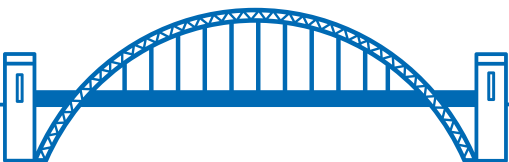


Annual Report and Accounts 2022/2023





Healthcare at its best
with people at our heart

The Newcastle upon Tyne Hospitals
NHS Foundation Trust

Annual Report and Accounts 2022/2023

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

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Chairman and Chief Executive Introduction

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

This has been another challenging year for the trust and the NHS. As well as tackling the third year where the COVID-19 pandemic has cast its shadow, we have also needed to support staff through unprecedented industrial action.

Despite this, I know that everyone across the organisation has worked hard to focus on providing the very best care for our patients.

Thanks to this effort and dedication, we have seen a 75% reduction in the number of patients who have waited over 78 weeks for treatment as a result of the pandemic. We have also significantly reduced the number of people who have

waited for over 104 weeks to 21 people who are awaiting the most complex types of surgery. Crucially, we have also seen a 33% reduction in patients waiting more than 62 days for cancer treatment.

Altogether we have supported 1.1million outpatient appointments, and 245,000 people have been treated through our emergency care pathways.

In September 2022 we opened our new Day Treatment Centre (DTC), recruiting around 200 staff and the team has already delivered more than 2,600 additional procedures, making us one of the biggest providers of day surgery in the NHS.

We've invested in new equipment, like our new endoscopy room at the Royal Victoria Infirmary (RVI) and developed new ways



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of working, such as our new surgical assessment unit – both of which have made a positive impact on patient flow and treatment pathways.

We've also focussed on our staff because we know that staff who feel cared for are able, in turn, to offer better care. We've kept people safe by providing the highest number of both flu and covid vaccinations of any of the larger NHS organisations; opened our new 24-hour staff restaurant at the RVI; and by working with our dedicated chaplaincy team, catering team and Newcastle Hospitals Charity, we've provided 'too good to throw fridges' and meal cards through the 'Helping Hands' scheme and delivered practical support through direct and confidential access to Citizens Advice to help our staff navigate the cost of living crisis.

Importantly, we have also continued to learn, innovate and create new knowledge through development and research. This year alone we have introduced new gene treatments for Duchenne Muscular Dystrophy, trialled new stroke treatments using stem cell therapy and pioneered new methods of assessing organ quality using Artificial Intelligence (AI). The future of healthcare is being developed here in Newcastle by our dedicated experts and that has a positive impact on the health of those living in the North East.

Later this year, the NHS will celebrate its 75th birthday which is particularly poignant given the difficulties we have lived through in recent years, and as we move forward, it's important to remember that we have a lot to be proud of.

We would like to thank all of our staff, our Board of Directors, our Governors and our volunteers for their incredibly hard work, dedication and compassionate care throughout the year.



Dame Jackie Daniel
Chief Executive Officer

29 June 2023



**Professor
Sir John Burn**
Chairman

Our Trust Strategy, Vision and Values

Our five-year strategy was published in September 2019 and every year our Board and Executive Team undertake a review of its contents. They agreed it still fits and is the right direction for Newcastle Hospitals. We continue to achieve great things which contribute towards the delivery of our strategic objectives.

We 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.

During 2022/23 our clinical specialities have been reviewing their own strategies, how they fit within the context of the wider system and recovery from the pandemic, and with the Trust-wide goals and objectives. These speciality level strategies and objectives will be used to help inform the refreshed Newcastle Hospitals strategy which is due for renewal in 2024.



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 Newcastle Hospitals 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 refreshed strategy will align with the recently published North East and North Cumbria (NENC) Integrated Care Partnership (ICP) Strategy. It will be developed with our Board of Directors and Executive Team, the wider Trust staff and engagement with external partners and stakeholders.

Our strategy can be accessed via the Trust website at www.newcastle-hospitals.nhs.uk.

Service Developments and Achievements

Day Treatment Centre

Our new Day Treatment Centre opened its doors on the Freeman Hospital (FH) site with capacity to provide thousands of additional operations and procedures and help tackle waiting list backlogs caused by the pandemic.

The £24million purpose-built facility contains four state-of-the-art theatres, plus an admissions and recovery area, and has been specifically designed to ensure operations and procedures can be delivered efficiently.

Advances in technology and care allow a wider range of less complex procedures to be done as day cases, which means patients can return home on the same day as they have their operation.

The new centre provides procedures for orthopaedics, urology, general surgery, plastic surgery, neurology, pain management and some cardiology services and includes

operations such as cartilage and joint repairs for knees and hips, injections to manage pain, treatment for bladder and kidney problems, hernias and minor plastic surgery.

Patients offered an appointment at the centre are carefully assessed to ensure they can be safely treated without the need for an overnight stay, while additional capacity at the centre also frees up thousands of slots in the hospitals' main theatres, to make way for more complicated operations.



Estates projects

New specialist hospital building

Ambitious plans to build a new specialist hospital at the RVI site continued to take shape. The proposed four-floor modern building will provide dedicated ward, theatre, recovery and recuperation space for many of our highly specialist services, which are currently located in older accommodation which is costly to maintain.

The services we hope to relocate to the new hospital include adult critical care, burn care, the North East Assisted Ventilation Service, outpatient elements of maternity services and cystic fibrosis supported by unique rooftop rehabilitation facilities.



New specialist hospital building (continued)

As well as providing a high-quality, modern environment for specialist care, key features include:

- A main entrance providing reception area, patient information, coffee shop and seating area as well as a separate entrance for foetal medicine and the women's health unit.
- A bridge link between the new specialist hospital building and the Leazes Wing to enable easy movement across other floors.
- A central 'street' providing clear signage and spacious walkways so that everyone can find their way easily. The building will also be set around three

internal courtyards where there will be areas to enjoy the natural surroundings, light and space.

- A unique outdoor, rooftop space where patients can enjoy fresh air and relaxation to support rehabilitation and wellbeing.

We have also set ourselves a target to achieve net zero carbon 'in use' and an outstanding rating from Building Research Establishment Environmental Assessment Method (BREEAM), a world-renowned sustainability assessment. The timing of construction remains dependent on the outcome of a current funding bid to the Government.

Children's heart centre

Work also progressed on plans to build a new children's heart centre, which will form part of The Great North Children's Hospital (GNCH), bringing all our paediatric specialties on the same site for the first time.

The building will house children's heart services, including transplants, and the government has previously committed £41.7million to the project, which now has planning permission.

The new centre will have three floors including inpatient admissions, accommodation to support outpatient activity, more space for surgery and there will be a direct and enclosed link bridge with the existing hospital making it easier to move between the two buildings.

Other key features include:

- Ground and first floors for patients, visitors and staff, with the top floor accommodating equipment and

machinery to power, heat and ventilate the building.

- The building will have two main parts, separated by an open-plan, glazed main entrance with a reception and small waiting area.
- To one side of the entrance will be the outpatients department and access to wards and lifts to intensive care and theatres on the floor above.
- There will be an enclosed garden area outside, designed for play, therapy and relaxation.
- The new centre will have lots of natural light and space.

As part of both these estate projects, engagement work, including involvement workshops, conversations and surveys, has taken place with patients, families, staff and the wider public to help shape future provision.

Multi-million pound research investment

Our National Institute for Health and Care Research (NIHR) Newcastle Biomedical Research Centre (BRC) was awarded £23.1million by the Department of Health and Social Care (DHSC) to continue our world-class research into ageing and multiple long-term conditions.

The investment from the NIHR will support a five-year programme delivered by Newcastle Hospitals, Newcastle University and Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust (CNTW) to better understand and treat a range of conditions for patients in the UK and beyond.

The award, which continues a 15-year track record of Newcastle hosting a NIHR BRC, is part of a £790million investment in NHS research and Newcastle was amongst

the 20 NHS and University partnerships across England to receive funding to translate scientific discoveries into new treatments, diagnostic tests and medical technologies for patients.

In addition, experts at the trust and Newcastle University were awarded £5.3million by the NIHR to fund a Patient Safety Research Collaboration (PSRC) to deliver visible research that results in real-world, transformative change for patient safety and health outcomes for those with multiple long-term conditions (MLTCs).

It will employ an integrated structure to address NIHR patient safety challenges around clinical risk scores, effective patient safety practices and patient safety behaviours.

Community Diagnostic Centre (CDC)

The trust, in partnership with Gateshead Health NHS Foundation Trust (GHFT), secured £20million to develop a CDC at the Metrocentre in Gateshead, which will offer up to 145,000 appointments per year and create 134 jobs when the centre opens.

The CDC will provide imaging, respiratory investigations and cardiac investigations with the centre designed to create capacity for these services that are seeing increased referrals.

It is an important step in providing improved access to screening and diagnostic services outside of a hospital setting for the people of Gateshead and Newcastle.



Next generation of diagnostic testing

The North East Innovation Lab, originally established as part of the region's integrated Covid hub, received an investment of £1.4million to continue work on assessing and validating the next generation of diagnostic tests.

The funding – from the Academic Health Science Network (AHSN) for the NENC and NHS England's (NHSE's) Accelerated Access Collaborative (AAC) – recognises the successful contribution the innovation lab has already made to evaluating new COVID-19 testing technologies for clients from the UK and around the world.

The lab is part of the trust and is run by a team who specialise in molecular biology, methodology and clinical research. This new funding means they can continue working with the wider NHS, university and industry clients to provide independent assessment of cutting-edge and emerging diagnostics.

While projects will still include looking at some of the latest developments in Covid testing, the funding means the lab's remit can expand further to evaluate new surveillance and testing for other viruses and diseases, helping us stay one step ahead with resilience planning for future pandemics and health threats.

Lab scientists also secured a share of £218k funding for a consortium project to develop a new diagnostic for the early detection of pancreatic cancer.

The award - jointly supported by Cancer Research UK, the Medical Research Council (MRC) and the Engineering and Physical Sciences Research Council (EPSRC) – is for a project in collaboration with University College London, University of Bristol, University of Surrey and Manchester University NHS Foundation Trust, to develop an assay to detect pancreatic cancer in its early stages.

In-year the lab also achieved a major milestone when it was awarded accreditation by United Kingdom Accreditation Service (UKAS) to ISO 15189 for SARS-CoV-2 testing which assesses not only the testing carried out by the lab, but also the quality management system required to ensure the laboratory operates to the highest standards.

This international standard accreditation demonstrates the commitment of the team to providing a high-quality service and a dedication to continual improvement.

Since opening two years ago the lab has engaged with an impressive 100 test developers from the NHS, academia and industry, and worked on over 45 projects with 21 companies across the globe from the UK to the USA and China to Australia.



Recognition of our Lighthouse Laboratory

In 2020, we submitted an ambitious plan to the UK government based on a strong partnership involving the NHS, Newcastle University, public health teams and industry, which led to the north east becoming the first (and only) area in the country to create an integrated hub to tackle the pandemic.

This collaboration made a huge difference in our region and protected the lives of many thousands of people with over eight-million Polymerase Chain Reaction (PCR) tests processed at the Lighthouse lab.

A huge reduction in mass testing requirements during the year led to the closure of the Lighthouse lab but our colleagues who worked there can be rightly proud of everything they achieved. Around 100 of the team were also helped into alternative NHS roles, mostly at Newcastle Hospitals.

Surgical assessment unit

As part of a pilot, we opened a surgical assessment unit at the RVI, taking referrals directly from General Practitioners (GPs) and the Emergency Department (ED), to assess patients who might need to undergo surgery due to conditions like abdominal pain.

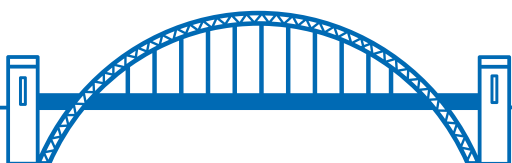
The team were anticipating around 10 patients per day being seen initially, but from the beginning between 30 – 40 have been supported each day, with about 25 to 30% of them needing to be admitted to hospital for surgery.

As well as a much better experience for the patient (and improved flow through the emergency department and wider hospital), the team have also introduced new roles, including the first surgical assessment practitioner, as well as enhancing skills.

Clinical Decisions Unit (CDU)

A new CDU was opened – a dedicated facility which provides support to patients who are medically stable, had most of their care completed and are likely to go home but are waiting for things such as transport, a hospital transfer, blood tests, a mobility assessment or specialty review.

As well as improving the patient experience in terms of privacy, dignity and comfort, it has also helped to free up space in our busy ED, reducing corridor care and improving safety.



Making best use of our theatres

In urology, a new care co-ordination system (CCS) went live to support the trust in optimising our theatre capacity. The CCS provides a single consistent waiting list view that is visible to clinicians, schedulers, theatre teams, operational managers, and administration staff.

No longer do teams have to review multiple systems, paper diaries or Excel spreadsheets, the information is all at their fingertips to ensure patients are treated at the right time, in the right clinical priority order and within required timeframes.

Our Freeman theatre management team also deployed CCS to support their 6-4-2* theatre scheduling meetings to achieve best use of operating sessions, promoting safe and efficient throughput of our patients, while preventing unavoidable patient cancellations on the day and maximising the best use of staffing resource.

We are monitoring progress of this new system as we consider a wider roll-out across Newcastle Hospitals.

**In this process, consultant elective theatre lists start being built at 6 weeks from the day of surgery, lists are signed off at 4 weeks from the day of surgery and at 2 weeks all lists are 'locked down' (subject to only exceptional changes).*

Bringing children's surgery closer to home

Paediatric surgeons from the GNCH have teamed up with South Tees Hospitals NHS Foundation Trust to enable a specialist paediatric surgeon to visit The James Cook University Hospital every other week.

This collaboration has meant more specialist keyhole and complex operations in very young children can now be performed at the Middlesbrough hospital meaning fewer families need to travel long distances for specialist procedures.

Other benefits include some children looked after by paediatric surgeons in Newcastle (such as newborn babies) can now have their follow up outpatient appointments closer to home and more clinics are now available, reviewing a wider range of conditions referred from GP and southern hub colleagues.

Breast cancer technology

New breast cancer detection technology – called low-dose Molecular Breast Imaging (MBI) is being developed and tested at the trust working in partnership with Newcastle University, University College London and Kromek UK.

Traditional mammography (breast screening) is often less able to clearly image tumours in women with dense breast tissue, whereas MBI uses a radioactive tracer that 'lights up' areas of cancer in the breast and is effective in women with dense breast tissue – but has a higher exposure to radiation.

The partners are working together to develop a low-dose version that has lower radiation exposure with support from £500,000 from Innovate UK (to help to prove the feasibility of using a single photon detector for ultra-low-dose MBI), followed by a second three-year programme, worth £2million, to obtain and deliver clinical data on a low-dose MBI system.

Robotic hip replacements

Surgeons performed the first robotic-assisted total hip replacements in the North of England outside of a clinical trial. The orthopaedic team carried out the procedure on two patients in the Freeman Hospital using the Mako robot – visionary technology controlled by a highly skilled and experienced surgeon to help increase accuracy and precision.

Consultant orthopaedic surgeons Professor David Deehan and David Weir have been performing Mako Robotic knee replacements since 2019 as part of a major national

study – known as the RACER-knee study – which is comparing traditional methods of knee replacement versus a surgeon using a robotic arm to carry out the procedure.

But this was the first-time cutting-edge technology was used for a hip replacement on an NHS patient outside of a clinical trial.



Telemedicine expansion to support North East stroke patients

Stroke patients across the region are benefitting from the expansion of a successful telemedicine project which aims to speed up care and improve patient outcomes.

The North East Ambulance Service NHS Foundation Trust (NEAS) is working with the region's Integrated Stroke Delivery Network (ISDN) to implement audio-visual calling from the ambulance to the stroke unit to improve emergency stroke care, having been one of five ambulance services nationally to be awarded funding from NHSE.

Working alongside the joint project with hospital trusts, including Newcastle, is a large team of specialist nurses, consultants and other clinical teams who are training hospital staff, assessing all the patients by video, making clinical decisions and recording patient outcomes.

That technology has been expanded to allow ambulance clinicians to video call

the stroke units directly, allowing the receiving stroke specialist to assess the patient face-to-face before they enter the hospital doors.

By doing so, it is hoped more stroke patients will receive appropriate care faster. The project will be evaluated, with support from Newcastle University, to inform whether the process will be rolled out region-wide.



New device supports life-changing surgery

A team of medical device engineers designed and built a unique 'halo gravity traction' device – at the request of spinal surgeon Paul Rushton and occupational therapists – to support safer life-changing surgery in children with severe curvature of the spine (scoliosis).

Untreated severe scoliosis in very young children limits lung development and can increase the risk of premature death. Treatment involves controlling the deformity and allowing continued spinal growth to ensure the lungs can grow.

The aim of traction is to gradually straighten the spine as much as possible before surgery, helping limit the invasiveness of the initial operation and reducing the risk of any neurological or lung problems. The bespoke device was designed, tested and manufactured in just under six months by the trust's medical physics and clinical engineering team.

Pharmacy experts help provide access to sight-saving treatment

A life-changing treatment to reverse injury-related sight loss is now available to patients at specialist centres across England, thanks to a partnership between the trust and Italian medicines manufacturer, Holostem, facilitated by the Northern Alliance Advanced Therapies Treatment Centre (NAATTC).

The specialist advanced therapy, known as Holoclar, uses stem cells to treat sight loss due to physical or chemical burns to the eye.

The treatment is made by taking healthy cells from the patient's uninjured eye

before sending them to Italy where they are used to cultivate a new corneal epithelium – the clear 'barrier' that protects the eye. However, the product must be transplanted onto the damaged eye within 36 hours of release.

This short shelf life makes timing critical and legislative constraints were making it difficult to import Holoclar for use at the four NHS sites approved to carry out the treatment. Our specialist quality assurance pharmacists provided advice, guidance and support to overcome the import challenge and develop appropriate regulatory authorisations.

Health navigators

The trust was one of three in the North East to team up with regional charity Deaflink to launch a new scheme to support British Sign Language (BSL) users when they go to hospital.

The BSL Health Navigators service enables patients to access support and guidance to ensure they can overcome the communication barriers that affect Deaf people when

they need to attend hospitals, either as an inpatient or outpatient, removing the stress and anxiety that can occur.

The navigators help patients understand letters and information, liaise with health staff regarding interpreter bookings and work with ward staff to ensure inpatients have the right communication support and information.

A collective voice about organ donation

The families of five children desperately waiting for a life-saving heart transplant at the Freeman Hospital, came together on national media to raise awareness of organ donation and share their own experience.

It was the first time this many families had collectively shared their stories in a bid to encourage others to openly have conversations about organ donation.

Around the same time, patient Grace Westwood – who for two years had called the Freeman Hospital home – finally got to go home after having a heart transplant. In 2021, Grace became the first patient in the UK to have a mobile Berlin Heart driving unit fitted meaning greater freedom for the toddler as she waited for a transplant.



Heart transplant pilot

Our cardiothoracic team was part of the Joint Innovative Fund (JIF) UK wide donation after circulatory death (DCD) heart pilot, which has resulted in 56 patients nationally (including 15 in Newcastle which had higher numbers than most centres) receiving a transplant after donor death within the time criteria.

Prior to this trial, none of these donors could have – or would have – been used for transplantation for patients on the waiting list. This was a remarkable achievement for the team and, of course, we must acknowledge those patients – and their families – who made the decision to give the gift of life to others.

New endoscopy suite

A new endoscopy suite was opened at the RVI to provide significant additional capacity of around 100 gastroscopes each week to support patients as well as greatly enhanced training provision.

Endoscopy is an increasingly busy and important specialty with 16,000 to 20,000 patients a year being seen in the department, around a third of whom are on a two-week wait pathway, and the team has been focussing on pathway improvements and capturing the benefits of new technology was helping to increase their efficiency and effectiveness.

New web-based software that links with both e-record and the national endoscopy

Supporting lung cancer patients

In response to the development of the national Lung Health Check (LHC) programme, ward 25 at the Freeman Hospital reopened a four-bed high dependency unit (HDU) to support lung cancer patients, especially those from across the region identified as part of the LHC programme.

Northern Centre for Cancer Care (NCCC) North Cumbria

Staff marked the first anniversary of the official opening of the NCCC North Cumbria. Over the past year our expert team delivered almost 9,000 radiotherapy treatments and over 10,000 chemotherapy treatments, as well as supporting patients at outpatient appointments.

The development of this centre has had a huge impact on patients in North Cumbria who are now able to access state-of-the-art cancer treatments much closer to home.



database now allows them to benchmark against national peers and interrogate data much more easily to drive up quality and learning and the new room is fitted with the latest 'state of the art' High Definition (HD) Olympus equipment allowing trainees to visualise the scope as they learn.

The programme is offered to people aged between 55 and 74 who are current or former smokers and designed to identify signs of cancer at an early stage – where it is much more treatable – ultimately saving more lives. It is hoped the unit will eventually support all post-surgical cardiothoracic patients.

New cancer test could improve survival rates

The innovative work of a team of Newcastle scientists is allowing more people to be tested and treated for certain cancers in other major cities across England.

The new test – used for patients in the NENC - provides an improved ability to screen individuals for the inherited condition Lynch syndrome, a disease which significantly increases a person's risk of developing certain types of cancer, particularly colorectal – the fourth most common cancer in the UK.

Screening for Lynch syndrome means that if a person tests positive, a DNA test can then

be offered to their relatives to see who else has the condition, so that they can then be put on a regular programme of checks. The test can also guide the best treatment to provide and whether a person will respond to immunotherapy, a new and effective approach to cancer treatment with increased accuracy.

The trust is leading the roll-out of the project and the test is also being evaluated for patients at the Royal Marsden Hospital, Manchester University NHS Foundation Trust, Birmingham NHS Foundation Trust and Bristol NHS Foundation Trust.

Nursing, Midwifery and Allied Health Professional (NMAHP) strategy

In year we launched our nursing, midwifery and allied health professionals' strategy which lays out our aspirations to develop Newcastle Hospitals as a centre of excellence for this dedicated group of staff.

The five-year plan outlines six key priority areas:

- To improve quality and reduce patient harms.
- Develop an NMAHP workforce strategy, plan and metrics for improvement.
- To develop leadership capacity, capability and resilience.
- To engage for improvement.
- To increase our research opportunities and impact whilst strengthening our academic links.
- To lead the digital healthcare agenda.



Research Development Institute

A £3.2million grant from Newcastle Hospitals Charity funded an exclusive Institute dedicated to the progression of research talent amongst the trust's nurses, midwives and allied health professionals by offering a new, innovative avenue to drive forward professional research.

As well as providing greater access to dedicated funding, the Institute supports staff throughout, enabling substantial flexibility and autonomy as they establish and spearhead research alongside their clinical practice, bringing about huge benefits for both patients and colleagues.

The award, over the next five years, will provide a range of dedicated clinical academic fellowships from pre- to post-doctoral and will address a range of less visible complexities associated with making space for research within busy clinical roles.

It is expected to support hundreds of staff to turn their research ideas and aspirations into reality, reducing the well-established challenges associated with developing clinical academic careers.

Don't Delay the Play

Child development specialists at the GNCH launched a new creative initiative called 'Don't Delay the Play' to minimise the impact of long hospital stays on developmental progress.

Children's occupational therapist, Lindsay Carr, and children's physiotherapist, Penny Walsh, designed an interactive poster featuring examples of important developmental play giving parents the confidence to interact and play with their child as they would at home, helping to minimise the impact of long hospital stays on the developmental progress of very young children.

Commercial enterprise and growth

Commercial enterprise and innovation are a key part of Newcastle hospitals' five-year strategy.

Our commercial enterprise team, established in 2020, provides a dedicated resource to enable the growth of commercial activity through identifying, leading and supporting a range of projects and initiatives, which enable the wider NHS, academia and industry to access our organisation's world class facilities, expertise and services.

Members of the team bring expertise and knowledge from the healthcare and private sectors and are focussed on developing schemes that will benefit patients and staff of Newcastle Hospitals.

Successful projects through 2022/23 have involved providing internal and external consultancy – including business development, pricing strategies, marketing and intellectual property - to build viable commercial income streams for a range of

services, including laboratory, research and diagnostics, clinical education and training.

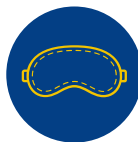
A strong advocate of the national clinical entrepreneur programme, we are also one of ten sites in the country providing 'real life' testing opportunities for new innovations.

In collaboration with partners and colleagues in our clinical teams, we're also involved in supporting the translation of world-class research and innovation into real life benefits, to improve the health and wellbeing of patients and the wider population, for example through the work of our North East Innovation Lab (NEIL) and Novopath.

All revenue from our commercial activity is invested in NHS care for patients at Newcastle Hospitals.

Key areas supported by the commercial enterprise team

Patient care
Digital healthcare technologies



Partnerships

- Medical physics
- Pharmacy

Targeted lung health check



Commercial enterprise team



Education and training
Newcastle Clinical Skills Academy

Paediatric oncology patients



Life sciences

- Novopath
- North East Innovation Lab



Innovation
Clinical Entrepreneur Programme



Digital Developments

Our digital capability plays a key role in the 'Pioneering' pillar of the Trust's strategy, we continue to see progress in Newcastle Hospitals' digital maturity. The last 12 months have seen several digital developments across the Trust, as we build upon our position as an accredited Global Digital Exemplar (GDE).

Clinical Coding Audit

In line with the DHSC's Data Security Standards, our Clinical Coding department recorded fantastic results and feedback when externally audited. The results from the audit provided assurance our clinical coding is of an exceedingly high standard. This positively reflects our data quality and confirms we are delivering a data intelligence service that allows the Trust to review, model and predict data, which drives efficiency and improves outcomes.

Optimising Critical Functions

The critical functions of Do Not Attempt Cardiopulmonary Resuscitation (DNACPR) and Treatment Escalation Plan (TEP) have both benefited from a digital redesign, with input from stakeholders across the Trust. Improving the recording and visibility of both functions, with easier to navigate systems, it supports the reduction of the risk of inappropriate resuscitation of patients with a DNACPR recorded and improves communication between primary and secondary care, as well as ambulance services and hospices.

Utilising Artificial Intelligence

We have secured a collaboration with the science-based technology company, 3M, to develop our use of AI, adapt our current capabilities and work collaboratively to develop new products within the Trust. We are working on a quality improvement project using the Follow-Up Finder system, using radiology reports to identify patients across the Trust with thrombosis, so that our specialist haematology team can ensure that they all receive the right treatment at the right time. The Clinical Documentation Improvement (CDI) Engage application will "read" clinician's notes to provide real-time feedback on possible new diagnoses and help us to produce complete coded documentation which supports clinical decisions.

By implementing AI in our digital systems, we support the organisation's ambition of ensuring we are at the forefront of health innovation and translate digital innovation into our clinical practice and patient pathways.

Service Management

The Trust's Service Management team have worked diligently across fundamental areas, to ensure staff can carry out their roles with as few technical barriers as possible. This includes the task of replacing nearly three thousand devices within the Trust, which were five years old or older. They also carried out work to improve the time taken to answer Service Desk calls and improved abandoned call rates.

Supporting our ICS

Newcastle Hospitals continues to lead on the regional strategic shared health care record, the Great North Care Record (GNCR). The GNCR allows health and care professionals across the region to access patient data from multiple services across the region and is available at the right time – currently spanning primary care, secondary care, social care, and the ambulance service. The service will be expanded to include hospices later this year. Working collaboratively with colleagues across the NENC ICS, the GNCR remains one of the UK's largest and most accessed shared care records -with around 500,000 views per month from users across the region.

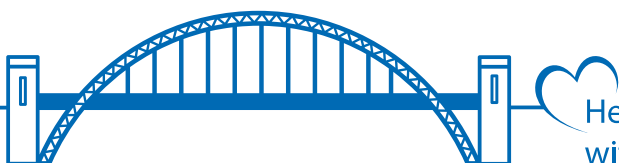
DTC

Digital services also supported the launch of the DTC, by providing the correct infrastructure and digital solutions to be in place.



Building our Digital team

The successful #NewcastleDigitalHeroes recruitment campaign has allowed us to strengthen our digital workforce and skillset to achieve all of this. Our ambitions to improve the Trust's digital training strategy, cyber security and internal platforms demonstrate how we will also enhance staff services and experience. Newcastle Hospitals fully embrace this opportunity and has demonstrated how we can optimise health and social care services, impacting every corner of the Trust, and in turn enhance patient safety and quality of care.



International accreditation

Newcastle Hospitals was accredited to Healthcare Information and Management Systems Society (HIMSS) Stage 6, across all its sites – becoming one of only eight NHS organisations to have achieved stage six or seven, many of which are single site.

There are fewer than 100 sites across Europe to have achieved this rating and the organisation was measured against the international standard for Electronic Medical Record Adoption Model (EMRAM) by the international HIMSS.

To achieve stage 6, we had to demonstrate how technology is used to achieve a closed-loop process for administering medications, blood products, and human milk, and for

blood specimen collection and tracking. These closed-loop processes must be fully implemented in 50% of the trust. The next steps are to work with staff to streamline processes and ensure it is as easy as possible to safely deliver care in the timeliest way.

Assessors told the Trust it had “clearly demonstrated its commitment to improving patient safety and the overall quality of clinical care through the effective use and deployment of Electronic Medical Record technology.”

The trust was also officially accredited as a Global Digital Exemplar (GDE) for fulfilling our commitments as part of the GDE programme with NHS England.

Digitising Maternity (BadgerNet)

Our Maternity services have benefited from embracing digital innovations, with the introduction of a new electronic patient record (EPR) system, BadgerNet. It has improved patient experience and streamlines how midwives and healthcare professionals record data. Replacing our paper-based maternity records, the system aligns with the regional maternity EPR solution and is an example of how the Trust implements innovative systems and applies a person-centred approach to improve the standard of care we provide.

We are replacing paper records with a new electronic BadgerNet Maternity system across our hospitals and community settings which will allow parents-to-be to log into their maternity records and personalised care plan from their mobile device or computer anywhere, at any time, using the Badger Notes app.

This means they:

- Do not need to remember and take paper-based notes to every appointment.
- Can easily view upcoming appointments, access up-to-date pregnancy information and reading.
- No longer need to repeat their story when speaking to different healthcare providers.
- Can provide access to your partner/ support network, if they wish.



Improving our Patient's Experience - Patient Engagement Platform (PEP)

We have seen great progress of the Patient Engagement Platform (PEP), which is helping us to improve our patient's experience. The PEP is a secure platform allowing patients access to their appointment information through the NHS App. Working closely with our Musculoskeletal department and Appointments Booking Centre (ABC), the platform launched in early 2023 and has had a positive impact on how we communicate with patients about their appointments. Partnering with Health Call Solutions, we have successfully integrated PEP into the NHS App to make it accessible and easy to use for patients.

Patients in the musculoskeletal (MSK) clinic can now view and manage their appointments through the PEP.

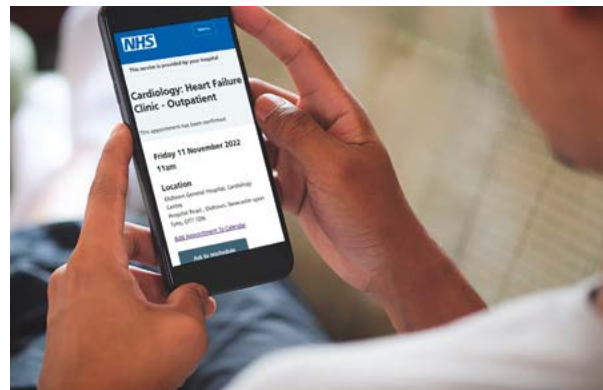
The platform - part of the trust's strategy to use digital solutions to provide information directly to patients and support our elective recovery programme – allows them to amend, accept and cancel appointments, view letters and correspondence, and even access resources such as hospital maps and parking information.

The new technology, currently available to around 1,600 in the MSK clinic, will transform the way patients access services and is expected to improve the patient experience by giving people more control of their care.

In addition to providing a convenient way for patients to manage their appointments, this technology also helps reduce waiting times by ensuring that patients have easy access to all relevant information needed for their appointments to run smoothly.

It is also expected to help reduce delays and missed appointments for the hospital by providing more flexibility in terms of scheduling appointments and providing reminders and in-app notifications about upcoming appointments.

We hope to expand the use of the PEP across a range of patient services across the trust.



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 five examples of partnership working where the Trust has demonstrated its local, regional, national and international reach.

The examples cited cover:

- 1) **NENC Integrated Care Board (ICB);**
- 2) **Collaborative Newcastle;**
- 3) **Newcastle Health Innovation Partners (NHIP);**
- 4) **The CDC; and**
- 5) **The North East and Yorkshire Genomics Medicine Service (NEYGMS).**

These partnerships bring 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.

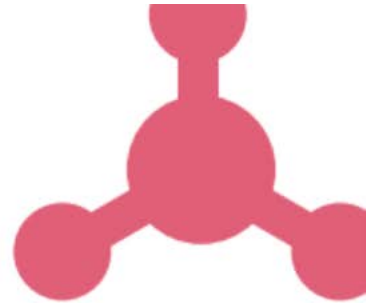
1. The NENC ICB

The ICB is now six months old. During the third board meeting in November the Board discussed a range of items including NHSE commissioning delegations for primary and specialised commissioning and the establishment of a Healthier and Fairer Advisory Group. The Group is to provide direct oversight of the ICB's core programmes to deliver CORE20PLUS5 and shape the wider strategic priorities of the ICB via the Strategic ICP and Area ICPs.

Strategy

The NENC ICB published its strategy in December 2022. The strategy sets four ambitious goals: longer healthier lives, fairer outcomes, best start in life and improving health and care services:

North East
North Cumbria
Health & Care
Partnership



Better health & wellbeing for all...

Our integrated care strategy for the North East and North Cumbria

Our four key goals...



Longer & healthier lives

Reducing the gap between how long people live in the North East and North Cumbria compared to the rest of England



Fairer outcomes for all

As not everyone has the same opportunities to be healthy because of where they live, their income, education and employment



Better health & care services

Not just high-quality services but the same quality no matter where you live and who you are



Giving children and young people the best start in life

Enabling them to thrive, have great futures and improve lives for generations to come

Our supporting goals...



Reduce the gap in life expectancy for people in the most excluded groups



Halve the difference in the suicide rate in our region compared to England



Reduce smoking rates from 13% of adults in 2020 to 5% or below by 2030



Increase the number of children, young people and adults with a healthy weight



Reduce alcohol related admissions to hospital by 20%



Reduce drug related deaths by at least 15% by 2030



Reduce social isolation, especially for older and vulnerable people



Increase the percentage of cancers diagnosed at the early stages

We will do this by...



Supporting and growing our workforce



Harnessing new technology and making best use of data



Making the best use of our resources



Being England's greenest region by 2030



Listening to and involving our communities

This is a summary of our strategy - the full document is on our website:

www.northeastnorthcumbria.nhs.uk/ICP



Place based partnerships:

Newcastle Hospitals links into 4 place-based system partnerships:

1. Newcastle
 - a) Health and Wellbeing Board
 - b) Collaborative Newcastle
2. Northumberland
 - a) Health and Wellbeing Board
 - b) Northumberland System Transformation Board
3. Gateshead
 - a) Health and Wellbeing Board
 - b) Gateshead Health and Care System Chief Executive Officers (CEOs)
 - c) Gateshead Cares System Board
4. North Tyneside
 - a) Health and Wellbeing Board
 - b) North Tyneside Future Care Executive
 - c) North Tyneside Future Care Programme Board

2. Collaborative Newcastle



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 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 remains very much the starting point for our collaboration.

Healthy life expectancy for adults aged 55



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.

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.

This year, the NENC ICS has become established, and has replaced the Clinical Commissioning Groups (CCGs) in our local arrangements. While they continue to develop their arrangements for working at place, Collaborative Newcastle has continued to grow and develop.

We have supported Newcastle City Council (NCC) to develop a Joint Health & Wellbeing (HWB) Strategy 2023-2028 which sets out the health and care needs of our local population as follows:

Vision: A healthy, happy, and prosperous Newcastle

Key themes:

- Starting well - Give every child the best start in life.
- Living well - Create the conditions for fair employment and good work for all and ensuring a healthy standard of living for all.

- Ageing well - Ensure that we place the voices of older people and their families at the heart of our work.
- Strengthen the role and impact of ill health prevention - Adopt a whole systems approach to address smoking, alcohol consumption, drug use, obesity, healthy weight, and physical activity, sexual health and community mental health through whole population and place-based action.
- Creating healthy and sustainable places and safe communities - Implement our Newcastle neighbourhoods approach ensuring that people can be part of strong neighbourhoods that build on their assets.
- Providing an integrated health and care system – A more joined-up system of health and social care that focuses on individual needs and provides the right support, advice, care, and treatment through the Newcastle Joint Strategic Needs Assessment (JSNA).

We have also agreed new work themes and programmes for collaborative Newcastle which are shown in the diagram:

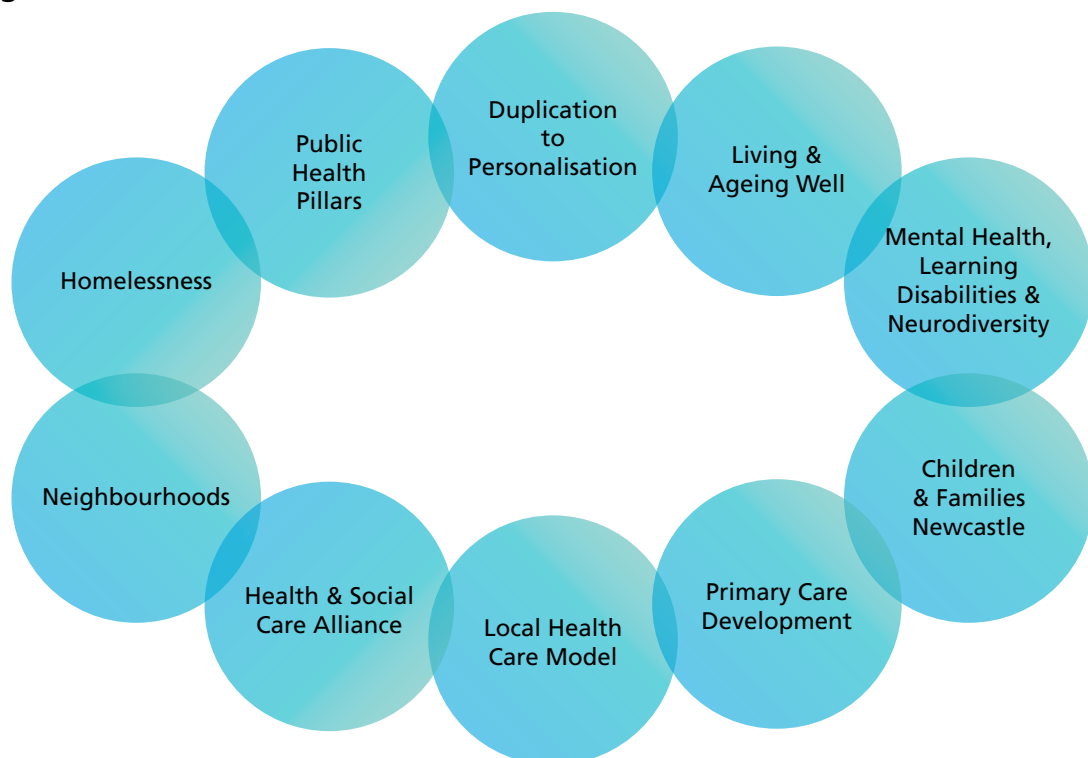


Diagram 2 Collaborative Newcastle priorities and work programmes

Joint leadership development programme

A particular success for Collaborative Newcastle this year was winning the people development programme of the year (public) at the international Learning Awards. This programme brings together local leaders from across all our partners to learn together and work to address specific challenges in the health system. They are encouraged to leave their organisational constraints behind, and work as a collaborative to find new ways to tackle old problems. The judges said:

“There was unanimous applaud from all the judges for the leadership programme presented by Collaborative Newcastle; the

programme had not only strengthened the workforce but was building leaders for a more sustainable future. The team were able to showcase the impact the programme was having on leaders in creating networks and opportunities to collaboratively improve system inequalities as well as opportunities across the workforce. The programme’s innovation to bring together a cross sector of services for one cause was seen as blueprint for other organisations and a way forward.”

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

3. The NHIP

The end of 2022/3 marks three years since NHIP was first designated, by NHSE and the NIHR, as a regional Academic Health Science Centre (AHSC).

Having AHSC status continues to be a real ‘badge of honour’ for the Trust and other partners, as it recognises and celebrates our excellent standard of research, training and education – along with our commitment to work in partnership to improve the health, wealth and wellbeing of our population.

Over the past three years, we have received several awards and grants that recognise our world leading research environment. In 2022/23, we received a major funding boost of £28.4m from the NIHR to support specialist research facilities for scientists, where experimental medicine and patient safety research can thrive.

