The Newcastle upon Tyne Hospitals
NHS Foundation Trust

Newcastle Hospitals' Annual Members' Meeting (AMM)

Tuesday 28 July 2026

Market place (Freeman Hospital Education Centre) 1.30pm – 2.30pm – staff will be showcasing their innovative services.

AMM meeting (Training rooms 3 and 4, Freeman Hospital Education Centre): 2.30pm – 4.00pm

1. Welcome and introductions	Sir Paul Ennals, Chair	2.30pm – 2.35pm
2. Minutes of the meeting held on 23 July 2025 (Attached) and Matters Arising	Sir Paul Ennals, Chair	2.35pm – 2.40pm
3. Chair's Reflections	Sir Paul Ennals, Chair	2.40pm – 2.45pm
4. Review of the Year and Annual Report for 2025/26*	Jackie Bilcliff, Acting Deputy Chief Executive Officer (DCEO) / Chief Finance Officer (CFO) and Executive Team Members	2.45pm – 3.25pm
5. Annual Accounts for 2025/26*	Jackie Bilcliff, DCEO / CFO and Mark Outterside, Director Forvis Mazars LLP	3.25pm – 3.45pm
6. Questions and closing Remarks	Sir Paul Ennals, Chair	3.45pm – 4.00pm

**Annual Report and Accounts attached within the meeting papers.*

If you would like to attend the meeting please email nuth.AGM@nhs.net
In addition, we request that any questions are emailed in advance to nuth.AGM@nhs.net

Healthcare at its best
with people at our heart

ANNUAL MEMBERS MEETING
DRAFT MINUTES OF THE MEETING HELD ON 23 JULY 2025

Present:	Paul Ennals	Chair
	Rob Harrison	Acting Chief Executive Officer (CEO)
	Jackie Bilcliff	Chief Finance Officer
	Vicky McFarlane-Reid	Director of Commercial Development and Innovation
	Ian Joy	Executive Director of Nursing
	Michael Wright	Joint Medical Director
	Mrs Liz Bromley	Non-Executive Director (NED)
	Mr David Weatherburn	NED
	Mr Bernie McCardle	NED
	Public Governors (Constituency 1 – see appended table)	
	Public Governors (Constituency 2 – see appended table)	
	Public Governors (Constituency 3 – see appended table)	
	Staff Governors (see appended table)	
	Appointed Governors (see appended table)	

In attendance:

Mark Outterside	Managing Partner, Forvis Mazars
Joanne Bracken	Senior Manager, Forvis Mazars
Caroline Docking	Director of Communications and Corporate Affairs
Annie Laverty	Chief Experience Officer
Patrick Garner	Director of Performance and Governance
Kelly Jupp	Trust Secretary
Lauren Thompson	Deputy Trust Secretary/Corporate Governance Manager

Public and other staff attendees are listed in the appended table.

Apologies for Absence:

Lucia Pareja-Cebrian	Joint Medical Director
Paul Hanson	Director of Estates and Facilities and Strategic Partnerships
Nini Adetuberu	Associate NED
Wendy Balmain	NED
Anna Stabler	NED
Bill MacLeod	NED
Hassan Kajee	NED

Secretary

Gill Elsender	PA and Corporate Governance Officer

1. WELCOME AND INTRODUCTIONS

Paul Ennals opened the meeting, welcomed all in attendance and introduced the presenters. He also explained the purpose of the meeting which was to formally receive and

adopt the annual report and accounts for 2024/25 whilst also providing an opportunity for those in attendance to ask questions.

Apologies for absence were noted as listed above and in the appended table.

2. MINUTES OF THE MEETING HELD 25 SEPTEMBER 2024 AND MATTERS ARISING

The minutes of the meeting held on 25th September 2024 were agreed to be an accurate record. There were no matters arising from the minutes.

3. CHAIR'S REFLECTIONS

Paul Ennals reflected on the previous year, being his first full year with the Trust. There had been several changes to the Trust Board in 2024/25 in terms of four new Non-Executive Directors, as well as changes to the Executive Team and most notably Sir Jim Mackey seconded to the NHS England. Whilst Sir Jim was still the substantive Chief Executive for Newcastle Hospitals, Rob Harrison had been appointed as acting CEO. Paul Ennals noted the smooth transition process, supported by other Executive Directors, some having taken on additional responsibilities in the interim.

Over the past year, the Trust had undergone a significant journey since receiving a highly critical Care Quality Commission (CQC) inspection report. There had been a strong focus on rebuilding confidence and staff morale. Rapid progress had been made in completing and implementing the CQC's recommendations and associated actions, while recognising that some improvements would take longer to fully embed.

Many of the restrictions previously placed on the Trust's licence by the CQC had now been lifted, reflecting the significant improvements achieved. Most actions had been completed, and many recommendations were now embedded as business-as-usual. The CQC had confirmed that the Trust was unlikely to receive an inspection in the next 12 months, being no longer considered a 'significant' risk.

Whilst further improvements were still needed, the overall direction of travel was positive. Performance metrics had improved significantly; however it was acknowledged that some were still not at the desired level. Challenges remained, especially around balancing finance, quality and performance priorities, however there were also important opportunities ahead, particularly in the context of the NHS 10-Year Health Plan. The Plan focused on shifting care into communities, accelerating digital transformation and strengthening prevention.

Paul Ennals reflected on how his father's generation rebuilt post-war Britain by creating bold new concepts/institutions like the welfare state, the NHS and the United Nations, which demonstrated the strength of having an innovative long-term vision. He noted the need for Trust Board to have similar ambitions, addressing immediate challenges such as resources and performance, while also reimagining how care should and could be delivered.

By delivering more care in communities and using hospitals for specialist support, the region could create a better, more sustainable model of care for the future.

4. REVIEW OF THE YEAR AND ANNUAL REPORT FOR 2024/2025

Rob Harrison noted at the start of 2024, the Trust was still only months post-CQC inspection and therefore had focused on meeting the required actions in governance, leadership, culture and staff experience. A monthly Integrated Quality Improvement Group with regulatory partners monitored progress and early efforts centred on recovery and rebuilding. During this period, Sir Jim Mackey had also listened to staff and developed the "Eight Big Signals" to guide improvement with quality of care being the main priority.

The CQC inspection report referred to concerns about speaking up by some staff, the reliability of processes and decision-making, patient safety reporting and learning, and the care of patients with mental health needs or learning disabilities. Issues were also raised regarding Deprivation of Liberty Safeguards compliance, medicines management, managing deteriorating patients, organisational culture, and specific challenges within cardiothoracic services, NECTAR (North East & Cumbria Transport and Retrieval), and the Emergency Department, all of which became focused areas for improvement.

Rob Harrison explained that the organisation had continued to make strong progress in quality, safety and operational performance. The recommencement of cardiothoracic training and initiation of an external well-led review further supported ongoing development and assurance. Regulatory confidence had increased, oversight mechanisms had been streamlined, and significant improvements had been delivered across key service areas.

Over the past year, a major organisational focus had been on improving staff experience. A comprehensive People Plan was developed, shaped heavily by staff feedback about what matters most to them and what they needed to perform effectively in their roles.

Following the first year of delivering the People Plan, early signs of progress had emerged. Staff engagement in the staff survey increased, with overall survey scores ceasing to decline for the first time in several years, signalling the beginning of a positive shift.

Work on the People Plan had continued into 2025/26. Priority areas included strengthening leadership and management, launching a new health and wellbeing offer, and sustaining a strong focus on behaviours and civility, and creating a culture where colleagues feel valued and heard.

Rob Harrison explained that Paul Ennals' role as shared Chair was central to strengthening the Great North Healthcare Alliance, improving how patients move between hospitals and enabling more care to be delivered closer to home. Over the past year, this collaboration had delivered clear benefits, for example Cardiology pathways had been improved, with faster transfers and better access to stent procedures at the Freeman Hospital. Oral & Maxillofacial services had been strengthened across the region.

Overall, the Alliance was demonstrating that working together delivered better patient pathways and aided sustainability of services.

Rob Harrison noted the following points in relation to performance:

- Operational performance remained a critical part of delivering high-quality care, as timely access directly linked to patient outcomes.
- National waiting lists grew significantly before, during, and after the pandemic, making improvement a priority.
- From early 2024, focused work on productivity and waiting times led to notable reductions and overall performance gains.
- Emergency care performance had improved by circa 5% year-on-year, driven by pathway/flow changes, increased staffing capacity and other improvements within the Emergency Department. This had resulted in reduced waiting times for treatment and better overall performance.
- Elective care saw some of the most significant improvements last year. The number of patients waiting over 65 weeks and over 52 weeks had reduced substantially.
- The overall waiting list continued to fall, and performance against the 18-week standard rose to 72%, placing the organisation among the top five performers nationally.
- Cancer performance had improved in some areas; however, several tumour groups still required focused attention. These specific pathways would be a priority for improvement in 2025/26 to ensure more consistent performance across all cancers.

  Diagnostic performance had also been a contributing factor with long waits for diagnostic procedures. Improving diagnostics further was central to strengthening overall cancer performance in 2025/26.

Ian Joy highlighted the following points in relation to quality:

- Last year, the organisation set out a series of quality priorities, and while progress had been made, some areas still required further work to achieve the improvements sought.
- One major success was the sustainable reopening of the Newcastle Birthing Centre at the Royal Victoria Infirmary (RVI). Reopening the unit in December 2024 was significant, restoring vital choice and place-of-birth options for women and families, as well as having had a positive impact on staff morale and experience.
- Strong emphasis had been placed on increasing and supporting incident reporting, ensuring staff felt confident and were encouraged to report concerns. While progress had been made, this priority was not yet fully achieved and therefore remained a key focus for the year ahead to ensure that reporting leads to meaningful, organisation-wide learning and safer care.
- Progress with implementation of the Patient Safety Incident Response Framework in 2024/25 had seen tangible improvements in reductions in omissions and errors in thromboprophylaxis leading to Venous Thromboembolism (VTE).
- A key organisational priority, informed by learning from the CQC report, had been strengthening transparency and oversight of incidents. The introduction of a weekly Response and Action Review Meeting was central to this. External partners were providing valuable independent check and challenge, helping to ensure that investigations, actions and learning were appropriate and effective.

- Accrediting Excellence Programme, a structured, five-step assessment model for wards and departments was launched at the end of 2024. The programme evaluated the quality of care delivered, supported continuous improvement, and provided a clear framework for achieving and sustaining high standards.
- A summary of the Quality Account Priorities for 2025/26 was provided, being:
    - Supporting staff to report incidents with an enhanced focus on shared learning and a systems-based approach to improvement.
    - Safer and more effective medicines use.
    - Ensuring mental capacity, best interests decision making and deprivation of liberty safeguards are considered appropriately for inpatients with a learning disability.
    - Expanding the Accrediting Excellence programme for wards and departments.
    - Waiting safely - Improving safety for patients who are waiting for treatment.
    - Roll out of our patient experience real time surveys.

Regarding the patient and staff experience, Annie Laverty highlighted:

- Over the past year, the charity-funded patient and staff experience programme had expanded significantly, aligning with the NHS ambition to reshape relationships with patients, families and communities.
- Feedback had increased from around 300 people a month to over 80,000, giving the Trust a far richer insight into quality of care and supporting evidence-based improvement.
- A major milestone had been the pilot of real-time patient experience feedback across 14 wards, with more than 1,000 participants. This had improved both patient insight and staff morale through regular, meaningful feedback.
- The data showed strong performance, with the Trust ranked in the top 20 for inpatient, outpatient and maternity care. Maternity services had seen a particularly significant improvement, with “very good or excellent” ratings.
- The roll-out of real-time experience measurement across 50 wards would be a major area of work in 2025/26, giving the organisation a comprehensive understanding of both patient and staff experience. This would enable the data/feedback to be converted into meaningful improvement, aligned with the ACE programme, the CQC improvement journey and the NHS 10-year Health Plan.
- Collaboration with Alliance partners is underway through a national productivity pilot, introducing real-time experience measurement in emergency care.
- The Trust had also achieved HIV Confident accreditation, one of only four national pilots and the only trust outside London to do so.
- As an exemplar site, the organisation would contribute to national learning on how to embed patient and staff experience into the future NHS 10-year Health Plan.

Rob Harrison highlighted that the past year (2024/25) had been one of real pace, challenge, and progress. Some of the many achievements delivered over the last twelve months which reflected the extraordinary efforts of staff included:

- Opening of the Community Diagnostic Centre;
- World class treatment for Parkinson’s Disease; and
- City of Sanctuary Award, Meritorious Service and Oncology Nurse of the Year.

Rob Harrison paid tribute to all colleagues across the organisation adding that none of what had been achieved would have been possible without the dedication, resilience, and commitment of the staff. This was echoed by Paul Ennals.

The Annual Report for 2024/25 was formally approved.

5. ANNUAL ACCOUNTS FOR 2024/2025

Jackie Bilcliff advised that this was the formal meeting to approve the annual accounts and to receive the auditors' report on last year's performance. As stewards of £1.8 billion of public funds, it was essential that the Trust demonstrated strong financial governance and achieved the cleanest outcome in how resources were managed.

Highlights from the financial year were noted to include:

- Total income of £1,773m.
- 54% of total spend attributed to staffing.
- A significant proportion of spend on drugs associated with the specialist care provided by the Trust.
- A large Capital Programme and the Trust would continue to invest in services whilst maintaining current estate where possible.
- Investments included commencing work on the new Urgent Treatment Centre at the RVI, relocation of services from the Campus for Ageing and Vitality site and £4m in new equipment, all fantastic achievements despite the financial challenges.
- Financial targets were met for 2024/25, which was a significant achievement. This was not without challenge, with both national and local financial pressures remaining.
- Focus remained on meeting financial control targets for 2025/26 while continuing to prioritise investment in services and the delivery of high-quality care.

Mark Outterside delivered a short presentation on the outcome of the Trust's external audit, with the following points noted:

- A summary of the work undertaken as the auditor for the Trust for the year ended 31 March 2025 which included:
    - Opinion on the financial statements - Despite the ongoing challenges faced by the Trust, and the wider sector, the accounts and audit were successfully delivered by the 30 June 2025 deadline.

      The Trust's finance team were very cooperative during the work, making the year end audit process efficient. An unqualified audit report was issued, being the best possible outcome. The draft accounts were of a good quality and the audit work identified very few reporting issues.
    - Value for money arrangements - In 2023/24, a significant weakness was identified in the Trust's arrangements for securing value for money, linked to the CQC inspection report published in January 2024, resulting in a formal recommendation. Whilst actions had been taken during 2024/25 to address the CQC's findings, the absence of a subsequent inspection means there was

no external confirmation that the issues had been fully resolved, and the weakness therefore remained.

An additional recommendation was also raised regarding financial sustainability and the delivery of challenging efficiency targets; although not deemed a significant weakness, the Trust should continue to maintain robust scrutiny of its efficiency plans throughout 2025/26.

- Wider reporting responsibilities - Appropriate assurance was provided to the National Audit Office on the Trust's consolidation schedules by the agreed deadline.

  Other reporting responsibilities included consideration of the Annual Report, Annual Governance Statement, and Remuneration and Staff Report. No issues were identified from the review of these areas.

  The audit and finance teams had developed an objective, independent and no-surprises approach, which had enabled a successful delivery of the audit. Underpinning the relationship had been clear communication, integrity and a collaborative approach.

Paul Ennals thanked Mark Outterside and his colleagues for the work undertaken over the year.

The Annual Accounts for 2024/25 were formally approved.

6. QUESTIONS AND CLOSING REMARKS

Paul Ennals opened the floor for questions. One question had been submitted prior to the meeting which read "*Will the Trust make a public statement that it will immediately implement steps to comply with the judgement of the Supreme Court as regards sex, and gender, and will the Trust ensure that all the staff are informed that the trust will comply with the judgement.*"

Caroline Docking advised that the Trust would continue to comply with all legislation and judgments as they applied on a day-to-day basis. The Supreme Court judgment related specifically to definitions within the Equality Act and did not alter wider equality legislation or duties. It was therefore being considered alongside all other legal and policy obligations, rather than treated in isolation.

It was noted legal advice had been taken, which confirmed the need to consider this issue sensitively, including compliance with NHS England and CQC requirements. Staff had been advised to raise any concerns so that appropriate, lawful, and values-based decisions could be supported in what was a complex legal environment.

One member noted that the judgment clearly defined "man", "woman", and "sex" as referring to biological sex within the Equality Act and therefore felt that this had clear

implications, including for the membership of the Women's Network, and that in their view, allowing otherwise would not be compliant with the judgment.

The member expressed disappointment with the Trust's response to the Supreme Court judgment, adding that the Trust had not, three months after the judgment on 16 April, made and communicated a clear decision to staff and the public. The member indicated they did not agree that further contextual consideration was required and remained unclear about the Trust's position, notwithstanding prior correspondence on the matter.

Caroline Docking acknowledged the view held and emphasised the need to consider the full body of evidence showing that individuals across multiple protected characteristics can experience detriment, both as patients and as staff. She reiterated the Trust's ongoing legal duties to protect all groups covered by equality legislation and confirmed that the Trust would continue to comply fully with the law and that, based on extensive legal advice, the position was more complex than a single interpretation of the judgment.

With regard to the Women's Network, Annie Laverty advised that staff networks were open to all members of staff across the organisation.

There were no further questions.

Rob Harrison provided a look ahead for the year where the Trust would be focussing on three priorities, being Focus on Fundamentals, Make it better for colleagues, Look to the Future whilst addressing the "Big Signals". The major capital projects scheduled for 2025/26 included the Urgent Treatment Centre, Newcastle Diabetes Centre and the Sir Bobby Robson Institute.

In closing, Paul Ennals noted that the Trust was both a large organisation and a community, comprising of staff, Executive and Non-Executive leadership, the Council of Governors and members. Over the past year, there had been constructive engagement from Governors and increasing involvement from members, which was valued.

He extended his thanks to Kelly Jupp and her team, along with colleagues across the Trust, including those who had supported today's meeting, for their professionalism and hard work.

The meeting closed at 15:35.

GOVERNORS ATTENDANCE:

	Name	Y/N
A	Ms Tracy Armstrong	Y
S	Mr Roger Bishop [Volunteers]	Y
A	Mr David Black [APEX]	Y
2	Mr Peter Bower	Y
S	Mr David Bull [Admin, Clerical, Managerial and Chaplaincy]	Y
1	Mrs Judy Carrick	Y
1	Dr Kate Cushing	Apologies
1	Alexandros Dearges-Chantler	Apologies
A	Mrs Lara Ellis [Newcastle City Council]	N
1	Mrs Aileen Fitzgerald	Y
S	Mr Hugh Gallagher [Medical and Dental]	Apologies
3	Ms Joy Garner	Y
2	Mrs Catherine Heslop	Y
2	Professor Philip Home	N
S	Mr William Jarrett [Estates and Ancillary]	N
2	Mrs Sandra Mawdesley	Apologies
2	Mr Hugh McKendrick	Y
2	Ms Linda Pepper	Y
2	Mr Shashir Pobbathi	N
1	Miss Fatema Rahman	Apologies
1	Dr Chris Record	N
S	Miss Elizabeth Rowen [Allied Health Professionals and Scientists]	Y
S	Mrs Poonam Singh [Nursing & Midwifery]	N
A	Professor John Unsworth	Apologies
1	Dr Eric Valentine	Y
2	Dr Peter Vesey	N
A	Doctor Luisa Wakeling	Y
2	Mrs Claire Watson	Y
3	Mr Michael Warner	N
1	Ms Sally Ann Webster	Y
2	Dr Kevin Windebank	Y

PUBLIC, MEMBERS AND STAFF OBSERVERS' ATTENDANCE:

Name	Representation
Terry Bearpark	Public/Member
Jenn Robson	Public/Member
Lynn Taylor	Public/Member
Margaret Valentine	Public/Member
Eleanor Houliston	Public/Member
Joseph Burns	Public/Member
Diane Jones	Public/Member
Julia Maddison	Public/Member
Pam Yanez	Public/Member
Sheila Royce	Public/Member
David Forrester	Public/Member
Alison Greener	Staff/Member
Ellspeth Marshall	Staff/Member

THIS PAGE IS INTENTIONALLY BLANK

The Newcastle upon Tyne Hospitals NHS Foundation Trust

Annual Report and Accounts

2025/26

The Newcastle upon Tyne Hospitals NHS Foundation Trust

Annual Report and Accounts

2025/26

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

Contents

	Chair and Acting Chief Executive Officer Introduction	7
	Our Trust Strategy, Vision and Values	11
	Service Developments and Achievements	12
	Digital Developments	15
	Partnerships	17
	Research	21
	Awards and Achievements	23
	Newcastle Hospitals Pharmaservices Limited	25
	Newcastle Hospitals Charity	26
1.	Performance Report	
A.	Overview of Performance	
	Our Activities	29
	Exercise of functions in relation to the ICS and ICB plans	31
	Key Risks to Delivering our Objectives	31
	The Trust	32
	Going Concern	32
	Operating and Financial Performance	33
B.	Analysis of Performance	
	Performance	36
	Sustainability	47
	Health and Safety	53
2.	Accountability Report	
	Board of Directors	54
	Audit, Risk and Assurance Committee	68
	Better Payments Practice Code and Income Disclosures	74
	Overview of Quality Priorities 2025/26	75
	Annual Statement on Remuneration	80
	Annual Report on Remuneration	82
	Remuneration Policy	82
	Fair Pay	99
	Our Governors	103
	Governor Elections	105
	Nominations Committee	108
	Membership	110
	Staff Report	112
	Code of Governance	132
	NHS Oversight Framework	146
	Statement of Accounting Officer's Responsibilities	148
	Annual Governance Statement	150
	Audit and Controls	161
	Abbreviations and Glossary of Terms	162
3.	Annual Accounts 2025/26	168

Chair and Acting Chief Executive Officer Introduction

Overview of performance: Statement from the Chair, Sir Paul Ennals CBE

This year has been one of real progress for The Newcastle upon Tyne Hospitals NHS Foundation Trust ('Newcastle Hospitals'). As Chair, I have seen an organisation that is steadily moving on – strengthening its foundations, improving performance across almost every measure, and delivering better services for patients.

I am pleased to report that we have achieved sustained improvement in quality, safety, access and patient experience. These improvements are reflected not only in our performance data, but in the day-to-day experiences of patients and families who are receiving more timely, safer and more responsive care. During the year, we commissioned an external Well-Led Review to provide an independent assessment of our leadership, governance and organisational culture. The review recognised the significant progress made in strengthening leadership capacity, improving openness and transparency, and sharpening our focus on quality and safety. It also reinforced areas highlighted in our newly developed five-year strategy, including the need for greater consistency in our culture, clearer accountability and continued investment in leadership at every level. The findings of the review have been welcomed by the Board and have informed both our strategic priorities and our approach to delivery, ensuring that our future plans are grounded in learning, honest self-assessment and a shared commitment to continuous improvement. Our progress has enabled us to move out of formal scrutiny from NHS England (NHSE) and the North East and North Cumbria (NE&NC) Integrated Care Board (ICB) - a significant milestone in our improvement journey and a clear vote of confidence in the direction of travel set by our Board, leaders and colleagues.

We have continued to see exciting clinical advances, including in neurosurgery where we have opened the National Centre for Neurotechnology and Neurorestoration to strengthen our role as a leading provider of complex and specialist care in the UK, and we continue to develop and invest in services which support our local communities and patients from across the wider region and country.

This has not, however, been an easy year financially. Like the rest of the NHS, we have faced significant cost pressures and a challenging financial environment. I want to pay tribute to colleagues whose creativity, commitment and willingness to do things differently enabled us to meet our financial targets despite those pressures.

As we look ahead, we are entering the next phase of our journey. We have worked with partners to shape our new five-year strategy, which focusses on joining up and advancing care while ensuring that we have the right conditions in place as an organisation to support our people. We will work more closely with partners to reduce inequalities and improve population health and will continue to deepen our collaboration through the Great North Healthcare Alliance (GNHA) to work at scale, share expertise and deliver benefits that no organisation could achieve alone.

As this year draws to a close, we have been proud to welcome Her Royal Highness (HRH), the Princess Royal to our maternity services, and to mark the start of work on the Sir Bobby Robson Institute – both powerful symbols of our commitment to quality improvement, partnership and ambition for the future.

None of this progress would be possible without the continued support of our patients, volunteers, governors and colleagues. There is still much more to do, but as we move

forward, I feel a strong sense of pride in what this Trust has achieved over the past year and confidence in our ability to continue improving for the communities we serve.

Sir Paul Ennals CBE
Chair

25 June 2026

Statement from the Acting Chief Executive Officer

Thank you for taking the time to read our Annual Report, which aims to reflect openly on a year that has seen clear progress whilst highlighting areas where we need to go further.

This has been my first full year as Acting Chief Executive Officer (CEO) while Sir Jim Mackey continues his secondment as Chief Executive of NHSE, and it continues to be a privilege to lead this organisation with the support of so many colleagues.

I'm pleased to be able to report that in line with our interim strategy, we have made some significant improvements throughout the year. By focusing on the fundamentals, we have delivered safe and compassionate care, improving access to our services and seeing consistently high patient satisfaction through our real time and right time patient experience programmes.

However, in a complex healthcare environment, we don't always get things right. Disappointingly we have reported 10 never events over the year. Each one represents a failure in the systems designed to protect patients from avoidable harm, and we are deeply sorry to those affected. Although these events are rare, they are unacceptable and therefore reducing the risk of Never Events is a core objective for 2026/27. Our focus has been on understanding the systems and conditions that allowed such incidents to happen and ensuring that learning leads to tangible and sustained change. Improving the overall quality of the care we provide remains our foremost priority and requires constant attention.

We have heard clearly from colleagues that they need to see improvements in the support they get from us as an employer, and how our systems and processes work. We have made significant upgrades this year in our Information Technology (IT) and estates programmes delivering new 'carts' to enable ward teams to access patient records more quickly, and upgrading our IT infrastructure to maximise the time colleagues have to provide direct patient care. Thanks to the support of Newcastle Hospitals Charity, we have introduced a comprehensive wellbeing service to support colleagues who have experienced trauma at work, as well as training over 100 Mental Health First Aiders. This is in direct response to feedback from our local and national staff survey alongside the valuable insights from our governor and staff networks and I am grateful to everyone who has shared their views and experience so that we can learn, improve and focus on supporting this to be a great place to work.

This year has sadly seen unrest in our communities and in the summer, I wrote to all staff to ask them to support a clear and firm position that we will not tolerate racism in our organisation. A small group of our global majority colleagues have been leading work to develop an Anti-racism Framework for our organisation and thanks to their hard work, it was adopted by the Board in January 2026. Ensuring all our patients and colleagues are able to access and provide care in a place which does not tolerate racism is vital and will enable us to focus on how we reduce healthcare inequality caused by racism.

Delivering on our quality, access and financial standards is key to providing high quality, sustainable services. The significant financial challenges this year have required a step change in our approach to how we use our resources. I want to thank all our colleagues who have contributed creatively to a wide range of improvements in productivity and the wider use of our collective resources. Through that hard work and commitment we met our financial targets. Importantly, this has also enabled us to invest in improvements to our clinical equipment, estate and digital services, with a total capital investment of £79.3m.

Alongside these challenges, there have been important developments in our clinical services and research capability, including advances in specialist and highly complex care. A high point was the publication of work from our Mitochondrial and Fertility teams whose world leading science led to the birth of 8 healthy babies who would otherwise have been at risk of devastating disease, giving hope to countless families. I never fail to be impressed by teams like this, all across our organisation who combine research, innovation and a patient centred approach to delivering excellence in healthcare.

As we look ahead with our new five year strategy, my focus as Acting Chief Executive Officer is on ensuring that ambition is matched by delivery. That means translating plans into consistent practice, being clear and open about where we need to improve, and continuing to develop the organisation to ensure clinical teams are empowered and colleagues feel supported through a culture of learning and improvement.

I would like to thank our colleagues, volunteers, governors and partners for their commitment, professionalism, and resilience during a demanding year. While there is much more to do, our focus on fixing the fundamentals and strengthening the foundations has enabled progress. We will now focus on continuing to improve the quality of and access to care for our patients and communities.

Mr Rob Harrison
Acting Chief Executive Officer

25 June 2026

Our Trust Strategy, Vision and Values

Our previous 5-year strategy concluded at the end of 2024. In response, the Board agreed a 12-month interim strategy covering 2025/26. This interim strategy focused on a set of priority objectives and near-term ambitions that the organisation aimed to achieve during 2025/26. The rationale for adopting this approach was to create the necessary time and space to develop a robust and meaningful longer-term strategic direction.

The interim strategy was based on the 'Big Signals' that were developed in January 2024. Over 1,000 staff attended a series of events, and their feedback and subsequent engagement helped develop these. They set out the key issues to address and allowed staff to hold the Executive Team and Trust Board to account for their delivery. The CEO reported progress against these Big Signals regularly at the Board meetings held in public, and other management meetings.

During the year 2025/26 the vision and values remained the same and these were tested through our wider engagement in the long-term strategy development.

Our vision in 2025/26 was:

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

Our values were originally developed wholly by our staff and guided everything that we did to achieve our vision. Our values from 2019/20 to 2025/26 were:

- **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.

'Caring, Learning and Improving Together', our new comprehensive five-year strategy was shaped in collaboration with staff, patients, and key stakeholders. It was agreed by the Board of Directors in April 2026 and aligns with the published Integrated Care Partnership (ICP) Strategy and the 10-year plan for the NHS.

Service Developments and Achievements

Eight babies born free from mitochondrial disease

A pioneering technique developed by a team at Newcastle University and Newcastle Hospitals led to the birth of eight babies following mitochondrial donation treatment, a groundbreaking approach designed to reduce the transmission of mitochondrial Deoxyribonucleic Acid (DNA) disease. Supported through funding from Wellcome and NHSE, this work represents a major milestone in translational research, offering hope to families affected by these inherited conditions and reaffirming Newcastle's position as a global leader in mitochondrial medicine.

New epilepsy implant to reduce seizures

The first patient in the United Kingdom (UK) underwent pioneering surgery at Newcastle Hospitals to have a new implant fitted, which aims to disrupt the body's electrical signals to reduce epilepsy seizures. The groundbreaking procedure, which is potentially life-changing for some people living with certain forms of epilepsy, was performed by neurosurgeon Mr Chris Cowie at Newcastle Hospital's, Royal Victoria Infirmary (RVI). The new device called EASEE® (Epicranial Application of Stimulation Electrodes for Epilepsy), from med-tech company Precisis – uses individual brain stimulation to act as a pacemaker for the brain.

First UK patient received heart valve procedure that also helps prevent stroke

A groundbreaking new procedure to treat patients with severe heart valve disease who are at risk of stroke, took place for the first time in the UK at Newcastle Hospitals. Josephine Davison from Dinnington underwent a Transcatheter Aortic Valve Implantation (TAVI) using an innovative device known as the FLOWer. This cutting-edge technology offers a new solution for patients previously considered too high-risk for the minimally invasive procedure.

£40 million funding secured for decarbonisation projects

Newcastle Hospitals secured over £40 million funding from the UK government to support our move towards net zero. The Trust received the second largest grant in England as part of the Public Sector Decarbonisation Scheme which is run by the Department for Energy Security and Net Zero. The funding will be used to decarbonise the Freeman Hospital (FH), and community sites at Benfield Park and Ponteland Road Health Centre. The decarbonisation projects will include the installation of heat pumps, electrical upgrades, double glazing, solar panels, and energy-efficient lighting.

Planning approved for £30 million Sir Bobby Robson cancer centre

Newcastle Hospitals and The Sir Bobby Robson Foundation, part of Newcastle Hospitals Charity, are building a world-class facility, which will benefit patients from the North East and beyond. Formal planning permission has been granted for building work to start in spring 2026, next to the existing Northern Centre for Cancer Care (NCCC). The centre is planned to open in 2028 and will double the capacity of the existing cancer research unit, aiming to revolutionise treatment through enhanced clinical trials for patients with limited options.

New facilities opened for cardiology patients at the FH

In September, Newcastle Hospitals officially opened two newly refurbished facilities at the FH, designed to enhance the experience of both day-case and long-term cardiology patients. The new Cardiology Day Case Unit, located on ward 27, significantly increases the number of patients who can be treated each day. Purpose-built for procedures that do not require an overnight stay, the unit will help reduce waiting lists while enabling patients to return home the same day to rest and recover comfortably.

Automation is transforming prostate cancer treatment at the NCCC

The NCCC reached a significant milestone, treating over 1,000 prostate cancer patients using a cutting-edge automated radiotherapy planning system that's helping to deliver faster, more consistent and higher-quality care. The innovative system, known as Edge, enables the team to create radiotherapy treatment plans more efficiently and with greater precision. Previously, developing each plan required hours of meticulous work by clinical experts but thanks to Edge, much of this process is automated, freeing up valuable time for staff and ensuring every patient receives a plan that meets the highest standards.

The use of artificial intelligence (AI) to identify preventable blood clots

Nursing teams at Newcastle Hospitals can now identify blood clots in patients faster than ever before, thanks to the use of cutting-edge AI technology. As the leading cause of preventable deaths in patients who have stayed in hospital, identifying and treating them quickly is a priority. Over a six-month period, the new software led to a 56% reduction in avoidable clots in 'at risk' patients during their hospital stay. The initiative won a prestigious national Nursing Times Workforce Award 2025 for the Best Use of Workplace Technology.

Newcastle Diabetes Centre moves to the FH to provide more integrated care

Newcastle Diabetes Centre, which was previously based in the Health Innovation Neighbourhood (formerly known as the Campus for Ageing and Vitality), now supports the city's patients in a newly refurbished centre. The move to the FH allows the service to work more closely with specialist teams across the Trust to provide more integrated diabetes care for patients. Patients under the care of the community service will benefit from an integrated service which includes diabetic eye screening and podiatry services.

Specialist intestinal failure unit opens at the FH

A new 15-bed specialist centre has opened at the FH to provide integrated care for people in the North East and Cumbria with severe intestinal failure. One of only 12 centres in the UK, it brings all treatment into one location for patients who cannot absorb enough nutrients, often due to major bowel surgery, severe injury or inflammatory bowel conditions such as Crohn's disease. The expanding service supports over 170 patients on long-term parenteral nutrition and will improve outcomes, experience and regional access to expert care.

Europe's first 'dissolvable stent' procedure carried out at Newcastle Hospitals

In a UK first, Newcastle doctors carried out an innovative dissolvable stent procedure to treat a painful condition known as peripheral artery disease. The treatment provides 'scaffolding' to hold open the expanded artery while at the same time delivering drugs to support healing. Once its job is done, the stent dissolves over time leaving nothing in the body. The dissolving stent was developed by global healthcare company, Abbott**.**

New regional facility to provide specialist help for people with movement and mobility issues

The state-of-the-art facility at the FH, is known as a ‘gait lab’ and supports adults and children with conditions such as cerebral palsy, spina bifida, and other neurological disorders that affect movement and coordination. As the only facility of its kind in the region, it offers a comprehensive range of specialist services, including advanced two-dimensional (2D) and three-dimensional (3D) analyses of walking patterns, body movement, muscle activity, and the forces acting on the joints during gait. Without this service, patients would need to travel much further afield, with the nearest equivalent facilities located in Edinburgh and Sheffield.

National Centre for Neurotechnology and Neurorestoration established in Newcastle

As highlighted in the Introduction Statement from our Chair, the UK’s first dedicated facility for clinical trials using pioneering neurotechnologies was launched at Newcastle Hospitals, marking a major milestone in neurological research and treatment. The National Centre for Neurotechnology and Neurorestoration, is the first NHS centre dedicated to clinical trials for new and emerging technologies placed in or near the brain and nervous system. By creating a dedicated national facility, the centre will enable the health service to deliver studies faster and adapt quickly to future innovations, ensuring patients benefit from the latest breakthroughs in neurotechnology.

New data partnerships to improve care and treatment

As one of the largest trusts in the country, Newcastle Hospitals holds extensive data on care, treatment, outcomes and services. Until recently, this information was stored across multiple systems, making it hard to organise and utilise effectively. To unlock the full value of this data, the trust has formed two new partnerships to provide the specialist expertise and secure technology needed to improve data quality and support research and development. Flatiron Health is supplying innovative tools and processes to transform patient information into high-quality, research-ready datasets that can help improve cancer treatment, care and quality of life. Promptly Health is supporting the trust to use real-world, data-driven insights for research and innovation, while ensuring that all data remains securely within the NHS infrastructure.

Digital Developments

In line with the national NHS ambition to accelerate the adoption and impact of digital technologies, Newcastle Hospitals has continued to digitise core processes and invest in digital solutions that improve productivity, reduce admin tasks and deliver value. These initiatives support improved patient experience, staff and financial efficiencies, and the Trust's wider environmental and strategic objectives.

