Council of Governors, Quality Committee and the Newcastle and Gateshead Clinical Commissioning Group (CCG).

We committed to seven priorities for improvement and progress made for each priority is summarised as follows:

Priority 1 - Reducing Healthcare Associated Infections (HCAI) – focusing on COVID-19, Methicillin-Sensitive Staphylococcus Aureus (MSSA)/Gram Negative Blood Stream Infections (GNBSI)/C. difficile Infections.

Preventing healthcare associated COVID-19 infections during the transition to 'living with COVID' remains a priority, in line with the principles and framework of patient and staff safety. Throughout the pandemic, the Trust has been innovative and responsive as knowledge and understanding has increased and Trust healthcare associated COVID-19 cases (definite and probable) have remained below national and regional average.

National reporting of other organisms, including MSSA, GNBSI such as E. coli, Klebsiella, Pseudomonas aeruginosa, and C. difficile has continued however, during the sustained demands and required reprioritisation of resources, the Trust has seen a decline in performance.

MSSA bacteraemias – no more than 90 cases; the Trust has seen a 10% increase with 110 cases in total. These are most commonly associated with lines and indwelling devices and there were predominantly more cases during the second and third pandemic waves. Achieving excellent standards of care and improving practice is essential to reduce these line infections in line with harm free care.

GNBSI constitute the most common cause of sepsis nationwide. Proportionally, at Newcastle Hospitals, the main source of infection is urinary tract infections, mostly catheter associated, and also line infections. An integrated approach engaging with the multidisciplinary team across the whole patient journey, focusing on antibiotic stewardship, early identification of risks and timely intervention formulate the basis for our strategy to reduce these infections. A GNBSI Steering Group has been created to review reduction strategies.

E. coli bacteraemias – no more than 176 cases; the Trust did not achieve its 10% reduction aim as 206 cases were assigned to the organisation, however we were within the national threshold of no more than 228 cases.

Klebsiella bacteraemias – no more than 117 cases; the Trust had 146 cases assigned, which is an increase of 25%, however the Trust was within the national threshold of no more than 167 cases.

Pseudomonas aeruginosa bacteraemias – no more than 41 cases; the Trust had 43 cases assigned, which is a 5% increase, once again we were within the national threshold of no more than 54 cases.

C. difficile – national threshold was for no more than 98 cases which was less than the Trust's local ambition to reduce cases by 10% of the previous year's total. The Trust has seen an increase of 58%, reporting 169 cases in total. The increase has been multifactorial, including the high acuity of patients and the previous suspension of multidisciplinary post infection review (PIR) meetings due to the additional COVID-19 workload and staffing pressures. Furthermore, antimicrobial 'Take 5' audits have not been completed due to the cessation of



the previous electronic reporting platform whilst waiting for the implementation of the new Synbiotix electronic audit tool. A review of the PIR meetings is underway to establish an effective way to engage with the clinical teams to identify best practice and support any identified learning.

Priority 2 – Pressure Ulcer Reduction – Community Acquired Pressure Damage whilst under care of our District Nursing Teams

The data was analysed by financial year (April 2019 – March 2022) in alignment with the period set out for the Trust's Quality Account. We have effectively demonstrated a reduction in community acquired pressure ulceration by adopting quality improvement methodology, improving staff knowledge, enhanced data sharing, and working in targeted localities supported by visible leaders.

A new Pressure Ulcer Prevention Pathway was developed to guide and support staff. The pathway has been shared to all NHS Adult Community Services. A robust programme of education was developed by the Tissue Viability Team delivering regular 'Pressure Ulcer Prevention' (PUP) updates across the city. Sessions were well attended by staff from community nursing and specialist services.

We have achieved a 42.6% overall reduction in community acquired pressure ulcers and a 24.4% reduction when using 2019 data as a pre-pandemic comparator.

Priority 3 – Management of Abnormal Results

The management of clinical tests moved from a paper-based system to a predominantly electronic one with the introduction of an Electronic Patient

Record (EPR). The aim of this priority was to optimise the system to improve patient safety by ensuring all clinical investigation results were reviewed by the appropriate clinicians, so timely clinical care decisions could be implemented, reducing the risk of significant information being over-looked, that could result in delays to treatment.

This is a highly complex problem, to date extensive mapping of current processes has been completed, agreement on a programme of design and development, and identification of the resources required to continue this work through to completion.

Priority 4 – Modified Early Obstetrics Warning Score (MEOWS)

A plan was undertaken to implement an electronic MEOWS system, out-with the Women's Services directorate and the maternity department. This system improves the quality and safety of care in pregnant/recently pregnant patients by supporting our clinical teams in the early recognition and management of deterioration.

The MEOWS IT application has been created and is ready to go live once the pregnancy status question is added to the electronic patient record (EPR) by IT. This will enable obstetric services to receive a daily list of pregnant/recently pregnant patients regardless of their location throughout the Trust, an automated maternity observation chart for those patients will then be generated.

Priority 5 - Enhancing capability in Quality Improvement (QI)

Creating a culture of continuous improvement and learning across the Trust is important to deliver sustained improvement in the quality of care and

overall experience of patient care. Our partnership with the IHI will further accelerate this work. The Newcastle Improvement team has successfully recruited staff onto the three programmes.

The IHI has delivered three training programmes:

- 15 improvement teams, involving 83 staff, each focused on a piece of improvement work on the IHI 'Improvement for Teams' programme;
- 37 improvement coaches to support teams with their improvement work on the IHI 'Improvement Coach' programme; and
- 30 senior leaders on the IHI 'Leading for Improvement' programme to provide the senior support for the improvement teams to effectively progress their improvement work.

The first IHI training programmes are being adapted based on feedback from the training and evaluation. Sustainability tools have been shared with the improvement teams linking the SHINE programme into improvement. Newcastle Improvement staff have been shadowing the IHI faculty and are moving towards joint delivery of future programmes.

The end of programme evaluation of the 37 coaches has shown an increase in confidence to apply improvement tools to their improvement work and to coach others on improvement.

Priority 6 – Mental Health in Young People

Nationally and regionally, there has been a surge in demand for specialist Tier 4 mental health inpatient beds for children and young people (CYP). We are currently seeing an increase in demand of up to 1/3 compared to pre COVID-19 figures.

A multi-disciplinary strategy group has been established which includes collaborative working with Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust (CNTW). The group has overseen a wide range of initiatives including implementation of the 'We Can Talk' project and online training for staff, creation of a 'safe space' in the paediatric emergency department, new patient and parent information leaflets and policy development for detaining patients under the Mental Health Act who are under 18 years.

Through effective joint working with CNTW, there has been opportunities for shared learning and reciprocal training between the Trust and CNTW and a very effective multidisciplinary team (MDT) support hub has been established ahead of patient referral.

Priority 7 – Ensure reasonable adjustments are made for patients with suspected, or known, Learning Disability (LD)

As a Trust, we are committed to ensuring patients with a learning disability have access to services that will help improve their health and wellbeing and provide a positive and safe patient experience. To ensure patients and their families feel listened to, we have increased staff training including shared learning with examples of good practice and timely Learning Disabilities Mortality Review (LeDeR) programme reviews. The passports for CYP and adults have been updated and relaunched, visibility of the Learning Disability Liaison has increased and continued development of flags on the EPR to help our staff identify CYP and adults with a learning disability. The Trust has received accreditation for 'Weigh to Go' and STOMP and STAMP (Stopping The Over Medication of



children and young People with a learning disability, autism or both and Supporting Treatment and Appropriate Medication in Paediatrics) has been embedded within the organisation.

The proposed Quality Priorities for 2022/2023 are outlined below and in the main, remain as per last year with three differences to note:

- **Patient Safety**

- Reducing infection – with a focus on GNBSI; and
- Management of abnormal results

(Pressure Ulcer Reduction – Community Acquired Pressure Damage whilst under care of our District Nursing Teams; interventions were successfully embedded and are now business as usual, therefore this Priority has been removed).

- **Clinical Effectiveness**

- Enhancing capability in QI,
- Introduction of a formal triage process on the Maternity Assessment Unit (MAU), to improve the recognition of the deteriorating pregnant/recently pregnant patient and further development of MEOWS – **NEW**; and
- Trust wide day surgery initiative (development of a multi-speciality, universal day surgery pathway) – **NEW**.

- **Patient Experience**

- Ensure reasonable adjustments are made for patients with suspected, or known, LD; and
- Improve services for children and young people with mental health issues.

In addition to these priorities, the focus will be to:

- Refresh the Quality Strategy, incorporating the new national Patient Safety Strategy, enhancing the patients' role in quality and safety, in collaboration with Newcastle Improvement;
- Optimise and further develop electronic patient records and digital systems to support outstanding care and improve patient and staff experience; and
- Embark on a comprehensive consultation process with patients, staff, and partner organisations to develop a Mental Health Strategy to achieve parity between physical and mental health, including an emphasis on staff well-being.



Dame Jackie Daniel
Chief Executive Officer

21 June 2022

Annual Statement on Remuneration

The Trust Board has an Appointments and Remuneration Committee, which has been in place since the organisation was established. The Committee advises the Board on appropriate remuneration and terms of service for the Chief Executive, Executive Directors and other senior members of staff.

The Committee has clear Terms of Reference that are regularly reviewed,

the last review having been undertaken in March 2022. The updated Terms of Reference were approved by the Trust Board on 31 March 2022.

The membership of the Committee is made up of the Chairman and a minimum of three Non-Executive Directors. The Chief Executive, HR Director and Trust Secretary also attend as appropriate.

The Committee met on four occasions during 2021/22:

	Attendance at ordinary meetings	Attendance at extraordinary meetings
Professor Sir J Burn, Chairman and Committee Chair until 24 November 2021	2 of 3	1 of 1
Mr J Jowett, Non-Executive Director and Committee Chair from 25 November 2021	3 of 3	1 of 1
Professor K McCourt, Non-Executive Director	3 of 3	1 of 1
Mr B MacLeod, Non-Executive Director	3 of 3	1 of 1

None of the Non-Executive Directors have a service contract and there are no special provisions for early termination of contracts.

The remuneration for Non-Executive Directors is determined by the Council of Governors, as delegated to the Nominations Committee, which last considered the fees paid to Non-Executive Directors in February 2022,

alongside the guidance issued by NHS England and NHS Improvement regarding the *'Structure to align remuneration for chairs and Non-Executive Directors of NHS Trusts and NHS Foundation Trusts'*.

The level of remuneration for Non-Executive Directors is paid to reflect the time commitment of around 3-4 days per month.



In January 2022, the Trust Board welcomed Mrs P Smith, Chief Executive of Newcastle City Council as an Associate Non-Executive Director, joining Professor D Burn who became a Trust Associate Non-Executive Director during 2020/21.

The Committee is also responsible for ensuring that due process is in place, and has been followed, in relation to the application and decision making by the Local Awards Committee (LAC) for making Local Clinical Excellence Awards (CEAs) from Level 1 to Level 9 to eligible Consultants who can demonstrate contributions above and beyond the expected norm. Further, the Committee considers the recommendations of the LAC prior to submission to the Trust Board for approval.

Further during 2021/22, the Committee:

- Received updates on the progress of, and the final report of, the external review of the remuneration arrangements for senior staff at the Trust.
- Continued to be advised on national developments regarding the taxation of pension entitlement. The Committee agreed to introduce a local policy facilitating an 'opt out and additional pay scheme' from 1 November 2019 which continued to remain in place during 2021/22, the purpose being to protect and retain capacity.
- Considered and agreed the methodology for the Local Clinical Excellence Awards (LCEAs).

- Was advised on the outcome of the annual performance appraisal exercise and succession planning discussions for the Very Senior Manager (VSM) group of staff.
- Considered VSM pay, and the remuneration packages of individual Executive Team members as appropriate, as well as VSM appointments for the ICHNE.
- Received updates on VSM recruitment.
- Approved the content of the Annual Report on Remuneration.



Mr Jonathan Jowett
Committee Chair

21 June 2022

Annual Report on Remuneration

Remuneration Policy

The Appointments and Remuneration Committee is responsible for determining all elements of Executive Director and VSM remuneration. The definition of VSM, as determined by NHSE/I, is a person with authority or responsibility for directing or controlling the major activities of the Trust; it also includes those who influence decisions of the organisation as a whole including advisory and Non-Executive board members. Within Newcastle Hospitals, remuneration for Non-Executive Directors is set via the Trust Nominations Committee and Council of Governors.

The Committee is committed to ensuring the Trust is able to offer proportionate and fair remuneration packages, reflective of the responsibility of working in a large and complex environment and to promote the long-term sustainable success of the Trust by attracting, recruiting and retaining high calibre staff in a competitive marketplace. It considers the prevailing market conditions, benchmarks pay and employment conditions against appropriate peer, national and regional comparators and the Trust workforce, and does not routinely apply annual increases.

When considered appropriate, the Committee has commissioned independent external advisors, as well as the guidance issued by NHS Improvement on pay for VSMs in NHS Trusts and Foundation Trusts ('the Guidance').

The Committee reserves the right to exercise discretion and if necessary, approve specific reviews in exceptional cases, for example, resulting from significant change to an individual's role.

The Committee is also responsible for ensuring a formal and robust system is in place to monitor and evaluate the performance of VSM's. Following the pandemic, the Committee has initiated a review of the Trust appraisal process, as applied to VSMs, in order to reinforce this responsibility.



The components of the VSM remuneration package are:

- Base pay.
- Taxable benefits:
 - Contributory NHS Pension Scheme - not all VSM's participate in the Scheme.
 - Additional taxable benefits (car allowance) by exception only.
- From 2018, and in line with the Guidance, Executive Director employment contracts for new appointees now incorporate two key elements to pay:
 - An element of earn-back i.e. an element of base pay placed at risk and 'earned back' if agreed performance objectives are achieved.
 - Eligibility for consideration of a discretionary non-consolidated, non-pensionable performance-related pay (PRP) bonus conditional upon achieving performance objectives. This is intended to incentivise VSM's to achieve key strategic outcomes.

During the year 2021/22, a consolidated 3% salary uplift was applied to the pay of all Executive Directors and VSMs backdated to 1 April 2021.

Diversity and Inclusion

A core value of the Trust is 'we are inclusive', and a key people objective is to ensure that the Trust is 'the recognised employer and educator of choice in the North East'.

The Trust's 'Equality, Diversity and Inclusion' policy sets out how the organisation ensures that employment matters adhere to best practice and legislation, including the requirement to publish annual gender pay gap reports. This obligation is explicitly noted in the Trust's single 'Equality Action Plan' and performance is monitored by the People Committee, a committee of the Trust Board.

The Trust is also cognisant of the ethnic pay gap and the aspiration, in time, is to reduce any pay differential using protected characteristics as the drivers for change.

Very senior posts are evaluated in line with the NHS Job Evaluation Scheme. Individual salary is the product of individual negotiation, informed by NHS Terms and Conditions of Service pay scales, and flexible to provide agreement to a 'spot rate' in relation to market conditions or other relevant considerations.

When considering performance outcomes, the Committee will seek to ensure the outcomes align with overall business performance and the pay for performance system is sufficiently robust, capable of objective justification and consistent with the principles of equality.

Directors Remuneration and Other Benefits

Single Figure Table and Total Entitlement Table (this section is subject to audit) 2021/22

	Salary and fees	All taxable benefits	Annual performance-related bonuses	Other payments	All pension-related benefits	Total
Name and title	(bands of £5,000)	(to nearest £100)	(bands of £5,000)	(bands of £5,000)	(bands of £2,500)	(bands of £5,000)
	£000	£	£000	£000	£000	£000
Chairman Professor Sir J Burn	55-60	-	-	-	-	55-60
Chief Executive Officer (CEO) Dame J Daniel (i)	265-270	-	10-15	30-35	-	315-320
Medical Director/ Deputy CEO Mr A Welch (ii)	255-260	-	-	-	-	255-260
Finance Director Mrs A Dragone	175-180	200	-	-	92.5-95	265-270
Executive Chief Nurse Ms M Cushlow	165-170	-	5-10	-	77.5-80	250-255
Chief Operating Officer Mr M Wilson	170-175	600	5-10	-	60-62.5	240-245
Executive Director for Business, Development and Enterprise Dr V McFarlane-Reid	145-150	-	5-10	-	32.5-35	185-190
Non-Executive Director Mr J Jowett	15-20	-	-	-	-	15-20
Non-Executive Director Professor K McCourt	15-20	-	-	-	-	15-20
Non-Executive Director Mr D Stout (iii)	5-10	-	-	-	-	5-10
Non-Executive Director Mr S Morgan	15-20	-	-	-	-	15-20
Non-Executive Director Ms S Edusei (iv)	5-10	-	-	-	-	5-10
Non-Executive Director Mr K Godfrey (v)	-	-	-	-	-	-
Non-Executive Director Professor D Burn (vi)	-	-	-	-	-	-
Non-Executive Director Ms G Baker	15-20	-	-	-	-	15-20
Non-Executive Director Mr G Chapman (viii)	15-20	-	-	-	-	15-20
Non-Executive Director Mr B MacLeod (viii)	15-20	-	-	-	-	15-20



Single Figure Table and Total Entitlement Table (this section is subject to audit) 2020/21

	Salary and fees	All taxable benefits	Annual performance-related bonuses	Other payments	All pension-related benefits	Total
Name and title	(bands of £5,000)	(to nearest £100)	(bands of £5,000)	(bands of £5,000)	(bands of £2,500)	(bands of £5,000)
	£000	£	£000	£000	£000	£000
Chairman Professor Sir J Burn	55-60	-	-	-	-	55-60
Chief Executive Officer Dame J Daniel (i)	260-265	-	10-15	30-35	-	305-310
Medical Director/ Deputy CEO Mr A Welch (ii)	250-255	-	-	-	-	250-255
Finance Director Mrs A Dragone	170-175	-	-	-	-	170-175
Executive Chief Nurse Ms M Cushlow	160-165	-	5-10	-	42.5-45	210-215
Chief Operating Officer Mr M Wilson	175-180	4,200	5-10	-	35-37.5	225-230
Executive Director for Business, Development and Enterprise Dr V McFarlane-Reid	140-145	-	5-10	-	32.5-35	180-185
Non-Executive Director Mr J Jowett	15-20	-	-	-	-	15-20
Non-Executive Director Professor K McCourt	15-20	-	-	-	-	15-20
Non-Executive Director Mr D Stout (iii)	20-25	-	-	-	-	20-25
Non-Executive Director Mr S Morgan	15-20	-	-	-	-	15-20
Non-Executive Director Ms S Edusei (iv)	-	-	-	-	-	-
Non-Executive Director Mr K Godfrey (v)	5-10	-	-	-	-	5-10
Non-Executive Director Professor D Burn (vi)	5-10	-	-	-	-	5-10
Non-Executive Director Ms G Baker	15-20	-	-	-	-	15-20
Non-Executive Director Mr G Chapman (vii)	10-15	-	-	-	-	10-15
Non-Executive Director Mr B MacLeod (viii)	10-15	-	-	-	-	10-15

- (i) The figure stated in other payments for Dame J Daniel relates to the Local Employer Contribution Recycle Scheme received during 2021/22 and 2020/21.*
- (ii) Within the figure reported for Mr A Welch's salary and fees are payments of £123k (2020/21 £121k) made in respect of clinical duties. During 2019/20, Mr A Welch became Deputy CEO. No additional payment was made in relation to this role.*
- (iii) Mr D Stout resigned as a Non-Executive Director with effect from 31 July 2021 at the end of his final term of office.*
- (iv) Ms S Edusei was appointed as a Non-Executive Director with effect from 01 August 2021.*
- (v) Mr K Godfrey resigned as a Non-Executive Director with effect from 29 September 2020.*
- (vi) Professor D Burn transitioned from a substantive Non-Executive Director to a non-voting unremunerated Associate Non-Executive Director role with effect from 1 October 2020.*
- (vii) Mr G Chapman was appointed as a Non-Executive Director with effect from 30 July 2020.*
- (viii) Mr B MacLeod was appointed as a Non-Executive Director with effect from 30 July 2020 and became Audit Committee Chair with effect from 01 August 2021.*



Pension related benefits are calculated as the annual increase in pension entitlement in accordance with the 'HRMC' method. In summary this is as follows:

$$\text{Increase} = ((20 \times \text{PE}) + \text{LSE}) - ((20 \times \text{PB}) + \text{LSB}) - \text{Ees cont}$$

Where:

- **PE** is the annual rate of pension that would be payable to a director if they became entitled to it at the end of the financial year.
- **LSE** is the amount of lump sum that would be payable to the director if they became entitled to it at the end of the financial year.
- **PB** is the annual rate of unreduced pension, adjusted for inflation, that would be payable for the director if they became entitled to it at the beginning of the financial year.
- **LSB** is the amount of unreduced lump sum, adjusted for inflation, that would be payable to the director if they became entitled to it at the beginning of the financial year.
- **Ees cont** is the employee pension contributions for the financial year.

The inflation rate prescribed for use in 2021/22 is 0.5% (2020/21 1.7%).

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.

The 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 can provide.

The pension benefit table provides further information on the benefits accruing to the individual.

Total Pension Entitlement (this section is subject to audit)

	Real increase in pension at pension age	Real increase in pension lump sum at pension age	Total accrued pension at pension age at 31 March 2022	Lump sum at pension age related to accrued pension at 31 March 2022	Cash Equivalent Transfer Value at 1 April 2021	Real increase in Cash Equivalent Transfer Value	Cash Equivalent Transfer Value at 31 March 2022
Name and title	(bands of £2,500) £000	(bands of £2,500) £000	(bands of £5,000) £000	(bands of £5,000) £000	£000	£000	£000
Executive Director for Business, Development and Enterprise Dr V McFarlane-Reid	2.5 – 5	-	5 – 10	-	47	34	81
Executive Chief Nurse Ms M Cushlow	2.5 – 5	2.5 – 5	85 – 90	200 – 205	1,683	121	1,812
Chief Operating Officer Mr M Wilson	2.5 – 5	2.5 – 5	40 – 45	75 - 80	556	63	621
Director of Finance Mrs A Dragone	2.5 – 5	2.5 – 5	70 – 75	195 – 200	1,476	117	1,600

Dame J Daniel's and Mr A Welch's pension sums are not shown as these were either opted out of or drawn and taken in a previous year.

Dr V McFarlane-Reid joined the Trust with effect from 23 September 2019 and had not had any previous NHS service.

The financial information disclosed in the table above is derived from information provided to the NHS Foundation Trust from the NHS Pensions Agency. Whilst the NHS Foundation Trust accepts responsibility for the values shown, the NHS Foundation Trust is reliant upon the NHS Pensions Agency for the accuracy of the information provided to the NHS Foundation Trust and has no way of auditing these figures. The figures are therefore shown in good faith as an accurate reflection of the directors' pension information.



Fair Pay

(this section is subject to audit)

The Trust is required to disclose the relationship between the remuneration of the highest paid director within the organisation and the lower quartile, median and upper quartile remuneration of the Trust's workforce.

The banded remuneration of the highest paid director in the Trust in the financial year 2021/22 was £317,500 (2020/21, £307,500). This is a change between years of an increase of 3.25%.

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

For employees of the Trust as a whole, the range of remuneration in 2021/22 was from £17,422 to £315,527 (2020/21 £17,761 to £306,493). The percentage change in average employee remuneration (based on total for all employees on an annualised basis divided by full time equivalent number of employees) between years is a

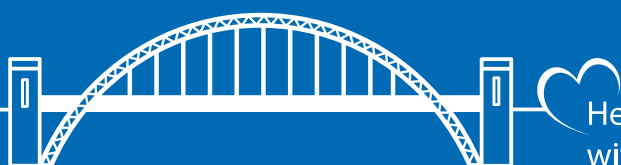
minimal reduction of less than 0%. No employees received remuneration in excess of the highest-paid director in 2021/22.

There was minimal movement in average employee remuneration even with the 3% increase in Pay award, which is due to the significant recruitment of staff associated with the creation of the ICHNE and COVID-19 Vaccine roll out, of which the majority of staff recruited were Agenda for Change bands 2 to 5.

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

2021/22	25th Percentile	Median	75th Percentile
Salary Component of Pay	£24,351	£32,306	£44,340
Total pay and benefits excluding pension benefits	£24,351	£32,306	£44,340
Pay and benefits excluding Pension: pay ratio for highest paid director	12.96	9.77	7.12

	25th Percentile	Median	75th Percentile
2021/22	12.96	9.77	7.12
2020/21	13.05	9.63	6.94



The calculation is based on Trust employees as at 31 March 2022. This number includes locum staff, junior doctors on training rotations employed via Northumbria Healthcare NHS Foundation Trust as Lead Employer Trust, the Trust's in-house nurse and clerical bank staff and includes external agency staff. Any part time employee numbers are pro-rated to provide whole time equivalents.

Payments to past managers (this section is subject to audit)

The Trust did not make any payments to past senior managers in 2021/22.

Payments for loss of office (this section is subject to audit)

The Trust did not make any payments for loss of office in 2021/22.

Trust Board Declarations of Interest:

Chairman

Professor Sir John Burn Chair QuantuMDx Group Ltd.
Director and Treasurer - Global Variome Ltd. Global Variome Ltd is the holding company for the UNESCO register NGO of this name responsible for the Human Variome Project - an international effort to have data on genetic variation of relevance to healthcare - it was recognised as a UK charity in 2017.
Professor of Clinical Genetics in Newcastle University and senior strategic advisor.
Sits on the Bowel Cancer UK Medical Advisory Board.
Director of the Charity, European Hereditary Tumour Group (EHTG).
Patron of the charity Veteran at Ease.
Cultural ambassador for the Durham County Community Foundation.
Chairman of Pulse Diagnostics (part owned by Trust).
Trustee of the charity HUGO London and member of the Executive Board of HUGO.

Non-Executive Directors

Professor K McCourt Convenor of Fellows - Royal College of Nursing.
President, Commonwealth Nurses and Midwives Federation.
Honorary Colonel, 201 Field Hospital, Newcastle upon Tyne.
Member of the Heath Committee.
Trustee, Bishop Bewick Catholic Education Trust.

Mr D Stout Director and Part Owner of David Stout Consulting Limited.
(up to 31 July 2021) Controlling shareholding in David Stout Consulting Limited.

- Mr Jonathan Jowett** Company Secretary of Darlington 1883 Limited.
Company Secretary & General Counsel of Greggs PLC.
Chairman of the Percy Hedley Foundation (until November 2021).
As part of his Company Secretary role at Greggs PLC, Mr Jowett is a Director of a number of dormant companies set up by Greggs PLC.
Trustee of the Great North Air Ambulance (from 27 May 2022).
- Mr Steven Morgan** Owner/Director - Rowrah Chapel Associates.
Copeland Borough Councillor.
- Ms Jill Baker** Director, Lloyds Bank Foundation.
Trustee at Community Foundation for Tyne and Wear and Northumberland.
- Mr Graeme Chapman** Health and Life Sciences Industry Executive, Microsoft Ltd.
- Mr William MacLeod** Non-Executive Director, Newcastle Gateshead Initiative Ltd.
Appointed member of Council, Newcastle University.
Chair of International Advisory Board, Business School, Newcastle University.
Member of the Ethics Board Institute of Chartered Accountants of Scotland.
Trustee at Kielder Observatory Astronomical Society.
- Ms Stephanie Edusei** Director/Board Member, The North East England
(from 1 August 2021) Chamber of Commerce.
Chief Executive, St Oswald's Hospice.
The Angelou Centre (Black led women's charity based in Newcastle upon Tyne offering training and development, counselling, wellbeing services and refuge accommodation).

Associate Non-Executive Directors

- Professor D Burn** Pro-Vice Chancellor and Professor of Movement Disorders
Neurology - Faculty of Medical Sciences.
Executive, Medical Schools Council.
Board Member, Northern Health Science Alliance.
Board Member, NENC AHSN.
Chair of the Northern Health Science Alliance Board.
Trustee of Parkinson UK.
- Ms Pam Smith** Chief Executive, Newcastle City Council (from 27 January 2022).
(from 27 January 2022)



Chief Executive

Dame Jackie Daniel Director of the Academic Health Science Network North East and North Cumbria (AHSN NENC Ltd).
Director of Northern Health Science Alliance (NHSA).
Vice-Chair, NHS Confederation.
Lay Member, Newcastle University Court.
Member, Recovery, Resilience and Growth Programme.
Member, OSCHR – Office for the Strategic Coordination of Health Research.

Executive Directors

Mrs A Dragone Director of Trust Subsidiary company NewGene Limited.
Finance Director Secretary and Trustee, Heath Committee.

Ms M Cushlow No items to declare.
Executive Chief Nurse

Mr M Wilson Partner is Chief Executive of Harrogate District NHS Foundation Trust, which provides acute and community NHS Services including 0-19 services in the South of Tyne area.
Chief Operating Officer Partner is National Director at NHS England.

Mr A R Welch Director, Newcastle Healthcare Property Company.
Medical Director / Relative works for Newcastle Hospitals.
Deputy CEO

Dr V McFarlane-Reid No items to declare.



Dame Jackie Daniel
Chief Executive

21 June 2022

Our Governors

The Trust has a total of 36 governors on the Council; 31 of which are elected by the public and staff, with the remainder appointed from a range of partner organisations, including Newcastle University, Northumbria University, and Newcastle City Council. The table included in the 'Governor Elections' section details the individuals who make up our Council of Governors.

The Council of Governors has a number of statutory powers, including the appointment of the Trust's Chair, Non-Executive Directors and External Auditors.

During the last year, the Council has continued to meet, both virtually and in person as COVID-19 restrictions allowed, to debate and consider a number of key issues for the Trust. This predominantly related to the management of COVID-19, the vaccination programme, and the Trust's efforts to recover from the impact of the pandemic.

Other topics of note have also included:

- The role of volunteers during the pandemic;
- An activity update relating to cancer and accident and emergency;
- The Trust's chaplaincy service and the ways in which it supported both staff and patients during the pandemic;
- An update on Newcastle Hospitals' Charity; and
- The management of loan equipment in the Trust.

In August 2021, a private workshop was held for Governors, which included presentations on:

- The role of foundation trust governors;
- A governance update;
- An update on the vaccination programme; and
- A briefing on the Trust's Annual Report and Accounts for 2020/21.

In February 2022, it was agreed that formal meetings of the council would be preceded by a private session to provide governors with an opportunity to receive an operational update.

The Council of Governors met bi-monthly throughout the year, in the alternate months to the Board of Directors meetings. The meetings continued to be well attended by Governors, which facilitated wide ranging debate and challenge on the topics such as those listed above.



Meetings included updates from both the Chairman and the Chief Executive, as well as receiving and discussing the Integrated Board Report at each meeting. Meetings also included regular updates from the chairs of the Council's working groups, being:

- Quality of Patient Experience;
- Business and Development; and
- People, Engagement and Membership.

Each of the working groups are aligned to a specific committee of the Trust's Board of Directors. Throughout the year, meetings between chairs of the working groups and committees have taken place, as well as chairs attending the aligned working group or committee meeting to gain further assurance.

As an ongoing consequence of the pandemic, the Quality of Patient Experience working group has been unable to complete their programme of unannounced visits to clinical areas and support services throughout the Trust. The group has continued to be updated on patient experience throughout the organisation via regular presentations from the Head of Patient Experience.

Governors continue to attend a number of other groups within the Trust's governance structure as appropriate.

In October 2021, Mrs Pam Yanez, public governor for the Newcastle upon Tyne public constituency, replaced Dr Vanessa Hammond as Lead Governor and will remain in the role for three years or for the remainder of her term of office, whichever is shorter.

The Board of Directors continues to maintain a close working relationship with the Council of Governors and the wider Trust membership. All Executive and Non-Executive Directors have an open invitation to attend Council

meetings, with those Non-Executive Directors who chair Trust Committees providing regular updates regarding the activities of the Committees to the Council.

Throughout the pandemic, Governors have continued to regularly attend, albeit virtually, the public session of the Board of Directors meetings to observe proceedings.

In March 2022, the Trust recommenced its programme of Members Events following a pause in 2020/21 due to the limitations around social gatherings as a result of the pandemic. This event, held virtually, included presentations from the Trust Chaplaincy, the Paediatric Asthma Team, and on the creation of the Cataract Centre at the CAV. A further programme of events for 2022/23 is currently in development, with the hope that these can be held in person where possible.