As mentioned earlier in the ‘Service Developments’ section, the £28.4m award included £23.1m to the NIHR Newcastle BRC and £5.3m to fund a NIHR PSRC. This

work involves experts from the Trust and Newcastle University and will contribute to further strengthening collaborations between academics, clinicians, patients and the life sciences industry.

These and other successful bids are testament to the fact that we are stronger working with others, through links made in NHIP, and can have impacts far beyond what may have been achieved in silos. This also evidences that our designation as an AHSC is a mark of excellence that opens doors for potential new opportunities.

Other big news from 2022/23 included the opening of the NHIP Academy, in a building adjacent to the RVI, as a flagship research education and training hub dedicated to unlocking career development opportunities for the next generation of health and care researchers. The formal launch took place on 27 April 2023 and the NHIP Academy aspires to be a leader in its field both nationally and internationally, building on Newcastle’s long and proud tradition of training and education in health and care.



To underpin all NHIP activities, a programme of work focused on people and culture was planned during 2022/23 for delivery in 2023/24, including a strengthening of workforce, public and community involvement and engagement. A diverse advisory board has been established to support strategic planning and the leadership team has been engaging with the NENC ICB on opportunities around data science, public health and inequalities.



4. The CDC

As highlighted in our 'Service Developments' section earlier - in partnership with GHFT we have secured £20m to develop a CDC at the Metrocentre in Gateshead. The investment in CDCs is part of a wider national programme to improve access to healthcare within the community.

The services that will be offered in the CDC include:

- Magnetic Resonance Imaging (MRI);
- CT;
- Ultrasound;
- ECHO;
- Combined respiratory clinic;
- FeNO / lung function;
- Phlebotomy and combined monitoring clinic; and
- ECG.

The centre will be in addition to the services currently provided at RVI and Freeman Hospitals and QE Hospital in Gateshead.

The centre is an excellent example of delivering healthcare differently working with our partners, GHFT and the Metrocentre – 'Health on the High Street'. Retail space in the Metrocentre will be repurposed to provide this facility and will benefit from free car parking and good connections to public transport

5. North East & Yorkshire Genomics Medicine Service

Collaborating at the Cutting Edge of Healthcare Provision

Newcastle Hospitals has a long tradition in both NHS genetic service provision and collaborative research and development. Over recent years we have worked with our partner Trusts in Leeds and Sheffield to develop the North East and Yorkshire (NEY) elements of the new national

Genomic Medicine Service (GMS) to improve access to our services and provide better results for patients.

Our three regional genetic laboratories now form the NEY Genomic Laboratory Hub (GLH) and in January 2021, seven Genomic Medicine Service Alliances (GMSAs) were created across England, to accelerate the process of embedding

genomics in mainstream services. The NEY GMSA is working with the NEY GLH, Clinical Genetic Services and other clinical partners to develop genomic medicine across the region.

The GMSAs have collaborated and worked with other organisations to deliver national and regional Transformation Projects. The NEY GMS Fetal Genomic Transformation Project, completed in March 2023. A small multi-disciplinary team across NEY focused on identifying inequity of access to genomic testing for pregnant people and families and opportunities to reduce this.

“Working with service users, staff groups and partner organisations highlighted the areas to focus on and allowed us to understand the best ways to address their needs” (Angela Lightfoot, Lead Midwife Fetal Medicine, Newcastle Hospitals and project team member).

The project included a bespoke package of staff and patient resources including staff education videos and a midwifery genomic toolkit to assist genomic related conversations with parents, and the creation of digital resources for families being referred to a fetal medicine unit.

Our pharmacy and primary care leads have worked with colleagues across NEY and our local AHSN, to improve access to diagnostic testing and treatment for Familial Hypercholesterolemia, one of the most common heritable diseases in our region and a major preventable cause of heart disease.

In our laboratories we are developing new diagnostic approaches to cancer working with colleagues in Newcastle University and Cancer Research UK to complement our major research interest in this area. We are one of the UK leaders in this field. We are working with colleagues in Newcastle University to investigate the use of RNA (the message produced by DNA) analysis to improve our ability to diagnose heritable conditions.

Staff in the Northern Genetics Service, the John Walton Centre Muscular Dystrophy Research Centre and the Wellcome Centre for Mitochondrial Research along with colleagues in many departments in Newcastle Hospitals are working with collaborators in Newcastle University through NHIP, nationally and internationally to develop new approaches to diagnosis and treatment for many rare diseases and cancers.

Our proud tradition of research and innovation in genomics has a bright future in Newcastle and across the North East and Yorkshire, improving outcomes for our patients and their families.





Research

Clinical research

Clinical research at Newcastle Hospitals continues to go from strength-to-strength, with over 13,000 participants recruited to a wide range of clinical trials in the last year.

Our research continues to benefit patients locally, nationally, and beyond, tackling a range of health issues, from common health conditions such as Irritable Bowel Syndrome (IBS), to rare and complex diseases that significantly impact our patients' lives.

In 2021, we launched our clinical research strategy and we've already made progress against a number of goals, including the launch of a new electronic system which is helping to streamline the process of setting up a study.

We've continued to increase the number of people taking part in the NIHR Participation in Research Survey (PRES). PRES gives participants a chance to share their research experiences, helping us to identify what we're doing well and where we can make improvements.

In 2022, Newcastle Hospitals accounted for a third of the total PRES responses across the NENC region, and 95% of our participants feel that research staff have valued them taking part in research (January – December 2022).

We've also embarked on making research activities more sustainable, supporting the trust-wide climate emergency strategy. As

part of this work, we've successfully trialled a remote monitoring tool to reduce the need for study monitors to travel to our sites.

In a pilot study, remote monitoring saved over 16,000 miles of travel, more than four tonnes of CO₂, and 72 hours of staff time.

In other areas, we have significantly reduced paper use by trialling electronic tablet devices. In addition to saving paper, the tablets make it easier for patients to sign up to be part of a trial and for our teams to enrol them.

Most of our research activities are delivered through collaborative arrangements and partnerships. Newcastle Hospitals continues to be a strong and valued partner of NHIP. This prestigious partnership also includes Cumbria, CNTW, NCC, Newcastle University and the NENC AHSN.

The collective vision of NHIP is to align research and innovation, education, clinical, and health care missions of its partners to discover, develop and deliver research for better patient outcomes, thereby improving citizen health and generating economic growth.

The concept behind this, and all AHSCs, is that they build upon the 'added value' of collaborative activities that institutions cannot deliver alone and where the whole is greater than the sum of the parts.



A summary of our research achievements include:

- Patient Harrison Kingsley became the first in Europe to take part in a new clinical trial after suffering a major stroke. Harrison took part in a clinical trial which is assessing whether a stem cell infusion could calm down inflammation caused by a stroke. Although it is not known if Harrison received the stem cell infusion or a 'dummy' version (placebo), he was well enough to leave hospital in time for the birth of his baby boy.



- In a UK first, four-year-old Charlie from Aberdeen was the first patient to take part in a gene therapy clinical trial which aims to find treatments for Duchenne muscular dystrophy, a rare genetic disease that sadly limits the length of a patient's life significantly.
- A study led by the NIHR Patient Recruitment Centre (PRC): Newcastle showed that a gel, Enterosgel®, relieved stomach pain and diarrhoea in people with IBS. The trial was one of the first interventional virtual trials in the country, which meant participants could join regardless of geographical location.
- As highlighted earlier, we received over £21m funding from the DHSC to host the NIHR Newcastle BRC for a further five years and received a further £5.3m for the trust and Newcastle University to host a PSRC. The collaboration will carry out research to improve patient safety, looking at topics such as service delivery models, clinical decision-making, transitions between care settings, and improving the culture of practice in organisations to promote patient safety.
- The Sir Bobby Robson Cancer Trials Research Centre, one of Cancer Research UK's Experimental Cancer Medicine Centres, received over £2.7m to continue researching, testing and developing new cancer treatments. The centre has been moved into the highest funding band, in recognition of its impressive track-record of translating research into routine clinical care.
- We are leading a region-wide trial that aims to identify babies who are at an increased risk of developing type 1 diabetes using blood spot tests which are routinely collected as part of the heel prick test. Children identified as being at risk are given the opportunity to take part in a further trial which aims to prevent type 1 diabetes. We continue to be the highest recruiter to the study in the region.
- We are working on a collaborative project on the use of AI to study electronic patient records to better understand why some people develop multiple long-term conditions, with major implications for their quality of life and risks of taking multiple medicines (polypharmacy).

Major grant for antibiotic research into sepsis

A £1.9million grant is contributing to research that aims to improve how antibiotics are used in critically ill patients and has the potential to fundamentally change the management of patients with sepsis.

Dr Tom Hellyer was awarded the funding to determine whether antibiotic exposure in critically ill patients with sepsis can be safely reduced by shortening the duration of the initial course.

Tom is an honorary intensive care consultant at the trust and part of the Newcastle University Translational and Clinical Research Institute. Awarded as part of the Health Technology Assessment (HTA) grant from the NIHR, the funding will deliver a large trial recruiting over 2,000 patients from 50 critical care units in the UK.

Organ transplantation

NHS Blood and Transplant (NHSBT) launched a £20million set of research units in the UK across blood, organs, plasma, and stem cells – one of which is in Newcastle.

Newcastle University received almost £2million for a cutting-edge research unit focused on organ donation to help improve the outcomes for patients waiting for and receiving transplants.

Collaboration between the university and the trust is a key part of delivering the unit's aims to increase the number of organs available, improve long-term outcomes and enhance quality of life after transplant.

New method to assess quality of organs for donation

A pioneering new method to assess the quality of organs for donation could revolutionise the transplant system, potentially saving lives and tens-of-millions of pounds.

The digital health package, which has received over £1million in funding from the NIHR, works in the same way as artificial intelligence-based facial recognition technology to evaluate the quality of an organ.

Transplant surgeon Colin Wilson is co-lead of the project, and it is estimated the technology, known as Organ Quality Assessment, could result in up to 200 more patients receiving kidney transplants and 100 more liver transplants a year in the UK, enabling them to lead longer, healthier lives.



COVID-19 study

Almost 400 staff kindly volunteered their time to take part in a two-year COVID-19 study which is helping to understand immunity to the virus and vaccine effectiveness.

The trust is one of 135 sites across the UK which is running the SIREN study and 383 of our staff have been undertaking fortnightly COVID testing, as well as attending appointments for blood tests at least every three months.

Their samples have contributed to a national analysis evaluating the immune response to COVID-19, to build a greater understanding of the protection offered by vaccines and provide insight into reinfections.

Our thanks to all those taking part as well as the teams involved in helping to set-up the study within tight timescales.

Cancer research

Clinicians and researchers at the North of England Bone and Soft Tissue Tumour Service, which is part of the trust, secured £1.4million from the NIHR, to trial a method that uses a harmless green dye during surgery to illuminate tumours under a special infrared camera.

Consultant orthopaedic surgeon Mr Kenny Rankin is leading this research which, ultimately, could reduce the impact of sarcoma (rare cancers affecting tissues that connect, support and surround other body structures and organs) surgery.

Surgery usually involves removing the tumour along with an area (margin) of healthy tissue around it to make sure no

cancer cells are left behind and while every effort is made to reduce the impact of surgery, removing healthy tissue can leave patients with long-term pain, disability and, in some cases, limb amputation is required.

This new method, using the green dye, helps the surgeon to remove the affected areas and leave the right amount of healthy tissue behind. As part of the NIHR clinical trial, patients are selected at random to either receive their usual care, or the new procedure, and researchers will compare both methods to see which is most beneficial for patients after surgery.

European first

Harrison Kingsley, 28, started feeling unwell with developed left sided weakness. Harrison had suffered an ischemic stroke, which happens when the blood flow through the blood vessels supplying the brain is blocked by a clot and oxygen cannot reach the brain.

Harrison was transferred to the RVI for treatment to remove the blood clot from the brain, but as he was too poorly to undergo the surgery, consultant stroke physician Dr Anand Dixit, told him about a new clinical trial which aims to determine if a stem cell infusion can improve recovery from a stroke. His recovery to date has been remarkable.

Gene therapy trial

As highlighted earlier, a four-year old boy was the first person in the UK to be dosed in a gene therapy clinical trial for Duchenne muscular dystrophy (DMD) at the John Walton Muscular Dystrophy Research Centre.

He was able to take part in the study in Newcastle thanks to the work of Newcastle Hospitals, Newcastle University and DMD charity, Duchenne UK.

DMD is a severe genetic disease, mostly diagnosed in boys, which causes muscle wasting disease, leading to gradual loss of mobility and sadly limits life expectancy to around early 20s.

The trial, called EMBARK, is studying the safety and efficacy of Sarepta's gene therapy. Gene therapy is a technique that works by adding healthy new copies of the gene that is broken and causes DMD.

Dental trial

Newcastle Dental Clinical Research Facility (CRF) teamed up with researchers at Edinburgh Napier University to conduct a trial that could identify people at increased risk of strokes.

Dentists and dental students at Newcastle Dental Hospital are monitoring patients to see if they have an often-undiagnosed heart condition – as well as tending to their teeth.

It is suspected there is a link between gum disease and a heart condition called atrial fibrillation (AF) that puts people at increased risk of stroke, so as part of their research a study of 1,000 patients over 65 years who attend Newcastle Dental Hospital is now being conducted.

Cancer funding award

Newcastle's Experimental Cancer Medicine Centre (ECMC) – a partnership between the trust and Newcastle University - received almost £3million in funding to help doctors and scientists find the cancer treatments of the future for both adults and children.

ECMCs work to provide access to cutting-edge cancer treatments with the funding coming from Cancer Research UK, the NIHR and the Little Princess Trust specifically for children's cancers.

Thousands of patients have already been provided with access to new drugs and therapies through the Newcastle ECMC and this funding will allow us to further advance how we can treat cancer effectively to benefit people in the North East and beyond.

Protecting our future generation

A new study, which aims to protect babies from respiratory syncytial virus (RSV) – a common seasonal illness that infects nearly all babies by their second birthday – got underway.

The HARMONIE study aims to find out if a one-off vaccine (which has already been tested on over 3,000 babies with positive results) reduces hospital admissions due to RSV, which for most is like a cold but for others can lead to more severe illness such as bronchiolitis, requiring hospital admission for oxygen and tube feeding.

It is hoped this research will help to reduce the risk of severe illness and that fewer babies will require hospital treatment in the future.



'Game-changing' technology for epilepsy

A new study is using revolutionary long-term seizure tracking technology to monitor - and potentially predict - patterns in epileptic seizures using continuous, reliable, and objective data collection of brain activity in people with drug-resistant epilepsy.

The trust is one of three in the country to support the Real World Testing and Cost-effectiveness Analysis of Subcutaneous EEG (REAL-ASE) trial, which is being led by the Institute of Psychiatry, Psychology & Neuroscience (IoPPN) at King's College London and funded by the NIHR and hopes to establish if the use of a small implant that records brain activity can improve outcomes for treatment and care.

This is a real opportunity for us to meet the need for community monitoring of seizures for at-risk groups, including patients with frequent convulsive seizures particularly in sleep, and determine whether EEG monitoring could be a method of rapidly alerting a clinical team to a change in the nature of a patient's seizures.

A clearer vision for treating serious eye conditions

Research led by Roxane Hillier, a consultant ophthalmologist and vitreoretinal surgeon at the RVI's Newcastle Eye Centre, and team of researchers, could help to decide the most effective way to treat patients with a detached retina – a serious eye condition.

There are different ways of reattaching the retina. One type of surgery involves keyhole surgery to remove the jelly that fills the eye, and insertion of a large gas bubble, known as vitrectomy, and another involves placing a silicone band around the eye to push the eye's wall closer to the retina, known as a scleral buckle.

A third method, used infrequently in the UK but popular in some other parts of the world, uses a small bubble of gas which is injected into the eye to gently reattach the retina (called pneumatic retinopexy).

The team led on three different studies to explore which surgical technique had the best outcomes – with research suggesting the latter should be considered as the first-line option for certain types of retinal detachment.

Following a successful application for £150,000 from the NIHR, they are now looking at how the research findings could help vitreoretinal surgeons to choose the best treatment for patients with the condition by examining cost effectiveness as well as interviewing surgeons, patients and hospital managers will be interviewed about their opinions and experiences, to gain a full picture about what influences the choice of one surgical technique over another.

New hope for lung transplant patients

Professor of respiratory transplant medicine and Honorary Consultant respiratory and transplant physician, Andrew Fisher, and his team are leading a UK-wide clinical trial that could offer new hope to lung transplant patients.

Lung transplantation can provide a lifeline to people with severe lung disease, but sadly the function of many transplanted lungs deteriorates over time due to damage to the lungs caused by the patient's own immune system.

The condition, known as chronic lung allograft dysfunction (CLAD), affects half of lung transplant patients and limits the average survival after transplant to only six years.

This new trial – the E-CLAD UK study – will look at whether adding a course of extracorporeal photopheresis (ECP), a

procedure which uses a machine to separate red and white cells in the patient's blood – to current treatment is more effective at stabilising the function of transplanted lungs compared to standard treatments for CLAD.



Awards and Achievements

Health Service Journal (HSJ) Awards

The trust's work to tackle the impact it has on climate breakdown resulted in a prestigious HSJ Award in the category 'Towards Net Zero'.

The judges said: *"Newcastle Hospitals has taken a strategic leadership position to tackle the impact it has on climate breakdown, not just relating to the threat that the climate crisis presents to the planet but also to health, wealth and wellbeing locally.*

"With the NHS representing approximately 5 per cent of the UK's total carbon footprint – around 27million tonnes of carbon each

year – we have to acknowledge that we are a significant part of the problem. The organisation displayed a mature proposition and showcased that it is being led from the top. It was a standout application with clear evidence across the spread of the organisation and ICS footprint."

The Children's Hospital Alliance – of which the GNCH is part of – was also awarded the Performance Recovery Award in recognition of the work of the Paediatric Accelerator.

Nursing Times Awards

Senior nurse for international recruitment, Audrey Tapang, was awarded Overseas Nurse of the Year in the Nursing Times Workforce Awards. Since taking on the role of clinical educator to support regular intakes of fellow international nurses through the Objective Structured Clinical Examination (OSCE) preparation process she has more than met the challenge, welcoming and supporting scores of nurses who have made the life-changing decision to move overseas, choosing Newcastle as their new home.

The trust also won the 'Best Workplace for Learning and Development' in partnership with NHS Arden and Gem for designing and delivering a programme to staff, who identified as Black, Asian or Minority Ethnic (BAME), to provide support and training that would develop their skills further with the aim of creating a fair and equitable high-performance culture.

British Journal of Nursing Awards

The Newcastle specialist continence service were winners of 'continence nurse of the year' in the British Journal of Nursing Awards for the reducing and identifying infection using surveillance and education (RIISE) project – a harm-free care initiative.

The coronavirus pandemic presented teams with challenges to deliver the overarching harm-free care agenda, so initial support was put in place to target specific areas of concern, including reducing the incident of E. coli associated with urinary catheterisation.

A programme of activities to promote safe and effective care and empower clinical teams to take responsibility for the ongoing care and management of patients' infection risks was devised.

Its success has seen a demonstrable reduction in some directorates' use of urinary catheters and alternative approaches for bladder care, helping to improve infection risk, ensuring gold standards of best practice are achieved.

Ventricular Assisted Devices (VAD) nursing team

Our VAD nursing team who were runners up in the 'Best Thoracic NAHP Team of the Year' category of the Society for Cardiothoracic Surgery Awards.

Platinum Birthday and New Year Honours

Professor Ruth Plummer and Diane Buggy were recognised in Her Majesty The Queen's Platinum Birthday honours for the huge contribution they have made to the country.

Professor Plummer, an honorary consultant medical oncologist, received an MBE for services to medicine and her tireless work in helping to establish and lead the Sir Bobby Robson Cancer Trial Research Centre.

Diane Buggy, who has been a community midwife in the West End of Newcastle since 2014, received an MBE for services to midwifery and to the community in the Northeast of England.

Husband and wife team John and Joan Bedlington also received an MBE for their crucial role to the foundation of LIVERNORTH – a Newcastle-based Patient Support Group for patients with liver disease supports vital research.

In the New Year's Honours, Medical Director and Deputy Chief Executive, Andy Welch, received an OBE for his services to healthcare and patients. Through his 45-year career, Andy has specialised in Ear, Nose and Throat (ENT) surgery, focussing particularly on treating adults and children with cancer and other complex needs, and has led the development of many innovative services including leading the creation of the first multi-disciplinary team for head and neck cancer management in the UK.

Professor Roy Taylor, an honorary consultant in diabetes at the trust and Emeritus Professor of Medicine and Metabolism in Translational and Clinical Research at Newcastle University, also received an MBE for services to diabetic research.

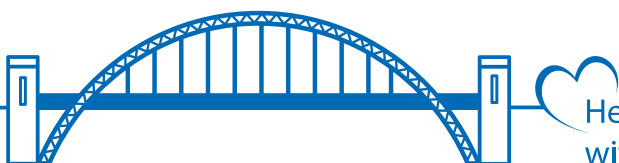
NHS Parliamentary Awards

Recently retired hotel services manager Jackie Thompson won a prestigious lifetime achievement award in the NHS Parliamentary Awards at a special ceremony in London to mark the 74th birthday of the NHS.

Jackie began her career at the trust as a domestic supervisor and rose up through the ranks to manage teams including

hospital porters and domestic staff before retiring after 47 years.

Along with her teams, she was the first in the UK to manage housekeeping for COVID patients at a time with infection prevention control was key. MPs across the country nominate constituents they believe deserve recognition and Jackie's name was put forward by Newcastle MP Chi Onwurah.



Learning Awards

As mentioned earlier, Collaborative Newcastle, of which the trust is a partner, were winners of the 'People Development Programme of the Year – Public/Not for Profit Sector' at the 2023 Learning Awards for their work in developing an effective system leadership programme.

The programme has had a huge impact on creating networks and opportunities to collaboratively improve system inequalities - as well as opportunities to strengthen the workforce - bringing together a cross sector of services for one cause across the city.

Celebrating Excellence Awards

Our Celebrating Excellence Awards give us the opportunity to show our appreciation for the exceptional work our fantastic staff do, day in and day out, as well as recognise the fantastic work of our volunteers and charity supporters. This year we received hundreds of nominations, and the winners were as follows:

- Research Award – COVID-19 research team.
- Innovation – joint winners, viral hepatitis team – hepatology and Collaborative Newcastle Diabetes Intervention.
- Quality and Patient Safety Award – renal transplant enhanced recovery after surgery (ERAS) project team.
- Partnership Working – Newcastle Improvement.
- What Matters To You (WMTY) Award – 0-19 Flourish Champions.
- Charity Supporter of the Year – Nicola Ray, Freeman Health Records.
- Volunteer of the Year – Pippa Anderson, Volunteer Vocal Rehabilitation Coach.
- Championing Equality Award – Odeth Richardson, Head of Occupational Therapy.
- Sustainable Healthcare in Newcastle (SHINE) Award – Jason Gandhi, Fellow in Environmentally Sustainable Anaesthesia.
- Rising Star – Jenny Welford, Specialist Occupational Therapist.
- Unsung heroes – team of the year – catering team.
- Clinical team of the year – senior clinical teams from peri-operative and critical care.
- Unsung hero – joint winners, Andrew Peattie, RVI Porter, and Zoe Lumley, Ward Clerk.
- Clinician of the year – Amanda Kilsby, Consultant Geriatrician.
- Chairman's Award – Head of Chaplaincy Katie Watson.
- Chief Executive's Award – Consultant Microbiologist Lucia Pareja-Cebrian.

Cavell stars

Senior Sister Jen Steedman, who provides the home haemodialysis service from the Freeman Hospital, was presented with a Cavell Star Award in recognition of how she has consistently gone above and beyond for her patients throughout the COVID-19 pandemic.

Community Staff Nurse, Jessica Higginson, also received the award for her outstanding approach to consistently providing the highest quality patient care, particularly to those receiving palliative and end of life care.

Queen's Nurses

Deputy Matron for community nursing, Kerry Puga and Health Visitor Hazel Galloway were both named a Queen's Nurse during the year – an accolade which is only granted to highly dedicated community nurses who can demonstrate their commitment to providing the highest standards of practice and care. Hazel also celebrated another special milestone - 50 years of working in the NHS.

Rising star

Honorary Gastroenterologist Dr Chris Lamb, who is also a principal investigator at the Translational and Clinical Research Institute at Newcastle University, was awarded a rising star award by the United European Gastroenterology (UEG), a non-profit organisation for excellence in digestive health in Europe.

The UEG awards the Rising Star prize every year to the most promising, emerging scientists based on a track record of international quality research and developing scientific independence and in his research role, Chris works to understand the biomedical mechanisms behind treatments for inflammatory bowel disease.

Trailblazing care

Healthcare Assistant (HCA) and family-centred care lead at the Freeman Hospital's Cardiothoracic Centre, Lisa Morgan, received one of the very first Chief Nursing Officer's Healthcare Support Worker awards in recognition of her 'Commitment to quality of care.'

Lisa has led on developing and implementing many services changes around family engagement in patient care - to improve patient experience and outcomes – as well as dedicating her time and support to national Healthcare Support Work recruitment events.



Recognising our healthcare support workers

In-year we celebrated our healthcare support workers with a very special event to say thank you for all that they do and celebrate the fundamental contribution they make to patient care.

Staff were asked to nominate their colleagues for an award with five categories to choose from and the overall winners were:

- Direct care award – Critical Care Assistant Emily Robinson, ward 18, RVI.
- Leading the Way Award – Samantha Thirlwell from ward 40, gynaecology at the RVI.
- Embracing New Technology Award – HCA, Cara Bower, Freeman Hospital outpatient department.
- Nurturing New Talent Award – Maternity Support Worker, Lynn Carver, Newcastle Birthing Centre.
- Healthcare Special Award – HCA, Lyanne Carey, Ward 33 Clinical Haematology, NCCC.

Senior Science Award

Trust Chairman, Professor Sir John Burn received the International Aspirin Foundation's prestigious Senior Science Award 2022 for excellence and innovation in clinical science recognising his outstanding contribution to defining aspirin's role in cancer prevention, and in particular, the role of aspirin in the prevention of hereditary colorectal cancer (Lynch syndrome).



Horizon Prize

The microbiology team at the Freeman were part of a wider team of scientists, led by Northumbria University, to win The Royal Society of Chemistry's prestigious Horizon Prize for improving global healthcare through the discovery of novel approaches for identifying bacteria.

Digital champion

Consultant anaesthetist Dr Adnaan Querishi was a finalist in the National BAME Health and Care Awards, which celebrate the unsung heroes of the NHS and specialist BAME services. He was recognised in the 'Digital Champion' category for his work on creating Newcastle PROMs – a custom online platform to collect, analyse and report patient-reported outcomes following surgery.

Financial rewards

Director of Finance, Angela Dragone, and Deputy Finance Director, David Reynolds, both ended long and successful careers at the trust with lifetime achievement awards at the Healthcare Financial Management Association (HFMA) Northern branch conference. While the research finance team won 'large finance team of the year.'

Lifetime achievement

Professor Paul Corris received a lifetime achievement award from the European Respiratory Society in recognition of a lifetime of excellence in the field of thoracic surgery and transplantation.

Distinguished service

Professor Derek Manas received a distinguished service award at the British Association for the Study of the Liver – for his amazing support to liver transplant patients – and more generally the liver community – over the years.

Hospice UK Award

A collaborative 'combined supportive care service' between the trust and St Oswald's Hospice won a national Hospice UK Award.

The trust's Specialist Occupational Therapist Jenny Welford and hospice Palliative Care Doctor, Felicity Dewhurst, worked together to offer patients living with lung cancer or mesothelioma personalised care, support and treatment when they need it most, running weekly clinics at the hospice's Focus on Living Centre.

The service shows the importance of providing personalised support and

demonstrates how working in partnership and collaborating to address the needs of a community can have a huge impact on quality of life and quality of care for people at the end of life.



Innovate Awards

Our sustainability and procurement teams – and everyone else at the trust involved in working towards a net zero carbon supply chain – won the Net Zero Innovation of the Year category in the AHSN Network and NHS Confederation's first Innovate Awards for their work to engage our supply chain in climate action.

Recognition for excellence twice

The haematology team at the Freeman Hospital were presented with the Myeloma UK Clinical Service Excellence Programme Award for the second time with staff particularly praised for their efforts to improve patients' quality of life and truly listening to their needs.



Engaging with our communities

The Change of Heart regional Covid vaccination campaign – which aimed to increase uptake amongst 16-29-year-olds – won a national NHS Communicate Award for its ‘Use of insight and data for innovation in communications.’

Led by the Integrated Covid Hub North East (ICHNE) / Newcastle Hospitals and supported by the Covid vaccination programme, NHS, local authorities, colleges and universities, it was also highly

commended in the award category for ‘Best behaviour change or public health campaign’.

The campaign also received two CIPR North East PRide Gold Awards for best healthcare / public sector campaign and a silver award for best integrated campaign and a gold award was also presented to the NENC COVID-19 vaccination programme for best regional campaign.

Veteran Aware

The trust was successfully reaccredited as a ‘Veteran Aware’ organisation – affirming our commitment to providing the best standards of care to the Armed Forces community – past and present – and their families based on the principles of the Armed Forces Covenant.

Supporting our transplant patients

A new patient information website for heart and lung transplant assessment patients won an award from the Society for Cardiothoracic Surgery in Great Britain and Ireland. The cardiothoracic team has been working in partnership with the University of Northumbria on the development of this site – funded by Newcastle Hospitals Charity – which aims to help patients better understand, prepare and recover from a heart or lung transplant. It comes after they were recently highly commended for this work for excellence in education by NHSBT.

Bright Ideas in Health Awards

Two teams were winners in the Bright Ideas in Health Awards, which recognise those who are finding new ways to improve the health and social care system, whether it’s through development of new products or technologies, changing the way a service is delivered, research methods, or collaboration opportunities.

Our Newcastle Centre for Bowel Disease stoma programme of research to assess a new telemedicine service linked to a stoma device won the ‘cross-organisation working to deliver research’ award while the development of a new hazardous patient transport device – which provides a safe and practical way to transport patients who may be infectious, contaminated or immunodeficient – received the ‘outstanding industry collaboration’ award.

Recognition for our estates' apprentices

Our estates apprentices were recognised locally and nationally for the work they do. Having just completed a four-year apprenticeship at the RVI in mechanical engineering, Chris Barnett, who is now a fully qualified member of the team, firstly won the regional fourth year apprentice of the year award (2022) and was overall winner of the Institute of Healthcare Engineering and Estate Management (IHEEM) National Apprentice of the Year.

Harvey Smith, a second-year mechanical engineering apprentice at the RVI, and Tony Reed, who joined the trust in 2016 as a maintenance assistant before embarking on a mature apprenticeship in electrical engineering in 2020, were both finalists in the IHEEM National Apprentice of the Year Award.

Honorary Doctorate

Deputy Chair, Professor Kath McCourt, who is also the President of the Commonwealth Nurses and Midwives Federation, was awarded an Honorary Doctorate by the University of Cumbria.

It is only the second time the university has awarded its most prestigious accolade which recognises individuals of significant merit, academics with an international reputation, or national and international figures who are inspiring role models for young people, communities and stakeholders.

National appointments

- Head of Service for Occupational Therapy, Odeth Richardson, was elected as the new Chair of the British Association of Occupational Therapists/ Royal College of Occupational Therapists, taking over from Professor Diane Cox at the end of June.
- Nurse consultant Alison Armstrong was appointed the first non-medic to take up a national position with the British Thoracic Society as the new Chair of its Education and Training Committee.
- Associate Director of Nursing, Helga Charters, joined MediCinema's Board of Trustees to support MediCinema's longer-term strategic objectives to reach more beneficiaries with wider impact through its hospital's cinemas, including ours at the RVI, and bedside services.



Hospital @ Night

Newcastle's Hospital @ Night service marked its 15th anniversary in-year. Since its inception with one team at the Freeman Hospital, covering all surgical specialties, the service now supports around 1,200 beds, split into five teams supported by 17 nurse practitioners.

It was first implemented as part of an NHS initiative to ensure optimum patient safety during the out of hours' period, when medical cover had reduced following implementation of the European Working Time Directive, and working alongside our nursing team and medical staff provide fast, responsive, excellent care to some of our most complex patients.

First Professional Nurse Advocates

The trust's first cohort of Professional Nurse Advocates (PNA) were accredited as part of the national PNA programme which aims to support the NHS through restorative supervision delivered by specially trained nurse advocates.

Newcastle recognised the value that the PNA role could play in terms of staff wellbeing, retention and supporting our international colleagues following the challenges of the COVID-19 pandemic, and identified 18 nurses, across a range of specialties, to participate in the programme.

Our advocates enable staff to feel valued, supported and that they have a voice to raise concerns, while the process also puts in place quality improvement initiatives to support and maintain high quality patient care.

Patient milestone

Emergency services from across the region celebrated their 500th patient milestone for the North East and Cumbria's lifesaving 'Blood last on Board' service.

The service – a collaboration between the trust, the Great North Air Ambulance Service (GNAAS) and volunteers from Blood Bikes Cumbria and Northumbria Blood Bike – was devised by Dr Rachel Hawes OBE, army reservist, consultant in anaesthesia / pre hospital emergency medicine at the RVI, and doctor at GNAAS.

It was introduced in 2015 and saw GNAAS begin to carry blood and plasma on board their aircraft and overnight cars. To celebrate treating 500 patients, a special reception was held at the RVI for patients who have received blood and their loved ones.

Special anniversary

The Bubble Foundation – which tirelessly supports our specialist 'bubble unit' on ward 3 at the GNCH - marked their 30th anniversary of becoming a registered charity.



Poppy Jingles

The trust's first staff welfare hound Poppy Jingles, who is owned by the head of chaplaincy, Katie Watson, put up her paws and retired after five years of dedicated service to our staff working across the trust. The Springer spaniel brought so much joy through her 'pat and chat' and 'mooch with the pooch' sessions and will be a huge miss.

Ride for their Lives

Staff from Newcastle Hospitals joined with colleagues from across the north east to cycle between the region's hospital sites as part of the national campaign 'Ride for Their Lives'. The team set off from Hexham Hospital, calling at Northumbria Specialist Emergency Care Hospital before a final stop at the RVI to raise awareness and action to address the impact the climate emergency and air pollution can have on health – especially the health of children.



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 wide range of initiatives - from cutting-edge research to vital improvements to the patient experience and environment.

The last year has seen the charity continue its work in making a positive impact to staff, patients and the wider community of Newcastle Hospitals, with over £7m of project funding and has been proud to support innovative, creative, and touching projects from all facets of the hospital community.

The charity would like to take the opportunity to thank its generous and compassionate donors and fundraisers who make this work possible, many of whom are former patients and staff, for their continued support.

Newcastle Hospitals Charity supports the Trust as a whole by ensuring that funds are spent where they are needed most. As well as providing this support, the charity is the home of:

- 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 NCCC at the Freeman Hospital, as well as at Cumberland Infirmary. Charlie Bear for Cancer Care works to keep pace with fast-moving developments in cancer care and treatment, funds local research projects to develop new treatments and initiatives to help patients feel more comfortable during their treatments.

Impact

2022/23 was another busy year for Newcastle Hospitals, and the charity responded to the challenges faced by the Trust by committing funding worth a total of more than £7m.

The range of funding was enormous, from allocations of less than £100 – small projects that made a big and immediate difference to patients and staff, such as water bottles for the staff working with stroke patients at the RVI – right up to funding of more than £1.9m to support the expansion of the Trust's robotic programme, which was made possible with a ground-breaking donation from a private philanthropist.

This year saw the establishment of a dedicated grants team, the first in the charity's history, which provides direct support to Trust staff in developing funding proposals and the continued development of structures and processes relating to the management of grant-making.

The charity allocated more than £1m in easy-access, smaller (less than £25,000) project funding in 2022/23. Many of these were focused on staff health, wellbeing and development, and on staff-led initiatives that improved the experience of Newcastle Hospitals patients.

Some examples of these smaller projects included:

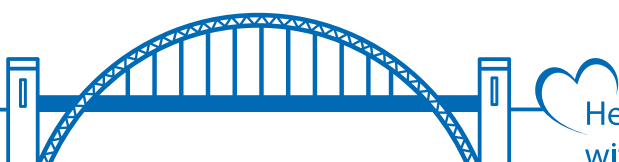
- £264 to purchase emergency essentials for parents of children who arrive in hospital with no belongings.
- £1,176 to purchase drinking flasks for staff on the assessment suite in the RVI.
- £8,352 for therapy dog sessions to benefit staff and patients in the intensive care unit (ICU) in the RVI.

- £8,394 to purchase a sensory trolley to support admission and promote development for patients on Ward 2b of the Great North Children's Hospital.
- £24,990 to trial a new innovation for 20 patients undergoing ablation in the cardiothoracic department.

Proposals for funding of more than £25,000 continue to be considered by the Charity Committee, which is chaired by Jill Baker, Non-Executive Director (NED). In year, proposals totalling nearly £6m were supported, for directorate-level or Trust-wide schemes. As well as supporting hospital staff and patients directly, these larger projects play a massive role in funding research and innovation, tackling health inequalities, and creating healthier communities across Newcastle and the wider region.

Some highlights include:

- £1.9m to purchase an additional surgical robotics system to expand the Trust's robotic assisted surgery programme.
- £600,000 to purchase three surface guided radiotherapy machines for patients receiving treatment for cancer at the NCCC at the Freeman Hospital and at the Cumberland Infirmary.
- £353,148 to fund, for a 3.5-year period, the delivery of complementary therapies, including massage and aromatherapy, for patients undergoing cancer treatment.



- £302,000 to fund training posts for a junior doctor and a junior research nurse for three years in the Sir Bobby Robson Cancer Trials Research Centre.
- £265,241 to fund the development of a 'Transition and Outreach' service for young people who are transitioning to adult services, with a specific focus on young people with mental health issues, learning disabilities and/or autism.
- £76,462 to fund the Engagement Coordinator role to support the Trust's Young Persons Advisory Group North East (YPAGne).
- £58,250 to fund a palliative and end of life care clinical educator/facilitator for 12 months to assist in the delivery of embedding the Gold Standards Framework.
- £26,806 to refurbish two relatives' rooms on the adult critical care ward (ward 37) at the Freeman Hospital.
- Northumbria Blood Bikes, who were supported to deliver a volunteer training and development programme.
- Radio Tyneside, to support their day-to-day running costs.
- Healthworks, to deliver the 'Change4Life Mini Champions' initiative in the outer west of the city.
- Transplant Sport UK, to enable the Newcastle Adults Transplant team to compete at the British Transplant games.
- DeafLink, who were funded to provide a BSL health navigator service within the Trust.
- The Children's Foundation, who were funded to provide 100 baby boxes to disadvantaged new mums.
- Give a Duck, who were funded to provide 'Chemo Ducks' to children in the GNCH.

The majority of the charity's funding continues to stay within Newcastle Hospitals; however, the charity remains committed to supporting external charities and organisations to deliver collaborative initiatives that address health inequalities in the community, helping people while they're in hospital, preventing readmission, and supporting Trust staff.

Partner organisations that were funded in this way included:

- Citizens Advice Gateshead, who deliver a social welfare service for Trust staff and the families of patients at the GNCH.
- Blue Sky Trust, who were funded to deliver a three-year project called 'Living Well with HIV' in partnership with the HIV multi-disciplinary team at the RVI.
- Coping with Cancer, who were funded to continue providing acupuncture and counselling services for patients in the NCCC for three years.

The charity remains committed to building on this momentum in 2023/24, with support from Charity Committee members and the wider Trust team. 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 funding 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 more successful community fundraising.

- After Sam Johnson passed away following a tragic accident last year, his friends and family were determined to raise funds for the RVI, where he received critical care. They kindly raised more than £10,000 for Newcastle Hospitals Charity in his memory – which will make a huge difference and be an amazing legacy for Sam.
- Evie, aged 9, raised £1,175 for the Newcastle Scoliosis Fund, part of Newcastle Hospitals Charity. Evie, who has scoliosis herself, raised the funds by completing a month-long gymnastics challenge.
- The Ponteland Rotary Club raised £3,000 for The Great North Children’s Hospital Foundation at their annual duck race event.
- Neil Winn, a patient at the Freeman Hospital, raised £9,000 for the Orthopaedic and Rheumatology team on Ward 20 at the Freeman Hospital. Neil held a pie and peas fundraiser with an auction, to raise funds in thanks to the staff who supported him during his six months stay in hospital.
- Demi-Jade and Keiran raised over £14,000 for the Fetal Medicine Unit at the RVI, in memory of their son Rex who was sadly stillborn. They chose to fundraise with a charity night and auction ‘to help fund research to help no one else go through what we have’.
- The Jackson family donated £750 to benefit staff wellbeing initiatives on Ward 18 of the RVI, in memory of Christine Jackson who sadly passed away on the ward on Christmas Eve.
- Friends of Evie raised £2,033 taking on a Tough Mudder challenge to benefit Ward 4 at the GNCH in memory of Evie. Evie sadly died at age 20 following diagnosis of a brain tumour in 2016 and undergoing extensive treatment.
- St. Mary and St. Thomas Aquinas Catholic Primary School raised £519 for the charity during Children in Need by coming to school dressed in bright colours, and by hosting fundraising games. Members of the charity team visited the school to give an assembly about the work of Newcastle Hospitals Charity.