During the year, team members from the Subject Access Request Service, Information Governance, IT Trainers, Digital Programmes Change Engagement and the Digital Improvement Facilitators were welcomed into the Digital Health Team.

In 2025/26 the teams supported numerous projects including the Dental Hospital digitisation (Paperlite) with the Trust EPR, the new Urgent Treatment Centre (UTC) at the RVI, Clinical Board digital requests prioritisation and the Remote Hosted Organisation implementation. The teams continues to support Trust staff through targeted digital training and on the ground support.

The Oracle Health Remote Hosted Organisation Flip project successfully transitioned the Trust's Electronic Patient Record (EPR) system from on premise hosting to Oracle Health's UK Tier 3 remotely hosted environment. The move to remotely hosted servers managed by Oracle Health reduces risk, stabilises cost, enhances system performance, and ensures long term digital sustainability for the Trust. This has also enabled the Trust to maintain up to date software code updates with little to no impact to live service.

During 2025/26 Digital Programme delivery achieved several key 'Go Live' projects such as the removal of wet film x-rays and replacement with current digital x-ray equipment and digitising outpatient appointment and outcome letters for Radiology. In addition support was provided to several research collaborations and other smaller projects to result in successful in-year delivery.

The Trust achieved 'Standards Met' status for the NHS Data Security and Protection Toolkit (DSPT) with no required actions, demonstrating its continued commitment to safeguarding patient information and maintaining high standards of information governance.

Several of our Digital team members supported the implementation of the National Infected Blood Psychological service, including a standalone national EPR, self-referral and counselling services. This included our Information Governance colleagues who also played a leading role in the successful implementation of the new psychological support service for patients and families affected by infected blood, and our Subject Access request team members.

Our Subject Access request team members received and processed 9,660 requests in the last financial year 2025/26. In addition, they supported regional initiatives including the Flatiron data partnership, as well as collating records for other reviews and supporting requests from the Nursing and Midwifery Council (NMC) and General Medical Council (GMC).

The Digital Health Clinical Specialists, Digital Health Clinical Education Specialists, Digital Improvement Facilitators and the IT Trainers remain committed to addressing digital inequalities and ensuring patients and staff benefit equitably from digital transformation.

This year we have seen new methods of clinical education delivery, including focussed ward based training, 1-1 sessions, at elbow support and enhanced post induction training.

The new Digital Programmes Change Engagement lead ensures accessibility underpins all digital communications and content that the Digital and Technology services department produces.

Reliable digital infrastructure is essential to support day-to-day operations and the delivery of transformation programmes. Over the past 12 months our Service Management Team has continued to maintain and modernise digital platforms and hardware while ensuring compliance with cyber security standards.

Our device refresh project continued at pace during the year, with over 1,145 devices and 950 carts being replaced. Once the project is complete, the Trust's cart estate will have expanded to approximately 1,130 and be standardised across all wards and departments.

Our Service Desk managed over 160,000 calls and more than 193,000 ServiceNow tickets. Operator Services handled 1.4 million calls and maintained an average speed of answer of 38 seconds.

The implementation of our new backup solution (The Rubrik) aligned with NHS and National Cyber Security Centre (NCSC) guidelines and was selected to address modern threats to Trust data. At the year-end 31 March 2026, approximately 90% of existing backups had migrated to the new platform.

The OneDrive deployment has been completed and all wards have successfully transferred their departmental drives to SharePoint. To enhance both security and performance, the Trust has invested in a new all-flash storage array dedicated to hosting this data. This approach is designed to better protect critical information from cyber-attacks while also improving system speed and overall user experience.

1,740 connected wireless access points were replaced with future proofed models prior to the equipment end of life.

Trust provision of NHS Wi-Fi was brought under direct control of the network team and greatly improved the Trusts patient and visitor experience, whilst generating a recurrent cost saving.

Our network team implemented GovRoam in collaboration with a regional programme, improving and standardising clinician access to Trust systems when working across partner sites.

Attack Surface Reduction rules were implemented to strengthen device security with minimal user impact. We are proud to have achieved Cyber Essentials self-certification and established a regional Cyber Security Forum, to support collaboration across the NENC region.

Partnerships

Great North Healthcare Alliance (GNHA)

During 2025/26, the GNHA has continued to strengthen, focussing on delivery within our collaboration with Gateshead Healthcare NHS Foundation Trust ('Gateshead Health'), North Cumbria Integrated Care NHS Foundation Trust (NCIC) and Northumbria Healthcare NHS Foundation Trust ('Northumbria Healthcare'). Building on the foundations established in the two previous years, the Alliance has increasingly translated its strategic intent into improved relationships between organisations and tangible improvements for patients, such as improved waiting times and easier access.

A defining feature of progress in 2025/26 has been the increased focus on operational collaboration, particularly through a series of bilateral partnerships between trusts. These bilaterals have provided a pragmatic and flexible mechanism to accelerate delivery in areas of shared priority, allowing organisations to work together in depth where there is the greatest opportunity for impact. While each bilateral reflects the specific needs and strengths of the organisations involved, collectively they represent a positive change in how the Alliance is delivering improvement.

Across the bilaterals there has been significant progress in clinical pathway redesign. The trusts have worked together to review and align pathways across specialties, with a focus on reducing unwarranted variation, improving access, and ensuring patients are treated in the most appropriate setting. This includes supporting services under pressure and providing more consistent standards of care across the Alliance footprint. A key milestone during the year was the refresh of the Alliance's strategic intent which was approved by all Boards in March 2026. This has sharpened the collective focus on working together to deliver excellent tertiary and secondary hospital services, while strengthening neighbourhood care closer to patients' homes.

The Alliance has also reviewed and begun to share learnings from each of its offers to primary care and developing neighbourhood services. Bilateral and multi-lateral discussions have helped to align approaches by each trust locally to working with neighbourhood partners, with a focus on developing more integrated pathways that support care closer to home.

Collaboration on Community Diagnostic Centres (CDCs) has been a particular area of operational focus. The trusts have worked together to share learning on delivery models, optimise capacity, and improve patient access. There is increasing alignment on how CDCs can be used as a system asset, supporting both elective recovery and earlier diagnosis, particularly in areas of higher deprivation. This work is linked to the Alliance's wider focus on prevention and reducing inequalities which is increasing.

Workforce collaboration particularly has also been a major area of focus. Bilateral partnerships have supported the development of more flexible workforce models, including shared approaches to recruitment, joint appointments and opportunities for staff to work across organisational boundaries. This has helped address workforce pressures in key specialties while also supporting professional development and retention. Work is also being undertaken with provider partners across the wider NE&NC area on longer term opportunities around some people support functions.

There has also been progress in exploring shared approaches to corporate services and productivity. Within estates and facilities teams have been collaborating on electronics and medical engineering, plans to reduce carbon and coordination of capital planning. The trusts have also played an important part in designing an Alliance Construction

Programme seeking to develop a long term programme of projects to improve our estate for our teams and the communities they serve. In the last year this has involved significant market engagement and work with regional and national colleagues to shape the approach.

The year has also seen important developments in leadership and governance. In particular, the appointment of a shared Chair across Gateshead Health, Newcastle Hospitals and Northumbria Healthcare, and the move to a single Alliance Steering Group meeting across all four Foundation Trusts (FTs), including the Chief Executives, Chairs and Vice Chairs have enhanced alignment and supported strategic oversight while maintaining the accountability to individual trust Boards. These leadership arrangements have enabled a more consistent approach to decision-making and prioritisation across the Alliance. Changes in Chief Executive appointments with two acting appointments to Newcastle and North Cumbria from within the existing Alliance family, and the appointment to Gateshead from a neighbouring trust, have been managed collaboratively, ensuring continuity and stability across the Alliance.

A dedicated session with the ICB in July 2025 provided an important opportunity to align priorities and clarify the contribution of the Alliance to system-wide objectives.

Engagement has remained a priority throughout the year. A joint event for Governors brought together representatives from across all four trusts, providing an opportunity to share progress, build relationships and gather feedback on future priorities. This has helped to strengthen understanding of the Alliance's role and to reinforce the importance of collaboration in delivering sustainable services.

Overall, 2025/26 has seen the Alliance move from primarily strategic alignment to increasingly tangible operational delivery. The use of bilateral partnerships as a core mechanism for collaboration has enabled more rapid and focused progress, while maintaining a clear collective ambition. Together, these developments position the GNHA strongly to deliver further improvements in quality, access, and value in the years ahead.

Newcastle Health Research Partnership

NEWCASTLE HEALTH RESEARCH PARTNERSHIP

Originally established in 2020 following the award of prestigious Academic Health Science Centre (AHSC) status, Newcastle Health Research Partnership (NHRP) is a collaborative partnership between Newcastle Hospitals, Newcastle University, Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust, Newcastle City Council (NCC), and Northumbria University.

NHRP's Vision is to be a globally recognised health research partnership that delivers significant local impact and its mission is to improve health, reduce health inequalities and generate economic growth through research, training and education that leverages the combined strengths of its partners.

In 2025/26 NHRP has continued to deliver against its 2025-28 strategic objectives by:

- **Cultivating a collaborative culture for research and adoption -** through its NHRP Research Fund 2025 it has provided funding for projects across all five partner organisations. Intended to catalyse collaborative research activity by enabling teams to work together from the outset, this funding helps accelerate the development of innovations that can directly improve patient care.

- **Building capacity and capability in training and education -** the NHRP Academy continues to be an acclaimed beacon of success for local academic career development. In 2025, it supported Newcastle Hospitals colleagues to be awarded two major National Institute for Health and Care Research (NIHR) Efficacy and Mechanism Evaluation (EME) Postdoctoral Awards, six NIHR Health and Care Professionals Internships and the co-leadership of a new national consortium tackling inequalities in cardiovascular disease.

- **Building patient and public involvement in research -** the pioneering Public Partnership Training Programme, now well established in its second year, equips participants from across the region to deliver high quality Patient and Public Involvement and Engagement, helping ensure research is shaped around real patient need.

Genomics Medicine Service for North East and Yorkshire

During 2025, the Genomics Medicine Service (GMS) for the North East and Yorkshire (NEY) continued to deliver high-quality, patient-centred care, supporting the integration of genomics into routine clinical pathways. The service strengthened its contribution to personalised medicine optimisation, improving diagnostic capability and patient outcomes. Despite sustained demand, the NEY GMS made measurable progress in reducing testing backlogs and turnaround times, demonstrating resilience, operational improvement and alignment with NHS priorities.

The Genomic Laboratory Hub (GLH) has been working hard with Cellular Pathology Genomic Centre (CPGC) partners to improve the end-to-end turnaround time of cancer testing in the region. Priorities included transition of samples from the CPGC to the GLH, critical diagnostic pathways such as Lung and the time taken for the genomic report to reach the treating clinician. This resulted in halving the time taken for samples from the CPGCs to reach the GLH and significantly reducing the end-to-end turnaround times of priority pathways. Lung has improved by 52% to an average turnaround time of 7.4 days against a 14-day target.

We continued to work in strong collaboration with the national genomics informatics programme to develop strategies for delivery of the three core programmes: Digitised Genomic Test Service (DGTS), Digital Order Management (OM) and the Unified Genomic Record (UGR). Additionally, implementing a private cloud has enhanced data capabilities and delivered accessible management insights to support service development. A key upcoming priority is to deliver a new fully integrated genomic laboratory information management system (GLIMS) which will provide a single solution to our teams across all sites to enable a "One Lab" operating model.

We have supported the delivery of a range of work packages linked to the NHS Genomic Networks of Excellence (NoE). This includes NEY acting as lead GMS for the Haemato-Oncology NoE and supporting work packages within the Circulating tumour DNA (ctDNA) biomarker testing, prenatal genomic medicine, pharmacogenomics, rare and inherited disease and inherited cardiac disease NoEs.

Our most prominent Research and Innovation initiative has been the setup and ongoing delivery of the Generation Study in partnership with Genomics England. Since the first baby was enrolled in the NEY in December 2024, more than 5,000 expectant parents have been recruited from nine NHS trusts across our region.

The NEY GMS is building a future-focused genomics service that aligns with the NHS 10 Year Health Plan and provides equitable, high-quality care to enhance patient outcomes.

Commercial Strategy 2024-2027

Our commercial enterprise team works with colleagues across Newcastle Hospitals, the wider NHS, industry and academia to continue to accelerate income generation initiatives, strengthen partnerships and grow commercial activity across our strategic pillars bringing advances to treatment and care.

We are embedding our commercial principles by providing clear guidance and resources in specialist areas such as strategic partnerships, international healthcare and programmes, intellectual property protection, legal frameworks and commercial contracting.

Strategic partnerships play a central role in expanding innovation and commercial development. By working collaboratively with our partners, we can use our world-class facilities and clinical expertise to co-develop new diagnostics, digital tools and commercial entities.

We have strengthened our data partnerships, ensuring that insights are delivered safely and transparently, which are helping to improve timely and more personalised diagnosis and treatment, whilst improving patient experience and outcomes.

Newcastle Hospitals' industry partnership has co-developed the Solventum ™ Follow Up Finder – Thrombosis, a groundbreaking AI tool which is believed to be the first of its kind.

Work is underway to shape the next phase of the commercial strategy delivery, ensuring we can capitalise on strong commercial foundations and increasing activity. Collaboration with our colleagues and partners will remain central as we set out our future commercial vision, centred on expanding sustainable income generation to reinvest into NHS services.

Research

From finding new treatments for rare disease to helping people manage chronic conditions, research continues to shape and improve lives.

Newcastle Hospitals is one of the highest-performing trusts in the country for the number of open and recruiting commercial studies/trials. These trials give patients access to the latest cutting-edge treatments which have the potential to change the way we treat diseases and conditions.

Over the past year, our research teams have recruited six patient ‘firsts’ - patients who are the first in the world, Europe or the UK to take part in a clinical trial. These achievements are a testament to the hard work and dedication of everyone involved in research at Newcastle Hospitals. A summary of our in-year achievements is shown below:

Skin transplant patch could provide early warning signs of lung rejection

A patient who received a lung transplant at the Institute of Transplantation was one of the first to receive a skin patch as part of a clinical trial.

The SENTINEL trial was set up to identify if skin patches can be used as an early warning system to identify if lung transplants are being rejected by the body.

53-year-old Darren White took part in the trial and, three months after his transplant, noticed a purple rash on the skin patch. His medical team confirmed very mild rejection, and he received treatment that helped him recover.

In Newcastle, SENTINEL is run by Professor Andrew Fisher, an honorary consultant respiratory physician, and our plastic surgery team.

Withdrawal of kidney treatment significantly benefits patients and the NHS

Newcastle-led research found that early withdrawal of a treatment for patients with a rare kidney disease is possible without relapse, safer, and has the potential to save the NHS millions of pounds.

Atypical haemolytic uraemic syndrome (aHUS) is a life-threatening condition caused by a defect in the immune system. Eculizumab is used to manage aHUS, however it increases the risk of sepsis and has other significant side effects.

The findings are hugely beneficial for patients and also represent considerable savings to the NHS of £4.2 million per patient over their lifetime.

Trialling proton beam therapy for rare and aggressive cancer

The Trust is part of a major UK trial to test whether proton beam therapy can improve survival for patients with mesothelioma, a rare and aggressive cancer of the lining of the lung.

More than 2,700 people are diagnosed with mesothelioma in the UK each year, predominantly older men. There is currently no cure, treatment options are limited, and overall survival rates are poor.

Standard radiotherapy can help control small areas of mesothelioma, such as painful tumours, but is not usually suitable for treating the full lining of the lung, where the disease spreads.

Proton beam therapy uses targeted beams of protons that deposit most of their energy directly in the tumour, minimising radiation exposure to surrounding healthy tissue. This approach could dramatically reduce radiation to critical organs, potentially allowing more effective treatment with fewer side effects.

Vascular experts leading multicentre trials

Newcastle Hospitals is UK-lead for two major vascular trials which have collectively received over £5 million from the NIHR.

Both trials are led by vascular surgeon, Mr Sandip Nandhra, and assess treatments for chronic limb-threatening ischaemia (CLTI) and acute limb ischaemia (ALI) respectively. CLTI and ALI are life and limb threatening conditions that require emergency treatment.

The RIVIVAL trial will assess if an iron infusion after surgery can help improve a patient's recovery, muscle strength, and overall quality of life.

The ESTABLISH trial will compare two surgical options for ALI to determine if open surgery or keyhole surgery is better in terms of recovery, length of stay in hospital and risk of infection.

First patient in the world takes part in study for chronic lung condition

Teams at the NIHR Commercial Research Delivery Centre, based at the RVI, recruited the first patient in the world to a chronic obstructive pulmonary disease (COPD) trial.

The trial is comparing a treatment for COPD with a placebo (dummy) dose to see if it is effective at helping patients manage the condition.

The patient, 74-year-old James Hamill from Tyne and Wear, took part in the trial to 'give back' to the NHS after the RVI saved his life following a heart attack in 2023.

15-minute blood test trialled in children's Accident and Emergency (A&E)

The Great North Children's Hospital (GNCH) is one of three sites in the country to pilot a 15-minute blood test for potentially life-threatening conditions like sepsis.

The hi-tech blood test can distinguish between bacterial and viral infections much quicker than traditional tests.

These rapid results cut the time it takes to diagnose illness, help patients to receive treatment quickly, and prevent unnecessary antibiotics being given.

Awards and Achievements

HRH The Princess Royal visits Newcastle Hospitals' maternity services

As highlighted in the Introduction Statement from our Chair, the Princess Royal paid a visit to our maternity services in her role as Patron of the Royal College of Midwives (RCM). HRH walked around the unit at the RVI, which is one of the largest in the UK with more than 5,000 babies born each year. There, she met with some of our youngest patients, as well as families, midwives, maternity support workers, students, doctors and support and administration staff from across the services, spending time in the Newcastle Birthing Centre (NBC), the Neonatal Intensive Care Unit (NICU), the Fetal Medicine Service, and the Halcyon Suite, a specialist facility for bereaved parents.

Celebrating 40 years of heart transplantation

In May, staff at the Newcastle Hospitals were joined at a special event by patients and colleagues, past and present, to mark 40 years since the first heart transplant at the FH. Guests came together to pay tribute to Pauline Duffy, the first heart transplant patient at the FH, who survived 25 years after her surgery. The event was also a celebration and reflection of the huge advancements that have been made over the last four decades, as well as learning more from colleagues about the future of cardiothoracic transplantation.

Newcastle Hospitals awarded Human Immunodeficiency Virus (HIV) Confident recognition

Newcastle Hospitals became only the second NHS trust in the country to be awarded official recognition as an HIV Confident (https://www.hivconfident.org.uk/) organisation. HIV Confident, is a national initiative led jointly by National AIDS Trust, aidsmap, Positively UK and Fast Track Cities. It was set up in response to the Government's HIV action plan to eliminate new HIV transmissions by 2030. The charter aims to tackle HIV-related stigma and discrimination in the workplace, ensuring that patients and staff living with HIV know that they can access our services – or work for us – with confidence and without fear of discrimination.

Celebrating 25 years of the Centre for Life

In May the International Centre for Life marked 25 years since opening its doors. The centre is a dynamic science hub in the heart of Newcastle upon Tyne and is unlike anywhere else in the world. It brings together Newcastle Hospitals and Newcastle University, combining the strengths of clinical excellence with academic expertise.

Newcastle Hospitals expert named one of TIME's top 100 leaders in health

Professor Bobby McFarland was named one of the 2026 TIME100 World's Most Influential Leaders in Health. Professor McFarland is Newcastle Hospitals' director of the NHS highly specialised service for rare mitochondrial disorders and action medical research professor of neuromuscular disease at Newcastle University. He leads a multidisciplinary team dedicated to the diagnosis and management of mitochondrial disease, has authored more than 220 peer-reviewed papers, and recently published research reporting the birth of eight babies following a pioneering In Vitro Fertilisation (IVF) technique designed to reduce the risk of mitochondrial disorders.

Newcastle Hospitals' nurse wins Renal Nurse of the Year at national awards

Christine Maville, nurse consultant at our National Renal Complement Therapeutics Centre (NRCTC) (https://www.atypicalhus.co.uk/) was awarded 'Renal Nurse of the Year' at the prestigious British Journal of Nursing Awards. Christine received the accolade in recognition of her important contribution to improving nursing care for the ultra-rare condition aHUS. By turning their research into real-world improvements for aHUS patients, she and her team are cutting the risk of meningococcal sepsis, reducing the treatment burden, and generating NHS savings of around £500 million over the next 10 years.

Two Newcastle Hospitals surgeons featured in national exhibition celebrating women in surgery

Two surgeons from Newcastle Hospitals were featured in an exhibition by the Royal College of Surgeons (RCS), shining a spotlight on women transforming the future of surgical practice across the UK. Miss Isma Iqbal, consultant Ear, Nose and Throat (ENT) surgeon, and Dr Nina Purvis, core surgical trainee in general surgery, were both included in 'Insight: Portraits of Women in Surgery', a new exhibition at the Hunterian Museum, RCS of England. The exhibition brought together women surgeons from a range of specialties and career stages, highlighting their experiences, motivations and the ongoing challenges they continue to navigate in a male dominated profession.

Newcastle community dental team reunited with family who nominated them for national award

Our community dental team were reunited with a patient and his family after their nomination led to the team being awarded the 'Everyday Miracles Award' by the British Society of Special Care Dentistry. Dominic, who has a severe learning disability and autism, initially found the clinical environment very overwhelming, but thanks to the exemplary efforts of the dental team he was able to feel more at ease and receive the care he needed. Nominated by Dominic's mum Audrey, the team were described as making 'astonishing reasonable adjustments' to ensure that he received the best treatment possible.

First non-medical winner of the 'Golden Bronch' award announced

The North of England Thoracic Society (NETS) (https://www.nethoracic.co.uk/), awarded its first-ever non-medical recipient, Alison Armstrong, the highly coveted 'Golden Bronch' Award. For many years the NETS has run an annual event called 'The Golden Bronchoscope' where abstracts are welcomed from resident doctors, nurses, and allied health professionals (AHPs) in the hope of being awarded the 'Golden Bronch'. Alison is a nurse consultant in the home ventilation team and was recognised for her impressive abstract on how to support home ventilation patients with navigating air travel.

Newcastle Hospitals Pharmaservices Limited (NHPL)

The company has continued to develop throughout 2025/26 with the appointment of a full time Superintendent Pharmacist who has driven some major improvements in the service, these include:

- Consistent and sustained improvement in waiting times both at the RVI and the FH sites (both sites had over 85% of patients waiting less than 30 minutes for their medications to be dispensed in March 2026).
- Medication ‘Owings’ continue to reduce as the credit rating of the company has stabilised to 1.5% of items at the RVI and 0.9% at the FH. ‘Owings’ occur when a pharmacy cannot fully dispense a prescription due to insufficient stock.
- Patient experience has improved as there has been a reduction in the number of complaints and Patient Advice and Liaison Service (PALS) contacts.
- The delivery service has been optimised to ensure the patients who are eligible receive a medication delivery within the agreed timeframe.
- A text messaging service has been implemented to improve patient experience to alert patients for when medication is ready to collect.
- A General Pharmaceutical Council Inspection took place on the 12 March 2026 which stated the Pharmacy was achieving all standards with good practice particularly identified around the governance aspects of the inspection.
- All staff that required training are now on a designated programme and on track to complete in 2026/27.
- Both the RVI and FH sites now sell 'Over the counter' medicines for staff and patients to access.
- The company was successful in obtaining funding from the Newcastle Hospitals’ Charity to procure Pharmabox (a medication secure locker) for patient's to collect medication when it is convenient for them which is due to go live in the Summer 2026.
- All staff have now been aligned to Agenda for Change (AfC) terms and conditions
- A business plan has been drafted and discussed at a Board to Board engagement session.

Areas of focus for 2026/27:

- Review the estate at the RVI site and develop a business case for expansion of the NHPL footprint.
- Develop private patient and clinical services in line with the business plan.
- Go-live with the Pharmabox collection lockers.
- Review the need for Prescription Kiosk's for patients in selected clinical areas to continue to improve the patient experience and waiting times.

Newcastle Hospitals Charity

Newcastle Hospitals Charity (charity registration number 1057213) is the official charity for Newcastle Hospitals and home to the Great North Children's Hospital Fund and The Sir Bobby Robson Foundation. Our mission is to go further for our hospitals, by providing support for compassionate and innovative healthcare, education and research to improve the health and wellbeing of the patients, staff and wider communities of Newcastle Hospitals.

Working in partnership with Newcastle Hospitals we deliver the volunteering service and arts programme and fund a wide range of initiatives, from cutting edge research to improvements to the patient experience and environment.

Impact

Over the last year we have raised more than £10.5 million and have committed more than £4.2 million to support over 600 projects and initiatives across Newcastle Hospitals. None of this would be possible without the generosity of our supporters and fundraisers.

The projects we support are diverse – ranging from providing sensory equipment to funding specialist training nurse and medical posts – each with the aim of creating a positive impact for patients, families, staff and the wider communities.

Examples of projects funded in 2025/26 include:

- £60,595 to support the implementation of OrganOx Metra normothermic machine perfusion technology within the Institute of Transplantation (IoT).
- £7,583 to refurbish the children's cardiothoracic outpatient department at the FH, in partnership with the Children's Heart Unity Fund (Chuf).
- £84,755 to fund a Young People's Advisory Group and Engagement Coordinator to continue help make sure we can continue to work with – and listen to – our young patients.

This year we also launched our fundraising campaign to build a purpose built, world-leading cancer trials research facility at the FH. The £30 million Sir Bobby Robson Institute will be fully funded by supporters of the Sir Bobby Robson Foundation, part of Newcastle Hospitals Charity and will provide an increase in space and specialist facilities which will allow the expert teams who work there to carry out around 50% more research.

Fundraising

In 2025/26 we raised more than £9.5 million. Our dedicated fundraising team support a wide range of programmes such as community fundraising initiatives, large scale events including the Great North Run, corporate partnership opportunities, philanthropic donations, regular donation programmes, legacy giving, trust and foundation support as well as charity retail.

This all raises important funds that help make a transformative difference every single day. We are continually humbled by the generosity of those who provide gifts to help support patients across Newcastle Hospitals. From books and Lego to toys and arts and crafts, we have received wonderful items from a variety of organisations and individuals bringing a smile to patients in our hospitals.

Thank you to everyone who has shown their support, dedicated their time and championed our work – we could not do it without you.

Charity arts programme

Our Charity arts programme provides regular participatory creative programmes to support health and wellbeing across Trust sites and in the community. Over the past 12 months, the programme has reached more than 230,000 patients, visitors, staff and members of the wider community.

The programme offers a range of engagement activities such as crafting, photography, printmaking, singing, and live music, and we commission visual arts to create a more therapeutic hospital environment.

Some highlights from the last 12 months includes:

- We commissioned local artist duo Foundation Press to develop '*Time to Draw*', free activity booklets, to help provide mental stimulation and distraction from pain during hospital stays, and to support staff wellbeing, through mindful drawing techniques.

- This year *Hospital Sessions* turned 1. The programme consists of a team of professional musicians delivering 20 sessions a month on wards and community sites across the Trust. We have engaged over 7,500 patients, staff and visitors in the last year, to hugely positive feedback and continually gather evidence on the benefit of experiencing live music.

- Working in partnership with Dance City we launched a new programme called *Dance Moves*. Supporting the Trust frailty priority and falls prevention, *Dance Moves* piloted in Wards 9 and 14 at the FH. Professional dancers attend weekly with the support of ward staff, physiotherapists, and occupational therapists, to help patients engage in dance.

Volunteering

Our truly brilliant team of Newcastle Hospitals Charity volunteers continue to go above and beyond to support patients, visitors and staff across Newcastle Hospitals. Each year our volunteers complete around 37,000 hours of volunteering in a variety of roles including meet and greet, mealtime support, charity events and retail and ward-based support.

Our volunteers provide vital and meaningful support across the Trust. This year, over winter, we recruited additional volunteers who worked within the Emergency Department (ED), Assessment Suite, elderly care and cancer wards. The team were essential in easing pressures and providing non-clinical assistance during periods of high bed occupancy.

Our youth volunteer programme also continued this year. We welcomed a group of 20 A-level students eager to start their journey in nursing or medicine. This initiative provides them all with a great opportunity to gain practical experience while assisting patients during mealtimes on two rehabilitation wards at the FH. The programme runs for 20 weeks, and upon finishing, students will receive a certificate of achievement for completing 60 hours and a reference to boost their university and job applications.

Connecting with Newcastle Hospitals Charity

If you would like to find out more about our work including our latest events, projects, fundraising opportunities and how to donate, please visit the Newcastle Hospitals Charity website: https://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 us on the following social media channels:

Facebook - NewcastleHospitalsCharity
Instagram - Newcastle_NHS
LinkedIn - Newcastle Hospitals Charity

Performance Report

1. Overview of Performance

The NHS England 2025/26 Operational Planning Guidance outlined the requirement to achieve the following standards as a priority:

- A minimum of 78% of patients admitted, discharged or transferred from the ED within 4 hours by March 2026.
- Reduce the proportion of patients waiting over 52 weeks for treatment to less than 1% of the total waiting list by March 2026.
- Improve the percentage of patients waiting no longer than 18 weeks for elective treatment to 65% nationally by March 2026, with every trust expected to deliver a minimum 5% improvement.
- 80% compliance against the 28-day Faster Diagnosis Standard (FDS) by March 2026.
- 75% compliance against the headline cancer 62-day Referral to Treatment (RTT) standard by March 2026.

Our Activities

Newcastle Hospitals is one of the largest teaching NHS Trusts in the UK, 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:

- FH, including the IoT, the NCCC, and Renal Services Centre;
- The RVI, including the GNCH, the Great North Trauma and Emergency Centre and the Urgent Treatment Centre;
- The Health Innovation Neighbourhood (formerly the Centre for Ageing and Vitality (CAV)/Newcastle General Hospital site) which is home to the region's North East and Cumbria Transport and Retrieval (NECTAR) service, 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;
- 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 FH – 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** in Newcastle – 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 the ICS and ICB plans

As a Foundation Trust, Newcastle Hospitals has worked 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 goal areas from the ICP strategy, particularly healthier and fairer and best start in life. The plan covers the period 2023-28 and is reviewed annually. 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 Newcastle Place Based plan was developed by the ICB's Newcastle Place team in conjunction with Collaborative Newcastle partners through its Joint Directors' Team. The Joint Director Team has worked closely to develop and agree the city's Better Care Fund plan, which supports the health and social care integration agenda, including: (a) enabling people to stay well, safe and independent at home for longer; and (b) providing people with the right care, in the right place, at the right time.

The NE&NC Integrated Health and Care Partnership strategy – Better health and wellbeing for all – was developed in partnership with the members of the Integrated Care System, of which Newcastle Hospitals is a part.

The Trust has worked closely with ICB and Provider Collaborative colleagues from across the NE&NC to determine a joint capital resource plan supporting improvements in estate, digital technology and other areas of capital spend.

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

Newcastle Hospitals 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.

As highlighted in the earlier 'Our Trust Strategy, Vision and Values' section, our Interim Strategy was in place during 2025/26 whilst we engaged and developed our longer-term 5-year Strategy. We will continue to ensure our developing plans to deliver our new Strategy align with those in the NENC ICB.

During 2025/26, our 'Big Signals' allowed staff to hold the Executive Team and Trust Board to account for their delivery. They are:

- Quality of care will be our main priority.
- We want this to be a great place to work where everyone feels supported.
- We will restore our focus on excellence.
- Our technology will support our work and patient care.
- We want all of our buildings to be fit for purpose.
- We will take our responsibilities as a public service seriously, carefully managing our money and performance.
- Our communities depend on us – we will make sure we deliver on our commitments.
- We will be honest, open and transparent about our challenges and our progress.

Our core aim is to provide 'healthcare at its best with people at our heart' and our core value areas, repeated here 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 Board of 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 Board of 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 The Government Financial Reporting Manual.

Operating and Financial Performance

1. Financial Performance

The Trust continued to demonstrate financial resilience in the 2025/26 financial year with a surplus of £5.1 million which included £4.9 million of additional funding received as a result of achieving its planned financial position on an NHSE Control Total basis (2024/25 break even). The Trust remains able to address the funding challenge facing all public services.

2. Income

The Trust's main contracts with the NE&NC ICB and NHSE were covered by the 2025/26 NHS Payment Scheme. The contracts are on an Aligned Payment Incentive basis, with variable elements of the contract for Elective activity under the national Elective Recovery Fund (ERF) rules and block elements of the contract covering Emergency and Non-Elective activity, Diagnostics and highly Specialised Activity. Drugs and devices excluded from tariff continue to be treated as a pass-through cost to NHSE.

The Trust generated total income of £1,881 million (2024/25: £1,766 million). The increase relating to patient care activities was £91.5 million. This was due to an inflationary uplift to the block funding (£54.4 million) and increased drugs and devices charges (£12.1 million) with efficiency requirements applied to the Trust's main contracts of £22.5 million. The ICB system provided £37 million support funding. Non-recurrent Deficit Support Funding of £4.9m has been received at the year-end which the Trust has shown as a surplus. An increase of £4.4 million was due to an additional 9.4% pension contribution from central funding. The increase from other Operating income was £21.4 million (mainly due to Research and Development (R&D) of £8.0m, Education and Training of £4.4m, non-patient care of £4.5 million and other income of £3.4 million).

3. Expenditure

Total expenditure for the year was £1,828.5 million (excluding finance costs and impairments), (2024/25: £1,729.7 million). Trust expenditure shows a variance of £127.4 million, with matched income of around £86 million.

The Trust has managed to deliver above the Financial Plan during 2025/26 despite pressures relating to drugs, pressure on pay, through additional Programme Activities (PAs) associated with Consultant Job Planning, staff bank, overtime and the use of agency and locum staff to cover staff absences during these periods.

The Trust does have variances against specific types of expenditure, being:

- Pay expenditure includes the cost of the 2025/26 pay award and the additional pension cost of £59.6 million all matched by income. There have been three episodes of Industrial Action, two of which have been funded and the continuing challenge to meet the Cost Improvement Programme (CIP) over the year.
- Drugs are overspent, mainly related to excluded drugs (matched with income) an underlying growth in cost for 'block' drugs and tariff drugs, as some types of patient activity have increased.
- Expenditure in relation to clinical supplies pressures as activity levels have increased, along with inflation and where medical devices have moved onto block funding and more items moving onto the visible cost model.
- Premises expenses mainly relates to non-delivery of the cost improvement plans.

4. Capital Expenditure Plans

Capital expenditure totalled £79.3 million (2024/25: £57.6 million). This includes replacement of medical equipment, new medical equipment and investment in IT infrastructure. In addition, investment was provided to reduce backlog maintenance and refurbishment of wards and theatres as well as expenditure on property and equipment leases. As highlighted previously, the Trust also opened a new UTC in January 2026.

5. Delivering Value for Money in the Public Interest

The work to embed a quality improvement methodology has continued, alongside a strategic focus on delivering improved outcome for outpatients and supporting elective care recovery.

The Trust delivered efficiencies of £106 million during 2025/26 with £40.1 million being delivered recurrently.

6. The Balance Sheet

The assets of the Trust's owned estate were valued at £493.1 million on 31 March 2026. In addition, the Trust has a further £165.5 million 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 arrangements. Such funding is exempt from Value Added Tax (VAT). The closing year end cash balance on 31 March 2026 was £130.4 million (2024/25: £149.2 million). While this balance provides strength as a leading healthcare provider, the Trust continues to operate in an increasingly challenged financial environment and changing business delivery landscape.

7. Future view

In 2026/27, the Trust's income will continue be governed by the NHS Payment Scheme although operating within a changing system and commissioning landscape. Aligned Payment and Incentive (API) arrangements will continue to underpin the majority of Trust income, with elective activity remaining activity-based, and other services funded through fixed or low-volume payment mechanisms. New blended payment models for Urgent and Emergency Care and selected radiotherapy services will be introduced on a shadow basis during 2026/27, ahead of full implementation in 2027/28. Reflecting the new NHS operating model, there is increased emphasis on organisational financial accountability rather than system-wide breakeven, although income and activity plans will continue to be developed in close collaboration with commissioners.

The Trust's financial plan includes investment to help support specific pressures, for example urgent care services and includes a £97 million cost improvement target which is a combination of recurrent and non-recurrent measures. In addition, the plan is underpinned with non-recurrent income support of £31 million.

The main challenges to the Trust going into 2026/27 are:

- Operating within a revised funding regime where emergency and urgent care activity is funded within on a marginal basis.
- Operational challenges to achievement of elective activity values required in Trust contracts and reduce the backlog of patients on the waiting list within the funding and capacity available.
- Achievement of a £97 million cost improvement target.
- The risk of unplanned cost pressures arising during the year.

- 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 several spinoffs and commercial ventures. In September 2024 a new wholly owned subsidiary, NHPL, was established, which began trading on 1 December 2024 offering an outpatient pharmacy service to the Trust which had previously been provided by a third party. 2025/26 represented the first full year of trading for the company. 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.