As set out in Monitor's Code of Governance for NHS Foundation Trusts, there is a requirement for a mechanism to be in place to resolve disagreements between the Board of Directors and the Council of Governors.

In the first instance, it is the responsibility of the Trust's Chair, as leader of both forums, to try and reach a consensus. If a resolution cannot be found, the next formal step would be for the Chair to receive formal representation from the Lead Governor to try and reach a mutually acceptable position. The Trust did not need to utilise this resolution process during 2021/22.

There were no conflicts of interest declared by Governors during the year.

During 2021/22, there was £49.48 of expenses claimed by governors, for business travel.

Governor Elections

Governor elections are held annually, with approximately one third of the elected governorships coming up for re-election each year.

The 2021 election round took place in the late summer with the Notice of Election published on 1 July 2021 and the result declared on 27 August 2021. The decision to delay the election process was agreed by governors at their meeting on 15 April 2021. This was in line with guidance received by NHS Foundations Trusts as organisations continue to manage the impact of the pandemic.

As a result of this, it was agreed that governors whose terms of office would be due to end on 31 May 2021 would have them extended to 31 August 2021. It was also agreed that newly appointed governors, as well as governors who were re-elected in this round, would commence their term of office on 1 September 2021.

Those governors elected in the 2021 election round would have a slightly shortened term of office to 31 May 2024 to allow for the election cycle to be realigned.

Newly elected Governors undertook an induction facilitated by the Chairman, Trust Secretary and Chairs of the Working Groups and attended their first meeting on 21 October 2021.

Governor attendance at meetings during 2021/22 is listed on the following pages.

The Council of Governors met for five formal meetings and one private workshop in 2021/22. There were no extraordinary meetings convened.

Key:

1	Public constituency: Newcastle upon Tyne
2	Public constituency: Northumberland, Tyne and Wear (excluding Newcastle)
3	Public Constituency: North East
Staff – A&CI, M&Ch	Admin and Clerical, Managerial and Chaplains
Staff – E&A	Estates and Ancillary
Staff – HPC	Health Professionals Council
Staff – M&D	Medical and Dental
Staff – N&M	Nursing and Midwifery
Staff – V	Volunteers
Appointed – C	Charity
Appointed – NCC	Newcastle City Council
Appointed – NU	Newcastle University
Appointed – Nbria U	Northumbria University
Appointed - APEX	Advising on the Patient Experience (Vacant seat during 2021/22)



Governor attendance at meetings

Class/ Constituency	Name	Attendance	Notes
Staff – N&M	Mrs Glenda Bestford	3 of 6	
1	Mr David Black	3 of 3	Appointed 1 September 2021
2	Mr Graham Blacker	4 of 6	
Staff – E&A	Ms Genna Bulley	1 of 3	Appointed 1 September 2021
1	Mrs Judy Carrick	5 of 6	
1	Dr Alexandros Deargies-Chantler	2 of 3	Appointed 1 September 2021
2	Mr Steven Cranston	1 of 2	Stood down August 2021
1	Ms Jill Davison	5 of 6	
2	Mrs Madeleine Elliott	5 of 6	
2	Mrs Carole Errington	4 of 6	
Appointed – NU	Professor Andrew Fisher	1 of 4	Stood down in November 2021
1	Mrs Aileen Fitzgerald	3 of 3	Appointed 1 September 2021
1	Mr David Forrester	2 of 3	End of term 31 August 2021 – was not re-elected
Appointed – Nbria U	Professor Peter Francis	0 of 2	Stood down in June 2021
Staff – V	Mr Gary Gibson	3 of 3	Appointed 1 September 2021
1	Dr Vanessa Hammond	3 of 3	End of term 31 August 2021 – did not stand for re-election
2	Mrs Catherine Heslop	5 of 6	
Staff – M&D	Mr John Hill	2 of 5	Stood down in December 2021
2	Professor Philip Home	3 of 3	Appointed 1 September 2021
3	Mr David Hughes	3 of 3	Appointed in September 2021
Staff – HPC	Mrs Fiona Hurrell	5 of 6	
Appointed – Nbria U	Professor Tom Lawson	3 of 3	Appointed September 2021
2	Dr Helen Lucraft	5 of 6	
3	Mr Christopher Matejak	0 of 2	Removed from Council 17 June 2021

Governor attendance at meetings (continued)

Class/ Constituency	Name	Attendance	Notes
2	Mr Matthew McCallum	0 of 1	Stood down 20 April 2021
1	Mrs Jean McCallum	2 of 3	End of term 31 August 2021 – was not re-elected
2	Mr John McDonald	6 of 6	
3	Dr Lakkur Murthy	3 of 3	End of term 31 August 2021 – completed third and final term
1	Mrs Susan Nelson	4 of 6	
2	Professor Pauline Pearson	5 of 6	
Staff – A&CI, M&Ch	Mrs Kate Pine	1 of 3	Appointed 1 September 2021
Appointed – NCC	Clr Ann Schofield	1 of 1	Stood down May 2021
3	Mr Neville Coulthard Shaw	2 of 3	Appointed 1 September 2021
Staff – N&M	Mrs Poonam Singh	3 of 3	Appointed 1 September 2021
3	Mr Thomas Smith	2 of 6	
1	Mr David Stewart – David	3 of 3	End of term 31 August 2021 - did not stand for re-election
Appointed – Ch and 2	Mrs Norah Turnbull	5 of 5	Stood down as Appointed Governor for Charity in May. Elected as Public Governor 1 September 2021.
1	Dr Eric Valentine	3 of 3	Appointed 1 September 2021
1	Mrs Emma Vinton	3 of 6	
3	Mr Michael Warner	3 of 6	
2	Dr Ian Wilson	2 of 3	Appointed 1 September 2021
1	Mrs Pam Yanez	6 of 6	





Nominations Committee

The Council of Governors set up a formally constituted Nominations Committee to identify, interview and recommend candidates for the appointment of the Trust's Chair and Non-Executive Directors (NEDs). The committee is also responsible for the annual appraisal of all NEDs, including the Chair, using formal objectives that were previously set and agreed.

Committee members were supported by Trust officers, as appropriate; including the Human Resources Director and Trust Secretary.

Attendance of the committee's membership is set out below:

Member	Number of meetings attended
Professor Sir John Burn, Committee Chair (Trust Chairman)	5 of 5
Mr David Stewart-David, Committee Vice-Chair (Public Governor) until 31 August 2021	2 of 3
Mrs Catherine Heslop, Committee Member (Public Governor)	5 of 5
Dr Lakkur Murthy, Committee Member (Public Governor) until 31 August 2021	3 of 3
Ms Fiona Hurrell, Committee Member (Staff Governor)	5 of 5
Mr Jonathan Jowett, Committee Member, Senior Independent Director	5 of 5
Dr Vanessa Hammond, Committee Member from 1 September 2020 when became Lead Governor (Public Governor) until 31 August 2021	3 of 3
Mrs Judy Carrick, Committee Member (Public Governor)	5 of 5
Mrs Madeleine Elliott, Committee Member (Public Governor)	5 of 5
Mrs Pam Yanez, Committee Vice-Chair and Lead Governor (Public Governor) from 10 September 2021	1 of 2
Dr Ian Wilson, Committee Member from 17 November 2021 (Public Governor)	2 of 2
Mr David Black, Committee Member from 17 November 2021 (Public Governor)	2 of 2



There were five meetings of the Committee in the period 1 April 2021 to 31 March 2022. The terms of reference for the committee specify that a minimum of two meetings per year are required.

During the year, committee activity included:

- Approval of the annual report of the Committee for 2020/21.
- Considering the composition of the Board and the likely needs of the Trust, the Committee made recommendations to the Council of Governors on the appointment of one new NED, the recruitment for one further NED and the reappointment of two NEDs.
- In relation to the recruitment and appointment of one new NED in 2021, the Committee undertook the following key tasks:
 - Ensured a robust job description and person specification was developed and agreed the search strategy for the appointment;
 - Committee members conducted longlisting on 17 May 2021 and shortlisting of applicants on 3 June 2021; and
 - An internal panel was convened, with the Public Governor members in the voting majority. Interviews were held on 14 June 2021 and a recommendation for appointment made to the Council of Governors thereafter.
- Reviewing NED remuneration utilising benchmarking information and the guidance published by NHS England and NHS Improvement (NHSE/I) in September 2019 on a new

remuneration structure for provider Chairs and NEDs. Following review of the guidance, committee members agreed that no changes were required to current remuneration levels for NEDs or the Chair. In addition, Committee members agreed that the Audit Committee chair's additional payment be reduced from £5,000 to £3,000 with effect from August 2021.

- Recommending that the Council of Governors approve Professor Kath McCourt as the Trust's new Deputy Chair from 1 August 2021.
- Agreeing some minor changes to the committee's terms of reference.
- Reviewed the following documents and agreed no changes were required:
 - Chair/NED appointment and reappointments process and succession policy;
 - NED terms and conditions; and
 - Chair/NED expenses guidance.
- Approving an updated schedule of business for the year.
- Receiving and considering reports on the Chair and NED appraisals.
- Agreeing the recruitment process for a new NED.

In conclusion the Committee has met its duties for the year 2021/22.

Membership

Members of the public and Trust staff are both invited to become Members of our Foundation Trust. Membership has a number of benefits, including the right to vote in and stand for election to the Council of Governors.

In September 2021, a change to the Trust's constitution was agreed whereby all new members of staff would become members of the Foundation Trust on an 'opt out' basis on commencement of employment. Work to ensure all new staff were added as members commenced during 2021/22 and further refinements continued into early 2022/23. All existing staff are welcomed to become members on a voluntary basis.

There are three public constituencies, and anyone aged 16 and above who resides in those constituency areas are eligible to become members.

The public constituencies are:

- Newcastle upon Tyne;
- Northumberland, Tyne and Wear (excluding Newcastle upon Tyne); and
- North East (to include the rest of England).

There are six staff classes:

- Administration, Clerical, Managerial and Hospital Chaplains;
- Ancillary and Estates;
- Health Professionals Council;
- Medical and Dental;
- Nursing and Midwifery; and
- Volunteers.

The minimum numbers of members for both the public constituencies and staff classes are laid out in the Trust's constitution and are 2,000 and 1,730 respectively. The constitution can be found on the Trust website.

Throughout 2021/22, the Trust, in collaboration with the People, Engagement and Membership Working Group, has focused on refreshing the Trust's membership materials and drafting a revised Membership Strategy. This document, which was approved by Governors at their April 2022 workshop, prioritises ensuring that the Trust's membership was reflective of the population it serves, particularly in relation to age and ethnicity.

Membership application forms are available on the Trust website or by contacting the Trust's Corporate Governance Team on free phone 0800 015 0136.

Members who wish to contact the Council of Governors can do so by contacting Mrs Pam Yanez, Lead Governor, via email at nuth.LeadGovernor@nhs.net.



Membership Report: 1 April 2021 – 31 March 2022

Membership size and movements	
Public constituency	Last year (2021/22)
At year start (1 April)	5,265
New Members	608
Members Leaving	141
At year end (31 March)	5,732
Staff constituency	Last year (2021/22)
At year start (1 April)	3,111
New Members	159
Members leaving	817*
At year end (31 March)	2,453
Patient constituency	The Trust does not currently have a separate Patient Constituency.

* Work has been ongoing throughout 2021/22 to cleanse the membership database to ensure it accurately reflects Trust membership. This included the removal of a number of members of the staff constituency who no longer worked for Newcastle Hospitals.

<i>Analysis of current membership~</i>		
Public constituency	Number of members	Eligible membership
Age (years):		
0-16	0	270,368
17-21	25	88,641
22+	5,325	1,112,176
Ethnicity:		
White	5,234	1,343,747
Mixed	33	12,447
Asian or Asian British	203	47,965
Black or Black British	52	9,006
Other	7	7,688
Socio-economic groupings:		
AB	1,609	114,371
C1	1,645	196,039
C2	1,166	133,072
DE	1,289	208,969
Gender analysis		
Male	2,198	723,040
Female	3,449	748,145

~ The analysis section of this report excludes 382 public members with no dates of birth, 203 members with no stated ethnicity, and 85 members with no gender disclosed.

Staff Report

Workforce Information (Subject to audit)

Workforce Demographics	As at March 2021				As at March 2022			
	Permanent FTE	Other FTE	Total FTE	% of Total FTE	Permanent FTE	Other FTE	Total FTE	% of Total FTE
Staff Group								
Medical and dental	1,217.35	583.95	1,801.30	12.61%	1,173.15	668.23	1,841.38	12.17%
Ambulance staff	0.58	-	0.58	0.00%	0.50	-	0.50	0.00%
Administration and estates	2,811.61	-	2,811.61	19.69%	2,909.37	-	2,909.37	19.22%
Healthcare assistants and other support staff	2,109.50	-	2,109.50	14.77%	2,076.09	-	2,076.09	13.72%
Nursing, midwifery and health visiting staff	4,590.19	-	4,590.19	32.14%	4,756.42	-	4,756.42	31.42%
Nursing, midwifery and health visiting learners	43.35	-	43.35	0.30%	56.97	-	56.97	0.38%
Scientific, therapeutic and technical staff	1,879.23	-	1,879.23	13.16%	1,899.86	-	1,899.86	12.55%
Healthcare science staff	1,022.41	-	1,022.41	7.16%	1,574.89	-	1,574.89	10.40%
Social care staff	-	23.76	23.76	0.17%	-	20.80	20.80	0.14%
Grand Total	13,674.22	607.71	14,281.93	-	14,447.25	689.03	15,136.28	-

Note: Figures in the above table reflect data taken from the Trust annual accounts and includes staff working in but not employed by the Trust. Demographic data for these staff is not available and is therefore excluded from the following tables.



	As at March 2021		As at March 2022	
	FTE	% of Total FTE	FTE	% of Total FTE
Full Time/Part Time				
Full Time	10,132.00	72.39%	10,031.00	71.81%
Part Time	3,864.42	27.61%	3,938.00	28.19%
Gender				
Female	10,585.05	75.63%	10,543.47	75.50%
Male	3,410.37	24.37%	3,421.34	24.50%
Disabled				
No	10,830.32	77.38%	11,045.98	79.10%
Not recorded	2,686.99	19.20%	2,390.89	17.12%
Yes	478.11	3.42%	527.95	3.78%
Ethnic Group				
Black and Minority Ethnic	1,454.69	10.39%	1,666.38	11.93%
Not recorded	228.58	1.63%	225.97	1.62%
White	12,312.15	87.97%	12,972.47	86.45%
Age				
16-25	1,535.76	10.97%	1,365.99	9.78%
26-35	3,648.14	26.07%	3,640.60	26.07%
36-45	3,103.53	22.18%	3,168.91	22.69%
46-55	3,356.58	23.98%	3,357.58	24.04%
56-65	2,219.17	15.86%	2,287.53	16.38%
66+	132.25	0.94%	144.20	1.03%

Turnover	Apr 20 - Mar 21	Apr 20 - Mar 21
		9.39%

The latest staff turnover figures can be found here:

<https://digital.nhs.uk/data-and-information/publications/statistical/nhs-workforce-statistics>.

The latest staff sickness figures can be found here:

<https://digital.nhs.uk/data-and-information/publications/statistical/nhs-sickness-absence-rates>.

Staff Costs (Subject to audit)

	Total 2020/21 £000	Permanently employed total 2020/21 £000	Other total 2020/21 £000	Total 2021/22 £000	Permanently employed total 2021/22 £000	Other total 2021/22 £000
Salaries and wages	578,499	511,757	66,742	622,164	546,465	75,699
Social security costs	48,217	48,217	0	54,669	54,669	0
Apprenticeship levy	2,721	2,721	0	3,491	3,491	0
Pension cost – employer contributions to NHS pension scheme	62,622	62,622	0	68,193	68,193	0
Pension cost – employer contributions paid by NHSE on provider’s behalf (6.3%)	27,282	27,282	0	29,815	29,815	0
Pension costs – other schemes	212	212	0	261	261	0
Temporary staff – agency/ contract staff	2,510	0	2,510	4,490	0	4,490
TOTAL GROSS STAFF COSTS	722,063	652,811	69,252	783,083	702,894	80,189
Recoveries from DHSC Group bodies in respect of staff cost netted off expenditure	(6,085)	(6,085)	0	(7,828)	(7,828)	0
Recoveries from other bodies in respect of staff cost netted off expenditure	(5,975)	(5,975)	0	(7,639)	(7,639)	0
TOTAL STAFF COSTS	710,003	640,751	69,252	767,616	687,427	80,189



“Off-Payroll” Engagements

Highly-paid off-payroll engagements as of 31 March 2022, earning £245 per day or greater:

Number of existing engagements as of 31 March 2022	17
Of which:	
Number that have existed for less than one year at time of reporting	16
Number that have existed for between one and two years at time of reporting	0
Number that have existed for between two and three years at time of reporting	1
Number that have existed for between three and four years at time of reporting	0
Number that have existed for four or more years at time of reporting	0

All highly-paid off-payroll workers engaged at any point during the year ended 31 March 2022 earning £245 per day or greater:

Number of off-payroll workers engaged during the year ended 31 March 2022	20
Of which:	
Not subject to off-payroll legislation	20
Subject to off-payroll legislation and determined as in-scope of IR35	0
Subject to off-payroll legislation and determined as out-of-scope of IR35	0
Number of engagements reassessed for compliance or assurance purposes during the year	0
Of which: number of engagements that saw a change to IR35 status following review	0

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

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

The Trust is cognisant of NHS Improvement’s guidance on pay for very senior managers in NHS Foundation Trusts, and the expectation that they should be appointed on payroll. Such appointments are considered by the Appointments and Remuneration Committee, which would assure itself that proposed pay is commensurate with market conditions by referencing relevant benchmarking data regarding market pay, the requirements of the role, and that the Trust is receiving value-for-money. Where appropriate, any proposal would be referred to NHS Improvement and the HM Treasury for approval for new appointments.

Exit Packages (Subject to audit)

	Total number of exit packages 2021/22	Total cost of exit packages 2021/22	Total number of exit packages 2020/21	Total cost of exit packages 2020/21
	Number	£000	Number	£000
Exit package cost band				
<£10,000	2	1	0	0
£10,000 to £25,000	1	23	1	17
£100,001 to £150,000	0	0	1	141
Total Exit Packages	3	24	2	158
There were no compulsory redundancies made during 2021/22 (2020/21 one at a cost of £141k).				
There were two exit payments made during 2021/22 relating to contractual payments in lieu of notice at a cost of £24k.				
There was one special payment for exit payments made following employment tribunals or court orders at a cost of less than £1k (2020/21 one at a cost of £17k).				

The Trust spent £1,067,000 on consultancy fees in 2021/22 (£1,514,000 2020/21).

Senior Staff Gender Breakdown

Senior Staff Gender Breakdown	Male	Female
Executive Directors	2	4
Non-Executive Directors	5	3
Other Senior Employees	7	6



Human Resources Indicators

Directorate	Training	Appraisals	Sickness	Turnover
	> 95%	> 80%	< 3%	< 8%
Business & Development	94.60%	76.92%	2.30%	13.33%
Cancer Services/Clinical Haematology	86.11%	85.16%	5.51%	8.91%
Cardiothoracic	87.42%	73.39%	6.20%	9.95%
Chief Executive	90.48%	23.53%	1.42%	7.14%
Chief Operating Officer	96.82%	86.61%	5.83%	10.26%
Children's Services	84.07%	67.29%	6.85%	11.24%
Clinical Research	94.59%	79.87%	6.73%	21.86%
Community Services	89.39%	82.70%	7.77%	12.22%
Dental Services	91.53%	84.74%	5.42%	11.86%
ENT, Plastics, Ophthalmology & Dermatology	84.24%	65.16%	6.71%	9.69%
Estates	93.94%	58.96%	6.00%	13.94%
Finance	95.37%	57.55%	4.29%	13.22%
Human Resources	94.65%	76.72%	4.99%	15.04%
Information Management & Technology	94.21%	82.16%	4.94%	10.98%
Integrated Laboratory Medicine	92.45%	79.21%	5.25%	10.07%
Internal Medicine - General	88.92%	63.01%	8.28%	11.47%
Internal Medicine - Urgent Care	84.83%	61.47%	5.68%	9.24%
Medical Director	88.75%	83.33%	2.52%	9.80%
Medical Physics	88.84%	91.89%	3.66%	10.44%
Musculoskeletal Services	82.45%	66.25%	8.83%	9.00%
Neurosciences	85.89%	78.43%	4.91%	7.51%
NHS COVID-19 Vaccination Programme	90.08%	22.22%	5.52%	70.67%
ICHNE	89.67%	27.68%	6.33%	20.37%
Patient Services	88.03%	74.67%	6.33%	12.95%
Peri-operative & Critical Care - FH	89.88%	80.98%	7.18%	8.15%
Peri-operative & Critical Care - RVI	88.43%	83.85%	6.39%	8.72%
Pharmacy	94.78%	70.35%	3.75%	11.78%
Radiology	84.58%	66.35%	5.36%	11.18%
Regional Drugs & Therapeutics	95.07%	60.61%	1.73%	10.96%
Supplies	88.76%	77.11%	5.49%	13.71%
Surgical Services	85.12%	75.95%	4.77%	8.46%
Urology & Renal Services	88.29%	80.98%	6.85%	8.08%
Women's Services	82.80%	60.36%	6.73%	10.65%

% Appraisal Compliance by Staff Group

Staff Group	%
Add Prof Scientific and Technic	77.41%
Additional Clinical Services	66.55%
Administrative and Clerical	67.51%
Allied Health Professionals	71.84%
Estates and Ancillary	74.77%
Healthcare Scientists	77.06%
Managers (Band 8c and above)	88.98%
Medical and Dental	76.34%
Nursing and Midwifery Registered	73.94%
Total	72.01%

Trade Union Data

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
32	27.16 FTE

The total number of Trust employees who were relevant union officials employed during the relevant period spent a) 0%, b) 1%-50%, c) 51%-99% or d) 100% of their working hours on facility time:

Percentage of time	Number of employees
0%	26
1-50%	3
51%-99%	0
100%	3

The percentage of the Trusts total pay bill spent on paying employees who were relevant union officials for facility time during the relevant period:

First Column	Figures
Provide the total cost of facility time	£57,330.95
Provide the total pay bill	£767,616,000 (Pending Audit)
Provide the % of total pay bill spent on facility time	0.0075%

Time spent on paid trade union activities as a percentage of total paid facility time hours	27%
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Staff Health and Wellbeing

Our priority at Newcastle Hospitals is to work with our staff to promote good physical, mental and psychological health and wellbeing, and to support those who need help.

We draw on the experience and expertise we have within the Trust from a range of departments, including occupational health, psychology and human resources to coordinate our efforts and guide us on best practice and recognise there is no single solution for how an NHS organisation can solve the challenge of improving staff health and wellbeing.

Enabling our workforce to be healthy with a sense of wellbeing is crucial to high-quality patient care. Health and wellbeing support has traditionally been focused on reducing sickness absence, particularly relating to mental and physical health. With the introduction of our Health and Wellbeing strategy, we take account of the broader organisational and cultural factors that underpin an individual's ability to bring their best self to work.

We also recognise that broader factors, such as equality, diversity and inclusion, can impact on overall wellbeing in the workplace and this is designed to complement action already taking place on those issues. The overarching aim of our strategy is to provide an overview of our aspirations in supporting the wellbeing of our staff and provide assurance that we have a coherent and holistic 'wellbeing offer' that is based on the best available evidence. It sets out our current provision and the next steps to enable delivery, measure and evaluate progress and attainment.

Flourish is shaping our employee wellbeing agenda by adopting a holistic approach to creating a healthy workplace and through a series of workshops and focus groups, has explored the key themes of a well workforce: behaviour; culture; being valued; and recognised. Focusing on the prevention agenda will enable us to embed a culture of health and wellbeing across our healthcare organisations.

We are proud of our achievement of the final stage of the award 'Maintaining Excellence' which acknowledges the Trust's continuing commitment to enhancing health and wellbeing in the workplace. Our 'Flourish Health Champions' are led by the Health Improvement Practitioner who not only continue to support their peers, but provide an invaluable channel of communication. Flourish Health Champions have enabled the development of a health and wellbeing action plan based upon the wants, as well as the needs, of our staff.

By engaging with Togetherall, we are able to provide our people with additional choice to seek instant and anonymous wellbeing and mental health support. With empathetic support from peers and 24/7 safeguarding by healthcare professionals, the community and its resources provide a preventative, scalable and affordable way to increase choice, integrate care pathways, and reduce strain on wait times and demand. The service is managed by clinicians and monitored 24/7 by a British Association for Counselling and Psychotherapy (BACP) member (or equivalent) professionals, Togetherall provides a rigorous support network alongside our own internal wellbeing offer.

Equality, Diversity and Inclusion

Diversity and inclusion are written into our organisational strategy, our core values and are being embedded into our decision-making. Our Board is highly visible in their support for inclusion and in championing change for staff and patients, and supports a continued emphasis and promotion of our commitment to improve and evolve our organisational culture.

#FlourishAtNewcastleHospitals' continues to be our cornerstone programme which aims to enable every member of staff to liberate their full potential at work. We recognise there is real benefit in providing an inclusive environment in which diverse employees can work together and feel valued. An important part of this approach is Celebrating Diversity which aims to support every member of staff to be their authentic self.

We recognise that everyone is different. We also appreciate that 'inclusion' means staff feel respected, heard and valued. Our key equality, diversity and inclusion (EDI) achievements during 2021 are outlined below:

- Awarded Best Recruitment Strategy by HR Excellence Award which included an ambition and subsequent realisation of our ambition to 'recruit for diversity';
- Finalists in the Recruitment Industry Disability Initiative (RIDI) Awards 2021. As a direct consequence, the Trust has joined the RIDI Pioneers programme, a programme that aims to help make a positive impact and support RIDI's work to improve employment for disabled people;

- In 2021 we launched our inaugural Disability Talent Development Programme. We believe the programme to be the first example of a leadership programme specifically for staff who identify as disabled. The programme was oversubscribed, as a result we were able to offer places to all applications by offering a second cohort. The programme has received fantastic feedback and we are now looking to develop an 'in-house' offer. We were able to offer the programme following a donation from Newcastle Hospitals Charity.
- Project Choice is reaching its 10th year, a supported internship programme for young adults with learning difficulties, disabilities or autism (LDDA).
- Working with our Disability Staff Network, we developed and launched a disability and carers' passport to support staff with additional needs and/or caring responsibilities and are seeking to further developed additional support and resources for staff who have caring responsibilities.
- Completion and evaluation of reverse mentoring: 52 members of staff participated over a period of six months. Although challenging in the midst of a pandemic, we had fantastic engagement from both the Black, Asian and Minority Ethnic (BAME) staff network and senior leaders, the process evaluated well, and the format has been shared with several other NHS organisations.
- Like our Talent Development Programme for disabled staff, we have just launched 'Maximizing your Potential', a BAME leadership development programme. The programme offers two cohorts, both of which commenced in 2022.



- We continue to be incredibly proud of our work on LGBT+ inclusion. We were proud to see Newcastle Hospitals recognised as a gold employer following submission to Stonewall's Workplace Index in 2021 (awarded in 2022). In addition, we were one of 10 Trusts invited to participate in the Rainbow Badge Pilot Phase II and the only Trust to be awarded a 'silver' accreditation. Building on this foundation, we had planned to host the first national NHS LGBT+ staff conference in July 2021, however due to COVID-19, we took the decision to postpone. In its place, we developed a week of bitesize sessions - "A Week of Rainbows" - covering a range of subjects to both raise awareness and seek engagement, in doing so opening the sessions up the wider NHS and locally to partners and stakeholders, encouraging the whole NHS to champion positive change.

More generally, we have refreshed our employer-based awards committee (EBAC) to better represent the diversity of the consultant body; refreshed our flexible working policy to grant entitlements from day one of employment; and removed the limit on number of requests and included agile working. We have also participated in the 'NHS flex for the future' programme to develop a deeper level of flexible working knowledge and expertise and increase understanding of and practical ideas for gaining the support of key stakeholders.

Key to achieving the Trust's ambition of a representative and inclusive workforce at all levels is to have clear sight of accurate and meaningful data to help monitor progress and inform decisions about priorities. With the development of an equality dashboard, a bespoke resource designed entirely in-house to provide

top-level analysis of key performance indicators for EDI, we will have greater availability and use of data at directorate-level to promote local ownership of the Trust's EDI agenda and ambition and help embed a culture of inclusion. The dashboard will form part of the Trust's performance management framework.

Our staff networks continue to play an important role in ensuring we value and celebrate diversity with passion and energy, and we continue to be highly committed to being instrumental in delivering a health service where, equality, diversity and inclusion are embraced and communicated in the everyday work of staff.

We continue to ensure an annual programme of awareness sessions across all protected characteristics, including raising appropriate flags to celebrate LGBT+ History Month, Transgender Day of Visibility and Remembrance and Bi-Visibility Day.

Our commitment means that we remain an exemplar organisation within the Shelford Group.

Employment of disabled people

In October 2021, we ran a virtual recruitment event, as a positive action measure targeting members of our community who identify as BAME and/or disabled to raise awareness of working in the NHS. Representatives from several North East NHS Trusts and the local council were represented, as well as the North East Ambulance Service. We shared our commitment to making our workplaces inclusive and promoting our job opportunities particularly to those who identify as ethnic minority and disabled. Taking positive action to increase representation in our workforces.

Sessions included:

- Launch and introduction to roles in the NHS and Local Authority and our commitment to EDI;
- Helping individuals identify their strengths;
- An introduction to the NHS Jobs website – how to find jobs and sign up: and
- Completing an application form.

Information was available in different formats, including easy read and British Sign Language.

Project Choice

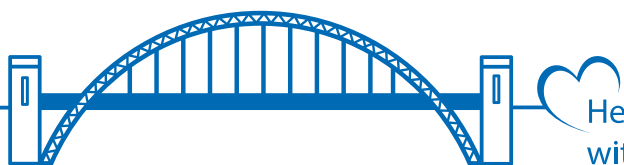
Through Project Choice, a supported internship programme for young adults with LDDA, we continue to provide young adults with LDDA in our community with an opportunity to become employment ready and secure employment. Since its introduction in 2012, 100 participants have completed an internship – 71 secured paid employment and 41 (58%) of these secured employment with the Trust, 78% of which remain employed. The Trust's Project Choice programme has won many awards and is the best in the country for its overall rate of transition from internship to employment. By continuing to explore every opportunity to create employment opportunities for those with learning disabilities, the project will continue to succeed.

The programme provides tailored 1:1 support to individuals over an academic year. This intensive support enables participants to develop work skills and confidence enabling them to achieve their full potential in a workplace setting that suits individual learning styles and pace of learning.

Further Key Deliverables:

- The Trust's overall transition rate into employment (over 9 intakes) is an average of 71%.
- The national average transition rates for Project Choice is currently 41% across the other 11 participating Trusts.
- The national average in terms of employment for people with LDDA is estimated to be 7%.
- Newcastle Hospitals was the only host organisation to maintain the programme in 2020 during the initial stages of COVID-19 and successfully made adjustments in a timely way to ensure students were supported and not subject to further disadvantage.
- The Trust remains the 'flagship' site for Project Choice.
- The Trust has attracted 15 awards for Project Choice since 2012. These include national awards from the HSJ and Chartered Institute of Personnel Development (CIPD).

Currently recruiting for the 11th intake, the project supports the Trust's EDI agenda contributing to the delivery of the Trust's Workforce Disability Equality agenda, Disability Confident Status, and delivery of the widening participation agenda as detailed in the NHS Plan, with the ambition to increase supported internships for people with learning disabilities or autism by 2023/4. The project also demonstrates our commitment to the Learning Disability Employment Programme Pledge, a key pillar of which was to encourage Trusts to commit to improving the journey to employment through a three a step pledge. The Trust was awarded the highest-level status (achieving success) in 2017.



Added to this is the significant evidence that the creation of good employment opportunities has a positive impact on health inequalities. Project Choice not only strengthens individuals who often face disadvantage by supporting them to build confidence and skills but also increases social cohesion and increased understanding of how those with learning difficulties, learning disabilities or autism can contribute successfully to the workforce.