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 and Robertson CE Limited who all 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 VIPs to switch the lights on, with mince pies kindly provided by Brewin Dolphin Ltd.

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.

We are thrilled that 14 corporates took part in this campaign and more than £6,000 was raised. Their support was used to provide decorations on the wards and around the hospitals and to buy seasonal gifts and 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 £3m 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 NCCC at the Freeman Hospital.
- Newcastle Hospitals Charity partnered with **ECS Textiles** to help supporters turn their unwanted clothes into donations, which will help to support staff, patients, visitors and the wider community of Newcastle Hospitals. Beginning with collections via household charity bags, the partnership has now expanded to include Collect 4 All, a website and app, where supporters can request a clothing collection – making decluttering and donating even easier and more convenient. So far, ECS Textiles Ltd have raised more than £12,500 for the charity thanks to people kindly donating unwanted clothes.
- The team at **Mercedes Benz of Newcastle** raised an incredible £4,528.02 for The Great North Children's Hospital Foundation. They arranged various fundraising activities including selling branded air fresheners, taking on the Yorkshire 3 Peaks, holding raffles, dress down days and bake offs, and holding a 'keepie uppie' challenge.
- Staff at **Medical Reporting Solutions Ltd** and **True Solicitors LLP** organised several festive fundraising activities including a Christmas jumper day, bake sale and raffle. They raised an amazing £1,100 for The Great North Children's Hospital Foundation.

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 £3.9million from 55 legacy donations. Some examples of the generous individuals who chose to support Newcastle Hospitals Charity with a legacy donation are:

- Alan and Thelma Scrivens, who generously chose to support the Sir Bobby Robson Cancer Trials Research Centre at the NCCC. Their close friends Maureen and Duncan Lee fulfilled their generous last wishes to hand over the cheque in person to Professor Ruth Plummer, Director of the Sir Bobby Robson Cancer Trials Research Centre.
- Peter and Joyce Wiles who generously supported Children's Cancer Research and The Special Care Baby Unit at the RVI.
- Kenneth William Rawdon, who supported the GNCH.
- Ernest William Buckley, who supported The Sir Bobby Robson Foundation.
- Dorothy Mary Thompson who supported The Northern Oesophago Gastric Cancer Fund at the RVI.
- Dennis Henderson Osselton who supported Newcastle Hospitals Charity.

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:

- A big thank you to staff from Amazon NCL1 (Gateshead) who kindly donated 250 Playmobil characters to young patients at the GNCH.
- Thank you to Queensland Bakery Co. who recently donated boxes of blueberry muffins for staff at Newcastle Hospitals.
- Thank you to Fenwick Department Store for dropping off lots of fantastic Christmas gifts for young patients at the GNCH.
- A huge thank you to Pop Nightingale who very kindly donated boxes of Funko Pops to the GNCH.



Arts Programme

The Charity has been continuing to grow their exciting Arts Programme, increasing reach to Trust staff, patients, visitors and the wider community, by engaging over sixty-five thousand people.

It has been proven that engagement within Creative Health (or Arts and Health) has potential to aid recovery, address health inequalities, and help meet challenges facing healthcare, ageing, long-term conditions, loneliness and mental health.



With over 70 creative engagement sessions, in Trust sites and community settings, the Arts Programme has offered activities such as photography, printmaking, pottery, drawing, painting and a range of live music. The Arts Programme has included visual arts exhibitions across Trust sites and worked with the Trust's estates teams to commission significant art installations.

This year has also seen the beginning of a strategic partnership between the Arts Programme and our city parks authority, Urban Green Newcastle, through an



innovative project, *Springbank Pavilion*. Together, with local arts organisations, Chili Studios, Curious Arts and GemArts, the Charity has funded free artist-led workshops that all centre around creative practice in nature.

Live music has been brought back into our sites, through a partnership for bedside musicians, with Music in Hospitals and Care, and pop-up performances from an orchestra and choirs have filled our hospital sites with soothing sounds and brought moments of collective joy.

Feedback and evaluation across the Arts Programmes have been reported to reduce isolation, create new connections and understanding, while improving wellbeing for those who have engaged with creative activities.

The Charity looks forward to continuing to develop the Arts Programme and seek innovative ways to work across the Trust, to address health inequalities by improving wellbeing and encouraging understanding across our communities.

Charity Strategy

The work of the Charity is led by three goals:

- 1) Improve the patient and visitor experience, enhancing care for the patients and the wider community.
- 2) Improve staff health, wellbeing and development.
- 3) 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 grants 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 the following social media channels:

 [Newcastle_NHS](#)

 [NewcastleHospitalsCharity](#)

 [Newcastle_NHS](#)

 [Newcastle Hospitals Charity](#)





1. Performance Report

A. Overview of Performance

2022/23 saw the first full year of returning to routine clinical services without the restrictions previously in place around COVID. There was a strong focus on recovering performance and activity to the position the Trust was at prior to COVID whilst ensuring patients continue to receive the best care possible.

For 2022/23 challenging national targets were put in place to try and address a number of these backlogs (i.e. to deliver 30% more elective activity than prior to the pandemic by 2024/25). Rigorous performance monitoring and review processes were put in place, within the Trust, to support clinical services in achieving this recovery and ensuring progress was understood and reported at an Executive level.

In 2022/23, as part of the changes instigated during COVID, activity was funded on a block income basis and so, unlike in pre covid years, activity no longer drove Trust income and the focus around activity was about demonstrating recovery and improvement. The year saw a significant increase in activity from that experienced during 2020/21 and 2021/22 but still did not reach the pre-covid levels achieved in 2019/20.

Across the year inpatient (IP) elective activity stood at an average of 74.8%, day case (DC) at 93.0% and new outpatients (OP) at 100.4% of 2019/20 activity levels.



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 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 – the major trauma centre treats people from as far afield as Cumbria and the Scottish Borders.
 - 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 **GNCH** – one of a small number of major children’s medical centres in the UK, GNCH provides treatment for children across the whole of the North of England.
 - The **NCCC** – 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 **IoT** – 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 few 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 – one of the UK’s largest maternity units.

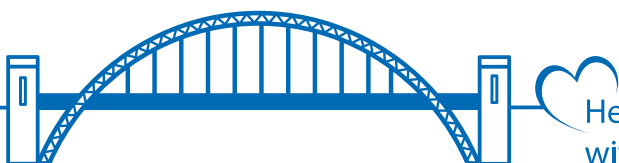
Exercise of functions in relation to ICS and ICB Plans

As a Foundation Trust, Newcastle Hospitals will work with System ICB colleagues to build a five-year joint forward plan from action plans from each of the Places, key service areas (e.g. urgent care, elective and mental health), our enablers (e.g. workforce and digital) and our key goals area from the ICP strategy, particularly healthier and fairer and best start in life. The Joint Forward Plan will be published as a final draft at the very end of June 2023 and as a final version in September 2023. The aim of the joint forward plan is to set out a longer-term vision, with key priorities, objectives, deliverables and measurable improvement metrics – recognising that this will iterate and improve over time as our system continues to mature and our ways of working and key programmes become clearer.

The trust works with other ICS Trusts to develop, monitor and report on the ICS capital envelope (the capital departmental expenditure limit (CDEL)) through the Provider Collaborative Estates Directors and Directors of Finance groups. These forums enable discussion and agreement of resource allocation and prioritisation of capital schemes in a challenging financial environment. This arrangement facilitates cross ICS collaborations such as the current Aseptics Business Case and proposal.

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).





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

1. Financial Performance

The Trust continued to demonstrate financial resilience in the 2022/23 financial year with a £4.1million surplus on an NHSE Control Total basis (2021/22 surplus of £0.4million). The Trust is proactively addressing the funding challenge facing all public services. In particular, the underlying strength in the Statement of Financial Position will provide financial resilience in future years.

The NHS Foundation Trust reports to NHS England on a control total basis, these figures differ to those reported in the NHS Foundation Trusts statement of comprehensive income on page 206 of the Trust's annual accounts. This is as a result of excluding certain funding streams as identified below.

	2022/23 £000	2021/22 £000
Reconciliation to control total		
Surplus for the year (SOCl Trust)	13,661	3,382
Less/Add: Reversal of impairments/impairments	(7,933)	(4,676)
Add: Donated asset depreciation	1,169	1,213
Less: Donated income received for asset purchases	(2,760)	(458)
Remove net impact of consumables donated from other DHSC bodies	(46)	325
Remove loss recognised on return of donated COVID assets to DHSC	0	616
Underlying result	4,091	402
Control Total Plan	3,745	0

The Trust initially agreed a planned control total of a £10,745k surplus for 2022/23. In January 2023 this planned surplus was amended to £3,745k with the agreement of the North East and North Cumbria Integrated Care Board.



2. Income

The 2022/23 finance regime was based on a block contract arrangement with a variable element to fund elective recovery covering ordinary elective, day case, outpatient new and outpatient procedure activity. All other activity was covered by the block contract which also included elements of COVID top up and system top up funding to support trusts with increased costs post pandemic.

The elective recovery fund guidance required trusts to deliver 104% of 2019/20 value weighted activity while reducing outpatient follow ups to 85% of 2019/20 levels, however this was not transacted nationally, and the trust received the income as a block.

The block elements of the ICB and NHSE contracts were based on rolling over the 2021/22 block, plus inflation, efficiency, Elective Recovery Fund (ERF) and System Development Funding (SDF).

The Trust generated total income of £1,468.9million (2021/22: £1,377.5million). This is higher than last year mainly due to uplifts on the NENC ICB contract and NHSE contract. The general uplift to the block funding was 4.1% with growth funding of 2.31% from NENC ICB and 2% from NHSE. For 2022/23 ERF was £33.9million (compared to £21.7million for 2021/22), and drugs and devices charges increased (£13.5million) with a reduction in top-up funding.

Income generated by the Trust from trading activities increased in 2022/23 however it has not recovered fully to pre-pandemic levels due to lower footfall of patients and visitors. Income from services provided to other Trusts, organ retrieval, overseas patients, specialist services outside the NHSE contract, and the NHS Injury Scheme has largely been maintained.

3. Expenditure

Total expenditure for the year was £1,436.7million (excluding finance costs and impairments), (2021/22: £1,342million). The finance regime for 2022/23 returned to a more business as usual approach, despite the incidence of COVID-19 and the year-end position was a surplus of £4.1million. The COVID-19 Vaccination Programme expenditure (outside the financial envelope) matched income and the funding changed during the course of the year from a full cost recovery to an activity based system, as the number of vaccinations reduced. A number of Elective Recovery Schemes have continued to support the number of elective patients on the waiting list and enable delivery at 2019/20 levels.

The Trust has managed to deliver the revised Financial Plan during 2022/23 despite continued COVID-19 challenges and industrial action over the last few months of the year. These issues have meant the Trust needed to continue covering staff absences, through the use of staff bank, overtime (at enhanced rates), agency and locums.

The Trust reported variances against specific types of expenditure:

- Pay expenditure includes the cost of the 2022/23 pay award, over and above planned levels of £18million, along with a provision to take account of the revised pay award offer of £27.8million, additional pension cost of £30.9million all matched by income. The on-going provision for the cost of enhanced overtime rates, cover for industrial action and the difficulty in meeting the cost improvement challenge during the year.
- Drugs are overspent, mainly related to an underlying growth in cost for 'block' drugs and old Payment by Results (PbR)

tariff drugs, as some types of patient activity have increased, off-set by a variance of matched drugs with a corresponding variance on income.

- Expenditure in relation to clinical supplies pressures as activity levels have increased, the impact of high inflation, the challenge associated with the cost improvement target and medical devices that are now covered by block funding arrangements.
- Additional premises expenses in relation to Estates related projects, non-recurring Information Technology (IT), other equipment and non-delivery of cost improvement plans.

4. Capital Expenditure Plans

Capital expenditure totalled £63.6million (2021/22: £46.5million). 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 the refurbishment of estate.

5. Delivering Value for Money in the Public Interest

The Trust's cost efficiency programme was resumed in 2022/23 following its suspension during the COVID-19 pandemic.

The Trust continued to partner with the Institute for Healthcare Improvement (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 outcomes for outpatients and supporting elective care recovery. In

addition, the Trust has established a Programme Management Office (PMO) team to support the identification and monitoring of cost improvement plans.

The Trust delivered efficiencies of £38.8m during 2022/23 with £4.5m being delivered recurrently.

6. Statement of Financial Position

The assets of the Trust's owned estate were valued at £432.1million on 31 March 2023. In addition, the Trust has a further £179.9million of Private Finance Initiative (PFI) assets. The Trust has valued its land and buildings on a single, optimal site basis and funded via an alternative to PFI/PF2 financing arrangements. Such funding is exempt from Value Added Tax (VAT). The closing year end cash balance on 31 March 2023 was £195.8million (2021/22: £220.1million). 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.

7. Future view

As we move into 2023/24, contracts with commissioners will be on an Aligned Payment Incentive (API) basis, with the NHS Payment Scheme guidance confirming that the arrangements will cover the next two financial years. The API contract includes a number of variable elements, the largest of which is the ERF scheme, and the remainder of activity is contracted on a block basis.

For 2023/24, the trust target is to deliver 109% of 2019/20 elective activity under the NENC ICB contract and 107% of 2019/20 elective activity under the NHSE Specialised Services contract on a value weighted activity basis. If the trust under



or overperforms against this target, then income will be varied to match. Trusts have been set differential targets based on their 2022/23 performance to the end of Quarter 2.

The finance regime will also include further reductions in funding due to the application of the convergence factor to the funding commissioners have available, the amount of non-recurrent support for COVID-19 related expenditure and system top up. As a result, the Trust's financial plan includes a significant £57million cost improvement target and relies upon further non-recurrent savings and other non-recurrent benefits.

The main challenges to the Trust going into 2023/24 are:

- The challenges of working within a finance regime that is defined primarily as block envelopes not related to activity levels.
- Operational challenges to achievement of elective activity valued at 109%/107% 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 Clinical Boards of a £33.7million 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 an NHS-wide constrained capital funding environment.

8. 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.

9. In Summary

The Trust has had a successful year in terms of financial performance in that it has met its financial targets.

The 2023/24 financial plan is **based on** offsetting cost growth by improving productivity while continuing to meet demand for services and delivering national performance targets. This is a significant challenge for the Trust particularly in a context of inflationary pressures and increasing pressure in non-elective pathways.

The Board of Directors recognise this challenge but is confident of maintaining sound financial management and provision of a service portfolio recognised both nationally and internationally and that the accounts are prepared on a going concern basis.

B. Analysis of Performance

Performance

The Trust was set a series of national operational targets in the 2022/23 planning guidance. These were designed to rectify the unintended consequences of the pandemic and were designed to reduce waiting lists, improve cancer backlogs and Accident and Emergency (A&E) waiting times. The Trust has been under pressure to treat patients who have been waiting for 104 weeks, 78 weeks and 52 weeks for elective treatment and to ensure that the backlog of cancer patients who have waited for longer than 62 days does not exceed pre COVID levels.

There are a number of challenged specialties from a long waiter point of view where the Trust is seeking to resolve. These are in Spinal, Ophthalmology, Dermatology and Trauma and Orthopaedics.

At the end of 2022/23, the Trust remained in Tier 1 from an Elective Recovery perspective and was in receipt of the highest level of NHSE support. This was due to the failure to clear all non-spinal specialty long waiters by the end of March 2023. The Trust was in Tier 2 from a Cancer Recovery perspective and for a time was in receipt of a moderate level of support. Due to a significant reduction in the 62 day cancer backlog, the Trust exited Tier 2 in March 2023.

A&E performance has continued to deteriorate in light of emergency pressures and wider system pressures, however it still remains as one of the higher performing Trusts nationally.

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 (HR):
- Reviews of the risk register;
- Productivity; and
- Service improvements.

These reviews are complemented by Quality and Patient Safety Reviews chaired by the Medical Director/Deputy CEO (DCEO).

Management of key risks and their impact on performance

In managing performance during 2022/23, the key risks have included:

- Increased ED attendances directly impacting on A&E performance. The opening of the clinical decision unit late in the year has helped alleviate some of the capacity constraints in the ED.



- The ongoing waves of COVID experienced throughout the year, along with other infections that require patient isolations, movements of cohorts of patients and management of outbreaks to optimise bed availability.
- Management of workforce gaps in a range of staff groups.
- Bed availability at levels to sustain and grow the elective programme to support recovery. Bed capacity has been eroded to accommodate growth in non-elective emergency pressures. Escalation beds have remained open most of the year.
- Constrained diagnostic capacity to cope with rising demand, mitigated by insourcing and development of future proofing plans alongside the proposed CDC.
- Longer and growing waits for treatment and procedures. Short term additional capacity in various services has had to be secured to minimise further deterioration in waiting times.

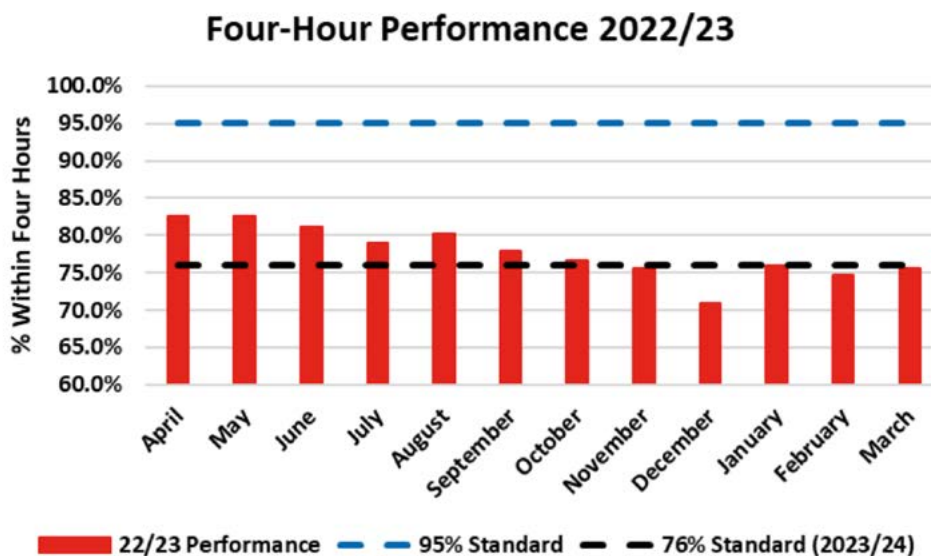
There has remained focus on these key risks throughout the planning rounds to further mitigate these risks going forward.

A&E Activity

Across the country the achievement of A&E targets proved to be challenging with increasing emergency attendances and pressures on ambulance services. For the second year running, the Trust failed to achieve the 95% target against the A&E four hour waiting time (for admission, transfer or discharge) with a Trust average of 77.7% across the year. By March 2023 the Trust monthly average of 75.6% compared favourably against a national average of 71.5%. The complexities around achieving this target have been recognised nationally and for 2023/24 this has been reduced to a target of 76%.

Contributing to the difficulties in achieving the four-hour target is a rise in the attendances at A&E with a 6.7% increase on 2019/20 attendance levels. At the same time there has been a shift in complexity levels seen in A&E with a 20.3% increase in Type 1 referrals, 17.3% in Type 2 whilst only 6.4% in Type 3.

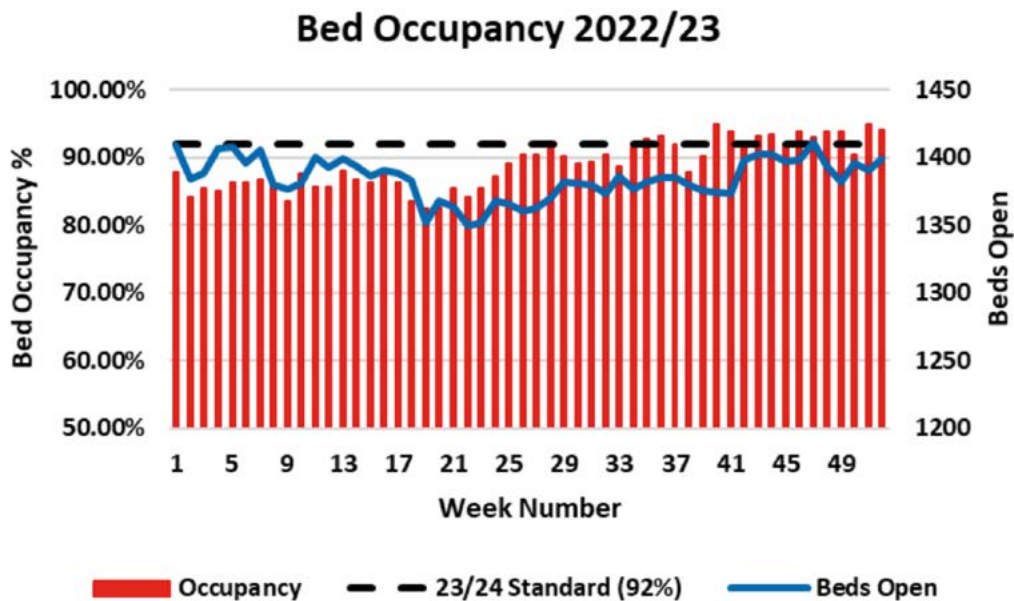
The rise in Type 1 attendances and complexity of attending patients has impacted on other A&E performance targets with length of stay, trolley waits and A&E hand over delays all increasing during the year.



Bed Occupancy

With many of the bed restrictions previously in place removed, the Trust gradually returned to pre covid bed levels. Throughout 2022/23, the Trust experienced extremely high levels of bed occupancy with an average across the year of 90.6%.

The Trust also saw a significant increase in beds occupied due to emergency admissions, with occupancy frequently operating at 110% of 2019/20 levels and this reflected the increases and pressures experienced across our emergency services. Overall activity in March 2023 was frequently operating between 90% and 95% of available beds occupied.



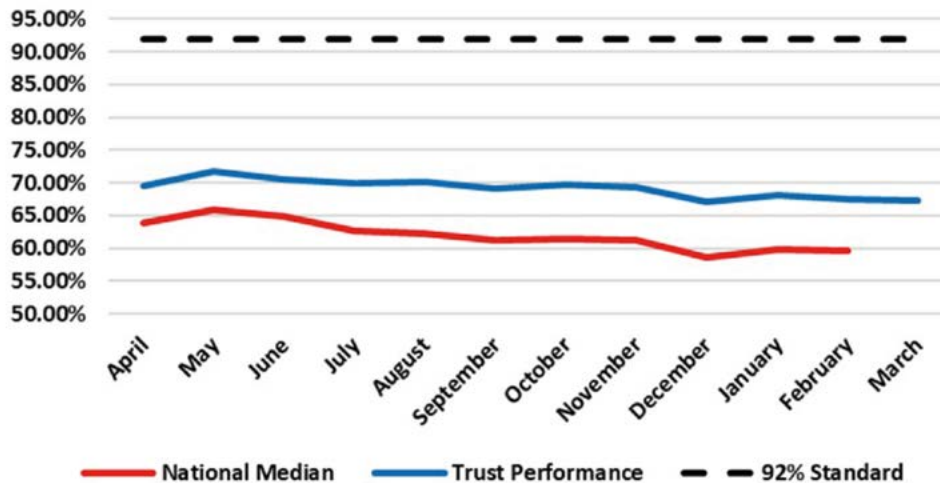
Referral to Treatment Waiting Times (RTT)

The national expectation is that 92% of patients commence treatment within 18 weeks of referral. During 2022/23 Trust performance ranged between 67.1% and 71.6%, and by March 2023 the patient tracking list (PTL) showed 100,156 patients waiting for treatment. Although this performance is lower than the Trust would strive to achieve it is reflective of national performance with recent benchmarking data demonstrating that the Trust was in the in the upper quartile of NHS Trusts for achievement against this target.

During 2022/23, the Trusts key focus was to prioritise the patients with extremely long waiting times, as a result of the reduced activity that occurred in the previous two years. The Trust successfully reduced the number of patients waiting over 104 weeks from 129 in March 2022 to 21 in March 2023 and those waiting over 78 weeks from 660 to 159 (a 76% decrease). Two of the services with the highest number of long waiters has been Spinal services and dermatology and, in both services, work has been ongoing to increase the number of clinics to increase capacity and reduce waiters as well as linking with other providers who have available capacity.



18-week RTT Performance vs National Median



Cancer

The Trust continued to struggle to achieve the national cancer targets with only one metric being consistently achieved across the year: the 31-day subsequent radiotherapy standard. Performance against the two-week-wait standard fluctuated throughout the year, but due to the continued efforts and focus of the clinical services it ended the year at its highest level of 87.25%. Other areas also continued to improve in year with the 28-day faster diagnosis standard reaching 84.2% in February 2023

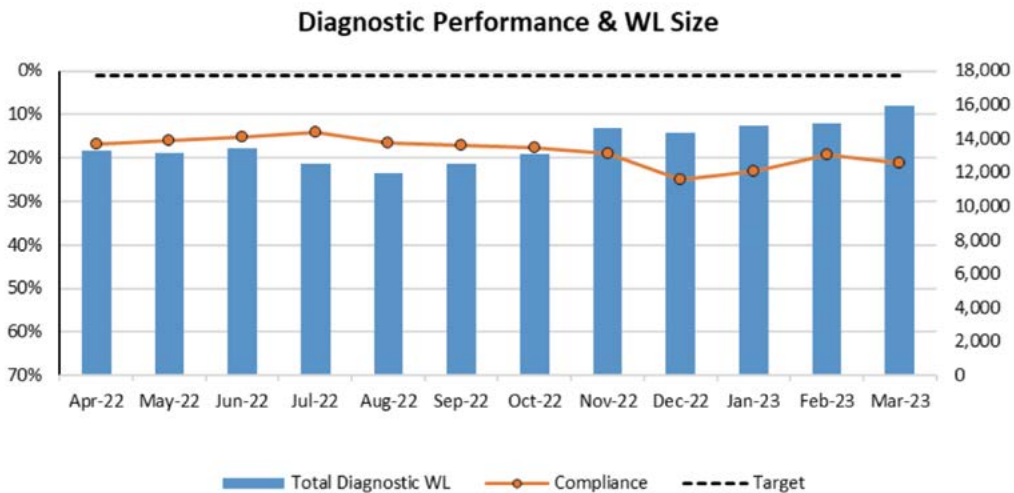
and the 31-day standard for first treatment achieving 86.3%. Together, these standards evidenced a general trend of improvement against key standards.

The 62-day treatment standard proved more challenging, with performance against this standard dropping to 45.6% in October 2022. By the end of the year, however, performance had started to recover, reaching 60.4% in March 2023.

Metric	Standard	Apr 22	May 22	Jun 22	Jul 22	Aug 22	Sep 22	Oct 22	Nov 22	Dec 22	Jan 23	Feb 23	Mar 23
Two Week Wait (Suspected cancer)	93%	78.5%	79.5%	75.6%	79.0%	80.6%	56.4%	70.0%	69.0%	80.8%	85.8%	87.2%	84.5%
Two Week Wait (Breast Symptomatic)	93%	53.2%	68.9%	57.3%	66.9%	75.2%	69.7%	80.0%	53.1%	66.4%	74.2%	34.8%	43.7%
28 Day Faster Diagnosis	75% (by March 24)	79.9%	77.6%	68.3%	67.4%	71.9%	63.3%	71.9%	77.5%	83.2%	78.1%	84.2%	82.7%
31 Days (First Treatment)	96%	85.5%	83.8%	79.7%	81.9%	83.7%	78.4%	81.5%	80.5%	85.6%	83.2%	86.3%	86.3%
31 Days (Subsq. Treat - Surgery)	94%	65.7%	60.2%	63.6%	60.2%	64.6%	60.2%	53.5%	67.9%	57.8%	60.5%	63.5%	57.6%
31 Days (Subsq. Treat - Drugs)	98%	95.6%	95.5%	97.0%	95.6%	98.9%	95.8%	97.3%	98.7%	94.8%	95.2%	97.7%	96.1%
31 Days (Subsq. Treat - Radiotherapy)	94%	97.6%	95.9%	98.5%	97.5%	99.5%	97.4%	97.7%	97.3%	96.4%	97.9%	98.4%	100.0%
62 Days (Treatment)	85%	62.4%	58.8%	49.1%	49.6%	51.2%	44.1%	45.3%	49.9%	50.9%	47.7%	58.7%	60.4%
62 Days (Screening)	90%	72.9%	46.3%	40.6%	34.6%	53.4%	58.8%	45.6%	50.0%	85.4%	82.2%	74.4%	85.0%

Diagnostics

The availability of diagnostics in a period of rising demand has resulted in the target of 99% of patients to wait less than 6 weeks being especially difficult to achieve with monthly performance generally being between 75% and 85%. The Trust increased provision of diagnostic services to try and address the increasing demand by the use of additional clinics, insourcing, outsourcing and the further expansion of capacity by the utilising of additional equipment.



Patient Initiated Follow-Ups (PIFU)

As part of the requirements to reduce the number of follow up outpatient appointments, (whilst ensuring patients could still get an appointment when they needed one), the process of PIFUs was introduced with a key aim of empowering patients to manage their own condition. The percentage of outpatient attendances with PIFU has been gradually increasing across the Trust with 0.1% in April 2022 increasing to 1.4% in March 2023.

Outpatient Follow-Up Reduction

In line with the introduction of PIFU there became a national push to reduce outpatient follow ups to 75% of 2019/20 levels in order to create the resource to support general recovery of services and avoid unnecessary appointments. This was always going to be challenging as the Trust was also required to increase new outpatients and therefore these new patients would also require follow up appointments. At the start of 2022/23 follow up appointments did start to reduce but as new outpatient attendance increased over the year so did the level of follow up appointments with March seeing levels of 109.2% of 2019/20 activity.



Healthcare Related Infections

The Trust experienced 2 cases of Methicillin-Resistant Staphylococcus Aureus (MRSA) in 2022/23, compared to zero in the previous year.

Specialist Advice & Guidance Requests

There has been a focus across the NHS to increase the availability of specialist advice and guidance with the aim of providing primary care with specialist advice and therefore avoiding unnecessary outpatient referrals and appointments. The national aim is for 16 specialist advice and guidance requests per 100 first outpatient attendances, Trust performance ranged between 8% and 10% of this with an end of year performance of 8.8%.

Virtual Attendances

Another key planning requirement, aiming to support service change and provide better use of resources was the introduction of virtual appointments. This was intended to reduce travel and costs whilst increasing convenience for patients. During COVID this became an essential tool for ensuring patients continued to be seen whilst avoiding face to face contact. A standard of 25% of appointments being provided virtually was set nationally. Although this was achieved during COVID we have seen a gradual return to face-to-face appointments with the number of appointments provided virtually declining to 14.4% in March 2023.

Countering Fraud

The Trust strives to protect public funds from fraud, bribery and corruption, through an environment that is resilient and intolerant of these economic crimes, and that aligns with the NHS Counter Fraud Authority strategy. This includes proactively seeking to prevent fraud from

entering the system, detecting fraud that already exists and in 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. Resulting in demonstrable outcomes in terms of positive financial benefit and in pursuing appropriate sanctions.

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.

Addressing health inequalities in access, experience and outcomes

The Health Inequalities agenda is overseen at Newcastle Hospitals by a Health Inequalities Group, an executive lead (Martin Wilson, Chief Operating Officer), two co-clinical directors, three clinical leads and a consultant in public health. The Trust is continually strengthening its approach to addressing health inequalities so that it is embedded into core business. The following summarises key achievements in progressing this agenda during 2022/2023:

- An active programme of work is underway to **build capacity in health and social inequalities and strengthen workforce capability in population health management approaches**. The Clinical Directors and Consultant in Public Health led on training days focused on topics relevant to health inequalities, including the role of Anchor organisations and Poverty Proofing Care Pathways. Both training days were attended by delegates from across the Trust and Collaborative

Newcastle partners. The Trust has been successful in its application to Health Education England (HEE) to host two Population Health Management Fellows during 2022/2023.

- **The prevention agenda is a core part of the Health Inequality agenda** in the Trust. Key to actions on the prevention agenda is treatment for Tobacco Dependency and Alcohol-related harm. This is in line with evidence that smoking is the single largest driver of health inequalities in our population and alcohol contributes to higher mortality risks in more socioeconomically disadvantaged groups who experience disproportionately greater alcohol-related harm. Prevention programmes and services, namely the Trust Tobacco Dependency Treatment Service across inpatients and Maternity as well as the Trust Alcohol Care Team (ACT) are now fully established and are being embedded in clinical care pathways. The ACT team has expanded further. There are now 60 link nurses that offer education sessions and 1,200 staff across the trust have now trained in Alcohol Identification and Brief Advice (IBA).
- A number of **dashboards** have been developed in the trust to support elective recovery, transform outpatient services and reduce missed appointments. These dashboards provide data to inform planning, monitoring health inequalities as well as quality improvement work. These include the Inpatient Waiting List dashboard. This can be interrogated by directorate, speciality and health inequalities measures such as age, gender, learning disability, ethnicity, deprivation quintiles as well as waiting time, clinical priority and elective admission type. This data is helping

services and directorates through their directorate managers and clinical leads to understand and address inequalities in their service areas and monitor changes over time, including the impact of COVID-19. The community dashboard on System One allows exploration of the data by demographic factors such as age, gender, deprivation and ethnicity. A new Did Not Attend (DNA) dashboard is in the process of being developed to ensure the visibility of DNA rates and volumes across outpatient services in order to drive a reduction in excess DNAs and associated costs without increasing existing health inequalities. It incorporates non-identifiable patient demographic data and Index of Multiple Deprivation (IMD) deciles as well as other variables. The dashboard is targeted at a broad range of users in the trust including clinicians and managers to help them better understand and mitigate the multiple factors affecting DNA rates.

- The Trust leads on flagship population health management projects which are delivered as part of Collaborative Newcastle and the ICB. Key to these are the **Duplication to Personalisation (D2P) and the Waiting Well Programmes**:
 - **D2P** is a project that aims to reduce health inequalities and improve efficiencies by reducing duplication of care services across Collaborative Newcastle. It brings together data science/population health management with individualised patient centred and economic evaluation approaches. An innovative dashboard has been built to enable the exploration of patient cohorts over a two year period across different service areas in three organisations: Newcastle Hospitals,



CNTW and NCC. The dashboard incorporates demographic data (age, sex, ethnicity and IMD scores) as service users and allows for comparison to the wider Newcastle population. The D2P team has supported other work streams in the Trust including the health economic impact of waiting times reduction following implementation of the newly built cataract treatment centre and echocardiography services and the DNAs in Radiology.

- The North ICB **Waiting Well Programme** was scaled up from an innovative project at Newcastle Hospitals aiming at pre-operative optimisation of patients with uncontrolled diabetes by linking hospital waiting lists and primary care GP records to identify patients on the elective surgery waiting lists and offer them a personalised intervention plan. Dr James Prentis leads and chairs the North ICP Waiting Well Oversight Group. The aim is for the ICP and the acute trusts to target the complex issues known to impact on postponements from pre-assessments, on the day cancellations, complications and failed day case rates. The Newcastle Hospitals and primary care pre-operative optimisation of patients with uncontrolled diabetes received the Newcastle Hospitals Celebrating Excellence Award under the innovation category on the 30th of September 2022.

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.

We have produced a detailed, stand-alone, Sustainable Healthcare in Newcastle (Shine) Report for 2022/23. 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 2022/23 and our plans for 2023/24 - some of which is summarised in the following pages.

Our Shine Annual Report this year shows that we have made good 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 have heeded the warnings in last year's 'Red Flag' Shine Report and reversed last year's pandemic response increase in carbon emissions, however we continue to exceed our carbon budget and must collectively strive to bring the emissions we control and influence down further.

Our [Climate Emergency Strategy for 2020-2025](#) uses the definitions set out in the 'Delivering a Net Zero NHS' report from NHSE and NHS Improvement (NHSI) (see diagram) to define our three goals.

1. Zero Carbon Care

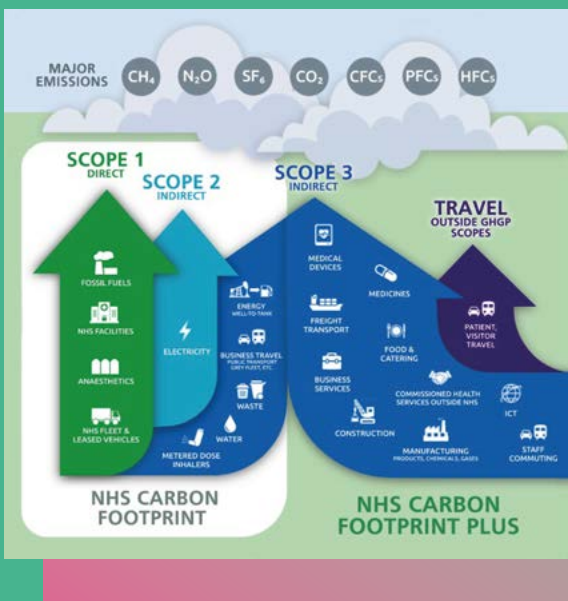
- By 2030, the emissions we control will be net zero – our 'Newcastle Hospitals Carbon Footprint'.
- By 2040, the emissions we can influence will be net zero – our 'Newcastle Hospitals Carbon Footprint Plus'.

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.



Our work to achieve these goals is spread across eight Shine themes, each with specific actions and performance targets. Progress in each of these Shine themes is summarised in the following table:

Shine Theme	Achievements and Highlights in 2022/23
 <p data-bbox="252 622 357 658">Energy</p>	<p data-bbox="466 389 1442 533">Carbon emissions from building energy for 2022/23 are forecast to be 7% lower than in 2021/22 (still falling short of our science-aligned carbon budget target). Factors influencing this reduction include:</p> <ul data-bbox="466 564 1471 797" style="list-style-type: none"> - Changes to the Freeman Energy Centre operational strategy. - Continued reduction in energy use at the ICHNE Baltic Labs. - Extended Combined Heat and Power engine downtime at the RVI resulting from unplanned maintenance (gaining benefit from cleaner grid electricity import). <p data-bbox="466 824 1458 972">A bid was made for £1.7m Public Sector Decarbonisation Scheme funding to fully decarbonise Regent Point. This was not successful and would have included air source heat pumps, solar panels, LED lighting and Building Management System (BMS) upgrades.</p> <p data-bbox="466 999 1465 1070">Significant short-term capacity risk due to vacancies in the Energy Team as we undertake recruitment to fill the positions.</p>
 <p data-bbox="258 1285 347 1321">Water</p>	<p data-bbox="466 1111 1474 1218">Carbon emissions from water have reduced substantially due to revised UK Government carbon factors for water supply and water treatment reduced by 57%.</p> <p data-bbox="466 1245 1401 1317">Water use has also reduced. Factors influencing this reduction include:</p> <ul data-bbox="466 1348 1458 1505" style="list-style-type: none"> - Identifying and fixing a substantial leak at our CAV site in 2021. - Reduced activity at the ICHNE Baltic Labs. - More accurate automatic water metering and supplier invoicing. <p data-bbox="466 1532 1423 1603">The result is that carbon emissions from Trust water use will be 65% lower in 2022/23, compared to the baseline year 2019/20.</p>



Waste

Overall waste volumes are lower this year and likely to be slightly below that of 2019/20 baseline year (and pre-pandemic).

This is largely due to the reduction in activity at the ICHNE Baltic Labs. Other site waste volumes are back to pre-pandemic levels, though work is still required to reduce these volumes further.

Only 2% of waste is now sent for disposal – the lowest point on the waste hierarchy. This is our clinical waste that requires incineration by law.

The majority of our waste goes for energy recovery and 28% of waste is currently recycled. **None of our waste is sent to landfill.**



Buildings & Land

Sustainability has been included as a critical element of our two major new build projects at the RVI. Both projects are on track to achieve **BREEAM 'outstanding' and Net Zero in-use, which includes a fossil-fuel free design in line with our zero carbon and clean air objectives.**

A **biodiversity action plan has been completed for the green spaces at the RVI and Freeman Hospital** and some habitat improvements have been made such as woodland wildflower and bulb planting, tree and hedge planting. A number of areas have been identified by staff for our **'Green the Grey'** charity-supported project, to improve biodiversity of, and access to, various courtyard areas.

Working with the Centre for Sustainable Healthcare we now host a **Nature Recovery Ranger**, Sally Johnson, who is working to support staff engagement in the projects described above.