9. In Summary

The Trust has had a successful year in terms of financial performance in that it has met its financial targets and was able to continue to support the best quality outcomes for our patients.

Looking to the future, the NHS will continue to face a challenging financial environment in 2026/27. However, we believe we are well placed to face the future with a financial plan in place that addresses service developments and cost. That plan relies upon recurrent cost improvements and non-recurrent funding; however, the Trust has a track record of transformation to respond to challenges.

The Board of Directors recognise 2026/27 will be a challenging year but is confident of maintaining sound financial management, provision of a service portfolio of both national and international esteem, and that the accounts are prepared on a going concern basis.

B. Analysis of Performance

Urgent and Emergency Care (UEC)

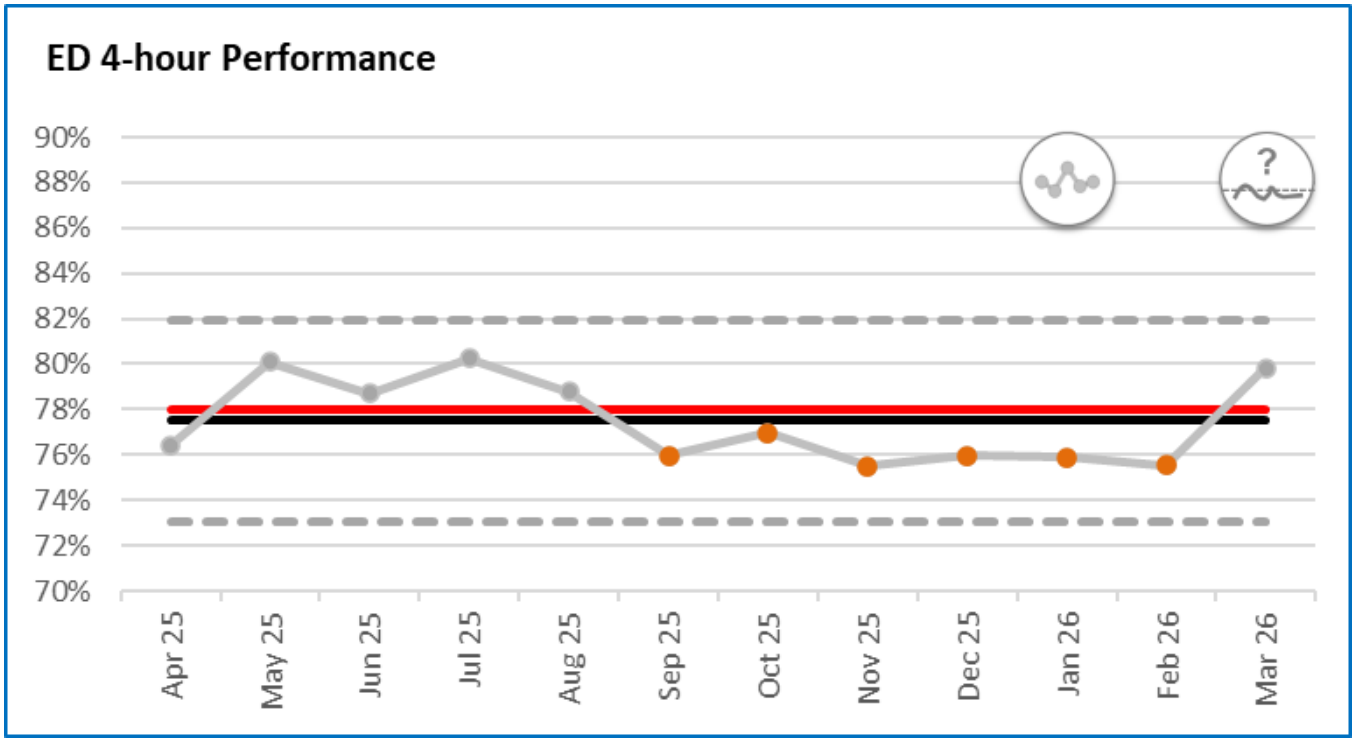
The key national target for UEC in 2025/26 was to improve performance to a minimum of 78% of patients either admitted, discharged or transferred from the ED within 4 hours by March 2026. The Trust performed strongly across the first two quarters of the financial year, achieving or surpassing the target from May up to and including August, but fell short of target over subsequent autumn and winter months.

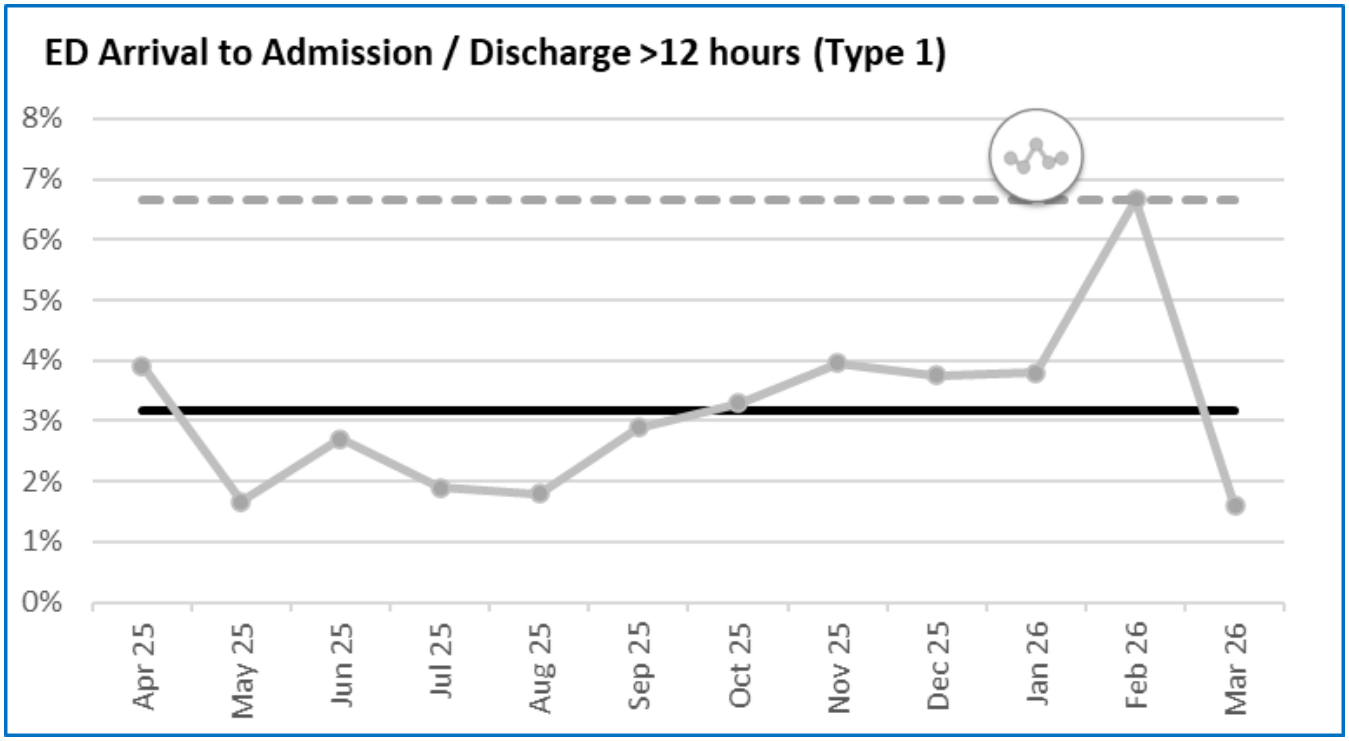
Nonetheless, performance recovered sufficiently within March 2026 to ensure the national ambition was met by the Trust (79.82%). Overall in 2025/26, 77.50% of patients were admitted, transferred or discharged within 4 hours.

Attendance volumes in totality were similar to the previous year and followed the usual pattern across the seasons, with increased pressure on the department over winter, however the key difference was in acuity – type 1 majors increased by 7.55% from 2024/25 to 92,241. Despite challenges the Trust have consistently ranked in the top 4 of the Shelford Group Trusts for performance against the ED 4-hour standard, and frequently in the top 30 nationally overall.

Type 1 A&E attendances were similar to the previous year (146,899, +0.7%) with performance also closely matched (60.68%, +0.62%). Type 2 attendances grew by 4.37% (to 20,231), however this did not negatively impact compliance against the 4-hour target, which improved from the previous year (94.43%, +1.95%). Following the opening of the UTC in January 2026, for the last three months of the financial year type 3 attendances were 14.99% higher than the previous year (once NHS111 led booked appointments were included in both sets of figures). Type 3 compliance remained very strong at 99.43% in 2025/26.

All Trusts were requested to reduce the percentage of type 1 patients waiting >12 hours from arrival to admission or discharge compared to a baseline of 2024/25 performance – this was achieved (3.2% vs 3.4%). General and acute bed occupancy levels averaged 88.54% in 2025/26, a 0.89% decrease compared to 2024/25.





A guide to Statistical Process Charts (SPC) charts has been added to the end of the section 2. Accountability Report.

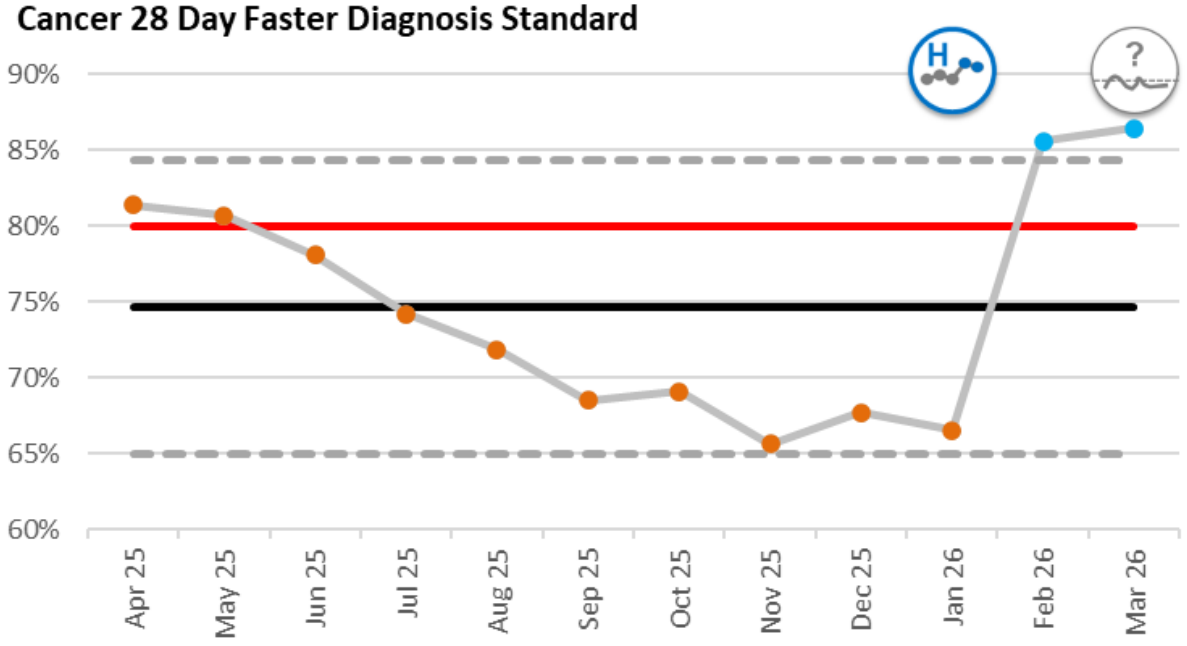
Cancer Care

Compliance against the 28 Day FDS cancer standard target fluctuated significantly over the course of 2025/26. Over 50% of cancer referrals under the care of the Trust are skin related, which follow a highly seasonal demand profile and place the service under significant pressure throughout the summer and autumn, impacting overall performance. Whilst adherence to the 28-day wait was strong at the beginning and end of the year (81.4% in April 2025 and 86.5% in March 2026) there was a significant drop off in between culminating in performance below 70% for five successive months (September 2025 to January 2026). Annual performance overall stood at 74.6%, down 1.0% from 2024/25.

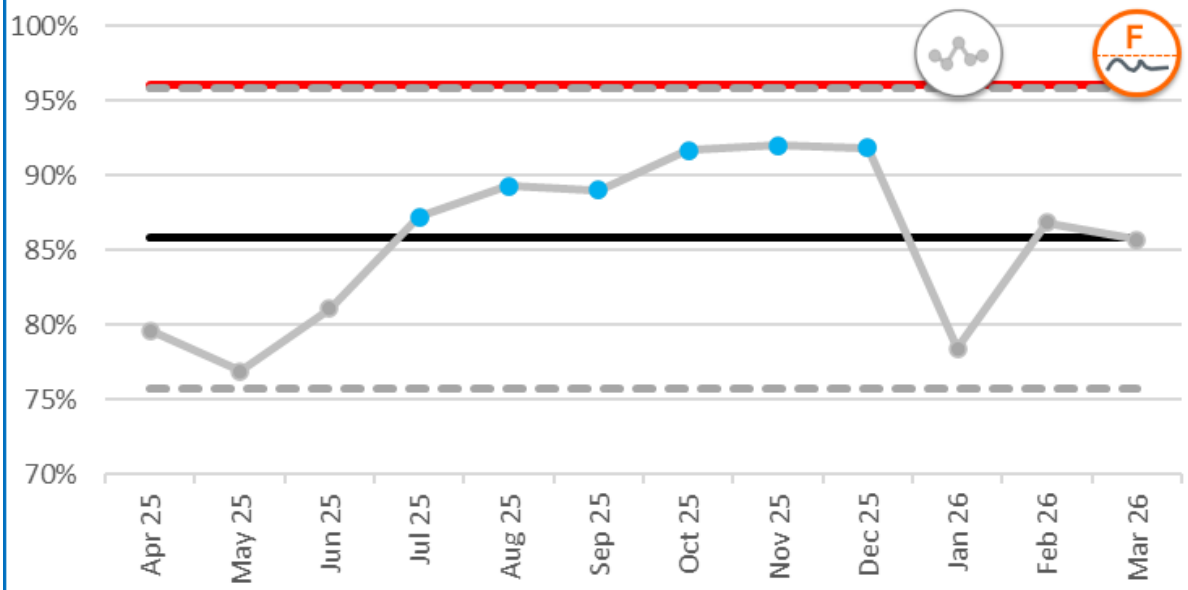
Performance against a target of 96% of patients to receive their first treatment within 31 days of diagnosis was affected by significant gaps in staffing within the radiotherapy service at several points across the year. The Trust did not achieve the target across the full year with annual compliance concluding at 85.8%.

Whilst the national target set for 62-day cancer referral to treatment (80% by March 2026) was not achieved, delivery against the standard steadily improved throughout the majority of the year, exceeding 70% throughout quarters 2 and 3 before tailing off slightly at the end of winter. Frequent setbacks were reported due to delays earlier in the pathway of those patients referred from tertiary providers, as well as surgical capacity issues in some areas, however total annual performance measured at 69.3%, a 7.1% improvement from the previous year of 2024/25.

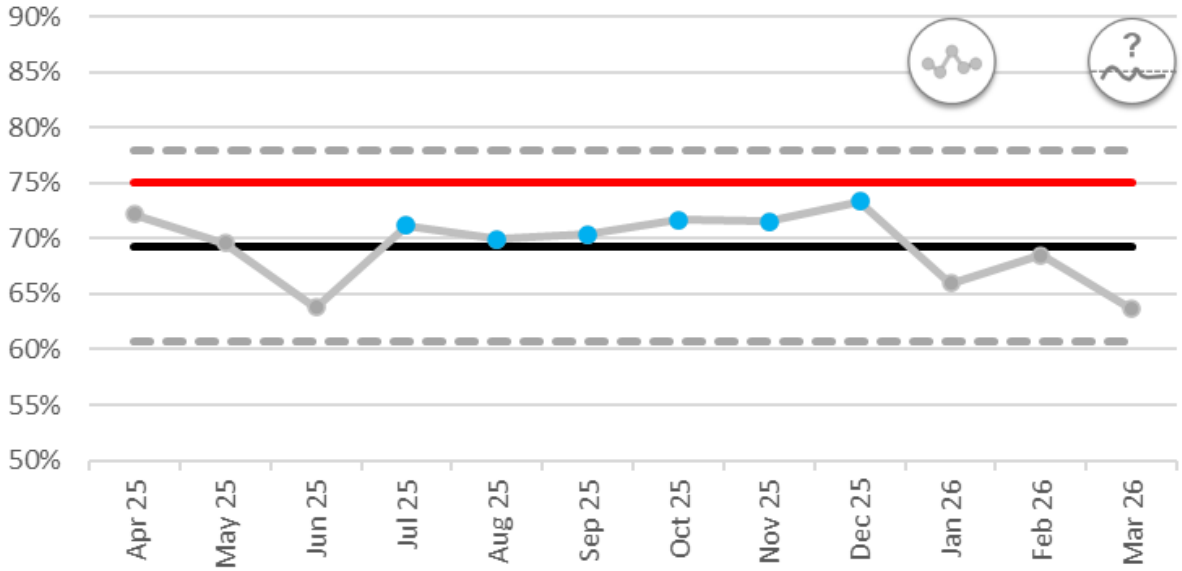
Cancer 28 Day Faster Diagnosis Standard



Cancer 31 Day Decision to Treatment



Cancer 62 Day Referral to Treatment Standard

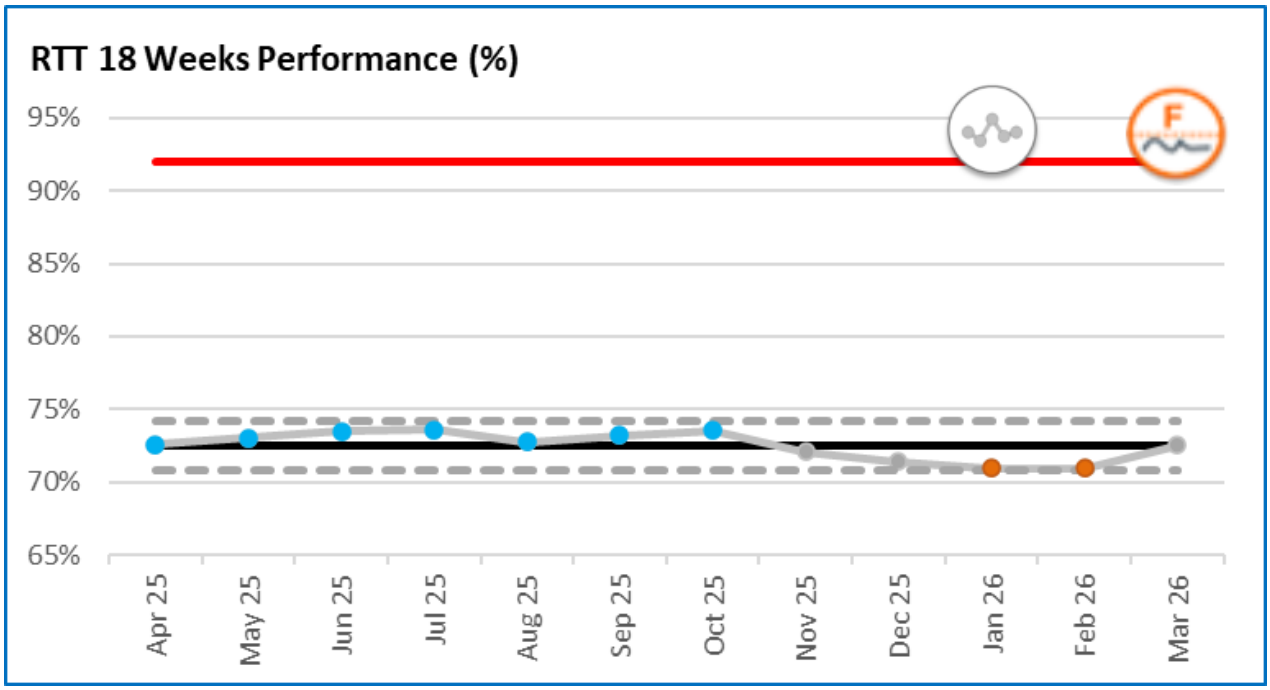


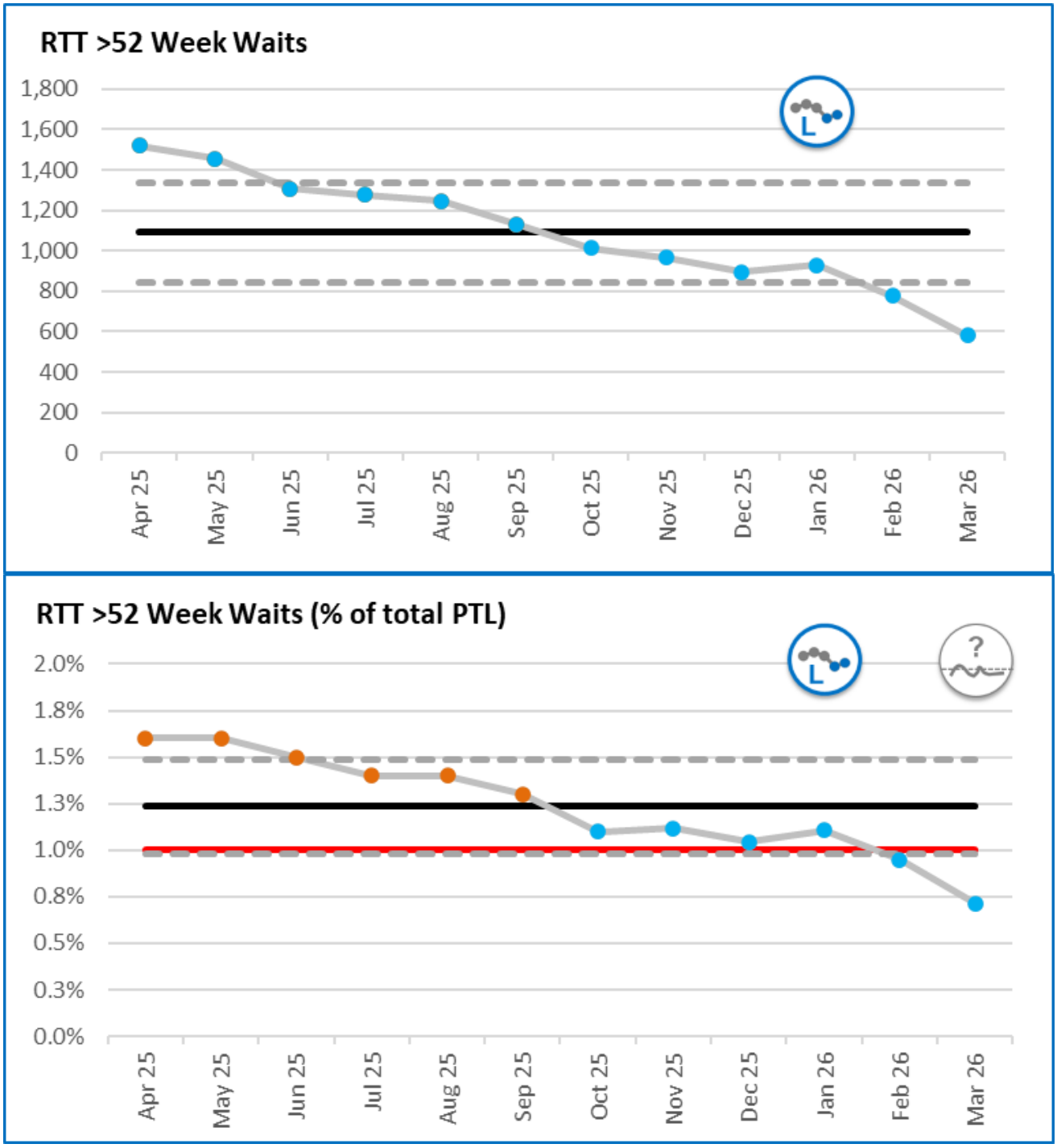
Referral to Treatment Waiting Times (RTT)

The Trust has maintained a steadfast focus on driving down the volume of patients waiting excessive lengths of time for elective treatment, managing to eliminate >78 week waits in October 2025 for the first time since the start of the pandemic. Over 65-week waits have been driven down to single figures (6 at the end of March 2026) whilst the total number of patients waiting more than one year for treatment has been more than halved from a starting point of 1,505 in March 2025 to 579 in March 2026.

Furthermore, fantastic strides have been taken against the ambition to reduce the overall size of the elective waiting list – a reduction of almost 13% across the year to 81,301 by the end of 2025/26. Progress against these metrics has resulted in a reduction of the percentage of patients waiting >52 weeks to below 1%, achieving the national standard set at the beginning of the year.

With historically strong performance relative to other providers against the 18-week RTT target, the Trust was set an ambitious target of 73.4% by the end of March 2026 (the constitutional standard remains 92%). Whilst as an organisation Newcastle Hospitals has consistently ranked in the top 10 national Trusts for performance against this metric, end of year performance has just fallen short of this aspiration, ending at 72.52%. Making further strides against this waiting time standard will remain a high priority for the years ahead, as the national mission moves towards recovery back to the mandated 92% standard by March 2029.

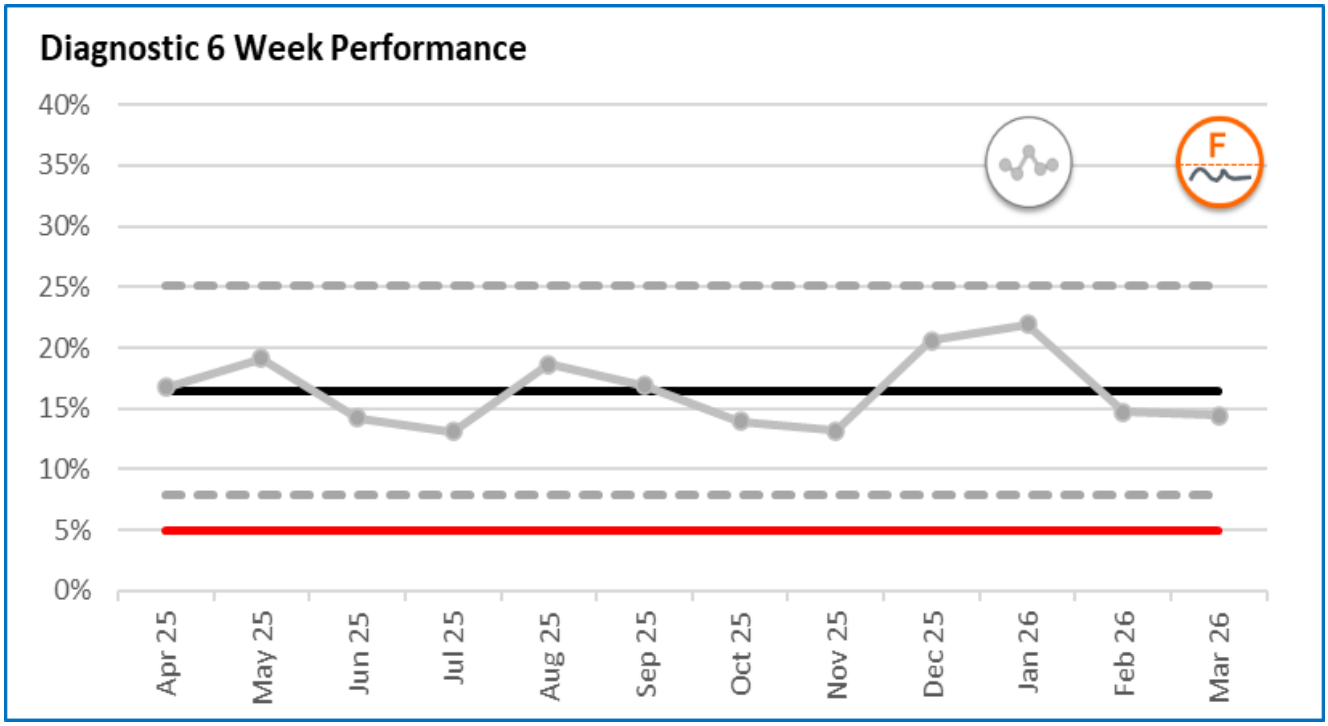




PTL = Patient Tracking List

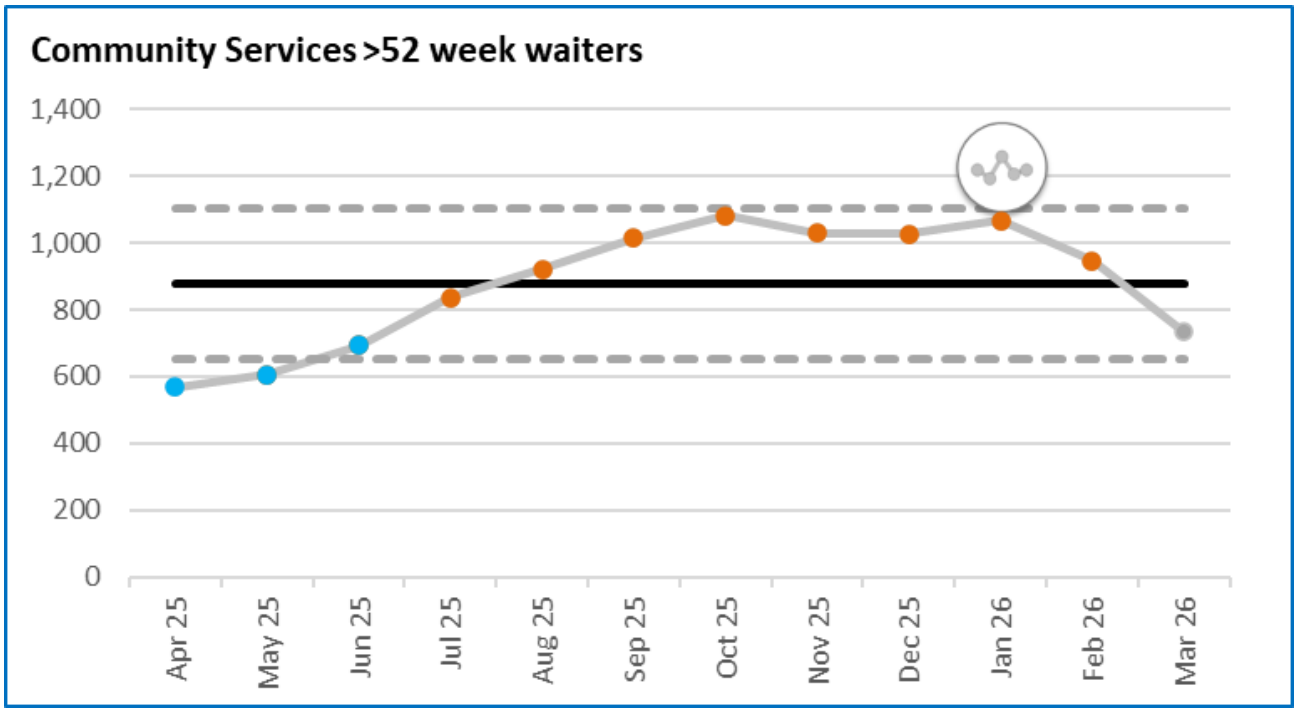
Diagnostic Waits

Throughout 2025/26 the Trust was unable to achieve the target of no more than 5% of patients waiting more than 6 weeks for a diagnostic test. Performance was relatively inconsistent from month to month, impacted by staffing gaps and scanning equipment shortages at various points of the year across several high throughput services including Magnetic Resonance Imaging (MRI), Computed Tomography (CT), Non-obstetric Ultrasound and Echocardiogram. By the end of the financial year, 14.4% of patients were waiting >6 weeks. The total diagnostic waiting list grew by 15.0% over the year despite a decrease in the summer months.



Community Services Waiting List

The community services waiting list remained relatively stable in overall volume during 2025/26, however the number of patients waiting over 52 weeks grew throughout the year. The main areas of growth were Podiatry and Paediatric Occupational Therapy – services that have seen demand vastly exceed capacity in recent times. From February 2026, temporary waiting list initiative and overtime work saw the number of >52 week waiters slowly start to reduce.



Countering Fraud

The Trust works to protect public funds from fraud, bribery and corruption by maintaining a resilient, zero-tolerance environment aligned with the NHS Counter Fraud Authority strategy. This includes preventing fraud from entering the system, detecting and managing existing risks, investigating concerns professionally and ensuring staff feel safe to report issues.

This year, the Fraud Team has recorded an increase in fraud prevention successes, capturing prevented losses and strengthened controls to better evidence the impact of proactive activity across the Trust. A high volume of good quality referrals has been received and recorded on the national CLUE database, with resulting investigations delivering financial benefits and both criminal and disciplinary sanctions to be pursued.

The Trust has proactively responded to the requirements of the 'Failure to Prevent Fraud' offence within the Economic Crime and Corporate Transparency Act (ECCTA) 2023, with delivery of the associated action plan well underway. This includes reviewing internal processes, updating fraud-risk assessments and incorporating the new requirements into staff awareness activities to ensure the Trust is fully prepared for the legislative changes.

A thorough revision of the Trust's Fraud, Bribery and Corruption Policy and Response Plan has been completed. Included within the changes are the new ECCTA 2023 requirements, strengthening guidance on criminal investigation processes, reinforcing financial-impact recording, and enhancing monitoring arrangements.

Health Inequalities

Newcastle Hospitals' Health Inequalities Strategy and Delivery Plan was ratified in September 2025. The Health Inequalities Delivery Plan has been included in the new 5-year Trust Strategy and a separate detailed Health Inequalities Annual Report has been produced for 2025/26.

Figure 1 summarises the strategic vision, ambitions, key strategic priority areas, SMART (Specific, Measurable, Achievable, Realistic and Time-bound) strategic goals, critical enablers and golden threads in our Health Inequalities Delivery Plan.

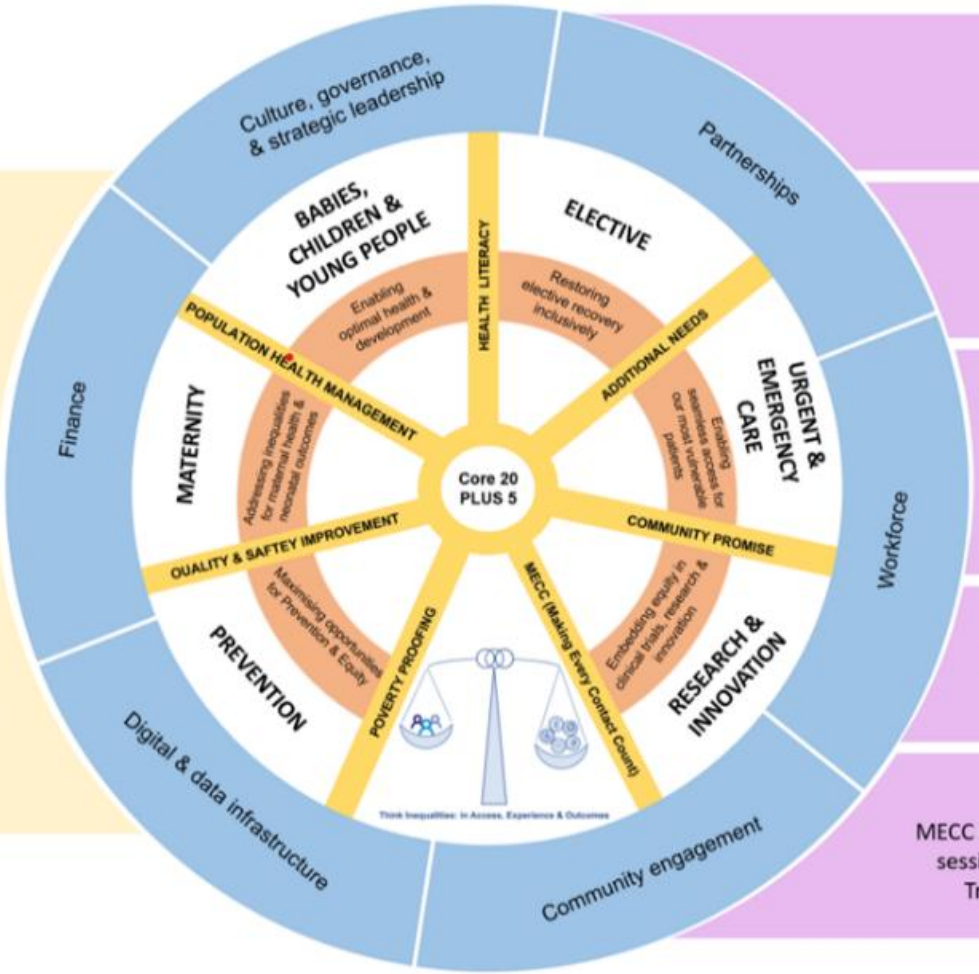
Figure1: The Wheel of Health Inequalities, Newcastle Hospitals Health Inequalities Strategic Delivery Plan *(acknowledgment: design by Christie and Clement).*

VISION

To provide excellent and equitable access, experience, and outcomes in our hospitals; and promote overall health and wellbeing in our communities.