Our role both nationally and regionally continues to highlight good practice including:

- An increased overall awareness across the organisation of the skills and value that people with learning disabilities, disabilities and autism can offer;
- Increasing the diversity of our workforce by creating employment opportunities;
- Staff developing specialist mentoring skills and increased staff engagement through involvement in the project, and a sense of pride and achievement; and
- A demonstrable ongoing commitment to promote access to work to those with learning disabilities.

By supporting the project, we not only have the opportunity to employ successful interns, but also benefit from a positive change in our working environment, with colleagues having a key role to play in shaping the future of this under-represented group. As a major anchor employer in the city, we are aware of our responsibility to contribute to our local community and to identify how to attract, recruit and retain people to work in the NHS.

Staff Engagement

2021 NHS Staff Survey Results Summary

A full census survey was sent by email to all employees of the Trust (through external post for those on maternity leave), giving all 16,071 members of our staff a voice.

The survey was open between 1 October 2021 and 26 November 2021. 7,336 staff participated in the survey, which reflected a 46% response rate. Although improving on the response rate of 7,072 from the previous year, there was a 2% decrease in overall responses from 48% to 46% due to the increase in workforce. This score aligned to the sector average and was the largest number of respondents received when compared to other organisations in the region.

Providing the highest standard of care has always been our priority – even more so during the pandemic – and we know how important this is to all of our staff here at Newcastle. We were particularly proud to score higher than the national average (by 18.5%) when asked “If a friend or relative needed treatment I would be happy with the standard of care provided by this organisation”.

For the 2021 survey onwards, the questions in the NHS Staff Survey are aligned to the **NHS People Promise**, the biggest re-design in over 10 years. This sets out, in the words of NHS staff, the things that would most improve their working experience, and is made up of seven elements and 2 main themes:

- People Promise 1: Compassion and Inclusion;
- People Promise 2: We are recognised and rewarded;

- People Promise 3: We each have a voice that counts;
- People Promise 4: We are safe and healthy;
- People Promise 5: We are always learning;
- People Promise 6: We work flexibly;
- People Promise 7: We are a team;
- Main Theme: Engagement; and
- Main Theme: Moral.

The reporting also includes new sub-scores, which feed into the People Promise elements and themes.

The Staff Engagement score is measured across three sub-themes:

- **Advocacy:** 7.5 out of 10, measured by Q21a, Q21c and Q21d (Staff recommendation of the trust as a place to work or receive treatment).
- **Motivation:** 6.8 out of 10, measured by Q2a, Q2b and Q2c (Staff motivation at work).
- **Involvement:** 6.6 out of 10, measured by Q3c, Q3d and Q3f (Staff ability to contribute towards improvement at work).

At Newcastle Hospitals, this score was:

Overall: rating of **staff engagement 6.9** (out of possible 10).

This score was 0.5 below the top position and 0.6 above the worst position in the sector (Combined Acute & Community Trusts). It sits above the sector average by 0.1. Including staff engagement, the Trust scored better on 5 of the 9 people promises / themes when compared with 126 other Combined Acute & Community Trusts in England.

We are compassionate and inclusive
Newcastle Hospitals Score: 7.3 out of 10
Sector Score: 7.2 out of 10

We each have a voice that counts
Newcastle Hospitals Score: 6.8 out of 10
Sector Score: 6.7 out of 10

We are safe and healthy
Newcastle Hospitals Score: 6.0 out of 10
Sector Score: 5.9 out of 10

Morale
Newcastle Hospitals Score: 5.9 out of 10
Sector Score: 5.7 out of 10

The Trust scored equal to the sector in 2 of the people promises, which included:

We are always learning
Newcastle Hospitals Score: 5.2 out of 10
Sector Score: 5.2 out of 10

We are recognised and rewarded
Newcastle Hospitals Score: 5.8 out of 10
Sector Score: 5.8 out of 10

The Trust fell slightly behind sector average on 2 of the people promises, which included:

We work flexibly
Newcastle Hospitals Score: 5.6 out of 10
Sector Score: 5.9 out of 10

We are a team
Newcastle Hospitals Score: 6.4 out of 10
Sector Score: 6.6 out of 10

Additionally, the Trust scored favourably in a number of the questions in the survey. Some to note include:

- 90% feel trusted to do their job.
- 86% feel their role makes a difference to patients.
- 76% feel secure raising concerns about unsafe clinical practice, a 2.5% increase from 2020.



- 65% would recommend Newcastle Hospitals as a place to work, 6.6% higher than the sector average.
- 80.9% enjoy working with the colleagues in our teams.
- 69.1% believe the people we work with are understanding and kind to one another.
- 70.0% think that people we work with are polite and treat each other with respect, 0.5% higher than sector average.
- 71.7% of our staff believe our organisation respects individual differences, meaning we are 2.9% above the sector average.

There is unfortunately a national picture of staff experiencing burnout, which is no surprise given the unprecedented demand over the last couple of years. Overall, the latest results show that we are in line with responses from other similar NHS organisations.

Ensuring that the voices of our staff continue to be heard continues to be a priority, and these survey results provide more depth to our understanding of the issues affecting staff and we will incorporate these findings into our 'What Matters to You' programme.

The issues highlighted in the staff survey are very much in line with the feedback given through 'What Matters to You' including flexible working and compassionate leadership. We are committed to building on improvements in these areas.

Staff Social Club

As part of the employment package and to extend the benefits of employment with the Trust, a very well supported staff social club aims to provide social and recreational facilities and opportunities for staff.

The club is governed by a staff committee comprised of 15 nominated colleagues who ensure fees are spent wisely and appropriately.

Signing up as a member costs only £2 and gives staff the benefits of being included in a monthly lottery with a top prize of £1,000, as well as the opportunity to buy heavily subsidised tickets for a range of events including cultural, musical, and sporting events. They are also eligible to join the 24/7 RVI and Freeman Fitness Centres.

Over the last year, 268 staff signed up as new members, taking total membership to 8,249 - more than half of the organisation.

During 2021, operational delivery of external events and ticket offerings was heavily impacted due to continued restrictions caused by COVID-19, seeing the extended closure of many venues and attractions across the region. Despite this, members had access to 27 events, these events included family days out to various venues and outdoor attractions, socially distanced music and virtual events as well as vouchers to well-known restaurants and venues across the region. Unfortunately, due to government guidance in December, the annual Christmas Party for over 1,000 staff was cancelled and did not take place.

Looking ahead for 2022, we currently have 35 events planned and several more in the pipeline, with over 5,700 event places. As we see restrictions ease, and crowd/event anxiety subside, our plan is to continue developing our event schedule to offer even more.

More information about the club is available at: www.benefitseveryone.co.uk/staffsocialclub

Partnership with the Armed Forces

As one of the largest employers in the North East, we recognise the importance that healthcare plays in supporting the country's defence and security, and so we are committed to supporting the UK's Armed Forces community, from cadet adult volunteers to reservists, veterans and their families. We have demonstrated this commitment not only by developing our own covenant, but also by achieving the Gold Defence Employer Recognition Scheme Award in 2018, winning the HSJ award for Reservist Support Initiative in 2019, becoming an accredited Veterans Covenant Hospital Alliance Trust and signing up to the Step into Health programme.

There is significant support from the Board of Directors for this work as well as management champions, clinical champions and human resources who work together to promote the forces and ensure both staff and patients are supported and not disadvantaged.

Some of the ways staff are supported include:

- Dedicated reserve forces training and mobilisation policy;
- Guaranteed interviews for service leavers, veterans and reservists who meet the essential criteria for roles;
- An additional 10 days paid annual leave for reservists and cadet adult volunteers to attend their annual camps;
- Supporting reservists and their managers with mobilisation and demobilisation;

- Working alongside the Carers Transition Partnership (CTP) to develop rotational work placements for service leavers to help ease their transition back to 'civvy street'; and
- Creation of the Armed Forces staff network, which has 75 members since launching in October 2018.

The core values of the Trust and the Armed Forces are closely aligned, with a focus on people and partnerships, pioneering services and staff pride in what they do. As a result, we strive to ease the path for service leavers to work in healthcare and offer an internal mentor on an ad-hoc basis, where appropriate or necessary while working alongside CTP.

Education and Workforce Development

Facilities

The Executive Team approved significant investment in the Trust's education space during 2021/22 resulting in the following:

- Commencement of an upgrade to the education facilities in the Freeman Hospital; and
- Development of suitable alternative education space off site consistent with our ambition and reputation as a top teaching hospital, and to achieve our objectives:
 - We are the recognised employer and educator of choice in the North East;
 - We enable all staff to liberate their potential;
 - We lead the way in delivering world class, cutting edge diagnostics, treatment and care, research, education, innovation and management; and
 - We are an anchor organisation.



As a leading teaching hospital with delivery of high-quality education and training programmes across a wide range of staff groups, the Trust provides specialist services resulting in the need to meet the varied and complex training and education needs of its workforce. Its diverse, highly skilled personnel also provide it with significant opportunity, through provision of education and training, to reach out across the wider healthcare system to share its learning and expertise with other providers embedding the organisation role as an anchor organisation.

Work is now underway with both parts of this significant and high-profile project. Designs and layouts have been agreed following extensive consultation and engagement with user groups and work is ongoing with key stakeholders to ensure the facilities meet the brief of a wide range of pertinent agendas including sustainability, widening access to learners with difficulties and disabilities and the commercialisation of education and training across the Trust.

Both facilities are expected to be completed in autumn of 2022 and the communications team are supporting the work with a series of briefings and updates.

Priorities for the project team are to ensure 'business as usual' is not affected during the closure of the Freeman Hospital Education Centre and to provide alternative accommodation for all key streams of activity including corporate induction, undergraduate medical exams, OSCE assessments and statutory and mandatory curricula.

Additional work streams include the creation of an arts and culture strategy which will inform the design of the learning environments in both centres. This work will be extended to include existing education facilities at the RVI.

'What Matters to You' programme

Our What Matters to You (WMTY) Programme aims to support and empower teams across Newcastle Hospitals to have more meaningful conversations, that inspire change.

The Trust is working closely with the IHI and led an exercise which found out What Matters to You by asking staff:

- What does a good day look like?
- What are the pebbles in your shoe? (What gets in the way of a good day?)

We also asked teams about their "bright spots" – which looks at what we do well and what is great about Newcastle.

Through these conversations, we are identifying themes and work streams to make changes – and colleagues identified the following key areas for us to work on:

- **Greater autonomy and control** – particularly more flexibility and more control over workload. To work smarter, not harder.
- **More participative management** – to feel more involved, included, listened to and engaged in decisions that affect you.
- **Better physical and psychological safety** – to feel physically and emotionally safe and supported, with mental health being a priority.

To date, workstreams have been established to support the programme including Communications and Engagement, Flexible Working, Infrastructure Support, Leadership Behaviours and Measurement.

The IHI is delivering improvement coaching to ensure that Trust colleagues are equipped to support services and teams in conducting WMTY discussions.

The Education team is also working in partnership with Newcastle Improvement to finalise the improvement support infrastructure and training curriculum available to services embarking on the four-step WMTY process.

WMTY teams from dental and maternity are participating in the IHI's results-orientated learning network. These teams are beginning to generate and trial change ideas.

A new learning management system and peer coaching network will enable wave one teams to share their learning and support the rollout of the second wave

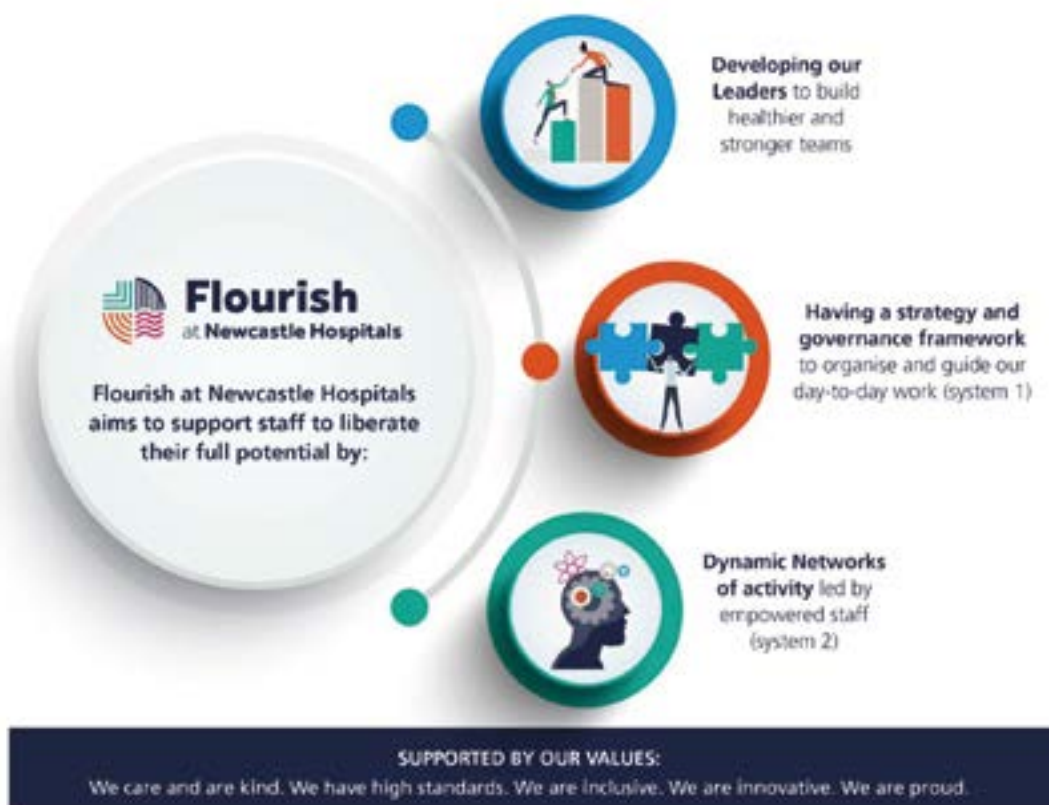
of WMTY. To date, HR Heads, the catering department, information management and technology (IM&T), community and the paediatric intensive care unit have all agreed to act as wave two teams.

Objectives for the first quarter of 2022 include launching both a communications and engagement strategy and a measurement strategy, testing and refining of the improvement support infrastructure, and the introduction of Newcastle Hospital's refreshed leadership behaviours and approach.

Our Flourish at Newcastle Hospitals Framework

Flourish at Newcastle Hospitals aims to support our staff to liberate their full potential. It strives to enable everyone to be the best they can be to create an outstanding organisation together – a place where people are proud to work and want to be.

It is an Organisational Development framework that is built around three connected domains, which work in parallel to facilitate the liberation of staff potential:



Flourish is explained more fully here:



Flourish at Newcastle Hospitals aims to support our staff to liberate their full potential. It strives to enable everyone to be the best they can be to create an outstanding organisation together – a place where people are proud to work and want to be.

Developing our Leaders
to build healthier and stronger teams

Because we know that well-led, supported and engaged people deliver better outcomes for patients

We will do this by:
Supporting leaders and teams to have

- a discovery mindset (not a defensive mindset)
- Tools to develop and maintain the best versions of themselves at work (and in life)
- Healthy minds and bodies
- Create psychological safety
- A focus on improvement, innovation and capability

They will be supported by a clear leadership approach, leadership behaviours and capability



Having a clear strategy and governance framework – to organise and guide our day to day work (system 1)

Because we all need access to policies, processes and systems that enable us to safely do the best possible job, every day

We will do this by:

- Our strategy, vision and objectives
- Our policy and processes as enablers to doing the right thing
- Our 'Well Led' approach, the way we assure the Board and manage risk
- How we make decisions
- How we set priorities
- How we measure success
- Our organisational structure



Dynamic Networks of activity led by empowered staff (system 2)

Because our work should be shaped and developed by our teams – for their benefit now and in the future

We will do this by:

- Empowering our staff to drive sustainable change
- Embedding a culture of continuous quality improvement
- Staff form communities of interest around issues that interest and motivate them
- Routine and regular staff engagement, feedback and action.



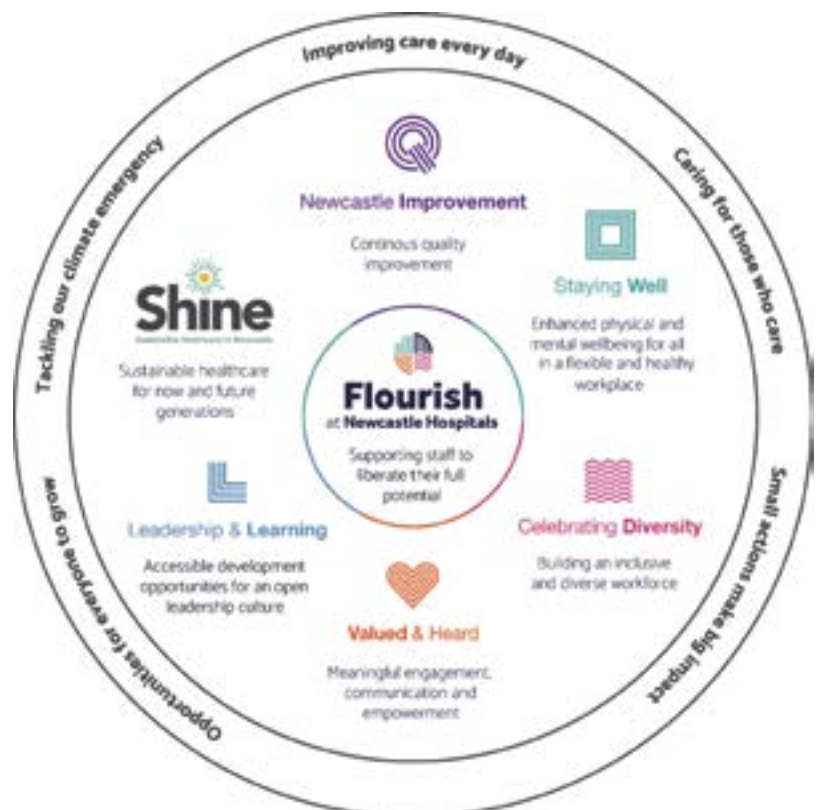
SUPPORTED BY OUR VALUES:
We care and are kind. We have high standards. We are inclusive. We are innovative. We are proud.

As part of our Flourish framework, our leaders are expected to constantly work on developing both System One and – importantly – on System Two. A vibrant System Two reflects the pride that we all feel and embodies our values.

Through engagement with staff, we have identified the areas which matter to us all at Newcastle Hospitals and which are part of the way we work and what is important to us.

These make up areas of focus for our Flourish work and are:

- Staying Well
- Lifelong learning
- Celebrating Diversity
- Valued and Heard
- Quality Improvement
- Shine - Sustainable Healthcare in Newcastle



Newcastle Clinical Skills Academy (NCSA)

In August 2020, the Executive Team gave their support to the proposal for a Clinical Skills Academy following the HM Treasury announcement of £150m increased investment in Continuing Professional Development (CPD) for Nurses, Midwives, Nursing Associates, and AHP staff. This academy is leading the design and delivery of a 21st century curriculum to equip the workforce with skills, knowledge, and expertise necessary to provide the highest quality patient care and experience.

The NCSA team report to the Executive Chief Nurse via a robust governance process, providing assurance to the Trust Board that the CPD funding available between April 2020 and March 2023 is being utilised in line with HEE guidance.

Whilst this additional funding supplements existing education and development opportunities for NMAHP staff, the main challenge has been to distribute the funding to those eligible during the COVID-19 pandemic at a time of unprecedented clinical pressures and depleted workforce numbers. A comprehensive communication and engagement strategy is in place to ensure all eligible staff are aware of the funding offer and are supported through the application process. By sharing 'good news' stories of those who have benefited from the funding others are being encouraged to apply for support.

Further, the academy is developing an education offer with a prospectus of courses that will deliver high quality, recognised, transportable qualifications and certificated learning outcomes. It will also provide a recruitment and retention incentive offering existing and

potential employees access to exceptional CPD taught by practicing professional, clinical experts.

As a minimum, all courses will meet the standards set out in the NCSA Quality Assurance Framework, and through formation of innovative partnerships, some will be accredited and/or endorsed by higher education institutions, professional bodies, and charities.

With a view to the future and sustaining this enhanced offer for the workforce, the ambition is that the NCSA will have longevity beyond the funded project through development of a prospectus with regional and national appeal, that generates income to be reinvested in the academy and the clinical teams who develop and deliver the courses offered.

Apprenticeship Highlights 2021/22

The Trust had its first full Ofsted inspection in November 2021, when it was judged to be 'Good' in all aspects of its apprenticeship provision:

- Quality of Education;
- Behaviours and Attitudes;
- Personal Development; and
- Leadership and Management.

165 Trust staff started an apprenticeship during the year, a 68% increase over the previous year, and 25% more than our highest pre COVID-19 performance. Those 165 staff are following 30 different apprenticeship standards with 18 external training providers as well as with the Trust itself.

Over £907,000 was spent on apprenticeship training during the year, with £1.63 million being committed for the 165 staff who started.



There are currently 297 staff on an apprenticeship, following 39 standards between Level 2 and Level 7, with 22 external providers as well as the Trust.

New levy transfer arrangements have been set up to fund the training of up to 30 pharmacy technician apprentices in the North East region. The first 10 are now appointed with funding agreements in place. This adds to the transfer arrangement in place with the North East Ambulance Service (NEAS), which is funding eight ambulance support worker apprentices.

Since levy-funded apprenticeships were launched in April 2017:

- 616 staff have started an apprenticeship;
- 240 have successfully completed;
- £2.91 million has been spent on apprenticeship training up to the end of March 2022;
- A total of £5.62 million has been committed to fund the 616 apprentices who have started; and
- The Trust has contracted with 30 training providers to deliver 53 different apprenticeships.

Approval was given by the Executive Team in August 2021, to invest a further £1m to support a pilot of a new and sustainable approach to apprenticeships. The intention being to increase numbers, make better use of the levy, 'grow our own' supply as well as maximising the opportunity for professional and leadership development. This funding has enabled the creation of an Apprenticeship Academy which aligns activity with the Trust's People Strategy, supports an increase in sustainable workforce supply, and creates a range of

learning and training opportunities from entry level upwards.

To date:

- A cohort of supernumerary 18 month fast track Registered Nurse Degree Apprentices (RNDA) has been recruited from the existing Nursing Associate/ Assistant Practitioners workforce, 20 Registered Nurse apprentices, will undertake their degree apprenticeship with Northumbria University starting in April 2022.
- The internal recruitment of the RNDA cohort has created 20 vacancies for Nursing Associate apprentices, which will be recruited later in 2022.
- A cohort of 18 supernumerary Band 2 Health Care Support Workers (HCSW) have been appointed.
- A further 7 HCSW apprentices will be recruited via a Prince's Trust programme, to support the widening participation agenda.
- Delivery infrastructure - 2 whole time equivalent Functional Skills Tutors for Maths and English have been appointed.

In addition:

- A further recruitment strand, '**Grow Our Own**' has been launched to attract existing staff in non-clinical posts such as admin and clerical, estates and facilities who may have an interest in becoming a HCSW. This strand has also been made available to staff from ICHNE affected by the recent announcement regarding the changes to service.
- **Prince's Trust** – in line with the Trust's commitment to the widening participation agenda, it was agreed that a number of HCSW apprenticeship

posts would be ring fenced for young people recruited and referred through the Prince's Trust. This organisation work with young people in the most disadvantaged parts of the city and wider region and working in partnership the Trusts have recruited seven apprentices who will be supported jointly by both organisations.

- **Integrated HCSW** with Newcastle City Council – this pilot programme has now passed the halfway mark with all apprentices successfully transitioned into their new placements i.e. a move across from acute to social care and vice-versa. A full evaluation of the programme is planned to inform future developments and any further cohorts.

Work Experience

One of the impacts of the COVID-19 pandemic was the suspension of work experience placements for young people aged between 16 and 18. This period of suspension provided an opportunity to review and refresh the available offer in preparation for the reintroduction of activity.

Newcastle Hospitals has a reputation for being an outstanding teaching hospital and a strategic objective to be the employer and educator of choice. By offering high quality work experience to young people from the local area and beyond, we aim to develop a talent pipeline of future employees and offer opportunities for those who may not have considered the NHS as a career pathway previously.

Work with under-represented groups and those from a non-traditional background form a key part of the target audience in support of the widening participation agenda. In addition, the

apprenticeship team continue to work closely with Prince's Trust to develop supporting programmes such as pre-employment programmes addressing work and life skills.

The following programmes are available:

- **Insight Day** – A 1-day visit aimed at students who are aged between 14 and 16.
- **'Do you want to be a Doctor?'** – A 2-day programme aimed at students between the ages of 16 and 18, who are interested in a career in medicine. This will give students an insight into:
 - What it is like to work for Newcastle Hospitals, what it is like to be an F1 Doctor via a Question and Answer (Q&A) session;
 - How medical careers are structured;
 - Practical sessions; and
 - Experiences as a Junior Doctor via a shadowing opportunity.
- **'Do you want to work in Healthcare'** – Aimed at students between the ages of 16 and 18 who are interested in a career in healthcare. This 2-day programme will give students an insight into:
 - Newcastle Hospitals;
 - The role of a Nurse/HCSW; and
 - The healthcare environment, which will help young people to decide if a hospital is the setting they want to work in.
- **Long Term Placement** – 15-day programme delivered in partnership with Newcastle College working with their students who are completing the Level 3 Health and Social Care Diploma. For successful completion of the



diploma, students are required to complete a work placement of 100 hours over the course of their year-long programme.

- **Virtual Programmes** – as an alternative activity while work experience has been on hold, the Trust has developed a virtual work experience programme in partnership with Springpod. To date, 650 students have taken part.
- **Newcastle Hospitals Virtual Work Experience** - A two-week programme aimed at 16 to 24 year olds. Focused on Medicine, Nursing, and Midwifery, Clinical Psychology, Allied Health and non-clinical roles.
- **Newcastle Cardiology Insight Programme** - 1 week programme aimed at aspiring medical students and focused on cardiology. Students were able to observe two live medical interventions supported by a live question and answer session.

Next Steps

Gateshead College plan to deliver T-Levels from 2022/23 and are hoping to work in partnership with Newcastle Hospitals. The requirements of the programme include 45 days of work experience and initial thoughts are that the programme would be similar in structure to the 15-day programme detailed above.

A cadet scheme could provide a pre apprenticeship route into a variety of roles within the Trust.

Code of Governance

We apply the main and supporting principles of Monitor's Code of Governance (the 'Code') for NHS Foundation Trusts on a comply or explain basis. The Code, most recently revised in July 2014, is based on principles of the UK Corporate Governance Code issued in 2012 and most recently revised in 2019.

During the year, the Trust considered the Code and considered that it complied with all recommended practice. This included the identification of a Senior Independent Director (SID). The role was filled by Mr Jonathan Jowett, who was appointed as SID on 5 October 2020 and remains in post.

The Board conducted a review of the effectiveness of its system of internal control, with details contained within the AGS.

The Board of Directors provides effective and proactive leadership within a framework which enables risk to be assessed and managed appropriately (see AGS). The Board ensures compliance with the Terms of Authorisation, the constitution, mandatory guidance, relevant statutory requirements and contractual obligations. It sets out the strategic ambitions for the Trust, taking into account the views of the Council of Governors, and ensures that the necessary resources are in place to meet priorities and objectives. There is periodic review of progress and management performance against the strategy.

Principles and standards of corporate and clinical governance are set and overseen by standing committees of the Board. Directors have overall responsibility for the effective, efficient and economical discharge of the functions of the Trust, taking joint responsibility for every decision of the

Board, notwithstanding the particular responsibilities of the Chief Executive and Accounting Officer. Specific mechanisms are in place for the appointment, terms of service and removal of Executive Directors.

Non-Executive Directors are in the majority on the Board and are independent. They challenge and scrutinise the performance of the Executive Directors to satisfy themselves of the integrity of the financial, clinical and non-clinical information they receive, and to ensure that risk management arrangements are robust and effective. There is a formal Scheme of Delegation and Reservation of Powers that defines which functions are reserved for the Board and which are delegated to committees and Trust officers.

Members of the Board of Directors have an open invitation to attend all meetings of the Council of Governors. The Trust's constitution sets out the statutory responsibilities of the Council in relation to the appointment and removal of the Chair and Non-Executive Directors, the appointment and removal of external auditors, the approval of the appointment of the Chief Executive, receiving the Annual Audit Letter, and providing input to the Annual Plan and its strategies. The Board determines which of its standing committees and groups may have governors as members or in attendance.



NHS System Oversight Framework

NHS England and NHS Improvement's NHS System Oversight Framework (SOF) provides the framework for overseeing systems including providers and identifying potential support needs. The framework looks at five national themes:

- Quality of care, access and outcomes;
- Preventing ill health and reducing inequalities;
- Finance and use of resources;
- People; and
- Leadership and capability.

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

The Newcastle Upon Tyne Hospitals NHS Foundation Trust is placed into segment 1 in accordance with the requirements of the SOF for 2021/22, as notified by NHS England and NHS Improvement in a letter dated 19 October 2021.

Current segmentation information for NHS Trusts and Foundation Trusts is published on the NHS England and NHS Improvement website:

<https://www.england.nhs.uk/publication/nhs-system-oversight-framework-segmentation/>

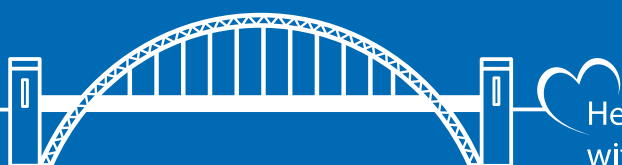
Statement of Accounting Officer's Responsibility

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

NHS Improvement, in exercise of the powers conferred on Monitor by the NHS Act 2006, has given Accounts Directions, which require The Newcastle upon Tyne Hospitals NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and 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 The Newcastle upon Tyne 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 Group Accounting Manual and in particular to:

- Observe the Accounts Direction issued by NHS Improvement, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgements and estimates on a reasonable basis;
- State whether applicable accounting standards are 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 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.



Dame Jackie Daniel
Chief Executive Officer

21 June 2022

Annual Governance Statement

1. Scope of Responsibility

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

I am also responsible for ensuring that the NHS Foundation Trust and Group 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 and Group Accounting Officer Memorandum.

2. The Purpose of the System Of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than 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 policies, aims and objectives of The Newcastle upon Tyne Hospitals NHS Foundation Trust and Group, 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 Newcastle upon Tyne

Hospitals NHS Foundation Trust and Group for the year ended 31 March 2022 and up to the date of approval of the annual report and accounts.

3. Capacity to Handle Risk

The Chief Executive Officer has overall responsibility and accountability for all aspects of the Risk Management Policy, and delegates this responsibility to the Assistant Chief Executive. While the Assistant Chief Executive has a lead role in terms of reporting arrangements, all executive directors have a responsibility for effective management of risk within their own area of direct management responsibility, as well as corporate and joint responsibility for the management of risk across the organisation.

Structures and systems are in place to support the delivery of risk management, across the Trust and Group. Risk management training and support has been provided to staff throughout the year. This has included basic risk management training and Datix risk management system training, as well as a repository of guidance accessible to all staff on the Trust Intranet.

Committees of the Board of Directors are in place to ensure effective governance for the strategic, corporate, and operational risk processes and systems. The Executive Risk Group receives and considers a regular report on the Trust's Risk Register. The Executive Risk Group meets bi-monthly and considers the systems and processes in place for Trust-wide risk management. To provide additional focus on risk management, the Clinical Risk Review Group and Digital Clinical Risk Review Group were



created in 2020/21, both groups report to the Executive Risk Group. Each Committee of the Board meets at least quarterly to review risks held on the BAF relating to the committee's area of focus. In addition to this, each Committee considers the effectiveness and completeness of assurances within the BAF and ensures that the documented controls are in place and are functioning effectively.

The Audit Committee meets five times per year as a minimum requirement and provides the Board with an independent and objective review of risk management systems and practice. As Accounting Officer, I delegate particular aspects of my role to Executive Directors. These arrangements are reflected in job descriptions and performance review mechanisms. As Accountable Officer, I am directly accountable to the Board of Directors, have overall responsibility and accountability for all aspects of risk management and assurance, and delegate this responsibility to the senior managers of the Trust and Group as detailed in the Risk Management Policy.

4. The Risk and Control Framework

The Risk Management Policy sets out the structures and processes for the identification, evaluation, and control of risk, as well as the system of internal control. Delivery of this policy is overseen by the Audit Committee, with individual officers having specific delegated responsibilities.