Despite all this good work **we have seen a reduction of almost 5% in our biodiversity score**, primarily due to the loss of mature trees from the site of the DTC at the Freeman Hospital and loss of green spaces due to re-provision of staff car parking spaces from the DTC site – a consequence of our elective recovery push.





Purchasing

Our Sustainable Procurement working group continues to progress action on the **measurement and reduction of the carbon footprint from our supply chain** and we are successfully building Government and NHSE mandates on social value & net zero into our 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**. To date 764 of our suppliers (22%) have engaged in our Net Zero Supply Chain programme.

Our Net Zero Supply Chain work was **awarded the Net Zero Award at the NHS Innovate Awards in September** and gained an Honourable Mention at the International Hospital Federation Awards in Dubai in November.

We have **included sustainability as a key priority in the refreshed Trust Food and Drink Strategy**, with a sustainability sub-group of the Nutrition & Hydration Steering Committee tasked with monitoring progress towards the sustainability actions in the strategy.



Journeys

We have jointly **recruited a 4-year PhD student** to support our Clean Air Hospital project work, installing air quality monitoring equipment, analysing data and recommending interventions to clean up the air in and around our hospitals.

Our partnership work with Global Action Plan and Boehringer Ingelheim, in developing the first **ICS Clean Air Framework** (<https://www.actionforcleanair.org.uk/health/ics-framework>), was shortlisted for an **HSJ Partnership Award** in the Environmental Sustainability Project category.



Care

We are forecast to see a 30% reduction in the carbon footprint from anaesthetic gases compared to last year, well below the 12.8% reduction linked to the carbon budget. **Desflurane use is now at a negligible level**.

Following a successful UK-first trial the Trust has **invested in technology to safely crack the exhaled Entonox, used by birthing mums in our Delivery Suite & Newcastle Birthing Centre, into inert Oxygen and Nitrogen**. This project was also shortlisted in the Environmental Sustainability Project category of the HSJ Partnership Awards 2023.

Work continues to **embed sustainability into the work of Newcastle Improvement** with the support of our Paediatric Clinical Sustainability Fellow and the Centre for Sustainable Healthcare.



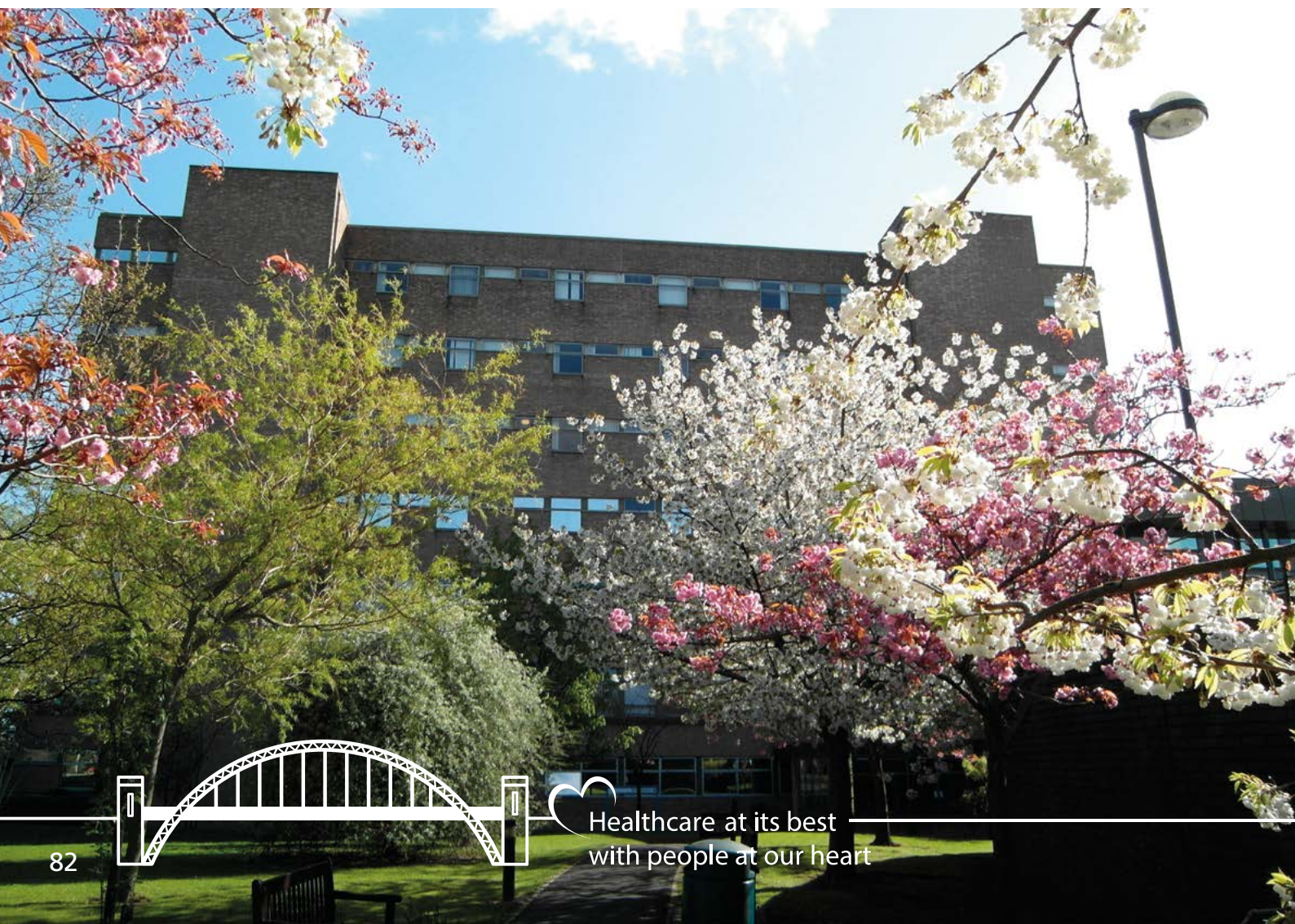
People

We have developed a **10-step sustainability framework for directorates** to embed sustainability into their own strategies and departmental culture.

The Trust Learning & Education Group **approved a proposal for all Estates staff to undertake the 30-minute e-learning module 'Building a Net Zero NHS' as part of their mandatory training.** Coupled with a tailored 'Leading in the Transition to Net Zero' 2-hour training course for Estates managers, delivered by our Sustainability department, this represents a significant investment in workforce development for our staff group that has responsibility for almost 90% of our controllable carbon emissions (building heat and power).

Our staff engagement programme, **Shine Rewards, continues to recruit staff with 1,071 signed up undertaking over 86,000 sustainable actions,** and we are running a dedicated campaign linking sustainable behaviours with financial wellbeing to help support staff.

With Executive Oversight Group support this year we offered a **£50,000 Climate Emergency Action Fund** to help kick start small-scale staff led sustainability projects and will soon be undertaking our fourth cohort of **Sustainability Ambassador training** (five-day IEMA-accredited training offered by our in-house experts).



Gloves off

A new campaign - Gloves off, wash your hands – was launched to remind staff to wash their hands and only wear gloves when necessary – as the overuse of gloves carries risks of healthcare-acquired infection, skin irritation and is damaging to the environment.

Gloves were a fundamental part of personal protective equipment throughout the COVID-19 pandemic for NHS staff, but the excess gloves used across the trust throughout this time was equal to 21 tonnes in weight – the same as 16 Mini Coopers or one wind turbine.

As part of our commitment to reduce our impact on the environment, and in line with our Climate Emergency Strategy, we are supporting colleagues to change their practice and only use gloves when necessary.

The infection prevention and control (IPC) team subsequently won an Infection Prevention Society (IPS) Gold Award for Excellence in recognition of this successful campaign.

Clean Air Framework

July saw the formal launch of ICSs, replacing CCGs and giving the NHS a clear focus on four areas:

- Improve outcomes in population health and healthcare;
- Tackle inequalities in outcomes, experience and access;
- Enhance productivity and value for money; and
- Help the NHS support broader social and economic development.

Our team in Newcastle has been supporting the developing NENC ICS to establish its role in tackling the climate emergency. Along with partners 'Global Action Plan' and Boehringer Ingelheim we have explored the challenge of air pollution in the NENC and looked at opportunities for improvement, presented in the 'Levers for Change' report.

Together we then developed and tested the ICS Clean Air Framework and developed the UK's first ever ICS Clean Air Action Plan.



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 and 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 2022/23, there were 34 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

29 June 2023





AMBULANCE

AMBULANCE

YX18 NGO

Millennium

2. Accountability Report

Board of Directors

Between 1 April 2022 and 31 March 2023, the Board of Directors met on eight occasions. Six of these meetings were formal, whereas two were extraordinary. The extraordinary meetings were convened to approve the content of the Annual Report and Accounts 2022/23 and to approve the Newcastle Hospitals Clinical Negligence Scheme for Trusts (CNST) declaration.

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.

Meetings of the Board take place in person at venues both within the Trust and in the city. Members of the public are able to observe proceedings via Microsoft Teams.

The Board of Directors has overall responsibility for the strategic direction of the Trust, taking into account the views of the Council of Governors. Executives and NEDs 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. Each of the committees is chaired by a NED.



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

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



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.</p> <p>He is Co-Director of the international organisation, Global Variome, which seeks to share knowledge of genetic variation for clinical benefit and is Vice President of the Human Genome Organisation.</p> <p>Sir John is Chair for the Newcastle based DNA device company, QuantuMDx Ltd.</p> <p>Sir John is also a Trustee of the European Hereditary Tumour Group.</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 a NED at NHSE.</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 (2 of 2)</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 NEDs; • 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 (Jill) Baker Non-Executive Director and Chair of the Newcastle Hospitals’ Charity Committee</p> <p>Appointed 1 July 2019 for 3 years</p> <p>Reappointed 1 July 2022 for 3 years</p>	<p>Gillian joined the Board as a NED 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 NED with NEAS as well as being a school governor.</p>	<p>4 of 6 [Public] 6 of 6 [Private] (1 of 2)</p>

 <p>Mrs Jackie Bilcliff Chief Finance Officer</p> <p>Appointed 5 September 2022</p>	<p>Jackie Bilcliff is our Chief Finance Officer and has worked for the Trust since September 2022.</p> <p>Jackie was previously Group Director of Finance and Digital at GHFT and worked for the Trust since 2014. She was also Deputy Chief Executive and had been in this post since January 2022. Jackie qualified in 1996 with the Chartered Institute of Public Finance and Accountancy (CIPFA) and has held several positions within the private, health, and criminal justice sectors.</p> <p>Jackie’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>3 of 4 (0 of 1)</p>
 <p>Mrs Elizabeth (Liz) Bromley Non-Executive Director</p> <p>Appointed 1 June 2022 for 3 years</p>	<p>Liz joined the Trust as a NED in June 2022. She is Chief Executive Officer of NCG (formerly Newcastle College Group), one of the UK’s largest national Further Education (FE) College Groups, and the only one with a national footprint. NCG has two colleges in Newcastle – Newcastle College and Newcastle Sixth Form, and one in Carlisle; four other colleges are in the North West, the Midlands and London.</p> <p>Liz started a career in Higher Education with the Open University where she was Associate Dean in the Faculty of Health and Care and led the development of a brand new social work degree, following the Victoria Climbié review. The Faculty also introduced the first distance learning, practice based pre-registration Nursing Programme in the early 2000s. After more than 20 years working in Universities, Liz joined the FE sector and moved to the North East in 2019.</p> <p>Throughout her career, Liz has led on a number of significant change programmes and service restructures and has a strong background in leadership and other professional development. She is a passionate advocate of education as the force behind genuine social mobility and cultural capital.</p>	<p>5 of 5 (1 of 2)</p>



Mrs Elizabeth (Liz) Bromley
Non-Executive Director

Appointed
1 June 2022 for
3 years

As Chief Executive of NCG, Liz is responsible for delivering the strategy, which is underpinned by a mission to enable social mobility and economic prosperity through exceptional education. NCG’s vision is closely aligned to that of the Newcastle Hospitals, striving to be recognised for local impact, national influence and reach.

Liz is also a non-executive member of the Board of English Heritage and has a number of board roles relating to her NCG work. Married with four adult children and a stepson, five grandchildren, Liz enjoys reading and walking in the stunning North East countryside.



Mr Graeme Chapman
Non-Executive Director and Chair of the Quality Committee from November 2021

Appointed
30 July 2020 for
3 years

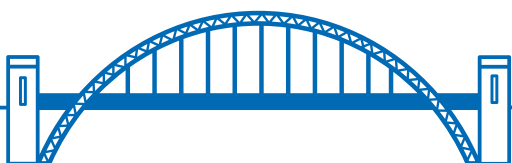
Graeme joined the Board as a NED on 30 July 2020. He has over 30 years’ experience delivering business transformation across a number of industries, including Healthcare, Life Sciences, Central Government, Retail Banking, Manufacturing and Utilities.



Graeme was employed at Microsoft for over 20 years, spending 10 years working in Health and Life Sciences. Graeme’s most recent work centred around the delivery of digital transformation for the Healthcare and Life Sciences eco system.




Graeme holds a Master’s degree in Engineering from Northumbria University and has post graduate qualifications in Management and Marketing.

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.



5 of 6
(2 of 2)



 <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 was appointed as Executive Chief Nurse in January 2019, having held the post of Interim Chief Nurse at Newcastle Hospitals since April 2018.</p> <p>With over 40 years' experience in the NHS, Maurya started off her healthcare career as a registered general nurse in Sunderland and has subsequently enjoyed a varied and successful nursing and management career at executive director level, most recently as Executive Director of Nursing and Governance at North Cumbria University Hospitals Trust.</p> <p>Prior to this, her roles included Accountable Chief Officer for North Tyneside CCG, Director of Operation at the NHS North of Tyne and Managing Director of Newcastle and North Tyneside Community Health Services.</p> <p>In parallel, Maurya has also pursued her academic qualifications, achieving an MBA from Durham University in 2000.</p>	<p>5 of 6 (1 of 2)</p>
 <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 CEO for 21 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 became the first healthcare organisation in the world to declare a climate emergency and played a leading role in the UK's response to the COVID-19 pandemic and covid vaccination programme.</p> <p>She has a degree in Nursing Studies, a Master's 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 member of the National People Board and a member of the Recovery, Resilience and Growth Oversight Board. She is also a Director of the AHSN and the Northern Health Science Alliance (NHSA). She is Vice Chair of the NHS Confederation.</p>	<p>5 of 6 (1 of 2)</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>Retired on 31 July 2022</p>	<p>An NHS career accountant, Angela has more than 25+ years senior leadership experience.</p> <p>Until her retirement she was Chair of the Shelford Finance Directors Group and nationally was engaged in the development of financial policy and funding frameworks.</p>	<p>2 of 2 (1 of 1)</p>
 <p>Ms Steph Edusei Non-Executive Director</p> <p>Appointed 1 August 2021 for 3 years</p>	<p>Steph Edusei became a NED in 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.</p> <p>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 local hospital Trusts including at Newcastle Hospitals, the NEAS and in commissioning organisations. She helped set up Northumberland CCG before leaving the NHS to run Healthwatch Newcastle and Healthwatch Gateshead alongside her management consultancy and leadership coaching business.</p>	<p>5 of 6 (1 of 2)</p>

 <p>Ms Steph Edusei Non-Executive Director</p> <p>Appointed 1 August 2021 for 3 years</p>	<p>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.</p> <p>Steph was named Northern Power Women Transformational Leader in 2022.</p>	
 <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 for 3 years</p> <p>Reappointed 1 November 2019 for 3 years</p> <p>Reappointed 1 November 2022 for 1 year</p>	<p>Jonathan joined as a NED 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.</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 a Director of Darlington Football Club.</p>	<p>6 of 6 (1 of 2)</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 NED 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 joined the Council of Newcastle University in 2020 and is Audit Committee Chair. Previously, he chaired the International Advisory Board at Newcastle University Business School from 2015 to 2022. He is also a director of Newcastle Gateshead Initiative, chairing its Finance Group, a member of the Ethics Board of the Institute of Chartered Accountants of Scotland and a trustee of Kielder Observatory.</p>	<p>6 of 6 (1 of 2)</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>Following the COVID pandemic, Vicky led the setup of the NEIL, which aims to accelerate the development of next generation diagnostics via effective partnership working between the NHS, academia and industry.</p> <p>Business planning, (including the Project Management Office), 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 (1 of 2)</p>





Professor Kath McCourt
Non-Executive Director, Deputy Chair (from 1 August 2021), and Chair of the Quality Committee (up to November 2021)

Appointed 1 December 2015 for 3 years

Reappointed 1 December 2018 for 3 years

Reappointed 1 December 2021 for 1 year

Reappointed 1 December 2022 for 1 year

Kath joined the Board as a NED in December 2015 and has had an extensive career as a nurse, midwife and educationalist in the UK and overseas.

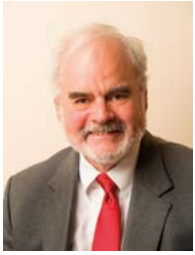
Kath was formerly a Pro-Chancellor and Executive Dean of the Faculty of Health and Life Science at Northumbria University.

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.

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 (WHO) and is presently the President of the Commonwealth Nurses and Midwives Federation.

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.

6 of 6
(2 of 2)



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

Appointed 1 October 2018 for 3 years

Reappointed 1 October 2021 for 3 years

Stood down 31 January 2023

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.

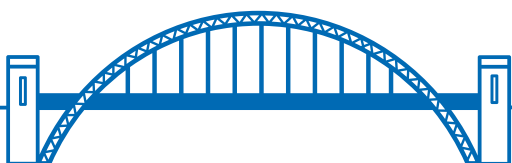
He is a former director at the UK’s main nuclear site, Sellafield, and was the Executive Director for Capital Programmes and Projects at Heathrow, where he was responsible for the design and construction of Terminal 2 and finishing the Terminal 5 complex.

In addition to his role as a NED, 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 an MBA from George Washington University and is a Fellow of the Chartered Institute of Procurement and Supply (CIPS) and the Institute of Civil Engineers.

4 of 5 [Public]
 5 of 5 [Private]
 (2 of 2)





**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 DCEO. 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 quality and patient safety, efficient use of resources – theatre efficiency, patient flow, job planning, remuneration, working patterns, service sustainability and improvement.

The Director of Quality and Effectiveness, Director of Pharmacy, and the eight Clinical Board Chairs report to him directly.

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(0 of 2)



Mr Martin Wilson
Chief Operating Officer

Appointed
8 October 2018

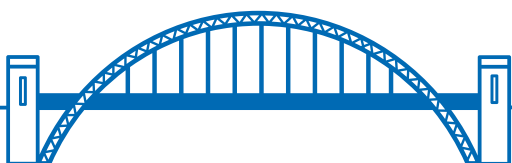
Martin (pronoun: he/him) is Chief Operating Officer and oversees the Trust's 8 Clinical Boards and the staff who work in them.

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 DHSC, and at NHSE and NHSI, 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 (NESHA), 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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(2 of 2)



In January 2020, the Trust Board introduced a voluntary, unremunerated and non-voting Associate Non-Executive Director role. On 1 October 2020, Professor David Burn's role on the Board of Directors transitioned from Non-Executive Director to Associate NED representing Newcastle University. Pam Smith joined David in January 2022 following her appointment to Chief Executive of NCC.

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 NED in October 2020, following a three year term as a NED.</p> <p>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 board of the NHSA, and is Director of the NIHR / NHSE NHIP AHSC.</p>	<p>2 of 6 [Public] 4 of 6 [Private] (1 of 2)</p>
 <p>Mrs Pam Smith Associate Non-Executive Director</p> <p>Appointed 27 January 2022</p>	<p>Pam joined NCC 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 NCC at a time of great change and opportunity as the city sought to emerge strongly from the pandemic. 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>2 of 6 (0 of 2)</p>

The following senior directors also attend the Board of Directors:

- Mrs Christine Brereton – Chief People Officer. Appointed 3 January 2023.
- Mrs Caroline Docking – Assistant Chief Executive and Director of Communications and Engagement.
- Mrs Dee Fawcett – Director of Human Resources. Retired 30 November 2022.
- 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 Lauren Thompson – Corporate Governance Manager / 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 NEDs, 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 2022/23.

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 Smith declared interests in matters pertaining to NCC;
- Professor D Burn declared an interest in matters pertaining to Newcastle University;
- Mr Jowett declared an interest in matters pertaining to the GNAAS;
- Mr Wilson declared an interest regarding the Salary Sacrifice Lease Car Scheme; and
- Mr MacLeod declared an interest as an appointed member of the Council of Newcastle University.

During 2022/23 members of the Board of Directors claimed a total of £7,204.88 (2021/22 £222.06) 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 NEDs 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 2022 and 31 March 2023 and attendance was as follows:

Committee Member	Attendance at ordinary meetings	Attendance at extraordinary meeting
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*	3 of 4	1 of 1
Mr G Chapman, Non-Executive Director	4 of 4	1 of 1

* Mr Morgan stood down as a Trust NED on 31 January 2023.

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 CEO, the Finance Director (until her retirement in July 2022 and then the Chief Finance Officer from September 2022), Assistant Chief Executive, the Chief Information Officer, 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 Corporate Governance Manager / Deputy Trust Secretary who also provide secretariat support to the Committee;
- The Head of Corporate Risk & Assurance;
- The Clinical Effectiveness Manager; and
- Senior finance and procurement team members.

During 2022/23, the following training sessions were provided to Committee members (and offered to all Board members):

- 20 July 2022 – Newcastle Joint Research Office (NJRO) / Contracting Briefing.

In addition, a further briefing was scheduled at a Board Development session during 2022 on Information Governance (IG)/Cyber Security following discussion 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 and 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 2022).
- 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.
- 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.

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 ordinary 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 3 month period and any recommendations for risks held on the Board Assurance Framework 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 to / removed from the Executive Oversight Register during the period; and
- Operational risk profile.

The Trust Board's Risk Appetite Statement was presented to the April 2023 Audit Committee meeting for consideration.

During the year, the Trust's Board also received regular updates 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 internal audit report received a good assurance rating from AuditOne, with no high-risk recommendations included. The Corporate-level risk management audit for 2022/23 is currently at the fieldwork stage.

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 2022/2023, 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 Committee meetings which summarised the audit reports issued since the previous meeting.

The internal audit plan for 2022/23 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.

There were no limited assurance reports reported to/discussed by the Audit Committee during the year 2022/23.

Five high priority recommendations were identified by Internal Audit and reported during 2022/23, these covered the following internal audits:

- 2021/22 Consultant Job Planning – Reasonable Assurance – one recommendation (reported July 2022).
- 2021/22 IT Starters and Leavers – Reasonable Assurance – one recommendation (reported July 2022).
- 2021/22 ICHNE Coordination and Response (Track and Trace) – Reasonable Assurance – one recommendation (reported October 2022).
- 2021/22 High rated follow up – one recommendation (reported October 2022).

- Pharmacy: Ordering and Receipt (carry/forward) – Reasonable Assurance – one recommendation (reported January 2023).

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

Internal Audit performance against Plan was discussed at every Committee meeting during the year, along with updates on the workforce position within AuditOne. Workforce effort during the year was concentrated on completing the core audits required to deliver the internal audit plan.

During the year, Committee members also discussed the waivers benchmarking report and AuditOne governance proposals.

An external quality assessment of AuditOne was commissioned through the Institute of Internal Auditors (IIA), who appointed an external independent assessor to complete the assessment in 2020/21. AuditOne received the highest rating of “Generally Conforms” against Internal Auditing Standards. The next external quality assessment is due in 2025/26.

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 2022/23, there was no requirement to undertake audit procedures on the Quality Report. During 2022/23, the Value for Money Conclusion certificate was signed separate to the Audit Opinion, at a later point during the financial year.
- Received 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 Trust's Council of Governors in October 2020. A report was presented to the Trust Governors in October 2021 to award up to a two-year extension to the current contract in place with Mazars LLP. Governors agreed to revisit during 2023. This followed a satisfactory review of external audit performance undertaken.

The Mazars LLP external audit fees for 2022/2023 are:

- Statutory Accounts £95,000 (excluding VAT) which is consistent with the statutory fee invoiced for 2022/23.

The audit of the Charity Accounts is undertaken separately, with fees currently under discussion (as of May 2023).

For 2022/23, 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. The policy requires review every three years and therefore has been reviewed during 2022/23 and was considered at the April 2023 Audit Committee meeting.

No additional services/non-audit work was carried out by Mazars LLP during 2022/23.

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.

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 2022/23, 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);
- Revenue recognition (Trust); and
- Accounting for leases under International Financial Reporting Standard (IFRS) 16.

Other areas discussed between External Audit and Management during the year, and reported to the Audit Committee, related to:

- Accounting for the ICHNE;
- Fire remedial work provision;
- The outcome of the Flowers versus East of England Ambulance Care Trust legal case and treatment as a special payment;
- Value for money work; and
- Expenditure recognition.

Committee members were briefed on the revised auditing standard for identifying and assessing the risks of material misstatement: International Standard on Auditing (ISA) (UK) 315 (Revised 2019).

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

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 and approved the Counter Fraud annual plan, as well as regular updates in the form of the Fraud response log, associated progress reports, the Annual Report on Counter Fraud, the requirements of the Government Functional Standard 013: Counter Fraud and the refreshed NHS Counter Fraud Authority Strategy.
- Discussed counter fraud work undertaken in relation to the Association of British Pharmaceutical Industry (ABPI) reporting process and the data from the National Fraud Initiative (NFI).
- 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 and Charity Scheme of Delegation.
- Received the Annual Accounts preparation timetable and subsequently the Annual Accounts, Trust Accounts Consolidation schedules (TACs) 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 Standing Financial Instructions.
- Received an action log to follow up previous Committee meeting actions.
- Received an update on the Clinical Audit Process.
- Received regular updates on information governance, information management and technology (IM&T) and cyber security from the joint Senior Information Risk Owners (SIROs).
- Received updates from the Chairs of the Quality, People and Finance Committees.
- Approved the Internal Audit Charter and Protocol 2022/23 (July 2022).
- Approved the updated Fit and Proper Persons Policy.
- Discussed changes proposed to the delegated powers for authorised signatories within the Joint Research Office.
- Reviewed the performance of Internal Audit, External Audit and Counter Fraud.
- Received further updates on:
 - Progress made in relation to the follow up of internal audit recommendations;
 - The Charity Policy and Scheme of Delegation;
 - The HFMA checklist;
 - The No Purchase Order No Pay Timeline;
 - Governance documents published; and
 - Corporate Records.

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 93% of non-NHS trade invoices within target (2021/22: 91%) and 87% of NHS trade invoices were paid within target (2021/22: 92%). Full details of the Trust's performance against the BPPC 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 £6,863k (2021/22 £4,948k). The total amount of interest actually paid in discharge of any such liability was Nil (2021/22 £6k).

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.



Quality and Well-Led

The Care Quality Commission (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 NHSI's 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.

The Trust and the wider NHS continues to face unprecedented challenges as we adapt to living with COVID-19, respond to the exceptional demand for urgent and emergency care and implement our elective recovery programme following the pandemic. We have created a culture in which staff are encouraged and equipped with the skills to reflect, learn and lead quality improvements in their own area. In this context staff continue to strive to deliver safe and effective, patient-centred care.

During 2022/2023 we have seen a 75% reduction in the number of patients waiting over 78 weeks for treatment as a result of the pandemic. As mentioned earlier we have also significantly reduced the number of people who have waited

for over 104 weeks to 21 people who are awaiting the most complex types of surgery. Crucially, we have also seen a 33% reduction in patients waiting more than 62 days for cancer treatment. Altogether we have supported 1.1million outpatient appointments, and 245,000 people have been treated through our emergency care pathways.

An internal quality surveillance programme is well established in the Trust. This year we have aligned our peer review inspections to the Well-led Framework and associated Quality Statements. A peer review has been completed in every Directorate and we have concentrated our efforts on examining culture, leadership, governance, risk management, innovation and improvement. The process is designed to provide assurance, or highlight areas for development, to the Board, via the Quality Committee.

During 2022/2023, the CQC carried out two on-site inspections. On 30 November and 1 December 2022, they undertook an unannounced focused inspection which looked specifically at the quality and safety of care provided to patients with a mental health need, a learning disability or autism. The inspection concentrated on five of the acute services provided by the Trust in addition assessing the well-led key question for the Trust overall.

The findings, included in a report published in February 2023, acknowledged staff were committed to providing compassionate care for patients with a mental health need, a learning disability or autism. They also identified improvements need to be made around the assessment and management of mental health risks, as well as compliance with the Mental Capacity Act and Mental Health Act. The Trust received a formal

regulatory notice, however, as this was a focused inspection which did not consider all the key lines of enquiry in each core service, the Trust's current ratings for the services inspected have not changed.

The Trust has responded immediately and comprehensively, establishing a 'Care for me, with me' improvement project. This comprises a multi-disciplinary approach, including clinical staff, specialist leads and senior leaders to enable us to review our systems, practices, training and governance so we can better support and prepare staff to continue to meet the mental health and physical health needs of our patients.

As part of the national maternity inspection programme, the CQC inspected the Trust's maternity services on 10 and 11 January 2023. This programme of inspection aims to provide an up-to-date view of the quality of hospital maternity care across the country, and to gain a better understanding of what is working well to support learning and improvement at a local and national level. The CQC report, published on 12 May 2023, rated maternity services as requires improvement; with the well-led domain rated as good and the safety domain rated as requires improvement. This is disappointing for the Trust, and whilst the report's full findings are positive in many areas, describing how staff work well together and are focussed on the needs of those receiving care, the Trust is committed to learning and improvement to ensure we deliver high-quality care.

Following a high-level review of the Trust Quality Strategy (2018 – 2022), this was presented to the Quality Committee in July 2022, extending the Strategy to 2023. A new 5-year strategy will be developed over the coming year, reflecting the significant and transformational changes in the approach to quality and safety, both

nationally and locally. This will incorporate the National Patient Safety Strategy (NPSS), the planned changes related to the CQC Single Assessment Framework and locally, implementation of the new Clinical Board structure and strengthening our approach to learning and continuous quality improvement.

Information relating to the Trust's patient care activities is outlined in the Quality Account 2022/2023. Progress against these priorities has been monitored over the last 12 months by the Trust Board, Council of Governors, Quality Committee and the ICB.

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

Patient Safety

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

Preventing healthcare acquired COVID-19 infections remains a priority whilst we adapt to living with COVID-19, 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 more recently, we have integrated COVID-19 guidance into the management of respiratory infections. This effectively controlled high rates of infections including respiratory (flu/Invasive group A streptococcal disease/RSV) and diarrhoeal illnesses (Norovirus) to maintain patient safety and optimise patient flow.



National reporting of other organisms, including MRSA, MSSA, GNBSI such as E. coli, Klebsiella, Pseudomonas aeruginosa, and C.difficile has continued. The Trust has not met local and national trajectories for most HCAI due to numerous contributory factors including operational and staffing pressures. This is also reflected in the National HCAI rates.

To the end of March 2023, we reported:

- Two MRSA BSI.
- Achieved the internal 10% reduction trajectory for MSSA BSI. There is no national threshold for MSSA BSI.
- All GNBSI rates were above internal and national trajectories except for Klebsiella which was 17 cases under the national threshold of no more than 159 cases.
- C.difficile rates were above both national threshold and local 10% reduction trajectory.

Our IPC Team have implemented several strategies during the year, with others in the stages of planning to improve these rates. Some examples of these include:

- A successful “Gloves off” campaign focusing on correct Personal Protective Equipment (PPE) usage and effective hand hygiene. We initially achieved 30% glove reduction at the start of the campaign and over the summer months. Glove usage increased during the winter months, which correlated with some outbreak activity in areas; currently overall glove reduction is at 2%. A refresh of the campaign is in progress.
- Effective use of skin decolonisation and intravenous (IV) device management have contributed to a reduction in MSSA BSI in Cardiothoracic Services.

- There has been a range of targeted initiatives to improve urinary catheter-related practice in addition to Trust wide “Trolley dashes” enabling delivery of enhanced education across the Trust.
- There continues to be a focus on antimicrobial stewardship, enhanced environmental decontamination with the introduction of 4 additional Hydrogen Peroxide Vapour machines in operation at FH and RVI sites and implementation of Post Infection Reviews (PIRs) for community acquired BSI (E. coli and MSSA).

Priority 2 – Management of Abnormal Results

The management of clinical investigations is a major patient safety issue in all healthcare systems. Nationwide there is mounting evidence of serious harm caused by unintentional delays in clinical investigations being undertaken, acknowledged, and endorsed, resulting in delays in clinical care, treatment, and follow-up. We aim to be a world leader by improving patient safety through preventing these unintentional delays in the system.

A new mandatory field was added to the ordering process in the EPR when requesting clinical investigations. Initially, this was limited to requests for MRI and Computerised Tomography (CT) examinations. This field asks for the user to specify the “lead clinician to receive report”.

As simple as this change may sound, it involved several changes to our digital systems. We agreed on a list of >700 consultants with patient responsibility, presently employed by the Trust and also established a robust process for new joiners to be added, and leavers to be removed, from a well-maintained list of recognised lead clinicians. On completion of this, it was essential that this

information was replicated across three digital platforms in radiology, the laboratory and the EPR, ensuring the information was identical in each system.

On evaluation, the data has demonstrated that for MRI, 929 out of 936 MRI reports were electronically sent to the message centre (in the EPR) of a recognised lead consultant. We estimate that, over the course of one year, 22,022 more MRI reports will be sent to the message centre of the correct lead clinician. For CT, our data showed that, 1,881 out of 1,901 CT reports were electronically sent to the message centre of a recognised lead consultant. We estimate that, over the course of one year, 48,597 more CT reports will be sent to the message centre of the correct lead clinician.

Clinical Effectiveness

Priority 3 – Enhancing Capability in Quality Improvement

Recovery of activity post-COVID-19 continues to demonstrate the need for changes to be made quickly to improve healthcare for patients and to recover from the impact of COVID-19.

Creating a culture of continuous improvement and learning across the Trust is important to deliver sustained improvement in the quality and experience of care. Change can be slow and inefficient if not supported by an improvement culture, a scientific approach and training. Therefore, investing time for training on a scientific approach for improvement, to increase staff improvement capability, is an important Trust priority.

During the year, we established an infrastructure to build capability and capacity for improvement at scale with Newcastle Improvement. Our two-year partnership, with the IHI, has enabled us to accelerate this improvement work. This

is critical in maintaining our outstanding performance and the patient-focused high quality of care we deliver.

Newcastle Improvement recruited 10 improvement teams, each focused on a piece of improvement work and linked coaches to coach them through the work, supported by Newcastle Improvement and the IHI faculty. Nine of the 10 teams completed all three workshops and are continuing with their improvement initiatives. During the year Newcastle Improvement:

- Recruited 25 improvement coaches to build capability and support teams with their improvement work.
- Developed a return-on-investment evaluation framework and assessed the programme against this.
- Adapted the IHI training programme and developed training materials with alignment to “What Matters to You?” and “The Newcastle Way”.
- Moved towards being independent in ongoing delivery of training.
- Team members shadowed the IHI delivery in year two of the Improvement Coach Programme and co-delivered the Improvement Programme for Teams.
- Development of bitesize, enhanced induction and e-learning packages.

Priority 4a – Introduction of a formal triage process on the Maternity Assessment Unit (MAU), in order to improve the recognition of the deteriorating pregnant or recently pregnant woman

The need for early recognition and management of deterioration of pregnant women has been highlighted by MBRRACE-UK: Mothers and Babies:



Reducing Risk through Audits and Confidential Enquiries across the UK and the Ockenden Report. Internally the Directorate identified that not having triage at the point of presentation to MAU was a contributory factor to adverse events within Maternity. It was therefore recognised that there was a need for formal triage on the MAU at the point of presentation to reduce the likelihood of avoidable harm to mothers and babies.

As part of the 'IHI Triage in Maternity project', there has been important on-going work to implement a formal objective triage process on MAU.

Achievements over the last year include:

- Introduction of a 'Telephone call queue' on MAU to reduce unnecessary calls/queries about scan appointments/induction and caesarean section arrangements. This is working well, with no complaints received from service users.
- Development of Maternity Day-care, which opened on Ward 41 in March 2022. This new facility has a greater footprint and has enabled an additional assessment area on MAU.
- Staffing resources to support MAU triage have been considered, including Consultant obstetrician presence and appointment of a Band 7 midwife. This is a new post and is crucial for leadership/triage education and training on MAU.
- Digital developments continue and BadgerNet, a bespoke electronic end-to-end maternity record has been rolled out. This has an in-built triage system, Birmingham Symptom Specific Obstetric Triage (BSSOTs) which will be used for triage on MAU rather than the bespoke RVI triage, which was developed by the IHI project in 2021/2022. It is planned to implement BSSOTs triage on MAU in April 2023.

Priority 4b - Modified Early Obstetric Warning Score (MEOWS)

The monitoring of pregnant or recently pregnant patients in non-maternity settings has been identified as an area of risk. Over recent years in England, several situations have arisen where adverse outcomes have occurred in patients where monitoring systems have been deficient in non-maternity settings.

We have developed and included a question in our admission documentation within our EPR, to help us identify patients in the Trust who are pregnant or have been pregnant in the previous 42 days, particularly for those in a non-maternity setting.

We have also created an electronic MEOWS chart for use with the electronic observations system (EOBS). This chart has been created and tested. However, the chart has required recoding into a newer and better supported software code (.NET). The newly coded chart has undergone thorough checking through IT services and delivery of this chart into clinical use is planned by the end of May 2023.

Patient Experience

Priority 5 - Trust-wide Day Surgery Initiative

Day surgery is a widely established practice and due to advances in anaesthesia and surgical techniques, is the standard pathway of care for many complex patients and procedures previously treated through inpatient pathways.

The British Association of Day Surgery (BADs) data demonstrated there was an opportunity in the Trust to increase and broaden day case surgery across the organisation, improving patient and staff experience and supporting the recovery of elective care whilst reducing patient days away from home. A Trust wide Day

Surgery Improvement Programme was initiated which also encompassed the new DTC at the Freeman Hospital.

Given the size and complexity of the project, three priorities (key enablers) were selected:

- a) Surgical Assessment – develop a universal waiting list process to ensure a consistent approach across all specialties.
- b) Pre-op Assessment – develop a universal request for day-case patients to ensure patients get pre-assessed early in the pathway, making sure any current health conditions are managed and the patients are at their fittest for surgery.
- c) Implement a theatre scheduling model, namely the 6-4-2 method of theatre list planning, in the DTC and two specialties on the main sites to ensure we optimise our theatre capacity and reduce the waiting list backlog.

A best practice model for surgical assessment was developed incorporating key components of the universal waiting list process utilising the Getting it Right First Time (GIRFT) and Centre for Peri-Operative Care Day Case Delivery Pack. A new streamlined booking and scheduling process was agreed and implemented for the DTC and a combined universal waiting list addition and pre-admission clinic (PAC) request form was adopted in Urology alongside deployment of the CCS.

We implemented a new PAC delivery model to create additional capacity; a low-risk pathway for Health Care Assistants (80 new slots per month), a telephone PAC clinic (with a 50% increase in capacity), and a direct access surgical clinic for patients who require booking following attendance at the Surgical Assessment Unit. New day case clinical criteria to assess suitability for day case in the main

sites or DTC was rolled out in May 2022, assigning all patients a red, amber or green rating denoting surgical, medical, and social suitability. In collaboration with the pre-assessment team, we successfully tested a new process for Urology patients who have had minor surgery and are happy to be “home alone” with very positive patient feedback. There are plans to scale this across the organisation.

To support the implementation of 6-4-2 in DTC and Urology, we successfully deployed the CCS in March 2023 in Urology. For the first time, CCS is now providing a single consistent waiting list view that is visible to our clinicians, schedulers, theatre teams, operational managers, and administration staff. Our Urology waiting list team have already scheduled circa 30 patients, using the connected intelligence within the system. In addition, our Freeman theatre management team have deployed CCS to support their 6-4-2 theatre scheduling meetings to achieve optimal utilisation of operating sessions. This promotes safe and efficient throughput of our patients whilst preventing unavoidable patient cancellations on the day and maximising the use of staffing resource including Surgeon, Anaesthetist and Theatre Team.

Throughout this project, frontline staff were empowered to design the solutions (bottom-up delivery) with Quality Improvement (QI) training offered to ensure a legacy of continuous improvement.

Priority 6 – Mental Health in Young People

The National Confidential Enquiry into Patient Outcome and Death (NCEPOD) Mental Healthcare in Young People and Young Adults report published recommendations in 2019, which are a beneficial tool to benchmark against. Additionally, throughout 2021 and 2022/2023, there has been significant



pressure on specialist mental health Tier 4 inpatient services across the North East and Yorkshire Region. There has been an increase in children and young people (CYP) presenting and is especially high in those presenting with eating disorders. This has resulted in some patients having delayed access to treatment in the right care environment.

In the North East and Yorkshire Region, a CYP Mental Health Task and Finish Group has been established which has identified several work streams looking at the issue from different perspectives. With an overall aim of expediting delivery of a regional approach to manage the current significant challenges faced by children and young people in accessing appropriate mental health services. The Trust has representation within this work stream.