AMBITIONS

- To improve patient and workforce health and wellbeing.
- To work with patients, staff, communities, and partners to reduce health and healthcare inequalities so that everyone can achieve their full potential across the life course.
- To realise our Community Promise as an Anchor organisation



KEY

	The 6 Priorities
	Strategic Objectives
	Critical Enablers
	'Golden Threads'
	The 5 Strategic Goals

ACCESS
By December 2027, to reduce DNAs / WNBs by 3% among patients from IMD 1 and 2, and ethnically minoritised persons.

EXPERIENCE
By December 2028, to identify and implement Reasonable Adjustments for 100% of patients with additional needs.

OUTCOMES
By December 2028, to measure clinical outcomes, such as safety incidents, among 100% ethnically minoritised persons; people with learning or physical disabilities; and autistic people; and co-design quality and safety improvement programmes with patients.

COMMUNICATION
By January 2028, 100% of patient letters will meet Accessible Information Standard, and literacy level age 9 years.

WORKFORCE
By December 2026, to train 6 facilitators in MECC (train the trainer) with a view to offering 12 training sessions; and embed MECC as part of the Education and Training offer, for the purpose of health promotion to staff and patients.

Fig. 10 'The Wheel of Health Inequalities'

Understanding the profiles of the population we serve

Newcastle Hospitals is a large and complex organisation that primarily serves the City of Newcastle for community and secondary services as well as specialist tertiary and quaternary services to Newcastle residents and a wider catchment nationally and internationally.

It is important that we have a good understanding of the profiles of the populations we serve and our potential catchment population to inform service planning and delivery as well as embedding equity in business-as-usual activities. In addition to our catchment population data (detailed within our Health Inequalities Annual Report) and our Trust data we also use different sources of data such as the Joint Strategic Needs Assessments (JSNAs) for Newcastle upon Tyne and each of the Upper Tier Local Authorities in our catchment area to understand patient flow, health needs, inequalities and outcomes for the populations we serve.

In 2023/2024 about a third of elective admissions (29.3%) at Newcastle Hospitals and over half of emergency admissions (54.4%) came from residents in Newcastle upon Tyne Local authority. Newcastle residents accounted for just over two thirds of total ED attendances and paediatric ED attendances at Newcastle Hospitals in 2024/2025 (63.49% and 62.35% respectively). Of our 1,417,515 outpatient attendances in 2024/2025, a third of these came from Newcastle upon Tyne residents (33%) compared to two thirds (61.5%) from other local authorities in the NE&NC and 3.7% from out of area.

Among our maternal population, of the total number of women who booked for their antenatal care at Newcastle Hospitals in the financial year 2024/2025 (5,368) just short of two thirds (57%) came from Newcastle upon Tyne Local Authority Area and the rest were from different local authorities in the NE&NC. Women who booked for antenatal care at the Trust in 2024/2025 were disproportionately more socioeconomically disadvantaged compared to the Trust catchment population (i.e. 43% lived in the most deprived Index of Multiple Deprivation (IMD) quintile compared to just over a third in the Trust catchment population). Socioeconomic disadvantage was more evident among Newcastle resident women who booked antenatal care in 2024/2025 with almost 50% of those living in the most deprived areas nationally (i.e. IMD Quintile 1). Moreover, women who booked antenatal care at Newcastle Hospitals in 2024/2025 were more ethnically diverse than either the Newcastle or the Trust catchment populations (i.e. proportion of White British Ethnicity was 57%; 93.77 and 80% respectively). There is well established evidence that women from underserved and disadvantaged groups including migrant, refugee, and certain ethnic minority groups are disproportionately more socioeconomically disadvantaged. Key challenges in access to care in these groups include poverty, lack of effective communication and trusting relationships with healthcare professionals.

Equity profiling is part of the reporting in some prevention services such as the Tier 3 Weight Management Service and the Tobacco Dependency Treatment Service (TDTS). For example, over half of the patients seen by tobacco dependency advisors in the in-house TDTS in inpatient pathways (54%) live in the most deprived neighbourhoods nationally (IMD Quintile 1) and 86% are White British. Using a data driven approach we monitor uptake of the service through an equity lens and plan improvement projects to increase uptake and reduce health inequalities. In 2024/2025, 1 in 4 of those supported with a quit attempt successfully quit smoking at 28 days and of those who reported a quit at 4 weeks 58.4% were from the most deprived areas (IMD Quintile 1). This is evidence the service is reaching those who need it most. Also there is evidence that in 2024/2025 2 in 3 of patients with ≥2 comorbidities who were supported by the in-house service had reported a successful quit at 4 weeks.

Ensuring datasets are complete and timely: Improving ethnicity recording

As a Trust we have developed several PowerBI interactive dashboards that include demographic data and hence enable using an equity lens to data analysis and a better understanding of the profiles of our service users (detailed within our Health Inequalities Annual Report). The quality of demographic data (example age, ethnicity, gender) is constantly monitored over time and by dataset using the Data Quality Maturity Index data to benchmark.

Although the Trust has made good progress in improving the quality of ethnicity data, there is more work to do to improve quality of coding (both completeness and accuracy). A report published by the North East Quality Observatory Service (NEQOS) in December 2025 looked at the data quality of ethnicity coding in the period 2023/2024 until Quarter 1 2025/26 across four datasets in the Trust relating to inpatients, outpatients, community services and maternity services. It found an increasing trend of consistent increases in the proportion of non-valid ethnicity coding in inpatient admissions and outpatient attendance records across the three periods analysed. It also showed the maternity services dataset had the lowest proportion of non-valid ethnicity coding across NE&NC, with almost all mothers and babies having a valid ethnicity recorded (i.e. ethnicity coding completeness in baby records, September 2024 - August 2025 was 99.5% and in mothers' records by month over 99.8%).

Actions to improve the quality, consistency and completeness of ethnicity data coding are in the scope of the implementation of the Trust Health Inequalities Delivery Plan and is part of ongoing improvement work in Clinical Boards. The Promoting Equity in Health Group (PEHG) provides oversight accountability and governance for these actions.

The Trust has an Accessible Information Standards policy in place. There is a system to record and flag patients' needs and digital work has been initiated to implement the Reasonable Adjustment Digital Flag. Further work is underway to improve the system including how to implement email communications for patients who have accessibility needs to ensure data protection and confidentiality. There are ongoing discussions on how the systems can be improved and best ways to provide training to staff. The Patient Experience Team is overseeing work with local charities (including Skills for People, Deaflink and Disability North) regarding patient access and reasonable adjustments.

Describing Newcastle Hospitals progress in reporting on health inequalities

According to section 3.4 in the NHSE statement on information on health inequalities "Healthcare inequalities should form a core part of NHS bodies' analysis of performance against national standards and local ambitions, and should be included routinely in board reporting" (https://www.england.nhs.uk/long-read/nhs-englands-statement-on-information-on-health-inequalities/).

At Newcastle Hospitals, regular health inequality information reporting has been part of the Trust Integrated Board Report (IBR) since August 2024. These reports cover requirements outlined in the NHSE Statement. The health inequalities reporting within the IBR was reviewed following the publication of the Health Inequality Strategy and now appears quarterly within the IBR.

Regular reporting on health inequalities forms part of the work plan for the Perinatal Public Health and Prevention Group and drives service delivery and improvement. The Health Inequalities Action Plan priorities for Maternity have been approved as Quality Account priorities for 2026/27. These include:

- Reduce ‘did not attend/was not brought’ appointments by 3%, measured using the IMD 1& 2 and global majority. Of all Did Not Attends in maternity services, based on planned appointments the rate for the Global Majority living in IMD Quintile 1 was 50.1% and for the Global Majority living in IMD Quintile 2, this was 14.2%
    - Increase maternal vaccination rates by 10% for women who require an interpretation service. Vaccinations include flu, whooping cough/Pertussis and Respiratory Syncytial Virus (RSV). Current rates (Quarter 3 2025/26) for those who require an interpreter are: Flu 19.8%, Pertussis 42.9% and RSV 34.1%.

Health inequalities reporting is part of performance reporting (e.g. Tier 3 Weight Management). There is a plan to embed in performance reporting for other services (e.g. the TDTS in line with the reporting requirements in the NHSE Statement on Information on Health Inequalities). Within our Health Inequalities Annual Report, we provide a summary of the equity reporting relevant to the ED and outpatient attendances as examples of reports that formed part of the Trust IBR.

Sustainability

Our Clinical Emergency Strategy for 2020-2025 (https://www.newcastle-hospitals.nhs.uk/wp-content/uploads/2024/06/Climate-strategy-2020-2025.pdf) and Annual Shine (Sustainable Healthcare in Newcastle) Reports align with the guidance of the Greener NHS programme as well as the Greenhouse Gas Protocol. We are in the final stages of co-developing our delivery plan for 2026-2031 with staff and senior leaders and this will be launched before the end of 2026. Our current Strategy uses the definitions set out in the 'Delivering a Net Zero NHS' report from NHSE which we have framed into three goals: Zero Carbon Care, Clean Air and Zero Waste. Our work to achieve these goals encompasses **seven Shine themes**, each with specific actions and performance targets. Progress in each of these Shine themes is covered in detail in our standalone Shine Report (https://www.newcastle-hospitals.nhs.uk/about/sustainable-healthcare/shine-annual-reports/) and a summary has been included in the following table:

Shine Theme	Achievements and Highlights in 2025/26
 Energy and Water	The carbon emissions from the energy we use to power our buildings is estimated to rise for the first time since 2021. This is due to an increase in the burning of fossil gas for electricity generation at the FH due to local grid resilience concerns. Energy & Net Zero efficiency projects have minimised this increase, including RVI estates boiler optimisation that **saved 166 tCO_2e (tonnes of carbon dioxide equivalent) and £58,000 a year**. The first year of our Public Sector Decarbonisation Scheme (PSDS) (Phase 4) **£40.5 million grant** funded project at our FH, Benfield Park and Ponteland Road sites is on track for delivery. We also secured **£92,000** of government funding to improve power monitoring at the FH.
 Waste	The total amount of waste we disposed of this year has **reduced by an estimated 4%**. We have also reduced the amount of waste we send for costly and environmentally damaging heat treatment and incineration, as well as increasing the amount we recycled. Our Waste Team have **completed over 70 waste audits** of clinical areas to ensure compliance with the waste policy and help reduce costs and environmental impact. Newcastle Hospitals Charity have supported us to install **new public-facing bins and signage** to help improve segregation and recycling rates. We also partnered with Northumbrian Water on a 'Bin the Wipe' campaign to reduce the prevalence of wipes blocking our hospital pipework.
 Buildings & Land	Our new UTC at the RVI is fully electric, with heating and hot water supplied by **heat pumps and renewable electricity generated by on-site solar panels**. Work to design and build the new Sir Bobby Robson Institute includes ambitious sustainability criteria in the project brief with a design target of Building

	Research Establishment Environmental Assessment Method (**BREEAM**) **Outstanding**. Funded by the Centre for Sustainable Healthcare we are hosting a **Nature Recovery Ranger**, working with staff and patients to realise the benefits that nature can bring to wellbeing and patient care. We are developing a Green Spaces & Health Plan and have been investing in green spaces and biodiversity projects across our sites. We have also appointed a Doctor of Philosophy (**PhD**) **student**, with Northumbria University, to build an evidence base of these benefits.
 **Procurement**	Sustainability is embedded into our new procurement policy and invitation to tender process, with a clear focus on **buying less and buying better**. We are working with the **GNHA** to share learning, standardise our approach and to peer review our reporting of the carbon emissions associated with procurement (Scope 3), which is 85% of our total carbon footprint with a net zero target of 2040. With the support of Newcastle Hospitals Charity, and collaboration across the North East public sector, our 6th annual **Sustainable Supplier Event** was held in March, with 350 attendees learning about the importance of embedding sustainability in supply chains. The event included a keynote speech from Trust Chair Sir Paul Ennals.
 **Journeys and Clean Air**	**Transport-related carbon emissions have reduced this year**, which we can attribute to taxi and courier usage rationalisation. We have developed a **draft Travel and Transport Plan** which is currently in consultation with the aim to improve patient, visitor and staff access to our sites, reduce carbon, improve air quality and improve health and wellbeing. **£196,000** of funding was secured for the installation of rapid Electric Vehicle (EV) chargers at the RVI for new all-electric ambulances and our own fleet of EVs. The Trust's score on the **Clean Air Hospital Framework increased from 38% to 50%** this year thanks to a range of interventions, including work to embed clean air principles in our construction programmes.
 **Care**	Our carbon emissions from anaesthetic gases remain within our carbon budget and have **reduced by more than 60%** since our baseline year. We have secured **£15,000 grant funding** to trial portable nitrous oxide manifolds which would allow us to continue clinical utilisation, where required, but reduce wastage from underused pipework. To **increase capacity for clinical sustainability** we have recruited a clinical sustainability lead (Dr Suren Kanagasundaram)

	and deputy (Dr Louise Sanderson) and a Clinical Sustainability Fellow (Dr Sarah Peters) with charity support. We are also hosting a second national clinical sustainability fellow thanks to the Association of Anaesthetists (Dr Jonny Lavery). Collectively they are working on embedding a Sustainable Quality Improvement (SusQI) approach in the Trust with projects such as the green theatre checklist, rationalising blood testing and Ultraviolet C (UVC) decontamination boxes for reusable laryngoscopes. Our Born Green Generation Team continues to reduce newborn exposure to harmful plastics with projects such as reusable tourniquets, procedure pack rationalisation and sustainable skin preparation solutions, with **savings of over £40,000 and 1.7 tonnes of single-use plastic** waste predicted.
 People	The Clinical and Diagnostic Services Clinical Board are leading the way in embedding the **Shine 10 Step Framework** into business as usual. This Clinical Board have sustainability leads in 80% of their service areas working on recycling initiatives, pre-loved uniform, switching off paper printing and climate cafes. We have **over 1,000 staff Green Champions** across the Trust and have presented 20 Shine Awards for their work that has avoided at least 350 tCO_2e and saved £170,000. Our Shine Rewards staff benefit programme has almost 1,500 users and has **helped our staff avoid 421 tCO_2e** since its launch in 2021.

Task Force on Climate-Related Financial Disclosures (TCFD) Compliance statement

TCFD Governance

Dr Victoria McFarlane Reid (Interim Executive Director of People and Commercial Innovation) is Executive Lead for sustainability on the Trust Board of Directors and chairs the Sustainable Healthcare Committee (SHC). Progress towards delivery of our Climate Emergency Strategy (which includes a five-year action plan as our 'Green Plan' and a detailed description of our governance arrangements) is reported formally to the Trust Board bi-annually and a quarterly high-level dashboard is included in the IBR.
The SHC meets quarterly and oversees environmental and climate-related issues and risks. The Trust risk register includes a climate-related risk entry, currently risk rated with score of 20, (Likelihood: 4 - Likely; Impact: 5 - Catastrophic), which is regularly reviewed by the SHC.

There is a Board approved Climate Adaptation Plan which was due a review in August 2025. Delivery of the actions has been challenging due to clinical operational pressures and capacity within the Emergency Preparedness Response and Resilience (EPRR) team. This will be reviewed at the next EPRR Strategy meeting early in 2026/27.

The Trust employs a team of professional in-house environmental and sustainability experts and as noted earlier Newcastle Hospitals Charity funding has supported the appointment of a Clinical Sustainability Lead. The team works to implement the Board approved Climate Emergency Strategy and 5-year action plan (see updates in the earlier Sustainability section of the Annual Report). Sub-groups in waste, estates decarbonisation, travel, green spaces and procurement progress actions and this is reviewed quarterly by the SHC. The SHC also provides quarterly dashboards to the Board (in the IBR) and formal six-monthly update reports to the Finance & Performance Committee (A Board Committee) and then onto the Trust Board. Full Annual Shine Reports are approved by the Trust Board and made available publicly, summarising performance and progress towards our goals.

TCFD Strategy

The Trust ensures that its obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with. The Trust was the first healthcare organisation in the world to publicly declare a climate emergency in 2019 and developed a Climate Emergency Strategy 2020-25. Please see the earlier Sustainability section of this Annual Report for more detail.

The Trust has an Adverse Weather Plan in place which identifies short and medium term risks (including flooding and heat waves), the potential impact (such as impacts on health, infection control considerations, groups who are particularly vulnerable, disruption or cancellation of clinics, increased slip and trip injuries, physical damage, impacts on the Trust's staffing levels, exacerbation of long-term conditions and delay in discharging vulnerable patients) and the actions to be taken (such as temporary chillers/air conditioning units and managing heating controls). The aim of the plan is to outline arrangements that can be put in place both before and during a period of adverse weather to ensure that essential Trust services can be maintained and the impact upon patients and staff can be minimised.

The Adverse Weather Plan has also considered long term planning with reference to the Climate Adaptation Plan and states that the Trust should have multidisciplinary work to mitigate the effect of climate change and reduce the impact of heatwaves using organic and technological methods to ensure that hospital environments are designed or modified to be cool and energy efficient. Actions are recommended such as ensuring new builds and refurbishments aim to keep the environment cool in summer, greening the built environment, shading, insulating buildings, increasing energy efficiency and reducing the carbon footprint.

TCFD Risk Management

Three regional workshops were undertaken in 2024 to use the NHS Climate Change Risk Assessment (CCRA) tool. Colleagues from EPRR, supported by our Sustainability Team and regional partners, identified climate hazards, scored risks and looked at adaptation measures in place. The NE&NC ICB shared the learning online within (https://boost.org.uk/improve/icb-sustainability-programme/adaptation/).

Our Climate Adaptation Plan sets out the initial steps towards building an organisation resilient to the imminent challenges of a changing climate both in terms of the physical infrastructure and clinical service (re-)configuration.

The Trust has completed a self-assessment against the NHS Climate Adaptation Framework, which suggests the maturity stage across our capabilities is “starting”. This requires operationalising. The Trust has been assessed for flood risk by the Environment Agency, and the low risk of surface water flooding is incorporated in the Climate Adaptation Plan. Newcastle City Council’s Blue Green programme has planned flood mitigation work on the Town Moor to reduce the risk of run off affecting the main access routes to the RVI.

Climate-related risk is integrated into the Trust’s overall risk management approach via the climate related risk entry on the risk register and includes references to mitigation and adaptation. As a category one provider under the Civil Contingencies Act 2004 the Trust has a statutory duty to plan in readiness for responding to an emergency and disruptions/incidents via our EPRR framework, Business continuity management policy and EPRR strategy group which reports to Board through the EPPR report. There is a risk on the EPRR risk register relating to staffing levels.

TCFD Metrics and Targets

Our current target is to reach Net Zero for Scope 1, 2 and some of Scope 3 emissions (our NHS Carbon Footprint) by 2030, ten years ahead of the NHS target. For the remainder of our Scope 3 emissions (our NHS Carbon Footprint Plus) our target is to reach Net Zero by 2040, five years ahead of the NHS target. When we declared a climate emergency in 2019, we recalculated our carbon emissions to establish a new baseline and we report this annually, details can be found in our standalone Annual Shine Reports (https://www.newcastle-hospitals.nhs.uk/about/sustainable-healthcare/shine-annual-reports/). The quarterly dashboard in the IBR includes the following metrics: waste tonnage, energy carbon emissions, anaesthetic gas carbon emissions, travel related carbon emissions, engagement metrics, and a narrative update on strategic progress.

Metrics are reported internally and externally as described under the Governance section above.

Health and Safety

We remain firmly committed to upholding the highest standards of health and safety for all staff, patients, and visitors and continue to take every necessary measure to provide a safe and secure environment for everyone who uses our services.

Our dedicated Health and Safety Committee provides ongoing oversight and assurance by monitoring performance and receiving reports and updates across a broad range of areas, including:

- Staff-related incidents such as slips, trips, falls, and violence and aggression.
- Quarterly reports on health and safety compliance audits.
- Quarterly updates on the health and safety inspection programme.
- Collaborative work with recognised unions and partner agencies.
- Ensuring safe and well-maintained working environments.
- Provision, monitoring and support of lone-working devices and training.
- Progress against the plan to implement the NHSE Violence Prevention Reduction Standard (2024).
- Arrangements to manage, monitor and reduce staff stress.
- Oversight and delivery of the self-harm risk-assessment programme, including ongoing monitoring of associated action plans.
- A range of health and safety training, including topics such as stress at work, Control of Substances Hazardous to Health (COSHH) and risk assessment.

During 2025/26, there were 18 InPhase incidents that met the criteria for reporting to the Health and Safety Executive under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR). All reported incidents were fully investigated, and where necessary, remedial actions were implemented and learning was shared across relevant teams and departments.

Mr Rob Harrison
Acting Chief Executive Officer

25 June 2026

2. Accountability Report

Board of Directors

Between 1 April 2025 and 31 March 2026, the Board of Directors met and held

- 11 Private Board meetings;
- 6 Public Board meetings; and
- 2 Extraordinary Board meetings.

One of the extraordinary meetings was convened to discuss a procurement whilst the other focussed on the 2026/27 Planning Submission.

In compliance with the requirements of the Health and Social Care Act 2012, the Board holds part of its meetings/some meetings in public. A private session also takes place to discuss confidential business items. During 2025/26 formal meetings of the Board of Directors took place bi-monthly in public, with a private board meeting and a development session held during most of the alternate months.

Meetings of the Board take place within the Trust and members of the public are able observe proceedings either in person or 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. Executive and Non-Executive Directors (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.

The full list of Board Committees is shown below. All of the Board Committees were created to provide assurance to the Board of Directors and each of the Committees is chaired by a NED.

- Appointments and Remuneration Committee;
- Audit, Risk and Assurance Committee;
- Digital and Data Committee;
- Charity Committee;
- Finance and Performance 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 Executives or NEDs.

The Board of Directors consists of the following voting members:

Board Member	Biography	Attendance at ordinary meetings (Attendance at extraordinary meetings
Sir Paul Ennals Chair Appointed 17 July 2024	Sir Paul Ennals CBE took up his post initially as Interim Shared Chair in July 2024 alongside his role as substantive Chair of Northumbria Healthcare, and then became substantive Chair across Newcastle Hospitals, Northumbria Healthcare and Gateshead Health from 1 October 2025. Sir Paul brings vast leadership experience from large, complex organisations at both a national and local level. His experience ranges from Chief Executive roles with successful national organisations to chairing influential multi-agency partnerships over a 25-year period. His professional career has been spent largely within services for vulnerable children and adults, mainly based in London. This included playing a key role in steering the Government's Every Child Matters programme during the 2000s. Now based in North Tyneside, he was awarded a CBE in 2002 for services to children with special educational needs and was knighted in 2009 for services to children. Prior to his appointment as Chair, he chaired six multi-agency safeguarding boards for children and vulnerable adults, holding the relevant agencies to account for their safeguarding activity. Sir Paul is also president of Voluntary Organisations' Network North East (VONNE) and is on the Board of Net Zero North East England.	6 of 6 [Public] 11 of 11 [Private] (2 of 2)
Ms Wendy Balmain NED	Wendy joined the Trust in January 2025, after a 35-year career in the health, social care and charitable sectors. She brings extensive Board and leadership experience from Director roles within the Department of Health and Social Care (DHSC),	6 of 6 [Public] 11 of 11 [Private] (2 of 2)

Board Member	Biography	Attendance at ordinary meetings (Attendance at extraordinary meetings
Appointed 31 January 2025 for 3 years	the NHS, and as a former trustee of the Motor Neurone Disease Association. Wendy has worked with NHS providers, the Ministry of Defence and local government on large scale transformation programmes across the NEY, with a focus on improving access and reducing health inequalities. Wendy is a lifelong resident of Newcastle and Gateshead and sits as a magistrate in the area.	
Mrs Jackie Bilcliff Interim/Acting Deputy CEO from 1 March 2025 Chief Finance Officer Appointed 5 September 2022	Jackie Bilcliff is our Chief Finance Officer (CFO) and has worked for the Trust since September 2022. Jackie was previously Group Director of Finance and Digital at Gateshead Health, having worked there since 2014. She was also Deputy Chief Executive and had been in this post since January 2022. Jackie qualified in 1996 with CIPFA and has held several positions within the private, health and criminal justice sectors. Jackie's responsibilities as CFO include: • Strategic financial planning (capital and revenue); • Leading the finance and procurement functions (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.	5 of 6 [Public] 10 of 11 [Private] (2 of 2)
Mrs Liz Bromley NED and Senior Independent	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	5 of 6 [Public] 7 of 11 [Private] (1 of 2)

Board Member	Biography	Attendance at ordinary meetings (Attendance at extraordinary meetings
Director (SID) (from 22 August 2025) Appointed 1 June 2022 for 3 years Reappointed 1 June 2025 for 3 years Became Interim Vice Chair on 26 September 2024 to 21 August 2025	Newcastle – Newcastle College and Newcastle Sixth Form, and one in Carlisle; four other colleges are in the North West, the Midlands and London. 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 Climbie 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. Throughout her career, Liz has led on several significant change programmes and service restructures and has a strong background in leadership and other professional development. 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. Liz has several Board roles relating to her NCG work and is the Maternity Safety Champion within Newcastle Hospitals.	
Mr Robert Harrison Appointed as Acting CEO on 1 March 2025 Appointed 1 February 2024 as Managing	Rob commenced in post as Acting CEO on 1 March 2025. He joined Newcastle Hospitals in February 2024 initially as Managing Director and subsequently as Deputy CEO, this role was responsible for the day-to-day leadership and management of the hospitals and services delivered by the Trust, on behalf of the Chief Executive, through the Clinical Board leadership teams.	6 of 6 [Public] 11 of 11 [Private] (2 of 2)

Board Member	Biography	Attendance at ordinary meetings (Attendance at extraordinary meetings
Director on secondment and then from 1 January 2025 as Deputy CEO.	Prior to this Rob was Managing Director of South Tees Hospitals NHS FT and part of the leadership team returning the Trust to Care Quality Commission (CQC) "Good" in 2023, he joined South Tees in 2020 from Harrogate and District NHS FT, where he served as Chief Operating Officer (COO) for ten successful years. Rob holds a postgraduate diploma in Health Service Management from the University of Birmingham and a bachelor's degree in Applied Biochemistry from the University of Liverpool and worked in Pharmaceutical research prior to joining the NHS Graduate Management Training Scheme in 2002. He subsequently held NHS management positions in Lancashire, Merseyside and Cheshire, prior to moving to Harrogate.	
Ms Sue Hillyard Interim Executive Director of Operations Appointed 1 April 2025	Sue joined the Trust in an interim capacity as Executive Director of Operations on 1 April 2025. She has oversight of the management of hospital services across the organisation and works closely with the Clinical Boards to deliver elective and emergency care. Prior to this she worked in consultancy since 2012 in a range of roles specialising in governance, large scale service reviews and performance and financial recovery. She holds a Master of Science (MSc) in management and organisational development and is a qualified executive coach.	6 of 6 [Public] 10 of 11 [Private] (2 of 2)
Mr Ian Joy Executive Director of Nursing, Midwifery and AHPs Role title changed from	Ian became Executive Director of Nursing on the 22 October 2024, having held the interim post since 1 March 2024 and before that as Deputy Chief Nurse since July 2021. During 2025/26, Ian's role title was expanded to become Executive Director of Nursing, Midwifery and AHPs. As Executive Director of Nursing, Midwifery and AHPs, Ian leads the organisation's 9,000	6 of 6 [Public] 11 of 11 [Private] (2 of 2)

Board Member	Biography	Attendance at ordinary meetings (Attendance at extraordinary meetings
Executive Director of Nursing (EDoN) during the year Appointed 1 March 2024 as Interim EDoN Appointed 22 October 2024 as substantive EDoN	Nurses, Midwives, AHPs and Healthcare Support Worker teams, which collectively make up the Trust's largest workforce group. Ian's key role is to provide professional leadership to deliver and maintain the highest standard of clinical care and the best experience for those who use our services. Since qualifying as a staff nurse in Newcastle over 20 year ago, Ian has held several clinical and senior nursing management roles across the region. Ian is a national Chief Nursing Officer (CNO) Safe Staffing Fellow having completed the first cohort of this programme nationally and supports safe staffing work streams locally, regionally and nationally.	
Hassan Kajee NED Appointed 17 February 2025 for 3 years	Hassan joined Newcastle Hospitals as a NED in February 2025 and is Chair of the Digital and Data Committee. He brings extensive experience in NHS governance, digital transformation, and large scale system change, providing constructive challenge and independent scrutiny at Board level. Hassan has over 25 years' leadership experience across the NHS, higher education, government related bodies and the private sector. He has led nationally significant, high-risk programmes including the NHS COVID Pass service and major elements of the Future NHS Workforce Solution, supporting delivery at scale while maintaining strong assurance, governance and benefits realisation. Alongside his NED role at Newcastle Hospitals, Hassan is Transition Director at the NHS Business Services Authority, where he leads complex service transitions following national structural changes across DHSC and NHSE. He is also Deputy Chair of the Board and Pro Chancellor at Northumbria University, contributing to Board leadership, strategic development, and major initiatives such as the University's £300m Centre for Health and	5 of 6 [Public] 7 of 11 [Private] (2 of 2)

Board Member	Biography	Attendance at ordinary meetings (Attendance at extraordinary meetings
	Social Equity (CHASE) health education and research centre. Hassan is a strong advocate for Equality, Diversity and Inclusion (EDI), with a long standing focus on creating opportunities through education and leadership development. He is a senior executive coach and mentor and has previously served on the Inclusion Advisory Board at Northumberland Football Association. His experience across digital, workforce, commercial and organisational transformation enables him to bring broad, system level insight to the Trust's strategic discussions.	
Philip (Phil) Kane NED, and Chair of Charity Committee until February 2026 Appointed 24 June 2024 for 3 years	Phil joined the Trust Board in June 2024. Immediately prior to this he was a NED and Vice Chair with NCIC from 2021 to 2024. He had a diverse portfolio during his tenure with membership of Quality (Chair), Charity (Chair), Audit and People Committees. Phil, a native of South Shields, has over 40 years' experience of working in the NHS. After graduating from Newcastle Medical School in 1983 he undertook his higher surgical training in hospitals across the North East and London before taking up post as a consultant neurosurgeon in the South Tees Hospitals NHS FT. He retired from clinical practice in December 2020. During his career Phil has enjoyed a variety of clinical leadership (Clinical Director Neurosurgery, Chief of Service Neurosciences, Chair of Senior Medical Staff Committee), Academic (Honorary Professor, University of Durham) and Educational (Advanced Trauma Life Support (ATLS) course director, MSc Supervisor, Academic Foundation Doctor Supervisor) roles.	6 of 6 [Public] 10 of 11 [Private] (0 of 2)

Board Member	Biography	Attendance at ordinary meetings (Attendance at extraordinary meetings
	Phil was a peer reviewer in the national cancer programme and has given multiple presentations at national and international meetings.	
Mr Bill MacLeod NED, and Vice Chair from 22 August 2025. Prior to this he was SID from 9 September 2024 to 21 August 2025 Appointed 30 July 2020 for 3 years Reappointed 30 July 2023 for 3 years	Bill became a NED at Newcastle Hospitals on 30 July 2020 and is Vice Chair. He is a Chartered Accountant and was a partner at PricewaterhouseCoopers LLP for 25 years, specialising in Audit. He held several 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. 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 the chair of the Ethics Board of the Institute of Chartered Accountants of Scotland. Bill chairs the Newcastle Hospitals Finance and Performance Committee.	6 of 6 [Public] 11 of 11 [Private] (2 of 2)
Mr Bernie McCardle NED Appointed 13 May 2024 as interim NED Appointed as substantive NED 18 December 2024 with first 3-year term	Bernie McCardle joined the Trust in May 2024 as a NED and has had an extensive career in public service, including Northumbria Police. Bernie is an experienced Human Resources Director whose career has spanned the public sector, including public transport, local government and police. After retiring from his role as Corporate Services Director with Northumbria Police in 2016, Bernie set up his own Human Resources (HR) consultancy company and has worked on a variety of projects including social housing, higher education, and prison services. He was	6 of 6 [Public] 11 of 11 [Private] (2 of 2)

Board Member	Biography	Attendance at ordinary meetings (Attendance at extraordinary meetings
running to 12 May 2027	also a NED at Northumbria Healthcare from 2018 to 2024. Bernie is a chartered fellow of the Institute of Personnel and Development and has a particular interest in leadership, employee relations and staff engagement. Bernie chairs the Newcastle Hospitals People Committee, is the NED Wellbeing Guardian and is the NED lead for Freedom to Speak Up (FTSU).	
Dr Vicky McFarlane Reid Role title changed to Interim Executive Director of People and Commercial Innovation from 27 March 2026 Interim Executive Lead for People and Organisational Development from 6 March 2025 Appointed as Executive Director for Commercial Development and Innovation on 23 September 2019	Vicky joined the Trust in September 2019 as the Executive Director for Commercial Development and Innovation. 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. Additionally, Vicky is also the Interim Director of People and leads the Research and Innovation work stream for the GNHA. Following the Covid pandemic, Vicky led the setup of the North East Innovation Lab (NEIL), which aims to accelerate the development of next generation diagnostics via effective partnership working between the NHS, academia and industry. Vicky has a PhD in Molecular Ecology and a Bachelor of Science (BSc) in Biology and before joining the Trust spent 17 years working for Leica Biosystems in the field of Cancer Diagnostics as the Director for Research and Development.	6 of 6 [Public] 11 of 11 [Private] (2 of 2)

Board Member	Biography	Attendance at ordinary meetings (Attendance at extraordinary meetings
Dr Lucia Pareja - Cebrian Joint Medical Director Appointed 1 March 2024	Lucia joined Newcastle hospitals in 2015 as a Consultant Microbiologist. Following the completion of her undergraduate medical training in Universidad Autonoma de Madrid, she undertook all her medical postgraduate training in the UK. She completed her speciality training in Edinburgh, following which she worked as a consultant at Mid Yorkshire Trust for nearly 10 years. Following her appointment to Newcastle Hospitals, she became Director of Infection and Control between 2017 and 2022 and Associate Medical Director from 2018.	6 of 6 [Public] 10 of 11 [Private] (2 of 2)
Mrs Anna Stabler NED Appointed 13 May 2024 as interim NED Appointed as substantive NED from 1 September 2024, with first 3-year term running to 12 May 2027	Anna joined Newcastle Hospitals as a NED in May 2024, following an extensive career as a nurse, midwife and health visitor. She has worked at Director-level across the NHS in provider and commissioning organisations and as quality and risk lead at NHSE. Anna is a professionally registered nurse and previously held Midwife and Public Health Practitioner in Health Visiting registration. Anna brings significant Board level experience as an Executive and NED, as well as chairing committees, including the Trust Quality Committee. Anna sits as a magistrate in the family court.	6 of 6 [Public] 10 of 11 [Private] (1 of 2)
Mr David Weatherburn NED Appointed 19 August 2024 for 3 years	David joined the Trust in August 2024 after a 38 year career in legal services. David is the Chair of the Trust Audit, Risk & Assurance Committee. Born and raised in the North East, David worked for two multi-national law firms with offices in Newcastle. He specialised in health, social care and insurance, providing advice to many NHS organisations across the healthcare	5 of 6 [Public] 9 of 11 [Private] (1 of 2)

Board Member	Biography	Attendance at ordinary meetings (Attendance at extraordinary meetings
	system in England, as well as international providers and insurers. David has significant Board experience as a former elected member of the LLP Board of DAC Beachcroft (and one of its subsidiary Boards). He led the Newcastle office of that firm for 14 years before joining Newcastle Hospitals.	
Dr Michael Wright Joint Medical Director Appointed 1 March 2024	Dr Michael Wright is a consultant in clinical genetics and Joint Medical Director at Newcastle Hospitals. He is also an associate senior lecturer at Newcastle University and is Medical Director of the NEY GMS. Michael has extensive experience in the NHS as a clinician with expertise in genetics and molecular medicine and as a medical leader working within and across local, regional and national NHS structures. He has research interests in diagnosis and management of rare bone diseases. In his role as Joint Medical Director he has primary responsibility for professional standards and is the Trust Responsible Officer for Medical Revalidation. He is working with colleagues in Newcastle University and surrounding NHS organisations to develop collaborations and partnerships which will improve healthcare in Newcastle.	5 of 6 [Public] 10 of 11 [Private] (2 of 2)

In September 2024, a non-voting Associate NED role was agreed to be introduced.