The key elements of the Risk Management Policy are:

- A clear framework for the accountability and delegated responsibility for the management of risk;

- An integrated document that sets out the overall purpose and processes, as well as an associated annual plan;
- A clearly defined committee structure that supports robust and timely decision making around key organisations risks;
- Robust systems for the identification, analysis, prioritisation and actions in relation to risks affecting all areas of Trust activity;
- Risk management processes that are integrated and embedded into the day-to-day activities of the Trust;
- A tailored training programme to address key risk areas; and
- Comprehensive communication processes for risk management policies and procedures, and the dissemination of learning from lessons learned.

A Trust-wide risk register is maintained, which records when a risk has been identified, its' owners, likelihood of occurrence, potential impact and mitigating action. Directorate managers, clinical directors and heads of department are responsible for ensuring effective risk management in their areas, in line with the Trust and Group strategy and policies. This includes primary responsibility for the identification, investigation and follow-up of all risk related actions as defined in job descriptions and objectives.

The Trust and Group continually reviews its risk and control framework through its governance and operational structures. It has identified its major strategic risks, and these are monitored, maintained, and managed through the BAF, Executive Oversight Register and supported by directorate risk registers. The Trust and Group principal risks and mechanisms to control them are

identified through the BAF, which is reported to the Board of Directors regularly. These risks are reviewed and updated through the Trust's governance structure.

The table below details the top three risks identified in 2021/22 and continue to be risks to the strategic objectives pertinent to 2022/23. All risks have action

plans in place and are effectively managed through the risk governance arrangements. In addition to those risks detailed below, the Trust are also considering new strategic risks in relation to workforce resilience, financial planning, and COVID-19 recovery for addition to the strategic BAF 2022/23.

Top 3 Risks

Board Assurance Framework 2021/2022

Risk	Key Controls
<p>Extreme capacity and demand pressures may impact the Trust ability to achieve important operational standards.</p>	<ul style="list-style-type: none"> • Monitoring of operational and quality standards. • Live system-wide data flow and performance monitoring. • Clinical e-record optimisation. • Performance Monitoring/Executive Group Oversight. • Delivery of sustainability and improvement plan. • Review of staffing shortages. • National waiting list reduction initiatives. • COVID-19 Operational Command.
<p>There is a risk that patients and staff could acquire COVID-19 HCAI. This is due to potential risk of exposure from other patients/staff who have COVID-19 symptoms or are asymptomatic carriers and transmission of the infective virus. This could result in harm to patients and staff, outbreak resulting in loss of patient activity, shortage of staff.</p>	<ul style="list-style-type: none"> • Patient screening process in place. • Known contact process in place. • Symptomatic testing. • Daily, weekly internal and national reporting. • Trust policies and procedures for IPC practices. • Appropriate Personal Protective Equipment (PPE) worn during patient contact. • Ward bed management configuration for social distancing. • Ongoing IPC and directorate audits undertaken for compliance against policy.



Risk	Key Controls
Due to the change in funding and commissioning regimes as a result of COVID-19, there is a risk that we are unable to support service developments that were previously additional to baseline funding which could have an impact on the quality of care we provide and limit service improvements.	<ul style="list-style-type: none"> • Prioritised development bids. • Contracting guidance for 2022/23. • Review service developments with a view to funding internally. • Developed system to assess required quality improvements.

The Trust and Group has adopted a risk appetite statement which shows the amount of risk the Board of Directors are willing to accept in seeking to achieve its strategic objectives. The annual review of the risk appetite statement took place in February 2022 and was approved by the Trust Board for implementation from April 2022. The Trust and Group risk appetite statement is shown below.

The Newcastle Upon Tyne Hospitals NHS Foundation Trust Risk Appetite 2022-23			
Key Risk Category	Risk Appetite Level	Risk Tolerance Score	Risk Appetite Statement
Financial/Value for Money (VfM)	Low	6-10	<p>We have a LOW appetite for risk taking in relation to finance and VfM. We will take measured risk to support growth whilst making the best use of resources, delivering value for money whilst minimising the possibility of financial loss, allowing us to continue to develop and provide highest standards of healthcare.</p> <p>We will not take any material financial risks which will have a negative impact on the overall sustainability of the Trust.</p>
Compliance/regulatory	Moderate	12-16	<p>We have a MODERATE appetite and will take measured risks in relation to compliance and regulatory guidance where it is in the best interest of patient care. We will not take any risks which will impact our ability to meet our legislative requirements.</p>
Enterprise and Innovation	High	20-25	<p>We have a HIGH appetite for healthcare innovation and will take measured risks to maximise research, technological innovation and commercial opportunities to improve patient outcomes, transform services and ensure value for money.</p>

Key Risk Category	Risk Appetite Level	Risk Tolerance Score	Risk Appetite Statement
Quality Outcomes Safety Effectiveness Experience	Low	6-10	We have a LOW appetite for risk taking in relation to quality outcomes. We will take measured and considered risks to improve and deliver quality outcomes where there is potential for long term benefit, however we will not compromise the quality of care we provide or the safety of the patients in our care.
Reputation	Moderate	12-16	We have a MODERATE appetite for risk taking that will enhance our reputation as an outstanding organisation now and in the future. We will not take any risks that will have a negative impact on the reputation of the Trust.
People	Low	6-10	We have a LOW risk appetite for risk taking that may adversely impact the health and wellbeing of our staff. We will take measured and considered risk to liberate the potential of all of staff, engaging with, supporting, and enabling staff to shape the environment and culture of the organisation to enhance staff experience, and create a healthy workplace.

The Audit Committee is the core committee for ensuring there is a robust approach to risk management throughout the Trust. The Audit Committee is chaired by a Non-Executive Director and has Executive Directors in attendance. This committee has oversight of the BAF and Trust-wide risk management arrangements.

The Trust and Group quality governance arrangements are delivered through the quality governance structure. There are established and robust Trust-wide systems to facilitate the monitoring, review and oversight of quality governance and ensure that the key commitments described in the Quality Strategy are delivered.

The Integrated Board Report is a standing agenda item for the Trust Board and is used for reporting on quality and performance metrics to the Board of Directors.

5. Quality Governance Structure

The Quality Committee have oversight of the quality governance framework. The Trust conducts a detailed annual self-assessment against the NHSI/CQC well-led framework. CQC registration compliance is managed through the quality governance structure. The Medical Director is responsible for the oversight of all compliance assessments and management of ongoing compliance.

The Trust and Group has an established quality surveillance programme designed to provide assurance to the Board that high quality care is being delivered across all services to ensure areas requiring improvement are identified. The Patient Safety and Quality Review process was launched in 2015 and is regularly reviewed and aligned to the CQC



inspection approach. This is also supplemented by a programme of 'Spotlight on Service' visits to services across the Trust by the NEDs, as well as Chief Executive 'check-in' sessions with directorates.

The Trust and Group is registered with the CQC and has maintained full CQC registration since 2010. The CQC conducted a full comprehensive inspection in 2019 and rated the Trust as 'Outstanding'. The Trust and Group continue to monitor CQC compliance using the CQC Insight tool.

6. Principal Risks to Compliance with NHS Foundation Trust Governance

The Newcastle upon Tyne Hospitals NHS Foundation Trust and Group ensures compliance with NHS Foundation Trust Licence condition FT4 Corporate Governance. The Board is satisfied that the Trust has established and implemented all requirements of the licence condition with no material risks identified.

The Board of Directors, Audit Committee and committees of the Board all play a role in ensuring the Trust has robust and effective governance structures in place. The terms of reference for all standing committees of the Board are reviewed periodically and any proposed amendments are subject to Board endorsement. The minutes of Board committees are presented to the Board as standing agenda items.

The responsibilities of directors and committees are clarified in the Trust's governance structure and associated documents, which includes clear reporting lines and the accountabilities of committees and individuals.

Systems are in place to ensure the Trust and Group complies with its duty to

operate efficiently, effectively and economically, with timely and effective scrutiny and oversight by the Board, including securing compliance with healthcare standards as specified by the Secretary of State for Health and Social Care, the CQC, NHSE, NHSI and statutory regulators of healthcare professions.

The Board of Directors, as required under NHS Foundation Trust condition 4(8)(b) assures itself of the validity of its corporate governance statement. The Board of Directors review the statement every year to ensure that declarations being made can be supported with evidence. It considers the risks and mitigating actions that management provided to support the statement and determine, both from its own work throughout the year - particularly the testing of the controls set out in the BAF - and assurances provided from the work of the Trust and Group's internal, external auditors and other external audits or reviews, whether the statement is valid.

The external auditors, through their audit of the annual report and accounts, also provide a degree of assurance to the Audit Committee and Board that financial control systems are robust.

Effective financial decision making, management and control includes having appropriate systems and processes in place to ensure the Trust can continue as a going concern. Measures are also in place to provide accurate, comprehensive, timely and current information for Board and committee decision making, including the identification of material risks.

The Board receives business cases which are over a specified threshold. All business cases are reviewed at the Business Case Review Meeting which meet on a monthly basis. This process is underpinned

by quarterly performance reviews and scrutiny by the Finance Committee.

There is periodic assessment of Board level capability to provide effective organisational leadership on the quality of care, planning and decision-making processes. The Board receives monthly reports on quality and other care related issues and takes part in regular virtual 'check-ins'/'spotlights' on services as part of the quality assurance processes.

The Trust and Group supports an open reporting culture and encourages staff to report incidents through its Datix internal reporting system. Policy, guidance and training are provided to staff on the reporting, management and dissemination of lessons learnt. The Trust and Group involves stakeholders in identifying and managing risks to its strategic objectives in a number of ways. These include:

- Partnership working with health and social care services, regional NHS care providers and good working relationships with Overview and Scrutiny Committees;
- Regular engagement with the Trust's Governors on strategic, service and quality risks as well as engagement on quality priorities and the development of the quality account; and
- Active engagement with patient experience forums and staff and public members meetings working on quality improvement and service risks.

The Trust and Group is fully compliant with the registration requirements of the CQC.

NHS Foundation Trusts and Groups are required to publish an up-to-date register of interests for decision-making staff within the past twelve months as per the 'managing conflicts of interest' in

the NHSE guidance. The Trust and Group has published its Board of Directors register of interests on its website. Declaration of interest requests are sent to all relevant staff on an annual basis and the Trust Board register of interests is published in the Trust and Group's annual report and accounts.

6.1 Workforce Safeguards

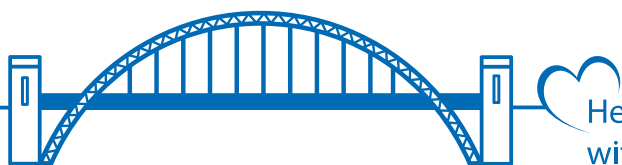
As an employer with staff entitled to membership of the NHS Pension Scheme, control measures are in place to ensure all employer's obligations contained within the scheme regulations are complied with. This includes ensuring that deductions from salary, employer's contributions and payments into the 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 regulation.

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

The Trust and Group workforce strategy is endorsed by the Trust's Board with the principle objectives to be the recognised employer and educator of choice in the North East and to enable all staff to liberate their potential. A key aim within this strategy is to enhance the staff experience, promote the employee voice, and increase diversity and inclusion across all workforce groups. The strategy informs action plans and objectives which are measured through the Trust's performance management framework and appraisal processes.

The Trust and Group reviewed equality data annually in relation to:

- Recruitment (applicants, shortlisted and appointed);



- Staff currently in post;
- Distribution of the workforce;
- Employee relations events (including disciplinary, capability, grievance, dignity and respect);
- Flexible working applicants;
- Access to training; and
- Leavers.

Monitoring provides data which informs plans and strategies to achieve an inclusive workplace and make improvements to the working environment for all staff. The outcomes are reported to the Trust's Board annually and the equality and diversity action plan is updated as appropriate.

The Equality Duty requires public bodies to have due regard to the need to eliminate discrimination, advance equality of opportunity, and foster good relations in the course of developing policies and delivering services. Equality analysis is completed on all policies, procedures, strategies and service developments.

The Equality Delivery System is designed to specifically support service delivery that is fair, providing equality of access to employment and delivery of services that meets the needs of a diverse population. The Trust and Group introduced the audit tool a number of years ago and annually undertakes a full grading exercise. The outcomes are reported to the Trust's Board annually and the equality and diversity action plan is updated as appropriate.

The Trust publishes its gender pay gap report annually on its own website and the designated government website. It has an action plan to address areas which require improvement.

The Trust and Group uses Workforce Race Equality Standard (WRES) data to track progress against nine metrics to identify and help eliminate any differential in the treatment of staff. Information is presented to the Trust's Board annually and a WRES action plan is agreed. The Trust and Group is cognisant of the national requirements to increase ethnic minority (excluding white) representation at senior level across the NHS and action plans are in place develop to achieve this ambition.

The Trust and Group has governance groups in place and the aims and objectives of the group include: ensuring the Trust is compliant with national and local legislation, initiatives, policies and standards; influencing the culture of the organisation to ensure that involvement and equality is embedded at every level; and ensuring the Trust contributes effectively to reducing health inequalities and promoting wellbeing. Staff networks are represented and the group provides a direct reporting route to the People Committee.

The Trust and Group has established staff networks in place for ethnic minority, disability and LGBT staff. These groups help review and inform the Trust's action plans, policies and procedures. The terms of reference for these groups include:

- To promote a work environment in which staff feel supported and valued, whilst enabling them to fulfil their potential and contribute fully to the benefit of the service and our patients;
- To challenge discrimination and to positively promote equality;
- To manage a network of staff that can offer advice and support to others;
- To ensure that good practice and initiatives to promote issues are shared;

- To provide a forum for discussion and debate which draws on knowledge and experience;
- To act as a driving force to promote continuous practice improvement;
- To develop and coordinate an action plan for positive change and ensure Trust policies are inclusive;
- To assist the Trust in meeting its obligations regarding its duty under the Equality Act and NHS Equality Delivery System (EDS); and
- To provide a place for staff receive peer support i.e. raise concerns and ideas in a safe and confidential environment.

Equality and diversity is a Trust mandatory training requirement for all staff and is one of the Trust and Group's Human Resources key performance indicators. Compliance with requirements is monitored and reported throughout the year to managers, staff-side, and the Trust's Board.

In February 2022, the Trust and Group were named as a Gold Employer in the UK following assessment by the equality charity Stonewall. In addition to this, in October 2019, the Trust and Group supported the first comprehensive review into ethnic pay-gap and workforce career development and the finding of this has supported the Trust and Group to further improve the experiences of ethnic minority (excluding white) groups as part of the 'Flourish at Newcastle Hospitals' framework and continues to inform future work.

The Trust and Group has undertaken risk assessments and has a Climate Emergency Strategy and action plan in place which take account of the 'Delivering a Net Zero Health Service' report under the Greener NHS programme. The Trust and

Group ensures that its obligations under the Climate Change Act and the adaptation reporting requirements are complied with.

The Trust and Group is committed to be a global leader in sustainable healthcare delivery through collaboration and innovation, helping our patients and communities thrive within the means of our planet. The Trust Board approved Climate Emergency Strategy contains three long term goals:

- **Zero Carbon Care**

- By 2030, the emissions we control will be net zero – our 'Newcastle Hospitals Carbon Footprint'.
- By 2040, the emissions we can influence will be net zero – our 'Newcastle Hospitals Carbon Footprint Plus'.

- **Clean Air**

- By 2030, our operational transport activities generate no harmful air pollution.
- By 2040, our healthcare facilities are accessed by only zero emission travel.

- **Zero Waste**

- By 2030, we will reuse and repair everything that can be reused and repaired.
- By 2040, we will produce no waste. We will manage resources within the circular economy, with items surplus to requirements becoming a resource in another part of the system.

The strategy includes a comprehensive five-year action plan covering eight sustainable healthcare in Newcastle priorities. A sustainability report is produced annually, to demonstrate progress towards the achievement of the Trust and Group sustainability priorities.



The Trust and Group has a global reputation for healthcare sustainability leadership and became the first healthcare organisation in the world to publicly declare a climate emergency and highlighted the Trust and Group commitment to decarbonising healthcare services.

7. Review of Economy, Efficiency and Effectiveness of the Use of Resources

The Trust and Group has a range of processes to ensure that resources are used economically, efficiently and effectively. This includes regular reporting to Board on quality, operational performance, finance and safety with further review and scrutiny at committees of the Board and management levels throughout the Trust.

Systems are in place to ensure the Trust and Group complies with its duty to operate efficiently, effectively and economically including securing compliance with healthcare standards as specified by the Secretary of State for Health and Social Care, the CQC, NHSE, NHSI and statutory regulators of healthcare professions.

The Trust Board has agreed an annual audit programme with the Trust's internal auditors through delegated authority to the Audit Committee. The Committee receives internal audit reports in line with an agreed work plan that aims to test the economy, efficiency and effectiveness of Trust systems and processes, including financial management and control. The audit plan is reviewed and agreed by the Audit Committee in April each year.

Any report which offers limited assurance results in the development of a management action plan with an agreed timescale for improvement, and progress is monitored

by the Audit Committee. Serious issues are escalated to the Board of Directors.

8. Information Governance

The Trust and Group are committed to ensuring the organisation complies with the UK Data Protection Act 2018, General Data Protection Regulations, Caldicott principals and NHS Data Security Standards.

The Trust and Group has effective arrangements in place for Information Governance and monitoring of performance against the Data Security and Protection Toolkit with reporting through the Data Protection and Security Risk Group, with regular updates reported to the Executive Risk Group, Audit Committee and Board of Directors.

In May 2018, the UK Data Protection Act 2018 came into force. This act aligns with the NHS data security standards and includes requirements for new or changed IT systems to be developed with data privacy by design as a pre-requisite with the starting point being the protection and security of the personal data held and processed by the Trust and Group. The Trust and Group has implemented processes and procedures to monitor the privacy throughout the lifecycle of developments.

The Data Security and Protection Toolkit is the mandated method for monitoring the Trust and Group performance in the key areas of data protection, information governance, information risk and technical/cyber security. This is based on the NHS Data Security Standards and is focussed on ensuring the Trust and Group remains compliant with laws concerning personal information handling and sharing and continued resilience to current and future cyber threats.

The requirements for the Data Security

and Protection Toolkit submission have been amended with a baseline submission due February 2022 followed by a final submission due on 30 June 2022 for the year 2021/22.

The Trust and Group follow the approved Risk Management Policy and Procedures to ensure the effective management and mitigation of risks in relation to information governance, cyber security and IT Security.

In 2021/22, the Trust and Group reported three information governance incidents to the Information Commissioners Office (ICO). A process is in place for the investigation of all information governance incidents to ensure guidance is provided to staff and any actions are taken. All three information governance incidents are detailed below:

Nature of Incident	Actions taken by the Trust and Group	ICO complaint Decision
Diagnosis data uploaded to health information exchange system and shared with GP against patient wishes.	Data was removed from the system. Trust issued an apology to the patient. Review of process for uploading data.	No further action taken.
Vaccination status email sent without use of blind carbon copy.	IG bespoke training provided. Email guidance documents provided.	No further action taken.
Lost paper patient record	Review of process and use of paper records. Advice and training provided to staff.	No further action taken.

9. Data Quality and Governance

The Trust and Group have appropriate controls in place to assure the Board of Directors of the accuracy and production of high-quality data which supports the Trust to make informed decision making, both clinical and non-clinical.

The Trust's Data Quality Policy outlines the roles and responsibilities of the Trust and its staff in order to maintain good data quality. The policy also provides staff with guidance on roles and

responsibilities and states the importance of recording accurate information in a timely way to deliver quality patient care.

The core principles of the Trust and Group's Data Quality Policy is to improve and maintain the quality of patient related data and this is underpinned by a range of regular audit reports and initiatives such as regular validation of clinical and non-clinical data. The Trust has comprehensive computerised and



manual systems in place to support pre and post data quality analysis of both non-clinical data and clinical data. Regular data quality reports are produced to identify and collect missing data items and errors.

There is a dedicated data quality function within the Trust's Information Management and Technology Directorate that provides routine and ad-hoc data quality analysis, reporting and root cause analysis of all data issues which support the business and clinical needs of the Trust. National benchmarking resources such as the Commissioning Data Sets (CDS) Data Quality Dashboards and the Data Quality Maturity Index (DQMI) are used to compare and track the quality of data and allow for benchmarking against local trusts and national peers to ensure that high standards are met and maintained.

The Trust's Data Protection and Security Risk Group reviews data quality and associated workflows to ensure that NHS data standards are adhered to. This provides assurance to the Board that data is regularly validated and reviewed.

The work of the group is evidenced through regular reports that are shared through the Executive Risk Group and Audit Committee. The Information Team continues to support and train system users and suppliers to improve real time validation. The Trust and Group has a robust Performance Management Framework to define the structure and process for effective management of performance throughout the Trust and Group and processes, roles and responsibilities are well defined at all levels of the organisation. The Performance Management Framework is firmly integrated throughout the Trust to ensure directorate/department level processes and systems feed into and support the high-level organisational

objectives and priorities. An Integrated Quality and Performance Report is produced and reported routinely, reviewed by the Quality Committee and the Board of Directors which details performance against metrics and quality priorities.

Quarterly Performance Reviews take place throughout the Trust at directorate level which focuses on performance on a range of metrics. The purpose of Quarterly Performance Review is to ensure that the Trust's directorates and departments are progressing in line with aims, objectives and priorities, as well as focussing on any outliers in performance metrics.

10. Review of Effectiveness of Internal Control

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 NHS Foundation Trust and the Group who have responsibility for the development and maintenance of the internal control framework. I have drawn upon performance information available to me.

My review is also informed by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, the Audit Committee, and the Executive Risk Group, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Head of Internal Audit provides me with an opinion on the overall arrangements for gaining assurance through the assurance framework and on the controls reviewed as part of the internal audit work. The Head of Internal Audit Opinion for the financial year 2021/22 provided a good level of assurance that there is a sound system of internal control, designed to meet the organisation's objectives, and that controls are generally being applied consistently.

Executive Directors within the organisation, who have responsibility for the development and maintenance of the system of internal control, provide me with assurance. The BAF itself provides me with evidence that the effectiveness of controls that manage the risks to the organisation achieving its principle objectives have been reviewed.

My review is also informed by the programme of reviews undertaken by internal and external auditors, monitoring of actions related to previous controls assurance assessments, the clinical audit programme, CQC monitoring of corporate and clinical governance development, risk management assessments aligned to the standards originally set in the Clinical Negligence Scheme for Trusts, external benchmarking processes, and a range of inspections by professional bodies and agencies.

The effectiveness of the system of internal control has been maintained and reviewed by the Board of Directors via its committees and individual management responsibilities at Director and senior manager level. I am satisfied that this annual governance statement describes a system and approach which remained robust for the period from 1 April 2021 to 31 March 2022, and up to the date of approval of the annual

report and accounts, that supports preparation for the annual accounts on an ongoing basis.

Regular reports have been reviewed by the committees of the Board and individuals in relation to all key risks. Annual reports have been received by the Board of Directors in relation to all important areas of activity, as well as ad hoc reports as required.

Clinical governance and processes to ensure quality of patient care are overseen by the Quality Committee under the leadership of the Medical Director. Minutes of this Committee were received by the Board of Directors together with ad hoc reports, as required, and an annual report summarises the most significant issues in this area.

The Assistant Chief Executive has delegated lead responsibility for risk management across the Trust. Practical support and co-ordination is provided by the Head of Corporate Risk and Assurance and the Corporate Risk and Assurance Team. Individual directors and senior manager are empowered to assess and manage risks within their own areas of responsibility, linking closely with wider Trust processes. Significant support was provided via training, advice and guidance documentation to enable senior staff to effectively fulfil their functions.

An analysis of controls and assurance in relation to key organisational risks has been undertaken via the assurance framework. Underpinning this, the Executive Oversight Risk Register has been further developed to provide a detailed assessment of specific risk for all departments and key functions. The Executive Risk Group scrutinised these processes and advised the Audit



Committee and Board of Directors in relation to the most significant risk and control issues arising from the assurance framework and risk registers. Regular reports from the Group have highlighted emerging and developing risks.

The Executive Risk Group is responsible for the implementation and further development of the Risk Management Policy and associated plans, ensuring systems are in place to identify and address key risks. This role is complemented by the Audit Committee, which is responsible for verifying that the system of internal control was effective in managing risks.

In addition, the Complaints Panel maintains an overview of the management of complaints and monitors action in response to specific risks identified. The Patient Safety Group and Quality Committee provide oversight of incidents to ensure the integration of analysis of incidents and learning lessons from those incidents.

To support further development, the Trust and Group has taken advantage of opportunities to benchmark performance against national and international best practice. This included participation in formal and informal external processes including those supported by the Shelford Group of Trusts, the Department of Health and Social Care, the National Patient Safety Agency, CQC and the National Audit Office.

Conclusion

I can conclude that no significant control issues have been identified.



Dame Jackie Daniel
Chief Executive Officer

21 June 2022

Audit & Controls

Investment Managers – CCLA Investment Management Ltd & Newton Investment Management Ltd.

Banker – HSBC, RBS (Government Banking Service, Yorkshire Bank)

Payroll – NHS Payroll Services

Legal Advisors

- Samuel Phillips Law Firm
- Ward Hadaway
- Sintons LLP
- Addleshaw Goddard LLP
- Capsticks Solicitors LLP
- DAC Beachcroft LLP
- Hempsons Solicitors
- Keating Chambers
- Dickinson LLP
- Matrix Chambers
- KPMG
- Serjeants Inn Chambers
- Wilsons Solicitors
- Hargreaves Elsworth Limited

External Auditor – Mazars LLP

The principal objective of the Independent Auditor was to carry out an audit in accordance with paragraph 24(s) of Schedule 7 of the National Health Service Act 2006 and the requirements of the Code of Audit Practice issued by the National Audit Office, which by necessity ensures compliance with International Standards of Audit (UK & Ireland) issued by the Auditing Practice Board. This required an opinion on the Annual Accounts and a review of arrangements for legality, financial standing, internal financial control, and standards of financial conduct, including fraud and corruption.

The Audit Committee met on a regular basis to assess a range of studies and work programmes, including detailed value for money scrutinies.

The internal and external auditors attended all meetings of the Audit Committee and on each occasion auditors also had unrestricted access to the Audit Committee, its Chair and individual members.

Sound corporate governance and all that entails was an over-riding priority.



Abbreviations & Glossary of Terms

A&E	Accident and Emergency
AGS	Annual Governance Statement
AHP	Allied Health Professionals
AHSC	Academic Health Science Centre
AHSN	Academic Health Science Network
AI	Artificial Intelligence
ALK	Anaplastic Lymphoma Kinase
ANRP	Abdominal Normothermic Regional Perfusion
BACP	British Association for Counselling and Psychotherapy
BAF	Board Assurance Framework
BAME	Black, Asian and Minority Ethnic
BPPC	Better Payments Practice Code
BREEAM	Building Research Establishment Environmental Assessment Method
C.Diff	Clostridium Difficile
CAV	Centre for Aging and Vitality
CCG	Clinical Commissioning Group
CDP	Carbon Disclosure Platform
CDS	Commissioning Data Sets
CEAs	Clinical Excellence Awards
CEO	Chief Executive Officer
CGARD	Clinical Governance and Risk Department
CHD	Congenital Heart Disease
CHIPS	Children's Holistic Integrated Palliative Service
CIPD	Chartered Institute of Personnel Development
CIPFA	Chartered Institute of Public Finance and Accountancy
CIPS	Chartered Institute of Procurement and Supply
CMH	Choithram Memorial Hospital
CNTW	Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust
CPD	Continuing Professional Development
CQC	Care Quality Commission
CRESTA	Clinics for Research and Service in Themed Assessment
CRF	Clinical Research Facility
CRN	Clinical Research Network

Abbreviations & Glossary of Terms (continued)

CTP	Carers Transition Partnership
CYP	Children and Young People
DHSC	Department of Health and Social Care
DNC	Death by Neurological Criteria
DNE	Diagnostics North East
DQMI	Data Quality Maturity Index
EBAC	Employer-Based Awards Committee
ECP	Extracorporeal Photopheresis
EDI	Equality, Diversity and Inclusion
EDS	Equality Delivery System
EHTG	European Hereditary Tumour Group
EME	Efficacy and Mechanism Evaluation
EMRAM	Electronic Medical Record Adoption Model
EMT	Emergency Medical Team
ENT	Ear, Nose and Throat
EPR	Electronic Patient Record
ERF	Elective Recovery Fund
FH	Freeman Hospital
FTE	Full-Time Equivalent
GDE	Global Digital Exemplar
GNBSI	Gram Negative Blood Stream Infections
GNCH	Great North Children's Hospital
GNCR	Great North Care Record
GP	General Practitioner
H1	First half of financial year
H2	Second half of financial year
HCAI	Healthcare Associated Infections
HCSW	Health Care Support Workers
HDU	High Dependency Unit
HEE	Health Education England



HIMSS	Healthcare Information and Management Systems Society
HPO	Human Phenotype Ontology
HR	Human Resources
HSJ	Health Service Journal
HUGO	Human Genome Organisation
IAPT	Improving Access to Psychological Therapies
IBS	Irritable Bowel Syndrome
ICB	Integrated Care Board
ICHNE	Integrated COVID Hub North East
ICO	Information Commissioners Office
ICS	Integrated Care System
ICU	Intensive Care Unit
IFRS	International Financial Reporting Standard
IG	Information Governance
IHI	Institute for Healthcare Improvement
IM&T	Information Management and Technology
IoT	Institute of Transplantation
IPC	Infection Prevention and Control
IR(ME)R	Ionising Radiation (Medical Exposure) Regulations 2017
IT	Information Technology
JRESC	Joint Research Executive Scientific Committee
KPI	Key Performance Indicator
LAC	Local Awards Committee
LCEAs	Local Clinical Excellence Awards
LD	Learning Disability
LDDA	Learning Difficulties, Disabilities or Autism
LeDeR	Learning Disabilities Mortality Review
LGBT	Lesbian, Gay, Bisexual, Transgender
LGBT+ or LGBTQ+	Lesbian, Gay, Bisexual, Transgender, Queer and/or Questioning, Intersex, Allies, Asexual and Pansexual
LiP	Light urinary incontinence Project
MAU	Maternity Assessment Unit
MBA	Masters in Business Administration
MBE	Member of the Order of the British Empire
MDT	Multidisciplinary Team

Abbreviations & Glossary of Terms (continued)

MDU	Mobile Destruction Unit
MEOWS	Modified Early Obstetrics Warning Score
MND	Motor Neurone Disease
MRC	Medical Research Council
MRSA	Methicillin-Resistant Staphylococcus Aureus
MSK	Musculoskeletal
MSSA	Methicillin-Sensitive Staphylococcus Aureus
NAFLD	Non-Alcoholic Fatty Liver Disease
NCCC	Northern Centre for Cancer Care
NCSA	Newcastle Clinical Skills Academy
NEAS	North East Ambulance Service
NECTAR	North East and Cumbria Transport and Retrieval
NEDs	Non-Executive Directors
NENC	North East and North Cumbria
NESHA	North East Strategic Health Authority
NHIP	Newcastle Innovation Health Partners
NHNE	Nightingale Hospital North East
NHSA	Northern Health Science Alliance
NHSE	NHS England
NHSE/I	NHS England and NHS Improvement
NHSI	NHS Improvement
NIHR	National Institute for Health Research
NMAHP	Nursing, Midwifery and Allied Health Professionals
NMC	Nursing and Midwifery Council
OSCE	Observed Structured Clinical Examination
OSCHR	Office for Strategic Coordination of Health Research
PbR	Payment by Results
PFI	Private Finance Initiative
PIER	Paediatrics Involvement and Engagement in Research
PIFU	Patient-Initiated Follow-Up



PIR	Post Infection Review
PPE	Personal Protective Equipment
PRC	Patient Recruitment Centre
PRP	Performance-Related Pay
PTL	Patient Tracking List
PUP	Pressure Ulcer Prevention
Q&A	Question and Answer
QI	Quality Improvement
RIDDOR	Reporting of Injuries, Diseases, and Dangerous Occurrences Regulations
RIDI	Recruitment Industry Disability Initiative
RNDA	Registered Nurse Degree Apprentices
RPA	Robotic Process Automation
RTT	Referral To Treatment
RVI	Royal Victoria Infirmary
SDF	System Development Funding
SHINE	Sustainable Healthcare in Newcastle
SIGNET	Statins for improving organ outcome in transplantation
SOF	System Oversight Framework
STAMP	Supporting Treatment and Appropriate Medication in Paediatrics
STOMP	Stopping The Over Medication of children and young People with a learning disability, autism or both
STP	Sustainability and Transformation Partnerships
SVOC	System Vaccination Operation Centre
TRA	Technology Risk Assurance
UK	United Kingdom
UNICEF	United Nations International Children's Emergency Fund
VAT	Value Added Tax
VfM	Value for Money
VIPs	Very Important Persons
VSM	Very Senior Manager
WHO	World Health Organisation
WMTY	What Matters to You
WRES	Workforce Race Equality Standard
YPAG	Young's People Advisory Group

Annual Accounts 2021/22





Foreword to the Accounts

The Newcastle upon Tyne Hospitals NHS Foundation Trust

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

The accounts have been prepared by The Newcastle upon Tyne Hospitals NHS Foundation Trust in accordance with paragraphs 24 and 25 of Schedule 7 within the National Health Services Act 2006, in the form which Monitor, the independent regulator of NHS Foundation Trusts has, with the approval of HM Treasury, directed.