As an organisation, we continue to review current service provision for children, young people, and young adults to assure that we identify gaps, areas of good practice and plan to improve the care provided in the Trust for these patients.

Through this quality priority we continued to build on the achievements of the previous year, ensuring dedicated and efficient pathways for assessment and treatment plans, with timely access to mental health services, working in close conjunction with CNTW colleagues.

We continue to promote the We Can Talk training programme for staff. This programme helps to improve staff's knowledge, skills and confidence in supporting young people in mental health crisis; the organisation currently has 563 staff members signed up to the training and 172 staff have completed to date. The We Can Talk Programme Team plan to spend a day in the Trust during April 2023 to showcase and promote the training. There is also ongoing training between CNTW and the GNCH which continues to be of mutual benefit.

There are clearer and improved pathways and support when patients are detained under the Mental Health Act, with improved access to identify 'Advocates' for patients who are detained.

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

People (children, young people, and adults) with a LD are four times more likely to die of something which could have been prevented than the general population. The Trust is committed to ensuring patients with a LD and/or autism have access to services that will help improve their health and wellbeing and provide a positive and safe patient experience for them and their families.

There has been investment within the Learning Disability Liaison Team alongside a change in skill mix. This has allowed greater visibility of the team in clinical departments, improving flexibility and support for patients and staff. This has enabled the Trust to ensure that patients and their families have appropriate reasonable adjustments as required; that they are listened to and have a positive experience whilst in our care and with appropriate follow-up.

To help our staff understand reasonable adjustments and the needs of patients with a learning disability and/or autism, we have implemented the e-learning Diamond Standard Learning Disability/ Autism mandatory training.

Quality Priorities for Improvement 2023/2024

Following discussion with the Board of Directors, the Council of Governors, patient representatives, staff and public, the priorities for 2023/2024 listed below have been agreed. A public consultation event was held in January 2023 and

presentations have been provided at various staff meetings across the Trust. In the main, several priorities continue from last year with four differences (highlighted as 'NEW') to note:

Patient Safety

Priority 1 – Reducing HCAs – focusing on COVID-19, MSSA/GNBSI/C.difficile infections

Priority 2 – Management of Abnormal Results

Priority 3 – Implementation of the National Patient Safety Strategy & Patient Safety Incident Response Framework - **NEW**

Clinical Effectiveness

Priority 4a – Introduction of a formal triage process on the MAU, in order to improve the recognition of the deteriorating pregnant or recently pregnant woman

Priority 4b – MEOWS

Priority 5 – Best Interests Decisions/Mental Capacity Assessment (MCA) and Deprivation of Liberty Safeguards (DoLS) - **NEW**

Patient Experience

Priority 6 – Ensure reasonable adjustments in place for patients with suspected, or known, LD &/or Autism

Priority 7 – Improve services in the ED for children, young people, and adults with mental health issues - **NEW**

Priority 8 – Embed a consistent approach to transition young people from Child to Adult Services - **NEW**

In addition to the priorities contained within the Quality Account, in the coming year, a new Quality Strategy will be launched setting out our vision, aims and objectives for the next 5 years. This strategy will reflect the organisational changes as we transition to a Clinical Board structure, which will be underpinned by a robust quality governance framework. The Trust will continue to embed a safety culture, empowering staff to be open, with a focus on learning, innovation and improvement, including development and optimisation of our digital systems. Engagement and involvement of the people who use our services and our partners, will also be an important and essential component in delivering this strategy.



Dame Jackie Daniel
Chief Executive Officer

29 June 2023





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 on Very Senior Manager (VSM) terms and conditions.

The Committee has clear Terms of Reference that are regularly reviewed, the last review having been undertaken in October 2022. The updated Terms of Reference were approved by the Trust Board on 26 January 2023.

The membership of the Committee is made up of the Chairman and a minimum of three NEDs. The Chief Executive, Human Resources Director/Chief People Officer and Trust Secretary also attend as appropriate.

The Committee met on four occasions during 2022/23:

	Attendance at ordinary meetings	Attendance at extraordinary meetings
Mr J Jowett, NED and Committee Chair	3 of 3	1 of 1
Professor Sir J Burn, Chairman	3 of 3	1 of 1
Professor K McCourt, NED	3 of 3	1 of 1
Mr B MacLeod, NED	3 of 3	1 of 1

None of the NEDs have a service contract and there are no special provisions for early termination of contracts.

The remuneration for NEDs is determined by the Council of Governors, as delegated to the Nominations Committee, which last considered the fees paid to NEDs in January 2023, and to the Chairman in July

2022, alongside the guidance issued by NHSE and NHSI regarding the '*Structure to align remuneration for chairs and Non-Executive Directors of NHS Trusts and NHS Foundation Trusts*'.

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



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 (LCEAs) / National Clinical Impact Awards (NCIA). The Committee considers the recommendations of the LAC prior to submission to the Trust Board for approval. For the 2021/22 awards round, the total value of awards available was equally distributed to eligible consultants, with the payments made during March 2023.

Further during 2022/23, the Committee:

- Received an update on the progress of implementing the recommendations arising from the external review of remuneration arrangements for senior staff at the Trust.
 - Continued to be advised on national developments regarding the taxation of pension entitlements. 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 2022/23, the purpose being to protect and retain capacity.
 - Considered and agreed the LCEAs/NCIAs.
- Was advised on the outcome of the annual performance appraisal exercise and considered the succession plan for the VSM group of staff.
 - Considered VSM pay, and the remuneration packages of individual Executive Team members as appropriate.
 - Approved the appointment of an Interim Strategic Financial Adviser.
 - Oversaw the process for the recruitment and appointment of the Chief Finance Officer and the Chief People Officer, following the retirement of the Finance Director in July 2022 and the Director of Human Resources in November 2022.
 - Received updates on VSM recruitment.
 - Approved the content of the Annual Report on Remuneration.



Mr Jonathan Jowett
Committee Chair

29 June 2023

Annual Report on Remuneration

Remuneration Policy

Introduction

The Appointments and Remuneration Committee is responsible for determining the remuneration of the Chief Executive, Executive Directors and VSM's. The definition of a VSM 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.

The Committee is chaired by the Chair of the People Committee (who is also the Trust Senior Independent Director (SID)). The Chief Executive and Chief People Officer provide advice to the Committee in their consideration of the terms and conditions of employment.

Pay Setting and Review Process

The Committee is cognisant of the requirements set out in the Guidance. It 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 success of the Trust by attracting, recruiting and retaining high calibre staff in a competitive marketplace.

The Committee is also responsible for ensuring a formal and robust system is in place to monitor and evaluate the performance of VSM's.



Future Policy Table:

Component of pay	Link to short and long-term strategic goals	How the Trust operates this in practice	Maximum limit	Performance measures
Base salary	<p>By 2024 we want to ensure:</p> <ul style="list-style-type: none"> • We are the recognised employer of choice in the North East • We enable all staff to liberate their potential 	<p>The following factors are taken into consideration when determining pay for VSM's:</p> <ul style="list-style-type: none"> • Responsibilities, duties and accountabilities of the post holder. • Skills, experience and individual performance against objectives, values, core behaviours and the resulting performance rating from appraisal. • Consideration and recognition of additional responsibilities or achievements relating to Trust performance/quality, CQC ratings, the annual plan and strategic objectives. • Remuneration benchmarking reports against relevant regional and peer comparators (e.g. Shelford Group), including any 'cost of living' increases. • Prevailing market conditions and national context. • Value for money. • NHSI/Ministerial opinion. <p>The Committee reserves the right to approve specific increases in exceptional cases, for example, significant change to an individual's role.</p>	There is no prescribed maximum limit.	Not applicable.
Taxable benefits		<p>Very senior managers' benefits include:</p> <ul style="list-style-type: none"> • A car allowance by exception only. • Contributory NHS Pension Scheme - not all VSM's participate in the Scheme. <p>The Trust does not routinely facilitate an 'opt out' and reimbursement to an amount equal to the employer pensions contributions.</p> <p>Non-Executive Directors do not receive benefits.</p>	There is no prescribed maximum limit.	Not applicable.

Component of pay	Link to short and long-term strategic goals	How the Trust operates this in practice	Maximum limit	Performance measures
Pension		<p>The Trust operates the standard NHS Pension Scheme.</p> <p>In addition, we have a Local Employer Contribution Recycle Scheme. The scheme offers a cash alternative to employer contributions (to the NHS Pension Scheme) where employees opt out of the NHS Pension Scheme and satisfy specific criteria (as defined in the policy).</p>	<p>As per standard NHS Pension Scheme.</p> <p>As per policy.</p>	Not applicable.
Earn-back and bonus		<p>From 2018, and in line with the Guidance, a transition to a revised VSM remuneration package was introduced for new VSM appointments or following review of the current portfolio of a substantively employed VSM. The revised employment contract incorporated two key changes to pay:</p> <ul style="list-style-type: none"> • 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 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. <ul style="list-style-type: none"> • ** In NHS Terms and Conditions of Employment from 1 April 2021, in the year after staff have reached the top of bands 8c, 8d or 9, 5% of basic salary will become re-earnable. Where standards are met salary is retained at the top of the band. If standards are not met salary may be reduced by 5% or 10% from the pay-step date. Salary can be restored to the top of the band at the end of the following year by meeting the required standards. <p>On 17 November 2021 Committee members revisited the two changes to pay noted above and agreed that any VSM appointments from that point onwards would not include an earn-back element in their employment contract.</p>		<p>For those Directors in which a bonus/earn back provision is included within their employment contract, objectives are set at the start of the financial year and achievement is considered at the end of the year.</p> <p>If objectives are not achieved then the Trust has the right to reclaim back/withhold the percentage of salary 'earnback'.</p> <p>The Appointments and Remuneration Committee approves whether a bonus is paid or earnback applied.</p>



VSM Pay Guidance

Historically, NHS Foundation Trusts have been free to determine their own rates of pay for VSM's and the Trust has used this autonomy and flexibility to respond to individual and local circumstances.

Following implementation by NHSI of a VSM pay approval process outlined in 'Guidance on pay for very senior managers in NHS Trusts and Foundation Trusts' (latest version March 2018) the following conditions were introduced:

NHS Foundation Trusts are required to seek opinion via nhsi.vsmcases@nhs.net of NHSI, DHSC and the Minister of State for Health before confirming VSM salaries at appointment, or any individual/group increase (outside nationally recommended cost of living increases).

This applies to all on-payroll VSM appointments in NHS Foundation Trusts where the annual salary is £150,000 or above; it also applies to acting-up arrangements, promotions/pay rises for

individuals in post earning £150,000 or above, and NHS secondments and conversion of off-payroll interns into on-payroll arrangements.

£150,000 is the threshold used in the Civil Service for approval by the Chief Secretary to the Treasury and considered a suitable benchmark above which NHS Trusts are required to seek opinion. Some of our very senior managers are paid more than the threshold. In these instances, the Appointments and Remuneration Committee has taken steps to assure itself that the pay received by these individuals is commensurate with market conditions, the responsibilities and duties of the role, and is regularly reviewed to ensure that the Trust is receiving value-for-money. One of the ways in which the Committee does this is by reviewing independent remuneration benchmarking reports to assess the market rate.

Publication of a VSM National Pay Framework is awaited.

Performance Review

A key outcome of the appraisal review process is to recognise and value contribution, flexibility and achievement, along with an emphasis on leadership behaviours. In line with guiding principles outlined in the appraisal policy, consideration is given to *how* an individual has achieved their objectives as well as *what* has been achieved.

The appraisal discussion also includes consideration of career aspirations and plans or retirement intentions. This information is used to inform the leadership development strategy including succession planning and talent management.

The appraisal results in a performance rating and any review is intended to promote the concept of recognition and reward for achievement, underpinned by appropriate behaviours and to ensure that

the relationship between pay and performance is aligned to and consistent with the core values, behavioural framework and strategic objectives – 'healthcare at its best with people at our heart'.

The Committee has oversight of performance measures and target setting for VSM's and ensures that specific strategic, quality, financial or operational objectives are closely linked with the strategic priorities of the Trust. Targets are to be appropriately stretching in this context with maximum performance set at a level which can reasonably be considered to be exceptional.

During the year 2022/23, a consolidated salary uplift of between 3-3.5% was applied to applicable Executive Directors and VSMs backdated to 1 April 2022.

Service contract obligations

All VSMs are subject to permanent (substantive) employment contracts. The notice periods applied to individual contracts currently range from three to six months, depending on the individual contract.

Policy for payment on loss of office

No special provisions are made regarding early termination or termination payments. Executive Directors and VSM's are subject to the normal performance management processes and sanctions. Terminations resulting from redundancy are in accordance with the provisions of national terms and conditions, in the event of retirement, in accordance with the NHS Pension Scheme.

Diversity and Inclusion

Diversity and Inclusion are written into our organisational strategy, our core values and are being embedded into our decision-making. 'We are inclusive' is one of our core values and we have a key people objective to ensure we are 'the recognised employer and educator of choice in the North East'.

Our 'Equality, Diversity and Inclusion' employment policy sets out our approach to, and our commitment to promoting equality, diversity and inclusion in the workplace and promoting a culture that actively values difference. Within it we set out our aim to be an inclusive employer committed to providing equal opportunities with adherence to best practice and legislation throughout employment including the requirement to publish our annual gender pay and bonus gap report. Our performance is monitored through the People Committee – a committee of the Trust Board.

The Trust is also cognisant of the ethnic pay gap. Our aspiration in time is to reduce any pay differential using data as the driver for change across all protected characteristics.

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) 2022/23

	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)*	275-280	-	10-15	30-35	-	320-325
Medical Director/Deputy CEO Mr A Welch (ii)	265-270	-	-	-	-	265-270
Finance Director Mrs A Dragone (iii)	65-70	-	-	-	-	65-70
Chief Finance Officer Mrs J Bilcliff (iv)	95-100	400	-	-	-	95-100
Executive Chief Nurse Ms M Cushlow*	170-175	-	5-10	-	90.0-92.5	270-275
Chief Operating Officer Mr M Wilson*	170-175	1,500	5-10	-	60.0-62.5	220-225
Executive Director for Business, Development and Enterprise Dr V McFarlane-Reid*	150-155	-	5-10	-	95-97.5	255-260
Non-Executive Director Mr J Jowett	10-15	-	-	-	-	10-15
Non-Executive Director Professor K McCourt	10-15	-	-	-	-	10-15
Non-Executive Director Mr S Morgan (v)	10-15	-	-	-	-	10-15
Non-Executive Director Ms S Edusei	10-15	-	-	-	-	10-15
Non-Executive Director Ms G Baker	10-15	-	-	-	-	10-15
Non-Executive Director Ms G Chapman	10-15	-	-	-	-	10-15
Non-Executive Director Mr B MacLeod	15-20	-	-	-	-	15-20
Non-Executive Director Mrs E Bromley (vi)	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 2022/23.

(ii) Within the figure reported for Mr A Welch's salary and fees are payments of £109k made in respect of clinical duties. During 2019/20, Mr A Welch became Deputy CEO. No additional payment is made in relation to this role.

(iii) Mrs A Dragone retired from her role as Trust Finance Director with effect from 31 July 2022.

(iv) Mrs J Bilcliff was appointed as Chief Finance Officer with effect from 5 September 2022.

(v) Mr S Morgan resigned as a Non-Executive Director with effect from 31 January 2023.

(vi) Mrs L Bromley was appointed as a Non-Executive Director with effect from 1 June 2022.

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 Ms G Baker	15-20	-	-	-	-	15-20
Non-Executive Director Mr G Chapman	15-20	-	-	-	-	15-20
Non-Executive Director Mr B MacLeod (viii)	15-20	-	-	-	-	15-20

(i) The figure stated in other payments for Dame J Daniel relates to the Local Employer Contribution Recycle Scheme received during 2021/22.

(ii) Within the figure reported for Mr A Welch's salary and fees are payments of £123k made in respect of clinical duties. During 2019/20, Mr A Welch became Deputy CEO. No additional payment is 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.

(vii) Ms S Edusei was appointed as a Non-Executive Director with effect from 1 August 2021.



**For those Directors in which a bonus/earn back provision is included within their employment contract, objectives were set at the start of the financial year and fully achieved at the end of the year as endorsed by the Appointments and Remuneration Committee. As a result a 5% non-consolidated, non-pensionable, taxable award was made. There is also a clause in the contract which relates to earnback. If objectives are not achieved then the Trust has the right to reclaim back/withhold 5% of salary. This was not applied during 2022/23 as the objectives were fully achieved.*

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

Increase = ((20 x PE) + LSE) – ((20 x PB) + LSB) – 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 2022/23 is 3.1% (2021/22 0.5%).

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.

CETV figures are calculated using discount rates for calculating unfunded public service pension contribution rates that was extant at 31 March 2023. HM Treasury published updated guidance on 27 April 2023; this guidance will be used in the calculation of the 2023-24 CETV figures.

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 2023	Lump sum at pension age related to accrued pension at 31 March 2023	Cash Equivalent Transfer Value at 1 April 2022	Real increase in Cash Equivalent Transfer Value	Cash Equivalent Transfer Value at 31 March 2023
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	-	81	15	120
Executive Chief Nurse Ms M Cushlow	2.5 – 5	-	90 – 95	210 – 215	1,812	64	1,957
Chief Operating Officer Mr M Wilson	2.5 – 5	-	45 – 50	80 - 85	621	26	691
Director of Finance Mrs A Dragone	-	-	70 – 75	195 – 200	1,600	-	-
Chief Finance Officer Mrs J Bilcliff	-	-	30 – 35	30 – 35	2,922	-	551

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 2022/23 was £324,773 (2021/22, £315,527). This is a change between years of an increase of 2.9%.

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 2022/23 was from £19,658 to £324,773 (2021/22 £17,422 to £315,527). 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 an increase of 10%. No employees received remuneration in excess of the highest-paid director in 2022/23.

The average employee remuneration saw a rise of approximately 10.7% from 2021/22.

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.

2022/23 (2021/22)	25th Percentile	Median	75th Percentile
Salary Component of Pay	£27,872 (£24,351)	£35,661 (£32,306)	£47,797 (£44,340)
Total pay and benefits excluding pension benefits	£27,872 (£24,351)	£35,661 (£32,306)	£47,797 (£44,340)
Pay and benefits excluding Pension: pay ratio for highest paid director	11.65 (12.96)	9.11 (9.77)	6.79 (7.12)

	25th Percentile	Median	75th Percentile
2022/23	11.65	9.11	6.79
2021/22	12.96	9.77	7.12

The calculation is based on Trust employees as at 31 March 2023. 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 2022/23.

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

The Trust did not make any payments for loss of office in 2022/23.

Trust Board Declarations of Interest:

Chairman

**Professor
Sir John Burn**

Chair QuantuMDx Group Ltd.
Shareholder of 5,876 shares (1,200 shares are in the name of other family members at QuantuMDx) since 10 February 2023.
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 until became Vice President of HUGO International from April 2023 until 2025.

Non-Executive Directors

Professor Kath McCourt

Fellow - 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.
Relative works for GHFT.
Non-remunerated independent member of annual academic career progression committee, University of Cumbria

Mr Jonathan Jowett	<p>Company Secretary and Director of Darlington 1883 Limited. Company Secretary & General Counsel of Greggs PLC. 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.</p> <p>Trustee of the GNAAS from 27 May 2022 and Chair of the Trustees from 19 July 2022.</p>
Mr Steven Morgan (until 31 January 2023)	<p>Owner/Director - Rowrah Chapel Associates – as part of this role Mr Morgan performs arbitration duties on behalf of the Hinkley Point Nuclear Project</p> <p>Copeland Borough Councillor – Mr Morgan also attends Community Forums in Cumbria advising the North Cumbria Integrated Care Trust as Copeland Council’s representative. Relative is a Trust Public Governor.</p>
Ms Gillian (Jill) Baker	<p>Director, Lloyds Bank Foundation. Trustee at Community Foundation for Tyne and Wear and Northumberland.</p>
Mr Graeme Chapman	<p>Appointed as Chair of the Strategy Board and Chair of the Advisory Board, Newcastle Health Innovation Partners from 27 April 2023.</p>
Mr Bill MacLeod	<p>NED, Newcastle Gateshead Initiative Ltd. Appointed member of Council, Newcastle University. Chair of International Advisory Board, Business School, Newcastle University until 30 November 2022. Member of the Ethics Board Institute of Chartered Accountants of Scotland. Trustee at Kielder Observatory Astronomical Society.</p>
Ms Stephanie Edusei	<p>Director/Board Member, The North East England 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).</p>
Mrs Liz Bromley	<p>CEO of NCG, education provider. Board member of English Heritage. Board member (Deputy Chair) of Sir John Brunner Multi- academy Trust (MAT). Member of E-Act MAT.</p>



Associate Non-Executive Directors

Professor David Burn	Pro-Vice Chancellor and Professor of Movement Disorders Neurology - Faculty of Medical Sciences. Executive, Medical Schools Council. Director and Chair of Board of Newcastle Health Innovation Partners. Board Member, NENC AHSN. Chair of the NHTA Board.
Ms Pam Smith	Chief Executive, NCC.
Chief Executive Dame Jackie Daniel	Board Director of the AHSN NENC Ltd. Vice-Chair, NHS Confederation. Lay Member, Newcastle University Court. Member, Recovery, Resilience and Growth Programme. Member, OSCHR. Member of Newcastle City Futures Board / Newcastle Health & Wellbeing Board (Local Authority).

Executive Directors

Mrs Angela Dragone Finance Director (until 31 July 2022)	Director of Trust Subsidiary company NewGene Limited. Secretary and Trustee, Heath Committee.
Mrs Jackie Bilcliff Chief Finance Officer (from 5 September 2022)	Husband is an Associate of Identity Consult, a company which tenders for work (construction, project management and health and safety) at Newcastle Hospitals.
Ms Maurya Cushlow Executive Chief Nurse	No items to declare.
Mr Martin Wilson Chief Operating Officer	Partner is Chief Delivery Officer and National Director of Vaccination and Screening for NHSE.
Mr Andy R Welch Medical Director / Deputy CEO	Clinical Private Practice, Medicolegal Relative works for Newcastle Hospitals.
Dr Vicky McFarlane-Reid Executive Director of Business, Development and Enterprise	No items to declare.



Dame Jackie Daniel
Chief Executive
29 June 2023



Our Governors

The Trust has 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 NCC. 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, NEDs and External Auditors.

During the last year, the Council has continued to meet, both virtually and in person, to debate and consider a number of key issues for the Trust.

Topics of note have included:

- Workforce challenges facing Newcastle Hospitals;
- Development of the Trust's Mental Health Strategy;
- Quality and Patient Safety and Performance and Delivery; and
- The appointment of a new NED.

In April 2022, a private workshop was held for Governors, which included presentations on:

- Operational Planning;
- Workforce, including an update on recruitment, retention and challenges; and
- The ICS Position and an update on Integrated Care; and Governance updates.

In October 2022, a second private workshop was held for Governors, which included presentations on:

- Trust Performance;
- Recent innovations and commercial developments;
- Workforce;
- The Newcastle Hospitals Charity including recent developments and grant awards; and
- The NPSS.

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 or Deputy 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.

During the year the Quality of Patient Experience working group recommenced their programme of unannounced visits to clinical areas and support services throughout the Trust. In addition, 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.

Mrs Pam Yanez, public governor for the Newcastle upon Tyne public constituency continued to hold the role of Lead Governor during 2022/23.

The Board of Directors continues to maintain a close working relationship with the Council of Governors and the wider Trust membership. All Executive and NEDs have an open invitation to attend Council meetings, with those NEDs who chair Trust Committees providing regular updates regarding the activities of the Committees to the Council.

During the year Governors have continued to regularly attend the public session of the Board of Directors meetings virtually to observe proceedings.

Members Events held during the year 2022/23 included an event focussing on Sustainable Healthcare in Newcastle (SHINE), with presentations from our

Programme Manager for Sustainability, and the Head of Occupational Therapy, with a focus on the climate emergency and improving the Trust's carbon footprint.

A second event was held in December 2022 focusing on Innovation. Mrs Judy Carrick, Deputy Lead Governor, gave a presentation on Governor activities, an overview of the newly opened DTC was provided by the Directorate Manager and Clinical Lead, and Patricia Herrero, Senior Genetic Technologist gave a talk on advancements in bowel cancer screening. Both events were attended by both Public and Staff Members. A further programme of events for 2023/24 is currently in development.

As set out in the Code of Governance for Provider 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 2022/23.

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

During 2022/23, there was £882.59 (2021/22 £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 2022 election round took place in the spring with the Notice of Election published on 30 March 2022 and the result declared on 31 May 2022.

Newly elected Governors undertook an induction facilitated by the Chairman, Trust Secretary and Chairs of the Working Groups and attended their first meeting on 16 June 2022.

Governor attendance at meetings during 2022/23 is listed on the following pages.

The Council of Governors met for four formal meetings and two private workshops in 2022/23. There were two extraordinary meetings convened in order to agree the appointment of two NEDs.

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

Governor attendance at meetings

Class/ Constituency	Name	Attendance	Notes
Staff – N&M	Mrs Glenda Bestford	5 of 6	First term of office was extended to 31 May 2023 to align with the regular elections cycle
1	Mr David Black	4 of 6	
2	Mr Graham Blacker	4 of 6	
Staff – E&A	Ms Genna Bulley	4 of 6	
1	Mrs Judy Carrick	6 of 6	Appointed 1 June 2022
1	Dr Alexandros Dearges-Chantler	4 of 6	
Appointed - NU	Professor Justin Durham	3 of 5	Appointed 1 June 2022
1	Ms Jill Davison	4 of 6	
2	Mrs Madeleine Elliott	2 of 6	
2	Mr David Evans	2 of 5	Appointed 1 June 2022
2	Mrs Carole Errington	1 of 1	End of term 31 May 2022 – completed third and final term
1	Mrs Aileen Fitzgerald	4 of 6	
1	Mr David Forrester	4 of 5	Appointed 1 June 2022
Staff – V	Mr Gary Gibson	6 of 6	
Staff – M&D	Dr John Hanley	3 of 5	Appointed 1 June 2022
2	Mrs Catherine Heslop	5 of 6	
2	Professor Philip Home	5 of 6	
3	Mr David Hughes	5 of 6	
Staff - HPC	Mrs Fiona Hurrell	0 of 1	End of term 31 May 2022 – did not stand for re-election
Appointed - Nbria U	Professor Tom Lawson	2 of 6	
2	Dr Helen Lucraft	0 of 1	End of term 31 May 2022 – completed third and final term
2	Mr John McDonald	4 of 6	First term of office was extended to 31 May 2023 to align with the regular elections cycle
1	Mrs Susan Nelson	1 of 1	End of term 31 May 2022 – was not re-elected



Class/ Constituency	Name	Attendance	Notes
2	Professor Pauline Pearson	4 of 6	
Staff – A&CI, M & Ch	Mrs Kate Pine	3 of 6	Stood down 24 March 2023
3	Mr Neville Coulthard Shaw	0 of 1	Stood down 5 April 2022
Staff – HPC	Miss Elizabeth Rowen	3 of 5	Appointed 1 June 2022
Staff – N&M	Mrs Poonam Singh	6 of 6	
3	Mr Thomas Smith	0 of 4	Removed from Council 21 October 2022
Appointed – NCC	Cllr Ian Tokell	5 of 6	Appointed 1 June 2022
Appointed – Ch and 2	Mrs Norah Turnbull	2 of 2	Stood down 19 July 2022
1	Dr Eric Valentine	5 of 6	
1	Mrs Emma Vinton	2 of 6	
2	Mr Bob Waddell	4 of 5	Appointed 1 June 2022
3	Mr Michael Warner	3 of 6	
2	Mrs Claire Watson	4 of 5	Appointed 1 June 2022
2	Dr Ian Wilson	1 of 6	
1	Mrs Pam Yanez	6 of 6	

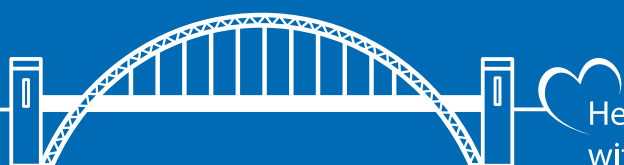
Nominations Committee

The Council of Governors set up a formally constituted Nominations Committee to identify, interview and recommend candidates for the appointment of the Trust Chairman and NEDs. The Committee is also responsible for the annual appraisal of all NEDs, including the Chairman, 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
Mrs Catherine Heslop, Committee Member (Public Governor)	3 of 5
Ms Fiona Hurrell, Committee Member until 31 May 2022 (Staff Governor)	1 of 1
Mr Jonathan Jowett, Committee Member, SID	4 of 5
Mrs Judy Carrick, Committee Member (Public Governor)	4 of 5
Mrs Madeleine Elliott, Committee Member (Public Governor)	4 of 5
Mrs Pam Yanez, Committee Vice-Chair and Lead Governor (Public Governor)	5 of 5
Dr Ian Wilson, Committee Member (Public Governor)	2 of 5
Mr David Black, Committee Member (Public Governor)	5 of 5
Ms Genna Bulley, Committee Member from 16 June 2022 (Staff Governor)	2 of 4



There were five meetings of the Committee in the period 1 April 2022 to 31 March 2023. 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 2021/22.
- 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 and recruitment of two replacement NEDs and the reappointment of three NEDs.

In relation to the recruitment and appointment of NED in 2022, the Committee undertook the following key tasks:

- i) Ensured a robust job description and person specification was developed and agreed the search strategy for the appointment;
- ii) For the first replacement NED appointment, a subgroup of Committee members conducted longlisting on 12 April 2022 and the Committee undertook the shortlisting of applicants on 27 April 2022. For the second replacement NED appointment a subgroup of Committee members conducted longlisting on 3 March 2023 and the Committee undertook the shortlisting of applicants on 14 March 2023; and

- iii) Interview Panels were convened, with the Public Governor members in the voting majority. Interviews were held on 5 May 2022 and 27 March 2023, and recommendations for appointment made to the Council of Governors thereafter.

- Reviewing the Chair remuneration, utilising benchmarking information and the guidance published by NHSE and NHSI in September 2019 on a new remuneration structure for provider Chairs and Non-Executive Directors. A number of factors were considered by Committee members prior to them recommending an uplift to the Chair remuneration, which was approved by the Council of Governors during 2022/23.
- Agreeing some minor changes to the Committee Terms of Reference and approving a new Schedule of Business for the year.
- Reviewed the following documents and agreed minor changes to the:
 - 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 Chairman and NED appraisals.
- Agreeing the recruitment process for a new NED.

In conclusion the Committee has met its duties for the year 2022/23.

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 in April 2022. 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 2022/23, the Corporate Governance Team, in collaboration with the People, Engagement and Membership Working Group, has focused on delivery of the Membership Strategy and increasing membership numbers. The Trust's Membership Strategy is 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 2022 – 31 March 2023

Membership size and movements	
Public constituency	Last year (2022/23)
At year start (1 April)	5,732
New Members	137
Members Leaving	216
At year end (31 March)	5,653
Staff constituency	Last year (2022/23)
At year start (1 April)	2,453
New Members	2,099*
Members leaving	173
At year end (31 March)	4,379
Patient constituency	The Trust does not currently have a separate Patient Constituency.

* Work has continued throughout 2022/23 to cleanse the membership database to ensure it accurately reflects Trust membership. This included the addition of new members of staff who started to work for Newcastle Hospitals following the revision to the Trust policy to automatically 'opt in' new staff members.

Analysis of current membership*		
Public constituency	Number of members	Eligible membership
Age (years):		
0-16	3	269,441
17-21	44	90,307
22+	5,230	1,116,964
Ethnicity:		
White	5,126	1,343,747
Mixed	34	12,447
Asian or Asian British	213	47,965
Black or Black British	57	9,006
Other	10	7,688
Socio-economic groupings:		
AB	1,584	115,079
C1	1,624	197,353
C2	1,149	133,619
DE	1,276	210,128
Gender Analysis:		
Male	2,128	726,241
Female	3,411	750,470

* The analysis section of this report excludes 378 public members with no dates of birth, 215 members with no stated ethnicity, and 116 members with no gender recorded.

Staff Report

Workforce Information (Subject to audit)

Workforce Demographics	As at March 2022				As at March 2023			
	Permanent FTE	Other FTE	Total FTE	% of Total FTE	Permanent FTE	Other FTE	Total FTE	% of Total FTE
Staff Group								
Medical and dental	1,173.15	668.23	1,841.38	12.17%	1,189.39	666.33	1,855.73	12.61%
Ambulance staff	0.50	-	0.50	0.00%	0.25	-	0.25	0.00%
Administration and estates	2,909.37	-	2,909.37	19.22%	2,930.03	-	2,930.03	19.92%
HCA's and other support staff	2,076.09	-	2,076.09	13.72%	2,116.41	-	2,116.41	14.39%
Nursing, midwifery and health visiting staff	4,756.42	-	4,756.42	31.42%	4,689.95	-	4,689.95	31.88%
Nursing, midwifery and health visiting learners	56.97	-	56.97	0.38%	127.25	-	127.25	0.87%
Scientific, therapeutic and technical staff	1,899.86	-	1,899.86	12.55%	1,934.90	-	1,934.90	13.15%
Healthcare science staff	1,574.89	-	1,574.89	10.40%	1,047.71	-	1,047.71	7.12%
Social care staff	-	18.00	18.00	0.14%	-	8.29	8.29	0.06%
Grand Total	14,447.25	686.83	15,134.08	-	14,035.89	674.62	14,710.51	-

FTE = Full time equivalent

Note: Figures in the above table 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 2022		As at March 2023	
	FTE	% of Total FTE	FTE	% of Total FTE
Full Time/Part Time				
Full Time	10,031.00	71.81%	9,992.03	72.49%
Part Time	3,937.77	28.19%	3,792.84	27.51%
Gender				
Female	10,543.47	75.50%	10,513.30	76.27%
Male	3,421.34	24.50%	3,271.57	23.73%
Disabled				
No	11,045.98	79.10%	11,190.45	81.18%
Not recorded	2,390.89	17.12%	1,974.13	14.32%
Yes	527.95	3.78%	620.30	4.50%
Ethnic Group				
Black and Minority Ethnic (BME)	1,666.38	11.93%	1,994.23	14.47%
Not recorded	225.97	1.62%	234.97	1.70%
White	12,072.47	86.45%	11,555.67	83.83%
Age				
16-25	1,365.99	9.78%	1,246.12	9.04%
26-35	3,640.60	26.07%	3,758.67	27.27%
36-45	3,168.91	22.69%	3,184.19	23.10%
46-55	3,357.58	24.04%	3,210.49	23.29%
56-65	2,287.53	16.38%	2,237.28	16.23%
66+	144.20	1.03%	148.12	1.07%

Turnover	Apr 21 - Mar 22	Apr 22 - Mar 23
		12.24%

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 2021/22 £000	Permanently employed total 2021/22 £000	Other total 2021/22 £000	Total 2022/23 £000	Permanently employed total 2022/23 £000	Other total 2022/23 £000
Salaries and wages	622,164	546,465	75,699	688,088	605,481	82,527
Social security costs	54,669	54,669	0	61,308	61,308	0
Apprenticeship levy	3,491	3,491	0	3,161	3,161	0
Pension cost – employer contributions to NHS pension scheme	68,193	68,193	0	70,713	70,713	0
Pension cost – employer contributions paid by NHSE on provider's behalf (6.3%)	29,815	29,815	0	30,919	30,919	0
Pension costs – other*	261	261	0	328	328	0
Temporary staff – agency/ contract staff	4,490	0	4,490	7,098	0	7,098
TOTAL GROSS STAFF COSTS	783,083	702,894	80,189	861,535	771,910	89,625
Recoveries from DHSC Group bodies in respect of staff cost netted off expenditure	(7,828)	(7,828)	0	(6,528)	(6,528)	0
Recoveries from other bodies in respect of staff cost netted off expenditure	(7,639)	(7,639)	0	(8,418)	(8,418)	0
TOTAL STAFF COSTS	767,616	687,427	80,189	846,590	756,964	89,625



“Off-Payroll” Engagements

Highly-paid off-payroll engagements as of 31 March 2023, earning £245 per day or greater.

Number of existing engagements as of 31 March 2023	17
Of which:	
• Number that have existed for less than one year at time of reporting	9
• 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	11
• 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	26
Of which:	
• Not subject to off-payroll legislation*	26
• 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

* A worker that provides their services through their own limited company or another type of intermediary to the client will be subject to off-payroll legislation and the Trust must undertake an assessment to determine whether that worker is in-scope of Intermediaries legislation (IR35) or out-of-scope for tax purposes.

For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2022 and 31 March 2023:

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 2022/23	Total cost of exit packages 2022/23	Total number of exit packages 2021/22	Total cost of exit packages 2021/22
	Number	£000	Number	£000
Exit package cost band				
<£10,000	-	-	2	1
£10,000 to £25,000	1	14	1	23
£25,001 to £50,000	1	26	-	-
There were no compulsory redundancies made during 2022/23 or 2021/22.				
There were no exit payments made during 2022/23 (2021/22 two at a cost of £24k).				
There were two special payments for exit payments made following employment tribunals or court orders at a cost of less than £40k (2021/22 one at a cost of less than £1k).				

The Trust spent £1,192,000 on consultancy fees in 2022/23 (£1,067,000 2021/22).

Senior Staff Gender Breakdown

	April 2021 – March 2022		April 2022 – March 2023	
	Male	Female	Male	Female
Executive Directors	2	4	2	4
Non-Executive Directors	5	3	4	4
Other Senior Employees	7	6	8	7



Human Resources Indicators

Directorate	Training	Appraisals	Sickness	Turnover
	> 95%	> 80%	< 3%	< 8%
Business & Development	93.53%	75.00%	1.11%	0.00%
Cancer Services/ Clinical Haematology	88.20%	80.00%	5.09%	10.10%
Cardiothoracic	84.66%	69.92%	5.68%	12.27%
Chief Executive	98.03%	86.67%	2.02%	16.55%
Chief Operating Officer	96.46%	87.54%	5.47%	8.16%
Children's Services	86.32%	77.57%	6.06%	10.88%
Clinical Research	93.72%	74.77%	6.73%	10.32%
Community Services	87.80%	77.68%	7.05%	10.50%
Dental Services	91.60%	72.67%	4.79%	12.20%
ENT, Plastics, Ophthalmology & Dermatology	84.12%	65.75%	6.93%	11.60%
Estates	93.72%	83.33%	5.59%	13.18%
Finance	94.43%	61.05%	3.41%	19.73%
HR	96.39%	84.44%	3.82%	20.75%
IM&T	95.16%	86.16%	5.41%	13.60%
Integrated Laboratory Medicine	93.66%	80.94%	4.84%	11.80%
Internal Medicine	85.30%	76.05%	6.84%	11.30%
Medical Director	95.49%	85.86%	3.30%	3.76%
Medical Physics	92.52%	87.72%	4.82%	12.14%
Musculoskeletal Services	81.70%	71.86%	8.04%	13.68%
Neurosciences	89.93%	78.43%	4.35%	8.48%
NHS COVID-19 Vaccination Programme	90.91%	50.00%	7.60%	63.77%
Patient Services	88.15%	81.17%	6.16%	10.50%
Peri-operative & Critical Care - FH	90.25%	78.93%	6.28%	8.68%
Peri-operative & Critical Care - RVI	87.63%	78.42%	6.43%	10.51%
Pharmacy	94.43%	75.32%	4.50%	11.03%
Radiology	91.46%	77.27%	4.82%	9.98%
Regional Drugs & Therapeutics	86.49%	76.47%	5.01%	9.29%
Supplies	94.40%	95.52%	5.37%	30.72%
Surgical Services	84.37%	80.16%	4.41%	10.71%
Urology & Renal Services	86.56%	77.72%	7.19%	8.93%
Women's Services	84.59%	73.90%	7.51%	12.43%

% Appraisal Compliance by Staff Group

Staff Group	%
Additional Professional Scientific and Technical	76.03%
Additional Clinical Services	77.06%
Administrative and Clerical	75.29%
Allied Health Professionals (AHP)	78.58%
Estates and Ancillary	80.68%
Healthcare Scientists	84.62%
Managers (Band 8c and above)	92.86%
Medical and Dental	76.02%
Nursing and Midwifery Registered	76.56%
Total	77.43%

Trade Union Data

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
27	19.32 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%	20
1-50%	5
51%-99%	1
100%	1

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	£27,019.69
Provide the total pay bill	£727,101,565 (Pending Audit)
Provide the % of total pay bill spent on facility time	0.0037%

Time spent on paid trade union activities as a percentage of total paid facility time hours	7.08%
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Staff Health and Wellbeing

The national NHS People Plan identifies 'Looking after Our People' as a key theme. It outlines its ambition to ensure quality health and wellbeing support for everyone encouraging new ways of working and delivering care emphasising the need to make effective use of the full range of our people's skills and experience to deliver the best possible patient care. We understand to deliver high-quality patient care, our staff need to be healthy, well and at work. Looking after the health and wellbeing of our staff directly contributes to the delivery of high-quality patient care; poor workforce health has high and far-reaching costs for the Trust, staff and ultimately our patients.