Associate NED	Biography	Attendance at ordinary meetings (Attendance at extraordinary meetings
Dr Niniola (Nini) Adetuberu	Nini became an Associate NED in January 2025. She qualified as a medical doctor 20 years ago in 2005 at Imperial College, London	5 of 6 [Public] 9 of 11 [Private] (1 of 2)

Associate NED Appointed 20 January 2025 for 3 years Left the Trust on 31 March 2027	and trained in psychiatry in the North East of England. She has spent her career working within health and social care clinically and at local, regional and national levels within commissioning, policy and health regulation. She carried out children's mental health joint commissioning on behalf of Camden Primary Care Trust and Camden Council, integrating services across health and social care. She has developed mental health policy at a national level in the DHSC and supported the development of the Mental Health Bill. During her time at DHSC, she also led the national approvals process for Section 12 doctors who are approved by the Secretary of State to make recommendations for detention under the Mental Health Act. She also led the development of regulation of mental health service providers as Deputy Director of Policy at the CQC.	
Mrs Judith McKenna Associate NED Appointed 30 January 2026 for 3 years	Judith joined Newcastle Hospitals as an Associate NED in January 2026. She is an experienced accountant with a 25-year career and a fellow of the Institute of Chartered Accountants in England and Wales. Judith has worked at PricewaterhouseCoopers LLP, Yorkshire Water and Vp plc in a variety of senior finance roles. She is currently a Board member and Trustee of the charity Groundwork Yorkshire. Born and raised in the North East, Judith currently lives in Yorkshire.	2 of 2 [Public] 3 of 3 [Private] (1 of 1)

The following senior directors also attend/attended the Board of Directors during 2025/26:

- Mr Martin Wilson – Director of the GNHA and Strategy.
- Mrs Caroline Docking – Director of Communications & Corporate Affairs and joint lead on EDI.
- Mrs Shauna McMahon – Chief Information Officer.
- Mrs Rachel Carter – Director of Quality and Safety.
- Mr Paul Hanson – Director of Estates, Facilities and Strategic Partnerships.
- Mrs Annie Laverty – Chief Experience Officer.
- Mr Patrick Garner – Director of Performance and Governance.
- Ms Jenna Wall – Director of Midwifery.
- Mr Russell Jones – Deputy Director of Estates.
- Ms Joanne Mason – Deputy Director of Finance.
- Mrs Julie Samuel – Director of Infection Prevention Control (IPC).

- Mrs Donna Watson – Acting Associate Director of People and Organisational Development.
- Miss Amy Callow – Director for People and Organisational Development.
- Mr David Elliott – Chief Digital Officer
- Miss Paula Dimarco – Patient Safety and Risk Manager
- Mrs Teri Bayliss – Charity Director
- Ms Sarah Helps – Head of Service - Psychology in Healthcare
- Mr Mike Robson – Chair, NHPL
- Mrs Julie Swaddle – Director of Pharmacy
- Mrs Nichola Kenny – Director of Improvement & Delivery (Operations)
- Mr Dan Shelley – Procurement & Supply Chain Director
- Mrs Claire Pinder – Director of Operations, Clinical and Diagnostic Services Clinical Board
- Mr Alex Self – Consultant Radiologist and Clinical Board Chair Clinical and Diagnostic Services Clinical Board

The Board of Directors was supported by:
- Mrs Kelly Jupp – Trust Secretary; and
- Mrs Lauren Thompson – Corporate Governance Manager / Deputy Trust Secretary.

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

The accounts have been prepared in line with the cost allocation and charging requirements issued by HM Treasury. 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. In September 2024 the Trust established a wholly owned subsidiary named Newcastle Hospitals Pharmaservices Ltd which began trading in December 2025, the results of the company are also consolidated into the group accounts.

The Trust has not made any political donations during 2025/26.

During the year, the following conflicts of interest were declared during Board of Directors meetings:
- Sir Paul Ennals declared an interest as the Chair of Northumbria Healthcare and Gateshead Health.

During 2025/26 six members of the Board of Directors claimed a total of £2,389.57 (2024/25 £7,634.05) in expenses. This was largely for business travel.

Well-led

Since the CQC published its report in January 2024, we have embarked upon an extensive and robust programme of work.

We developed a clear, time-bound Well-Led improvement action plan which focused on strengthening leadership capacity and visibility, organisational culture and engagement, and further embedding learning, improvement and system working across the organisation. The Board has oversight of the progress against these actions and monitoring is through established governance arrangements.

We continue to place strong, effective leadership and governance at the heart of delivering high-quality care. We have focused on strengthening our organisational culture, promoting openness and transparency, learning and continuous improvement. FTSU, staff engagement and EDI remain central to our leadership approach. Feedback from staff, patients and partners is actively sought and used to inform improvement. The launch of our strategy also brings opportunity to frame the next steps in our improvement journey.

Following our CQC inspection, we were placed into oversight arrangements chaired by NHSE and ICB colleagues. These oversight arrangements have now been stood down following a rigorous review of our improvement action plan and providing assurance necessary changes have brought about lasting impact and improvement.

In the spring of 2025, nearly 18 months into our improvement journey, it was timely to commission an external well led review to understand progress with elements of the well led actions outlined in the improvement action plan and provide a helpful external review to frame future improvement actions. Grant Thornton was commissioned to undertake this review using the NHSE developmental well led framework (June 2017).

The well-led review identified that substantial progress has been made since the 2023 CQC inspection, with the following themes outlined as areas for further development:

- Culture, line management and psychological safety
- Strategy
- Governance, management and performance
- Leadership

We recognise there is still work to do and fully accept the recommendations. We have also submitted our first Provider Capability Assessment Declaration to NHSE and received a rating of amber/green. Some of the identified areas for continued development in the self-assessment overlap with the key lines of enquiry in the well-led review and have been incorporated into a well-led improvement action plan.

We have worked hard to ensure the foundations are in place to be well led, while recognising that effective leadership is not static. The learning from the CQC inspection has been used to strengthen our leadership and governance arrangements, ensuring we are well positioned to respond to future challenges and to continue delivering high-quality, person centred, sustainable care.

Audit, Risk and Assurance Committee

Committee purpose

The key purpose of the Audit, Risk and Assurance Committee (ARAC) 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 at least four members with a quorum being two members.

Eight ordinary meetings were held between 1 April 2025 and 31 March 2026. Please see attendance in the table below:

	Attendance at ordinary meetings
Mr D Weatherburn, NED and Committee Chair	8 out of 8
Mr B MacLeod, NED	8 out of 8
Mr B McCardle, NED	8 out of 8
Mrs A Stabler, NED	8 out of 8

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

- External and Internal Audit, as well as the Trust's Fraud Specialist Manager.
- Management, which included the Chief Executive Officer, the Chief Finance Officer, the Director of Communications and Corporate Affairs, the Executive Director of People and Commercial Innovation, the Executive Director of Nursing, Midwifery and AHP's, the Director of Performance and Governance, the Director of Quality and Safety, the Chief Experience Officer and other Executive Team members.
- The Trust Secretary and team members who provide Secretariat Support to the Committee.
- The Head of Corporate Risk & Assurance.
- Corporate Services representation including senior finance team members.
- The Designated Individual for Mortuary Services.

- The Chair and other NEDs including the Chair of the Digital and Data Committee.
- The external auditor of the Trust Charity.

In addition, Governors Eric Valentine, Judy Carrick, Philip Home, Chris Record and Poonam Singh observed Committee meetings on an individual basis.

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 ARAC 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 2025).
- 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, the revised Risk Management Policy and the annual BAF Risk Management Annual Report.
- Amendments required to the Scheme of Delegation, Standings Orders and Standing Financial Instructions.
- The Grant Thornton Well Led Review
- 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 endorsed 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 with regular updates to the Committee.

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. Bi-monthly each Committee of the Board receives a report detailing the:
- Executive Lead review undertaken during the previous month and any recommendations for risks held on the BAF aligned to that Committee;
- Assurances received and any areas requiring Committee consideration; and

- Risks held on the BAF and movements in the risks, along with risk mitigations, threats, assurances and any gaps in assurance.

During the early months of 2025/26 (until August 2025) the Trust continued to work with The Value Circle who provided advice and support in ensuring an effective governance system was in place from Ward to Board.

Escalations from other Committees appears as a standing agenda item on the ARAC meeting agendas, with any matters raised for the Committee members' attention by exception.

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 2025/2026, 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, Head of Internal Audit Opinion and Internal Audit Charter/Protocol.
- Monitoring progress with implementation of agreed audit recommendations.
- ICB external review of the Financial and Workforce controls report.

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

The internal audit plan for 2025/26 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.

A number of high priority recommendations were identified by Internal Audit and reported during 2025/26, these covered the following internal audits:
- Compliance review of the CQC action plan (2 recommendations);
- Risk based Audit of Contract Management – Linen (1 recommendation);
- Risk based review of Waiting List Initiative (WLI) payments (6 recommendations);
- Risk Based Audit of Management of Contractors (2 recommendations);

- Risk Based Audit of Performance Targets – 62 Day Cancer Target (1 recommendation);
- Risk Based Audit of Procurement Pharmacy (1 recommendation);
- Risk Based Audit of Medicines Management (1 recommendation);
- Follow up audit of Outpatients appointments booking process (1 recommendation); and
- Waiting List Management – Ophthalmology follow up (3 recommendations).

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 regularly during the year.

One Internal Audit Report received limited assurance for Waiting List Management – Ophthalmology Follow Up.

Benchmarking reports were provided by AuditOne on:
- WEB-ICE - around use of the Sunquest Integrated Clinical Environment IT application, commonly referred to the WEB-ICE system.

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.
- Reviewing the Audit Strategy Memorandum for 2025/26.
- Receiving the year-end Audit Completion Report (which included the Annual Audit Opinion) and the Annual Audit Report (which referenced the Value for Money audit work).

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 ARAC. During 2023/24, a robust procurement and evaluation process was undertaken regarding the external audit contract with Forvis Mazars LLP reappointed as the Trust's external auditors for an initial three year term commencing in the 2024/25 financial year – approval from the Trust's Council of Governors was granted in February 2024. This followed a satisfactory review of external audit performance undertaken.

The Forvis Mazars LLP external audit fees for 2025/26:

- Statutory Accounts £147,500 (excluding VAT) which is an increase on the statutory fee invoiced for 2024/25 (£145,000 excluding VAT). The fees were agreed in 2024 when the Trust entered a three year contract with Forvis Mazars LLP for the provision of external audit services following a competitive tender exercise. The contract is currently in its second year of the contract.

The audit of the Charity Accounts is undertaken separately by Robson Laidler, with a 3-year contract in place.

For 2025/26, 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.

No additional services/non-audit work was carried out by Forvis Mazars LLP during 2025/26.

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. Examples of areas of challenge have included:

- The Trust InPhase launch.
- The Internal Audit Report recommendations sign off process.
- The Digital and Data Committee Chair attending Committee meetings to update on any escalations/items by exception.
- The establishment of the Human Tissue Authority (HTA) Retained Tissue Oversight Group.
- Oversight of the Grant Thornton Well Led Review action plan.

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 2025/26, 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:

- PFI/International Financial Reporting Standard (IFRS) 16 transition (Trust);
- Management over-ride of controls (Group and Trust);
- Valuation of property, plant and equipment (Group and Trust); and
- Risk of fraud in revenue recognition (Group and Trust).

Other areas discussed between External Audit and Management during the year, and reported to the Committee (as appropriate), related to the value for money work and subsidiary developments.

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

The Committee Chair attends and Chairs the HTA Retained Tissue Oversight Group.

Other Areas of Action and Review

The Committee has:

- Reviewed details of all Losses and Compensation Payments.
- Received reports on approved single tender actions and breaches and waivers where applicable.
- Reviewed regular debtors and creditors reports.
- Received and approved the Counter Fraud annual plan and self review tool, as well as regular updates in the form of the Fraud response log, associated progress reports, and the Annual Report on Counter Fraud.
- Reviewed the content of the statutory Annual Report (including the AGS).
- Received an update from the Designated Individual for the Trust Mortuaries and a subsequent report on regulatory compliance and improvement plans.
- Reviewed and approved changes to the Trust Scheme of Delegation, Standing Financial Instructions and Standing Orders.
- Received the Annual Accounts preparation timetable and subsequently the Annual Accounts and Going Concern Review.
- Considered the findings of an external review undertaken by The Value Circle and the associated action plan.
- Received updates on
    - Changes to the Compliance and Assurance Group;
    - The establishment of the HTA Retained Tissue Oversight Group;
    - An assessment of overdue internal audit recommendations;
    - Standards of Business Conduct, including declarations of interest and the annual review of the register of gifts and hospitality;
    - The Clinical Audit Process and National Clinical audits;
    - External Visits compliance;
    - Fit and proper persons; and
    - The national payroll exercise.
- The Annual Report of the Committee / self-effectiveness review.
- Received an annual report on special severance payments/settlement agreements.
- Approved the Trust's Annual Modern Slavery Act Statement.
- Approved the ICB Aubrey Self-Assessment.
- Received the Health and Safety Annual Report.
- Received an action log to follow up previous Committee meeting actions.
- Discussed assurance from the People Committee as to whether arrangements by which staff may raise concerns are operating effectively.
- Approved the Internal Audit Charter and Protocol (July 2025).
- Reviewed the performance of Internal Audit, External Audit and Counter Fraud.
- Received the minutes / chairs logs from associated Committees/Groups – Finance and Performance; People; Quality; Charity; Digital and Data; Compliance and Assurance, Risk Validation Group and HTA Retained Tissue Oversight Group.

Better Payments Practice Code (BPPC) and Income Disclosures

BPPC

The Trust is required to pay trade creditors in accordance with the national BPPC 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 95.4% of non-NHS trade invoices within target (2024/25: 93%) and 90.6% of NHS trade invoices were paid within target (2024/25: 94%). Full details of the Trust's performance against the Better Payment Practice Code are included within note 6.1 of the Annual Accounts.

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.

Overview of Quality Priorities 2025/26

Information relating to the Trust's Quality Priorities is outlined in detail in the Quality Account 2025/2026. Progress against the priorities has been monitored over the last 12 months by the Trust Board and the Quality Committee. We have committed to six priorities for improvement in 2026/2027 and an overview of the progress made for each priority in 2025/2026 is summarised as follows:

Patient safety

Priority 1 – Supporting staff to report incidents with an enhanced focus on shared learning and a systems-based approach to improvement.

(A systems-based approach focuses on the analysis of the collective effects of a wide range of factors such as environment, tasks, tools and technology and interactions between people to help develop stronger improvement ideas and a culture of continuous learning). **This priority was achieved and will now become business as usual.**

Incident reporting rates have continued to increase since 2022/2023 on all types of incident and Patient Safety Incidents, exceeding the 3% ambition. A summary of the increase in reporting is detailed in Figure 1.

	Jan 2023 - Feb 2024	Jan 2024 - Feb 2025	Jan 2025 – Feb 2026	Increase on 2024/2025	Increase on 2023/2024
All Incidents	25,654	27,523	29,413	6.8%	14.6%
Patient safety incidents	20,739	21,735	23,542	8.3%	13.5%

Figure 1: Incident reporting data

The proportion of staff reporting they have not seen errors or near misses has improved, and there was also a small uplift in how strongly staff feel the organisation encourages incident reporting. The 2025 GMC shows improvement in trainee experience, with stronger rankings and fewer outliers, particularly in specialties such as endocrinology, respiratory medicine and core surgery.

We have implemented the national patient safety syllabus and training programme. The syllabus has five levels, which build on each other:

- Level 1 - essentials for patient safety – mandatory e-learning for all staff. Current compliance 97%.
- Level 2 - access to practice – mandatory e-learning for clinical staff band 6 and above, medical and dental. Current compliance 89.5%.
- Level 3 investigator training – in person training provided to meet the Patient Safety Incident Response Framework requirements for learning response leads. 80 staff have been trained to date, with additional training being sourced externally.
- Level 4 & 5 – patient safety specialists - four Trust patient safety specialists have completed externally provided training.

A patient safety communication plan has been developed to strengthen shared learning and engagement. This includes a monthly patient safety bulletin providing key updates, learning from incidents and practical safety messages for all colleagues. Alongside this, a

focused “Safety Spotlight” offers more targeted learning on emerging themes or priority risks.

Priority 2 – Safer and more effective medicines use.

This priority was partially achieved and will continue as a priority in 2026/2027.

Medicines Reconciliation has increased from 10% to consistently between 40-50%. This is due to new ways of working for pharmacy team members. There has been an increase of over 3,000 pharmacy interventions per month with over 50% of these being with high-risk medicines.

Ward medicines management audits have improved to 89% compliance overall, slightly below the 90% target. An escalation plan has been developed for areas that have repeated non-compliance over a 3-month audit cycle. Robust actions plans are put in place at the end of every audit cycle.

A new medication incident report has been developed which is discussed monthly at the Medicines Management Oversight Group with a cycle of business to consider areas such as omitted doses, controlled drugs and chemotherapy with a robust action plan in place for each area. The number of medication incidents are expected to increase with time as efforts continue to encourage reporting and learning from incidents.

Examples of work to reduce the risk of incidents occurring includes:

- Gap analysis and action plan for the Parkinson’s UK national audit with an inpatient Parkinson’s disease guideline being created, which is currently undergoing expert review
- Working group established at the FH surgical wards for prescribed fluids to move towards National Institute for Health and Care Excellence guidelines compliance
- Critical medicines alert now on e-Record for administration of these medicine types.
- Sustained high venous thromboembolism risk assessment completion.

Nursing medicines management training is at 72% and corporate induction medicines management training in place.

A working group on discharge letters to improve communication to primary care is in place and will continue through 2026/2027. There is an IT solution called ‘MPage’ which would assist in the transcribing of discharges to improve quality of discharges which will be reviewed in 2026/2027.

Clinical Effectiveness

Priority 3 – Ensuring mental capacity, best interests decision making and deprivation of liberty safeguards are considered appropriately for inpatients with a learning disability.

This priority was partially achieved and will now become business as usual.

For Mental Capacity Assessment Training, face to face supervision, study days and planned training sessions have continued throughout the year reaching 422 staff.

Additional situation specific advice and training is delivered as required. Mental capacity assessments e-learning level 1 is at 90% and level 2 at 87%.

An audit of 60 patients with a learning disability flag took place with results showing an improvement in the quality of mental capacity assessments and best interests' rationale. Work to improve compliance, alongside regular audit will become part of business as usual. The findings demonstrate that as time in hospital increases, assessment of capacity and Deprivation of Liberty standards completion increases. Work continues to improve compliance and regular audits of nursing documentation continues.

The e-learning Diamond Standard training compliance training is 89.5%.

A three-year roll out of the Oliver McGowan learning disability and autism training has been agreed and is currently being rolled out with 280-315 funded spaces for tier 1 and 2 training available between June and October 2026.

Priority 4 – Expanding the Accrediting Excellence programme for wards and departments.

This priority has been achieved and will now become business as usual.

Significant progress was made in expanding and embedding the Accrediting Excellence Programme. A total of 40 inpatient wards, one critical care area, and five-day units were introduced to the programme from across all Clinical Boards.

By the end of 2025, 32 inpatient wards achieved full accreditation status, accounting for 53% of all inpatient wards. Four wards have now progressed onto the re-accreditation pathway.

All participating areas completed a detailed baseline assessment and received regular progress reviews, along with tailored support to guide improvement. Accredited wards also took part in a celebration event, recognising their efforts and reinforcing a culture of continuous improvement. There has been strong organisational momentum and growing capability which gives a solid foundation for further expansion of the programme.

Patient Experience

Priority 5 – Waiting safely - improving safety for patients who are waiting for treatment.

We will focus on patients who are waiting for a total knee replacement operation, with the aim of optimising health before and after the procedure.

This priority has been achieved and will now become business as usual.

Work has been undertaken to improve the patient education resources available to patients awaiting total knee replacement surgery including an update of the patient information booklets and providing digital information. We are currently finalising patient education videos.

Formal pre-operative patient education was offered to 733 patients, delivered by our orthopaedic therapy team. This was delivered through group-based sessions with telephone or one-to-one appointments offered to those who need it. The only patients not offered this opportunity were those with urgent or last-minute surgery dates.

Patients with more complex needs are enrolled on a prehabilitation programme. This provides a multi-disciplinary approach to further support. A total of 51 patients have completed the full prehabilitation programme, with 23 patients currently active on the pathway. Analysis of postoperative outcomes demonstrates a 0.7 day reduction in average hospital length of stay for patients who have completed the prehabilitation pathway. These findings are based on 18 patients, representing a small, early dataset.

Patients participating in the prehabilitation programme demonstrated measurable improvements in functional capacity and cardiovascular endurance with an average percentage improvement of 32.47% and an average increase in walking distance of 60 metres. This suggests improved cardiovascular fitness and mobility, both of which are associated with better surgical resilience and recovery potential.

Feedback captured through post-programme questionnaires indicates high levels of satisfaction. All patients completing the evaluation stated they would recommend the prehabilitation service to others. Many provided positive comments regarding improved confidence, physical ability and preparedness for surgery reinforcing the value of the programme beyond bed days saved.

Priority 6 – Roll out of patient experience real time surveys

This priority has been achieved and will now become business as usual.

By December 2025, the real time patient experience programme was rolled out to 40 wards across all hospital sites. This comprised over 3,000 bedside conversations with most reporting back to ward teams within 24 hours of completion of final survey. The programme is still in early stages of implementation with future statistical analysis planned as more historic data becomes available.

There are some early indications of meaningful improvement, with a comparison of scores for wards that have been receiving near real time feedback for at least 5 months (n=17), showing a statistically significant improvement in communication about medicines (average baseline score of 9.26 improved to 9.6 in this period).

An early review of complaints data from wards that have been receiving real-time feedback for five months suggests a reduction of 39% in complaints between May and November 2025, compared with the same period in 2024. Over the same period, wards not participating in the real-time programme saw a 10% reduction in complaints. While these early findings are encouraging, they are based on a limited timeframe and wards. As the programme is implemented across a wider range of wards, further monitoring will be required to determine if this encouraging picture continues.

Patient experience of emergency care: Real time measurement has been successfully introduced to our ED, capturing experience of people who attended within 24 hours. This was implemented along with our partners within the GNHA. We have not yet achieved our

aim to see ourselves consistently placed within the top 20% of provider organisations of emergency care – missing the threshold by 0.3%.

Right time patient experience measurement - we continue to capture the experience of patients approximately two weeks after receiving care. Between November 2024 and November 2025, statistical improvement was seen in inpatients and day case, as well as maternity. There is no statistical change in the patient experience of outpatients, and a statistical decline in the experience of accessing the ED.

Our Quality Priorities for Improvement 2026/2027

We have used a wide range of qualitative and quantitative data, including our current priorities, analysis of patient safety incidents, risk registers, waiting times and clinical audit results, national and regulatory reports and other feedback from patients and stakeholders to determine our priorities for the coming year.

The quality priorities we have agreed are:

1. Continue to increase incident reporting, reducing the proportion of incidents resulting in serious harm and including an in-year reduction in never events related to invasive procedures.
2. Safer and more effective medicines use.
3. Reduction in lung cancer wait times.
4. Reducing healthcare associated infection and improving antimicrobial stewardship.
5. Improve timescales to respond to complaints.
6. Reduce ‘did not attend/was not brought’ appointments by 3%, measured using the IMD 1& 2 and global majority.

6a. Increase maternal vaccination rates by 10% for women who require an interpretation service. Vaccinations include flu, whooping cough and RSV.

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 March 2026.

The membership of the Committee is made up of the Chair and a minimum of two NEDs. The Chief Executive, the Executive Director with responsibility for People and Organisational Development (OD) and the Trust Secretary also attend as appropriate.

The Committee met on seven occasions for ordinary meetings during 2025/26, with membership and attendance outlined in the table below. No extraordinary meetings were held.

	Attendance at ordinary meetings
Bill MacLeod, NED and Committee Chair until 21 August 2025. Became Vice Chair from 22 August 2025	7 of 7
Liz Bromley, NED and Committee Chair from 22 August 2025. Became SID from 22 August 2025	7 of 7
Paul Ennals, Chair and Committee member	7 of 7
Bernie McCardle, NED and Committee member	6 of 7
Anna Stabler, NED and Committee member	7 of 7
David Weatherburn, NED and Committee member	6 of 7
Wendy Balmain, NED and Committee member	7 of 7
Phil Kane, NED and Committee member	2 of 7
Hassan Kajee, NED and Committee member	4 of 7

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

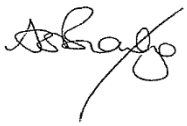
The remuneration for NEDs is determined by the Council of Governors, as delegated to the Nominations Committee, which last considered the fees paid to NEDs in November 2025, alongside the guidance issued by NHSE on remuneration for Chairs and NEDs. No changes were made to the level of NED remuneration at that time.

The level of remuneration for NEDs is paid to reflect the time commitment of around 4-5 days per month.

The fees paid to the Chair were last considered as part of the Chair recruitment process in 2025, with the Chair remuneration agreed by the Council of Governors in May 2025. The Chair for Newcastle Hospitals is also the Chair in Gateshead Health and Northumbria Healthcare, therefore the time commitment for Chair is approximately 4 days per week, spread across the three trusts.

Further during 2025/26, the Committee:

- Considered and agreed the VSM pay inflationary uplift be applied.
- Was advised on the outcome of the annual performance appraisal exercise for Executive Team members.
- Discussed Succession Planning arrangements.
- Approved the VSM pay inflationary uplift be applied for 2025/26.
- Considered requests for retire and return, partial retirement, entry to the local employer recycling policy (a local policy facilitating an 'opt out and additional pay scheme' regarding the taxation of pension entitlements), pay protection and pay review recommendations.
- Reviewed and agreed updates to the local employer recycling policy.
- Discussed secondment contract/arrangements and associated portfolio considerations.
- Agreed the continuation of interim Executive Team member arrangements whilst the substantive CEO was on secondment to NHSE.
- Received a review of subsidiary Chair and NED remuneration/benchmarking.
- Agreed to move to non-earnback/non-Performance Related Pay contracts for historic and future contracts.
- Received the annual update on the Fit and Proper Persons Test review.
- Discussed changes in role titles for VSMs.
- Considered and approved the Remuneration and EDI policies, and the content of the Annual Report on Remuneration.
- Received an update on Executive Team costs and Associate Medical Director remuneration.
- Considered Executive Team matters as appropriate.
- Discussed and agreed the development and implementation of a Voluntary Severance Scheme (VSS) and a Mutually Agreed Resignation Scheme (MARS).
- Received and discussed the VSM Pay Framework.
- Reviewed and agreed changes to the Committee Terms of Reference and annual Schedule of Business.



Mrs Liz Bromley
Committee Chair

25 June 2026

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 VSMs. The definition of 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 Trust SID. The Chief Executive and Executive Director with responsibility for People and OD will 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 VSMs.

Future Policy Table:

Component of pay*	How the Trust operates this in practice	Maximum limit	Performance measures
Base salary	The following factors are taken into consideration when determining pay for VSMs: • 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 (including the NHS Oversight Framework segment)/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. • Ministerial opinion. The Committee reserves the right to approve specific increases in exceptional cases, for example, significant change to an individual's role.	The Trust adheres to the NHS VSM Pay Framework, effective from 1 April 2025.	Not applicable.
Taxable benefits	Very senior managers' benefits include: • Contributory NHS Pension Scheme – not all VSMs participate in the Scheme. Non-Executive Directors do not receive benefits.	There is no prescribed maximum limit.	Not applicable.
Pension	The Trust operates the standard NHS Pension Scheme.	As per standard NHS Pension Scheme.	Not applicable.

Component of pay*	How the Trust operates this in practice	Maximum limit	Performance measures
	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).	As per policy.	
Earn-back and bonus	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: • 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 achievement of key strategic outcomes. * Each component links to our strategic goals. ** 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.		For those Directors who were eligible to be considered for a bonus / earn back provision in 2025/26 as per their employment contract, objectives were set at the start of the financial year and achievement considered at the end of the year. If objectives were not achieved then the Trust had the right to reclaim back/ withhold the percentage of salary 'earnback'. The Appointments and Remuneration Committee

Component of pay*	How the Trust operates this in practice	Maximum limit	Performance measures
	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. From January 2026, VSM earn-back has been removed from current contracts and will not be included in future contracts.		approved whether a bonus was paid or earnback applied – in 2025/26 no bonus or earnback was paid or removed.

VSM Pay Guidance

The NHS VSM Pay Framework (https://www.england.nhs.uk/publication/nhs-very-senior-managers-pay-framework/) is a DHSC policy, managed with NHSE, setting pay for top NHS leadership. It covers ICBs and provider trusts, utilising 5 broad salary bands (A–E) based on weighted population/turnover, designed for performance-related pay and competitive hiring.

Key Aspects of the VSM National Pay Framework (Updated May 2025):

- **Scope:** Applies to Board-level Directors, Chief Executives, and other high-level managers in ICBs and NHS trusts.
- **Structure:** Uses broad salary ranges instead of narrow, rigid bands to allow flexibility.
- **Performance Link:** Pay increases are tied to appraisal objectives and organisational performance (e.g., NHS Oversight Framework segments 1-4 www.england.nhs.uk/long-read/the-nhs-very-senior-managers-pay-framework-implementation-questions-and-answers/).
- **Approval Thresholds:** Roles with a base salary over £170,000 require specific approval or strict adherence to the VSM case and justification template (https://www.england.nhs.uk/long-read/the-nhs-very-senior-manager-pay-framework-operational-guidance/).
- **Uplifts:** Annual pay awards depend on meeting performance criteria.
- **Governance:** The policy is owned by DHSC and aims to bring consistency to senior pay across NHS organisations.

Statement of Consideration of Employment Conditions

The Appointments and Remuneration Committee is responsible for overseeing and approving changes to VSM pay. The Trust operates in line with the national Very Senior Manager Pay Framework and adheres to guidance issued centrally.

During 2025/26, the Trust complied with the VSM Pay Framework and there were no departures from the VSM Pay Framework.

In 2024/25, national guidance clarified that the agreed VSM inflationary uplift could be applied to VSM contracts in trusts within NHS Oversight Framework segments 1–3. This formed part of a broader accountability framework, whereby uplifts continued to be withheld from Executive Directors with more than two years' service in trusts in segments 4 and 5.

Given that the Trust had achieved NHS Oversight Framework segment 3 status, and in recognition of significant organisational progress during the year, it was recommended that the VSM inflationary uplift be applied and backdated to 1 April 2025. This progress included:

- Improvements in response to CQC findings.
- Delivery against elective, diagnostic, and emergency care performance standards.
- Improved staff engagement scores.
- Achievement of financial balance.

Committee members discussed the importance of adhering to the national framework and ensuring that performance was recognised in line with national policy. The recommendation regarding the uplift was therefore agreed.

The Trust does not typically undertake formal consultation with employees when developing the senior managers' remuneration policy. However, during the previous year, informal discussions took place as part of appraisal processes. These included seeking views from Executive Team members regarding the national pay inflationary uplift. Committee members considered the feedback from the Chief Executive Officer regarding the discussions and agreed that applying the uplift in line with national direction was the most appropriate course of action.

Historically Committee members have utilised benchmarking data from comparable organisations when considering remuneration levels/changes. However, no benchmarking data or external comparisons were presented to, or relied upon by, the Committee in 2025/26 as no VSM remuneration levels/changes were presented for approval.

Performance Review

A key outcome of the appraisal review process is to review progress against previously determined Personal Objectives via the process of an effective conversation.

During 2024/25 the appraisal process was reviewed and a new approach agreed. From 1 April 2025 appraisal conversations focus on 4 key themes; contribution and performance, development and career, behaviour and values and health and wellbeing. 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 Committee has oversight of VSM performance via the provision of an annual appraisal summary statement. Personal Objectives are set annually and ensure that specific strategic, quality, financial or operational objectives are closely linked with the strategic priorities of the Trust.

During the year 2025/26, a salary uplift of between 3.25% was applied to applicable Executive Directors and VSMs backdated to 1 April 2025 based on the recommendations as set out by NHSE.

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 VSMs 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.

EDI in remuneration

Our approach to reward is grounded in transparency, accountability, and fairness, ensuring that pay decisions are evidence based, equitable, and aligned with our strategic priorities.

We are committed to:

- Embedding equity into all aspects of remuneration, using data-driven insights to identify and address disparities.
- Ensuring transparency by openly communicating how pay decisions are made, benchmarked, and reviewed.
- Aligning reward with performance in a way that is robust, justifiable, and reflective of both individual and organisational success.
- Upholding best practice and legal requirements, including the publication of gender, ethnicity, disability, and sexual orientation pay gap reports.
- The Appointments and Remuneration Committee has the ability to review pay structures and outcomes, ensuring that the reward framework remains fair, competitive, and reflective of the Trust’s commitment to equity, inclusion and continuous improvement.

Directors Remuneration and Other Benefits

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

2025/26:

Name and title	Salary (bands of £5,000) £000	Expense Payments (Taxable) (to nearest £100) £	Performance Pay and bonuses (bands of £5,000) £000	Long term performance Pay and Bonuses (bands of £5,000) £000	All Pension-Related Benefits (bands of £2,500) £000	Total (bands of £5,000) £000
Former NED **Ms G Baker (i)**	-	-	-	-	-	-
NED **Ms Wendy Balmain (ii)**	10-15	100	-	-	-	15-20
Acting Deputy CEO / CFO **Mrs J Bilcliff (iii)**	210-215	1800	-	-	120-122.5	335-340
SID **Mrs L Bromley (iv)**	20-25	-	-	-	-	20-25
Former NED **Mr G Chapman (v)**	-	-	-	-	-	-
Former Executive Chief Nurse **Ms M Cushlow* (vi)**	-	-	-	-	-	-
Former NED	-	-	-	-	-	-

Name and title	Salary (bands of £5,000) £000	Expense Payments (Taxable) (to nearest £100) £	Performance Pay and bonuses (bands of £5,000) £000	Long term performance Pay and Bonuses (bands of £5,000) £000	All Pension-Related Benefits (bands of £2,500) £000	Total (bands of £5,000) £000
Ms S Edusei (vii)						
Chair **Sir P Ennals (viii)**	30-35	-	-	-	-	30-35
Acting CEO **Mr R Harrison (ix)**	285-290	2300	-	-	625-627.5	915-920
Interim Director of Operations **Ms S Hillyard (x)**	175-180	-	-	-	85-87.5	260-265
Former NED **Mr J Jowett (xi)**	-	-	-	-	-	-
EDoN, Midwifery & AHPs **Mr I Joy (xii)**	180-185	2100	-	-	145-147.5	330-335
NED **Mr H Kajee (xiii)**	10-15	-	-	-	-	10-15
NED **Mr P Kane (xiv)**	10-15	-	-	-	-	10-15
Chief Executive **Sir J Mackey (xv)**	-	-	-	-	-	-

Name and title	Salary (bands of £5,000) £000	Expense Payments (Taxable) (to nearest £100) £	Performance Pay and bonuses (bands of £5,000) £000	Long term performance Pay and Bonuses (bands of £5,000) £000	All Pension-Related Benefits (bands of £2,500) £000	Total (bands of £5,000) £000
Vice Chair **Mr B MacLeod (xvi)**	20-25	-	-	-	-	20-25
NED **Mr B McCardle (xvii)**	10-15	-	-	-	-	10-15
Former Interim Chair / NED **Professor K McCourt (xviii)**	-	-	-	-	-	-
Executive Director of People & Commercial Innovation **Dr V McFarlane-Reid* (xix)**	180-185	-	-	-	95-97.5	275-280
Joint Medical Director **Ms L Pareja-Cebrian**	250-255	-	-	-	92.5-95	345-350
Former NED **Miss C Smith (xx)**	-	-	-	-	-	-
NED	10-15	1300	-	-	-	15-20

Name and title	Salary (bands of £5,000) £000	Expense Payments (Taxable) (to nearest £100) £	Performance Pay and bonuses (bands of £5,000) £000	Long term performance Pay and Bonuses (bands of £5,000) £000	All Pension-Related Benefits (bands of £2,500) £000	Total (bands of £5,000) £000
Mrs A Stabler (xxi)						
NED **Mr D Weatherburn (xxii)**	10-15	800	-	-	-	15-20
Joint Medical Director **Dr M Wright**	265-270	-	-	-	-	265-270

(i) Gill Baker stood down as a NED on 31 May 2024.
(ii) Wendy Balmain was appointed as a NED on 31 January 2025.
(iii) Jackie Bilcliff was appointed Acting Deputy CEO on the 1 March 2025
(iv) Liz (Elizabeth) Bromley was Interim Vice Chair from 26 September 2024 to 21 August 2025. Liz Bromley was appointed SID on 22 August 2025.
(v) Graeme Chapman stood down as a NED on 22 April 2024.
(vi) Maurya Cushlow retired from the Trust on 30 April 2024.
(vii) Steph Edusei stood down as a NED on 31 May 2024.
(viii) Paul Ennals was appointed as Interim Chair on 17 July 2024 and became permanent Shared Chair on 1 October 2025. He is employed by Northumbria Healthcare as Chair and is shared across Northumbria Healthcare and Gateshead Health. This has been apportioned in this disclosure, respective of their Job Share in the entities. Their total remuneration is 100-105k.
(ix) Rob Harrison was appointed Deputy CEO on the 1 January 2025 and became Acting CEO on the 1 March 2025.
(x) Sue Hillyard was appointed 31 March 2025 as Interim Director of Operations.
(xi) Jonathan Jowett stood down as a NED on 31 August 2024.
(xii) Ian Joy's role title changed from Executive Chief Nurse to Executive Director of Nursing, Midwifery and AHPs on 26 November 2025.
(xiii) Hassan Kajee was appointed as a NED on 17 February 2025.
(xiv) Phil Kane was appointed as a NED on 24 June 2024.
(xv) The remuneration for Jim Mackey is not disclosed in the 2025/26 single figure table due to Jim Mackey being on secondment to NHSE for the full year 2025/26 – the remuneration figures for Jim Mackey will therefore be disclosed in the NHSE annual report and accounts.
(xvi) Bill MacLeod was SID from 9 September 2024 to 21 August 2025. Bill MacLeod was appointed Vice Chair on 22 August 2025.