The Consolidated Statement of Comprehensive Income has been presented in three columns for 2021/22 showing the Income & Expenditure of the NHS Foundation Trust (as shown in column 1), the impact of the Charitable Fund consolidation (column 2) and the consolidated final result for the year (column 3).



Dame Jackie Daniel
Chief Executive Officer

21 June 2022



Independent auditor's report to the Council of Governors of The Newcastle upon Tyne Hospitals NHS Foundation Trust

Report on the audit of the financial statements

Opinion on the financial statements

We have audited the financial statements of The Newcastle upon Tyne Hospitals NHS Foundation Trust ('the Trust') and its subsidiaries ('the Group') for the year ended 31 March 2022 which comprise the Group Consolidated Statement of Comprehensive Income, the NHS Foundation Trust Statement of Comprehensive Income, the Group Consolidated Statement of Financial Position, the NHS Foundation Trust Statement of Financial Position, the Group Consolidated Statement of Changes in Taxpayers' and Others' Equity, the NHS Foundation Trust Statement of Changes in Taxpayers' Equity, the Group and Trust Statement of Cash Flows, and notes to the financial statements, including the summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards as interpreted and adapted by HM Treasury's Financial Reporting Manual 2021/22 as contained in the Department of Health and Social Care Group Accounting Manual 2021/22, and the Accounts Direction issued under the National Health Service Act 2006.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Trust and Group as at 31 March 2022 and of the Trust's and the Group's income and expenditure for the year then ended;
- have been properly prepared in accordance with the Department of Health and Social Care Group Accounting Manual 2021/22; and
- have been properly prepared in accordance with the requirements of the National Health Service Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities section of our report. We are independent of the Trust and Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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 Trust's or the Group'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 Accounting Officer with respect to going concern are described in the relevant sections of this report.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in these regards.



Responsibilities of the Accounting Officer for the financial statements

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.

The Accounting Officer is required to comply with the Department of Health and Social Care Group Accounting Manual 2021/22 and prepare the financial statements on a going concern basis, unless the Trust is informed of the intention for dissolution without transfer of services or function to another entity. The Accounting Officer is responsible for assessing each year whether or not it is appropriate for the Trust and Group to prepare financial statements on the going concern basis and disclosing, as applicable, matters related to going concern.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the Trust

and Group, we identified that the principal risks of non-compliance with laws and regulations related to the National Health Service Act 2006 (as amended by the Health and Social Care Act 2012), and we considered the extent to which non-compliance might have a material effect on the financial statements.

We evaluated the Accounting Officer's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, and significant one-off or unusual transactions, and the risk of fraud in revenue recognition.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that

are material to the financial statements. Our audit procedures included but were not limited to:

- discussing with management and the Audit Committee the policies and procedures regarding compliance with laws and regulations;
- communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- considering the risk of acts by the Trust and Group which were contrary to applicable laws and regulations, including fraud.

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

- making enquiries of management and the Audit Committee on whether they had knowledge of any actual, suspected or alleged fraud;
- gaining an understanding of the internal controls established to mitigate risks related to fraud;
- discussing amongst the engagement team the risks of fraud; and
- addressing the risks of fraud through management override of controls by performing journal entry testing, year-end accruals and provisions testing; and
- addressing the risk of fraud through revenue recognition by testing a sample of revenue around the year-end and considering information provided by the Department of Health and Social Care in respect of year end intra-NHS transactions.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management and the Audit Committee. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

We are also required to conclude on whether the Accounting Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. We performed our work in accordance with Practice Note 10: Audit of financial statements and regularity of public sector bodies in the United Kingdom, and Supplementary Guidance Note 01, issued by the Comptroller and Auditor General in April 2021.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.



Report on the Trust's arrangements for securing economy, efficiency and effectiveness in the use of resources

Matter on which we are required to report by exception

We are required to report to you if, in our opinion, we are not satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2022.

We have not completed our work on the Trust's arrangements. On the basis of our work to date, having regard to the guidance issued by the Comptroller and Auditor General in December 2021, we have not identified any significant weaknesses in arrangements for the year ended 31 March 2022.

We will report the outcome of our work on the Trust's arrangements in our commentary on those arrangements within the Auditor's Annual Report. Our audit completion certificate will set out any matters which we are required to report by exception.

Responsibilities of the Accounting Officer

The Chief Executive as Accounting Officer is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in the Trust's use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

Auditor's responsibilities for the review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We are required by Schedule 10(1) of the National Health Service Act 2006 to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our work in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in December 2021.

Report on other legal and regulatory requirements

Opinion on other matters prescribed by the Code of Audit Practice

In our opinion:

- the parts of the Remuneration and Staff Report subject to audit have been properly prepared in accordance with the requirements of the NHS Foundation Trust Annual Reporting Manual 2021/22; and
- the other information published together with the audited financial statements in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception under the Code of Audit Practice

We are required to report to you if:

- in our opinion the Annual Governance Statement does not comply with the NHS Foundation Trust Annual Reporting Manual 2021/22; or
- the Annual Governance Statement is misleading or is not consistent with our knowledge of the Trust and Group and other information of which we are aware from our audit of the financial statements; or
- we refer a matter to the regulator under Schedule 10(6) of the National Health Service Act 2006; or
- we issue a report in the public interest under Schedule 10(3) of the National Health Service Act 2006.

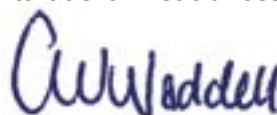
We have nothing to report in respect of these matters.

Use of the audit report

This report is made solely to the Council of Governors of The Newcastle upon Tyne Hospitals NHS Foundation Trust as a body in accordance with Schedule 10(4) of the National Health Service Act 2006. Our audit work has been undertaken so that we might state to the Council of Governors of the Trust those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors of the Trust as a body for our audit work, for this report, or for the opinions we have formed.

Delay in certification of completion of the audit

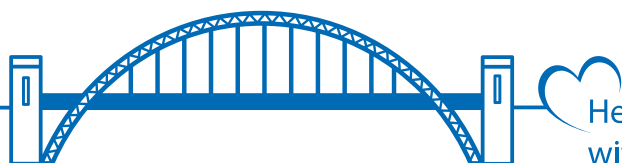
We cannot formally conclude the audit and issue an audit certificate until we have completed the work necessary to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.



Cameron Waddell (Key Audit Partner)
For and on behalf of Mazars LLP

Mazars LLP
The Corner, Bank Chambers
26 Mosley Street, Newcastle NE1 1DF

21 June 2022



Audit Completion Certificate issued to the Council of Governors of The Newcastle upon Tyne Hospitals NHS Foundation Trust for the year ended 31 March 2022

In our auditor's report dated 21 June 2022 we explained that the audit could not be formally concluded until we had completed the work necessary to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

The Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

We are required to report to you if, in our opinion, we are not satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2022.

On the basis of our work, having regard to the guidance issued by the Comptroller and Auditor General in December 2021, we have nothing to report in this respect.

This work has now been completed.

No matters have come to our attention since 21 June 2022 that would have a material impact on the financial statements on which we gave our unqualified opinion.

Certificate

We certify that we have completed the audit of The Newcastle upon Tyne Hospitals NHS Foundation Trust in accordance with the requirements of chapter 5 of part 2 of the National Health Service Act 2006 and the Code of Audit Practice.



Cameron Waddell
(Key Audit Partner)
For and on behalf of Mazars LLP

The Corner
Bank Chambers
26 Mosley Street
Newcastle upon Tyne
NE1 1DF

18 August 2022

**CONSOLIDATED STATEMENT OF
COMPREHENSIVE INCOME**
for the year ended 31 March 2022

		2021/22	2021/22	2021/22
		NHS Foundation Trust £000	Charitable fund £000	Total £000
	Note			
OPERATING INCOME				
Operating income from patient care activities	3	1,185,325	0	1,185,325
Other operating income*	4	186,644	4,144	190,788
TOTAL OPERATING INCOME		1,371,969	4,144	1,376,113
Operating expenses	5	(1,337,263)	(4,991)	(1,342,254)
OPERATING SURPLUS		34,706	(847)	33,859
FINANCE INCOME AND COSTS				
Finance income	7	290	1,056	1,346
Finance expense - financial liabilities	8	(26,185)	0	(26,185)
PDC dividends payable	9	(4,984)	0	(4,984)
Net finance costs		(30,879)	1,056	(29,823)
Other gains and losses	10.2	(646)	3,684	3,038
OPERATING SURPLUS FROM CONTINUING OPERATIONS		3,181	3,893	7,074
SURPLUS FOR THE YEAR		3,181	3,893	7,074
Other Comprehensive Income Will not be reclassified to income and expenditure:				
Reversal of Impairments	10.1	13,665	0	13,665
Total Other Comprehensive Income		13,665	0	13,665
TOTAL COMPREHENSIVE INCOME/ (EXPENSE) FOR THE YEAR		16,846	3,893	20,739

* The other operating income for the NHS Foundation Trust is net of income eliminated on consolidation of £201k. This relates to cash donations made by the Charitable fund to the NHS Foundation Trust for the purchase of capital assets.



**CONSOLIDATED STATEMENT OF
COMPREHENSIVE INCOME
for the year ended 31 March 2021**

		2020/21	2020/21	2020/21
		NHS	Charitable	Total
	Note	Foundation Trust £000	fund £000	£000
OPERATING INCOME				
Operating income from patient care activities	3	1,075,323	0	1,075,323
Other operating income*	4	227,153	3,419	230,572
TOTAL OPERATING INCOME		1,302,476	3,419	1,305,895
Operating expenses	5	(1,267,844)	(3,020)	(1,270,864)
OPERATING SURPLUS		34,632	399	35,031
FINANCE INCOME AND COSTS				
Finance income	7	38	961	999
Finance expense - financial liabilities	8	(25,805)	0	(25,805)
PDC dividends payable	9	(2,342)	0	(2,342)
Net finance costs		(28,109)	961	(27,148)
Other gains and losses	10.2	0	6,556	6,556
OPERATING SURPLUS FROM CONTINUING OPERATIONS		6,523	7,916	14,439
SURPLUS FOR THE YEAR		6,523	7,916	14,439
Other Comprehensive Income				
Will not be reclassified to income and expenditure:				
Reversal of Impairments	10.1	1,867	0	1,867
Total Other Comprehensive Income		1,867	0	1,867
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		8,390	7,916	16,306

* The other operating income for the NHS Foundation Trust is net of income eliminated on consolidation of £71k. This relates to cash donations made by the Charitable fund to the NHS Foundation Trust for the purchase of capital assets.

**NHS FOUNDATION TRUST STATEMENT OF
COMPREHENSIVE INCOME**
for the year ended 31 March 2022

		2021/22 Total £000	2020/21 Total £000
OPERATING INCOME			
Operating income from patient care activities	3	1,185,325	1,075,323
Other operating income	4	186,845	227,224
TOTAL OPERATING INCOME		1,372,170	1,302,547
Operating expenses	5	(1,337,263)	(1,267,844)
OPERATING SURPLUS		34,907	34,703
FINANCE INCOME AND COSTS			
Finance income	7	290	38
Finance expense - financial liabilities	8	(26,185)	(25,805)
PDC dividends payable	9	(4,984)	(2,342)
Net finance costs		(30,879)	(28,109)
Gains/losses on disposal of assets	10.2	(646)	0
OPERATING SURPLUS FROM CONTINUING OPERATIONS		3,382	6,594
SURPLUS FOR THE YEAR		3,382	6,594
Other Comprehensive Income Will not be reclassified to income and expenditure:			
Reversal of Impairments (net)	10.1	13,665	1,867
Other reserve movements		0	0
Total Other Comprehensive Income		13,665	1,867
TOTAL COMPREHENSIVE INCOME		17,047	8,461

The Trust's performance for the year against the agreed NHS England and Improvement control total is detailed in Note 2.0



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 March 2022
GROUP

	Note	31 March 2022 £000	31 March 2021 £000
NON-CURRENT ASSETS			
Intangible assets	11	8,516	9,568
Property, plant and equipment	12	558,935	523,444
Investments in subsidiaries and joint ventures	13	0	0
Other investments	14	42,067	38,383
Trade and other receivables	16	18,112	15,618
TOTAL NON-CURRENT ASSETS		627,630	587,013
CURRENT ASSETS			
Inventories	15	18,739	17,853
Trade and other receivables	16	98,871	94,805
Non current assets held for sale	17	0	0
Cash and cash equivalents	18	230,213	247,282
TOTAL CURRENT ASSETS		347,823	359,940
CURRENT LIABILITIES			
Trade and other payables	19	(207,647)	(207,347)
Other liabilities	20	(66,751)	(59,435)
Borrowings	21	(6,649)	(6,264)
Provisions	22	(9,705)	(19,208)
TOTAL CURRENT LIABILITIES		(290,752)	(292,254)
NON-CURRENT LIABILITIES			
Borrowings	21	(209,436)	(216,091)
Provisions	22	(12,549)	(2,861)
TOTAL NON-CURRENT LIABILITIES		(221,985)	(218,952)
TOTAL ASSETS EMPLOYED		462,716	435,747
TAXPAYERS' EQUITY			
Public dividend capital *		264,484	258,254
Revaluation reserve *		91,211	77,544
Income and expenditure reserve *		55,310	51,930
TOTAL TAXPAYERS' EQUITY		411,005	387,728
OTHERS' EQUITY			
Charitable fund reserves *		51,711	48,019
TOTAL TAXPAYERS' AND OTHERS' EQUITY		462,716	435,747

* Reserves are described further in Note 1.16

The accounts on pages 190 to 272 were approved by the Board on 21 June 2022 and signed on its behalf by:



Dame J Daniel
Chief Executive
21 June 2022

**NHS FOUNDATION TRUST STATEMENT
OF FINANCIAL POSITION**

as at 31 March 2022
NHS FOUNDATION TRUST

	Note	31 March 2022 £000	31 March 2021 £000
NON-CURRENT ASSETS			
Intangible assets	11	8,516	9,568
Property, plant and equipment	12	558,935	523,444
Investments in subsidiaries and joint ventures	13	0	0
Trade and other receivables	16	18,112	15,618
TOTAL NON-CURRENT ASSETS		585,563	548,630
CURRENT ASSETS			
Inventories	15	18,696	17,818
Trade and other receivables	16	99,341	94,797
Non current assets held for sale	17	0	0
Cash and cash equivalents	18	220,142	237,683
TOTAL CURRENT ASSETS		338,179	350,298
CURRENT LIABILITIES			
Trade and other payables	19	(207,647)	(207,341)
Other liabilities	20	(66,751)	(59,435)
Borrowings	21	(6,649)	(6,264)
Provisions	22	(9,705)	(19,208)
TOTAL CURRENT LIABILITIES		(290,752)	(292,248)
NON-CURRENT LIABILITIES			
Borrowings	21	(209,436)	(216,091)
Provisions	22	(12,549)	(2,861)
TOTAL NON-CURRENT LIABILITIES		(221,985)	(218,952)
TOTAL ASSETS EMPLOYED		411,005	387,728
TAXPAYERS' EQUITY			
Public dividend capital*		264,484	258,254
Revaluation reserve*		91,211	77,544
Income and expenditure reserve*		55,310	51,930
TOTAL TAXPAYERS' EQUITY		411,005	387,728

* Reserves are described further in Note 1.16

The accounts on pages 190 to 272 were approved by the Board on 21 June 2022 and signed on its behalf by:



Dame J Daniel
Chief Executive
21 June 2022



**CONSOLIDATED STATEMENT OF CHANGES IN TAXPAYERS' AND
OTHERS' EQUITY
for the year ended 31 March 2022**

GROUP 2021/22	Note	Public dividend capital* £000	Revaluation reserve* £000	Income and expenditure reserve* £000	Charitable fund reserves* £000	Total taxpayers' and others' equity £000
Taxpayers' and others' equity at 1 April 2021		258,254	77,544	51,930	48,019	435,747
Total comprehensive income for 2021/22						
Surplus for the year		0	0	3,181	3,893	7,074
Impairments and Revaluation gains on property, plant and equipment	12.1	0	13,665	0	0	13,665
Transfers between reserves		0	2	(2)	0	0
Other reserve movements - Charitable funds consolidation movement		0	0	201	(201)	0
Total comprehensive income for 2021/22		0	13,667	3,380	3,692	20,739
Public dividend capital received		6,230	0	0	0	6,230
Total reserve movements for 2021/22		6,230	13,667	3,380	3,692	26,969
Taxpayers' and others' equity at 31 March 2022		264,484	91,211	55,310	51,711	462,716

* An explanation of the purpose of each reserve can be found in the Statement of Financial Position

CONSOLIDATED STATEMENT OF CHANGES IN TAXPAYERS' AND OTHERS' EQUITY
for the year ended 31 March 2021

GROUP 2020/21	Note	Public dividend capital* £000	Revaluation reserve* £000	Income and expenditure reserve* £000	Charitable reserves* £000	Total taxpayers' and others' equity £000
Taxpayers' and others' equity at 1 April 2020		241,352	70,317	50,696	40,174	402,539
Total comprehensive expense for 2020/21						
Surplus for the year		0	0	6,523	7,916	14,439
Impairments and Revaluation gains on property, plant and equipment	12.1	0	1,867	0	0	1,867
Transfers between reserves		0	5,360	(5,360)	0	0
Other reserve movements - Charitable funds consolidation movement		0	0	71	(71)	0
Total comprehensive expense for 2020/21		0	7,227	1,234	7,845	16,306
Public dividend capital received		54,746	0	0	0	54,746
Public dividend capital repaid	1.22	(37,844)	0	0	0	(37,844)
Total reserve movements for 2020/21		16,902	7,227	1,234	7,845	33,208
Taxpayers' and others' equity at 31 March 2021		258,254	77,544	51,930	48,019	435,747

*An explanation of the purpose of each reserve can be found in the Statement of Financial Position



**NHS FOUNDATION TRUST STATEMENT OF CHANGES IN
TAXPAYERS' EQUITY
for the year ended 31 March 2022**

NHS FOUNDATION TRUST 2021/22	Note	Public dividend capital* £000	Revaluation reserve* £000	Income and expenditure reserve* £000	Total taxpayers equity £000
Taxpayers' equity at 1 April 2021		258,254	77,544	51,930	387,728
Total comprehensive income for 2021/22					
Surplus for the year		0	0	3,382	3,382
Transfers between reserves		0	2	(2)	0
Impairments and Revaluation gains on property, plant and equipment	12.1	0	13,665	0	13,665
Total comprehensive income for 2021/22		0	13,667	3,380	17,047
Public dividend capital received		6,230	0	0	6,230
Public dividend capital repaid	1.22	0	0	0	0
Total reserve movements for 2020/21		6,230	13,667	3,380	23,277
Taxpayers' equity at 31 March 2022		264,484	91,211	55,310	411,005

**NHS FOUNDATION TRUST STATEMENT OF CHANGES IN
TAXPAYERS' EQUITY
for the year ended 31 March 2020**

NHS FOUNDATION TRUST 2020/21	Note	Public dividend capital* £000	Revaluation reserve* £000	Income and expenditure reserve* £000	Total taxpayers equity £000
Taxpayers' equity at 1 April 2020		241,352	70,317	50,696	362,365
Total comprehensive income for 2020/21					
Surplus for the year		0	0	6,594	6,594
Transfers between reserves		0	5,360	(5,360)	0
Impairments and Revaluation gains on property, plant and equipment	12.1	0	1,867	0	1,867
Total comprehensive expense for 2020/21		0	7,227	1,234	8,461
Public dividend capital received		54,746	0	0	54,746
Public dividend capital repaid	1.22	(37,844)	0	0	(37,844)
Total reserve movements for 2020/21		16,902	7,227	1,234	25,363
Taxpayers' equity at 31 March 2021		258,254	77,544	51,930	387,728

* An explanation of the purpose of each reserve can be found in the Statement of Financial Position

STATEMENTS OF CASH FLOWS
for the year ended 31 March 2022

		GROUP		NHS FOUNDATION TRUST	
	Note	2021/22 £000	2020/21 £000	2021/22 £000	2020/21 £000
Cash flows from operating activities					
Net cash generated from operating activities	23	49,637	142,025	50,020	141,516
Cash flows from investing activities					
Interest received		177	54	177	54
Purchase of intangible assets		(1,795)	(2,187)	(1,795)	(2,187)
Purchase of property, plant and equipment		(37,318)	(46,716)	(37,318)	(46,716)
Sales of property, plant and equipment		53	86	53	86
Receipt of cash donations to purchase capital assets		257	1	458	72
NHS Charitable funds - net cash flows from investing activities		1,056	(854)	0	0
Net cash used in investing activities		(37,570)	(49,616)	(38,425)	(48,691)
Cash flows from financing activities					
Public dividend capital received		6,230	54,746	6,230	54,746
Capital element of private finance initiative obligations		(6,270)	(6,280)	(6,270)	(6,280)
Interest element of private finance initiative obligations		(26,298)	(25,785)	(26,298)	(25,785)
Public dividend capital dividend paid		(2,798)	(3,145)	(2,798)	(3,145)
Net cash used in financing activities		(29,136)	19,536	(29,136)	19,536
(Decrease)/increase in cash and cash equivalents		(17,069)	111,945	(17,541)	112,361
Cash and cash equivalents at 1 April		247,282	135,337	237,683	125,322
Cash and cash equivalents at 31 March	18	230,213	247,282	220,142	237,683



Notes to Accounts

1. Accounting policies and other information

NHS Improvement, in exercising the statutory functions conferred on Monitor, has directed that the financial statements of the NHS Foundation Trust shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (GAM), which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the GAM 2021/22 issued by the Department of Health and Social Care. The accounting policies contained in the GAM follow International Financial Reporting Standards (IFRS) 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 (FRAB). Where the GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the 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.

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.

1.1. Accounting convention

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

1.1. Accounting Convention (continued)

Critical accounting judgements and key sources of estimation in applying the NHS Foundation Trust's accounting policies

The preparation of the annual report and accounts requires the use of certain critical accounting estimates and also requires the NHS Foundation Trust's directors and senior managers to exercise their judgement in the process of applying the NHS Foundation Trust's accounting policies.

The directors and senior managers make estimates and assumptions concerning the future. As a result the accounting estimates may not equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below:

a. Indices:

The valuation of land and buildings is based on building cost indices provided by the Royal Institution of Chartered Surveyors (RICS) and used by the District Valuer in his valuation work. These indices are based on an indication of trend of accepted tender prices within the local construction industry as applied to the Public Sector.

b. Private Finance Initiative (PFI) schemes:

As part of the Transforming Newcastle Hospitals (TNH) PFI scheme, the NHS Foundation Trust is required to pay the operator for lifecycle replacement assets. A judgement has been made that payment for these assets is accounted for in equal annual instalments over the period of the scheme, rather than when payments are made. This results in a prepayment for assets being established in the early years of the scheme, which is used in later years when the asset replacement occurs.

As part of a negotiated settlement with the PFI provider the final stage of the TNH scheme was excluded from the agreement with regard to completion, service charge and lifecycle payments. The capital element continues to be repayable over the remaining life of the agreement.

c. Valuation of land and buildings

The directors have made the assumption that the NHS Foundation Trust's PFI and relevant exchequer buildings should be valued exclusive of VAT. This is based on the assumption that any new provision of these buildings would be procured via a special purpose vehicle or via an alternative to PFI/PF2 route attracting VAT exemption. The directors have also assumed that the NHS Foundation Trust would provide services from a single site if the opportunity arose as a single site would provide advantages for patient care. Therefore the district valuer was instructed to prepare a valuation of the NHS Foundation Trust's land and buildings at 31 March 2022 which excludes VAT on relevant buildings and uses a single site approach.

d. Agent net accounting

In 2020/21 the NHS Foundation Trust was approached by the Department of Health and Social Care (DHSC) to establish a Lighthouse Laboratory to carry out mass COVID PCR testing on their behalf. This involved establishing the laboratory in a new leased building and this became operational in March 2021. The contract arrangements ensure that the NHS Foundation Trust is fully reimbursed for all costs and does not have any on-going financial benefit or risk from the



1.1. Accounting Convention (continued)

arrangement. The contract was novated from DHSC to UK Health Security Agency (UKHSA) with effect from 1 October 2021. The contract under which the NHS Foundation Trust provides these services for UKHSA (formerly DHSC) from this laboratory ran until 31 March 2022 but the life of the laboratory and its possible future use beyond this date remains uncertain. The NHS Foundation Trust has considered the various potential accounting treatments of this arrangement and has assessed that because the service delivery

and specifications are controlled by UKHSA (formerly DHSC) and there is no financial risk or benefits to the Trust, it has acted as an agent (note 1.27) for UKHSA (formerly DHSC) in this regard. Therefore the NHS Foundation Trust has not included the income and expenditure for this arrangement in the accounts. The total value of transactions under this arrangement in 2021/22 was £111,367k (2020/21 £66,328k), of which the majority was for testing (8,065,579 tests in 2021/22).

1.2. Consolidation and investments in subsidiaries and joint ventures

1.2.1. NHS Charitable Fund

The NHS Foundation Trust is the Corporate Trustee to the Newcastle Upon Tyne Hospitals NHS charitable fund. The NHS Foundation Trust has assessed its relationship to the charitable fund and determined it to be a subsidiary because the NHS Foundation Trust is exposed to, or has rights to, variable returns and other benefits for itself, patients and staff from its involvement with the charitable fund and has the ability to affect those returns and other benefits through its power over the fund.

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

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

1.2. Consolidation and investments in subsidiaries and joint ventures (continued)

1.2.2. Other investments in subsidiaries and joint ventures

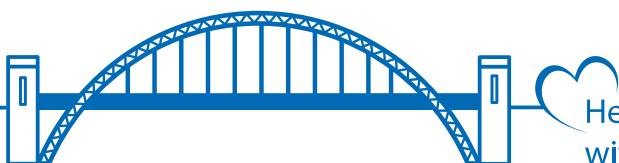
Subsidiary entities are those over which the NHS Foundation Trust is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Joint ventures are arrangements in which the NHS Foundation Trust has joint control with one or more other parties, and where it has the rights to the net assets of the arrangement.

The NHS Foundation Trust consolidates the results of investments in subsidiaries and joint ventures where results are material to the NHS Foundation Trust's financial position. The consolidated accounts do not incorporate the results of the additional subsidiaries and joint ventures detailed in Note 13 on the grounds of immateriality to the Group. As a consequence the investments in subsidiaries and joint ventures are stated at cost less impairment losses.

1.3. Revenue from contracts with customers

Where income is derived from contracts with customers, it is accounted for under IFRS 15. The GAM expands the definition of a contract to include legislation and regulations which enables an entity to receive cash or another financial asset that is not classified as a tax by the Office of National Statistics (ONS).

Revenue in respect of goods or services provided is recognised when (or as) performance obligations are satisfied by transferring promised goods or services to the customer and is measured at the amount of the transaction price allocated to those performance obligations. At the year end, the NHS Foundation Trust accrues income relating to performance obligations satisfied in that year. Where the NHS Foundation 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.



1.3. Revenue from contracts with customers (continued)

1.3.1. Revenue from NHS contracts

The main source of income for the Trust is contracts with commissioners for health care services. In 2020/21 and 2021/22, the majority of the trust's income from NHS commissioners was in the form of block contract arrangements. The 2021/22 block arrangements were based on systems funding envelope, comprising adjusted CCG allocations, system top-up and Covid-19 fixed allocation, based on the H2 2020/21 envelopes adjusted for known pressures and policy priorities. Arrangements for NHSE specialised services aligned with the same arrangements across the rest of the NHS commissioning with the exception of specialised high cost drugs and high cost devices. The notional baseline for high cost drugs and devices expenditure included in block payments, was trued up based on actual spend. Signed contracts between NHS commissioners and NHS providers were not required for the 2021/22 period. The related performance obligation was the delivery of healthcare and related services during the period, with the trust's entitlement to consideration not varying based on the levels of activity performed.

The Trust also received additional income outside of the block payments to reimburse

specific costs incurred, particularly specialised high cost drugs and devices, and other income top-ups, mainly for Covid testing and vaccination to support the delivery of services. Reimbursement and top-up income is accounted for as variable consideration.

In 2021/22, the Elective Recovery Fund (ERF) enabled systems to earn income linked to the achievement of elective activity targets including funding any increased use of independent sector capacity. Systems were paid through the H1 ERF scheme for activity delivered above nationally-set thresholds as compared to 2019/20 activity levels (on a value basis). H2 ERF funding was made available to systems who delivered more RTT pathway activity compared to a baseline level which has been set reflecting 2019/20 activity. Income earned by the system was distributed between individual entities by local agreement. Income earned from the fund is accounted for as variable consideration.

Other contracts particularly those with local authorities in respect of Public Health services are agreed predominantly on a block (fixed price) basis.

1.3.2 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 Works 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.

1.3. Revenue from contracts with customers (continued)

1.3.3 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.

1.3.4 Grants and other contributions to expenditure

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.

1.3.5 Apprenticeship service income

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

1.4 Expenditure on 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.

Expenditure with a value below £1k, not aligned to a purchase order and which is non routine, is not accrued.



1.5 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.

Internally generated intangible assets

Expenditure on research is not capitalised. Expenditure on development is capitalised when it meets the requirements set out in IAS 38.

Software

Software which is integral to the operation of hardware 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 and software licences, is capitalised as an intangible asset when expenditure of at least £5,000 is incurred.

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 amortised 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.

Amortisation

Intangible assets are amortised over their expected useful economic lives in a manner consistent with the consumption of economic or service delivery benefits, normally between 5-10 years.

Intangible assets under development are not amortised.

1.6. Property, plant and equipment

Recognition

Property, plant and equipment is capitalised if it is capable of being used for a period which exceeds one financial year, it is probable that future economic benefits will flow to, or service potential be supplied to the NHS Foundation Trust, the cost of the item can be measured reliably and it is held for use in delivering services or for administrative purposes.

Also the assets:

- a. individually have a cost of at least £5,000; or
- b. form a group of assets which collectively have a cost of at least £5,000, and individually have a cost of more than £250, where the assets are functionally interdependent, they have broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or
- c. form part of the initial setting-up cost of a new building, or refurbishment of a ward or unit, and their individual cost exceeds £250.

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 economic 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. The carrying amount of the part replaced is de-recognised. Other expenditure that does not generate additional future economic benefits or service potential, such as repairs and maintenance, is charged to the Statement of Comprehensive Income in the period in which it is incurred.

Measurement

Valuation

All property, plant and equipment is 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. Property assets are measured subsequently at valuation, plant and equipment is held at depreciated cost as a proxy for current value.

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



1.6. Property, plant and equipment (continued)

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. Valuations are carried out by professionally qualified valuers in accordance with the Royal Institution of Chartered Surveyors (RICS) Appraisal and Valuation Manual. The latest full asset valuation exercise concluded as at 31 March 2018 when the District Valuer prepared an updated valuation, a desktop exercise has been carried out as at 31 March 2022 to update the asset valuation for all changes since the latest full valuation exercise.

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 modern equivalent asset basis.