Our local People Strategy is 'to be the recognised employer and educator of choice in the Northeast and to enable all staff to liberate their potential'. Flourish at Newcastle Hospitals 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. By focusing on prevention this will enable us to embed a culture of health and wellbeing across our healthcare organisations.

Our Health and Wellbeing Strategy, published in January 2021, was developed in partnership between the Trust, staff and staff representatives to provide a model to support staff health and wellbeing and provide assurance that we have a coherent and holistic 'wellbeing offer' that is based on the best available evidence. The strategy sets out our current provision and the next steps to enable delivery, measure and evaluate progress and attainment. With the introduction of our HWB 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. Going forward our work linked to the revised Equality Delivery System (EDS 2022) will further embed this approach. EDS 2022 will contribute to NHS system in achieving delivery on; the CORE20PLUS5 approach and the five health inequalities priorities. The focus from a workforce and leadership perspective will place the use EDS 2022 as a core part of our equality work and a contributory to strategies to address health inequalities aligned to workforce.

We draw on the experience and expertise we have within the Trust from a range of departments, including Occupational Health, Psychology and HR 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. We do know when we feel safe and are physically and psychologically healthy, we enjoy our life and environment and the people in it. We are better able to handle difficult times in our personal and working lives.

We continue to be 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' continue to support their peers but also provide an invaluable channel of communication. In addition to the staff offer we have included a focus on financial wellbeing now more important than ever in light of the rising

cost of living. To support staff, we have looked at practical support for staff including the introduction of:

- **‘Helping Hands for Staff’ with Citizens Advice Bureaux.** Free and easy access to impartial and confidential advice, information, and guidance across a whole range of social welfare matters for Newcastle Hospitals staff.
- **‘Help with Energy Worries’** sessions to provide staff with advice on ways to manage the increase in fuel costs.
- **Barclays Financial Wellbeing events,** a series of financial wellbeing events for staff covering a number of themes:
- **Wagestream** - a financial planning app that gives staff control over their pay by enabling staff to instantly access their wages whenever they need to save directly from their salaries, and access financial education, improving financial resilience of staff.

Wellbeing - The tables below provide data on the loss of workdays (rate).

The table below reports on the Trust position rate (data taken from the NHS Information Centre):

Dec 21	Jan 22	Feb 22	Mar 22	Apr 22	May 22	Jun 22	Jul 22	Aug 22	Sep 22	Oct 22	Nov 22
6.67%	8.81%	6.59%	7.37%	7.00%	5.76%	6.11%	6.61%	5.40%	5.22%	5.91%	5.86%

The table below shows the number of shift staff sick days lost to industrial injury or illness caused by work within the Trust:

Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Year Total
2010/11 no. of days	118	254	267	366	1005
2011/12 no. of days	253	299	247	153	952
2012/13 no. of days	154	138	174	209	675
2013/14 no. of days	489	331	785	147	1752
2014/15 no. of days	333	284	178	206	1001
2015/16 no. of days	360	194	365	219	1138
2016/17 no. of days	230	387	136	84	837
2017/18 no. of days	137	90	51	122	400
2018/19 no. of days	214	131	188	326	859
2019/20 no. of days	249	172	67	123	611
2020/21 no. of days	65	61	335	212	673
2021/22 no. of days	372	539	446	235	1592
2022/23 no. of days	319	119	139	321	898



Equality, Diversity and Inclusion (EDI)

In times of uncertainty, we need to develop leaders who can operate effectively and in ways that truly reflect the aspirations and values of the NHS. Inclusion is core to the NHS Constitution and the NHS Long Term Plan yet is still one of the biggest challenges faced by NHS organisations. This is particularly relevant in the face of a growing body of evidence that demonstrates the critical role that inclusive leadership plays in ensuring that health and care systems operate effectively. Going forward our challenge is to shift mindsets at all levels and to radically alter leadership expectations, plans, ideas, and behaviours towards inclusion.

Our key Equality, Diversity and Inclusion achievements during 2022 are outlined below:

- Shortlisted for HSJ Award 2022 in the category NHS Race Equality Award.
- Shortlisted in the Nursing Times Workforce Summit and Awards in the categories of Best Employer for Diversity and Inclusion and Best Workplace for Learning and Development.
- Shortlisted for Recruitment Industry Disability Initiative (RID) Award Making a Difference – Public Sector award for work on our Disability Leadership Programme.
- Maximising Your Potential – BME leadership Programme saw 60 members of staff complete the programme within a 12-month period.
- Working with our Enabled (Enhancing Ability, Learning from Disability) Staff Network we developed and launched Neurodiversity Guide to help managers and colleagues improve their understanding of the most common types of neurodiversity and learn how to better communicate and support our neurodiverse colleagues.
- 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 and roll out of an equality dashboard, we can provide top-level analysis of key performance indicators for equality, diversity and inclusion at Directorate level, promoting local ownership of the Trust's EDI agenda and ambition, to help embed a culture of inclusion.
- Our coaching for leader's course developed in 2022 and designed specifically for the needs of the employees within the race equalities network, will provide the learner with an Institute of Leadership and Management (ILM) 3 Award in Effective Coaching accredited qualification and launched in March 2023.
- Our Workforce Race Equality Standard (WRES) Improvement Programme is currently using quality improvement to improve WRES metrics linked to differential staff experience, this evidence-based approach will hopefully see improvements in the staff survey metrics linked to behaviours.

More generally we have seen positive outcomes linked to gender and race equity having refreshed our employer-based awards committee (EBAC) to better represent the diversity of the consultant body. We continue to improve and embed our approach to flexible working.

Our staff networks (Race, Enabled and Pride) 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 Lesbian, Gay, Bisexual, Transgender (LGBT) History Month, Bi Visibility Day, Transgender Day of Visibility and Remembrance and Bi-Visibility Day.

Project Choice

Through Project Choice a supported internship programme for young adults with learning difficulties, disabilities or Autism (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, 109 participants have completed an internship – 77 secured paid employment and 44 (57%) of these secured employment with the Trust, 84% of which remain employed.

The Trust's Project Choice programme has won 15 awards since its creation, including national awards from the HSJ and Chartered Institute of Personnel and Development (CIPD) and we continue to share best practice within and outside the NHS. It is the best in the country for its overall rate of transition from internship to employment over 10 intakes (71%).

The programme provides tailored 1:1 mentor 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. Past interns who are now employed within the Trust continue to support the project by mentoring new interns and helping to promote the project and the Trust as an inclusive employer. At a recent region wide careers fair, interns represented the Trust by delivering presentations, running an information stall and by

providing tour guiding services to over 300 school pupils. This resulted in the attraction of a high number of applicants for the next intake.

Project Choice is reaching its 12th year and we continue to be proud of the impact of this project particularly when set against a national average of 7% in employment.

Other deliverables include:

- The national average transition rates for Project Choice is currently 37% across the other 16 participating Trusts.
- The Trust remains the 'flagship' site for Project Choice

The project supports the Trust's EDI agenda, contributing to the delivery of the Trusts 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 and this has been maintained.

As the flagship host organisation, this year the Trust was selected to feature in a film produced by HEE featuring Dame Jackie, a mentor, and a number of our interns, this is to encourage other Trusts and employers to become project hosts. This film is now used as a national promotional tool helping us to contribute on a national level. The number of hosts for the project is rising to 19 from September 2023.

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.

In April 2023 a new pilot programme to compliment Project Choice was launched in the Trust. Recruitment and employment checks are taking place with the young people commencing in post in the near

future. This is a supported Apprenticeship Programme that particularly welcomes Neurodiverse candidates. Participants will complete an apprenticeship which includes the achievement of a National Vocational Qualification (NVQ) in Hotel Cleaning Operatives, if successful apprentices will progress into employment as Band 2 Domestic Assistants. This will initially be trialled with a small intake in Hotel Services at the Freeman Hospital with a view to expanding this to other roles within the Facilities directorate in the Trust, should the pilot be successful.

Staff Experience and Engagement

The Trust launched a new Staff Experience and Engagement System, Hive, in September 2022. This system supports reward and recognition through Hi-Fives which are informal thank you messages as well as surveys and messaging systems. This enables the Trust to have two-way dynamic conversations across the Trust as well as enabling our staff's voices to be heard. So far over 6,000 Hi-Fives have been sent by staff to staff across the Trust.

As well as Hive, the Trust develops local staff experience and engagement plans through learning from the NHS Staff Survey (6,644 responses in 2022) and having enabling conversations through the Trust's "What Matters To You" programme. This programme develops quality improvement methodologies at local level to support improving staff experience.

NHS staff survey

The NHS staff survey is conducted annually. From 2021/22 the survey questions align to the seven elements of the NHS 'People Promise' and retains the two previous themes of engagement and morale. These replaced the ten indicators themes used in

previous years. All indicators are based on a score out of 10 for specific questions with the indicator score being the average of those.

The response rates amongst Trust staff were:

2022/23 43.6%

2021/22 46.2%

2020/21 48.0%

The last few years have been exceptionally difficult for everyone working in the NHS, and now, more than ever, it is important to hear what colleagues think about working in our trust – to help improve working lives.

A full census survey was sent via email to all eligible employees of the Trust (via external post for those on maternity leave), giving all 16,752 members of our staff a voice. 6,644 staff participated in the survey, equalling a response rate of 44%, which is 1% lower than the sector average and was a 2% decrease on the 2021 response rate of 46%.

Providing the highest standard of care has always been our priority and we know how important this is to all our staff here at Newcastle Hospitals. The organisation is particularly proud to score higher than the national average (by 20.7%) when asked "If a friend or relative needed treatment I would be happy with the standard of care provided by this organisation."

2021 NHS Staff Survey saw the biggest re-design in over 10 years with the survey questions being aligned to the **People Promise**. 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:

- We are compassionate and inclusive
- We are recognised and rewarded
- We each have a voice that counts
- We are safe and healthy
- We are always learning
- We work flexibly
- We are a team

Alongside the People Promise are two main themes:

- Staff Engagement
- Morale

The reporting also includes new sub-scores, which feed into the NHS People Promise elements and themes.

The Staff Engagement score is measured across three sub-themes:

- Advocacy: 7.3 out of 10, measured by Q23a, Q23c and Q23d (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: 6.7 out of 10, measured by Q3c, Q3h and Q3i (Staff ability to contribute towards improvement at work).



2022/23 and 2021/22

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

Indicators (scores out of 10)	2022/23		2021/22	
	Trust score	Benchmarking group score	Trust score	Benchmarking group score
(‘People Promise’ elements and themes)				
People Promise:				
• We are compassionate and inclusive	7.31	7.16	7.31	7.17
• We are recognised and rewarded	5.68	5.71	5.76	5.81
• We each have a voice that counts	6.72	6.63	6.74	6.66
• We are safe and healthy	5.97	5.87	5.96	5.88
• We are always learning	5.37	5.38	5.18	5.23
• We work flexibly	5.71	5.98	5.60	5.95
• We are a team	6.51	6.62	6.43	6.56
Staff engagement	6.92	6.76	6.92	6.81
Morale	5.80	5.69	5.84	5.74

2020/21

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

	2020/21	
	Trust score	Benchmarking group score
Equality, diversity and inclusion	9.32	8.96
Health and wellbeing	6.30	6.07
Immediate managers	6.80	6.81
Morale	6.45	6.23
Quality of care	7.70	7.50
Safe environment – bullying and harassment	8.40	8.02
Safe environment – violence	9.63	9.49
Safety culture	7.04	6.76
Staff engagement	7.25	7.04
Team working	6.50	6.51

For the 2022 NHS Staff Survey, the overall rating of staff engagement was 6.9 (out of possible 10). This score was 0.4 below top position and 0.8 above worst position in the sector (Combined Acute & Community Trusts). It sits above 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 and Acute & Community Trusts in England. These are:

- We are compassionate and inclusive
- We each have a voice that counts
- We are safe and healthy
- Morale

The Trust scored equal to the sector in 2 of the people promises, which included:

- We are always learning
- We are recognised and rewarded

The Trust fell slightly behind sector average on 2 of the people promises but both scores have reassuringly increased when compared to 2021, they include:

- We work flexibly
- We are a team

Additionally, the Trust scored favourably in a number of the questions in the survey. Some to note include:

- 91% feel trusted to do their job.
- 87% feel their role makes a difference to patients.
- 83% feel care of patients is Newcastle Hospitals top priority.
- 65% would recommend Newcastle Hospitals as a place to work. 6.6% higher than the sector average.

- 82% enjoy working with the colleagues in our teams.
- 70% believe the people we work with are understanding and kind to one another.
- 71% think that people we work with are polite and treat each other with respect.
- 71% of our staff believe our organisation respects individual differences, meaning we are 2% above the sector average.

There is unfortunately a national decline across the whole NHS in staff looking forward to going to work, recommending their organisation as a place to work or to receive care from. The Trust's results have also dipped, which is not surprising given the significant pressures and challenges facing staff at Newcastle Hospitals are like those faced in other similar NHS organisations.

Ensuring that the voices of our staff continue to be heard continues to be a priority, and our survey results provide more depth to understanding of the issues affecting staff and these findings will be incorporated into the 'What Matters to You' programme. Some initial organisational improvements appear to relate to work undertaken from previous year's survey results, meaning an increase in involvement, decision-making, opportunities for flexible working and overall satisfaction. These hope to be built on over the coming years.

There is work ongoing to further understand and break down the 2022 results, including how they differ between staff groups and directorates, to help inform the Trust's next steps in supporting staff. This understanding will not only give Newcastle Hospitals refreshed priorities for action but will also form a key part of developing the new People Strategy.



Measure	Data Source	Value	2022 /23	2021 /22	2020 /21	2019 /20	2018 /19	2017 /18
9. The percentage of staff employed by, or under contract to, the trust who would recommend the trust as a provider of care to their family or friends	http://www.nhsstaffsurveys.com/Page/1006/Latest-Results/Results/	Trust percentage	82.6%	85.4%	91.3%	90%	90%	96%
		National Average	61.9%	66.9%	74.3%	71%	70%	81%
		Highest National	86.4%	89.5%	91.7%	95%	95%	100%
		Lowest National	39.2%	43.6%	49.7%	36%	33%	43%

Measure 9. The percentage of staff employed by, or under contract to, the Trust who would recommend the Trust as a provider of care to their family or friends changed to “If a friend or relative needed treatment I would be happy with the standard of care provided by this organisation” for 2021/2022 survey.

The Newcastle upon Tyne Hospital’s NHS Foundation Trust considers that this data is as described for the following reasons:

The Trust continues to score well above the National average in relation to Staff Survey Q23d. By ensuring all colleagues have a voice and continuing to listen and act on all sources of staff feedback, Newcastle Hospitals is committed to maintaining the highest quality of services for both patients/service users and its staff.

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 only costs £2 per month 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 social, cultural, and recreational events and activities. They are also eligible to join the 24/7 RVI and Freeman Fitness Centres.

Over the last year, 276 staff signed up as new members, taking total membership to 8,525 - more than half of the organisation.

During 2022, operational delivery of events and ticket offerings exceeded all previous years. Members had access to 52 events, these events included family days out to various venues, opportunities to learn new skills and get active, such as surfing and hot yoga, as well as vouchers to well-known hotels, restaurants, and venues across the northeast. Our annual Christmas Party was also able to take place for the first time since the pandemic, with over 800 staff in attendance.

Looking ahead for 2023, we currently have another 52 events planned and several more in the pipeline, offering over 5,800 event places. There has been focus

around working with more local, independent businesses, supporting growth throughout the region, as well as exploring and offering a variety of new and different opportunities for our members to benefit from.

More information about the club is available at: Staff Social Club - Flourish at Newcastle Hospitals <https://www.flourishatnewcastlehospitals.co.uk/staff-social-club/>.

Partnerships 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, being reaccredited as "Veteran Aware" by the NHS Veteran Covenant Healthcare Alliance and being active members of the Step into Health programme.

We have developed strong relationships with local Armed Forces communities, such as the North of England Regional Employer Engagement Team, who provide opportunities for representatives from the Trust to learn and develop how we can better support our staff and patients, to then share this learning within the Trust through development of processes implementing positive change.

There is significant support from the Board of Directors for this work as well as

management champions, clinical champions and HR 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;
- Additional training provided on the Virtual Learning Environment for staff across the Trust to develop their understanding on how to support patients from the armed forces community;
- 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
- Providing an Armed Forces staff network since 2018, which has 60 members of staff from across the Trust.

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 (EWD)

Facilities

The Executive Team approved significant investment in the Trust Education space during 2021/22 with work progressing during 2022/23. This included:

- An upgrade of the education facilities in FH.
- 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 were 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 Spring/Summer 2023 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 FH 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 facilities at the RVI.

What Matters to You

The Education team is working collaboratively with various groups including multidisciplinary representation from across the Trust and colleagues from the IHI to consider the approach for embedding the WMTY philosophy and framework at Newcastle Hospitals. The overarching aims for the programme are to maximise staff engagement and improve staff experience as part of the Flourish agenda.



What Matters to You?

Three key strategic themes to address were identified from analysis of Staff Survey data, NHS People's Pulse data, Leadership Congress feedback, and insights collected from focus-group discussions. The three themes are Autonomy and Control, Physical and Psychological Safety, and Participative Management.

The Trust intends to respond by introducing an organisational focus on each driver in turn while gradually building capacity to address all three concurrently. Three key areas stemming from these themes, working flexibly, working smart and working well, and an emphasis on working flexibly commenced in late 2021. To date, workstreams have been established to support the programme including Communications and Engagement, Flexible Working, Infrastructure Support, Leadership Behaviours, and Measurement.

The IHI are continuing to deliver improvement coaching to ensure that Newcastle Hospitals has the capacity to support services and teams in conducting WMTY discussions and implementing improvements. The Education team are 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.

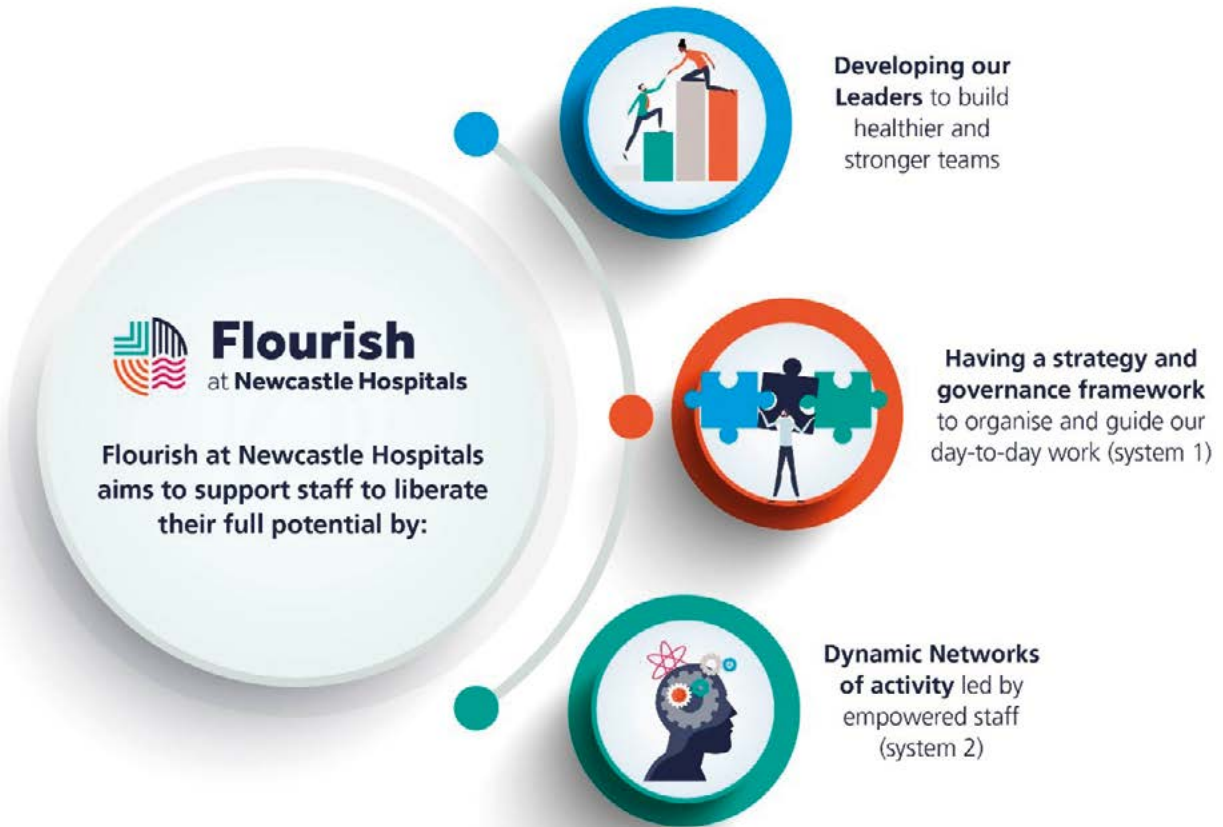
Furthermore, Organisational Development, Wave one WMTY teams from the Dental Directorate and Maternity Services are participating in the IHI's Results-Orientated Learning Network. These teams are beginning to generate and trial change ideas. A learning management system and peer coaching network is being cultivated to enable Wave one teams to share learning and support the rollout of the second wave of WMTY at Newcastle. Thus far, HR Heads, the Catering department, IM&T Services, Community and the Paediatric ICU have all agreed to act as Wave two teams. Objectives for the first quarter of 2023 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:



SUPPORTED BY OUR VALUES:

We care and are kind. We have high standards. We are inclusive. We are innovative. We are proud.



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 creativity

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.

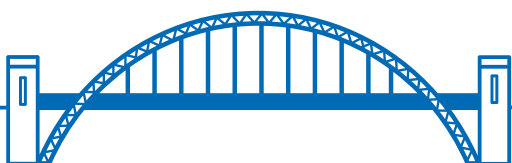
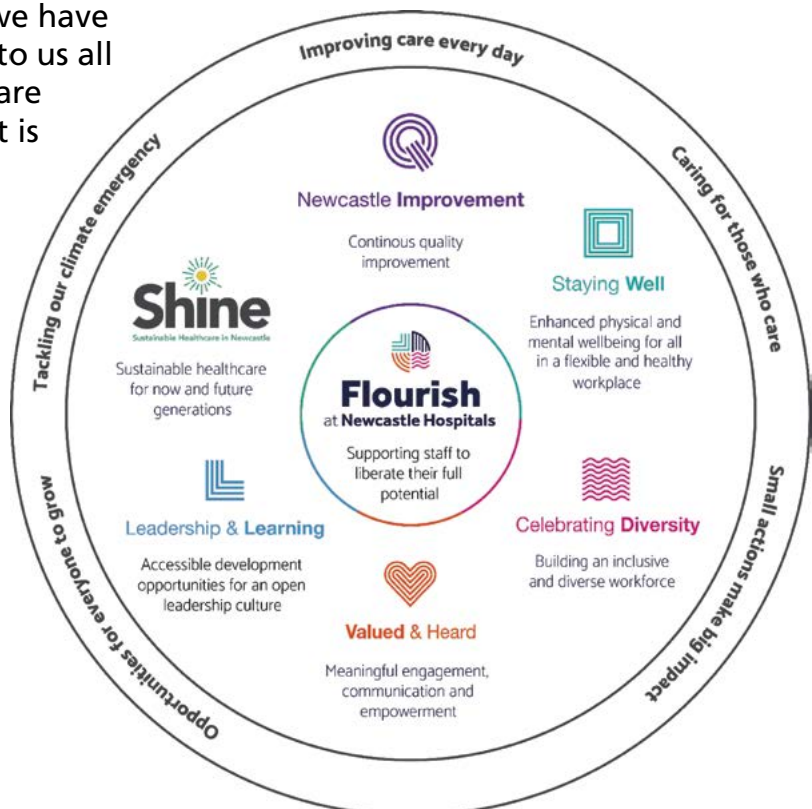
SUPPORTED BY OUR VALUES:
We care and are kind. We have high standards. We are inclusive. We are innovative. We are proud.

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 NMAHP 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 2022/23

Apprenticeship activity during the year included:

- **Registered Degree Nurse Apprentices (RNDAs)** - 18 apprentices were recruited from the existing Nursing Associate workforce. All are registered with Northumbria University on the 18 month fast-track programme, with a planned end date of November 2023. At the time of writing this report, all 18 are still working through the programme.
- **Nursing Associates** - these vacancies were created as a result of the 20 Registered Nurse apprentices, outlined above. A cohort of 20 Nursing Associate apprentices was recruited as planned, starting in September 2022, with a planned end date of October 2024.
- **Health Care Support Workers (HCSW)** - 18 apprentices were recruited to backfill the posts recruited as Trainee Nursing Associates. They had a minimum period of 12 weeks in a supernumerary which is a significant change to the recruitment model. At their first Progress Review, 12 weeks after starting, they were assessed

against a set of 8 criteria to determine whether they were ready to transfer to a substantive vacancy.

Those criteria are:

- All HCA Academy sessions attended.
- Sim training days completed.
- Care Certificate work signed off by manager and submitted to Academy team.
- Core workplace competencies signed off by manager.
- First Progress Review carried out with no concerns.
- All off-the-job training sessions attended.
- Overall progress is on target (minimum of 10% of standard signed off).
- First observation carried out with no concerns.

At the date of writing this report, 10 of the apprentices have met the transfer criteria, vacancies have been identified and are going through the recruitment process. Of the remainder, 3 have withdrawn, and 5 have not yet fulfilled the transfer criteria due to absence or missed training sessions.

- **English and Maths Functional Skills** - in order to expand the delivery offer tutors for both subjects were appointed and started in April 2022. Both English and Maths programmes are being delivered using a blended approach to suit the needs of individual candidates, including timetabled classroom and ad hoc individual sessions, delivered by a mix of face-to-face and online delivery.

To date:

- 6 learners have progressed to degree level apprenticeships after successfully completing qualifications in Maths and English.
- A total of 263 staff members have expressed an interest in completing a qualification.
- There has also been interest in an academic writing course which has been of particular interest to staff who are starting or have recently started degree level apprenticeships.
- **'Grow Our Own' recruitment initiative** - as part of the outboarding process from the ICHNE Lighthouse Lab, applications were encouraged for HCA posts. Initially 25 applications were received, comprising 22 from ICHNE staff and 3 from internal staff looking to change career. All 3 internal staff were appointed as healthcare apprentices and are now on programme. In total 8 of the ICHNE staff were appointed as Band 2 HCAs. However, 4 left within the first 6 weeks, with the remaining 4 still in post. It is worthy of note that currently work is ongoing within Integrated Laboratory Medicine to create an academy of their own to support Biomedical Science and Integrated Laboratory Medicine training across the region.
- **Prince's Trust collaboration** - the Prince's Trust has been involved in the 2 latest rounds of HCSW apprentice recruitment. A total of 5 applicants were offered posts, although only 2 are now on programme. Plans for working with the Prince's Trust were seriously disrupted by the COVID-19 pandemic and have therefore never been implemented as intended. For future cohorts, the team intends to resurrect the 2-week 'Get Into' programme as originally planned for early 2020.



- **Integrated Health and Social Care Support Worker apprenticeship** - this programme, delivered in partnership with NCC has now concluded.

In summary of the 8 individuals who commenced the apprenticeship, 7 or 87.5% have remained within the health and social care system. Four apprentices have secured permanent employment in the city with 3 further apprentices securing employment in the wider region.

This is an excellent outcome, with an 87.5% retention rate within the health and social care system. Whilst this is a small cohort size and cannot necessarily be said to be impacting on overall numbers entering, remaining in and advocating for a more joined up health and social care system, as a pilot it is indicative of a positive basis for further development and growth.

Work Experience

The following initiatives are being supported by the Work Based Learning team:

- Inhouse work experience through Dental School.
- Inhouse work experience Physiotherapy.
- Virtual work experience programmes in partnership with 'Springpod' and Tegus Medical.
- Virtual work experience programmes in partnership with Speakers for schools.



Widening Participation Projects

The Education and Workforce Development team are involved in a wide range of widening participation projects which support the trust strategic objectives of growing our own workforce, being the recognised employer and educator of choice and the trust's role as an Anchor Organisation. These include:

- Careers Day – the most recent event in March saw more than 500 people attend and 40 different exhibitors.
- Mainstream work experience programmes.
- Virtual work experience programmes in partnership with 'Springpod' and Tegus Medical.
- Virtual work experience programmes in partnership with 'Speaker for schools'.
- Prince's Trust 'Get Into' and 'Get Started' programmes.
- 'Evry Child Can' paid placements in partnership with NCC.
- Non-clinical internships in partnership with ICS/Northumbria Healthcare NHS FT.
- North East Cadetship in partnership with CNTW and Newcastle College.
- Integrated apprenticeship in partnership with NCC.
- Sim Summer School.
- T Levels in partnership with Gateshead College or St. Thomas More School.
- School visits in partnership with HEE.
- Social Mobility programme.
- NE1 CAN.

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 (last updated in 2014) was based on principles of the UK Corporate Governance Code issued in 2012 and most recently revised in 2019. A new Code of Governance for Provider Trusts was issued during 2022 which came into effect from 1 April 2023.

During the year, the Trust considered the Code for NHS Foundation Trusts and considered that it complied with all recommended practice. This included the identification of a 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 the AGS for further details). 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.

NEDs 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 NEDs, 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 panels may have governors as members or in attendance.



NHS Oversight Framework

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

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

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.

During 2022/23 Newcastle Hospitals remained within segment 1 however from 2 May 2023 The Newcastle Upon Tyne Hospitals NHS Foundation Trust was moved into segment 2 in accordance with the requirements of the Oversight Framework. The Trust was notified by NHS England in a letter dated 2 May 2023. The primary driver being the ongoing prevalence of elective waiting times over 65 weeks.

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/>.

The ICB Oversight Framework was published in July 2022, and is the way the ICB discharges the statutory responsibility it has for the performance and oversight of NHS services within the ICS. The framework segments Trusts into different levels, or System Oversight Framework (SOF) ratings, from 1 to 4.

A key component of the framework is an Oversight Meeting between the ICB and Trust Executive Teams. The first of these Oversight Meetings was carried out between the Trust Executive Team and ICB Executive Teams on 12 December 2022 and covered a range of topics including quality of care, access and outcomes; activity and performance; health inequalities; finance; and People and Leadership.

The meeting gave the Executive Team the opportunity to explain some of the unique challenges the Trust faces, particularly in

recovering to the level of performance the Trust strives to, but also to highlight some of the improvements to date. For example, these improvements include an 87% reduction in 104 week waits over the last 12-months and a 69% reduction over in 78-week waiters in the last 12 months. Other areas of excellent practice were also acknowledged, such as the work the Trust has led on in relation to Health Inequalities with partners across Collaborative Newcastle.

Several actions are being followed up by both representatives from the Trust and ICB including exploring areas where other Trusts are able to support recovery and further work on transformation of the dermatology pathways across the ICS. It was also noted at the time of the meeting that the Trust remained the only Shelford Group Trust in SOF1, but that this was to be reviewed by NHSE in line with the process for other SOF1 organisations.





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 England.

NHS England 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 England, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgements and estimates on a reasonable basis;
- State whether applicable accounting standards 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

29 June 2023

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 2023 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 in addition to guidance and support as and when required.

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. Subgroups of the Executive Risk Group have been established to enhance the focus on risk management, these include the Clinical Risk Review Group, the Digital Clinical Risk Review Group and the Data Protection and Security 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 four 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 these 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(s). Directorate managers, Clinical Directors and Heads of Departments 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 2022/23 which continue to be risks to the strategic objectives pertinent to 2023/24. 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 and Group also consider workforce resilience, financial planning and IPC to be significant strategic risks within the Strategic BAF for 2023/24.

Top 3 Risks

Board Assurance Framework in 2022/2023

Risk	Key Controls
Extreme capacity and demand pressures may impact the Trust ability to achieve important operational standards.	<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 Oversight. • Delivery of sustainability and improvement plan. • Review of staffing shortages. • National waiting list reduction initiatives.
The 2022/23 plan includes a £20m recurrent cost improvement target. There is risk that we will not meet the Income & Expenditure (I&E) target in the plan if we do not have a developed and approved plan for delivery which will impact on the Trust I&E position and will carry forward into future years.	<ul style="list-style-type: none"> • Programme management approach. • Engagement with clinical and corporate directorates. • Trust improvement resources. • Interim Strategic Financial Adviser appointment. • Governance framework. • Cost Improvement assessment framework. • Central forecasting. • Risk assessment framework.
There is a risk of regulatory intervention if we are unable to comply with mandatory NHS core standards which could impact on patient safety, quality of care and the reputation of the Trust.	<ul style="list-style-type: none"> • Application of NHS Core Standards. • Clinical standards, policies and guidelines. • Incident reporting and management process. • Patient safety and quality review. • External Well-Led review of governance. • CQC Insight Intelligent Monitoring. • CQC Standards Assurance Group. • Quarterly Performance Review Plans.



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 Board of Directors review the risk appetite statement on an annual cycle. The Trust and Group risk appetite statement is shown on the page below.

The Newcastle Upon Tyne Hospitals NHS Foundation Trust Risk Appetite 2023/2024			
Key Risk Category	Risk Appetite Level	Risk Tolerance Score	Risk Appetite Statement
Financial/ VFM	Low	6-10	We have a LOW appetite for risk taking in relation to Finance and Value for Money. 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. We will not take any material financial risks which will have a negative impact on the overall sustainability of the Trust.
Compliance/ regulatory	Moderate	12-16	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.
Enterprise and Innovation	High	20-25	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 ensures value for money.
Quality Outcomes	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.

The Newcastle Upon Tyne Hospitals NHS Foundation Trust Risk Appetite 2023/2024

Key Risk Category	Risk Appetite Level	Risk Tolerance Score	Risk Appetite Statement
People	Low	6-10	We have a LOW 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.

Please note: The Executive Team have the authority to make decisions in relation to risk that may exceed the Trust Risk Appetite tolerance when it is in the best interest of the Trust.

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 NED and has Executive Director 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 Trust 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.



In 2022/2023 the Trust and Group commissioned PwC to provide an external review of governance and leadership based upon the CQC Well-Led Framework. The external review was completed and finalised in February 2023. The Trust and Group found the report to be positive and reassuring. A Well-Led Group was established to consider the findings and implement the recommendations of the external review of governance and leadership.

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) has assured itself of the validity of its Corporate Governance Statement. The Board of Directors review the Corporate Governance Statement annually to ensure that declarations being made can be supported with evidence. It considers the risks and mitigating actions that management provided to support the Statements 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 Statements are 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 who meet monthly. This process is underpinned by an investment framework 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 Trust 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 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 employers 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 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 Board with the principal 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 Board annually and action plans are 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 while developing policies and delivering services. Equality Analysis is considered in respect of 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 Equality Delivery System is a requirement of the NHS Contract, and the Trust and Group annually undertakes a full grading exercise. The outcomes are reported to the Trust Board annually and action plans are updated as appropriate.

The Trust publishes its Gender Pay Gap Report annually on its own website and the designated Government website. There is a published action plan to address

areas which require improvement.

The Trust and Group uses 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 Board annually and a WRES action plan is agreed. The Trust and Group is cognisant of the national requirements to increase Ethnic Minorities (excluding White) representation at senior level across the NHS and action plans are in place.

The Trust and Group uses Workforce Disability Equality Standard (WDES) data to track progress against 10 metrics to identify and help eliminate any differential in the treatment of staff. Information is presented to the Trust Board annually and a WDES action plan is agreed. Directorate level equality dashboards are in place to develop and achieve these ambitions.

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 for race, enabled and pride 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 affecting BAME staff 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 ensure Trust policies are inclusive.
- to assist the Trust in meeting its obligations regarding its duty under the Equality Act and NHS EDS.
- to provide a place for staff to 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 KPIs. Compliance with requirements is monitored and reported throughout the year to managers, Staff-side, and the Trust Board.

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 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 (SHINE). 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 in line with the scientific consensus.



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 Trust Audit Committee. The Audit 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 and 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, sharing and continued resilience to current and future cyber threats.

The Trust and Group completed the Data Security and Protection Toolkit submission assessment in June 2022, Audit One completed the assessment and provided the Trust and Group with substantial assurance was received with no issues of note.

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 2022/23, the Trust and Group reported no 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.