(xvii) Bernie McCardle was appointed as an Interim NED on 13 May 2024 and then appointed as a substantive NED on 18 December 2024.

(xviii) Kath McCourt stood down as Interim Chair on 17 July 2024, and as a NED on the 31 August 2024.

(xix) Vicky McFarlane-Reid was appointed Interim Executive Lead for People and Organisational Development from 6 March 2025 before a role title change to Interim Executive Director of People and Commercial Innovation on 30 January 2026.

(xx) Christine Smith stood down as a NED on 22 April 2024.

(xxi) Anna Stabler was appointed as an Interim NED on 13 May 2024 and was appointed as a substantive NED on 1 September 2024.

(xxii) David Weatherburn was appointed as a NED on 19 August 2024. David Weatherburn was appointed the Chair of the ARAC on the 1 September 2024.

2024/25:

Name and title	**Salary (bands of £5,000) £000**	**Expense Payments (Taxable) (to nearest £100) £**	**Performance Pay and bonuses (bands of £5,000) £000**	**Long term performance Pay and Bonuses (bands of £5,000) £000**	**All Pension-Related Benefits (bands of £2,500) £000**	**Total (bands of £5,000) £000**
Former NED **Ms G Baker (i)**	5-10	400	-	-	-	5-10
NED **Ms Wendy Balmain (ii)**	0-5	-	-	-	-	0-5
Acting Deputy CEO / CFO **Mrs J Bilcliff (iii)**	180-185	1,100	-	-	162.5-165	345-350
SID **Mrs L Bromley (iv)**	20-25	-	-	-	-	20-25
Former NED **Mr G Chapman (v)**	0-5	2,300	-	-	-	5-10
Former Executive Chief Nurse **Ms M**	20-25	-	-	-	-	20-25

Name and title	Salary (bands of £5,000) £000	Expense Payments (Taxable) (to nearest £100) £	Performance Pay and bonuses (bands of £5,000) £000	Long term performance Pay and Bonuses (bands of £5,000) £000	All Pension-Related Benefits (bands of £2,500) £000	Total (bands of £5,000) £000
Cushlow* (vi)						
Former NED **Ms S Edusei (vii)**	5-10	-	-	-	-	5-10
Chair **Sir P Ennals (viii)**	25-30	-	-	-	-	25-30
Acting CEO **Mr R Harrison (ix)**	205-210	400	-	-	12.5-15	215-220
Former NED **Mr J Jowett (x)**	10-15	-	-	-	-	10-15
EDoN, Midwifery & AHPs **Mr I Joy**	160-165	-	-	-	295-297.5	455-460
NED **Mr Hassan Kajee (xi)**	0-5	-	-	-	-	0-5
NED **Mr Phil Kane (xii)**	10-15	-	-	-	-	10-15
Chief Executive **Sir J Mackey (xiii)**	375-380	5,400	-	-	-	380-385
Vice Chair **Mr B MacLeod (xiv)**	15-20	-	-	-	-	15-20
NED	10-15	-	-	-	-	10-15

Name and title	Salary (bands of £5,000) £000	Expense Payments (Taxable) (to nearest £100) £	Performance Pay and bonuses (bands of £5,000) £000	Long term performance Pay and Bonuses (bands of £5,000) £000	All Pension-Related Benefits (bands of £2,500) £000	Total (bands of £5,000) £000
Mr B McCardle (xv)						
Former Interim Chair / NED **Professor K McCourt (xvi)**	20-25	-	-	-	-	20-25
Executive Director of People and Commercial Innovation **Dr V McFarlane-Reid* (xvii)**	170-175	-	-	-	45-47.5	215-220
Joint Medical Director **Ms L Pareja-Cebrian (xxii)**	250-255	-	-	-	50-52.5	305-310
Former NED **Miss C Smith (xviii)**	0-5	100	-	-	-	0-5
NED **Mrs A Stabler (xix)**	10-15	1,500	-	-	-	10-15
NED **Mr David Weatherburn (xx)**	5-10	300	-	-	-	5-10
Director GNHA & Strategy	130-135	1,600	-	-	40-42.5	170-175

Name and title	Salary (bands of £5,000) £000	Expense Payments (Taxable) (to nearest £100) £	Performance Pay and bonuses (bands of £5,000) £000	Long term performance Pay and Bonuses (bands of £5,000) £000	All Pension-Related Benefits (bands of £2,500) £000	Total (bands of £5,000) £000
Mr M Wilson (xxi)						
Joint Medical Director **Dr M Wright (xxii)**	265-270	-	-	-	247.5 - 250	515-520

(i) Gill Baker stood down as a NED on 31 May 2024.
(ii) Wendy Balmain was appointed as a NED on 31 January 2025.
(iii) Jacqueline Bilcliff was appointed Acting Deputy CEO on the 1 March 2025.
(iv) Liz Bromley was appointed as Interim Vice Chair on 26 September 2024.
(v) Graeme Chapman stood down as a NED on 22 April 2024.
(vi) Maurya Cushlow retired from the Trust on 30 April 2024.
(vii) Steph Edusei stood down as a NED on 31 May 2024.
(viii) Sir Paul Ennals was appointed as Interim Chair on 17 July 2024. He is employed by Northumbria Healthcare as Chair, and is shared across both entities. This has been apportioned in this disclosure, respective of their Job Share in the entities. The total remuneration is £80-85k.
(ix) Robert Harrison joined the Trust on secondment on 1 February 2024, Robert Harrison was officially appointed Deputy CEO on the 1 January 2025. Robert Harrison was appointed Acting CEO on the 1 March 2025.
(x) Jonathan Jowett stood down as a NED on 31 August 2024.
(xi) Hassan Kajee was appointed as a NED on 17 February 2025.
(xii) Phil Kane was appointed as a NED on 24 June 2024.
(xiii) Sir James Mackey's salary includes a £24,000 payment for additional work carried out as Chair of the NHS Customer Board for Procurement and Supply, and £65-70k as National Director of Elective Recovery (recharged to NHSE).

Sir James Mackey's gross salary figure includes payments related to the Local Employer Contribution Recycle Scheme received during 2024/25, (£35-40k).

Sir James Mackey was appointed as transition Chief Executive of NHSE on a secondment basis on the 1 April 2025. Sir James Mackey received no additional payment for this role during 2024/25, with his full remuneration being reported within Newcastle Hospitals' remuneration report.
(xiv) Bill MacLeod was appointed SID on 9 September 2024.
(xv) Bernie McCardle was appointed as an Interim NED on 13 May 2024 and then appointed as a substantive NED on 18 December 2024.

(xvi) Kath McCourt stood down as Interim Chair on 17 July 2024, and as a NED on the 31 August 2024.

(xvii) Vicky McFarlane-Reid, Director for Commercial Development and Innovation, was appointed Interim Executive Lead for People and Organisational Development on 6 March 2025.

(xviii) Christine Smith stood down as a NED on 22 April 2024.

(xix) Anna Stabler was appointed as an Interim NED on 13 May 2024 and was appointed as a substantive NED on 1 September 2024.

(xx) David Weatherburn was appointed as a NED on 19 August 2024. David Weatherburn was appointed the Chair of the ARAC on the 1 September 2024.

(xxi) Martin Wilson was COO before he moved to a new role as Director for the GNHA and Strategy on 20 November 2024.Circa 70% of Martin's time is conducted on Alliance work.

(xxii) The Salaries of Dr M Wright and Ms Lucia Pareja-Cebrian are proportionally split between their roles as Joint Medical Director and their substantive clinical duties. The split is apportioned 50% respectively, the full remuneration has been reported above.

**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 2024/25 as the objectives were fully achieved. In 2025/26 the bonus/earnback provision was removed and new contracts issued.*

Pension related benefits are calculated as the annual increase in pension entitlement in accordance with the 'HM Revenue and Customs (HMRC)' 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 2025/26 is 1.7% (2024/25 6.7%).

The value of pension benefits accrued during the year is calculated as the real increase in pension multiplied by 20, less the contributions made by the individual. The real increase excludes increases due to inflation or any increase or decrease due to a transfer of pension rights.

The value derived does not represent an amount that will be received by the individual. It is a calculation that is intended to provide an estimation of the benefit being a member of the pension scheme can provide.

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

Total Pension Entitlement (this section is subject to audit)

Name and title	Real increase in pension at pension age (bands of £2,500)	Real increase in pension lump sum at pension age (bands of £2,500)	Total accrued pension at pension age at 31 March 2026 bands of £5,000)	Lump sum at pension age related to accrued pension at 31 March 2026 bands of £5,000)	Cash Equivalent Transfer Value at 1 April 2025	Real increase in Cash Equivalent Transfer Value	Cash Equivalent Transfer Value at 31 March 2026
	£000	£000	£000	£000	£000	£000	£000
Acting Deputy CEO / CFO **Mrs J Bilcliff**	2.5-5	-	50-55	40-45	858	115	962
Acting CEO **Mr R Harrison**	25-27.5	55-57.5	75-80	190-195	1025	553	1562
Interim Executive Director of Operations **Ms S Hillyard**	2.5-5	-	25-30	70-75	569	82	639
EDoN, Midwifery and AHPs **Mr I Joy**	5-7.5	7.5-10	50-55	125-130	900	131	1024
Interim Executive Director of People and Commercial Innovation **Dr V McFarlane-Reid**	2.5-5	-	20-25	-	266	80	328
Joint Medical Director	2.5-5	2.5-5	45-50	105-110	892	93	981

Name and title	Real increase in pension at pension age (bands of £2,500) £000	Real increase in pension lump sum at pension age (bands of £2,500) £000	Total accrued pension at pension age at 31 March 2026 bands of £5,000) £000	Lump sum at pension age related to accrued pension at 31 March 2026 bands of £5,000) £000	Cash Equivalent Transfer Value at 1 April 2025 £000	Real increase in Cash Equivalent Transfer Value £000	Cash Equivalent Transfer Value at 31 March 2026 £000
Mrs L Pareja-Cebrian							
Joint Medical Director **Dr M Wright**	-	-	110-115	135-140	2,289	0	2,193

Sir James Mackey's pension sums are not shown as these were either opted out of or drawn and taken in a previous year.

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 2025/26 was £285,000 (2024/25, £377,500). This is a change between years of a decrease of 24.1% (2024/25 an increase of 1.3%). (The decrease is due to a change in the most highly paid individual with the value being lower than in the prior year to reflect the Interim CEO arrangement during the year. The substantive CEO was seconded to NHS England for 2025/26)

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 2025/26 was from £23,675 to £285,000 (2024/25 £22,051 to £377,500). 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 4% (2024/25 7%). No employees received remuneration in excess of the highest-paid director in 2025/26.

The average employee remuneration saw an increase of around 4.4% compared to 2024/25.

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.

2025/26 (2024/25)	25th Percentile	Median	75th Percentile
Salary Component of Pay	£30,162 (£29,113)	£38,682 (£37,338)	£50,273 (£48,526)
Total pay and benefits excluding pension benefits	£30,162 (£29,113)	£38,682 (£37,338)	£50,273 (£48,526)
Pay and benefits excluding Pension : pay ratio for highest paid director	9.53 (12.97)	7.43 (10.11)	5.72 (7.78)

	25th Percentile	Median	75th Percentile
2025/26	9.53	7.43	5.72
2024/25	12.97	10.11	7.78

The calculation is based on Trust employees as at 31 March 2026. This number includes locum staff, junior doctors on training rotations employed via Northumbria Healthcare 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 (WTEs).

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

The Trust did not make any payments to past senior managers in 2025/26.

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

The Trust did not make any payments for loss of office in 2025/26.

Trust Board Declarations of Interest:

Chair

Sir Paul Ennals	Shared Chair with Northumbria Healthcare and Gateshead Health.

NEDs:

Ms Wendy Balmain	North Northumbria Magistrates - Magistrate 1 day per month.
Mrs Liz Bromley	CEO of NCG, education provider. Non-Executive member of the Board of NCFE, an educational charity. Member of E-Act Multi-academy Trust (MAT). Registered Director for Newcastle Healthcare Property Company Limited. NED, County Durham and Darlington NHS Foundation Trust. Chair – Witham Hall Ltd (Barnard Castle Arts Centre and Theatre).
Mr Hassan Kajee	Employed full time at the NHS Business Services Authority. Appointed to the Board of Governors as Vice Chair and Pro Chancellor – Northumbria University.
Mr Phil Kane	Son is Assistant Director (Capital and Productivity) - NHSE (Northern ICB). NED, County Durham and Darlington NHS Foundation Trust.

Mr Bill MacLeod	NED, Newcastle Gateshead Initiative Ltd. Appointed member of Council, Newcastle University. Member of the Ethics Board for the Institute of Chartered Accountants of Scotland.
Mr Bernie McCardle	Self Employed - Freelance HR and management consultancy.
Mrs Anna Stabler	Stepson is a Projects Director at Ryder Architecture, a company in which Newcastle Hospitals contracts with in relation to architecture work for capital/building projects. Magistrate - Durham bench of Magistrates Justice of the Peace (Family Court).
Mr David Weatherburn	Registered Director for Newcastle Healthcare Property Company Limited.

Associate NEDs:

Dr Nini Adetuberu	NED at Tees, Esk and Wear Valleys NHS Foundation Trust from November 2025. NED at the North East Ambulance Service NHS Foundation Trust from February 2026.
Ms Judith McKenna	Groundwork Yorkshire Limited – Trustee and Director of Charity. Brother is the Clinical Lead for Getting It Right First Time (GIRFT) UEC Further Faster Programme – NHS England employee.

Chief Executive:

Chief Executive **Sir James Mackey** (on secondment to NHSE during 2025/26)	NHSE – Currently on secondment as Chief Executive [as at 14 May 2026]
Acting CEO **Mr Rob Harrison** (from 1 March 2025)	Chair of the Network – NE&NC Spinal Operational Delivery Network. Appointed Director on behalf of the Trust - NHRP.

	Appointed Director of Health Innovation NE&NC on behalf of the Trust.
Executive Directors	
Mrs Jackie Bilcliff Acting Deputy CEO / CFO	Husband is a Director of MoxonCole, a project management and building safety company which tenders for work at Newcastle Hospitals.
Mr Ian Joy Executive Director of Nursing, Midwifery & AHPs	Trustee of Charity - George Yeoman Heath Committee which is a registered charity providing monetary awards to nurses who have completed their training within the hospitals of Newcastle and who have excelled at both the written examinations and their practical work. This is a yearly award and does not impact on any direct NHS Trust business and there is no individual financial gain to any committee trustees.
Mrs Lucia Pareja-Cebrian Joint Medical Director	Husband works for Newcastle Hospitals.
Dr Michael Wright Joint Medical Director	Chair of Diagnostic NE Co-Clinical Director of the NEY GMS Alliance
Dr Vicky McFarlane-Reid Executive Director of People and Commercial Innovation	Trustee of Charity - Heath Committee
Ms Sue Hillyard Interim Director of Operations	Amplio Consulting Ltd - 100% ownership full shares. Director of the above company established in April 2012. Associate of the value circle. A strategic consultancy operating across the NHS and other sectors. The value circle have been contracted to support Newcastle Hospitals on a range of workstreams to support the improvement journey. Associate of Attain Consultancy Ltd (since 2013) who are a consultancy company operating across the NHS.

Mr Rob Harrison
Acting Chief Executive Officer

25 June 2026

Our Governors

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

The Council of Governors has a number of statutory powers, including the appointment of the Trust's Chair, 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 covered included:

- The GNHA
- Estates Strategy
- Transplantation and the Organ Utilisation Strategy
- HIV Confident accreditation
- An update on the Newcastle Hospitals Charity
- Cancer and Diagnostics Performance
- A Capital Programme update
- A Well Led update
- Digital Strategy
- Proposed Quality Account Priorities 2026/27
- Reflections and Review

Five Private Governor workshops were held during the year which included presentations on:

- Research and Data Partnerships
- Maternity
- EDI
- Planning
- The BAF
- Spotlight on Primary Care and Neighbourhood Working
- Governors and the 10 Year Health Plan: Navigating change

The Council of Governors met monthly for either formal meetings or workshops throughout the year. There are also occasional extraordinary 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 Chair, as well as the Acting CEO or Acting Deputy CEO. Regular updates were also provided by the Lead Governor and 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(s) 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 continued 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 and complaints throughout the organisation via regular presentations from the Head of Complaints and Experience of Care.

Governors continue to attend a number of other groups within the Trust's governance structure as appropriate. In 2024, the Trust introduced a new policy for Governors to observe Committees including the Quality, Finance & Performance, People, Digital & Data, ARAC on a quarterly rotational basis by expression of interest

Mrs Judy Carrick, Public Governor for the Newcastle upon Tyne constituency held the role of Lead Governor from 1 March 2025 until 27 January 2026. Dr Eric Valentine, Public Governor for Newcastle upon Tyne constituency took over the role on an interim basis from 27 January 2026, before becoming permanent Lead Governor from 28 April 2026.

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, a small number of Governors have attended the public session of the Board of Directors meetings on an ad hoc basis to observe proceedings.

Four Members Events were held during the year 2025/26 and covered the following topics:

- April 2025 – the joint event with Newcastle University centred around new and innovative solutions in healthcare which are transforming patient care.
- August 2025 - Sustainable Healthcare in Newcastle – members were briefed on sustainability successes, waste and energy considerations and what more needs to deliver our Climate Emergency Strategy.
- December 2025 – the event focused on how technology is transforming the care provided to people living with type 1 diabetes.
- March 2026 – members discussed innovations in cancer care, living with cancer and the support available.

The events included presentations, facilitated group work and discussion so that everyone in attendance could get involved and share their views.

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 2025/26.

Conflicts of Interest declared by the Council of Governos in 2025/26 were as follows:

- Professor Philip Home informed the Trust that he is a sleeping member of British medical Association (BMA), a member of the Royal College of Physicians (RCP), as well as belonging to various national and international diabetes organisations.
- Mrs Claire Watson informed the Trust that she was appointed as a Trustee for the charity Wellchild (Charity registration number 289600).
- Dr Alexandros Dearges-Chantler informed the Trust that he is a Member of the British Association for Sexual Health and HIV (BASHH).

During 2025/26, Governors claimed a total of £3,651.57 (2024/25 £3,722.70) in expenses. This was largely 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 2025 election round took place in the spring with the Notice of Election published on 17 March 2025 and the result declared on 31 May 2025.

Newly elected Governors undertook an induction facilitated by the Chair, Trust Secretary and Chairs of the Working Groups on 18 June 2025.

Governor attendance at meetings during 2025/26 is listed on the following pages.
The Council of Governors met for six formal meetings and five private workshops in 2025/26. There were two extraordinary meetings convened in order to agree the appointment of the Shared Chair and Vice Chair for Newcastle Hospitals.

Key:

1	Public constituency: Newcastle upon Tyne
2	Public constituency: Northumberland, Tyne and Wear (excluding Newcastle)
3	Public Constituency: North East
Staff – A&Cl, 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 – APEX	Advising on Patient Experience (APEX) Group
Appointed – Charity	Charity
Appointed – NCC	Newcastle City Council
Appointed – NU	Newcastle University
Appointed – Nbria U	Northumbria University

GOVERNOR ATTENDANCE AT MEETINGS

Class / Constituency	Name	Attendance	Notes
Charity	Mrs Tracy Armstrong	5 of 11	
Appointed - Nbria U	Professor Joanne Atkinson	2 of 7	Appointed Governor from 1 August 2025
Staff - V	Mr Roger Bishop	9 of 9	Appointed 1 June 2025
Appointed - APEX	Mr David Black	11 of 11	
2	Mr Peter Bower	10 of 11	Re-appointed 1 June 2025
2	Ms Sue Brown	9 of 9	Appointed 1 June 2025
Staff - A&CI, M&Ch	Mr David Bull	6 of 9	Appointed 1 June 2025
1	Mrs Judy Carrick	11 of 11	
1	Dr Kate Cushing	9 of 11	
1	Dr Alexandros Dearges-Chantler	3 of 5	Re-appointed from 1 June 2025 Stepped down 18 October 2025
Appointed - NCC	Lara Ellis	5 of 11	
1	Mrs Aileen Fitzgerald	9 of 11	
1	Mr David Forrester	2 of 2	Unsuccessful in 2025 elections
Staff - M&D	Mr Hugh Gallagher	9 of 11	
3	Mrs Joy Garner	8 of 9	Appointed 1 June 2025
2	Mrs Catherine Heslop	11 of 11	
1	Mr Alex Holloway	0 of 11	Stepped down 31 May 2025
2	Professor Philip Home	8 of 11	
Staff - E&A	Mr William Jarrett	2 of 11	
Staff - N&M	Ms Stacey Longstaff	0 of 9	Appointed 1 June 2025
2	Mrs Sandra Mawdesley	2 of 4	Stepped down 1 September 2025
2	Mr Hugh McKendrick	8 of 9	Appointed 1 June 2025
1	Mr Thomas Millen	3 of 9	Appointed 1 June 2025
Staff - N&M	Ms Hloni Mpofu	0 of 2	Stepped down 31 May 2025
2	Ms Linda Pepper	10 of 11	
2	Mr Shashir Pobbathi	5 of 11	
1	Mrs Fatema Rahman	6 of 11	
1	Dr Chris Record	9 of 11	
Staff - HPC	Miss Elizabeth Rowen	7 of 11	Appointed 1 June 2025
Staff – N&M	Mrs Poonam Singh	7 of 11	
3	Ms Mary Thornton	1 of 1	Appointed 1 June 2025 and stepped down 7 July 2025

Class / Constituency	Name	Attendance	Notes
Appointed - Nbria U	Professor John Unsworth	1 of 4	Stepped down 31 July 2025
1	Dr Eric Valentine	9 of 11	
2	Dr Peter Vesey	6 of 11	
2	Mr Bob Waddell	2 of 2	Unsuccessful in 2025 elections
Appointed - NU	Dr Luisa Wakeling	7 of 11	
3	Mr Michael Warner	1 of 5	Stood down 17 October 2025
2	Mrs Claire Watson	10 of 11	
1	Mrs Sally Webster	7 of 9	Appointed 1 June 2025
2	Dr Kevin Windebank	10 of 11	
1	Mrs Pam Yanez	2 of 2	Stepped down 31 May 2025

Nominations Committee

The Council of Governors set up a formally constituted Nominations Committee to:

1. Identify, interview and recommend candidates for the appointment of the Trust Chair, NEDs and Associate NEDs.
2. Receiving the outcomes of the annual appraisal process for the Chair, NEDs and Associate NEDs, using formal objectives that were previously set and agreed.
3. Interview NEDs and recommend a NED for the role of Vice Chair.

Committee members were supported by Trust officers, as appropriate, including the Trust Secretary.

Attendance of the Committee membership is set out below:

	Number of meetings attended	
Member	**Ordinary**	**Extraordinary**
Sir Paul Ennals, Chair	5 out of 5	4 out of 4
Mr Bill MacLeod, Committee Member and SID from 9 September 2024 to 21 August 2025	2 out of 2	0 out of 0
Mrs Catherine Heslop, Committee Member (Public Governor)	4 out of 5	2 out of 4
Mrs Judy Carrick, Committee Member. Became Lead Governor and Committee Vice Chair from 1 March 2025 (Public Governor) until 27 January 2026	5 out of 5	4 out of 4
Mr David Black, Committee Member (Appointed Governor)	5 out of 5	3 out of 4
Mr Bob Waddell, Committee Member (Public Governor) until 31 May 2025	1 out of 1	0 out of 0
Mr Hugh Gallagher, Committee Member (Staff Governor)	4 out of 5	3 out of 4
Ms Linda Pepper, Committee Member (Public Governor)	5 out of 5	3 out of 4
Mr Peter Bower, Committee Member (Public Governor) from 25 June 2025	4 out of 4	4 out of 4
Dr Alexandros Dearges-Chantler (Public Governor) from 25 June 2025 until 18 October 2025	1 out of 2	0 out of 2
Dr Eric Valentine, Committee Member from 26 November 2025. Become Lead Governor and Committee Vice Chair from 28 January 2026	1 out of 1	2 out of 2
Mrs Liz Bromley, SID from 22 August 2025	2 out of 3	0 out of 2
Ms Wendy Balmain, NED (attended in the absence of the SID)	0 out of 0	1 out of 1

There were nine meetings of the Committee in the period 1 April 2025 to 31 March 2026, five of which were ordinary meetings and four were extraordinary meetings. The extraordinary meetings were convened to consider NED appointments.

During the year, Committee activity included:

- Approval of the Annual Report of the Committee for 2024/25.
- 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 the shared Chair and one Associate NED.
- Approving updated Terms of Reference and an updated Schedule of Business for the year.
- Considering the remuneration for the Shared Chair, substantive NEDs, Vice Chair, SID and Associate NEDs, and making recommendations to the Council of Governors.
- Receiving and considering reports on the Chair and NED appraisals, as well as objectives for the year ahead.
- Discussions on Chair, NED and Associate NED reappointment and recruitment considerations.
- Consideration of risks associated with the Committee remit.
- Reviewing the Chair and NED:
    - Terms and Conditions;
    - Expenses guidance; and
    - Appointments and Reappointments Process and Succession Policy;

  and proposing changes for approval by the Council of Governors.
- The Vice Chair and Associate NED (Finance) interview processes.
- Agreeing the recruitment process for new NEDs and a substantive Shared Chair, this included:
    - Ensuring robust role descriptions and person specifications were developed and agreed the search strategy for the appointments; and
    - Processes for Shortlisting, Stakeholder Group sessions and Interview Panels, with the Governor members in the voting majority.

In conclusion the Committee has met its duties for the year 2025/26.

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.

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 2025/26, 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 and diversity. 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 Dr Eric Valentine, Lead Governor via email at nuth.LeadGovernor@nhs.net.

MEMBERSHIP REPORT: 1 APRIL 2025 – 31 MARCH 2026

Membership size and movements	
Public Constituency	**Last Year (2025/26)**
At year start (1 April)	5,868
At year end (31 March)	5,687
Public Constituency by Area:	
Newcastle upon Tyne	2,146
Northumberland Tyne and Wear (excluding Newcastle)	2,819
North East	698
Out of Trust Area	24

Staff Constituency	Last Year (2025/26)
At year start (1 April)	7,998
At year end (31 March)	9,029
New members of staff who are directly employed by Newcastle Hospitals are automatically included as members within the Staff Constituency.	
Patient Constituency	**The Trust does not currently have a separate patient constituency**

Analysis of current membership*	
Public Constituency	**Number of members**
Age (years):	
0-16	2
17-21	82
22+	5,220
Ethnicity:	
White	4,847
Mixed	36
Asian or Asian British	277
Black or Black British	76
Other	18
Socio-economic groupings:	
AB	1,573
C1	1,629
C2	1,151
DE	1,294
Gender Analysis:	
Male	2,027
Female	3,375

*The analysis section of this report excludes 383 public members with no dates of birth, 433 members with no stated ethnicity, and 285 members with no gender recorded.

Staff Report

Workforce Information (Subject to audit):

Workforce Demographics	As at March 2025				As at March 2026			
	Permanent Full Time Equivalent (FTE)	Other FTE	Total FTE	% of Total FTE	Permanent FTE	Other FTE	Total FTE	% of Total FTE
Staff Group								
Medical and dental	1,251.68	712.83	1,964.52	12.72%	1,350.28	778.19	2,128.25	13.70%
Ambulance staff	0.58		0.58	0.00%	4.60		4.60	0.03%
Administration and estates	3,035.75		3,035.75	19.66%	3,069.64		3,069.64	19.12%
Healthcare assistants and other support staff	2,219.43		2,219.43	14.37%	2,219.08		2,219.08	13.82%
Nursing, midwifery and health visiting staff	5,177.56		5,177.56	33.53%	5,312.67		5,312.67	33.09%
Nursing, midwifery and health visiting learners	25.71		25.71	0.17%	13.38		13.38	0.08%
Scientific, therapeutic and technical staff	2,097.13		2,097.13	13.58%	2,207.41		2,207.41	13.75%
Healthcare science staff	920.46		920.46	5.96%	1,064.49		1,064.49	6.63%
Social Care Staff						35.10	35.10	0.22%
Grand Total	**14,728.30**	**712.83**	**15,441.13**		**15,241.55**	**813.29**	**16054.62**	
Note: Figures in the above table reflect data taken from the Trust annual accounts and includes staff working in but not employed by the Trust. Demographic data for these staff is not available and is therefore excluded from the following tables.								

FTE = Full time equivalent

	As at March 2025		As at March 2026	
	FTE	% of Total FTE	FTE	% of Total FTE
Full Time/Part Time				
Full Time	10,535.80	71.84%	10,438.80	70.89%
Part Time	4,130.26	28.16%	4,287.14	29.11%
Gender				
Female	11,038.35	75.26%	11,032.77	74.92%
Male	3,627.70	24.74%	3,693.17	25.08%
Disabled				
No	12,597.34	85.89%	12,531.27	85.10%
Not recorded	1,448.39	9.88%	1,192.84	8.10%
Yes	620.32	4.23%	1,001.82	6.80%
Ethnic Group				
Black and Minority Ethnic (BME)	2,879.62	19.63%	2,923.89	19.86%
Not recorded	122.70	0.84%	184.78	1.25%
White	11,663.73	79.53%	11,617.26	78.89%
Age				
16-25	1,266.45	8.64%	1,181.31	8.02%
26-35	4,143.73	28.25%	4,143.30	28.14%
36-45	3,592.46	24.50%	3,771.55	25.61%
46-55	3,200.36	21.82%	3,180.31	21.60%
56-65	2,272.25	15.49%	2,255.65	15.32%
66+	190.80	1.30%	193.82	1.32%

Turnover	**April 2024 – March 2025**	**April 2025 – March 2026**
	9.00%	9.22%

Senior Staff Gender Breakdown	**April 2024 – March 2025**		**April 2025 – March 2026**	
	Male	**Female**	**Male**	**Female**
Executive Directors	4	3	2	4
Non-Executive Directors	5	4	6	5
Other Senior Staff	4	6	4	5

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 2024/25 £000	Permanently employed total 2024/25 £000	Other total 2024/25 £000	Total 2025/26 £000	Permanently employed total 2025/26 £000	Other total 2025/26 £000
Salaries and wages	**783,909**	691,004	92,905	**836,963**	733,383	103,580
Social security costs	**69,854**	69,854	0	**91,596**	91,596	0
Apprenticeship levy	**3,744**	3,744	0	**3,922**	3,922	0
Pension cost – employer contributions to NHS pension scheme	**84,208**	84,208	0	**90,774**	90,774	0
Pension cost – employer contributions paid by NHSE on provider's behalf (6.3%)	**54,949**	54,949	0	**59,362**	59,362	0
Pension costs – other	**281**	281	0	**236**	236	0
Temporary staff – agency/ contract staff	**7,136**	0	7,136	**5,442**	0	5,442
TOTAL GROSS STAFF COSTS	**1,004,081**	**904,040**	**100,041**	**1,088,295**	**979,273**	**109,022**
Recoveries from DHSC Group bodies in respect of staff cost	**(9,419)**	(9,419)	0	**(5,533)**	(5,533)	0

netted off expenditure						
Recoveries from other bodies in respect of staff cost netted off expenditure	**(7,552)**	(7,552)	0	**(10,196)**	(10,196)	0
TOTAL STAFF COSTS	**987,110**	**887,069**	**100,041**	**1,072,566**	**963,544**	**109,022**

“Off payroll” Engagements

Highly-paid off-payroll engagements as of 31 March 2026, earning £245 per day or greater.

Number of existing engagements as of 31 March 2026	1
Of which:	0
Number that have existed for less than one year at time of reporting	1
Number that have existed for between one and two years at time of reporting	0
Number that have existed for between two and three years at time of reporting	0
Number that have existed for between three and four years at time of reporting	0
Number that have existed for four or more years at time of reporting.	0

All highly-paid off-payroll workers engaged at any point during the year ended 31 March 2026 earning £245 per day or greater

Number of off-payroll workers engaged during the year ended 31 March 2025	1
Of which:	
Not subject to off-payroll legislation	1
Subject to off-payroll legislation and determined as in-scope of IR35	0
Subject to off-payroll legislation and determined as out-of-scope of IR35	0
Number of engagements reassessed for compliance or assurance purposes during the year	0

Of which: number of engagements that saw a change to IR35 status following review	0

For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2025 and 31 March 2026

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

Exit Packages (Subject to audit)

	Total number of exit packages 2025/26 **Number**	**Total cost of exit packages 2025/26** **£000**	Total number of exit packages 2024/25 Number	Total cost of exit packages 2024/25 £000
Exit package cost band				
<£10,000	**68**	**364**	-	-
£10,000 to £25,000	**68**	**1183**	-	-
£25,001 to £50,000	**36**	**1268**	-	-
£50,001 to £100,000	**21**	**1407**	-	-
There were 7 compulsory redundancies made during 2025/26 at a cost of £48k (2024/25 Nil).				
There were 193 exit payments made during 2025/26 (2024/25 Nil).				
There were no special payments for exit payments made following employment tribunals or court orders during 2025/26 or 2024/25.				

Type of Exit Payments	**Agreements** **Number**	**Total Value of Agreements (£000's)**
Voluntary Redundancies including Early Retirement Contractual Costs	50	£852
MARS Contractual Costs	135	£3,238

Type of Exit Payments	Agreements Number	Total Value of Agreements (£000's)
Contractual Payments In Lieu of Notice	1	£84
Compulsory Redundancies	7	£48
Total	193	£4,223

Consultancy

The Trust spent £1.12m on consultancy fees in 2025/26 (£1,216k 2024/25).

Human Resources Indicators

Clinical Board (CB) / Corporate Service (CS)	As at March 2026			
	Training	Appraisals	Sickness	Turnover
	> 90%	> 90%	< 4.5%	< 10%
CB Cancer and Haematology	91.70%	85.38%	5.45%	10.08%
CB Cardiothoracic Services	88.33%	76.68%	5.86%	8.29%
CB Clinical and Diagnostic Services	94.26%	86.14%	4.40%	9.87%
CB Family Health	90.11%	83.75%	6.36%	8.45%
CB Medicine and Emergency Care	91.23%	88.63%	6.42%	8.06%
CB Peri-operative and Critical Care	93.45%	87.35%	6.57%	7.43%
CB Surgical and Associated Services FH	93.14%	87.72%	4.77%	8.27%
CB Surgical and Specialist Services RVI	91.05%	83.48%	5.94%	7.87%
CS Business and Development	95.08%	71.72%	6.75%	9.58%
CS Chief Executive	97.13%	90.16%	3.25%	9.20%
CS Chief Operating Officer	92.63%	88.14%	4.92%	6.92%
CS Estates	91.38%	89.17%	8.64%	13.89%
CS Finance	93.30%	78.00%	3.49%	9.09%
CS Human Resources	96.02%	75.40%	6.08%	13.98%
CS Information Management and Technology	93.96%	83.18%	5.25%	7.45%
CS Medical Director	91.91%	79.59%	3.21%	17.39%
CS Patient Services	95.65%	80.79%	6.26%	11.95%
CS Pharma Services	97.31%	93.88%	5.16%	11.88%
CS RRDN NENC	92.60%	90.16%	4.43%	12.34%
CS Supplies	95.62%	94.57%	3.95%	9.69%

% Appraisal Compliance by Staff Group	As at March 2026
Staff Group	**%**
Additional Professional Scientific and Technical	86.00%
Additional Clinical Services	85.03%
Administrative and Clerical	81.58%
Allied Health Professionals	86.90%
Estates and Ancillary	92.39%
Healthcare Scientists	82.56%
Managers (Band 8c and above)	85.95%
Medical and Dental	82.96%
Nursing and Midwifery Registered	85.43%
Total	**85.27%**

Staff Health and Wellbeing

During 2025/26 the Trust continued to prioritise staff health and wellbeing, recognising the clear link between colleague wellbeing, patient care, organisational performance and overall safety. Staff survey results showed that while elements of the existing Health and Wellbeing offer work well, colleagues reported inconsistent access, lack of clarity about what is available and difficulty navigating support, particularly during times of distress. Sickness absence related to psychological wellbeing remains the Trust's largest category of absence, highlighting the need for a more coordinated and proactive approach.