For specialised assets, current value in existing use is interpreted as the present value of the asset's remaining service potential, which is assumed to be at least equal to the cost of replacing that service potential. Specialised assets are therefore valued at their depreciated replacement cost (DRC) on a modern equivalent asset (MEA) basis. An MEA basis assumes that the asset will be replaced with a modern asset of equivalent capacity and location

requirements of the services being provided. Assets held at depreciated replacement cost have been valued on an alternative site basis where this would meet the location requirements.

Valuation guidance issued by the Royal Institute of Chartered Surveyors states that valuations are performed net of VAT where the VAT is recoverable by the entity. This basis has been applied to the NHS Foundation Trust's Private Finance Initiative (PFI) scheme where the construction is completed by a special purpose vehicle and that the costs have recoverable VAT for the NHS Foundation Trust.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees but not borrowing costs, which are recognised as an expense immediately, as allowed by IAS 23 for assets held at current value. Assets are revalued and depreciation commences when the asset is 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.

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.

1.6. Property, plant and equipment (continued)

Revaluation losses are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned and thereafter are charged to operating expenses.

Gains and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'.

Impairments

In accordance with the GAM, impairments that arise from a clear consumption of economic benefits or of service potential in the asset are charged to operating expenses. A compensating transfer is made from the revaluation reserve to the income and expenditure reserve of an amount equal to the lower of (i) the impairment charged to operating expenses; and (ii) the balance in the revaluation reserve attributable to that asset before the impairment.

An impairment that arises from a clear consumption of economic benefit or of service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss are 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.

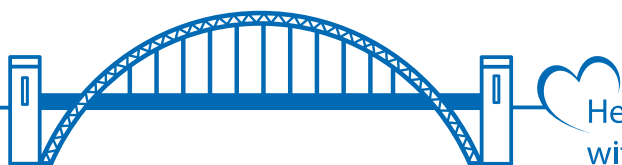
De-recognition

Assets intended for disposal are reclassified as 'held for sale' once the following 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 derecognised when scrapping or demolition occurs.



1.6. Property, plant and equipment (continued)

Depreciation

Items of property, plant and equipment are depreciated over their remaining useful economic lives in a manner consistent with the consumption of economic or service delivery benefits which is normally on a straight line basis. The useful economic lives and hence depreciation rates for equipment assets are determined by staff within the Electronics and Medical Engineering department. Freehold land is considered to have an infinite life and is not depreciated.

Assets in the course of construction and payments on account are not depreciated until the asset is brought into use. Property, plant and equipment reclassified as 'held for sale' ceases to be depreciated upon reclassification.

Equipment is depreciated on current value evenly over the estimated life of the asset. Useful economic lives reflect the total life of an asset and not the remaining life of an asset.

- Land - Not depreciated
- Buildings - 18 years - 90 years
- Dwellings - 41 years - 49 years
- Assets under construction - Not depreciated
- Plant and machinery - 5 years - 19 years
- Transport equipment - 3 years - 7 years
- Information technology - 4 years - 10 years
- Furniture and fittings - 5 years - 10 years

1.7. Donated and grant funded assets

Donated and grant funded property, plant and equipment assets are capitalised at their current value on receipt. The donation or 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 or grant is deferred within liabilities and is carried forward to future financial years to the extent that the condition has not yet been met.

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

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

1.8. Private Finance Initiative (PFI) transactions

PFI transactions which meet the IFRIC 12 definition of a service concession, as interpreted in HM Treasury's FReM, are accounted for as "on-Statement of Financial Position" by the NHS Foundation Trust. In accordance with HM Treasury's FReM, the underlying assets are recognised as property, plant and equipment, together with an equivalent liability. Subsequently the assets are accounted for as property, plant and equipment.

The annual contract payments are apportioned into the following component parts, using appropriate estimation techniques where necessary:

- a. payment for the fair value of services received;
- b. payment for the PFI asset, including finance costs;
- c. payment for the replacement of components of the asset during the contract (lifecycle replacement).

An element of the annual unitary payment increase due to cumulative indexation is treated as contingent rent and is expensed as incurred.

The service charge is recognised in operating expenses and the finance cost is charged to finance costs in the Statement of Comprehensive Income.

PFI asset

The PFI assets are recognised as property, plant and equipment when the unitary payment becomes payable. The assets are measured at fair value which is kept up to date in accordance with the NHS Foundation Trust's approach for each relevant class of asset in accordance with the principles of IAS 16, Property, Plant and Equipment.

PFI liability

A PFI liability is recognised at the same time as the PFI assets are recognised. It is measured initially at the same amount as the fair value of the PFI assets and is subsequently measured as a finance lease liability in accordance with IAS 17, Leases.

An annual finance cost is calculated by applying the implicit interest rate in the lease to the lease liability for the year, and is charged to 'Finance costs' within the Statement of Comprehensive Income.

The element of the annual unitary payment that is allocated as a finance lease rental is applied to meet the annual finance cost and to repay the lease liability over the contract term.

An element of the annual unitary payment increase which is due to cumulative indexation is allocated to the finance lease. In accordance with IAS 17, this amount is not included in the minimum lease payments, but is instead treated as contingent rent and is expensed as incurred. In substance, this amount is a finance cost in respect of the liability and the expense is presented as contingent finance cost within the Statement of Comprehensive Income.

Lifecycle replacement

An amount is set aside from the unitary payment each year into a lifecycle replacement prepayment to reflect the fact that the NHS Foundation Trust is effectively pre-funding some elements of future lifecycle replacement by the PFI operator.

When the operator replaces a capital asset, the fair value of this replacement item is recognised as property, plant and equipment.



1.8. Private Finance Initiative (PFI) transactions (continued)

Where the item was planned for replacement and therefore its value is being funded through the unitary payment, the lifecycle prepayment is reduced by the amount of the fair value.

The prepayment is reviewed annually to ensure that its carrying amount will be realised through future lifecycle components to be provided by the operator. Any unrecoverable balance is written out of the prepayment and charged to operating expenses.

Where the lifecycle item was not planned for replacement during the contract it is effectively being provided free of charge to the NHS Foundation Trust. A deferred income balance is therefore recognised instead and this is released to operating income over the life of the replacement component.

1.9 Non-current assets held for sale

The NHS Foundation Trust has no non-current assets held for sale.

1.10. The NHS Foundation Trust as a lessee

Finance leases

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

The asset and liability are recognised at the commencement of the lease. Thereafter the asset is accounted for as an item of property, plant and equipment. The annual rental is split between the repayment of the liability and a finance cost so as to achieve a constant rate of finance over the life of the lease. The annual finance cost is charged to finance costs in the Statement of Comprehensive Income.

Operating leases

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

Leases of land and buildings

Where a lease is for land and buildings, the land and building components are separated and the classification for each is assessed separately.

1.11. The NHS Foundation Trust as a lessor

Operating leases

Rental income from operating leases is recognised on a straight-line 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.

1.12. Inventories

Inventories are valued at the lower of cost and net realisable value, by reference to supplier information on a first-in first-out basis. This is considered to be a reasonable approximation to fair value due to the high turnover of inventory. The de minimis level for inventory items is £100 inclusive of VAT.

Obsolete and defective stock are charged to the Statement of Comprehensive Income as an expense.

In 2020/21 and 2021/22, the Trust received inventories including personal protective equipment from the Department of Health and Social Care at nil cost. In line with the GAM and applying the principles of the IFRS Conceptual Framework, the Trust has accounted for the receipt of these inventories at a deemed cost, reflecting the best available approximation of an imputed market value for the transaction based on the cost of acquisition by the Department.



1.13. 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 bank balances are recorded at the current values of these balances in the NHS Foundation Trust's cash book.

Interest earned on bank accounts is recorded as 'finance income' in the year to which it relates. Bank charges are recorded as operating expenditure in the years to which they relate.

As the NHS Foundation Trust has no bank overdrafts there is no difference between the amount disclosed as cash and cash equivalents in the Statement of Financial Position and in the Statement of Cash Flows.

1.14. Provisions

The NHS Foundation Trust recognises a provision where it has a present legal obligation 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.

Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using HM Treasury's discount rates effective from 31 March 2022.

		Nominal rate	Prior year rate
Short term	Up to 5 years	0.47%	Minus 0.02%
Medium term	After 5 years up to 10 years	0.70%	0.18%
Long term	Exceeding 10 years	0.95%	1.99%

HM Treasury provides discount rates for general provisions on a nominal rate basis. Expected future cash flows are therefore adjusted for the impact of inflation before discounting using nominal rates. The following inflation rates are set by HM Treasury, effective from 31 March 2022.

	Inflation rate	Prior year rate
Year 1	4.00%	1.20%
Year 2	2.60%	1.60%
Into perpetuity	2.00%	2.00%

Early retirement provisions and injury benefit provisions both use the HM Treasury's pension discount rate of minus 1.30% in real terms (prior year: minus 0.95%).

1.14. Provisions (continued)

Clinical negligence costs

NHS Resolution operates a risk pooling scheme under which the NHS Foundation Trust pays an annual contribution to NHS Resolution which, in return, settles all clinical negligence claims. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the NHS Foundation Trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the NHS Foundation Trust is disclosed in Note 22 but is not recognised in the NHS Foundation Trust's accounts.

Annual premiums under the scheme are charged to operating expenses and provision is made for the 'excess' payable on a case when the liability arises.

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 NHS Resolution and, in return, receives assistance with the costs of claims arising. The annual membership contributions, and any 'excesses' payable in respect of specific claims, are charged to operating expenses as and when the liability arises.

Other provisions

Other provisions relate predominantly to potential remedial building works resulting from on-going developments. The provision and amount is recognised and determined following professional advice from independent qualified property surveyors. The timing of payments is dependent on work programme estimates.

1.15. Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the NHS Foundation Trust's control) are not recognised as assets, but are disclosed in Note 26 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised in the accounts but are disclosed in Note 26, unless the probability of a transfer of economic benefits is remote. Contingent liabilities are defined as:

- a. 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 NHS Foundation Trust's control; or
- b. 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. Reserves

- a. Public dividend capital represents the Secretary of State for Health and Social Care's 'equity' investment in the NHS Foundation Trust.
- b. The revaluation reserve is used to record revaluation gains and losses on property, plant and equipment. This reserve is currently used solely for tangible assets only.
- c. The NHS Foundation Trust's accumulated surpluses and deficits are recognised in the Income and Expenditure reserve.
- d. Charitable reserves relate to those held by the Newcastle upon Tyne Hospitals NHS Charity. Further analysis can be found in Note 34.

1.17. 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 accounts to the extent that employees are permitted to carry forward leave into the following period.

Pension costs

Past and present employees are covered by the provisions of the two NHS Pensions Schemes. Both schemes are unfunded, defined benefit schemes that cover NHS employers, General Practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care, in England and Wales. The schemes are not designed in a way that would enable the NHS Foundation Trust to identify its share of the underlying scheme assets and liabilities. Therefore the schemes are accounted for as though they are a defined contribution scheme: the cost to the NHS Foundation Trust is taken as equal to the employer's pension contributions payable to the schemes for the accounting period. The contributions are charged to operating expenses as they become due. The schemes are subject to a full actuarial valuation every four years and an accounting valuation every year.

Additional pension liabilities arising from early retirements are not funded by the scheme except where the retirement is due to ill-health. The full amount of the liability for the additional costs is charged to operating expenses at the time the NHS Foundation Trust commits itself to the retirement, regardless of the method of payment.

1.18. Value Added Tax (VAT)

Most of the activities of the NHS Foundation Trust are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of non-current assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

1.19. Corporation tax

NHS Foundation Trusts are exempt from corporation tax on their principal healthcare income under section 519A Income and Corporation Taxes Act 1988. The NHS Foundation Trust does not have any corporation tax liability in the current or prior year.

The Newcastle upon Tyne Hospitals NHS Charity is a registered charity, and as such is entitled to certain tax exemptions on income and profits for investments, and surpluses on trading activities carried out in furtherance of the charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

1.20. Foreign exchange

The functional and presentational currency of the NHS Foundation Trust is 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.

The NHS Foundation Trust has no monetary assets or liabilities denominated in a foreign currency at the Statement of Financial Position date.

1.21. 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 31 to the accounts in accordance with the requirements of the HM Treasury Financial Reporting Manual (FRM).



1.22. Public Dividend Capital and Public Dividend Capital - Dividend

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.

The NHS Foundation Trust received PDC of £37.844m during 2020/21 in relation to the set up of a Lighthouse laboratory, however, this funding was notionally repaid in full during 2020/21. The funding was subsequently re issued back to the NHS Foundation Trust as non capital funding.

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 issued by the Department of Health and Social Care. This policy is available at <https://www.gov.uk/government/publications/guidance-on-financing-available-to-nhs-trusts-and-foundation-trusts>.

In accordance with the requirements laid down by the Department of Health and Social Care (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the 'pre-audit' version of the annual accounts. The dividend calculated is not revised should any adjustments to net assets occur as a result of the audit of the annual accounts. However any movement in net assets would be reflected in the calculation for the following year.

1.23. Losses and special payments

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled.

Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis.

The losses and special payments note (Note 32) is compiled directly from the losses and compensations register which reports on an accruals basis with the exception of provisions for future losses.

1.24. Financial assets and financial liabilities

Recognition

Financial assets and financial liabilities which 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 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 and are recognised when, and to the extent which, performance occurs, i.e. when receipt or delivery of the goods or service is made.

Classification and measurement

Financial assets and financial liabilities are initially measured at fair value plus or minus directly attributable transaction costs except where the asset or liability is not measured at fair value through profit and loss. Fair value is taken as the transaction price, or otherwise determined by reference to quoted market prices or valuation techniques.

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

Financial assets are predominantly classified as subsequently measured at

amortised cost. The Charity however, holds some financial assets at fair value through profit and loss.

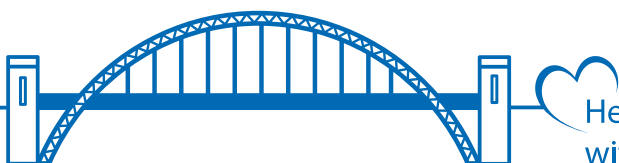
Financial liabilities classified as subsequently measured at amortised cost.

Financial assets and financial liabilities at amortised cost

Financial assets and financial liabilities at amortised cost are those held with the objective of collecting contractual cash flows and where cash flows are solely payments of principal and interest. This includes cash equivalents, contract and other receivables, trade and other payables, rights and obligations under lease arrangements and loans receivable and payable.

After initial recognition, these financial assets and financial liabilities are measured at amortised cost using the effective interest rate method less any impairment (for financial assets). The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

Interest revenue or expense is calculated by applying the effective interest rate to the gross carrying amount of a financial asset or amortised cost of a financial liability and recognised in the Statement of Comprehensive Income as financing income or expense.



1.24. Financial assets and financial liabilities (continued)

Impairment of financial assets

For all financial assets measured at amortised cost including lease receivables, contract receivables and contract assets or assets measured at fair value through other comprehensive income, the 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 increase (stage 2).

The expected credit loss is arrived at by reviewing the length of time a specific debt has been outstanding. Generally the NHS Foundation Trust will recognise an impairment against a receivable if i) it is older than 90 days for non-NHS customers and ii) it is older than 180 days for NHS customers. In addition further credit losses may be recognised sooner if there is a known factor that will influence the customers ability to pay the debt due to the NHS Foundation Trust.

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 assets' 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 of the risks and rewards of ownership.

Financial liabilities are de-recognised when the obligation is discharged, cancelled or expires.

1.25. Trade payables

Trade payables are initially recognised at fair value and subsequently at amortised cost using the effective interest rate method.

1.26. Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. As detailed in note 1.24 Impairment of Financial Assets, a allowance for impairment of trade receivables is established when there is an expectation that the NHS Foundation Trust will not be able to collect all amounts due according to the original terms of the receivables. Future expected credit losses are determined by; significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delay in payments (more than 90 days overdue Non NHS and 180 days overdue NHS) are considered indicators that the trade receivable is impaired. The amount of the allowance is the difference between the asset's gross carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the Statement of Comprehensive Income within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in the Statement of Comprehensive Income.

1.27. Agent accounting (net accounting)

An entity is an agent if the entity's performance obligation is to arrange for the provision of the specified good or service by another party. An entity that is an agent does not control the specified good or service provided by another party before that good or service is transferred to the customer.

In an agency relationship, the host does not treat amounts collected on behalf of the principal as revenue. These amounts simply pass through the agent, and are accounted for on a net basis.

Net accounting refers to the netting off of inflows and outflows in an agency relationship, so that the entity only recognises impacts to the extent that it is acting as a principal.

The NHS Foundation has assessed that following the establishment of the lighthouse laboratory, the Integrated Covid Hub North East (ICHNE) contracted with UK Health Security Agency (formerly Department Health and Social Care) that the NHS Foundation Trust is acting as an agent and has therefore accounted on a net basis for this contract.



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

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

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

On transition to IFRS 16 on 1 April 2022, the trust will apply the standard retrospectively with the cumulative effect of initially applying the standard recognised in the income and expenditure reserve at that date. For existing operating leases with a remaining lease term of more than 12 months and an underlying asset value of at least £5,000, a lease liability will be recognised equal to the value of remaining lease payments discounted on transition at the trust's incremental borrowing rate. The Foundation Trust's incremental borrowing rate will be a rate defined by HM Treasury. For 2021/22 this rate is 0.95%. The related right of use asset will be measured equal to the lease liability adjusted for any prepaid or accrued lease payments. No adjustments will be made on 1 April 2022 for existing finance leases.

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

1.28. Standards, amendments and interpretations in issue but not yet effective or adopted (continued)

The trust has estimated the impact of applying IFRS 16 in 2022/23 on the opening Statement of Financial Position and the in-year impact on the Statement of Comprehensive Income and capital additions as follows:

Estimated impact on 1 April 2022 statement of financial position	£000
Additional right of use assets recognised for existing operating leases	37,186
Additional lease obligations recognised for existing operating leases	(35,046)
Changes to other statement of financial position line items	0
Estimated impact on net assets on 1 April 2022	<u>2,140</u>
Estimated in-year impact in 2022/23	
Additional depreciation on right of use assets	(7,052)
Additional finance costs on lease liabilities	(299)
Lease rentals no longer charged to operating expenditure	7,115
Other impacts on income / expenditure	0
Estimated impact on surplus/deficit in 2022/23	<u>(236)</u>
Estimated increase in capital additions in 2022/23	<u>6,834</u>

From 1 April 2022, the principles of IFRS 16 will also be applied to the NHS Foundation Trust's PFI liabilities where future payments are linked to a price index representing the rate of inflation. The PFI liability will be remeasured when a change in the index causes a change in future repayments and that change has taken effect in the cash flow. Under existing accounting practices, amounts relating to changes in the price index are expensed as incurred. This is expected to increase the PFI liability on the statement of financial position upon transition to IFRS 16. The effect of this has not yet been quantified as final guidance has not yet been issued.

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



2.0. NHS Foundation Trust Control Total

The NHS Foundation Trust reports to NHS England and Improvement (NHSEI) on a control total basis, these figures differ to those reported in the NHS Foundation Trusts statement of comprehensive income on page 192. This is as a result of excluding certain funding streams as identified below.

	2021/22 £000	2020/21 £000
Reconciliation to control total		
Surplus for the year (SOI Trust)	3,382	6,594
Less/Add: Reversal of impairments/impairments	(4,676)	321
Add: Donated asset depreciation	1,213	1,679
Less: Donated income received for asset purchases	(458)	(3,411)
Remove net impact of consumables donated from other DHSC bodies	325	(506)
Remove loss recognised on return of donated COVID assets to DHSC	616	0
Underlying result	402	4,677
Control Total Plan	0	(28,170)

2.1. Segmental Analysis

The NHS Foundation Trust has determined that the Chief Operating Decision Maker is the Board of Directors, on the basis that all strategic decisions are made by the Board. Segmental information is not provided to the Board of Directors and therefore it has been determined that there is only one business segment, that of Healthcare.

The NHS Foundation Trust conducts the majority of its business with Health Bodies in England. Transactions with entities in Scotland, Ireland and Wales are conducted in the same manner as those within England. The NHS Foundation Trust generates its income predominantly from the provision of secondary care services.

Organisations that contributed 4% or more of the NHS Foundation Trust's operating income in either year are set out in the table below. Further information can be found in Note 27, Related Party Transactions. Operating income used in the calculation is before the impact of impairments and consolidation.

	2021/22	2020/21
	%	%
NHS England	42	44
NHS Newcastle Gateshead CCG	27	24
NHS Northumberland CCG	5	5
NHS North Tyneside CCG	5	5
Health Education England	4	4

The following is an analysis of the financial information provided to the Board of Directors in relation to the years ended 31 March 2022 and 31 March 2021.

	2021/22	2020/21
	£000	£000
Operating income (within EBITDA)	1,371,807	1,299,136
Operating expenses (within EBITDA)	(1,312,321)	(1,229,172)
Earnings before interest, tax, depreciation and amortisation (EBITDA)	59,486	69,964
Operating expenses (outside EBITDA)	(29,711)	(38,993)
Non-operating income	748	3,449
Non-operating expenditure	(31,817)	(28,147)
Surplus for the year excluding reversal of impairments	(1,294)	6,273
Net (impairments)/reversal of impairments	4,676	321
Surplus for the year after impairments	3,382	6,594

Differences between the amounts presented to the Board in May 2022 and those included within these accounts are purely presentational. See note 2.

The figures presented to the Board of Directors do not include those of the Newcastle upon Tyne Hospitals NHS Charity.



3. Operating income from patient care activities

3.1. Income from patient care activities by nature

GROUP and NHS FOUNDATION TRUST	2021/22	2020/21
	£000	£000
Acute Services		
Block contract / system envelope income	865,578	794,229
High cost drugs income from commissioners	185,506	167,369
Other NHS clinical income *	15,021	8,472
	1,066,105	970,070
Community Services		
Income from CCGs and NHS England	44,784	43,923
Income from other sources	10,766	11,015
	55,550	54,938
All Services		
Private patient income	1,820	1,391
Elective recovery fund **	21,712	0
Other clinical income ***	10,323	21,642
Additional pension contribution central funding****	29,815	27,282
	63,670	50,315
	1,185,325	1,075,323

The NHS Foundation Trust's Terms of Authorisation set out the mandatory goods and services that the NHS Foundation Trust is required to provide. All of the income from activities shown above, excluding private patient income and other clinical income, is derived from the provision of mandatory services.

* Other NHS clinical income consists primarily of income received outside of commissioners' block income. This includes prior year accrual impact, maternity infrastructure support income, maternity pathway income from other local FTs and national organ retrieval service income from NHS BT.

** In 2021/22, the Elective Recovery Fund enabled systems to earn income linked to the achievement of elective activity targets including funding any increased use of independent sector capacity.

*** Other clinical income comprises non-protected clinical income and relates to the NHS Injury Compensation Scheme, overseas patients, devolved government and cross border activity.

**** 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.

3. Operating income from patient care activities (continued)

3.2. Income from patient care activities by source

GROUP and NHS FOUNDATION TRUST

	2021/22 £000	2020/21 £000
NHS Foundation Trusts	4,848	4,619
NHS Trusts	0	0
CCGs	582,840	524,373
NHS England	571,944	516,491
Local Authorities	10,766	11,015
Department of Health and Social Care	0	130
NHS Other (including PHE & UKHSA)	2,783	4,030
Non NHS (including non-English NHS):		
- Private patients	1,820	1,391
- Overseas patients (chargeable to patient)	696	893
- Injury cost recovery scheme*	3,424	3,350
- Other **	6,204	9,031
	1,185,325	1,075,323

All income relates to continuing operations

* Injury Cost Recovery Scheme income is subject to a provision for impaired receivables to reflect expected rates of collection. The provision is based on the value of receivables not recovered in previous years which is assessed at 23.76% (2020/21 22.43%). Any movement in year is adjusted against the receivable balance in the Statement of Financial Position.

** Non-NHS other income relates primarily to healthcare activity income from Scottish, Welsh and Irish health bodies.

3.3. Income from overseas visitors

	2021/22 £000	2020/21 £000
Income recognised in the year	696	893
Cash payments received in-year (relating to invoices raised in the current and previous years)	159	311
Amounts added to the provision for impairment of receivables (relating to invoices raised in the current and prior years)	415	317
Amounts written off in-year (relating to invoices raised in the current and previous years)	112	158



4. Other operating income

	GROUP		NHS FOUNDATION TRUST	
	2021/22 £000	2020/21 £000	2021/22 £000	2020/21 £000
Research and development	39,251	33,504	39,251	33,504
Education and training	53,671	51,131	53,671	51,131
Non-patient care services to other bodies *	40,589	17,379	40,589	17,379
Reimbursement and top up funding	23,037	91,232	23,037	91,232
Other income **	25,912	16,006	25,912	16,006
Education and training - notional income from apprenticeship fund	760	727	760	727
Donated equipment from DHSC for COVID response (non-cash)	0	3,339	0	3,339
Cash donations for the purchase of capital assets - received from NHS charities	0	0	201	71
Cash donations for the purchase of capital assets - received from other bodies	257	1	257	1
Contributions to expenditure - receipt of equipment donated from DHSC for COVID response below capitalisation threshold	0	988	0	988
Contributions to expenditure - consumables (inventory) donated from DHSC group bodies for COVID response	2,718	12,456	2,718	12,456
Rental revenue from operating leases	449	390	449	390
Charitable fund incoming resources	4,144	3,419	0	0
Total Other Operating Income	190,788	230,572	186,845	227,224
Total income from patient care activities	1,185,325	1,075,323	1,185,325	1,075,323
Total operating income	1,376,113	1,305,895	1,372,170	1,302,547

* Non-patient care services to other bodies includes the hosting of Northern Medical Physics and Clinical Engineering (NMPCE) (formerly known as Regional Medical Physics Department (RMPD) Services) and Regional Drugs and Therapeutics Services.

** Other income includes Department of Health and Social Care funding for clinical excellence awards, clinical test income, property utilities income and catering and nursery income.

4.1. Fees and charges

The Group and NHS Foundation Trust had no schemes which individually had a cost exceeding £1,000k in the current or preceding year.

4.2. Additional information on contract revenue (IFRS 15) recognised in the period

	2021/22 £000	2020/21 £000
Revenue recognised in the reporting period that was included in within contract liabilities at the previous period end	6,683	2,685

4.3. Income from activities arising from commissioner requested services

Under the terms of its provider licence, 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 licence and are services that commissioners believe would need to be protected in the event of provider failure. This information is provided in the table below:

	2021/22 £000	2020/21 £000
Income from services designated as commissioner requested services	854,410	768,705
Income from services not designated as commissioner requested services	330,915	306,618
	1,185,325	1,075,323

4.4. Operating lease income

GROUP and NHS FOUNDATION TRUST

	2021/22 £000	2020/21 £000
Building rental recognised in other income	449	390
Future minimum lease payments due		
- not later than one year	277	315
- later than one year and not later than five years	474	450
- later than five years	48	98
	799	863

The NHS Foundation Trust acts as lessor of certain buildings and office accommodation, principally for healthcare purposes.



5. Operating Expenses

5.1. Operating expenses comprise:

	GROUP		NHS FOUNDATION TRUST	
	2021/22 £000	2020/21 £000 **restated	2021/22 £000	2020/21 £000 **restated
Purchase of healthcare from NHS and DHSC bodies	10,689	10,354	10,689	10,354
Purchase of healthcare from non-NHS bodies	14,233	9,659	14,233	9,659
Employee expenses - non-executive directors	178	182	178	182
Employee expenses - staff and executive directors	743,864	691,305	743,864	691,305
Supplies and services - clinical (excluding drugs costs)	113,037	97,226	113,037	97,226
Supplies and services - clinical: utilisation of consumables donated from DHSC group bodies for COVID response	3,043	11,817	3,043	11,817
Supplies and services - general	8,795	8,290	8,795	8,290
Supplies and services - general: notional cost of equipment donated from DHSC for COVID response below capitalisation threshold	0	988	0	988
Drugs inventories consumed	227,391	205,528	227,391	205,528
Inventories written down (net, including inventory drugs)	343	138	343	138
Inventories written down (consumables donated from DHSC group bodies for COVID response)	0	133	0	133
Consultancy costs	1,067	1,514	1,067	1,514
Establishment	9,765	7,912	9,765	7,912
Premises - business rates payable to Local Authorities	6,942	7,270	6,942	7,270
Premises - other	77,802	68,225	77,802	68,225
Transport - business	1,622	1,718	1,622	1,718
Transport - other (including patient travel)	3,069	3,445	3,069	3,445
Depreciation on property, plant and equipment (Note 12)	26,864	35,664	26,864	35,664
Amortisation on intangible assets (Note 11)	2,847	2,688	2,847	2,688
Net impairments of property, plant and equipment * (Note 12)	(4,676)	321	(4,676)	321
Movement in credit loss allowance: contract receivables/assets (Note 16.2)	2,398	3,410	2,398	3,410
Provisions arising /(released) in year	99	17,656	99	17,656
Change in provisions - discount rate	119	154	119	154
External audit fees - Statutory audit	85	81	85	81
External audit fees - Charitable fund accounts	13	12	0	0
Internal audit costs not included within employee expenses	240	225	240	225
Clinical negligence - amounts payable to NHS Resolution (premium)	25,216	24,434	25,216	24,434
Legal fees	942	862	942	862
Insurance	1,049	705	1,049	705
Research and development - staff costs	22,416	18,261	22,416	18,261
Research and development - non-staff costs	16,042	14,411	16,042	14,411
Education and training - staff	0	147	0	147
Education and training - non-staff	2,758	1,221	2,758	1,221
Education and training - notional expenditure funded from apprenticeship fund	760	727	760	727
Rentals under operating leases - minimum lease payments (Note 5.4)	6,709	4,941	6,709	4,941
Redundancy costs - staff costs	1,336	290	1,336	290
Charges to operating expenditure for on-SoFP IFRIC 12 schemes on an IFRS basis - PFI schemes	8,988	8,779	8,988	8,779
NHS Charitable fund - other resources expended	4,978	3,008	0	0
Other	1,231	7,164	1,231	7,164
	1,342,254	1,270,864	1,337,263	1,267,844

* Net reversal of impairments total £4,676k (2020/21 £321k net impairment).

** restatement in relation to lease payments as per details in Note 5.4

5. Operating Expenses (continued)

5.2. Nightingale facility

During 2020/21 the NHS Foundation Trust was a host Trust for a Nightingale Hospital as part of the national coronavirus pandemic response.

The Hospital was delivered by the Trust in accordance with a contract held with NHS England. That contract required NHS England to enter into a licence arrangement with the landlord to allow the Trust to occupy the premises. The majority of the equipment used within the Nightingale was supplied by NHS England. At the point of closure the equipment was either returned to NHS England or transferred to the ownership of NHS Trusts within the Region and accounted for as donated assets.

The Nightingale facility ceased to operate as a Nightingale Hospital at 31st March 2021, however, the NHS Foundation Trust used this site as a Vaccination hub during 2021/22.

The costs incurred by the NHS Foundation Trust in operating the facility as a Nightingale facility have been included within the operating expenses note in these accounts. The total costs associated with the facility are disclosed below for information; this includes where existing resources were redeployed so the note below does not represent the additional cost to the Trust of operating the facility. Incremental costs associated with operating the facility have been reimbursed by NHS England.

	Gross 2021/22 £000	Gross 2020/21 £000
Set up costs:		
Staff costs	0	341
Other operating costs	(492)	10,135
Running costs:		
Staff costs	0	0
Other operating costs	(661)	4,170
Decommissioning costs:		
Staff costs	0	0
Other operating costs	0	0
Total gross costs	(1,152)	14,646

Following the materialisation of actuals costs versus estimated costs, there was a recognised negative expenditure (reversal of accruals) for the year 2021/22.



5. Operating Expenses (continued)

5.3. Auditors' remuneration

The amounts paid by the Newcastle Upon Tyne Hospitals NHS Foundation Trust for auditors' remuneration are disclosed inclusive of VAT. The 2021/22 statutory audit fees includes £5k associated with the 2020/21 statutory audit which was raised after the accounts were finalised.

The NHS Foundation Trust has approved the principal terms of engagement with its auditors, Mazars, covering the period of 1 October 2018 to 30 September 2021 as auditors and has enacted the option for a year extension to 30 September 2024.