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 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's and Group 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 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 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 quality 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 the Quarterly Performance Reviews is to ensure that



Trust 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 2022/23 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 principal 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 CNST, 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 AGS describes a system and approach which remained robust for the period from 1 April 2022 to 31 March 2023, 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 managers 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 DHSC, 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

29 June 2023



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 LLP
- Sintons LLP
- Addleshaw Goddard LLP
- Capsticks Solicitors LLP
- DAC Beachcroft LLP
- Hempsons Ltd
- 39 Essex Chambers
- IBEX Gale Limited
- Hill Dickinson LLP
- Matrix Chambers Ltd
- KPMG LLP
- Psychiatric Services North East Ltd
- Ministry of Justice
- Gilded Cage Services Ltd

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 Audit Code issued by NHS Improvement, the independent regulator of NHS Foundation Trusts, 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 and 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
AAC	Accelerated Access Collaborative
ABC	Appointment Booking Centre
ABPI	Association of British Pharmaceutical Industry
ACT	Alcohol Care Team
AF	Atrial Fibrillation
AGS	Annual Governance Statement
AHP	Allied Health Professionals
AHSC	Academic Health Science Centre
AHSN	Academic Health Science Network
AI	Artificial Intelligence
API	Aligned Payment Incentive
BAF	Board Assurance Framework
BME	Black and Minority Ethnic
BADS	British Association of Day Surgery
BAME	Black, Asian and Minority Ethnic
BMS	Building Management System
BPPC	Better Payments Practice Code
BRC	Biomedical Research Centre
BREEAM	Building Research Establishment Environmental Assessment Method
BSL	British Sign Language
BSSOTs	Birmingham Symptom Specific Obstetric Triage
C.difficile/ C.diff	Clostridium Difficile
CAV	Centre for Aging and Vitality
CCG	Clinical Commissioning Group
CCS	Care Co-ordination System
CDC	Community Diagnostic Centre
CDEL	Capital Departmental Expenditure Limit
CDI	Clinical Documentation Improvement
CDU	Clinical Decisions Unit
CEO	Chief Executive Officer



CIPD	Chartered Institute of Personnel Development
CIPFA	Chartered Institute of Public Finance and Accountancy
CIPS	Chartered Institute of Procurement and Supply
CLAD	Chronic Lung Allograft Dysfunction
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
CT	Computerised Tomography
CTP	Carers Transition Partnership
CYP	Children and Young People
D2P	Duplication to Personalisation
DCD	Donation after Circulatory Death
DCEO	Deputy Chief Executive Officer
DHSC	Department of Health and Social Care
DMD	Duchenne Muscular Dystrophy
DNA	Did Not Attend
DNACPR	Do Not Attempt Cardiopulmonary Resuscitation
DoLS	Deprivation of Liberty Safeguards
DQMI	Data Quality Maturity Index
DTC	Day Treatment Centre
EBAC	Employer-Based Awards Committee
ECMC	Experimental Cancer Medicine Centre
ECP	Extracorporeal Photopheresis
ED	Emergency Department
EDI	Equality, Diversity and Inclusion
EDS	Equality Delivery System
EHTG	European Hereditary Tumour Group
EMRAM	Electronic Medical Record Adoption Model
ENT	Ear, Nose and Throat
EOBS	Electronic Observations System
EPR	Electronic Patient Record
EPSRC	Engineering and Physical Sciences Research Council
ERAS	Enhanced Recovery after Surgery

Abbreviations & Glossary of Terms (continued)

ERF	Elective Recovery Fund
FE	Further Education
FH	Freeman Hospital
FTE	Full-Time Equivalent
GDE	Global Digital Exemplar
GHFT	Gateshead Health NHS Foundation Trust
GIRFT	Getting it Right First Time
GLH	Genomic Laboratory Hub
GMS	Genomic Medicine Service
GMSA	Genomic Medicine Service Alliance
GNAAS	Great North Air Ambulance Service
GNBSI	Gram Negative Blood Stream Infections
GNCH	Great North Children's Hospital
GNCR	Great North Care Record
GP	General Practitioner
HCA	Healthcare Assistants
HCAI	Healthcare Associated Infections
HCSW	Health Care Support Workers
HD	High Definition
HDU	High Dependency Unit
HEE	Health Education England
HFMA	Healthcare Financial Management Association
HIMSS	Healthcare Information and Management Systems Society
HR	Human Resources
HSJ	Health Service Journal
HTA	Health Technology Assessment
HWB	Health & Wellbeing
I&E	Income and Expenditure
IBA	Identification and Brief Advice
IBS	Irritable Bowel Syndrome



ICB	Integrated Care Board
ICHNE	Integrated COVID Hub North East
ICO	Information Commissioners Office
ICP	Integrated Care Partnership
ICS	Integrated Care System
ICU	Intensive Care Unit
IFRS	International Financial Reporting Standard
IG	Information Governance
IHEEM	Institute of Healthcare Engineering and Estate Management
IHI	Institute for Healthcare Improvement
IIA	Institute of Internal Auditors
ILM	Institute of Leadership and Management
IMD	Index of Multiple Deprivation
IM&T	Information Management and Technology
IoPPN	Institute of Psychiatry, Psychology & Neuroscience
IoT	Institute of Transplantation
IPC	Infection Prevention and Control
ISDN	Integrated Stroke Delivery Network
IP	Inpatient
IPS	Infection Prevention Society
ISA	International Standard on Auditing
IT	Information Technology
IV	Intravenous
JIF	Joint Innovative Fund
JSNA	Newcastle Joint Strategic Needs Assessment
KPI	Key Performance Indicator
LAC	Local Awards Committee
LCEAs	Local Clinical Excellence Awards
LD	Learning Disability
LDDA	Learning Difficulties, Disabilities or Autism
LGBT	Lesbian, Gay, Bisexual, Transgender
LHC	Lung Health Check
MAT	Multi-academy Trust
MAU	Maternity Assessment Unit

Abbreviations & Glossary of Terms (continued)

MBA	Masters in Business Administration
MBE	Member of the Order of the British Empire
MBI	Molecular Breast Imaging
MBRRACE-UK	Mothers and Babies: Reducing Risk through Audits and Confidential Enquiries across the UK
MCA	Mental Capacity Assessment
MLTC	Multiple Long-Term Conditions
MEOWS	Modified Early Obstetrics Warning Score
MRC	Medical Research Council
MRI	Magnetic Resonance Imaging
MRSA	Methicillin-Resistant Staphylococcus Aureus
MSK	Musculoskeletal
MSSA	Methicillin-Sensitive Staphylococcus Aureus
NAATTC	Northern Alliance Advanced Therapies Treatment Centre
NCC	Newcastle City Council
NCCC	Northern Centre for Cancer Care
NCEPOD	National Confidential Enquiry into Patient Outcome and Death
NCIA	National Clinical Impact Awards
NCSA	Newcastle Clinical Skills Academy
NEAS	The North East Ambulance Service NHS Foundation Trust
NECTAR	North East and Cumbria Transport and Retrieval
NED	Non-Executive Director
NEIL	North East Innovation Lab
NENC	North East and North Cumbria
NESHA	North East Strategic Health Authority
NEY	North East and Yorkshire
NEYGMS	North East and Yorkshire Genomics Medicine Service
NFI	National Fraud Initiative
NHIP	Newcastle Health Innovation Partners



NHSA	Northern Health Science Alliance
NHSBT	NHS Blood and Transplant
NHSE	NHS England
NHSI	NHS Improvement
NIHR	National Institute for Health Research
NJRO	Newcastle Joint Research Office
NMAHP	Nursing, Midwifery and Allied Health Professionals
NPSS	National Patient Safety Strategy
NVQ	National Vocational Qualification
OSCE	Observed Structured Clinical Examination
OSCHR	Office for Strategic Coordination of Health Research
PAC	Pre-admission Clinic
PbR	Payment by Results
PCR	Polymerase Chain Reaction
PEP	Patient Engagement Platform
PFI	Private Finance Initiative
PNA	Professional Nurse Advocates
PIFU	Patient-Initiated Follow-Up
PIR	Post Infection Review
PMO	Programme Management Office
PPE	Personal Protective Equipment
PRC	Patient Recruitment Centre
PRES	Participation in Research Survey
PRP	Performance-Related Pay
PSRC	Patient Safety Research Collaboration
PTL	Patient Tracking List
Q&A	Question and Answer
QI	Quality Improvement
REAL-ASE	Real World Testing and Cost-effectiveness Analysis of Subcutaneous EEG
RIDDOR	Reporting of Injuries, Diseases, and Dangerous Occurrences Regulations
RIDI	Recruitment Industry Disability Initiative
RIISE	Reducing and Identifying Infection using Surveillance and Education
RNDA	Registered Nurse Degree Apprentices
RSV	Respiratory Syncytial Virus

Abbreviations & Glossary of Terms (continued)

RTT	Referral To Treatment
RVI	Royal Victoria Infirmary
SDF	System Development Funding
SHINE	Sustainable Healthcare in Newcastle
SID	Senior Independent Director
SIRO	Senior Information Risk Owner
SOF	System Oversight Framework
TAC	Trust Accounts Consolidation schedules
TEP	Treatment Escalation Plan
UEG	United European Gastroenterology
UK	United Kingdom
UKAS	United Kingdom Accreditation Service
VAD	Ventricular Assisted Devices
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
WDES	Workforce Disability Equality Standard
WRES	Workforce Race Equality Standard
YPAG/ YPAGne	Young's People Advisory Group / Young's People Advisory Group North East



Annual Accounts 2022/23

Foreword to the Accounts

The Newcastle upon Tyne Hospitals NHS Foundation Trust

The accounts for the year ended 31 March 2023 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.

The Consolidated Statement of Comprehensive Income has been presented in three columns for 2022/23 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

29 June 2023



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 NHS Foundation Trust ('the Trust') and its subsidiaries ('the Group') for the year ended 31 March 2023 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 2022/23 as contained in the Department of Health and Social Care Group Accounting Manual 2022/23, 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 2023 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 2022/23; 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, and taking into account the requirements of the Department of Health and Social Care Group Accounting Manual, we have not identified any material uncertainties relating to events or conditions that,

individually or collectively, may cast significant doubt on the Trust's 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 2022/23 and prepare the financial statements on a going concern basis, unless the Trust is informed of the intention for dissolution without transfer of services or function to another public sector entity. The 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, significant one-off or unusual transactions and risk of 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.

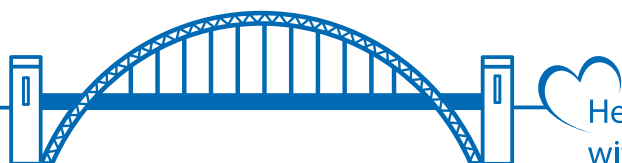
Our audit procedures in relation to fraud included but were not limited to:

- 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;
- addressing the risks of fraud through management override of controls by performing journal entry 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 2023.

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 January 2023, we have not identified any significant weaknesses in arrangements for the year ended 31 March 2023.

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 under 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, and to report where we have not been able to satisfy ourselves that it has done so. We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for

securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our work in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in January 2023.

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 2022/23; 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 2022/23; 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 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
The Corner, Bank Chambers
26 Mosley Street, Newcastle NE1 1DF
29 June 2023



Audit Completion Certificate issued to the Council of Governors of The Newcastle upon Tyne Hospitals NHS Foundation Trust for the year ended 31 March 2023

In our auditor's report dated 29 June 2023 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 2023.

On the basis of our work, having regard to the guidance issued by the Comptroller and Auditor General in January 2023, we have nothing to report in this respect.

This work has now been completed.

No matters have come to our attention since 29 June 2023 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 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

Mazars LLP
The Corner
Bank Chambers
26 Mosley Street
Newcastle upon Tyne
NE1 1DF

24 August 2023

**CONSOLIDATED STATEMENT OF
COMPREHENSIVE INCOME**
for the year ended 31 March 2023

		2022/23	2022/23	2022/23
		NHS Foundation Trust £000	Charitable fund £000	Total £000
	Note			
OPERATING INCOME				
Operating income from patient care activities	3	1,316,788	0	1,316,788
Other operating income*	4	152,136	7,306	159,442
TOTAL OPERATING INCOME		1,468,924	7,306	1,476,230
Operating expenses	5	(1,428,851)	(6,134)	(1,434,985)
OPERATING SURPLUS		40,073	1,172	41,245
FINANCE INCOME AND COSTS				
Finance income	7	5,495	1,125	6,620
Finance expense - financial liabilities	8	(28,666)	0	(28,666)
PDC dividends payable	9	(6,087)	0	(6,087)
Net finance costs		(29,258)	1,125	(28,133)
Other gains and losses	10.2	193	(1,396)	(1,203)
OPERATING SURPLUS FROM CONTINUING OPERATIONS		11,008	901	11,909
SURPLUS FOR THE YEAR		11,008	901	11,909
Other Comprehensive Income				
Will not be reclassified to income and expenditure:				
Reversal of Impairments	10.1	9,997	0	9,997
Total Other Comprehensive Income		9,997	0	9,997
TOTAL COMPREHENSIVE INCOME/ (EXPENSE) FOR THE YEAR		21,005	901	21,906

* The other operating income for the NHS Foundation Trust is net of income eliminated on consolidation of £2,653k. 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 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		<u>1,371,969</u>	<u>4,144</u>	<u>1,376,113</u>
Operating expenses	5	<u>(1,337,263)</u>	<u>(4,991)</u>	<u>(1,342,254)</u>
OPERATING SURPLUS		<u>34,706</u>	<u>(847)</u>	<u>33,859</u>
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		<u>(30,879)</u>	<u>1,056</u>	<u>(29,823)</u>
Other gains and losses	10.2	(646)	3,684	3,038
OPERATING SURPLUS FROM CONTINUING OPERATIONS		<u>3,181</u>	<u>3,893</u>	<u>7,074</u>
SURPLUS FOR THE YEAR		<u>3,181</u>	<u>3,893</u>	<u>7,074</u>
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		<u>13,665</u>	<u>0</u>	<u>13,665</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>16,846</u>	<u>3,893</u>	<u>20,739</u>

* 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.

**NHS FOUNDATION TRUST STATEMENT OF
COMPREHENSIVE INCOME
for the year ended 31 March 2023**

	2022/23	2021/22
	Total	Total
Note	£000	£000
OPERATING INCOME		
Operating income from patient care activities	3 1,316,788	1,185,325
Other operating income	4 154,789	186,845
TOTAL OPERATING INCOME	1,471,577	1,372,170
Operating expenses	5 (1,428,851)	(1,337,263)
OPERATING SURPLUS	42,726	34,907
FINANCE INCOME AND COSTS		
Finance income	7 5,495	290
Finance expense - financial liabilities	8 (28,666)	(26,185)
PDC dividends payable	9 (6,087)	(4,984)
Net finance costs	(29,258)	(30,879)
Gains/(losses) on disposal of assets	10.2 193	(646)
OPERATING SURPLUS FROM CONTINUING OPERATIONS	13,661	3,382
SURPLUS FOR THE YEAR	13,661	3,382
Other Comprehensive Income Will not be reclassified to income and expenditure:		
Reversal of Impairments (net)	10.1 9,997	13,665
Other reserve movements	0	0
Total Other Comprehensive Income	9,997	13,665
TOTAL COMPREHENSIVE INCOME	23,658	17,047

The Trust's performance for the year against the agreed NHS England control total is detailed in Note 2.0



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 March 2023

GROUP

	Note	31 March 2023 £000	31 March 2022 £000
NON-CURRENT ASSETS			
Intangible assets	11	7,032	8,516
Property, plant and equipment	12	604,438	558,935
Right of use assets	13	43,332	0
Investments in subsidiaries and joint ventures	14	0	0
Other investments	15	40,671	42,067
Trade and other receivables	17	18,877	18,112
TOTAL NON-CURRENT ASSETS		714,350	627,630
CURRENT ASSETS			
Inventories	16	22,016	18,739
Trade and other receivables	17	106,434	98,871
Non current assets held for sale	18	0	0
Cash and cash equivalents	19	205,693	230,213
TOTAL CURRENT ASSETS		334,143	347,823
CURRENT LIABILITIES			
Trade and other payables	20	(197,565)	(207,647)
Other liabilities	21	(74,187)	(66,751)
Borrowings	22	(11,107)	(6,649)
Provisions	23	(6,362)	(9,705)
TOTAL CURRENT LIABILITIES		(289,221)	(290,752)
NON-CURRENT LIABILITIES			
Borrowings	22	(239,801)	(209,436)
Provisions	23	(13,295)	(12,549)
TOTAL NON-CURRENT LIABILITIES		(253,096)	(221,985)
TOTAL ASSETS EMPLOYED		506,176	462,716
TAXPAYERS' EQUITY			
Public dividend capital *		283,797	264,484
Revaluation reserve *		101,208	91,211
Income and expenditure reserve *		71,212	55,310
TOTAL TAXPAYERS' EQUITY		456,217	411,005
OTHERS' EQUITY			
Charitable fund reserves *		49,959	51,711
TOTAL TAXPAYERS' AND OTHERS' EQUITY		506,176	462,716

* Reserves are described further in Note 1.16

The accounts on pages 204 to 290 were approved by the Board on 29 June 2023 and signed on its behalf by:



Dame J Daniel
Chief Executive
29 June 2023

**NHS FOUNDATION TRUST STATEMENT
OF FINANCIAL POSITION**

**as at 31 March 2023
NHS FOUNDATION TRUST**

	Note	31 March 2023 £000	31 March 2022 £000
NON-CURRENT ASSETS			
Intangible assets	11	7,032	8,516
Property, plant and equipment	12	604,438	558,935
Right of use assets	13	43,332	0
Investments in subsidiaries and joint ventures	14	0	0
Trade and other receivables	17	18,877	18,112
TOTAL NON-CURRENT ASSETS		673,679	585,563
CURRENT ASSETS			
Inventories	16	21,957	18,696
Trade and other receivables	17	107,115	99,341
Non current assets held for sale	18	0	0
Cash and cash equivalents	19	195,783	220,142
TOTAL CURRENT ASSETS		324,855	338,179
CURRENT LIABILITIES			
Trade and other payables	20	(197,565)	(207,647)
Other liabilities	21	(74,187)	(66,751)
Borrowings	22	(11,107)	(6,649)
Provisions	23	(6,362)	(9,705)
TOTAL CURRENT LIABILITIES		(289,221)	(290,752)
NON-CURRENT LIABILITIES			
Borrowings	22	(239,801)	(209,436)
Provisions	23	(13,295)	(12,549)
TOTAL NON-CURRENT LIABILITIES		(253,096)	(221,985)
TOTAL ASSETS EMPLOYED		456,217	411,005
TAXPAYERS' EQUITY			
Public dividend capital*		283,797	264,484
Revaluation reserve*		101,208	91,211
Income and expenditure reserve*		71,212	55,310
TOTAL TAXPAYERS' EQUITY		456,217	411,005

* Reserves are described further in Note 1.16

The accounts on pages 204 to 290 were approved by the Board on 29 June 2023 and signed on its behalf by:



Dame J Daniel
Chief Executive
29 June 2023



**CONSOLIDATED STATEMENT OF CHANGES IN TAXPAYERS' AND
OTHERS' EQUITY
for the year ended 31 March 2023**

GROUP 2022/23

	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 2022		264,484	91,211	55,310	51,711	462,716
Implementation of IFRS 16 on 1st April 2022		0	0	2,240	0	2,240
Total Taxpayers' and others' equity at 1 April 2022		264,484	91,211	57,550	51,711	464,956
Total comprehensive income for 2022/23						
Surplus for the year		0	0	11,008	901	11,909
Impairments and Revaluation gains on property, plant and equipment	12.1	0	9,997	0	0	9,997
Other reserve movements - Charitable funds consolidation movement		0	0	2,653	(2,653)	0
Total comprehensive income for 2022/23		0	9,997	13,661	(1,752)	21,906
Public dividend capital received		19,313	0	0	0	19,313
Total reserve movements for 2022/23		19,313	9,997	13,661	(1,752)	41,219
Taxpayers' and others' equity at 31 March 2023		283,797	101,208	71,212	49,959	506,176

* 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 2022

GROUP 2021/22

	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 2021		258,254	77,544	51,930	48,019	435,747
Total comprehensive expense 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 expense for 2021/22		0	13,667	3,380	3,692	20,739
Public dividend capital received		6,230	0	0	0	6,230
Public dividend capital repaid	1.22	0	0	0	0	0
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



**NHS FOUNDATION TRUST STATEMENT OF
CHANGES IN TAXPAYERS' EQUITY
for the year ended 31 March 2023**

NHS FOUNDATION TRUST 2022/23				
	Public dividend capital*	Revaluation reserve*	Income and expenditure reserve*	Total taxpayers equity
Note	£000	£000	£000	£000
Taxpayers' equity at 1 April 2022	264,484	91,211	55,310	411,005
Implementation of IFRS 16 on 1st April 2022	0	0	2,240	2,240
Total Taxpayers' and others' equity at 1 April 2022	264,484	91,211	57,550	413,245
Total comprehensive income for 2022/23				
Surplus for the year	0	0	13,661	13,661
Transfers between reserves	0	0	0	0
Impairments and Revaluation gains on property, plant and equipment	12.1	9,997	0	9,997
Total comprehensive income for 2022/23	0	9,997	13,661	23,658
Public dividend capital received	19,313	0	0	19,313
Public dividend capital repaid	1.22	0	0	0
Total reserve movements for 2022/23	19,313	9,997	13,661	42,971
Taxpayers' equity at 31 March 2023	283,797	101,208	71,212	456,217
NHS FOUNDATION TRUST 2021/22				
	Public dividend capital*	Revaluation reserve*	Income and expenditure reserve*	Total taxpayers equity
Note	£000	£000	£000	£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	13,665	0	13,665
Total comprehensive expense 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
Total reserve movements for 2021/22	6,230	13,667	3,380	23,277
Taxpayers' equity at 31 March 2022	264,484	91,211	55,310	411,005

* 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 2023

		GROUP		NHS FOUNDATION TRUST	
	Note	2022/23 £000	2021/22 £000	2022/23 £000	2021/22 £000
Cash flows from operating activities					
Net cash generated from operating activities	24	64,202	49,637	62,834	50,020
Cash flows from investing activities					
Interest received		4,805	177	4,805	177
Purchase of intangible assets		(1,102)	(1,795)	(1,102)	(1,795)
Purchase of property, plant and equipment		(68,172)	(37,318)	(68,172)	(37,318)
Sales of property, plant and equipment		2,309	53	2,309	53
Receipt of cash donations to purchase capital assets		107	257	2,760	458
NHS Charitable funds - net cash flows from investing activities		1,124	1,056	0	0
Net cash used in investing activities		(60,929)	(37,570)	(59,400)	(38,425)
Cash flows from financing activities					
Public dividend capital received		19,313	6,230	19,313	6,230
Capital element of lease liability repayments		(5,388)	0	(5,388)	0
Capital element of private finance initiative obligations		(6,650)	(6,270)	(6,650)	(6,270)
Interest element of lease liability repayments		(418)	0	(418)	0
Interest element of private finance initiative obligations		(28,271)	(26,298)	(28,271)	(26,298)
Public dividend capital dividend paid		(6,380)	(2,798)	(6,380)	(2,798)
Net cash used in financing activities		(27,794)	(29,136)	(27,794)	(29,136)
(Decrease)/increase in cash and cash equivalents		(24,521)	(17,069)	(24,360)	(17,541)
Cash and cash equivalents at 1 April		230,213	247,282	220,142	237,683
Cash and cash equivalents at 31 March	19	205,693	230,213	195,783	220,142



Notes to Accounts

1. Accounting policies and other information

NHS England 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 2022/23 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)

1.1.1 Critical accounting judgements in applying the NHS Foundation Trust's accounting policies

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

a. 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.

b. 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 2023 which excludes VAT on relevant buildings and uses a single site approach.

c. Right of Use Assets

The Trust recognises right of use assets which are provided to the Trust through lease arrangement as prescribed within the standard of IFRS 16. A number of these arrangements are undocumented with other intra-government departments relating to buildings which have no set term. Where this is the case the Trust exercises judgement in relation to the remaining life of the assets taking into account all relevant factors relating to the future intention to provide services on an ongoing basis from the property. These judgements are reviewed on an annual basis.

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)

1.1.1 Critical accounting judgements in applying the NHS Foundation Trust's accounting policies (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 however some legacy costs continued to be incurred after this date. 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 2022/23 was £3,402k (2021/22 £111,367k).

1.1.2. Sources of estimation uncertainty

The following are assumptions about the future and other major sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

a. 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. The Total valuation of land and buildings which are subject to this method of valuation in 2022/23 was £439,584k (2021/22 £394,587k).

b. Asset lives

The Trust depreciates property, plant and equipment based upon its assessment of the remaining useful economic life of the underlying asset. Remaining lives for buildings are determined by the District Valuer as part of the Trust's revaluation cycle, whereas remaining lives of plant and equipment are determined by staff within the Electronics and Medical Engineering department. Further details of asset lives used can be found in note 1.6.

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.

1.2.2. 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 14 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 IFRS15. 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.

1.3.1 Revenue from NHS contracts

The main source of income for the Trust is contracts with commissioners for health care services. Funding envelopes are set at an Integrated Care System (ICS) level. The majority of the Trust's income is earned from NHS commissioners in the form of fixed payments to fund an agreed level of activity.

In 2022/23 fixed payments are set at a level assuming the achievement of elective activity targets. These are termed 'aligned payment and incentive' contracts. These payments are accompanied by a variable element to adjust income for actual activity delivered on elective services and advice and guidance services.

Where actual elective activity delivered differs from the agreed level set in the fixed payments, the variable element either increases or reduces the income earned by the Trust at a rate of 75% of the tariff price.

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.

Elective recovery funding (ERF) provides additional funding for the delivery of elective services. In 2022/23 elective recovery funding was included within the aligned payment and incentive contracts and was expected to be a variable element of the contract, however at year end, it was agreed that ERF would be paid on as block on the basis of agreed shares of funding in the ICS. In 2021/22 income earned by the system based on achievement of elective recovery targets was distributed between individual entities by local agreement and income earned from the fund was accounted for as variable consideration.

The Trust also receives income from commissioners under Commissioning for Quality Innovation (CQUIN) and Best Practice Tariff (BPT) schemes. Delivery under these schemes is part of how care is provided to patients. As such CQUIN and BPT payments are not considered distinct performance obligations in their own right; instead they form part of the

1.3. Revenue from contracts with customers (continued)

1.3.1 Revenue from NHS contracts (continued)

transaction price for performance obligations under the overall contract with the commissioner. In 2022/23 payment under these schemes is included in fixed payments from commissioners based on assumed achievement of criteria.

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

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. Revenue from contracts with customers (continued)

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

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 IAS38.

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.

1.5. Intangible assets

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.



1.6. Property, plant and equipment (continued)

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 historic 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 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. A full asset valuation exercise took place as at 31 March 2023 and the District Valuer has prepared an updated valuation on this basis.

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

1.6. Property, plant and equipment (continued)

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, and, where capitalised in accordance with IAS 23, borrowing costs. 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.

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



1.6. Property, plant and equipment (continued)

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.

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 - 11 years - 95 years
- Dwellings - 42 years - 50 years
- Assets under construction - Not depreciated
- Plant and machinery - 5 years - 19 years
- Transport equipment - 7 years - 11 years
- Information technology - 3 years - 11 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.

1.7. Donated and grant funded assets (continued)

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 IFRIC12 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 and/or intangible assets as appropriate.

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 (a) it is probable that future economic benefits associated with the infrastructure asset will flow to the entity and (b) the cost of the asset can be measured reliably. The assets are measured at current 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.



1.8. Private Finance Initiative (PFI) transactions (continued)

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.

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. Leases

A lease is a contract or part of a contract that conveys the right to use an asset for a period of time in exchange for consideration. An adaptation of the relevant accounting standard by HM Treasury for the public sector means that for NHS bodies, this includes lease-like arrangements with other public sector entities that do not take the legal form of a contract. It also includes peppercorn leases where consideration paid is nil or

nominal (significantly below market value) but in all other respects meet the definition of a lease. The Trust does not apply lease accounting to new contracts for the use of intangible assets.

The Trust determines the term of the lease term with reference to the non-cancellable period and any options to extend or terminate the lease which the Trust is reasonably certain to exercise.

1.10. Leases (continued)

The Trust as lessee

Initial recognition and measurement

At the commencement date of the lease, being when the asset is made available for use, the Trust recognises a right of use asset and a lease liability.

The right of use asset is recognised at cost comprising the lease liability, any lease payments made before or at commencement, any direct costs incurred by the lessee, less any cash lease incentives received. It also includes any estimate of costs to be incurred restoring the site or underlying asset on completion of the lease term.

The lease liability is initially measured at the present value of future lease payments discounted at the interest rate implicit in the lease. Lease payments includes fixed lease payments, variable lease payments dependent on an index or rate and amounts payable under residual value guarantees. It also includes amounts payable for purchase options and termination penalties where these options are reasonably certain to be exercised.

Where an implicit rate cannot be readily determined, the Trust's incremental borrowing rate is applied. This rate is determined by HM Treasury annually for each calendar year. A nominal rate of 0.95% applied to new leases commencing in 2022 and 3.51% to new leases commencing in 2023.

The trust does not apply the above recognition requirements to leases with a term of 12 months or less or to leases where the value of the underlying asset is below £5,000, excluding any irrecoverable VAT. Lease payments associated with these leases are expensed on a straight-line basis over the lease term. Irrecoverable VAT on lease payments is expensed as it falls due.

The Trust as lessor

Operating Leases

Income from operating leases is recognised on a straight-line basis or another systematic basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

1.11. Initial application of IFRS 16

IFRS 16 Leases as adapted and interpreted for the public sector by HM Treasury has been applied to these financial statements with an initial application date of 1 April 2022. IFRS 16 replaces IAS 17 Leases, IFRIC 4 Determining whether an arrangement contains a lease and other interpretations.

The standard has been applied using a modified retrospective approach with the cumulative impact recognised in the income and expenditure reserve on 1 April 2022. Upon initial application, the provisions of IFRS 16 have only been applied to existing contracts where they were previously deemed to be a lease or contain a lease under IAS 17 and IFRIC 4. Where existing contracts were previously assessed not to be or contain a lease, these assessments have not been revisited.



1.11. Initial application of IFRS 16 (continued)

The Trust as lessee

For continuing leases previously classified as operating leases, a lease liability was established on 1 April 2022 equal to the present value of future lease payments discounted at the Trust's incremental borrowing rate of 0.95%. A right of use asset was created equal to the lease liability. Hindsight has been used in determining the lease term where lease arrangements contain options for extension or earlier termination.

No adjustments have been made on initial application in respect of leases with a remaining term of 12 months or less from 1 April 2022 or for leases where the underlying assets has a value below £5,000. No adjustments have been made in respect of leases previously classified as finance leases.

The Trust as lessor

Leases of owned assets where the Trust is lessor were unaffected by initial application of IFRS 16.

2021/22 comparatives

Comparatives for leasing transactions in these accounts have not been restated on an IFRS 16 basis. Under IAS 17 the classification of leases as operating or finance leases still applicable to lessors under IFRS 16 also applied to lessees. In 2021/22 lease payments made by the Trust in respect of leases previously classified as operating leases were charged to expenditure on a straight line basis.

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 2021/22 and 2022/23, 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

1.13. Cash and cash equivalents (continued)

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 2023.

		Nominal rate	Prior year rate
Short term	Up to 5 years	3.27%	0.47%
Medium term	After 5 years up to 10 years	3.20%	0.70%
Long term	Exceeding 10 years	3.51%	0.95%

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	7.40%	4.00%
Year 2	0.60%	2.60%
Into perpetuity	2.00%	2.00%

Early retirement provisions and injury benefit provisions both use the HM Treasury's pension discount rate of 1.70% in real terms (prior year: minus 1.30%).



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 23 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 liabilities are not recognised in the accounts but are disclosed in Note 27, 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 as well as intangible assets.
- 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 35.

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.

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 health care 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 32 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.

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>.

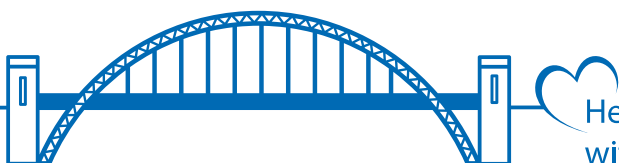
In accordance with the requirements laid down by the Department of Health and Social Care (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the 'pre-audit' version of the annual accounts. The dividend calculated is not revised should 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 33) 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 leasing arrangements 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 or fair value through income and expenditure. The Charity however, holds some financial assets at fair value through profit and loss.

Financial liabilities classified as subsequently measured at amortised cost or fair value through income and expenditure.

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)

Financial assets at fair value through profit and loss

The Trust's Charity currently holds a number of investments which are held at fair value through profit and loss. These assets are held at fair value on the SOFP, and any changes in the fair value are recorded through the income statement.

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 or future event 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

No new accounting standards or revisions to existing standards have been early adopted in 2022/23.

IFRS 16 Leases – application of liability measurement principles to PFI and other service concession arrangements

From 1 April 2023, the measurement principles of IFRS 16 will also be applied to the Trust's PFI liabilities where future payments are linked to RPI. Initial application of these principles will be on 1 April 2023 using a modified retrospective approach with the cumulative impact being taken to reserves. The effect of this has not yet been quantified.

IFRS 17 Insurance Contracts

The DH GAM does not require this standard to be applied in 2023/24 as it is still subject to HM Treasury FReM adoption. The effect of this standard has not been quantified as detailed guidance on adoption arrangements is yet to be issued and early adoption is not permitted.

2.0. NHS Foundation Trust Control Total

The NHS Foundation Trust reports to NHS England on a control total basis, these figures differ to those reported in the NHS Foundation Trusts statement of comprehensive income on page 206. This is as a result of excluding certain funding streams as identified below.

	2022/23 £000	2021/22 £000
Reconciliation to control total		
Surplus for the year (SOCl Trust)	13,661	3,382
Less/Add: Reversal of impairments/impairments	(7,933)	(4,676)
Add: Donated asset depreciation	1,169	1,213
Less: Donated income received for asset purchases	(2,760)	(458)
Remove net impact of consumables donated from other DHSC bodies	(46)	325
Remove loss recognised on return of donated COVID assets to DHSC	0	616
Underlying result	4,091	402
Control Total Plan	3,745	0

The Trust initially agreed a planned control total of a £10,745k surplus for 2022/23. In January 2023 this planned surplus was amended to £3,745k with the agreement of the North East and North Cumbria Integrated Care Board.



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. NHS England established 42 statutory Integrated Care Boards (ICBs) on 1 July 2022 in line with its duty in the Health and Care Act 2022. Clinical Commissioning Groups (CCGs) were closed down on 1 July 2022 when Integrated Care Boards were established on a statutory basis. Further information can be found in Note 28, Related Party Transactions. Operating income used in the calculation is before the impact of impairments and consolidation.

	2022/23	2021/22
	%	%
NHS England	43	42
NHS North East and North Cumbria ICB	33	0
NHS Newcastle Gateshead CCG	6	27
NHS Northumberland CCG	1	5
NHS North Tyneside CCG	1	5

The following is an analysis of the financial information provided to the Board of Directors in relation to the years ended 31 March 2023 and 31 March 2022.

	2022/23	2021/22
	£000	£000
Operating income (within EBITDA)	1,468,817	1,371,807
Operating expenses (within EBITDA)	(1,401,235)	(1,312,321)
Earnings before interest, tax, depreciation and amortisation (EBITDA)	67,582	59,486
Operating expenses (outside EBITDA)	(35,442)	(29,711)
Non-operating income	8,557	748
Non-operating expenditure	(34,970)	(31,817)
Surplus for the year excluding reversal of impairments	5,727	(1,294)
Net (impairments)/reversal of impairments	7,932	4,676
Surplus for the year after impairments	13,659	3,382

Differences between the amounts presented to the Board in May 2023 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	2022/23	2021/22
	£000	£000
Acute Services		
Block contract / system envelope income	942,103	865,578
High cost drugs income from commissioners	199,020	185,506
Other NHS clinical income *	12,910	15,021
	1,154,033	1,066,105
Community Services		
Income from CCGs and NHS England	40,176	44,784
Income from other sources	10,894	10,766
	51,070	55,550
All Services		
Private patient income	2,051	1,820
Elective recovery fund **	33,861	21,712
Other clinical income ***	18,009	10,323
Additional pension contribution central funding****	30,919	29,815
Agenda for change pay award central funding	26,845	0
	111,685	63,670
	1,316,788	1,185,325

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 2022/23, 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. However, at year end it was agreed not to transact ERF therefore the 2022/23 value stated represents the Trust's share on a block basis.

*** 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

	2022/23 £000	2021/22 £000
NHS Foundation Trusts	1,557	4,848
NHS Trusts	38	0
CCGs	148,206	582,840
Integrated Care Boards	487,266	0
NHS England	643,179	571,944
Local Authorities	10,894	10,766
Department of Health and Social Care	0	0
NHS Other (including UKHSA & MHRA)	3,257	2,783
Non NHS (including non-English NHS):		
- Private patients	2,051	1,820
- Overseas patients (chargeable to patient)	831	696
- Injury cost recovery scheme*	3,581	3,424
- Other **	15,928	6,204
	1,316,788	1,185,325

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 24.86% (2021/22 23.76%). 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

	2022/23 £000	2021/22 £000
Income recognised in the year	831	696
Cash payments received in-year (relating to invoices raised in the current and previous years)	198	159
Amounts added to the provision for impairment of receivables (relating to invoices raised in the current and prior years)	406	415
Amounts written off in-year (relating to invoices raised in the current and previous years)	277	112

4. Other operating income

	GROUP		NHS FOUNDATION TRUST	
	2022/23 £000	2021/22 £000	2022/23 £000	2021/22 £000
Research and development	42,582	39,251	42,582	39,251
Education and training	55,746	53,671	55,746	53,671
Non-patient care services to other bodies *	12,084	40,589	12,084	40,589
Reimbursement and top up funding	6,763	23,037	6,763	23,037
Other income **	31,638	25,912	31,638	25,912
Education and training - notional income from apprenticeship fund	1,197	760	1,197	760
Cash donations for the purchase of capital assets - received from NHS charities	0	0	2,653	201
Cash donations for the purchase of capital assets - received from other bodies	107	257	107	257
Contributions to expenditure - consumables (inventory) donated from DHSC group bodies for COVID response	1,576	2,718	1,576	2,718
Rental revenue from operating leases	443	449	443	449
Charitable fund incoming resources	7,306	4,144	0	0
Total Other Operating Income	159,442	190,788	154,789	186,845
Total income from patient care activities	1,316,788	1,185,325	1,316,788	1,185,325
Total operating income	1,476,230	1,376,113	1,471,577	1,372,170

* 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. Other operating income (continued)

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

	2022/23 £000	2021/22 £000
Revenue recognised in the reporting period that was included in within contract liabilities at the previous period end	11,925	6,683

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:

	2022/23 £000	2021/22 £000
Income from services designated as commissioner requested services	958,406	854,410
Income from services not designated as commissioner requested services	358,382	330,915
	1,316,788	1,185,325

4.4. Operating lease income

GROUP and NHS FOUNDATION TRUST

	2022/23 £000	2021/22 £000
Building rental recognised in other income	443	449
Future minimum lease payments due		
- not later than one year	379	277
- later than one year and not later than five years	569	474
- later than five years	18	48
	966	799

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	
	2022/23 £000	2021/22 £000	2022/23 £000	2021/22 £000
Purchase of healthcare from NHS and DHSC bodies	8,653	10,689	8,653	10,689
Purchase of healthcare from non NHS bodies	17,016	14,233	17,016	14,233
Employee expenses - non-executive directors	188	178	188	178
Employee expenses - staff and executive directors	821,407	743,864	821,407	743,864
Supplies and services - clinical (excluding drugs costs)	129,433	113,037	129,433	113,037
Supplies and services – clinical: utilisation of consumables donated from DHSC group bodies for COVID response	1,530	3,043	1,530	3,043
Supplies and services - general	10,652	8,795	10,652	8,795
Drugs inventories consumed	252,810	227,391	252,810	227,391
Inventories written down (net, including inventory drugs)	305	343	305	343
Consultancy costs	1,192	1,067	1,192	1,067
Establishment	9,750	9,765	9,750	9,765
Premises - business rates payable to Local Authorities	6,620	6,942	6,620	6,942
Premises - other	52,085	77,802	52,085	77,802
Transport - business	2,447	1,622	2,447	1,622
Transport - other (including patient travel)	2,763	3,069	2,763	3,069
Depreciation on property, plant and equipment (Note 12 & 13.1)	32,898	26,864	32,898	26,864
Amortisation on intangible assets (Note 11)	2,586	2,847	2,586	2,847
Net impairments of property, plant and equipment * (Note 12 & 13.1)	(7,933)	(4,676)	(7,933)	(4,676)
Movement in credit loss allowance: contract receivables/assets (Note 17.2)	1,669	2,398	1,669	2,398
Provisions arising /(released) in year	109	99	109	99
Change in provisions - discount rate	(774)	119	(774)	119
External audit fees - Statutory audit**	114	85	114	85
External audit fees - Charitable fund accounts	13	13	0	0
Internal audit costs not included within employee expenses	234	240	234	240
Clinical negligence - amounts payable to NHS Resolution (premium)	24,566	25,216	24,566	25,216
Legal fees	630	942	630	942
Insurance	758	1,049	758	1,049
Research and development - staff costs	25,165	22,416	25,165	22,416
Research and development - non staff costs	16,542	16,042	16,542	16,042
Education and training - non-staff	3,039	2,758	3,039	2,758
Education and training - notional expenditure funded from apprenticeship fund	1,197	760	1,197	760
Rentals under operating leases - minimum lease payments	0	6,709	0	6,709
Redundancy costs - staff costs	18	1,336	18	1,336
Charges to operating expenditure for on-SoFP IFRIC 12 schemes on an IFRS basis - PFI schemes	8,542	8,988	8,542	8,988
NHS Charitable fund - other resources expended	6,121	4,978	0	0
Other	2,641	1,231	2,641	1,231
	1,434,985	1,342,254	1,428,851	1,337,263

* Net reversal of impairments total £7,933k (2021/22 £4,676k net reversal of impairment).

** External audit fees - Statutory audit include VAT (£95k excl. VAT)



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 costs 2021/22 £000
Set up costs:	
Staff costs	0
Other operating costs	(492)
Running costs:	
Staff costs	0
Other operating costs	(661)
Decommissioning costs:	
Staff costs	0
Other operating costs	0
Total gross costs	(1,152)

Following the materialisation of actuals costs versus estimated costs, there was a recognised negative expenditure (reversal of accruals) for the year 2021/22. No expenditure was incurred in 2022/23.

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 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 three year extension to 30 September 2024.

5.4. 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.

	2022/23 £000	2021/22 £000
Executive directors' remuneration	1,112	1,135
Employer's contribution to pension	<u>71</u>	<u>78</u>
	1,183	1,213
Non-executive director's remuneration *	178	163
Total	<u>1,361</u>	<u>1,376</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>5</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>325</u>	<u>316</u>
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5. Operating Expenses (continued)

5.5. Staff costs and numbers

5.5.1. Staff costs

GROUP and NHS FOUNDATION TRUST

	2022/23 £000	2021/22 £000
Salaries and wages *	688,008	622,164
Social security costs	61,308	54,669
Apprenticeship levy	3,161	3,491
Pension cost - employer contributions to NHS pension schemes	70,713	68,193
Pension cost - employer contributions paid by NHSE on provider's behalf (6.3%)	30,919	29,815
Pension cost - Other	328	261
Agency and contract staff	7,098	4,490
Total gross staff costs	861,535	783,083
Recoveries from DHSC Group bodies in respect of staff cost netted off expenditure	(6,528)	(7,828)
Recoveries from Other bodies in respect of staff cost netted off expenditure	(8,418)	(7,639)
Total staff costs	846,590	767,616
included within:		
Costs capitalised as part of assets	0	0
Analysed into operating expenditure - Note 5.1		
Employee expenses - staff and executive directors	821,407	743,864
Research and development	25,165	22,416
Redundancy	18	1,336
Total employee benefits excluding capitalised costs	846,590	767,616

* Included within salaries and wages is an amount of £54,849k (2021/22 £49,166k) relating to recharges from Northumbria NHS Foundation Trust, the host body for Junior Doctors in training.

5.5.2. Staff numbers

Staff numbers are included within the staff report section of the Annual Report.

5.5.3. Retirements due to ill-health

During 2022/23 there were 14 (2021/22 7) 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 £1,863k (2021/22 £502k).

These estimated costs are calculated on an average basis and will be borne by the NHS Pension Scheme.

5. Operating Expenses (continued)

5.5.4. Reporting of other compensation packages

There were no exit payments relating to contractual payments in lieu of notice in the current year (2021/22 2 payments £24k). There was 2 exit payments following employment tribunal at a cost £40k (2021/22 - 1 exit payment following employment tribunal at a cost of less than £1k).

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	2022/23	2022/23
	Number	Value
		£000
Total Non-NHS trade invoices paid in the year	214,961	677,896
Total Non-NHS trade invoices paid within target	200,532	636,768
Percentage of Non-NHS trade invoices paid within target	93%	94%
Total NHS trade invoices paid in the year	5,298	130,237
Total NHS trade invoices paid within target	4,581	123,583
Percentage of NHS trade invoices paid within target	86%	95%
	2021/22	2021/22
	Number	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%

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.