A comprehensive review of the current offer identified strong individual services but also fragmented pathways and inequitable access across teams and staff groups. To address this, the Trust is moving towards a more integrated Health and Wellbeing model that brings together HR, Occupational Health (OH), Staff Psychological Services and Mental Health First Aid under the umbrella Working Well Initiative, bringing these and other existing peer-support roles into a clearer, more connected system. Additional investment, including new staff psychological support posts, initially funded by Newcastle Hospitals Charity, is helping to build capacity and broaden provision, with the Trust committed to sustaining this resource from year three onwards.

The new model aims to create a single, easy-to-navigate point of access, strengthen psychological safety at team level, and increase availability of supervision, reflective practice, restorative approaches and early interventions following distressing incidents. Increased support for Professional Nurse Advocates, expansion of the Mental Health First Aid network and improved digital resources will help colleagues access the right support, at the right time, regardless of role or location.

The phased programme of work which spans mapping, engagement, recruitment, piloting and full launch will position the Trust to deliver a stepped approach to wellbeing that is both preventative and responsive.

Year one deliverables include a systematic response to critical incidents, enhanced suicide prevention and postvention support, improved pathways for individual psychological intervention, and clearer, organisation-wide wellbeing standards. This work directly supports the wellbeing of staff and has links to safer care and better outcomes.

Collectively, this strengthened approach aims to provide equitable access to wellbeing support, increase line manager capability, reduce psychological harm, improve staff experience and ultimately enhance the quality of care for patients.

Better Health at Work

Overview of OHS

In 2025, Newcastle Occupational Health Service (OHS) achieved its highest level of activity to date, processing 5,200 management referrals, the largest annual volume on record. Despite the significant demand, the team met the Key Performance Indicator (KPI) for referral to appointment time (<10 working days) for 8 months of the year, demonstrating strong service responsiveness.

Service quality remained high, with 91% service user satisfaction and 86% manager satisfaction, reflecting consistently positive experiences across the Trust.

A major milestone this year was the successful digitisation of referral pathways. This included:

- The new Manager Referral Portal has enhanced accessibility, strengthened information governance and improved communication around OHS referrals and reporting.
- The self-referral online form has provided staff with a more accessible and discrete route to Physiotherapy and Counselling support. This led to 1,200 physiotherapy and 600 counselling self-referrals in 2025, including a notable spike in activity following the launch of the portal.

To further improve transparency and support informed decision making, the OHS Power BI Dashboard went live in March 2026, enabling real time reporting of referral activity to the Trust.

This Spring the service is launching OH Connect, a new enquiry line and online form designed to give staff and managers quick access to guidance on OHS processes, strengthening early advice and support.

Alongside this, the Trust continues to demonstrate its commitment to creating a healthier and more supportive workplace through its long-standing participation in the Better Health at Work programme. The Trust successfully maintained its ‘Maintaining Excellence’ status, reflecting sustained leadership in staff wellbeing, prevention, and health promotion activities. Building on this platform, the Trust is taking a whole system approach. A key part of this approach has been the joint development of a Health Needs Assessment questionnaire, which will enable staff to directly shape the future offer, ensuring that support is aligned to what colleagues say they most need. This collaborative, preventative and data driven approach ensures the wellbeing offer remains relevant, equitable and impactful for all staff.

EDI

EDI continues to be an important priority and our patients and staff have consistently told us that we need to do more to improve the experience of people with different protected characteristics. This year, we have taken significant and robust action to prioritise and strengthen our approach.

The Board has made a renewed commitment to improving the experience of both staff and patients and this has been developed throughout 2025/26 by clear actions as well as educational and development opportunities for Board members. In line with the NHS 6 high impact actions each Board member has agreed individual SMART objectives which they will be held accountable for, to support the creation of a more equal and inclusive organisation. An Executive Lead for EDI role has been appointed to champion this area and this role is currently held by Caroline Docking, Director of Communications and Corporate Affairs.

Through the Trust Board, People Committee, EDI Steering Group and People Programme Board there has been clear and transparent reporting and developmental work throughout

the year. The Board have held several development sessions including ‘Lets Talk about Race’ (held in late March 2025) led by our race equality network which provided an opportunity for self-refection. Other development sessions included a detailed presentation of board responsibilities from an external Senior Equalities Director. The Board has received detailed reporting on gender, ethnicity and disability pay gaps, alongside Workforce Race Equality Standard (WRES) and Workforce Disability Equality Standard (WDES) trend data, helping to shape priorities and monitor progress. Pay gap analysis continues to been strengthened at organisational level, highlighting areas such as disparity ratios, international recruitment, and particular staff groups where inequalities persist. This contributed to our EDI action plan which was developed through engagement with well over 100 members of staff from our equality networks and other interested parties.

At our Board meeting in January 2026 we supported and adopted our Anti-racism Framework. This Framework, which has been developed by a working group of committed global majority colleagues, sets out how we will seek to become an anti-racist organisation. We will use the 4 drivers - education, representation, culture change and action and accountability – to progress and measure our work and we have begun this by strengthening our advice to colleagues about reporting and consistently managing racism.

The Trust’s EDI Improvement Plan and the Equality Delivery System (EDS) self-assessment have provided further insight into where improvement is needed, with the organisation self-assessed as ‘developing’ in both workforce health & wellbeing and inclusive leadership domains. These results reflect a realistic, transparent assessment of progress and will guide actions over the next phase of delivery.

During the year, significant progress was made in improving the support and wellbeing offer for colleagues with additional support from Newcastle Hospitals Charity. As mentioned earlier, we have expanded our Mental Health First Aid capacity and progressed the development of psychological support – areas which have been consistently requested through staff surveys. We have also strengthened mechanisms for staff to report discrimination, harm or concerns through FTSU and incident reporting. The Civility Charter and training on civility and microaggressions has also continued to embed the behaviours expected across the organisation.

We have further work to do to turn our commitment into visible improvements including establishing an EDI-focused recruitment workstream, strengthening support for international recruits, enhancing reporting and response to discrimination and harm, and improving reasonable adjustments. We are continuing to strengthen data quality, ensuring that insights about workforce experience, representation and progression are reliable, timely and effectively used to drive targeted improvements. In response to the Supreme Court ruling, a new working group has been established to consider the implications for our staff and services, however as at 14 May 2026, formal NHS guidance is awaited.

Staff networks remain central to shaping our work, bringing lived-experience insight into policy development, pay gap interpretation, priority setting and governance discussions. Their leadership has contributed significantly to progress noted this year and continues to guide the organisation’s approach to equity and inclusion. In particular, the Armed Forces Network has been pivotal in strengthening our progress against the Veteran Aware standards. Their contribution remains integral to sustaining and advancing our Veteran Aware commitments.

We want to ensure that conscious inclusion becomes central to our culture and leadership. This requires leaders and colleagues to actively notice, challenge and mitigate bias in everyday decisions, ensuring that behaviours, processes and interactions are intentionally fair and inclusive. Through the development of our new leadership programmes, we will embed conscious inclusion as a core competency, supporting leaders to create psychologically safe teams, listen to diverse voices, and make equitable decisions. This proactive approach will ensure that inclusion is not left to chance but becomes a consistent expectation that shapes how we recruit, develop, support and value our people.

Looking ahead, we have much to do to build the more inclusive and fair culture that we aspire to. Our focus remains on creating a workplace where all colleagues feel valued, supported and able to thrive, enabling us to deliver the best possible care for the diverse communities we serve.

Choices College

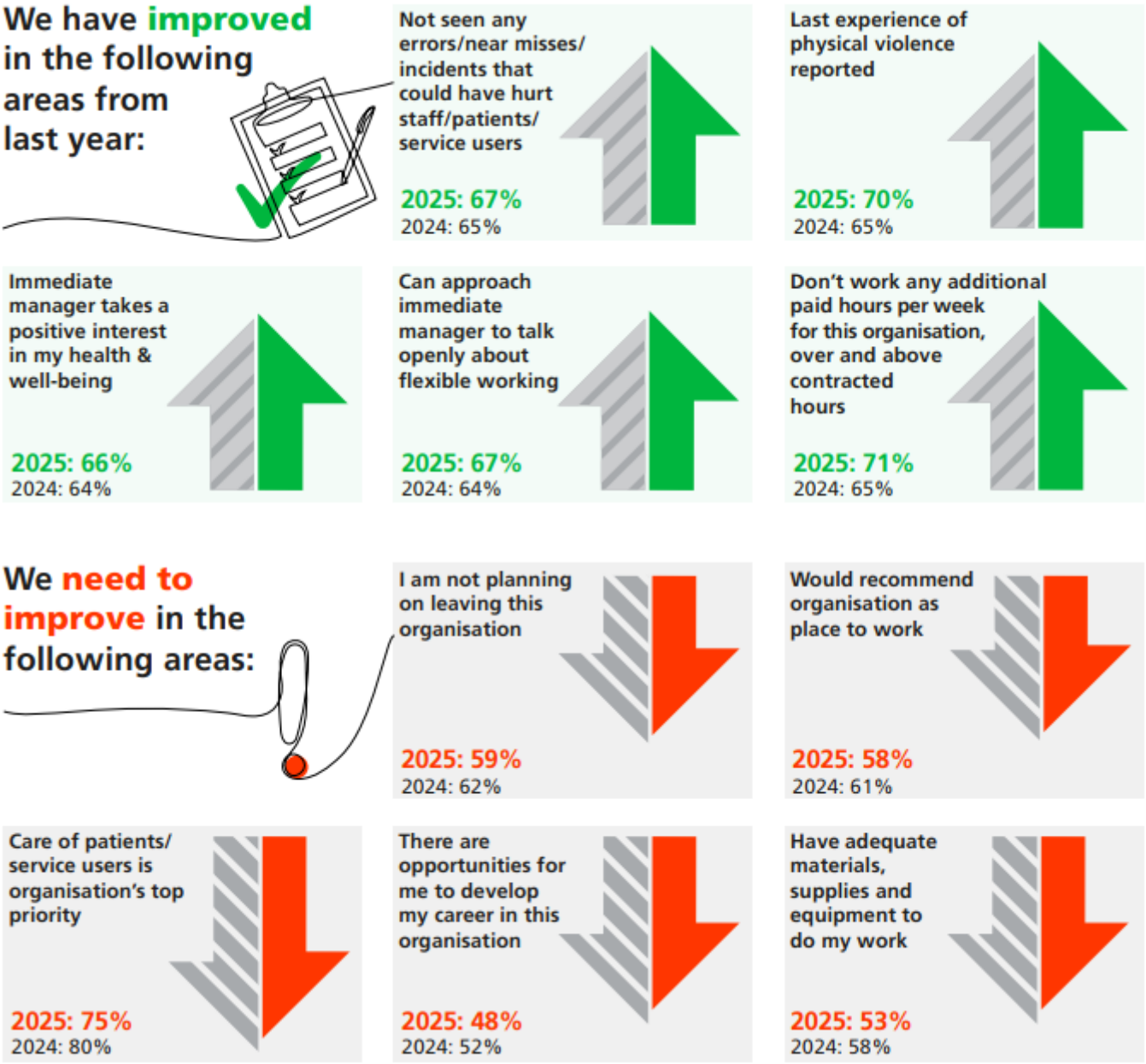
Choices College continues to play a vital role in supporting our ambition to build a diverse, inclusive and representative workforce. The programme provides supported internships for young adults with learning difficulties, disabilities or autism enabling them to gain work-based experience, develop confidence and secure meaningful employment. Now in its fourteenth year, Choices College is firmly established as a flagship national model for inclusive employment, recognised for its consistently high transition rates and impact.

Since 2012, 130 interns have completed the programme, with 97 securing paid employment and 54 progressing directly into roles within the Trust - most of whom remain in post. This 75% transition rate significantly exceeds both the national average for Choices College sites and the national employment rate for people with learning difficulties, disabilities or autism (7%).

Choices College continues to directly support our WDES Disability Confident ambitions, and the NHS People Plan commitment to expand employment opportunities for people with a learning disability or autism. The programme contributes to reducing health inequalities by improving access to work, fostering social inclusion, and increasing understanding of the value that people with learning difficulties, disabilities or autism bring to the workforce.

2025 NHS Staff Survey Results Summary

The 2025 NHS Staff Survey demonstrated stable overall performance for the Trust, with an average People Promise score of 6.21, consistent with the previous year and placing the Trust joint 91st out of 121 acute and acute community trusts. Staff engagement and morale remained broadly in line with sector comparators, underpinned by a sustained high response rate of 62%, reflecting feedback from over 10,300 colleagues. Staff continued to report positive experiences within immediate teams, supportive line management in many areas, pride in their professional roles and the importance of flexible working arrangements where available. However, the survey also highlighted persistent challenges, including workload pressures linked to staffing constraints, concerns about leadership and management behaviours, limited perceptions of career progression and reward, and continued experiences of bullying, harassment and discrimination for some staff groups. The Trust has committed to using these insights to inform its People Plan, focusing on learning from areas of strong performance, strengthening leadership and culture and delivering targeted actions during 2026/27 to improve staff experience, engagement and wellbeing.



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 (SSC) 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 starts from just £2 per month and gives staff the opportunity to: buy heavily subsidised tickets/vouchers for a range of social, cultural, and recreational events and activities; enter a lottery which has 37 prizes each month and a jackpot of £1,500; and join the onsite 24-hour Fitness Centres at the FH and the RVI.

Over the last year, 155 staff signed up as new members, taking total membership to 9,105 - more than half of the organisation. Rising membership numbers has driven continuous

enhancements to the dynamic lottery framework, resulting in a stronger prize fund each year and a total of £84,500 is now awarded annually.

During 2025, operational delivery of events and ticket offering exceeded all previous years. Members had access to 118 events and 10,134 event places.

There is continued and growing commitment around collaborating with local independent businesses and social enterprises (including charities and Community Interest Companies CICs), helping to drive regional growth and community wealth while introducing members to a diverse range of fresh, innovative opportunities and experiences not previously available to them.

These events range from family activities, creative workshops to day trips and exploring other cities, opportunities to learn new skills through pottery, painting and sewing and get active with yoga, running and surfing. As well as experience vouchers for an exciting mix of hotels, spas, restaurants, and attractions across the North East and beyond.

All elements of the member offer show how the SSC enhances staff wellbeing, strengthens community connections, boosts morale, and provides significant financial, emotional and physical benefits across the workforce.

Looking ahead to 2026, there are currently already over 90 events planned and several more in the pipeline, forecasting over 10,700 event places, working closely with suppliers and members to ensure our events are inclusive and accessible.

The SSC is a genuine staff-led community - established by employees, run for employees, and continually evolving to enhance the wellbeing of all involved. As the SSC continues to grow, there is focus on further developing the club's strategy and business objectives, ready for its renewal in July 2026.

More information about the club is available on the website - https://staffsocial.newcastle-hospitals.nhs.uk/

Leadership and OD

Across Learning and Development, the Trust delivered large scale organisational programmes, including Civility sessions for 14,380 colleagues, embedding behaviours essential for compassionate, inclusive and respectful cultures. The Compassionate Leadership Programme has also gained strong traction, with 106 leaders completing the programme and a further 47 on the waiting list. Since May 2023, more than 5,217 staff have attended corporate induction, reinforcing consistent onboarding and organisational values across the workforce.

Key challenges remain, particularly around capacity to meet growing demand for development offers and the operational impact of moving to fortnightly corporate induction. However, the Trust is taking forward a set of focused next steps, including: enhancing use of the levy to strengthen development pathways for Bands 2–4; ensuring alignment with the new executive commissioned leadership development programme; and improving evaluation to better understand the organisational impact of apprenticeship driven skills development.

Collectively, these programmes demonstrate the Trust's continued commitment to building a skilled, confident and compassionate workforce, supported by high quality learning opportunities that enhance patient care and strengthen organisational resilience.

The Trust continued to strengthen its coaching and mediation offers as part of developing a compassionate, inclusive and high performing culture. With 21 qualified coaches registered on the Trust network and 15 colleagues currently undertaking coaching qualifications, supported by 134 staff completing Workplace Coaching Skills training between May 2024 and November 2025. Demand for coaching continues to grow.

The Trust's Resolution Service provides a neutral, supportive way for colleagues to address low-level workplace disputes through facilitated conversations, helping prevent issues from escalating. In early 2025, the service was strengthened as part of wider work on culture, behaviour and civility. An additional 34 colleagues completed practical mediation training, creating a network of 54 trained facilitators across all Clinical Boards. This network meets regularly for reflective practice and peer support and continues to help staff constructively resolve issues across the organisation. Requests span a wide range of staff groups and referral routes, demonstrating the growing confidence in mediation as a constructive approach to resolving conflict. Next steps include enhancing visibility through improved intranet resources, ongoing staff education, and exploring a "train the trainer" model to sustain the service in house.

In 2024/25, the OD team reshaped its approach to provide more targeted support where incivility continued to affect team cohesion and progress against organisational priorities. This proactive stance has reinforced our commitment to building respectful, high performing teams and ensuring issues are addressed early and constructively.

A significant focus this year was on restorative team interventions. These facilitated, reality based conversations enabled teams to reflect on day-to-day behaviours, deepen self-awareness, and better understand their impact on others. Many teams have since reported strengthened relationships, improved trust, and renewed clarity of purpose.

Impact Highlights:

- Requests for OD support increased by 42% in 2024/25, demonstrating greater confidence in OD expertise and a growing organisational appetite for behavioural and team-based improvements.
- Almost half of all requests were for restorative activities, signalling strong engagement with approaches that enhance psychological safety and rebuild team trust.
- 64% of requests came from three Clinical Boards, Family Health, Medicine and Emergency Care, and Clinical and Diagnostic Services, indicating where demand and need were most concentrated.
- Diagnostic surveys were repeated after 12 months and showed a 9.5% increase in purpose and motivation, evidencing sustained impact.

OD is a long term, evolving practice, and many programmes span a year or more. A full evaluation of outcomes is planned for Spring 2026. Interest also continues to grow in Insights Discovery, launched in June 2025, which is proving effective in supporting inclusive, motivated, and high performing teams.

Preceptorship, Health Care Academy and Simulation

122 out of 156 newly qualified or first registration Nursing, Midwifery and AHPs (NMAHPs), Nursing Associates, and Registered Nurse Degree Apprentice (RNDA) learners have started or are continuing their preceptorship, giving a 78% compliance rate for 2025. This reflects an improvement from 2024, where 155 out of 208 NMAHP newly qualified were compliant (75%). Notably, compliance has increased significantly from the initial 20% audit in early 2024 prior to targeted interventions, demonstrating stronger early engagement and programme uptake.

While completion rates (completing all 4 days of preceptorship programme in their first 12 months) remain a challenge, the increased compliance indicates that new starters are now entering and progressing through preceptorship more consistently.

Three ‘Steps to Employment’ workshops were delivered for final year NMAHP students on placement, covering transition and wellbeing, raising concerns, and registration/application and interview guidance. A total of 88 students attended. Due to high demand and positive feedback, six further workshops are scheduled between March 2026 and March 2027 to support recruitment readiness and strengthen the Trust’s talent pipeline.

183 new Healthcare Assistants were supported through the Healthcare Academy this year. The Care Certificate completion rate was 84.65%, with learners required to complete e-learning and observation packs by the end of March 2026.

The Healthcare Support Worker (HCSW) Development Day was delivered as part of ongoing support and skills development and a collaboration with the Pharmacy team to support trainee pharmacists preparing for Independent Prescriber roles (E-Obs, Deteriorating patient recognition, Basic patient assessment skills). The first training was delivered in January 2026, with the next scheduled for August 2026. This cross-professional training strengthens clinical confidence and aligns with the evolving responsibilities of newly qualified pharmacists.

In 2025, Newcastle Hospitals’ nationally recognised work in High Consequence Infectious Diseases (HCID) was featured on the front cover of the Chief Medical Officer’s Annual Report 2025 – Infections. The project focused on managing obstetric and neonatal care for patients with viral haemorrhagic fever, using both Personal Protective Equipment (PPE) based methods (Exercise Moulin Rouge) and Trexler isolator systems.

The team developed innovative low cost solutions, including bespoke manikin adaptations, anatomical models and audio visual systems that enabled high fidelity simulation of emergency caesarean sections and hysterectomies. Following this work, senior intensivists at both the RVI and the FH requested training on perimortem caesarean sections after maternal cardiac arrest. These sessions were highly valued and generated important multidisciplinary patient safety discussions.

The team’s expertise gained national professional recognition, which included

- Two papers presented at the Association for Simulated Practice in Healthcare (ASPiH) conference and was invited to speak at the Human Patient Simulation Network (HPSN) event, where the Moulin Rouge work was very well received.
- A workshop delivered at the North East Simulation Network’s Sim Tech North, sharing practical, low cost technical solutions developed within the Trust.

In August, the team also led the induction day for the new cohort of Regional Simulation Teaching Fellows, delivering a suite of workshops and showcasing the newly refurbished FH Simulation Centre.

Technology Enhanced Learning (TEL) and the Learning Lab

Requests for the development of digital training remain consistently high, some of the projects in active development include updates to the Safe use of Lasers, Children's Diabetes, Sickle Cell Disease, Mechanical Thrombectomy, Radiation Safety Training, EPRR, Estates Mandatory/Induction package, Safeguarding levels 1-4, Patient Falls and Dysphagia eLearning.

Some of the completed projects in 2025/26 included a patient experience film on Autism for viewing in the Medicinema, helping to support the Trust to become a HIV Confident employer, creation of the NE&NC Pathology Alliance Training Academy courses and the newly launched e-learning on Trans and Non-binary Identities.

Use of the Learning Lab by non-Trust employees (NMAHP Students, Volunteers and external parties) continues to grow and we are having to actively monitor the number of live accounts we have in use so that we don't exceed our limit. We currently have 22,478 active accounts out of 32,344 in total.

We continue to explore the functionality that Learning Lab has to offer and are currently supporting the Digital Health team in the use of H5P which allows Subject Matter Experts to create their own eLearning directly in Learning Lab. The Learning Lab is due to be upgraded to version 19 and then version 20 quickly afterwards in 2026/27, this will bring several improvements in relation to how certifications function allowing for different training to be assigned depending on the content completed previously, learners will be able to enrol and withdraw from programs and certificates which will reduce administration. The TEL team are also currently reviewing the structure of the course catalogue which will be redesigned allowing for better ease of use by learners.

Statutory and Mandatory Training

Statutory and Mandatory training compliance has remained above the Trust target of 90% consistently throughout the year. Work has continued to ensure the robustness of our Statutory and Mandatory Training portfolios, by continuing to move our training allocations away from being based on Electronic Staff Record (ESR) position number and instead using logical rules based on Staff Group, Job Role and Organisation, most noticeably Safeguarding with new levels and allocations to be introduced in April 2026. The remaining training audiences using ESR position number are Ionising Radiation (Medical Exposure) Regulations (IRMER) and Resuscitation, with work under way for both of these subject areas to move away from position number in the next few months.

In conjunction with the National Statutory and Mandatory review, being led by NHSE, new processes have been introduced with regards to requests for new training to be mandated. Subject Matter Experts must now provide the expected impact the training will have along with any incurred costs to the organisation such as staff time, salary costs and a rationale for mandating. Requests for mandatory training are now scrutinised at the Statutory and Mandatory Training Group before proceeding to the Learning and Education Group for final approval.

As part of the National Statutory and Mandatory review we expect to receive the new framework in April 2026 due for implementation April 2027. The changes in the framework are expected to be significant with a shift from training compliance monitoring to training impact with the potential for a sizeable reduction in the amount of training allocated to Trust employees.

Completion of Oliver McGowan Mandatory Training remains an area of concern due to the size of the Trust and the constraints and stipulations of the framework. We are working closely with the Safeguarding team to implement this training over the coming months.

Newcastle Skills Academy

During 2025, the Newcastle Hospitals Skills Academy (NHSAc) delivered significant growth and strengthened its role in supporting professional development across the Trust.

By December 2025, the NHSAc had delivered a diverse range of Continuing Professional Development (CPD) interventions to 41% more learners than in the whole of the previous year (which saw 1,046 learners), with three months of the reporting period still remaining. From April to December 2025, 73 CPD cohorts were delivered, resulting in 1,476 attendees, surpassing the full-year learner volume achieved in 2024/25.

Increased collaboration with Clinical Boards and wider stakeholders led to the development of 13 new CPD study days, conferences and courses since April 2025. These have consistently attracted strong attendance and contributed to enhancements in patient care.

The NHSAc has embedded robust processes, including a Course Approvals Process (CAP), Standard Operating Procedures, strengthened financial management systems, and clear reporting and Service Level Agreements.

Up to Quarter 3, 71% of all 2025/26 Trust CPD applications were for NHSAc-led CPD interventions, resulting in more CPD income being retained and reinvested within the Trust than ever before. In addition, up to December 2025, the NHSAc exceeded income target by 152%, generating £498,634 against an income budget of £198,130.

Effective use of the Learning Lab platform has improved CPD data quality, application management and certification processes.

Apprenticeships

During 2025/26, the Trust continued to strengthen its approach to learning, development and workforce growth, using education and skills investment to support the organisation’s long-term sustainability and its commitment to delivering high quality patient care. Apprenticeships remained a key enabler in developing talent across all staff groups, with £1.8m of levy funding invested since January 2025 to support 503 live apprentices in partnership with 36 training providers. This broad portfolio, spanning 38 programmes from Level 2 to Level 7, continues to underpin our “Grow Our Own” ambition and expand opportunities for career progression across the Trust.

In the 2024/25 reporting period, the Trust managed a total levy pot of £7.17m, with £3.79m in new contributions and £3.19m spent directly on apprenticeship training. A further £110k was transferred to partner organisations to support system wide workforce development, though £1.37m of levy expired, highlighting the importance of strengthening utilisation, especially for Bands 2–4, where apprenticeships can significantly support retention, skills development and internal career pathways.

The Trust continues to deliver a strong portfolio of learning and development activity alongside apprenticeships. Collectively, this programme of work demonstrates the Trust's commitment to developing a skilled, confident and compassionate workforce, equipped to deliver high quality care now and into the future.

Ofsted – Expected Standard in all areas

Safeguarding, Inclusion, Leadership & Governance, Achievement, Curriculum & Teaching and Participation & Development

Ofsted found that Newcastle Hospitals meets all safeguarding standards and delivers apprenticeship training to the expected standard. Inspectors highlighted a strong culture of safety, effective governance and well-designed apprenticeship programmes that equip learners with the clinical and interpersonal skills needed to excel in healthcare roles.

Apprentices benefit from high quality training environments, including advanced simulation facilities, and rapidly build confidence in applying clinical skills in real settings.

Achievement rates are high, particularly for level 2 healthcare support worker apprentices and Dental Nurses, many of whom achieve distinctions, and the majority secure continued employment within the Trust.

Leaders were praised for their inclusive recruitment approach, targeting individuals who may face greater barriers to learning and working closely with partner organisations to widen access. Tutors are experienced and well qualified, offering constructive feedback and linking learning closely to clinical practice.

Ofsted also identified areas for improvement, such as strengthening academic skills support, reviewing the impact of inclusion measures and planning more consistent ongoing tutor training. Overall, apprentices reported feeling safe, respected and supported, demonstrating the NHS values of compassion, respect and dignity throughout their work.

Following the positive Ofsted inspection and the clear recommendations for continued improvement, the Trust is investing further in the quality of its apprenticeship provision. We are now recruiting an additional assessor to enhance the support and feedback apprentices receive, and a Quality and Governance Lead to strengthen oversight, ensure consistently high standards, and drive forward the next phase of development in our apprenticeship programmes.

Widening Participation

Widening participation continues to be an important focus for the Trust, making sure that people who may face extra challenges in starting a career in healthcare can still access apprenticeship opportunities. We work closely with local schools, community organisations

and partners such as The King's Trust to reach individuals from disadvantaged backgrounds and groups who are underrepresented across the NHS. By offering targeted outreach, practical support and clear routes into training and employment, we aim to open up genuine career opportunities for people living in Newcastle and the surrounding area. This approach helps us build a workforce that better reflects the communities we serve and supports long term development of talent across the Trust.

Work Experience

Our work experience programme is now coordinated locally within each individual department, allowing teams to shape placements around the real work happening in their areas. This makes the experience more meaningful for participants, who get the chance to spend time alongside staff and see first-hand how different roles contribute to patient care. Whether in a clinical or non-clinical setting, learners gain a genuine understanding of the NHS, develop early professional skills, and build confidence in a busy healthcare environment. This local approach not only helps young people and career changers make well informed decisions about their next steps but also strengthens our future workforce by encouraging interest in apprenticeships and other training opportunities across the Trust.

The Work-Based Learning team delivered a safe, well-structured programme that provides young people with meaningful exposure to NHS roles. Working with Special Educational Needs and Disabilities (SEND) schools, colleges and community partners, the team focused on widening participation and supporting individuals from underrepresented backgrounds.

Using a flexible hybrid model combining virtual learning with supported in-person placements, the programme offers strong safeguarding, tailored resources and clear departmental guidance. This approach has helped many participants progress into training or employment.

In recognition of its impact, the Work-Based Learning team was named Team of the Year (Support and Corporate Services) and achieved NHSE's Work Experience Quality Standard – Silver accreditation, making Newcastle Hospitals the only Trust in the region to receive this recognition.

Code of Governance

We apply the principles of NHSE's Code of Governance (the 'Code') for NHS Provider Trusts on a comply or explain basis. The Code (last updated in 2022) was based on principles of the revised UK Corporate Governance in 2019, and came into effect from 1 April 2023.

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 of 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 groups may have governors as members, observers or in attendance.

Mandatory disclosures

There are several disclosures and statements that we are required to make, even where we are fully compliant – known as mandatory disclosures. The mandatory disclosures have already been made within the main text of the annual report and section references are provided below to demonstrate where each disclosure has been made.

Code section	Summary of requirement	Details/Section reference
A2.1	The Board of Directors should assess the basis on which the Trust ensures its effectiveness, efficiency and economy, as well as the quality of its healthcare delivery over the long term, and contribution to the objectives of the ICP and ICB, and place-based partnerships. The Board of Directors should ensure the Trust actively addresses opportunities to work with other providers to tackle shared challenges through entering into partnership arrangements such as provider collaboratives. The Trust should describe in its annual report how opportunities and risks to future sustainability have been considered and addressed, and how its governance is contributing to the delivery of its strategy.	Detailed within both the Partnerships, Performance and AGS sections of this report. Several activities have been undertaken during the year to assess and strengthen the Trust's contribution to the objectives of the ICP, ICB and place based partnerships, including how opportunities and risks to future sustainability have been considered and addressed: • The Trust continues to work closely with the ICB and the Provider Collaborative. • The ICB's Newcastle Place Based Plan was developed and monitored with input from the Trust through the Newcastle ICB Sub Committee. • The external Well-led review by Grant Thornton and the development of the associated Well-led Action Plan to further strengthen Trust governance which would otherwise impact on sustainability. • The Trust Board have considered major challenges facing the Trust and decided previously, along with three other local NHS FTs, to create the GNHA to tackle shared challenges. • The Trust developed a Clinical Strategy in a process which included an assessment of effectiveness and efficiency and development of plans to improve the quality of healthcare delivery. • Development of the new 5-year Trust Strategy which will be underpinned by robust annual delivery plans.
A2.3	The Board of Directors should assess and monitor culture. Where it is not satisfied that policy, practices or behaviour throughout the business are	• Detailed within the EDI, Staff Engagement and Experience and Staff Health and Wellbeing sections of this report.

Code section	Summary of requirement	Details/Section reference
	aligned with the Trust's vision, values and strategy, it should seek assurance that management has taken corrective action. The annual report should explain the Board's activities and any action taken, and the Trust's approach to investing in, rewarding and promoting the wellbeing of its workforce.	• The Board has focussed significantly on the culture of the organisation and actions to support and improve. This is set out earlier in this report. Particular points to note are: • The People Committee has received updates and assurance on EDI, anti- racism, staff experience, psychological support, health and wellbeing and a number of other relevant areas. • An independent external Well led review was undertaken by Grant Thornton, with Trust Board taking detailed account of the results and developing clear improvement actions. • A new structure for People services has been agreed and is being implemented to support us in developing a just and learning culture. In addition our new strategy has our just and learning culture embedded in it. • Several Board Development sessions have taken place looking at various aspects of culture, with positive outcomes. • The Board approved our Anti-racism Framework in January 2026 which is being implemented, and includes a clear, zero-tolerance approach to discrimination.
A2.8	The Board of Directors should describe in the annual report how the interests of stakeholders, including system and place-based partners, have been considered in their discussions and decision-making, and set out the key partnerships for collaboration with other providers into which the trust has entered.	Detailed within the Partnerships section of this report. For collaboration with other organisations, such as the creation of the GNHA, regular updates are reported to the Trust Board meetings. The Newcastle ICB Sub Committee, chaired by the Trust's Chief Executive, meets monthly bringing together colleagues from the Trust, City Council, ICB, mental health trust, primary care and voluntary sector to discuss place based

Code section	Summary of requirement	Details/Section reference
	The Board of Directors should keep engagement mechanisms under review so that they remain effective. The Board should set out how the organisation's governance processes oversee its collaboration with other organisations and any associated risk management arrangements.	issues and to make appropriate decisions. A defining feature of progress in 2025/26 has been the increased focus on operational collaboration, particularly through a series of bilateral partnerships between trusts. These bilaterals have provided a pragmatic and flexible mechanism to accelerate delivery in areas of shared priority, allowing organisations to work together in depth where there is the greatest opportunity for impact. While each bilateral reflects the specific needs and strengths of the organisations involved, collectively they represent a positive change in how the Alliance is delivering improvement.
B2.6	The Board of Directors should identify in the annual report each NED it considers to be independent. Circumstances which are likely to impair, or could appear to impair, a NEDs independence include, but are not limited to, whether a director: • has been an employee of the Trust within the last two years • has, or has had within the last two years, a material business relationship with the trust either directly or as a partner, shareholder, Director or senior employee of a body that has such a relationship with the Trust • has received or receives remuneration from the Trust apart from a	The names of the NEDs and their terms of office are listed in the Board of Directors section of the Accountability Report. All of the NEDs are considered to be independent. Of the circumstances that are listed in code section B2.2, none of the NEDs have been in post more than six years. Any situations where a conflict of interest arose were appropriately declared, considered and mitigating action taken.

Code section	Summary of requirement	Details/Section reference
	Director's fee, participates in the Trust's performance-related pay scheme or is a member of the Trust's pension scheme • has close family ties with any of the Trust's advisers, Directors or senior employees • holds cross-directorships or has significant links with other Directors through involvement with other companies or bodies • has served on the Trust Board for more than six years from the date of their first appointment • is an appointed representative of the Trust's university Medical or Dental School. Where any of these or other relevant circumstances apply, and the Board of Directors nonetheless considers that the NED is independent, it needs to be clearly explained why.	
B 2.13	The annual report should give the number of times the Board and its Committees met, and individual Director attendance.	The number of times the Board has met and individual director attendance is disclosed within the Board of Directors section of the Accountability Report. The number of times the Appointments and Remuneration Committee has met and individual Chair/NED attendance is disclosed within the Annual Remuneration Statement in the Accountability Report.

Code section	Summary of requirement	Details/Section reference
		The number of times the Nominations Committee has met and individual member attendance is disclosed within the Nominations Committee section of the Annual Report. The number of times the ARC has met and individual NED attendance is disclosed within the ARAC section of the Accountability Report. For other Board Committees, an Annual Report of the Committee is produced which sets out the role and responsibilities of the Committee, activity during the year, Committee membership and attendance. These reports are included within the Public Board meeting papers annually in May.
B 2.17	For Foundation Trusts, this schedule should include a clear statement detailing the roles and responsibilities of the Council of Governors. This statement should also describe how any disagreements between the council of Governors and the Board of Directors will be resolved. The annual report should include this schedule of matters or a summary statement of how the Board of Directors and the Council of Governors operate, including a summary of the types of decisions to be taken by the Board, the Council of Governors, Board Committees and the types of decisions which are delegated to the executive management of the Board of Directors.	Detailed within the Our Governors and Nominations Committee sections in the Accountability Report. In 2025/26 the Trust did not need to utilise the resolution process for resolving disagreement. An Accountability Framework is in place, along with Standing Orders and a Scheme of Delegation which sets out the decision making authority. The Accountability Framework was updated during the year and approved by the Trust Board (Public Meeting) in March 2025. As at May 2026, the Accountability Framework is under review following the publication of the new Trust Strategy.