5.4. Arrangements containing an operating lease:

GROUP and NHS FOUNDATION TRUST

	2021/22 £000	2020/21 £000 *restated				
Minimum lease rentals	<u>6,709</u>	<u>4,941</u>				
	2021/22 £000	2021/22 £000	2021/22 £000	2020/21 £000 *restated	2020/21 £000 *restated	2020/21 £000 *restated
	Buildings	Other leases	Total	Buildings	Other leases	Total
Future minimum lease payments due:						
- not later than one year	2,966	3,255	6,221	3,969	1,068	5,037
- later than one year and not later than five years	11,792	3,865	15,657	12,718	2,723	15,441
- later than five years	13,021	158	13,179	12,813	508	13,321
Total	<u>27,779</u>	<u>7,278</u>	<u>35,057</u>	<u>29,500</u>	<u>4,299</u>	<u>33,799</u>

The NHS Foundation Trust leases certain buildings and equipment under operating leases where financial assessment has provided evidence that leasing provides better value for money than outright purchase. Operating leases for buildings are predominantly for residential and office space. Significant equipment operating leases relate to managed service contracts, as detailed below:

Picture Archiving and Communication System

The NHS Foundation Trust entered into a 10 year PACS contract with Carestream during 2015/16. The contract expires on 31 January 2026 with an option to extend for a further three years.

NHS Property Services

The Trust leases a number of buildings from NHS Property Services. As no formal agreement exists the NHS Foundation Trust has not historically disclosed these arrangements as operating leases. However, the Foundation Trust has made a judgement that these arrangements will be ongoing and has therefore included them in the 2021/22 disclosure. * As a result the disclosure for 2020/21 has been restated to include these arrangements on the same basis.

5. Operating Expenses (continued)

5.5. Directors' remuneration and other benefits

GROUP and NHS FOUNDATION TRUST

The single total figure table, the total pension entitlement disclosures and the fair pay multiple are included within the remuneration report.

	2021/22 £000	2020/21 £000
Executive directors' remuneration	1,135	1,114
Employer's contribution to pension	78	89
	<u>1,213</u>	<u>1,203</u>
Non-executive director's remuneration *	163	182
Total	<u>1,376</u>	<u>1,385</u>

The remuneration costs disclosed above exclude employer's national insurance contributions.

The total number of directors accruing benefits under the NHS Pension Scheme

	<u>4</u>	<u>4</u>
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* Non-executive directors are not members of the NHS Pension Scheme.

Highest paid executive director

Total remuneration	<u>316</u>	<u>306</u>
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5. Operating Expenses (continued)

5.6. Staff costs and numbers

5.6.1. Staff costs

GROUP and NHS FOUNDATION TRUST

	2021/22 £000	2020/21 £000
Salaries and wages *	622,164	578,499
Social security costs	54,669	48,217
Apprenticeship levy	3,491	2,721
Pension cost - employer contributions to NHS pension schemes	68,193	62,622
Pension cost - employer contributions paid by NHSE on provider's behalf (6.3%)	29,815	27,282
Pension cost - Other	261	212
Agency and contract staff	4,490	2,510
Total gross staff costs	783,083	722,063
Recoveries from DHSC Group bodies in respect of staff cost netted off expenditure	(7,828)	(6,085)
Recoveries from Other bodies in respect of staff cost netted off expenditure	(7,639)	(5,975)
Total staff costs	767,616	710,003
included within:		
Costs capitalised as part of assets	0	0
Analysed into operating expenditure - Note 5.1		
Employee expenses - staff and executive directors	743,864	691,305
Research and development	22,416	18,261
Education and training	0	147
Redundancy	1,336	290
Total employee benefits excluding capitalised costs	767,616	710,003

* Included within salaries and wages is an amount of £49,166k (2020/21 £43,260k) relating to recharges from Northumbria NHS Foundation Trust, the host body for Junior Doctors in training.

5. Operating Expenses (continued)

5.6.2. Staff numbers

Staff numbers are included within the staff report section of the Annual Report.

5.6.3. Retirements due to ill-health

During 2021/22 there were 7 (2020/21 10) early retirements from the NHS Foundation Trust agreed on the grounds of ill-health.

The estimated additional pension liabilities of these ill-health retirements will be £502k (2020/21 £410k).

These estimated costs are calculated on an average basis and will be borne by the NHS Pension Scheme.

5.6.4. Reporting of other compensation packages

During 2021/22 there were no compulsory redundancies (2020/21 - 1 redundancy at a cost of £141k). There were 2 exit payments relating to contractual payments in lieu of notice at a cost of £24k in the current year (2020/21 £Nil). There was 1 exit payment following employment tribunal at a cost of less than £1k (2020/21 - 1 exit payment following employment tribunal at a cost of £17k).

Further details can be found within the staff report section of the Annual Report.



6. Better payment practice code

6.1. Better payment practice code - measure of compliance

GROUP and NHS FOUNDATION TRUST	2021/22 Number	2021/22 Value £000
Total Non-NHS trade invoices paid in the year	210,495	692,730
Total Non-NHS trade invoices paid within target	191,563	625,148
Percentage of Non-NHS trade invoices paid within target	91%	90%
Total NHS trade invoices paid in the year	4,350	119,936
Total NHS trade invoices paid within target	4,023	115,638
Percentage of NHS trade invoices paid within target	92%	96%
	2020/21 Number	2020/21 Value £000
Total Non-NHS trade invoices paid in the year	188,907	655,761
Total Non-NHS trade invoices paid within target	109,597	401,534
Percentage of Non-NHS trade invoices paid within target	58%	61%
Total NHS trade invoices paid in the year	4,846	102,682
Total NHS trade invoices paid within target	2,463	76,683
Percentage of NHS trade invoices paid within target	51%	75%

The Better Payment Practice Code requires the NHS Foundation Trust to aim to pay all undisputed invoices by the due date or within 30 days of receipt of goods or a valid invoice, whichever is later.

The NHS Foundation Trusts Better Payment Practice Code performance deteriorated during the 2020/21 due to a quickly implemented replacement Enterprise Resource Planning solution and training associated, coupled with the impact of the COVID pandemic. This resulted in delays in payment times of invoices early in 2020/21 which have now been rectified and is reflected in the improved 2021/22 disclosure.

6. Better payment practice code (continued)

6.2. The Late Payment of Commercial Debts (Interest) Act 1998

GROUP and NHS FOUNDATION TRUST	2021/22 £000	2020/21 £000
Total liability accruing in year under this legislation as a result of late payments	4,948	7,627
Amounts included within interest payable arising from claims made under this legislation	0	0
Compensation paid to cover debt recovery costs under this legislation	6	1

7. Finance income

Finance income represents interest received on assets and investments in the period.

	GROUP		NHS FOUNDATION TRUST	
	2021/22 £000	2020/21 £000	2021/22 £000	2020/21 £000
Interest on bank accounts	229	17	229	17
Interest on loans and receivables	61	21	61	21
NHS Charitable fund - investment income	1,056	961	0	0
Total finance income	1,346	999	290	38



8. Finance expense - financial liabilities

Finance expenditure represents interest and other charges involved in the borrowing of money.

GROUP and NHS FOUNDATION TRUST	2021/22	2020/21
	£000	£000
PFI - Main finance costs	14,266	14,688
PFI - Contingent finance costs	12,031	11,097
Total interest expense	26,297	25,785
Unwinding of discount on provisions	(112)	20
Total finance expense	26,185	25,805

9. PDC dividends payable

The NHS Foundation Trust is required to pay a dividend to the Department of Health and Social Care equal to 3.5% of the average of opening and closing net relevant assets for the year. As set out in the Department of Health and Social Care Group Accounting Manual (DHSC GAM), the calculation of the dividend excludes donated assets, with some further concessions linked to the COVID 19 pandemic (2020/21 only). Details of this calculation are available within the DHSC GAM section 4.289.

PDC dividend payable for the year is £4,984k (2020/21 £2,342k).

10. Impairments and gains/(losses) on disposal

10.1. Impairments of assets

GROUP AND NHS FOUNDATION TRUST

	2021/22 £000 Net impairments	2021/22 £000 Impairments	2021/22 £000 Reversals	2020/21 £000 Net impairments	2020/21 £000 Impairments	2020/21 £000 Reversals
Changes in market price and optimal site valuation	(4,676)	6,456	(11,132)	321	1,964	(1,643)
Total impairments (credited)/ charged to operating surplus	(4,676)	6,456	(11,132)	321	1,964	(1,643)
Net impairments credited to the revaluation reserve	(13,665)	53	(13,718)	(1,867)	1,633	(3,500)
Total impairments	(18,341)	6,509	(24,850)	(1,546)	3,597	(5,143)

10.2. Gains/(losses) on disposal/derecognition of assets

	GROUP		NHS FOUNDATION TRUST	
	2021/22 £000	2020/21 £000	2021/22 £000	2020/21 £000
Gains on disposal of other property, plant and equipment	49	76	49	76
Losses on disposal of other property, plant and equipment	(79)	(76)	(79)	(76)
Loss recognised on return of donated COVID assets to DHSC	(616)	0	(616)	0
Fair value gains/(losses) on charitable fund investments & investment properties	3,684	6,556	0	0
	3,038	6,556	(646)	0



11. Intangible Assets

GROUP AND NHS FOUNDATION TRUST	Software licences £000	Under development £000	Total £000
Cost at 1 April 2021	19,871	42	19,913
Additions purchased	1,742	53	1,795
Cost at 31 March 2022	21,613	95	21,708
Accumulated amortisation at 1 April 2021	10,345	0	10,345
Provided during the year	2,847	0	2,847
Accumulated amortisation at 31 March 2022	13,192	0	13,192
Net book value			
Purchased	8,421	95	8,516
Total at 31 March 2022	8,421	95	8,516
Cost at 1 April 2020	10,206	4,577	14,783
Additions purchased	1,900	287	2,187
Reclassifications	7,765	(4,822)	2,943
Cost at 31 March 2021	19,871	42	19,913
Accumulated amortisation at 1 April 2020	7,657	0	7,657
Provided during the year	2,688	0	2,688
Accumulated amortisation at 31 March 2021	10,345	0	10,345
Net book value			
Purchased	9,526	42	9,568
Total at 31 March 2021	9,526	42	9,568

There is no difference between the Group and the NHS Foundation Trust's intangible assets.

The NHS Foundation Trust does not hold any donated or leased intangible assets (31 March 2021 £Nil) and has no intangibles funded by government grant (31 March 2021 £Nil).

Reclassifications *

Reclassifications relate to the transfer of software and licence costs from information technology within note 12.

Revaluations

At the year end a review was carried out to determine if the fair value of intangible assets was still appropriately stated. No adjustment to fair value was deemed necessary.

12. Property, Plant and Equipment

12.1. Property, plant and equipment at the Statement of Financial Position date comprise the following elements:

2021/22 Financial Year GROUP

	Land £000	Buildings £000	Dwellings £000	Assets under construction £000	Plant and Machinery £000	Transport Equipment £000	Information Technology £000	Furniture & fittings £000	Total £000
Cost or valuation at 1 April 2021	19,829	393,995	333	33,411	190,743	482	29,700	831	669,324
Additions purchased	0	1,830	0	34,735	7,598	0	91	0	44,254
Additions purchased from cash donations	0	0	0	0	383	0	75	0	458
Reclassifications	0	37,159	0	(39,241)	2,082	0	0	0	0
Impairments charged to operating expenses	0	(6,456)	0	0	0	0	0	0	(6,456)
Impairments charged to the revaluation reserve	0	(53)	0	0	0	0	0	0	(53)
Reversal of impairments credited to operating expenses	0	11,133	0	0	0	0	0	0	11,133
Reversal of impairments credited to the revaluation reserve	657	13,050	11	0	0	0	0	0	13,718
Depreciation eliminated on revaluation	0	(13,205)	(11)	0	0	0	0	0	(13,216)
Disposals	0	0	0	0	(6,687)	(77)	(79)	0	(6,843)
Derecognition - COVID equipment returned to DHSC	0	0	0	0	(678)	0	0	0	(678)
Cost or valuation at 31 March 2022	20,486	437,453	333	28,905	193,441	405	29,787	831	711,641
Accumulated Depreciation at 1 April 2021	0	261	0	0	122,256	452	22,084	827	145,880
Provided during the year	0	13,448	11	0	11,054	10	2,339	2	26,864
Reversal of impairments credited to operating expenses	0	1	0	0	0	0	0	0	1
Depreciation eliminated on revaluation	0	(13,205)	(11)	0	0	0	0	0	(13,216)
Reclassifications	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	(6,605)	(77)	(79)	0	(6,761)
Derecognition - COVID equipment returned to DHSC	0	0	0	0	(62)	0	0	0	(62)
Accumulated Depreciation at 31 March 2022	0	505	0	0	126,643	385	24,344	829	152,706
Net book value as at 31 March 2022	20,486	436,948	333	28,905	66,798	20	5,443	2	558,935
Net book value As at 31 March 2021	19,829	393,734	333	33,411	68,487	30	7,616	4	523,444
Financing of property, plant and equipment									
Owned	20,486	254,921	333	28,905	62,105	20	5,361	2	372,133
PFI	0	173,750	0	0	0	0	0	0	173,750
Owned - donated/granted	0	8,277	0	0	2,641	0	82	0	11,000
Owned - equipment donated from DHSC and NHSE for COVID response	0	0	0	0	2,052	0	0	0	2,052
Total at 31 March 2022	20,486	436,948	333	28,905	66,798	20	5,443	2	558,935



12. Property, Plant and Equipment (continued)

12.1. Property, plant and equipment at the Statement of Financial Position date comprise the following elements (continued)

2020/21 Financial Year

Reclassifications

The reclassifications relate to transfers from assets under construction to other asset categories once the projects to which they relate to have been completed.

Impairments and revaluations

During 2021/22 the following took place which resulted in movements to the statement of comprehensive income, the revaluation reserve and the income and expenditure reserve.

A desktop update of the NHS Foundation Trust's estate was carried out as at 31 March 2022 by a qualified valuer within the Valuation Office Agency. The resulting valuation was based on both national and regional Building Cost Indices. The district valuer was instructed, as in the prior year, to prepare the valuation on a single site basis. This recognises any efficiencies that could be obtained if the NHS Foundation Trust's buildings were to be rebuilt maintaining the current level of service provision on a single site. In addition the district valuer was instructed to prepare the valuation excluding VAT from the value of buildings acquired via PFI procurement methods and NHS Foundation Trust direct purchases. The valuation resulted in the following income and reserve movements:

Statement of Comprehensive Income

- i) a £6,456k (2020/21 £1,964k) charge to operating expenditure relating to impairments in year.
- ii) a £11,133k (2020/21 £1,643k) credit to operating expenditure reversing prior year impairments.

Revaluation reserve

- i) an £53k (2020/21 £1,633k) charge to the revaluation reserve for impairments in year.
- ii) a £13,718k (2020/21 £3,500k) credit to the revaluation reserve relating to an increase in asset values.

Depreciation

Depreciation eliminated on revaluation amounted to £13,126k (2020/21 £22,896k).

Donated assets

None of the assets donated during the financial year have had restrictions in use imposed upon them by the donor.

There is no difference between the cash donated and the fair value of the assets acquired.

The NHS Foundation Trust received Donated equipment during 2020/21 from the Department of Health and Social Care in relation to the COVID response to the value of £3,339k. In 2021/22 The NHS Foundation Trust returned some of this equipment to the Department of Health and Social Care which originally cost £678k and had a net book value of £616k. The Trust therefore recognised a loss on disposal of £616k.

12. Property, Plant and Equipment (continued)

12.1. Property, plant and equipment at the Statement of Financial Position date comprise the following elements (continued)

2021/22 Financial Year

NHS FOUNDATION TRUST

The only differences between the Group property, plant and equipment and the NHS Foundation Trust property, plant and equipment is in the treatment of donated assets.

For the NHS Foundation Trust this would result in a movement of £201k (2020/21 £71k) between additions purchased and additions donated in the financial year. As a result the NHS Foundation Trust's property, plant and equipment note has not been included within the accounts.

2020/21 Financial Year GROUP

	Land	Buildings	Dwellings	Assets under construction	Plant and Machinery	Transport Equipment	Information Technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2020	19,829	385,675	559	35,830	173,657	482	24,079	837	640,948
Additions purchased	0	1,765	0	32,989	14,249	0	1,052	0	50,055
Additions purchased from cash donations	0	0	0	0	72	0	0	0	72
Additions - equipment donated from DHSC for COVID response (non-cash)	0	0	0	0	3,339	0	0	0	3,339
Reclassifications	0	27,679	0	(35,408)	217	0	4,569	0	(2,943)
Impairments charged to operating expenses	0	(1,863)	(101)	0	0	0	0	0	(1,964)
Impairments charged to the revaluation reserve	0	(1,515)	(118)	0	0	0	0	0	(1,633)
Reversal of impairments credited to the revaluation reserve	0	3,490	10	0	0	0	0	0	3,500
Depreciation eliminated on revaluation	0	(22,879)	(17)	0	0	0	0	0	(22,896)
Reversal of impairments credited to operating expenses	0	1,643	0	0	0	0	0	0	1,643
Disposals	0	0	0	0	(791)	0	0	(6)	(797)
Cost or valuation at 31 March 2021	19,829	393,995	333	33,411	190,743	482	29,700	831	669,324
Accumulated Depreciation at 1 April 2020	0	154	0	0	112,622	439	19,775	830	133,820
Provided during the year*	0	22,986	17	0	10,336	13	2,309	3	35,664
Depreciation eliminated on revaluation	0	(22,879)	(17)	0	0	0	0	0	(22,896)
Reclassifications	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	(702)	0	0	(6)	(708)
Accumulated Depreciation at 31 March 2021	0	261	0	0	122,256	452	22,084	827	145,880
Net book value as at 31 March 2021	19,829	393,734	333	33,411	68,487	30	7,616	4	523,444
Net book value As at 31 March 2020	19,829	385,521	559	35,830	61,035	43	4,304	7	507,128
Financing of property, plant and equipment									
Owned	19,829	220,057	333	33,411	62,747	30	7,586	4	343,997
PFI	0	165,886	0	0	0	0	0	0	165,886
Owned - donated/granted	0	7,791	0	0	2,577	0	30	0	10,398
Owned - equipment donated from DHSC and NHSE for COVID response	0	0	0	0	3,163	0	0	0	3,163
Total at 31 March 2021	19,829	393,734	333	33,411	68,487	30	7,616	4	523,444



12. Property, Plant and Equipment (continued)

12.1. Property, plant and equipment at the Statement of Financial Position date comprise the following elements (continued)

2021/22 Financial Year (continued)

* Depreciation charges increased during 2020/21 as a result of the Trust adopting changes in guidance issued by the Royal Institution of Chartered Surveyors (RICS) which came effective from January 2019. As a result the Trust has included additional depreciation charges in relation to buildings which ordinarily would have been reported in 2018/19 and 2019/20 accounts. As the value is not material, the charge is taken in year and is not a prior period adjustment.

12.2. Assets held at open market value

Of the closing balances at 31 March 2022 £6,344k (2020/21 £6,621k) related to land around non-specialised buildings which are valued at open market value.

12. Property, Plant and Equipment (continued)

12.3. Analysis of assets held under PFI contracts

PFI assets	£000
Valuation at 1 April 2021	166,145
Additions	1,830
Reclassifications	1,900
Revaluation - including depreciation eliminated	4,377
Valuation at 31 March 2022	174,252
Accumulated Depreciation at 1 April 2021	259
Provided during the year	5,197
Depreciation eliminated on revaluation	(4,954)
Accumulated Depreciation at 31 March 2022	502
Net book value at 31 March 2022	173,750
Valuation at 1 April 2020	176,187
Additions	1,804
Revaluation - including depreciation eliminated	(11,846)
Valuation at 31 March 2021	166,145
Accumulated Depreciation at 1 April 2020	153
Provided during the year	10,943
Depreciation eliminated on revaluation	(10,837)
Accumulated Depreciation at 31 March 2021	259
Net book value at 31 March 2021	165,886

The PFI arrangements relate to the Transforming Newcastle Hospitals scheme and the Boiler Houses at the RVI and Freeman sites. See Note 21 for further information.

The PFI assets detailed above are included within the column headed 'Buildings excluding dwellings' in Note 12.1.

VAT is excluded from the valuation of the Trust's PFI buildings in both the current and prior year.



13. Investments in Subsidiaries and Joint Ventures

GROUP and NHS FOUNDATION TRUST

	2021/22 £000	2020/21 £000
Cost and NBV at 1 April and 31 March	0	0

The investments relate to the shareholdings detailed below. The investments in companies which would qualify as subsidiaries have not been consolidated into the group accounts on the basis of immateriality. The results of the Newcastle upon Tyne Hospitals NHS Charity are consolidated.

The investments in subsidiaries and joint ventures are not supported by the underlying net assets of these companies and therefore the investments are impaired to £Nil (2020/21 £Nil).

Pulse Diagnostics Limited

The NHS Foundation Trust holds 89% (2020/21 89%) of the total share capital of Pulse Diagnostics Limited (86% of the ordinary share capital and 93% of the preference share capital). The company is incorporated in the UK for the purpose of developing a method of measuring and analysing pulse wave data for application in early detection of Peripheral Vascular Disease. The NHS Foundation Trust's investment at cost of £113k (2020/21 £113k) has previously been impaired. The company has not yet commenced trading.

The NHS Foundation Trust also has a shareholding in the following dormant company

Newcastle Healthcare Property Company Limited

The NHS Foundation Trust owns 100% of the £1 ordinary share capital of Newcastle Healthcare Property Company Limited, a company incorporated in the UK for general commercial activities. The company has not yet commenced trading.

Newcastle upon Tyne Hospitals NHS Charity

The NHS Foundation Trust acts as Corporate Trustee for the Newcastle upon Tyne Hospitals NHS Charity the results of which are consolidated into the Group accounts.

14. Other investments

GROUP

	2021/22	2020/21
	£000	£000
Carrying value at 1 April	38,383	30,011
Additions	0	1,816
Fair value gains / (losses) taken to income and expenditure	3,684	6,556
Fair value at 31 March	<u>42,067</u>	<u>38,383</u>

The 'other investments' are held within the Newcastle upon Tyne Hospitals NHS Charity. The NHS Foundation Trust does not hold any 'other investments'.

The Investments are held in a (i) Charities Ethical Investment Fund* and a (ii) Growth & Income Fund for Charities ** and are administered on behalf of the Newcastle upon Tyne Hospitals NHS Charity by CCLA Investment Management Ltd* and Newton Investment Management**. The investments include equities, property and cash. The equities comprise shareholdings in public companies with stock market quotations, however the portfolio manager refrains from direct investment in companies that derive a substantial amount of their profit from investment in tobacco.



15. Inventories

GROUP	2021/22 £000	2021/22 £000	2021/22 £000	2021/22 £000 Consumables donated from DHSC	2021/22 £000 Charitable funds inventory
	Total	Drugs	Consumables		
As at 1 April	17,853	7,252	10,060	506	35
Additions	347,358	227,758	116,882	2,718	0
Inventories recognised in expenses	(346,137)	(226,774)	(116,320)	(3,043)	0
Write down of inventories	(343)	(296)	(47)	0	0
Movement in Charitable funds inventories	8	0	0	0	8
As at 31 March	18,739	7,940	10,575	181	43
	2020/21 £000	2020/21 £000	2020/21 £000	2020/21 £000	2020/21 £000
	Total	Drugs	Consumables	Consumables donated from DHSC	Charitable funds inventory
As at 1 April	18,294	8,181	10,088	0	25
Additions	339,026	204,219	122,351	12,456	0
Inventories recognised in expenses	(339,206)	(205,060)	(122,329)	(11,817)	0
Write down of inventories	(271)	(88)	(50)	(133)	0
Movement in Charitable funds inventories	10	0	0	0	10
As at 31 March	17,853	7,252	10,060	506	35
NHS FOUNDATION TRUST	2021/22 £000	2021/22 £000	2021/22 £000	2021/22 £000	
	Total	Drugs	Consumables	Consumables donated from DHSC	
As at 1 April	17,818	7,252	10,060	506	
Additions	347,358	227,758	116,882	2,718	
Inventories recognised in expenses	(346,137)	(226,774)	(116,320)	(3,043)	
Write down of inventories	(343)	(296)	(47)	0	
As at 31 March	18,696	7,940	10,575	181	
	2020/21 £000	2020/21 £000	2020/21 £000	2020/21 £000	
	Total	Drugs	Consumables	Consumables donated from DHSC	
As at 1 April	18,269	8,181	10,088	0	
Additions	339,026	204,219	122,351	12,456	
Inventories recognised in expenses	(339,206)	(205,060)	(122,329)	(11,817)	
Write down of inventories	(271)	(88)	(50)	(133)	
As at 31 March	17,818	7,252	10,060	506	

All stock is held at the lower of cost and net realisable value.

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 2021/22 the NHS Foundation Trust received £2,718k (2020/21 £12,456k) of items purchased by DHSC.

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.

16. Receivables

16.1. Receivables

	GROUP		NHS FOUNDATION TRUST	
	31 March 2022 £000	31 March 2021 £000	31 March 2022 £000	31 March 2021 £000
Current				
Contract receivables invoiced	64,172	44,876	64,172	44,876
Contract receivables not yet invoiced	16,965	36,400	17,734	36,691
Allowance for impaired contract receivables / assets	(6,983)	(7,333)	(6,983)	(7,333)
PFI prepayment (lifecycle replacement)	1,892	1,846	1,892	1,846
Other prepayments	6,218	7,494	6,218	7,494
PDC dividend receivable	16	2,202	16	2,202
VAT receivable	15,730	8,729	15,730	8,729
Clinician pension tax provision reimbursement funding from NHSE	24	30	24	30
Interest receivable	113	0	113	0
Other receivables	425	262	425	262
NHS Charitable funds: Receivables	299	299	0	0
Total current receivables	98,871	94,805	99,341	94,797
Non-current				
PFI prepayment (lifecycle replacement)	15,581	14,781	15,581	14,781
Other prepayments	608	569	608	569
Clinician pension tax provision reimbursement funding from NHSE	1,923	268	1,923	268
Total non - current receivables	18,112	15,618	18,112	15,618
Total receivables	116,983	110,423	117,453	110,415
Of which:				
NHS and DHSC group bodies	31,762	33,019	31,762	33,019
Non-NHS and DHSC group bodies	85,221	77,404	85,691	77,396
	116,983	110,423	117,453	110,415



16. Receivables (continued)

16.2. Allowances for credit losses (doubtful debts)

GROUP and NHS FOUNDATION TRUST

	2021/22 £000 Total	2020/21 £000 Total
At 1 April	7,333	5,501
New allowances arising	5,041	6,306
Reversals of allowances	(2,643)	(2,896)
Utilisation of allowances	(2,748)	(1,578)
At 31 March	<u>6,983</u>	<u>7,333</u>
Loss/gain recognised in expenditure	<u>2,398</u>	<u>3,410</u>

Included within the above is an allowance for unsuccessful compensation claims and doubtful debts of £1,912k (2020/21 £1,725k) relating to the NHS Injury Cost Recovery Scheme. The Compensation Recovery Unit have advised that the probability of not receiving income is 23.76% (2020/21 22.43%).

16.3. Receivables past due but not impaired

	2021/22 £000	2020/21 £000
31 to 90 days	3,801	8,763
91 to 180 days	857	2,371
By more than 180 days	14,420	9,581
Total	<u>19,078</u>	<u>20,715</u>

17. Non current assets held for sale

The Group does not hold any 'non-current assets held for sale' as at 31 March 2022.

18. Cash and cash equivalents

	GROUP		NHS FOUNDATION TRUST	
	2021/22 £000	2020/21 £000	2021/22 £000	2020/21 £000
Balance at 1 April	247,282	135,337	237,683	125,322
Net change in year	(17,069)	111,945	(17,541)	112,361
Balance at 31 March	230,213	247,282	220,142	237,683
Made up of:				
Cash at commercial banks and in hand	10,170	18,845	99	9,246
Government Banking Service	220,043	228,437	220,043	228,437
Deposits with the National Loans Fund	0	0	0	0
Cash and cash equivalents as per the Statement of Financial Position	230,213	247,282	220,142	237,683

There is no difference between cash and cash equivalents as detailed above and cash and cash equivalents in the Statement of Cash Flows.

19. Trade and other payables

	GROUP		NHS FOUNDATION TRUST	
	31 March 2022 £000	31 March 2021 £000	31 March 2022 £000	31 March 2021 £000
Current				
Trade payables	24,565	31,043	24,565	31,043
Capital payables	22,568	14,328	22,568	14,328
Accruals	100,303	109,529	100,303	109,529
Annual leave accrual	7,937	8,245	7,937	8,245
Social security costs	0	9,000	0	9,000
Other taxes payable	15,135	14,030	15,135	14,030
Other payables	37,139	21,166	37,139	21,166
NHS Charitable funds: Trade and other payables	0	6	0	0
Total trade and other payables	207,647	207,347	207,647	207,341
Of which payable to NHS and DHSC group bodies - current	13,114	25,043	13,114	25,043

The Group and NHS Foundation Trust have no non-current trade and other payables.



20. Other liabilities

GROUP and NHS FOUNDATION TRUST

	31 March 2022 £000	31 March 2021 £000
Current		
Deferred income	58,988	49,835
Other *	7,763	9,600
Total other liabilities	66,751	59,435

*Other liabilities relate to funding received from Department of Health and Social Care in relation to the NHS Foundation Trusts involvement with the Lighthouse Laboratory, Integrated Covid Hub North East (ICHNE) which the Trust accounts for on an agency basis.

21. Borrowings

21.1. Total Borrowings

GROUP and NHS FOUNDATION TRUST

	31 March 2022 £000	31 March 2021 £000
Current		
Obligations under PFI agreements	6,649	6,264
Total current borrowings	6,649	6,264
Non-current		
Obligations under PFI agreements	209,436	216,091
Total non-current borrowings	209,436	216,091
Total borrowings	216,085	222,355

21. Borrowings (continued)

21.2. Reconciliation of liabilities arising from financing activities - 2021/22

GROUP and NHS FOUNDATION TRUST

	31 March 2022 £000	31 March 2022 £000
	PFI obligations	Total
Carrying value at 31 March 2021 brought forward	222,355	222,355
Cash movements		
Financing cash flows - principal	(6,270)	(6,270)
Financing cash flows - interest (for liabilities measured at amortised cost)	(14,266)	(14,266)
Non-cash movements		
Application of effective interest rate (interest charge arising in year)	14,266	14,266
Carrying value at 31 March 2022	<u>216,085</u>	<u>216,085</u>

21.3. Obligations under PFI arrangements

GROUP and NHS FOUNDATION TRUST

	31 March 2022 £000	31 March 2021 £000
Gross liabilities which are due:		
Not later than one year	20,434	20,529
Later than one year and not later than five years	76,227	77,682
Later than five years	<u>296,380</u>	<u>315,364</u>
Total gross liabilities	393,041	413,575
Finance charges allocated to future periods	(176,956)	(191,220)
Net obligations	<u>216,085</u>	<u>222,355</u>
Net PFI obligations which are due:		
Not later than one year	6,649	6,264
Later than one year and not later than five years	25,305	25,080
Later than five years	<u>184,131</u>	<u>191,011</u>
	<u>216,085</u>	<u>222,355</u>



21. Borrowings (continued)

21.4. PFI schemes

The NHS Foundation Trust has three PFI schemes which are included within the Statement of Financial Position.

The NHS Foundation Trust has determined that in accordance with the relevant accounting standards, it should recognise an asset of the relevant buildings as an item of property, plant and equipment and a corresponding finance lease liability.

This then requires the NHS Foundation Trust to apportion the Unitary Payment for accounting purposes only into the following components: (a) a finance lease rental/asset financing component, (b) a services component and (c) a component in respect of funding for the replacement of parts of the asset over the life of the contract (lifecycle replacement).

Transforming Newcastle Hospitals (TNH) PFI scheme:

Original Capitalised value	£281,635k
Contract Start date	May 2005
Contract End date	May 2043

The Transforming Newcastle Hospitals PFI scheme, for a major service configuration at the Freeman Hospital and Royal Victoria Infirmary, reached financial close on 27 April 2005. After a negotiated settlement the final phase of the scheme, Phase 9, was handed over to the NHS Foundation Trust during 2016/17.