6. Better payment practice code (continued)

6.2. The Late Payment of Commercial Debts (Interest) Act 1998

GROUP and NHS FOUNDATION TRUST	2022/23	2021/22
	£000	£000
Total liability accruing in year under this legislation as a result of late payments	6,863	4,948
Amounts included within interest payable arising from claims made under this legislation	0	0
Compensation paid to cover debt recovery costs under this legislation	0	6

7. Finance income

Finance income represents interest received on assets and investments in the period.

	GROUP		NHS FOUNDATION TRUST	
	2022/23	2021/22	2022/23	2021/22
	£000	£000	£000	£000
Interest on bank accounts	5,495	229	5,495	229
Interest on loans and receivables	0	61	0	61
NHS Charitable fund - investment income	1,125	1,056	0	0
Total finance income	6,620	1,346	5,495	290

8. Finance expense - financial liabilities

Finance expenditure represents interest and other charges involved in the borrowing of money.

GROUP and NHS FOUNDATION TRUST	2022/23	2021/22
	£000	£000
Interest on lease obligations	418	0
PFI - Main finance costs	13,785	14,266
PFI - Contingent finance costs	14,486	12,031
Total interest expense	28,689	26,297
Unwinding of discount on provisions	(23)	(112)
Total finance expense	28,666	26,185

9. PDC dividends payable

GROUP and NHS FOUNDATION TRUST

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. Details of this calculation are available within the DHSC GAM section 4.289.

PDC dividend payable for the year is £6,087k (2021/22 £4,984k).

10. Impairments and gains/(losses) on disposal

10.1. Impairments of assets

GROUP AND NHS FOUNDATION TRUST

	2022/23 £000 Net impairments	2022/23 £000 Impairments	2022/23 £000 Reversals	2021/22 £000 Net Impairments	2021/22 £000 Impairments	2021/22 £000 Reversals
Changes in market price and optimal site valuation	(7,933)	59	(7,992)	(4,676)	6,456	(11,132)
Total impairments (credited)/ charged to operating surplus	(7,933)	59	(7,992)	(4,676)	6,456	(11,132)
Net impairments credited to the revaluation reserve	(9,997)	411	(10,408)	(13,665)	53	(13,718)
Total impairments	(17,930)	470	(18,400)	(18,341)	6,509	(24,850)



10. Impairments and gains/(losses) on disposal (continued)

10.2. Gains/(losses) on disposal/derecognition of assets

GROUP AND NHS FOUNDATION TRUST

	GROUP		NHS FOUNDATION TRUST	
	2022/23 £000	2021/22 £000	2022/23 £000	2021/22 £000
Gains on disposal of other property, plant and equipment	267	49	267	49
Losses on disposal of other property, plant and equipment	(109)	(79)	(109)	(79)
Gains on disposal of right of use assets	35	0	35	0
Loss recognised on return of donated COVID assets to DHSC	0	(616)	0	(616)
Fair value gains/(losses) on charitable fund investments & investment properties	(1,396)	3,684	0	0
	<u>(1,203)</u>	<u>3,038</u>	<u>193</u>	<u>(646)</u>

11. Intangible Assets

GROUP AND NHS FOUNDATION TRUST	Software licences £000	Under development £000	Total £000
Cost at 1 April 2022	21,613	95	21,708
Additions purchased	905	197	1,102
Reclassifications	108	(108)	0
Cost at 31 March 2023	22,626	184	22,810
Accumulated amortisation at 1 April 2022	13,192	0	13,192
Provided during the year	2,586	0	2,586
Accumulated amortisation at 31 March 2023	15,778	0	15,778
Net book value			
Purchased	6,848	184	7,032
Total at 31 March 2023	6,848	184	7,032
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

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 2022 £Nil) and has no intangibles funded by government grant (31 March 2022 £Nil).

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:

2022/23 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 2022	20,486	437,453	333	28,905	193,441	405	29,787	831	711,641
Additions purchased	0	1,979	0	32,302	17,177	56	2,544	0	54,058
Additions purchased from cash donations	0	0	0	0	2,736	0	24	0	2,760
Reclassifications	0	34,547	0	(39,825)	5,278	0	0	0	0
Impairments charged to operating expenses	0	0	0	0	0	0	0	0	0
Impairments charged to the revaluation reserve	0	(411)	0	0	0	0	0	0	(411)
Reversal of impairments credited to operating expenses	0	7,891	101	0	0	0	0	0	7,992
Reversal of impairments credited to the revaluation reserve	2,860	7,355	193	0	0	0	0	0	10,408
Depreciation eliminated on revaluation	0	(14,023)	(11)	0	0	0	0	0	(14,034)
Disposals	(1,925)	0	0	0	(5,063)	(28)	(70)	0	(7,086)
Derecognition - COVID equipment returned to DHSC	0	0	0	0	0	0	0	0	0
Cost or valuation at 31 March 2023	21,421	474,791	616	21,382	213,569	433	32,285	831	765,328
Accumulated Depreciation at 1 April 2022	0	505	0	0	126,643	385	24,344	829	152,706
Provided during the year	0	13,520	11	0	11,408	11	2,202	1	27,153
Reversal of impairments credited to operating expenses	0	0	0	0	0	0	0	0	0
Depreciation eliminated on revaluation	0	(14,023)	(11)	0	0	0	0	0	(14,034)
Reclassifications	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	(4,837)	(28)	(70)	0	(4,935)
Accumulated Depreciation at 31 March 2023	0	2	0	0	133,214	368	26,476	830	160,890
Net book value as at 31 March 2023	21,421	474,789	616	21,382	80,355	65	5,809	1	604,438
Net book value As at 31 March 2022	20,486	436,948	333	28,905	66,798	20	5,443	2	558,935
Financing of property, plant and equipment									
Owned	21,421	289,956	616	21,382	73,762	65	5,726	1	412,929
PFI	0	176,631	0	0	0	0	0	0	176,631
Owned - donated/granted	0	8,202	0	0	4,759	0	83	0	13,044
Owned - equipment donated from DHSC and NHSE for COVID response	0	0	0	0	1,834	0	0	0	1,834
Total at 31 March 2023	21,421	474,789	616	21,382	80,355	65	5,809	1	604,438
Subject to an operating lease	0	3,728	0	0	0	0	0	0	3,728
Not subject to an operating lease	21,421	471,061	616	21,382	80,355	65	5,809	1	600,710
NBV total at 31 March 2023	21,421	474,789	616	21,382	80,355	65	5,809	1	604,438

12. Property, Plant and Equipment (continued)

12.1. Property, plant and equipment at the Statement of Financial Position date comprise the following elements (continued)

2022/23 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 2022/23 the following took place which resulted in movements to the statement of comprehensive income, the revaluation reserve and the income and expenditure reserve.

A full revaluation of the NHS Foundation Trust's estate was carried out as at 31 March 2023 by a qualified valuer within the Valuation Office Agency. The resulting valuation was based on both national and regional Building Cost Indices and involved a full comprehensive inspection of all Trust sites. 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) £0K (2021/22 £6,456k) charge to operating expenditure relating to impairments in year.
- ii) a £7,992k (2021/22 £11,133k) credit to operating expenditure reversing prior year impairments.

Revaluation reserve

- i) a £411k (2021/22 £53k) charge to the revaluation reserve for impairments in year.
- ii) a £10,408k (2021/22 £13,718k) credit to the revaluation reserve relating to an increase in asset values.



12. Property, Plant and Equipment (continued)

12.1. Property, plant and equipment at the Statement of Financial Position date comprise the following elements (continued)

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.

2022/23 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 £2,653k (2021/22 £201k) 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.

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 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 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)
Reversal of impairments credited to operating expenses	0	11,133	0	0	0	0	0	0	11,133
Derecognition - COVID equipment returned to DHSC	0	0	0	0	(678)	0	0	0	(678)
Disposals	0	0	0	0	(6,687)	(77)	(79)	0	(6,843)
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
Depreciation eliminated on revaluation	0	(13,205)	(11)	0	0	0	0	0	(13,216)
Reversal of impairments credited to operating expenses	0	1	0	0	0	0	0	0	1
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)

12.2. Assets held at open market value

Of the closing balances at 31 March 2023 £3,308k (2021/22 £6,344k) related to land around non-specialised buildings which are valued at open market value.

12.3. Analysis of assets held under PFI contracts

PFI assets	£000
Valuation at 1 April 2022	174,252
Additions	1,979
Reclassifications	1,111
Revaluation	(711)
Valuation at 31 March 2023	176,631
Accumulated Depreciation at 1 April 2022	502
Provided during the year	5,464
Depreciation eliminated on revaluation	(5,966)
Accumulated Depreciation at 31 March 2023	0
Net book value at 31 March 2023	176,631
Valuation at 1 April 2021	166,145
Additions	1,830
Revaluation	6,277
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

The PFI arrangements relate to the Transforming Newcastle Hospitals scheme and the Boiler Houses at the RVI and Freeman sites. See Note 22 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. Leases

The Trust has applied IFRS 16 to account for lease arrangements from 1 April 2022 without restatement of comparatives. Comparative disclosures in this note are presented on an IAS 17 basis.

The NHS Foundation Trust leases certain buildings and equipment under leases where financial assessment has provided evidence that leasing provides better value for money than outright purchase. Leases for buildings are predominantly for residential and office space. Significant equipment leases relate to managed service contracts.

13.1. Right of use assets

2022/23 FINANCIAL YEAR GROUP	Property (Land and Buildings) £000	Plant and Machinery £000	Transport Equipment £000	Total £000
Valuation / gross cost at 1 April 2022 - brought forward	0	0	0	0
Recognition of right of use assets for existing operating leases on initial application of IFRS 16 on 1 April 2022	45,157	1,985	110	47,252
Additions - lease liability	3,593	2,054	105	5,752
Remeasurements of Lease Liability	(135)	0	0	(135)
Impairments charged to operating expenses	(59)	0	0	(59)
Depreciation eliminated on revaluation	(89)	0	0	(89)
Disposals - Lease Termination	(3,729)	0	(4)	(3,733)
Cost or valuation at 31 March 2023	44,738	4,039	211	48,988
Accumulated depreciation at 1 April 2022 - brought forward	0	0	0	0
Provided during the year - right of use asset	4,797	809	50	5,656
Provided during the year - peppercorn leased asset	89	0	0	89
Depreciation eliminated on revaluation	(89)	0	0	(89)
Accumulated depreciation at 31 March 2023	4,797	809	50	5,656
Net book value at 31 March 2023	39,941	3,230	161	43,332



13. Leases (continued)

13.2. Revaluation of property right of use assets

The Trust assesses each lease on an individual basis using cost as a proxy for fair value or current value in existing use for its right of use assets when one of the following conditions apply.

- a. The economic life of the asset, judged as the lease term, is shorter than full revaluation cycle.
- b. There is provision within the agreement to update the lease payment terms to reflect market conditions on a regular basis and there is not a high risk that the fair value of the asset will fluctuate in the interim period.

The Trust has therefore applied the cost model to its right of use assets with exception of peppercorn leases which are supplied to the Trust at no cost and therefore not set using market conditions. Therefore a revaluation of these assets have been carried out by a by a qualified valuer within the Valuation Office Agency.

13.3. Reconciliation of the carrying value of lease liabilities

Lease liabilities are included within borrowings in the statement of financial position. A breakdown of borrowings is disclosed in note 22.

GROUP AND NHS FOUNDATION TRUST	£000
Carrying value at 31 March 2022	0
IFRS 16 implementation - adjustments for existing operating leases	45,012
Lease additions	5,752
Lease liability remeasurements	(135)
Interest charge arising in year	418
Early terminations	(3,768)
Lease Payments (cash outflows)	(5,806)
Carrying value at 31 March 2023	<u>41,473</u>

13.4. Maturity analysis of future lease payments at 31 March 2023

GROUP AND NHS FOUNDATION TRUST	£000
Undiscounted future lease payments payable in:	
- not later than one year;	5,771
- later than one year and not later than five years;	19,023
- later than five years	19,705
Total gross future lease payments	44,499
Finance charges allocated to future periods	(3,026)
Net lease liabilities at 31 March 2023	<u>41,473</u>
Of which:	
- Current	5,188
- Non-Current	36,285

13. Leases (continued)

13.5. Arrangements containing an operating lease:

This note discloses costs incurred in 2021/22 and commitments as at 31 March 2022 for leases the trust previously determined to be operating leases under IAS 17.

GROUP AND NHS FOUNDATION TRUST	31 March		
	2022		
	£000		
Minimum lease rentals	<u>6,709</u>		
	31 March	31 March	31 March
	2022	2022	2022
	£000	£000	£000
	Buildings	Other leases	Total
Future minimum lease payments due:			
- not later than one year	2,966	3,255	6,221
- later than one year and not later than five years	11,792	3,865	15,657
- later than five years	13,021	158	13,179
Total	<u>27,779</u>	<u>7,278</u>	<u>35,057</u>



13. Leases (continued)

13.6. Reconciliation of operating lease commitments as at 31 March 2022 to lease liabilities under IFRS 16 as at 1 April 2022

IFRS 16 as adapted and interpreted for the public sector by HM Treasury has been applied to leases in these financial statements with an initial application date of 1 April 2022.

The standard has been applied using a modified retrospective approach without the restatement of comparatives. Practical expedients applied by the Trust on initial application are detailed in the leases accounting policy in note 1.11.

Lease liabilities created for existing operating leases on 1 April 2022 were discounted using the weighted average incremental borrowing rate determined by HM Treasury as 0.95%.

GROUP AND NHS FOUNDATION TRUST	£000
Operating lease commitments under IAS 17 at 31 March 2022	35,057
Impact of discounting at the incremental borrowing rate	
IAS 17 operating lease commitment discounted at incremental borrowing rate	33,589
Less:	
Short-term leases (<= 12 months)	(5,922)
Services included in IAS 17 commitment not included in the IFRS 16 liability	(1,023)
Irrecoverable VAT previously included in IAS 17 commitment	(501)
Other adjustments:	
Differences in the assessment of the lease term	151
Public sector leases without full documentation previously excluded from operating lease disclosure	17,355
Other adjustments	1,363
Total lease liabilities under IFRS 16 as at 1 April 2022	<u>45,012</u>

14. Investments in Subsidiaries and Joint Ventures

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 (2021/22 £Nil).

Pulse Diagnostics Limited

The NHS Foundation Trust holds 89% (2021/22 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 (2021/22 £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.



15. Other investments

GROUP

	2022/23	2021/22
	£000	£000
Carrying value at 1 April	42,067	38,383
Additions	0	0
Fair value gains / (losses) taken to income and expenditure	(1,396)	3,684
Fair value at 31 March	<u>40,671</u>	<u>42,067</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.

16. Inventories

GROUP	2022/23	2022/23	2022/23	2022/23	2022/23
	£000	£000	£000	£000	£000
	Total	Drugs	Consumables	Consumables donated from DHSC	Charitable funds inventory
As at 1 April	18,739	7,940	10,575	181	43
Additions	391,241	252,926	136,739	1,576	0
Inventories recognised in expenses	(387,675)	(252,601)	(1,33,544)	(1,530)	0
Write down of inventories	(305)	(304)	(1)	0	0
Movement in Charitable funds inventories	16	0	0	0	16
As at 31 March	<u>22,016</u>	<u>7,961</u>	<u>13,769</u>	<u>227</u>	<u>59</u>
	2021/22	2021/22	2021/22	2021/22	2021/22
	£000	£000	£000	£000	£000
	Total	Drugs	Consumables	Consumables donated from DHSC	Charitable funds inventory
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	<u>18,739</u>	<u>7,940</u>	<u>10,575</u>	<u>181</u>	<u>43</u>
NHS FOUNDATION TRUST	2022/23	2022/23	2022/23	2022/23	
	£000	£000	£000	£000	
	Total	Drugs	Consumables	Consumables donated from DHSC	
As at 1 April	18,696	7,940	10,575	181	
Additions	391,241	252,926	136,739	1,576	
Inventories recognised in expenses	(387,675)	(252,601)	(133,544)	(1,530)	
Write down of inventories	(305)	(304)	(1)	0	
As at 31 March	<u>21,957</u>	<u>7,961</u>	<u>13,769</u>	<u>227</u>	
	2021/22	2021/22	2021/22	2021/22	
	£000	£000	£000	£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	<u>18,696</u>	<u>7,940</u>	<u>10,575</u>	<u>181</u>	

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 2022/23 the NHS Foundation Trust received £1,576k (2021/22 £2,718k) 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.



17. Receivables

17.1. Receivables

	GROUP		NHS FOUNDATION TRUST	
	31 March 2023 £000	31 March 2022 £000	31 March 2023 £000	31 March 2022 £000
Current				
Contract receivables invoiced	37,812	64,172	37,812	64,172
Contract receivables not yet invoiced	58,361	16,965	58,361	17,734
Allowance for impaired contract receivables / assets	(6,492)	(6,983)	(6,492)	(6,983)
PFI prepayment (lifecycle replacement)	2,253	1,892	2,253	1,892
Other prepayments	6,922	6,218	6,922	6,218
PDC dividend receivable	309	16	309	16
VAT receivable	3,774	15,730	3,774	15,730
Clinician pension tax provision reimbursement funding from NHSE	88	24	88	24
Interest receivable	803	113	803	113
Other receivables	2,322	425	3,285	425
NHS Charitable funds: Receivables	282	299	0	0
Total current receivables	106,434	98,871	107,115	99,341
Non-current				
PFI prepayment (lifecycle replacement)	16,134	15,581	16,134	15,581
Other prepayments	789	608	789	608
Clinician pension tax provision reimbursement funding from NHSE	1,954	1,923	1,954	1,923
Total non - current receivables	18,877	18,112	18,877	18,112
Total receivables	125,311	116,983	125,992	117,453
Of which:				
NHS and DHSC group bodies	50,814	31,762	50,814	31,762
Non-NHS and DHSC group bodies	74,497	85,221	75,178	85,691
	125,311	116,983	125,992	117,453

17. Receivables (continued)

17.2. Allowances for credit losses (doubtful debts)

GROUP and NHS FOUNDATION TRUST

	2022/23 £000 Total	2021/22 £000 Total
At 1 April	6,983	7,333
New allowances arising	4,236	5,041
Reversals of allowances	(2,567)	(2,643)
Utilisation of allowances	(2,160)	(2,748)
At 31 March	<u>6,492</u>	<u>6,983</u>
Loss/gain recognised in expenditure	<u>1,669</u>	<u>2,398</u>

Included within the above is an allowance for unsuccessful compensation claims and doubtful debts of £2,116k (2021/22 £1,912k) relating to the NHS Injury Cost Recovery Scheme. The Compensation Recovery Unit have advised that the probability of not receiving income is 24.86% (2021/22 23.76%).

17.3. Receivables past due but not impaired

	31 March 2023 £000	31 March 2022 £000
31 to 90 days	2,246	3,801
91 to 180 days	440	857
By more than 180 days	14,419	14,420
Total	<u>17,105</u>	<u>19,078</u>

18. Non current assets held for sale

The Group does not hold any "non current assets held for sale" as at 31 March 2023.



19. Cash and cash equivalents

	GROUP		NHS FOUNDATION TRUST	
	2022/23 £000	2021/22 £000	2022/23 £000	2021/22 £000
Balance at 1 April	230,213	247,282	220,142	237,683
Net change in year	(24,520)	(17,069)	(24,359)	(17,541)
Balance at 31 March	205,693	230,213	195,783	220,142
Made up of:				
Cash at commercial banks and in hand	9,941	10,170	31	99
Government Banking Service	195,752	220,043	195,752	220,043
Cash and cash equivalents as per the Statement of Financial Position	205,693	230,213	195,783	220,142

There is no difference between cash and cash equivalents as detailed above and cash and cash equivalents in the Statement of Cash Flows.

20. Trade and other payables

	GROUP		NHS FOUNDATION TRUST	
	31 March 2023 £000	31 March 2022 Restated £000	31 March 2023 £000	31 March 2022 Restated £000
Current				
Trade payables	15,003	24,565	15,003	24,565
Capital payables	12,128	22,568	12,128	22,568
Accruals	113,284	100,303	113,284	100,303
Annual leave accrual	6,717	7,937	6,717	7,937
Pension contributions payable	9,970	9,689	9,970	9,689
Other taxes payable	17,473	15,135	17,473	15,135
Other payables	22,990	27,450	22,990	27,450
NHS Charitable funds: Trade and other payables	0	0	0	0
Total trade and other payables	197,565	207,647	197,565	207,647
Of which payable to NHS and DHSC group bodies - current	4,267	13,114	4,267	13,114

The Group and NHS Foundation Trust have no non-current trade and other payables.

21. Other liabilities

GROUP and NHS FOUNDATION TRUST

	31 March 2023 £000	31 March 2022 £000
Current		
Deferred income	67,929	58,988
Other *	6,258	7,763
Total other liabilities	74,187	66,751

*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.

22. Borrowings

22.1. Total Borrowings

GROUP and NHS FOUNDATION TRUST

	31 March 2023 £000	31 March 2022 £000
Current		
Lease Liabilities	5,188	0
Obligations under PFI agreements	5,919	6,649
Total current borrowings	11,107	6,649
Non-current		
Lease Liabilities	36,285	0
Obligations under PFI agreements	203,516	209,436
Total non-current borrowings	239,801	209,436
Total borrowings	250,908	216,085



22. Borrowings (continued)

22.2. Reconciliation of liabilities arising from financing activities - 2022/23

GROUP and NHS FOUNDATION TRUST

	31 March 2023 £000	31 March 2023 £000	31 March 2023 £000
	Lease liabilities	PFI obligations	Total
Carrying value at 31 March 2022 brought forward	0	216,085	216,085
Cash movements			
Financing cash flows - principal	(5,388)	(6,650)	(12,038)
Financing cash flows - interest (for liabilities measured at amortised cost)	(418)	(13,785)	(14,203)
Non-cash movements			
Impact of implementing IFRS 16 on 1 April 2022	45,012	0	45,012
Application of effective interest rate (interest charge arising in year)	418	13,785	14,203
Additions	5,752	0	5,752
Early termination	(3,768)	0	(3,768)
Lease liability remeasurements	(135)	0	(135)
Carrying value at 31 March 2023	41,473	209,435	250,908

22. Borrowings (continued)

22.3. Obligations under PFI arrangements

GROUP and NHS FOUNDATION TRUST

	31 March 2023 £000	31 March 2022 £000
Gross liabilities which are due:		
Not later than one year	19,254	20,434
Later than one year and not later than five years	75,757	76,227
Later than five years	277,595	296,380
Total gross liabilities	372,606	393,041
Finance charges allocated to future periods	(163,171)	(176,956)
Net obligations	209,435	216,085
Net PFI obligations which are due:		
Not later than one year	5,919	6,649
Later than one year and not later than five years	26,530	25,305
Later than five years	176,986	184,131
	209,435	216,085

22.4. 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).



22. Borrowings (continued)

22.4. PFI schemes (continued)

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 (with the exception of Freeman Multi-Storey Car Park) 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.

22. Borrowings (continued)

22.4. PFI schemes (continued)

RVI Boiler House PFI scheme:

Capitalised value	£5,704k
Contract Start date	October 2002
Contract End date	June 2027

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.

Although the contract runs until June 2027 the finance elements of the contract were fully settled in September 2022.

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.



22. Borrowings (continued)

22.5. Analysis of amounts payable to service concession operators

	31 March 2023 £000	31 March 2022 £000
Unitary payment payable to service concession operators	<u>46,353</u>	<u>44,230</u>
Consisting of:		
Service element	8,542	8,988
Repayment of finance lease liability	6,649	6,270
Interest charge	13,785	14,266
Contingent rent	14,486	12,031
Capital lifecycle costs - including prepayment element	<u>2,891</u>	<u>2,675</u>
Total amount paid to service concession operators	<u>46,353</u>	<u>44,230</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.

22.6. 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 2023 £000	31 March 2022 £000
Total future payments committed	<u>1,236,774</u>	<u>1,161,486</u>
Of which payments due:		
Not later than one year	49,181	47,236
Later than one year and not later than five years	208,985	184,660
Later than five years	<u>978,608</u>	<u>929,590</u>
	<u>1,236,774</u>	<u>1,161,486</u>

The amounts shown in the category 'Not later than one year' include an actual inflation rate charge of 13.8% (2021/22 8.2%). 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.

22. Borrowings (continued)

22.7. Asset financing component of PFI schemes

	Gross payments		Present value of payments	
	31 March 2023 £000	31 March 2022 £000	31 March 2023 £000	31 March 2022 £000
Not later than one year	19,254	20,434	5,919	6,649
Later than one year and not later than five years	75,757	76,227	26,530	25,305
Later than five years	277,595	296,380	176,986	184,131
Sub-total	<u>372,606</u>	<u>393,041</u>	<u>209,435</u>	<u>216,085</u>
Less: finance cost attributable to future periods	<u>(163,171)</u>	<u>(176,956)</u>		
Total	<u>209,435</u>	<u>216,085</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 2022/23 £14,486k (2021/22 £12,031K) was expensed as a contingent finance cost.



22. Borrowings (continued)

22.8. Services component of PFI schemes

	Gross payments	
	31 March 2023 £000	31 March 2022 £000
Not later than one year	8,499	9,432
Later than one year and not later than five years	36,098	31,724
Later than five years	133,156	124,769
	<u>177,753</u>	<u>165,925</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 £8,542k (2021/22 £8,988k).

The actual amounts paid vary to forecast due to inflation, contract variations and credits received for service failures.

22.9. Lifecycle replacement component of PFI schemes

	Gross payments	
	31 March 2023 £000	31 March 2022 £000
Not later than one year	3,294	2,894
Later than one year and not later than five years	13,177	11,576
Later than five years	49,408	46,297
	<u>65,879</u>	<u>60,767</u>

The lifecycle component excludes the impact of inflation in future years.

23. Provisions

GROUP and NHS FOUNDATION TRUST	31 March 2023 £000	31 March 2022 £000			
Pensions - Injury benefits	1,759	2,613			
Legal claims - other	348	501			
Clinician pension tax reimbursement	2,042	1,947			
Other	15,508	17,193			
Total	19,657	22,254			
Analysed by:					
Current	6,362	9,705			
Non-current	13,295	12,549			
Total	19,657	22,254			
	Pensions - Injury benefits £000	Legal claims - other £000	Other £000	Clinician pension tax reimbursement £000	Total £000
Movement in year:					
At 1 April 2022	2,613	501	17,193	1,947	22,254
Change in the discount rate	(774)	0	0	(1,797)	(2,571)
Arising during the year	65	293	0	1,860	2,218
Utilised during the year - cash	(122)	(197)	(1,685)	(9)	(2,013)
Reversed unused	0	(249)	0	0	(249)
Unwinding of discount *	(23)	0	0	41	18
At 31 March 2023	1,759	348	15,508	2,042	19,657
Expected timing of cash flows					
- not later than one year	119	348	5,807	88	6,362
- later than one year and not later than five years	458	0	9,701	151	10,310
- later than five years	1,182	0	0	1,803	2,985
Total	1,759	348	15,508	2,042	19,657



23. Provisions (continued)

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.

Clinician pension tax reimbursement - 2019/20 Pension Annual Allowance Charge Compensation Scheme (PAACCS) - estimated liability as at 31 March 2023 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 £405,591k (2021/22 £684,566k) 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 27, Contingent Liabilities.

* Unwinding of discount relates to the inflation effect on existing provisions of their payment in the future.

24. Notes to the Statement of Cash Flows

24.1. Reconciliation of operating surplus to net cash flow from operating activities

	GROUP		NHS FOUNDATION TRUST	
	2022/23 £000	2021/22 £000	2022/23 £000	2021/22 £000
Total operating surplus/(deficit)	41,245	33,859	42,726	34,907
Depreciation and amortisation	35,484	29,711	35,484	29,711
Net impairments (Reversals)	(7,933)	(4,676)	(7,933)	(4,676)
Income recognised in relation to donated assets - cash	(107)	(257)	(2,760)	(458)
(Increase) in inventories	(3,261)	(878)	(3,261)	(878)
(Increase) in trade and other receivables	(6,448)	(7,787)	(6,642)	(8,265)
Increase/(Decrease) in trade and other payables	358	(7,934)	358	(7,934)
Decrease in other liabilities	7,436	7,316	7,436	7,316
Decrease in provisions	(2,574)	297	(2,574)	297
NHS Charitable funds - net adjustments for working capital movements, non-cash transactions and non-operating cash flows	2	(14)	0	0
Net cash generated from operating activities	64,202	49,637	62,834	50,020



25. Financial Commitments

25.1. Contractual Capital Commitments

Commitments under capital expenditure contracts as at 31 March 2023 amount to £1,150k (2021/22 £15,137k).

	31 March 2023 £000	31 March 2022 £000
Property, plant and equipment	1,150	14,921
Intangible assets	<u>0</u>	<u>216</u>
	<u>1,150</u>	<u>15,137</u>

25.2. 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 2023 £000	31 March 2022 *Restated £000
Not later than 1 year	33,423	29,596
After 1 year and not later than 5 years	48,898	54,915
Paid thereafter	<u>1,092</u>	<u>803</u>
Total	<u>83,413</u>	<u>85,314</u>

25.3. Leases: exposure to future cash outflows not included in lease liabilities

The Trust is potentially exposed to the following cash outflows which are not included in the measurement of lease liabilities:

	31 March 2023 £000
Extension options and termination options (not reasonably certain to be exercised)	<u>189</u>
Total	<u>189</u>

26. Events after the Reporting Date

Agenda for change pay award

In March 2023 the government announced an additional pay offer for 2022/23, in addition to the pay award earlier in the year. Additional funding was made available by NHS England for implementing this pay offer for 2022/23 and the income and expenditure has been included in these accounts as guided by the Department of Health and Social Care and NHS England. In May 2023 the government confirmed this offer will be implemented as a further pay award in respect of 2022/23 based on individuals in employment at 31 March 2023.

27. Contingent Liabilities

GROUP and NHS FOUNDATION TRUST	31 March 2023 £000	31 March 2022 £000
Gross and net value of contingent liabilities - other	<u>42</u>	<u>58</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.

28. Related Party Transactions

28.1. Ultimate parent

The NHS Foundation Trust is a public benefit corporation established under the National Health Service Act 2006. Monitor (operating as NHS England) 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.

28.2. 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.



28. Related Party Transactions (continued)

28.3 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 2023 or 31 March 2022. 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 2023 and 31 March 2022. Further details can be found in note 28.7. This table excludes balances with other whole of government entities.

	31 March 2023 £000 Payables	31 March 2023 £000 Receivables	31 March 2023 £000 Income	31 March 2023 £000 Expenditure
Other bodies or persons outside of the whole of government accounting boundary	556	2,522	13,185	11,035
Total value of transactions with other related parties and balances as at 31 March	556	2,522	13,185	11,035
	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

28. Related Party Transactions (continued)

28.4 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 2023 £000 Payables	31 March 2023 £000 Receivables	31 March 2023 £000 Income	31 March 2023 £000 Expenditure
NHS England	53	34,039	625,051	946
NHS North East and North Cumbria ICB	0	2,660	483,854	59
NHS Newcastle Gateshead CCG	0	0	90,896	0
Health Education England	0	221	55,942	(1)
DHSC (excluding PDC)	0	648	29,800	18
NHS Northumberland CCG	0	0	18,520	0
NHS North Tyneside CCG	0	0	17,430	0
NHS Pension Scheme (Employer's contributions, Payables includes Employee's contributions)	9,983	0	0	101,632
HM Revenues and Customs (excluding VAT)	17,473	0	0	64,469

	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

None of the receivable or payable balances are secured. Amounts are usually due within 30 days and will be settled in cash.



28. Related Party Transactions (continued)

28.5. 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 2022/23, although the Clinical Commissioning Groups (CCGs) bodies became Integrated Care Boards (ICBs) in 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 further reduce from the values disclosed in 2022/23 as specific schemes are wound down.

28.6. 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.

28.7. 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 £7,360k (2021/22 £6,615k) and expenditure of £2,453k (2021/22 £11,796) in relation to staff who

work across both organisations. The year end receivable balance was £2,453k (2021/22 £1,753k) and payable balance was £556k (2021/22 £1,158k).

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 £122k (2021/22 £101k) and had year end receivable balance of £15k (2021/22 £57k).

The NHS Foundation Trust's Chief Executive Dame Jackie Daniel is a director 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 £5,528k (2021/22 £5,801k) and expenditure of £68k (2021/22 £124k). Year end balances were £15k (2021/22 £305k) receivable and £Nil (2021/22 Nil) payable.

28. Related Party Transactions (continued)

28.7. Directors (continued)

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 £42k of expenditure with NHS Confederation (2021/22 £18k). Year end balances were Nil (2021/22 £20k) 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 £18k (2021/22 £16k).

A non-executive director, Jonathan Jowett is a Trustee of Great North Air Ambulance. During the year the NHS Foundation Trust had the following transaction with Great North Air Ambulance, income £39k (31k 2021/22) and a receivables balance of £10k (£2k 2021/22).

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 £1k (2021/22 £2k) and a payables balance of £1k (2021/22 Nil).

A non-executive director, Professor K McCourt is a Trustee of Bishop Bewick Catholic Education Trust. During the year the NHS Foundation Trust had transactions with Bishop Bewick Catholic Education Trust of £5k expenditure (Nil 2021/22).

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 £1k (2021/22 £21k).

The NHS Foundation Trust's Chairman, Professor Sir J Burn is a cultural ambassador of Durham County Community Foundation. During the year the NHS Foundation Trust had the following transactions with Durham County Community Foundation of expenditure of £600k (2021/22 £967k).

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 £136k (2021/22 £140k) and expenditure of £165k (2021/22 £101k). Year end balances were £29k receivable (2021/22 £31k).

28.8. 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.



29. 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 Integrated Care Boards (ICBs) and the way those ICBs 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.

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, 95.2% was held with the Government Banking Service and the remaining 4.8% 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 2022/23 and 2021/22 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 2023 the Bank of England Base Rate was raised to 4.25%. The Foundation Trust therefore intends to recommence placing deposits in the 2023/24 financial year if the rate offered exceeds the rate gained in its GBS accounts.

An analysis of aged and impaired receivables is given in Note 17.2.

The credit risk associated with all other financial instruments is considered to be low. The Group's maximum exposure to

29. Financial Instruments and Financial Risk Management (continued)

credit risk at the balance sheet date is £339,452k (2021/22 £347,271k). There are no amounts held as collateral against these balances.

At 31 March 2023 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 2023 there are £Nil (2021/22 £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 22. 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.

At the beginning of 2022/23 the NHS Foundation Trust's cash and cash equivalents attracted interest at a rate of 0.64%, however, following a number of interest rate rises during the financial year linked to the change in the Bank of England base rate, the Trust is now receiving interest at 4.14%. 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 held on a 95 day fixed term deposit with Yorkshire Bank plc. The interest rate on this deposit is currently fixed at 2.1%. The Newcastle upon Tyne Hospitals NHS Charity also holds a variable cash balance with HSBC which attracts an interest rate at 1.37%.



29. Financial Instruments and Financial Risk Management (continued)

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.

30. Financial Assets and Liabilities

30.1 Carrying values of financial assets

	GROUP		NHS FOUNDATION TRUST	
	31 March 2023 £000	31 March 2022 £000	31 March 2023 £000	31 March 2022 £000
Receivables (excluding non-financial assets) - with NHS and DHSC bodies	49,845	31,093	49,845	31,093
Receivables (excluding non-financial assets) - with other bodies	42,961	43,599	43,924	43,599
Cash and cash equivalents	195,783	220,142	195,783	220,142
Consolidated NHS Charitable fund financial assets - Investments	40,671	42,067	0	0
Consolidated NHS Charitable fund financial assets - Cash and cash equivalents	10,192	10,370	0	0
Total	339,452	347,271	289,552	294,834

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.

30. Financial Assets and Liabilities (continued)

30.2. Carrying values of financial liabilities

	GROUP		NHS FOUNDATION TRUST	
	31 March 2023 £000	31 March 2022 £000	31 March 2023 £000	31 March 2022 £000
Other financial liabilities				
Obligations under leases	41,473	0	41,473	0
Trade and other payables (excluding non-financial liabilities) - with other bodies	166,022	179,534	166,022	179,534
Trade and other payables (excluding non-financial liabilities) - with NHS and DHSC bodies	4,100	12,946	4,100	12,946
PFI finance lease obligations	209,435	216,085	209,435	216,085
Total	421,030	408,565	421,030	408,565

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	195,147	212,914	195,147	212,914
In more than one year but not more than five years	94,780	76,227	94,780	76,227
In more than five years	297,300	296,380	297,300	296,380
Total	587,227	585,521	587,227	585,521

31. Application of new standards

The NHS Foundation Trust adopted IFRS 16 with effect from 1st April 2022. The impact of the new accounting standard is detailed in note 13.

32. Third Party Assets

The NHS Foundation Trust held £6k (2021/22 £4k) 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.



33. Losses and Special Payments

There were 506 cases of losses and special payments totalling £1,983k during the year (2021/22 263 cases totalling £679k). The Trust made payments totalling £1,062k to members of staff who had previously held a lease car under via a salary sacrifice arrangement in relation to a VAT refund the Trust had received. These payments are detailed below as a single case. The Trust was informed on 8th September 2022 that the Department of Health and Social Care had received blanket approval from HM Treasury for these payments to be made and that individual organisations did not need to apply for Managing Public Money approval. The 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	2022/23	2022/23	2021/22	2021/22
	Total number of cases No	Total value of cases £000	Total number of cases No	Total value of cases £000
Losses				
Cash losses - overpayment of salaries	15	9	19	2
Fruitless payments and constructive losses	0	0	2	81
Bad debts and claims abandoned in relation to:				
a. private patients	32	19	3	1
b. overseas visitors	76	277	36	112
c. other	58	27	6	4
Damage to buildings, property etc. (including stores losses) due to:				
a. stores losses	42	142	24	343
b. other	184	199	115	26
Total losses	407	673	205	569
Special payments				
Compensation under court order or legally binding arbitration	5	99	0	0
Ex-gratia payments in respect of:				
a. loss of personal effects	76	40	32	16
b. personal injury with advice	17	109	14	91
c. other	1	1,062	12	3
d. overtime corrective payments (nationally funded)	0	0	0	0
e. overtime corrective payments (additional amounts locally agreed and funded)	0	0	0	0
Total special payments	99	1,310	58	110
Total losses and special payments	506	1,983	236	679
	2022/23	2021/22		
	£000	£000		
Recovered Losses				
Compensation payments received	60	139		

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.

34. Pension Costs

34.1. 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 2023, is based on valuation data as 31 March 2022, updated to 31 March 2023 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

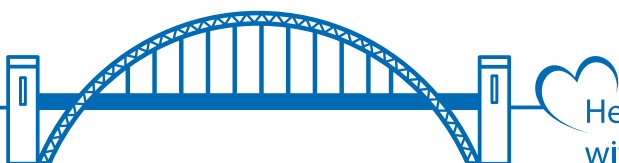
b) Full actuarial (funding) valuation

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

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

The actuarial valuation as at 31 March 2020 is currently underway and will set the new employer contribution rate due to be implemented from April 2024.

The NHS Foundation Trust estimates that its employer contributions into the scheme in 2023/24 will be £70,713k (2022/23 £68,193k), which is based on



34. Pension Costs (continued)

34.1. NHS Retirement Benefit Scheme (continued)

the 14.38% contribution. The additional contributions from 14.38% to 20.6%, estimated to be £30,919k (2022/23 £29,815k) 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 2023/24.

34.2. 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 £328k (2021/22 £261k).

35. The Newcastle upon Tyne Hospitals NHS Charity

35.1. Funds

	31 March 2023 £000	31 March 2022 £000 * Restated
Restricted	16,507	15,213
Unrestricted	33,452	36,168
	<u>49,959</u>	<u>51,381</u>

As at 31 March 2023 the total funds as disclosed in the Newcastle Upon Tyne Hospitals NHS Charity accounts amount to £35,172k. This balance has been adjusted for IFRS accounting policies and is disclosed in the group accounts as £49,959k. The adjustment to funds of £14,788k 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.

35. The Newcastle upon Tyne Hospitals NHS Charity (continued)

35.1. Funds (continued)

Unrestricted funds

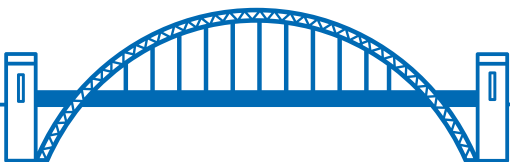
Unrestricted income funds are accumulated income funds that are expendable at the discretion of the trustees in furtherance of the charity's objects. Unrestricted funds may be earmarked or designated for specific future purposes which reduces the amount that is readily available to the charity.

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.

35.2 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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