The initial Unitary Payment became payable from April 2005, when the scheme became partly operational (Freeman Multi-Storey Car Park). Construction of the Freeman Multi-Storey Car Park commenced prior to contract completion and was subsequently incorporated into the scheme. The District Valuer has prepared a Modern Equivalent Asset valuation for the separate elements of the scheme and this value was used when capitalising the assets.

The NHS Foundation Trust pays the operator a monthly Unitary Payment covering the provision of the assets and services. These cash flows can vary due to the following factors:

- a. The Unitary payment is adjusted each year for the effects of price changes by applying changes in the RPI to the whole Unitary Payment.
- b. The contract provides for the NHS Foundation Trust to deduct amounts from the Unitary Payment to the extent that any part of the buildings are unavailable for use, or if services are not provided to the standards set out in the contract.

The operator is responsible for ensuring the buildings remain in the required condition over the life of the contract, undertaking property maintenance and replacement of components of assets when required. The contract does not include the provision of any 'soft' facilities management provision, e.g. security, cleaning or portering.

At the completion of the PFI contract the buildings will revert to the NHS Foundation Trust at no additional cost. There is no option in the contract for its extension.

21. Borrowings (continued)

21.4. PFI schemes (continued)

RVI Boiler House PFI scheme:

Capitalised value	£5,704k
Contract Start date	October 2002
Contract End date	June 2023

The RVI Boiler House PFI scheme is for the provision of energy through the RVI Boiler House. The scheme commenced on 22 December 2000, with the NHS Foundation Trust paying the PFI contractor to run the transferred plant.

The Unitary Payment became payable from October 2002 when the PFI scheme became fully operational.

Freeman Boiler House PFI scheme:

Capitalised value	£5,428k
Contract Start date	December 1997
Contract End date	June 2027

The Freeman Boiler House PFI scheme covers two stages, both for the upgrade of facilities and the provision of energy through the Freeman Boiler House. The first stage became operational on 1 December 1997 and the second on 1 January 2008.

21.5. Analysis of amounts payable to service concession operators

	31 March 2022 £000	31 March 2021 £000
Unitary payment payable to service concession operators	<u>44,230</u>	<u>43,483</u>
Consisting of:		
Service element	8,988	8,779
Repayment of finance lease liability	6,270	6,281
Interest charge	14,266	14,688
Contingent rent	12,031	11,097
Capital lifecycle costs - including prepayment element	<u>2,675</u>	<u>2,638</u>
Total amount paid to service concession operators	<u>44,230</u>	<u>43,483</u>

The NHS Foundation Trust made no additional payments to the PFI operator during the current or prior year and recognised no PFI support income within the Statement of Comprehensive Income in the current or prior year.



21. Borrowings (continued)

21.6. Total PFI arrangements - commitments

Maturity analysis of unitary payments

The NHS Foundation Trust is committed to make the following Unitary Payments over the remaining period of the PFI schemes:

	31 March 2022 £000	31 March 2021 £000
Total future payments committed	<u>1,161,486</u>	<u>1,145,137</u>
Of which payments due:		
Not later than one year	47,236	43,921
Later than one year and not later than five years	184,660	174,882
Later than five years	<u>929,590</u>	<u>926,334</u>
	<u>1,161,486</u>	<u>1,145,137</u>

The amounts shown in the category 'Not later than one year' include an actual inflation rate charge of 8.2% (2020/21 1.7%). Other amounts are shown inclusive of an anticipated annual inflation rate of 2.5% as per the contract. The actual inflation rate incorporated into the Unitary Payment is based on the Retail Price Index (RPI) issued in the February preceding the financial year, therefore the figures above will vary depending on the actual rate issued.

21.7. Asset financing component of PFI schemes

	Gross payments		Present value of payments	
	31 March 2022 £000	31 March 2021 £000	31 March 2022 £000	31 March 2021 £000
Not later than one year	20,434	20,529	6,649	6,264
Later than one year and not later than five years	76,227	77,682	25,305	25,080
Later than five years	296,380	315,364	184,131	191,011
Sub-total	<u>393,041</u>	<u>413,575</u>	<u>216,085</u>	<u>222,355</u>
Less: finance cost attributable to future periods	<u>(176,956)</u>	<u>(191,220)</u>		
Total	<u>216,085</u>	<u>222,355</u>		

The RPI indexation increase which would be applied to the lease element of the unitary payment is not included in payments detailed above. Instead, and in accordance with IAS 17, the RPI indexation amount is treated as contingent rent when paid and, because in substance it is part of the cost of financing, it is treated and disclosed as a finance cost.

During 2021/22 £12,031k (2020/21 £11,097K) was expensed as a contingent finance cost.

21. Borrowings (continued)

21.8. Services component of PFI schemes

	Gross payments	
	31 March 2022 £000	31 March 2021 £000
Not later than one year	9,432	8,690
Later than one year and not later than five years	31,724	30,877
Later than five years	124,769	122,858
	<u>165,925</u>	<u>162,425</u>

The services component excludes the impact of inflation in future years.

The amount charged to operating expenses during the year in respect of services was £8,988k (2020/21 £8,779k).

The actual amounts paid vary to forecast due to inflation, contract variations and credits received for service failures.

21.9. Lifecycle replacement component of PFI schemes

	Gross payments	
	31 March 2022 £000	31 March 2021 £000
Not later than one year	2,894	2,675
Later than one year and not later than five years	11,576	10,701
Later than five years	46,297	45,475
	<u>60,767</u>	<u>58,851</u>

The lifecycle component excludes the impact of inflation in future years.



22. Provisions

GROUP and NHS FOUNDATION TRUST	31 March 2022 £000	31 March 2021 £000			
Pensions - Injury benefits	2,613	2,711			
Legal claims - other	501	547			
Clinician pension tax reimbursement	1,947	298			
Other	17,193	18,513			
Total	22,254	22,069			
Analysed by:					
Current	9,705	19,208			
Non-current	12,549	2,861			
Total	22,254	22,069			
	Pensions - Injury benefits £000	Legal claims - other £000	Other £000	Clinician pension tax reimbursement £000	Total £000
Movement in year:					
At 1 April 2021	2,711	547	18,513	298	22,069
Change in the discount rate	119	0	0	0	119
Arising during the year	13	309	0	1,649	1,971
Utilised during the year - cash	(118)	(132)	(1,320)	0	(1,570)
Reversed unused	0	(223)	0	0	(223)
Unwinding of discount *	(112)	0	0	0	(112)
At 31 March 2022	2,613	501	17,193	1,947	22,254
Expected timing of cash flows					
- not later than one year	120	501	9,060	24	9,705
- later than one year and not later than five years	496	0	8,133	142	8,771
- later than five years	1,997	0	0	1,781	3,778
Total	2,613	501	17,193	1,947	22,254

Pensions - relates to sums payable to former employees having retired prematurely due to injury at work. The outstanding liability is based upon current and expected benefits advised by the NHS Pensions Agency and the computed life expectancies of pension recipients.

Legal Claims - based upon professional assessments, which are uncertain to the extent that they are an estimate of the likely outcome of individual cases. Due dates of settlement of claims are based upon estimates supplied by the NHS Litigation Authority and/or Legal Advisers.

22. Provisions (continued)

Clinician pension tax reimbursement - 2019/20 Pension Annual Allowance Charge Compensation Scheme (PAACCS) - estimated liability as at 31 March 2022 provided by NHS England. The figures are derived from combining information on applications to join the 2019/20 scheme under the policy, together with information in the scheme pays election form where present, and with averages assumed where these forms are absent or clearly an estimate (values less than £100). Future liabilities based on individual member data and scheme rules are then discounted to give a total for the NHS Foundation Trust.

Other - the opening balance relates to building related provisions resulting from the on-going development of the Royal Victoria Infirmary (RVI), Freeman and the Campus for Ageing and Vitality (CAV) sites. The provision relates to building relation provisions which includes fire remediation works required across the Trust estate as obligated under Article 4 of the Regulatory Reform (Fire Safety) Order 2005. The remediation works are expected to be carried out within the coming years.

The NHS Foundation Trust has an insurance arrangement through the NHS Litigation Authority in respect of clinical negligence, with liabilities covered by an annual insurance premium payment. Excluded from this note therefore is a sum of £684,566k (2020/21 £460,950k) which is included within the provisions of the NHS Litigation Authority in respect of clinical negligence liabilities of the NHS Foundation Trust.

Where it is not considered probable that a payment will be made, non-provided amounts are disclosed in Note 26, Contingent Liabilities.

* Unwinding of discount relates to the inflation effect on existing provisions of their payment in the future.

23. Notes to the Statement of Cash Flows

23.1. Reconciliation of operating surplus to net cash flow from operating activities

	GROUP		NHS FOUNDATION TRUST	
	2021/22 £000	2020/21 £000	2021/22 £000	2020/21 £000
Total operating surplus/(deficit)	33,859	35,031	34,907	34,703
Depreciation and amortisation	29,711	38,352	29,711	38,352
Net impairments (Reversals)	(4,676)	321	(4,676)	321
Income recognised in relation to donated assets - cash	(257)	(3,340)	(458)	(3,411)
(Increase) in inventories	(878)	451	(878)	451
(Increase) in trade and other receivables	(7,787)	(1,240)	(8,265)	(1,241)
Increase/(decrease) in trade and other payables	(7,934)	70,499	(7,934)	70,499
Decrease in other liabilities	7,316	22,833	7,316	22,833
Decrease in provisions	297	16,849	297	16,849
Other movements in operating cash flows	0	4	0	4
Notional repayment of PDC	0	(37,844)	0	(37,844)
NHS Charitable funds - net adjustments for working capital movements, non-cash transactions and non-operating cash flows	(14)	109	0	0
Net cash generated from operating activities	49,637	142,025	50,020	141,516



24. Financial Commitments

24.1. Contractual Capital Commitments

Commitments under capital expenditure contracts as at 31 March 2022 amount to £15,137k (2020/21 £6,025k).

	31 March 2022 £000	31 March 2021 £000
Property, plant and equipment	14,921	5,747
Intangible assets	216	278
	<u>15,137</u>	<u>6,025</u>

24.2. Other financial commitments

The NHS Foundation Trust is committed to making payments under non-cancellable contracts (which are not leases, PFI contracts or other service concession arrangement), analysed by the period during which the payment is made:

	31 March 2022 £000	31 March 2021 £000
Not later than 1 year	22,352	17,096
After 1 year and not later than 5 years	48,489	19,333
Paid thereafter	305	2,172
Total	<u>71,146</u>	<u>38,601</u>

25. Events after the Reporting Date

There were no events after the reporting date which are required to be incorporated into the accounts in the current or prior year.

26. Contingent Liabilities

GROUP and NHS FOUNDATION TRUST	31 March 2022 £000	31 March 2021 £000
Gross and net value of contingent liabilities - other	<u>58</u>	<u>(25)</u>

The contingent liability figure relates to the non-provided risks for Employer and Public Liability claims based upon risk assessments supplied by the NHS Litigation Authority.

27. Related Party Transactions

27.1. Ultimate parent

The NHS Foundation Trust is a public benefit corporation established under the National Health Service Act 2006. Monitor (operating as NHS Improvement) the Independent Regulator for NHS Foundation Trusts, has the power to control the NHS Foundation Trust within the meaning of IAS 27 Consolidated and Separate Financial Statements. Monitor does not prepare group accounts but does prepare separate NHS Foundation Trust Consolidated Accounts. The NHS Foundation Trust Consolidated Accounts are included within the Whole of Government Accounts. Monitor is accountable to the Secretary of State for Health and Social Care (DHSC) and therefore the NHS Foundation Trust's parent department is the DHSC and ultimate parent is HM Government.

27.2. Whole of Government Accounts Bodies

All government bodies which fall within the Whole of Government accounts boundary are regarded as related parties because they are all under the common control of HM Government and Parliament. This includes for example all NHS bodies, all local authorities and central government bodies.



27. Related Party Transactions (continued)

27.3 Transactions with other related parties

The NHS Foundation Trust had no direct transactions with board members other than remuneration which is disclosed in the Remuneration Report in the current or previous financial year and had no outstanding payable or receivable balances at 31 March 2022 or 31 March 2021. The table below details the total value of other related party transactions in the current and previous year and the outstanding balances as at 31 March 2022 and 31 March 2021. Further details can be found in note 27.7. This table excludes balances with other whole of government entities.

	31 March 2022 £000 Payables	31 March 2022 £000 Receivables	31 March 2022 £000 Income	31 March 2022 £000 Expenditure
Other bodies or persons outside of the whole of government accounting boundary	1,178	2,146	12,657	12,203
Total value of transactions with other related parties and balances as at 31 March	1,178	2,146	12,657	12,203
	31 March 2021 £000 Payables	31 March 2021 £000 Receivables	31 March 2021 £000 Income	31 March 2021 £000 Expenditure
Other bodies or persons outside of the whole of government accounting boundary	1,703	1,929	9,679	7,846
Total value of transactions with other related parties and balances as at 31 March	1,703	1,929	9,679	7,846

27. Related Party Transactions (continued)

27.4 Significant transactions and balances with other NHS and whole of government bodies

The table below identifies the eleven organisations with which the NHS Foundation Trust has had the largest value of revenue transactions during the current and previous year. The NHS Pension Scheme and HM Revenues and Customs (excluding VAT) are also included due to the material value of payments made.

	31 March 2022 £000 Payables	31 March 2022 £000 Receivables	31 March 2022 £000 Income	31 March 2022 £000 Expenditure
NHS England	330	14,985	571,972	700
NHS Newcastle Gateshead CCG	0	251	365,096	100
NHS North Tyneside CCG	0	0	67,618	0
NHS Northumberland CCG	1	0	71,420	0
Health Education England	0	2,169	54,007	0
NHS Tees Valley CCG	0	37	32,131	0
DHSC (excluding PDC)	0	1,022	29,016	0
NHS County Durham CCG	0	274	26,253	0
NHS South Tyneside CCG	0	0	15,253	0
NHS North Cumbria CCG	0	21	13,838	0
NHS Sunderland CCG	0	0	11,828	5
NHS Pension Scheme (Employer's contributions, Payables includes Employee's contributions)	9,726	0	0	98,008
HM Revenues and Customs (excluding VAT)	15,135	0	0	58,160

	31 March 2021 £000 Payables	31 March 2021 £000 Receivables	31 March 2021 £000 Income	31 March 2021 £000 Expenditure
NHS England	5,689	7,548	573,439	0
NHS Newcastle Gateshead CCG	25	995	314,037	(65)
NHS North Tyneside CCG	0	0	65,939	(9)
NHS Northumberland CCG	1	0	70,018	(4)
Health Education England	0	676	51,463	0
DHSC (excluding PDC)	31,622	8,842	34,681	0
NHS County Durham CCG	0	8	24,973	(4)
NHS South Tyneside CCG	0	0	14,930	0
NHS North Cumbria CCG	0	0	13,517	105
NHS Sunderland CCG	0	385	11,722	89
NHS Tees Valley CCG	0	0	9,451	81
NHS Pension Scheme (Employer's contributions)	0	0	0	89,904
HM Revenues and Customs (excluding VAT)	14,030	0	0	50,938

None of the receivable or payable balances are secured. Amounts are usually due within 30 days and will be settled in cash.



27. Related Party Transactions (continued)

27.5. Commitments at 31 March 2022

The NHS Foundation Trust continues to negotiate new income contracts with the organisations detailed above. Negotiations are expected to be concluded at an overall value not significantly different to those entered into for 2021/22, although it is expected that the commissioning bodies will become Integrated Care Boards (ICBs) from July 2022. In addition, the NHS Foundation Trust was eligible for additional COVID 19 related funding up to 31 March 2022, whilst some of this funding is still available, the overall sum is expected to reduce from the values disclosed in 2021/22 as specific schemes are wound down.

27.6. Charitable funds

The NHS Foundation Trust receives revenue and capital payments from a number of charitable funds, including the Newcastle upon Tyne Hospitals NHS Charity, for which the NHS Foundation Trust acts as 'Corporate Trustee'. The results for this Charity are consolidated within these group accounts.

27.7. Directors

The NHS Foundation Trust's Chairman, Professor Sir J Burn holds the posts of Professor of Clinical Genetics and Senior Strategic Advisor with Newcastle University and Mr W MacLeod, Non-Executive Director holds the post of Chair of International Advisory Board and is also a Lay Member of Council. Transactions with the University were both financial and non-financial relating principally to income received of £6,615k (2020/21 £6,706k) and expenditure of £11,796k (2020/21 £7,745k) in relation to staff who work across both organisations. The year

end receivable balance was £1,753k (2020/21 £1,908k) and payable balance was £1,158k (2020/21 £1,744k).

The NHS Foundation Trust's deputy chief executive / medical director Mr A Welch and estates director Mr R Smith were directors of Newcastle Healthcare Property Company Limited during the year. The company has not started trading.

The NHS Foundation Trust's chairman, Professor Sir John Burn, continues as a director of Pulse Diagnostics Limited alongside senior manager Dr A J Sims. The company is not currently trading.

The NHS Foundation Trust's chairman, Professor Sir John Burn, holds the position of Chairman with Quantum DX. During the year the NHS Foundation Trust had the following transactions with Quantum DX of income of £101k (2020/21 £Nil) and had year end receivable balance of £57k (2020/21 £Nil).

The NHS Foundation Trust's Chief Executive Dame Jackie Daniel is a directors of Academic Health Science Network North East and North Cumbria (AHSN NENC). The NHS Foundation Trust provides financial services support to AHSN NENC. Transactions during the year, including funds transfers in respect of receipts and payments made to and by the NHS Foundation Trust on behalf of AHSN NENC, were income of £5,801k (2020/21 £2,972k) and expenditure of £124k (2020/21 £64k). Year end balances were £305k (2020/21 £21k) receivable and £Nil (2020/21 £41k credit position) payable.

The NHS Foundation Trust's Chief Executive Dame Jackie Daniel was a Board Director of Northern Health Science Alliance (NHSA) up until 16 April 2021. During the year the NHS Foundation Trust had transactions of £36k of

27. Related Party Transactions (continued)

expenditure with NHSA (2020/21 £36k). There were no outstanding balances at the year end.

The NHS Foundation Trust's Chief Executive Dame Jackie Daniel is a Vice-Chair of NHS Confederation. During the year the NHS Foundation Trust had transactions of £18k of expenditure with NHS Confederation (2020/21 £14k). Year end balances were £20k (2020/21 £Nil) payable.

A non-executive director, Jonathan Jowett is the Company Secretary of Greggs PLC. During the year the NHS Foundation Trust had the following transaction with Greggs PLC, expenditure of £16k (2020/21 £8k).

A non-executive director, Professor K McCourt is a Convenor of Fellows of Royal College of Nursing. During the year the NHS Foundation Trust had the following transactions with Royal College of Nursing, expenditure of £2k (2020/21 £1k).

A non-executive director, Graeme Chapman held employment with Microsoft Ltd during 2021/22, which ended on 27 December 2021. During the year the NHS Foundation Trust had the following transactions with Microsoft PLC of expenditure of £89k (2020/21 £Nil).

A non-executive director, Stephanie Edusei is a Director/Board member of The North East Chamber of Commerce. During the year the NHS Foundation Trust had the following transactions with The North East Chamber of Commerce of expenditure of £21k (2020/21 £4k).

A non-executive director, Stephanie Edusei is Chief Executive of St Oswald's Hospice. During the year the NHS Foundation Trust had the following transactions with St Oswald's Hospice of income of £140k (2020/21 £41k) and expenditure of £101k (2020/21 £Nil). Year end balances were £31k receivable (2020/21 £67k).

27.8. Remuneration of key management personnel

The remuneration of the executive and non-executive directors, who are the key management personnel of the NHS Foundation Trust, is set out in Note 5.5. Further information about the remuneration of individual directors is provided in the Remuneration report.

There were no amounts owing to key management personnel at the beginning or end of the financial year.



28. Financial Instruments and Financial Risk Management

IFRS 7 requires disclosure of the role that financial instruments have had during the year in creating or changing the risks an entity faces in undertaking its activities. Because of the continuing service-provider relationship that the NHS Foundation Trust has with local Clinical Commissioning Groups (CCGs) and the way those CCGs are financed, the NHS Foundation Trust is not exposed to the degree of financial risk faced by business entities. Also, financial instruments play a much more limited role in creating or changing risk than would be typical of the listed companies to which the financial reporting standards mainly apply. Financial assets and liabilities are generated by day-to-day operational activities rather than being held in order to change the risks facing the NHS Foundation Trust.

The NHS Foundation Trust's capital and treasury management operations are carried out by the finance department, within parameters defined formally within the NHS Foundation Trust's standing financial instructions and policies agreed by the Board of Directors.

The impact of COVID 19 throughout the year has been fully funded from the Department of Health and Social Care and is not thought to have any significant impact on the financial risk management.

IFRS 7 also requires disclosures relating to the risks associated with financial instruments. There are three types of risk which the NHS Foundation Trust has assessed which are detailed below:

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. For the NHS Foundation Trust, credit risk arises mainly

from NHS and other receivable balances. Credit risk is mitigated as a substantial part of the NHS Foundation Trust's activity is carried out with other Health Bodies. For other transactions specific checks are made regarding credit worthiness before the NHS Foundation Trust enters into any new contracts. The NHS Foundation Trust manages this risk by regular review of aged receivable balances, prompt follow up on those which are overdue and provides for any deemed to be impaired. Once the balance is determined to be irrecoverable the amount is written off.

Of the Group's cash and cash equivalents balance at the year end, 96% was held with the Government Banking Service and the remaining 4% with the NHS Foundation Trust's and Charity's bankers, HSBC, Barclays and Clydesdale Bank plc. (Yorkshire Bank). The credit risk arising, i.e., that the banks may default on repayment, is considered to be low.

The NHS Foundation Trust held no short term deposits at the year end. During the 2021/22 and 2020/21 years the NHS Foundation Trust placed no deposits with the National Loans Fund due to the low Bank of England base rate. During the year 2019/20 the NHS Foundation Trust placed deposits with the National Loans Fund until 22nd March 2020, however, when the Bank of England base rate reduced, investment ceased. As at 31st March 2022 the Bank of England Base Rate was raised to 0.5% with a further rise to 0.75% announced on 8th April 2022. The Foundation Trust therefore intends to recommence placing deposits in the 2022/23 financial year.

An analysis of aged and impaired receivables is given in Note 16.2.

The credit risk associated with all other financial instruments is considered to be

28. Financial Instruments and Financial Risk Management (continued)

low. The Group's maximum exposure to credit risk at the balance sheet date is £347,271k (2020/21 £359,907k). There are no amounts held as collateral against these balances.

At 31 March 2022 a review was undertaken of financial assets not past their due date. Those where the credit risk was anticipated to be significant were impaired. Therefore the credit risk of those remaining financial assets neither past their due date nor impaired is deemed to be low.

At 31 March 2022 there are £Nil (2020/21 £Nil) financial assets that would otherwise be past due or impaired whose terms have been renegotiated.

Liquidity risk

Liquidity risk is the risk that the NHS Foundation Trust will encounter difficulty in meeting obligations associated with financial liabilities. The NHS Foundation Trust's net operating costs are incurred under contracts with various commissioning bodies, which are financed from resources voted annually by Parliament. During the year the NHS Foundation Trust will receive income month by month, based on block contracts negotiated with commissioners and with corrections applied to adjust for actual expenditure incurred for some services.

The NHS Foundation Trust largely finances its capital expenditure from internally generated resources. In addition, funds have also been made available from Government, in the form of additional Public Dividend Capital, to progress specific capital schemes. The NHS Foundation Trust can borrow from

commercial sources to finance capital schemes. Such financing would be drawn down to match the spend profile of the scheme concerned and the NHS Foundation Trust is not, therefore, exposed to significant liquidity risk in this area.

The NHS Foundation Trust is also subject to liquidity risk in relation to the long term PFI contracts into which it has entered. The maturity analysis for payments under these schemes can be found in Note 21. Expenditure savings have been identified to mitigate the liquidity risk of the PFI contracts. Prior to the contract being entered into the scheme was reviewed by HM Treasury and, subsequently, by Monitor when the NHS Foundation Trust was applying for Foundation Trust status.

Market Risk - Interest-rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

During the majority of 2021/22 the NHS Foundation Trust's cash and cash equivalents attracted minimal interest, however, following interest rate rises on 2nd February 2022 and 16th March 2022 linked to the change in the Bank of England base rate, the Trust is now receiving interest at 0.64%. Deposits held with HSBC attracted no interest throughout 2021/22, however, these are minimal. Any reduction in the base rate or interest rate would have an immaterial impact on cash flows and hence interest rate risk on these financial assets is deemed to be immaterial.

An element of the Newcastle upon Tyne Hospitals NHS Charity's cash balance is



28. Financial Instruments and Financial Risk Management (continued)

held on a 95 day fixed term deposit with Yorkshire Bank plc. The interest rate on this deposit is currently fixed at 0.15%. The Newcastle upon Tyne Hospitals NHS Charity also holds a variable cash balance with HSBC which attracts an interest rate at 0.01%.

A significant area of uncertainty that affects the carrying value of assets held by the Charity is the performance of investment markets. The Charity utilises Investment advisors and regularly reviews their performance in line with the Charity Investment Policy.

The NHS Foundation Trust's PFI arrangements are on fixed interest terms.

Other than as described above, none of the other remaining NHS Foundation Trust financial assets or liabilities carry interest rates which vary with market rates and therefore interest rate risk is not deemed material and a sensitivity analysis is not considered necessary.

29. Financial Assets and Liabilities

29.1 Carrying values of financial assets

	GROUP		NHS FOUNDATION TRUST	
	31 March 2022 £000	31 March 2021 £000	31 March 2022 £000	31 March 2021 £000
Receivables (excluding non-financial assets) - with NHS and DHSC bodies	31,093	30,144	31,093	30,144
Receivables (excluding non-financial assets) - with other bodies	43,599	44,061	43,599	44,352
Cash and cash equivalents	220,142	237,683	220,142	237,683
Consolidated NHS Charitable fund financial assets - Investments	42,067	38,383	0	0
Consolidated NHS Charitable fund financial assets - Cash and cash equivalents	10,370	9,636	0	0
Total	347,271	359,907	294,834	312,179

The Group and NHS Foundation Trust financial assets are held at amortised costs, with the exception of the Charitable Investments which are held at fair value through profit and loss.

29. Financial Assets and Liabilities (continued)

29.2 Carrying values of financial liabilities

	GROUP		NHS FOUNDATION TRUST	
	31 March 2022 £000	31 March 2021 £000	31 March 2022 £000	31 March 2021 £000
Other financial liabilities				
Trade and other payables (excluding non-financial liabilities) - with other bodies	179,534	159,420	179,534	159,420
Trade and other payables (excluding non-financial liabilities) - with NHS and DHSC bodies	12,946	24,891	12,946	24,891
PFI finance lease obligations	216,085	222,355	216,085	222,355
Total	408,565	406,666	408,565	406,666

All of the Group and NHS Foundation Trust other financial liabilities are carried at amortised cost. Fair value is not considered significantly different from book value.

Maturity of other financial liabilities *

In one year or less	212,914	204,840	212,914	204,840
In more than one year but not more than five years	76,227	77,682	76,227	77,682
In more than five years	296,380	315,364	296,380	315,364
Total	585,521	597,886	585,521	597,886

30. Application of new standards

The NHS Foundation Trust did not adopt any new standards during 2021/22.

31. Third Party Assets

The NHS Foundation Trust held £4k (2020/21 £5k) cash at bank, which relates to monies held by the NHS Foundation Trust on behalf of patients. These monies have not been included in the cash and cash equivalents figure reported in the accounts.



32. Losses and Special Payments

There were 263 cases of losses and special payments totalling £679k during the year (restated 2020/21 1,026 cases totalling £4,469k). The overtime corrective payment (Flowers case) was the only case that cost the NHS Foundation Trust £300k or more, with approval under Managing Public Monies sought centrally by NHS England and Improvement. The Trust has received approval from HM Treasury to the value of £3,109k, however, it has paid an additional £339k which is yet to be approved by HM Treasury. This further approval has been sought by NHS England and Improvement on behalf of the Trust. Losses and special payments are accounted for on an accruals basis but excluding provisions for future losses. An analysis of losses and special payments by category is given in the table below.

Analysis of losses and special payments by category

Category	2021/22	2021/22	2020/21	2020/21
	Total number of cases	Total value of cases £000	Total number of cases * Restated No	Total value of cases * Restated £000
Losses				
Cash losses - overpayment of salaries	19	2	9	4
Fruitless payments and constructive losses	2	81	0	0
Bad debts and claims abandoned in relation to :				
a. private patients	3	1	30	9
b. overseas visitors	36	112	73	158
c. other	6	4	779	378
Damage to buildings, property etc. (including stores losses) due to:				
a. stores losses	24	343	8	322
b. other	115	26	64	12
Total losses	205	569	963	883
Special payments				
Ex-gratia payments in respect of:				
a. loss of personal effects	32	16	29	19
b. personal injury with advice	14	91	21	111
c. other	12	3	11	8
d. overtime corrective payments (nationally funded)	0	0	1	3,017
e. overtime corrective payments (additional amounts locally agreed and funded)	0	0	1	431
Total special payments	58	110	63	3,586
Total losses and special payments	236	679	1,026	4,469

* restated figures for 2020/21 include the overtime corrective payments (Flowers case)

	2021/22 £000	2020/21 £000
Recovered Losses		
Compensation payments received	139	88

Recovered losses relate to the retrospective payment of bad debts previously written off, these figures are not included in the Analysis of losses and special payments by category table above.

33. Pension Costs

33.1. NHS Retirement Benefit Scheme

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions.

Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

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

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary’s Department) as at the end of the reporting period.

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

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



33. Pension Costs (continued)

33.1. NHS Retirement Benefit Scheme (continued)

b) Full actuarial (funding) valuation

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

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

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

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

The NHS Foundation Trust estimates that its employer contributions into the scheme in 2022/23 will be £68,193k (2021/22 £68,248k), which is based on the 14.38% contribution. The additional contributions from 14.38% to 20.6%, estimated to be £29,815k (2021/22 £28,223k) is expected to be paid directly by the Department of Health and Social Care on behalf of the NHS Foundation Trust during the financial year 2022/23.

33.2. National Employment Savings Trust (NEST)

During the year the NHS Foundation Trust made contributions into the National Employment Savings Trust. This is a defined contribution scheme into which eligible staff are automatically enrolled. These employees are not

eligible to join the NHS Retirement Benefit scheme. Employers contributions by the NHS Foundation Trust for the year were £261k (2020/21 £212k).

34. The Newcastle upon Tyne Hospitals NHS Charity

34.1. Funds

	31 March 2022 £000	31 March 2021 £000
Restricted	13,080	12,881
Unrestricted	38,631	35,138
	<u>51,711</u>	<u>48,019</u>

As at 31 March 2022 the total funds as disclosed in the Newcastle upon Tyne Hospitals NHS Charity accounts amount to £36,676k. This balance has been adjusted for IFRS accounting policies and is disclosed in the group accounts as £51,711k. The adjustment to funds of £15,035k has been included within unrestricted funds.

Restricted funds

Restricted funds may be accumulated income funds which are expendable at the trustee's discretion only in furtherance of the specified conditions of the donor and the objects of the charity. They may also be capital funds (e.g. endowments) where the assets are required to be invested, or retained for use rather than expended.

Unrestricted funds

Unrestricted income funds are accumulated income funds that are expendable at the discretion of the trustees in furtherance of the charity's objects. Unrestricted funds may be earmarked or designated for specific future purposes which reduces the amount that is readily available to the charity.

The aim of the Charitable fund is to use the available funds to complement NHS resources in The Newcastle upon Tyne Hospitals NHS Foundation Trust to increase patient comfort and enhance facilities for both patients and staff.

34.2 Further information

Further information relating to the use of the Charitable funds and the Trustees' report can be found within the Newcastle upon Tyne Hospitals NHS Charity Annual Report and Accounts which form part of The Newcastle upon Tyne Hospitals NHS Foundation Trust Annual Report and Accounts.

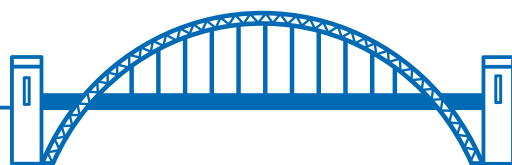


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