Code section	Summary of requirement	Details/Section reference
C 2.5	If an external consultancy is engaged, it should be identified in the annual report alongside a statement about any other connection it has with the Trust or individual directors.	During the year the Trust has worked with NRG, a recruitment search agency, as part of NED recruitment exercises. There are no declarations of interest for the Board of Directors which suggest any connection between individual directors and Gatenby Sanderson and NRG.
C 2.8	The annual report should describe the process followed by the Council of Governors to appoint the Chair and NEDs. The main role and responsibilities of the Nominations Committee should be set out in publicly available written terms of reference.	A Nominations Committee Chair and NED appointments process and succession policy is in place. A rigorous and transparent process is followed which involves: 1. An analysis of the NED composition and current skillset in order to identify the skills to be sought, as well as a consideration of the Code of Governance/best practice guidance for recruitment of NEDs/a Chair. 2. Development of an advert, job description and person specification, with positive action taken in order to ensure a diverse pool of applicants. 3. Longlisting/shortlisting based on supporting statements. 4. Interviews incorporating a presentation from the shortlisted candidate(s) followed by questions by the Interview Panel. The Interview Panel consists of a majority of Governors from the Nominations Committee. The Panel are supported by the Trust Secretary, the SID/Chair as appropriate, an external representative from the ICB or NHSE, a diversity representative and external advisors where appropriate. 5. The Interview Panel makes a recommendation to the Nominations Committee and the Council of Governors for approval. For the recruitment of a Chair the process includes establishing a focus group of governors, senior staff and stakeholders

Code section	Summary of requirement	Details/Section reference
		to meet the candidates prior to the final interview. The Terms of Reference of the Nominations Committee set of the main role and responsibilities of the Committee. They are reviewed as a minimum every two years and are approved by the Council of Governors in the Public session of the meetings – meeting papers are available on the Trust website.
C 4.2	The Board of Directors should include in the annual report a description of each Director's skills, expertise and experience.	Detailed within the Board of Directors section of this report.
C 4.7	All Trusts are strongly encouraged to carry out externally facilitated developmental reviews of their leadership and governance using the Well-led framework every three to five years, according to their circumstances. The external reviewer should be identified in the annual report and a statement made about any connection it has with the trust or individual directors.	During the year Grant Thornton was commissioned to undertake an external Well-led review using the NHSE developmental well led framework (June 2017). There are no connections between Grant Thornton and the Trust or individual directors which would create a threat to independence.
C 4.13	The annual report should describe the work of the Nominations Committee(s), including: • the process used in relation to appointments, its approach to succession planning and how both support the development of a diverse pipeline • how the Board has been evaluated, the	Detailed within the Nominations Committee section in the Accountability Report. See also C 2.8 above. Well led inspection findings are detailed in the AGS and well-led section of this report. During the year the Nominations Committee has considered/discussed a number of options to support the development of a diverse pipeline and used skills matrices in order to identify the composition of the NED skills within the Board and any potential gaps. The EDI Policy is set out within the Remuneration Report section of this

<table>
<tr><th>Code section</th><th>Summary of requirement</th><th>Details/Section reference</th></tr>
<tr><td></td><td>nature and extent of an external evaluator’s contact with the Board of Directors and individual Directors, the outcomes and actions taken, and how these have or will influence Board composition
• the policy on diversity and inclusion including in relation to disability, its objectives and linkage to Trust vision, how it has been implemented and progress on achieving the objectives
• the ethnic diversity of the Board and senior managers, with reference to indicator nine of the NHS Workforce Race Equality Standard and how far the Board reflects the ethnic diversity of the Trust’s workforce and communities served the gender balance of senior management and their direct reports.</td><td>report. It directly links to one of our values. We value and celebrate diversity, challenge discrimination and support equality. We actively listen to different voices. Our values, which were developed wholly by our staff and guide everything that we do as we grow to achieve our vision.

The Board representation indicator (WRES indicator 9) is calculated by deducting the percentage of BME staff in the workforce from the percentage of BME members on the Board of Directors. A value of "0.0" means that the percentage of BME members on the Board of Directors is exactly the same as the percentage of BME staff in the workforce. A positive value means that the percentage of BME members on the board of directors is higher than in the workforce, and a negative value means that the percentage of BME members on the Board of Directors is lower than in the workforce.

As at March 2026 the difference between BME representation on the Board and in the workforce was -9.3%, BME members on the Board are underrepresented in terms of headcount.

<table>
<tr><th></th><th>2026 - Number of BME staff per band</th><th>2026 - Additional staff required to achieve equity</th></tr>
<tr><td>Band 8a</td><td>29</td><td>64</td></tr>
<tr><td>Band 8b</td><td>6</td><td>28</td></tr>
<tr><td>Band 8c</td><td>1</td><td>15</td></tr>
<tr><td>Band 8d</td><td>1</td><td>3</td></tr>
<tr><td>Band 9</td><td>1</td><td>2</td></tr>
<tr><td>VSM</td><td>0</td><td>4</td></tr>
</table>
</td></tr>
</table>

Code section	Summary of requirement	Details/Section reference
		Equality, diversity and inclusion - Newcastle Hospitals Information on the Trust's gender pay gap is available via the UK Government's gender pay gap reporting service: https://gender-pay-gap.service.gov.uk/
C 5.15	Foundation Trust Governors should canvass the opinion of the Trust's members and the public, and for appointed governors the body they represent, on the NHS foundation trust's forward plan, including its objectives, priorities and strategy, and their views should be communicated to the board of directors. The annual report should contain a statement as to how this requirement has been undertaken and satisfied.	The Governors Business and Development Working Group are engaged in the Forward Plan development process and updates are shared at the Council of Governors meetings. Further work is scheduled during
D 2.4	The annual report should include: • the significant issues relating to the financial statements that the Audit Committee considered, and how these issues were addressed • an explanation of how the Audit Committee (and/or auditor panel for an NHS trust) has assessed the independence and effectiveness of the external audit process and its approach to the appointment or	Detailed within the ARAC section of this report.

Code section	Summary of requirement	Details/Section reference
	reappointment of the external auditor; length of tenure of the current audit firm, when a tender was last conducted and advance notice of any retendering plans • where there is no internal audit function, an explanation for the absence, how internal assurance is achieved and how this affects the external audit • an explanation of how auditor independence and objectivity are safeguarded if the external auditor provides non-audit services.	
D 2.6	The Directors should explain in the annual report their responsibility for preparing the annual report and accounts, and state that they consider the annual report and accounts, taken as a whole, is fair, balanced and understandable, and provides the information necessary for stakeholders to assess the trust's performance, business model and strategy.	Detailed within the Statement of Accounting Officers Responsibility.
D 2.7	The Board of Directors should carry out a robust assessment of the trust's emerging and principal risks. The relevant reporting manuals will prescribe associated disclosure requirements for the annual report.	Detailed within the AGS and Performance section of this report.
D 2.8	The Board of Directors should monitor the Trust's risk management and internal	Detailed within the AGS within this report.

Code section	Summary of requirement	Details/Section reference
	control systems and, at least annually, review their effectiveness and report on that review in the annual report. The monitoring and review should cover all material controls, including financial, operational and compliance controls. The Board should report on internal control through the annual governance statement in the annual report.	
D 2.9	In the annual accounts, the Board of Directors should state whether it considered it appropriate to adopt the going concern basis of accounting when preparing them and identify any material uncertainties regarding going concern. Trusts should refer to the DHSC group accounting manual and NHS Foundation Trust annual reporting manual which explain that this assessment should be based on whether a trust anticipates it will continue to provide its services in the public sector. As a result, material uncertainties over going concern are expected to be rare.	Detailed within the Performance section of this report.
E 2.3	Where a Trust releases an executive director, e.g. to serve as a Non-Executive Director elsewhere, the remuneration disclosures in the annual report should include a statement as to whether or not the Director will retain such earnings.	Not applicable during 2025/26.
Appendix B, para	The annual report should identify the members of the	Detailed within the Our Governors and Governor Elections sections of this report.

Code section	Summary of requirement	Details/Section reference
2.3 (not in Schedule A)	Council of Governors, including a description of the constituency or organisation that they represent, whether they were elected or appointed, and the duration of their appointments. The annual report should also identify the nominated Lead Governor.	
Appendix B, para 2.14 (not in Schedule A)	The Board of Directors should ensure that the NHS Foundation Trust provides effective mechanisms for communication between Governors and members from its constituencies. Contact procedures for members who wish to communicate with Governors and/or Directors should be clear and made available to members on the NHS foundation trust's website and in the annual report.	Detailed within the Our Governors and Members section of this report. The Members' Newsletter includes contact details for both the Lead Governor and the Governor and Membership Engagement Officer. Governor details are included on the Trust website – see https://www.newcastle-hospitals.nhs.uk/about/our-governors/meet-our-governors/
Appendix B, para 2.15 (not in Schedule A)	The Board of Directors should state in the annual report the steps it has taken to ensure that the members of the board, and in particular the Non-Executive Directors, develop an understanding of the views of Governors and members about the NHS Foundation Trust, e.g. through attendance at meetings of the council of governors, direct face-to-face contact, surveys of members' opinions and consultations.	This is conducted through several different ways such as: • NEDs attendance at Governor Working Group and Council of Governor meetings and two-way communication (NEDs provide updates from Committees and answer Governor questions). • Members of the Board are in attendance at the Members' Events which are attended by both Governors and Members and this provides the opportunity for all parties to communicate on Trust issues. • Both NED's and Governors undertake visits across the organisation to discuss services directly with Members and patients. • The Members' newsletters and the Trust website includes

Code section	Summary of requirement	Details/Section reference
		contact details for Members to contact Governors.
Additional requirement of FT ARM resulting from legislation	If, during the financial year, the Governors have exercised their power* under paragraph 10C** of schedule 7 of the NHS Act 2006, then information on this must be included in the annual report. This is required by paragraph 26(2)(aa) of schedule 7 to the NHS Act 2006, as amended by section 151 (8) of the Health and Social Care Act 2012. * Power to require one or more of the directors to attend a governors' meeting for the purpose of obtaining information about the foundation trust's performance of its functions or the directors' performance of their duties (and deciding whether to propose a vote on the foundation trust's or directors' performance). ** As inserted by section 151 (6) of the Health and Social Care Act 2012)	Power not exercised in 2025/26.

Comply or explain

We have complied with the "comply or explain" disclosures of the Code of Governance.

NHS Oversight Framework

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

The framework assesses organisations against a combination of metrics cutting across the themes of access, patient experience and safety, workforce, finance and productivity. Comparable Trusts are benchmarked, with scores issued based on rankings against other providers. The consolidated ranking issued determines the segment of assurance the Trust is placed in, ranging from 1 (high performing) to 4 (significantly off-track in a range of domains), however any organisation that does not deliver a surplus or breakeven position will have their segmentation limited to no better than 3.

Segmentation

Segmentation decisions indicate the scale and general nature of support needs, but do not determine specific support requirements. NHSE's improvement response will be based on the segmentation score alongside consideration of the organisation's leadership and governance (provider capability) to ensure that it is tailored and nuanced, balancing performance improvement and management.

As of March 2026 Newcastle Hospitals is in segment 3 in accordance with the requirements of the NHS Oversight Framework, following assessment of quarter 3 (October – December 2025) performance data. The Trust was initially placed in segment 2 following the publication of data for quarter 1 (April – June 2025) and maintained this position at the end of quarter 2 (July – September 2025). Current segmentation information for NHS Trusts and Foundation Trusts is published on the NHSE website: https://www.england.nhs.uk/nhs-oversight-framework/segmentation-and-league-tables/

Throughout 2025/26, the Trust has sought to report, assess and address performance data through the appropriate internal and external governance mechanisms. Fortnightly governance meetings are conducted with respect to RTT and cancer performance recovery, conducted by the Director of Performance and Governance and Director of Operations for Cancer Services respectively. A comprehensive suite of performance metrics are reviewed and improvement and recovery plans tracked at both monthly Access and Improvement Delivery Group meetings and individual Clinical Board Quality and Performance Reviews. Summary performance information as well as the outputs of discussions at these groups are reported into tier 1 governance committees including Trust Board and Finance and Performance Committee.

A monthly Quality Improvement Group chaired by the ICB took place throughout 2025/26 and includes members from NHSE and the CQC who are able to take assurance from the progress being made to address issues raised. By the end of March 2026 the Trust had been formally de-escalated from this process, with regular meetings stood down.

Additionally, in February 2025 the Trust was placed into Tier 2 oversight measures by NHSE's support framework for cancer and diagnostics performance. This elevated tiering status necessitated regular meetings with NHSE to report on ongoing performance trends and the actions being undertaken to address and improve waiting times for patients on these pathways. The Trust was stood down from the tiering process for diagnostics in July

2025, and subsequently for cancer care in August 2025, having successfully provided assurance through the demonstration of detailed analysis of tumour-site specific pathway issues and credible plans delivering demonstrable reductions in waiting times.

* *https://www.england.nhs.uk/long-read/nhs-oversight-framework-2025-26/*

Statement of Accounting Officers Responsibility

Statement of the Chief Executive's responsibilities as the Accounting Officer of The Newcastle upon Tyne Hospitals NHS Foundation Trust

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

NHSE has given Accounts Directions which require The Newcastle upon Tyne NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis required by those Directions. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of 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 NHSE, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgements and estimates on a reasonable basis;
- State whether applicable accounting standards as set out in the NHS Foundation Trust Annual Reporting Manual (and the DHSC Group Accounting Manual) have been followed, and disclose and explain any material departures in the financial statements;
- Ensure that the use of public funds complies with the relevant legislation, delegated authorities and guidance;
- Confirm that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for patients, regulators and stakeholders to assess the NHS Foundation Trust’s performance, business model and strategy: and
- Prepare the financial statements on a going concern basis and disclose any material uncertainties over going concern.

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

As far as I am aware, there is no relevant audit information of which the Foundation Trust’s auditors are unaware, and I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the entity’s auditors are aware of that information.

To the best of my knowledge and belief, I have properly discharged the responsibilities set out in the NHS Foundation Trust Accounting Officer Memorandum.

Rob Harrison
Acting Chief Executive Officer

25 June 2026

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 2026 and up to the date of approval of the annual report and accounts.

3. CAPACITY TO HANDLE RISK

The Trust Board have overall responsibility and accountability for risk management within the Trust and Group. The specific responsibilities for risk management are set out within the Risk Management Policy.

Following the full review and reset of risk management in 2024, the Trust and Group has continued to strengthen risk management across the Trust. This has included the implementation of InPhase, the electronic risk management system in July 2025, followed by the refinement of the Risk Management Policy, implementation of risk system training, development of supporting standard operating procedures and guidance documents.

Structures and systems are in place to support the delivery of risk management, across the Trust and Group. Full risk management training and support has been provided to staff throughout the year. This has included the implementation of a basic risk management training video, risk theory training, risk refresher training and risk system user training in addition to guidance and support as and when required.

The Risk Validation Group, a tier 2 committee of the Audit, Risk and Assurance Committee meets monthly to review, consider and validate all risks held on the risk register as well as

the systems and processes in place for Trust-wide risk management including the learning and sharing of best practice.

Each Committee of the Trust Board meets at least bi-monthly to review and gain assurance that strategic risks held on the Board Assurance Framework (BAF) relating to the Committees' area of focus are managed effectively, that risks have appropriate action plans in place, assurances are received and that risk scores are realistic and achievable.

The Audit, Risk and Assurance Committee meet bi-monthly and provide the Trust Board with an independent and objective review of risk management systems and practices.

As Accountable Officer, I am directly accountable to the Trust Board and have overall responsibility and accountability for all aspects of risk management and assurance. I delegate these aspects of my role to the Director of Performance and Governance. These arrangements are reflected in job descriptions and performance review mechanisms are in place.

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 has been overseen by the Audit, Risk and Assurance Committee with individual officers having specific delegated responsibilities.

The key elements of the Risk Management Policy are:

- A framework for the accountability and delegated responsibility for the management of risk.
- An integrated document that sets out the overall purpose and processes.
- A clearly defined reporting structure that supports robust and timely reporting and decision making.
- System and process for the identification, analysis, prioritisation, action planning and ongoing monitoring of risks affecting all areas of Trust activity.

Trust-wide risk registers are maintained, which record when a risk has been identified, its' owners, likelihood of occurrence, potential impact and mitigating action. Senior management teams are responsible for ensuring effective risk management in their areas, in line with the Trust and Group Accountability Framework and Risk Management Policy. 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. The Trust and Group principal risks and mechanisms to control them are identified through the BAF, which is reported to the Trust Board bi-monthly.

The Trust and Group Risk Management and BAF processes and policy were tested in accordance with the internal audit plan 2025/2026 providing a good level of assurance.

The table below details the top three risks identified in 2025/26.

Top 3 Risks Board Assurance Framework in 2025/2026	
Risk	**Key Controls**
Patient Safety and Quality • Provision of safe quality care. • Shared learning and improvement. • Capacity and Demand pressures. • Quality of care digital initiatives.	• Quality Performance Reviews. • Performance monitoring. • Performance recovery plans. • Clinical standards, policies and guidelines. • Quality and Safety Learning Forum. • Patient Safety Incident Response Framework. • Rapid Quality and Safety Peer Reviews. • Digital road map work plan. • Clinical digital priorities.
Financial Sustainability • Financial Recovery/Cost improvement. • Capital funding allocation. • Reliance on non-cash measures. • Unplanned emerging cost pressures.	• Central forecasting to year end. • Equality and Quality Impact Assessments. • Financial Recovery Programme. • Finance dashboards created. • Quality Performance Reviews with focus on Finance. • Development and management of Capital Departmental Expenditure Limit (CDEL) plan. • Continuous engagement with the ICB.
Workforce • Organisational culture. • Workforce planning. • Organisational change. • Staff health and wellbeing.	• Freedom to Speak up Team expansion and engagement with staff. • Implementation of large-scale staff experience programme. • Behaviours and Civility Charter. • Development of a dignity and respect policy. • Health and wellbeing plan. • Development of an anti-racism framework.

5. QUALITY GOVERNANCE

The Trust Board have overall responsibility and accountability for quality governance within the Trust and Group. The Chief Executive Officer is accountable to the Trust Board for ensuring that appropriate quality governance, oversight and assurance mechanisms are in place to monitor and improve the quality of care and delegates this responsibility to the Executive Director of Nursing, Midwifery and AHPs and the Director of Quality and Safety.

The Quality Committee meets monthly, chaired by a Non-Executive Director and provides independent assurance to the Trust Board in relation to quality and safety within the Trust. The Quality Committee reporting and escalation structure ensures effective quality governance reporting and escalation mechanisms from Ward to Board.

The Trust Board receives a regular Integrated Board Reports, providing a comprehensive overview of performance across the domains of quality, people, performance and finance, supporting informed decision-making and assurance.

Quality and Performance Reviews are undertaken across the eight Trust and Group Clinical Boards, supported by a Trust-wide quality improvement programmes including Quality and Safety Peer Reviews and the Accrediting Excellence Programme, and are clearly embedded within Quality Committee reporting and escalation processes.

Clinical services are delivered through Clinical Boards, each led by a Clinical Board Chair (medical leader), a Director of Operations and a Head of Nursing. Each Clinical Board has a monthly Quality Oversight Group, chaired by a senior medical Quality and Safety Lead and attended by key stakeholders including staff within the Clinical Board and key Corporate Services staff such as quality and safety, risk and assurance, quality improvement, human resources, finance and estates. A standardised agenda ensures regular review of all domains of quality including patient safety and quality effectiveness.

Quality governance has been further embedded with the appointment of non-medical Quality and Safety Governance Leads as well as the expansion of the governance structure to include Directorate and Specialty department levels, supporting a clear Ward to Board approach to governance across the Trust and Group.

6. PRINCIPAL RISKS TO COMPLIANCE WITH NHS PROVIDER LICENCE SECTION 4

Following the Trust and Groups CQC inspection in 2023 which saw the Trust and Groups CQC rating reduce to requires improvement, the Trust and Group have been in enhanced oversight by NHS England with monitoring and oversight through a regular Integrated Quality and Improvement Group.

In March 2026, the Trust and Group were de-escalated from enhanced oversight by NHS England following evidence of sustained improvement across the organisation. As part of this process, the Trust commissioned Grant Thornton UK LLP to complete an independent well-led review. This demonstrated clear improvement in response to the findings of the 2023 CQC inspection.

In November 2025, to build upon the foundations for the upcoming ten-year health plan, NHS England published a revised approach to the oversight of NHS Providers. Providers were required to complete a self-assessment of their organisation’s capability. The Trust and Group drew upon information, reports, Board papers, and assurance documents as well as third party information available to consider and provide a capability self-assessment declaration approved by the Trust Board and submitted to NHS England for assessment.

In February 2026, The Trust and Group received an amber-green rating from NHS England noting no material findings were identified however further improvement was required.

The Trust and Group are confident on the ability to demonstrate and provide evidence and assurance in relation to:

- The effectiveness of governance structures.
- The responsibilities of Directors.

- Effective reporting lines and accountability between the Board, its committee functions and the Executive Team.
- Rigor of oversight at Trust Board in relation to performance.

The Trust and Group is registered and fully compliance with registration requirements of the CQC. There are currently no restrictions on the Trust and Group provider licence to deliver NHS services.

The Trust and Group has published on its website an up-to-date register of interests, including gifts and hospitality for decision making staff within the last 12 months as required by the Managing Conflicts of Interest in the NHS guidance.

All declarations of interest are made using the Trust and Groups Declaration of Interest Portal DECLARE. The DECLARE portal maintains a real time public register of declarations throughout the year accessible via the Trust Internet Page. The Trust reports declarations of interest annually to the Audit, Risk and Assurance Committee and within 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.

The Trust and Group have an established Trust Board Committee, the People Committee which provides the primary mechanism for assurance in relation to workforce planning, workforce change and staff experience.

The People Committee and Trust Board receive regular workforce intelligence, including data on vacancies, turnover, sickness absence, temporary staffing use and workforce risks, and provides appropriate challenge and scrutiny. This includes but not limited to holding the Trust and Group to account on progress against:

- Our people plan and EDI Action Plan.
- Monitoring changes positive and negative against the WRES and WDES metrics.
- Reduction in and understanding of our Pay Gaps.

This then provides evidence and assurance via the People Committee to the Trust Board that workforce change is being managed safely and sustainably, in line with national expectations.

The Trust and Group have an established Equality Impact Assessment (EIA) process in place, this supports and strengthens decision-making and ensure staffing and workforce decisions are fair, inclusive, and compliant with the Public Sector Equality Duty.

Through embedding the EIA process this has supported safe, sustainable and effective workforce systems by proactively identifying and mitigating risks of discrimination, improving transparency and accountability, and ensuring services and workforce models

reflect the needs of diverse groups. Where workforce change, redesign or reduction is proposed, this ensures that quality considerations remain central to workforce decision-making.

The workforce planning return provides assurance in relation to effectiveness of the Trust and Groups workforce planning processes through a robust, cross-departmental approach involving Finance, HR and Performance. This return brings together business cases, headcount reduction targets, financial input and the impact of exit schemes to ensure a comprehensive and balanced workforce planning position. Workforce planning is reviewed and considered at the People Committee.

The Trust and Group has a range of recruitment policies and processes in place to ensure alignment with workforce plans, affordability and service need. Clear governance and approval arrangements provide assurance that recruitment decisions are consistent, reviewed and risk managed. Ongoing oversight and monitoring supports establishment control, financial stewardship and workforce stability, ensuring recruitment activity remains compliant with organisational and regulatory expectations. The Trust and Group requires executive level sign off and agreement of all recruitment activity. This is managed centrally via the Trust's Recruitment Control Group.

Medical workforce planning and recruitment decisions are monitored and led within Clinical Boards with executive oversight by the Joint Medical Director with support from the Medical Workforce Team.

In line with Developing Workforce Safeguards (NHS1 2018) processes are in place across the Trust and Group to ensure safe staffing governance is robust and regularly reported to the Trust Board and relevant sub-committees of the Trust Board.

A comprehensive six-month deep dive report in relation to nurse staffing is undertaken in line with guidance and reported to the Quality Committee and Trust Board for discussion and challenge to ensure processes are safe and sustainable. This includes the use of validated and recommended safe staffing tools alongside professional judgment and the monitoring of clinical outcomes.

A process of regular reporting of midwifery staffing is also in place in line with national best practice and Maternity Incentive Scheme guidance. Over the last financial year, AHP staffing has been reported to the Quality Committee and Trust Board. Work is in progress to further strengthen AHP reporting to ensure it mirrors the robust reporting already in place for nursing and midwifery. In addition, safe staffing is an area of focus within the Trust and Group Accrediting Excellence Programme which provides a structured framework for monitoring nurse staffing metrics alongside critical outcomes and patient experience data, enabling early identification of risk and timely implementation of targeted action to mitigate.

The Trust and Group has undertaken risk assessments and has a Climate Emergency Strategy and action plan in place which take account of the 'Delivering a Net Zero Health Service' report under the Greener NHS programme.

The Trust and Group ensures that its obligations under the Climate Change Act and the adaptation reporting requirements are complied with, these are further described in more

detail in the taskforce climate-related financial disclosures compliance statement within the main Trust and Group annual report.

The Trust and Group is committed to delivering Sustainable Healthcare in Newcastle (Shine) – caring for people and 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 Climate Emergency Strategy includes a comprehensive five-year action plan covering eight Shine priority action areas. A sustainability report is publicly available each year, to demonstrate progress towards the achievement of the Trust and Group sustainability priorities.

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. Arrangements are in place for setting of objectives and targets on an annual basis this includes financial planning and ensuring the financial strategy is robust, affordable and plans are in place to manage cost savings.

Performance against objectives are monitored and actions identified through a number of ways, for example:

- Monthly monitoring and reporting to the Committees of the Trust Board and Trust Board on key performance indicators such as finance, activity, performance, patient safety and quality.
- Weekly reporting to the Executive Team on the Trusts financial position and performance.
- Quality and Performance Reviews focusing on quality and safety, performance, productivity, finance and people.
- Assurance committee reporting.
- Reporting to NHSE and the ICB.
- Collective development and approval of the operational plan, activity plan and financial plan.

Quality and Performance Reviews take place throughout the Trust at an operational level which focuses on quality and safety, performance, productivity, finance and workforce through review and discussions on a range of metrics. The purpose of the Quality and Performance Review is to ensure that Clinical Boards and Corporate Directorates are progressing in line with aims, objectives, and priorities, as well as focussing on any outliers in metrics and working collectively to understand and support how improvements can be made.

The Trust and Group agree an annual audit programme with the Trust's internal auditors through delegated authority to the Trust Audit, Risk and Assurance Committee. The Audit, Risk and Assurance 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, Risk and Assurance Committee in April each year.

Any report which offers limited assurance results are reported to the Executive Team, the Audit, Risk and Assurance Committee and the relevant committee of the Trust Board. Any remedial management action plans are monitored by the Corporate Risk and Assurance Team monthly and reported through a quarterly report to the appropriate committee of the Trust Board based on the focus of the audit.

All serious issues identified are escalated to the Executive Team, Committees of the Trust Board and Trust Board via the Committee Chairs and the Executive Team.

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 regular updates reported to the Senior Information Risk Owner (SIRO). Information Governance, data protection and cyber security form part of the terms of reference of the Digital and Data Committee and updates are provided by the SIRO to this Committee.

A Digital and Data Governance Group was established in 2025, a tier 2 committee reporting into the Digital and Data Committee, chaired by the SIRO, this group focuses information governance, data protection, information management and cyber security ensuring effective management and processes are in place to deliver compliance with our statutory and regulatory obligations relating to the Information Governance and Data protection agenda.

The UK Data Protection Act 2018 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 2025/2026 with a high confidence level received.

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 2025/26, two incidents were risk assessed as meeting the threshold for reporting to the Information Commissioners Office (ICO). These relate to personal information being shared with the incorrect individual.

After action reviews were completed for each incident and learning and sharing was disseminated to staff to ensure extra caution was taken when sending emails. The ICO did not investigate either incident and no further action has been taken by the ICO.

9. DATA QUALITY AND GOVERNANCE

The Trust and Group have appropriate controls in place to assure the Trust Board of the accuracy and production of data which supports the Trust to make informed decision making, both clinical and non-clinical.

The Trust and Group have a Data Quality Policy which outlines the roles and responsibilities of the Trust and Group and its staff in order to maintain good data quality. The policy also provides staff with guidance on roles and responsibilities and states the importance of recording accurate information in a timely way to deliver quality patient care.

The core principles of the Trust and Group 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 and Group Information Services Department that provides routine and ad-hoc data quality analysis, reporting and root cause analysis of all data issues. National benchmarking resources such as the CDS Data Quality Dashboards and the Data Quality Maturity Index (DQMI) are used to compare and track the quality of data and allow for benchmarking against local Trusts and national peers to ensure that high standards are met and maintained.

Data quality forms part of the terms of reference for the Digital and Data Governance Group, a tier 2 Committee of the Digital and Data Committee with regular updates received by the group to ensure that the Trust and Group are compliant with NHS data standards.

The Information Team continues to support and train system users and suppliers to improve real time validation. The Performance Management Framework is 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 Board Report is produced and is regularly reviewed throughout the Trust governance structure including committees of the Trust Board and at Trust Board meetings which includes data metrics relating to quality and safety, finance, performance and workforce.

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 Team, the Senior Management Team and corporate and clinical leaders 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 the performance information available to me.

My review is also informed by feedback from the external auditors and in their management letters and reports, as well as the work undertaken to evidence and provide assurance in response the findings of the CQC inspections, the Grant Thornton LLP Independent well led review, the NHS Provider Capability Assessment and evidence and assurance provided to NHS England whilst under enhanced oversight.

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 2025/26 provided a reasonable level of assurance**.**

The Trust and Group internal audit plan for 2025/2026 was set over the following key categories:

- Governance, risk and performance.
- Ethical governance.
- Data and digital governance.
- Finance, contracting and capital.
- HR and workforce.
- Data quality.
- Patient safety and quality and
- Follow up.

A total of 569 days were assigned to deliver the Internal Audit Plan for 2025/2026 with progress updates provided to the Audit, Risk and Assurance Committee quarterly.

In 2025/26 the Trust and Group received four limited assurance audits which identified weaknesses in the Trust and Group systems of internal control. Areas of weakness have

been reviewed and discussed with the Executive Team, the Audit, Risk and Assurance Committee and Trust Board, actions to address areas of weakness have been identified and action plans have been put in place to close the gap in control or assurance.

11. CONCLUSION

I am assured on the progress that the Trust and Group has made throughout 2025/2026.

The Trust and Group has continued to take a robust approach to targeting areas identified as being of potential concerns or area of weakness and continue to ensure that new controls and oversight arrangements are established as demonstrated in section 5 to monitor and progress improvements.

I am assured that risks to compliance with the NHS Provider Licence are effectively managed and comprehensive assurance can be demonstrated, notably through de-escalation from enhanced oversight by NHS England as detailed in section 6.

I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Trust Board and the Audit, Risk and Assurance Committee, and plan to continue to develop robust plans to address any weaknesses and ensure continuous improvements of systems are in place. I am assured that the processes in place for responding to issues are monitored effectively and escalated appropriately.

I can conclude that no significant issues of internal control have been identified.

Mr Robert Harrison
Acting Chief Executive

25 June 2026

Audit and Controls

Investment Managers (Newcastle Hospitals Charity Investments) – CCLA Investment Management Ltd & Newton Investment Management Ltd.

Banker – HSBC, RBS (Government Banking Service), Barclays, Virgin Money

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
- Kings Chambers
- Trinity Chambers
- Manleys Solicitors
- Hill Dickinson LLP
- Matrix Chambers Ltd
- KPMG LLP
- Withers LLP (Newcastle Hospitals Charity)
- Stone King LLP

External Auditors – Forvis Mazars LLP and Robson Laidler

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.

Robson Laidler carry out an audit of Newcastle Hospitals Charity and NHPL.

The ARAC 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 were invited to attend all meetings of the ARAC and auditors also had unrestricted access to the ARAC, its Chair and individual members.

Sound corporate governance and all that entails was an over-riding priority.

Abbreviations and Glossary of Terms

A&E	Accident and Emergency
AfC	Agenda for Change
AGS	Annual Governance Statement
AHP	Allied Health Professionals
AHSC	Academic Health Science Centre
AHUS	Atypical haemolytic uraemic syndrome
AI	Artificial Intelligence
ALI	Acute Limb Ischaemia
APEX	Advising on Patient Experience
API	Aligned Payment and Incentive
ARAC	Audit, Risk and Assurance Committee
ASPiH	Association for Simulated Practice in Healthcare
ATLS	Advanced Trauma Life Support
BAF	Board Assurance Framework
BASHH	British Association for Sexual Health and HIV
BMA	British medical Association
BME	Black and Minority Ethnic
BPPC	Better Payments Practice Code
BREEAM	Building Research Establishment Environmental Assessment Method
BSC	Bachelor of Science
CAP	Course Approval Panel
CAV	Campus for Ageing and Vitality
CB	Clinical Board
CBE	Commander of the Order of the British Empire
CCRA	Climate Change Risk Assessment
CDC	Community Diagnostic Centre
CEO	Chief Executive Officer
CFO	Chief Finance Officer
CHASE	Centre for Health and Social Equity
CHUF	Children’s Heart Unit Foundation
CIC	Community Interest Companies
CIP	Cost Improvement Programme
CIPFA	Chartered Institute of Public Finance and Accountancy
CLTI	Chronic Limb-Threatening Ischaemia
CNO	Chief Nursing Officer
COO	Chief Operating Officer
COPD	Chronic Obstructive Pulmonary Disease
COSHH	Control of Substances Hazardous to Health
CPD	Continuing Professional Development
CPGC	Cellular Pathology Genomic Centre
CQC	Care Quality Commission
CRESTA	Clinics for Research and Service in Themed Assessment
CS	Corporate Service

CT	Computerised Tomography
ctDNA	Circulating tumour DNA
DGTS	Digitised Genomic Test Service
DHSC	Department of Health and Social Care
DNA	Deoxyribonucleic Acid
DSPT	Data Security and Protection Toolkit
EASEE	Epicranial Application of Stimulation Electrodes for Epilepsy
ECCTA	Economic Crime and Corporate Transparency Act
ED	Emergency Department
EDI	Equality, Diversity and Inclusion
EDoN	Executive Director of Nursing
EDS	Equality Delivery System
EME	Efficacy and Mechanism Evaluation
ENT	Ear, Nose and Throat
EPR	Electronic Patient Record
EPRR	Emergency Preparedness Resilience and Response
ERF	Elective Recovery Fund
ESR	Electronic Staff Record
EV	Electric Vehicle
FDS	Faster Diagnosis Standard
FE	Further Education
FH	Freeman Hospital
FTE	Full-Time Equivalent
FTs	Foundation Trusts
FTSU	Freedom to Speak Up
Gateshead Health	Gateshead Health NHS Foundation Trust
GIRFT	Getting it Right First Time
GLH	Genomic Laboratory Hub
GLIMS	Genomic Laboratory Information Management System
GMC	General Medical Council
GMS	Genomic Medicine Service
GNCH	Great North Children's Hospital
GNHA	Great North Healthcare Alliance
HCID	High Consequence Infectious Diseases
HCSW	Healthcare Support Worker
HIV	Human Immunodeficiency Virus
HMRC	HM Revenue and Customs
HPSN	Human Patient Simulation Network
HR	Human Resources
HRH	Her Royal Highness
HTA	Human Tissue Authority
IBR	Integrated Board Report
ICB	Integrated Care Board
ICO	Information Commissioner's Office
ICP	Integrated Care Partnership
IFRS	International Financial Reporting Standard

IMD	Indices of Multiple Deprivation
IoT	Institute of Transplantation
IPC	Infection Prevention and Control
IRMER	Ionising Radiation (Medical Exposure) Regulations
IT	Information Technology
IVF	In Vitro Fertilisation
JSNA	Joint Strategic Needs Assessments
KPI	Key Performance Indicator
MARS	Mutually Agreed Resignation Scheme
MAT	Member of E-Act Multi-academy Trust
MRI	Magnetic Resonance Imaging
MSC	Master of Science
NBC	Newcastle Birthing Centre
NCC	Newcastle City Council
NCCC	Northern Centre for Cancer Care
NCIC	North Cumbria Integrated Care NHS Foundation Trust
NCSC	National Cyber Security Centre
NECTAR	North East and Cumbria Transport and Retrieval
NED	Non-Executive Director
NEIL	North East Innovation Lab https://commercial.newcastle-hospitals.nhs.uk/our-services/innovation-lab/
NE&NC	North East and North Cumbria
NEQOS	North East Quality Observatory Service
NETS	North of England Thoracic Society
Newcastle Hospitals	The Newcastle upon Tyne Hospitals NHS Foundation Trust
NEY	North East and Yorkshire
NEY GMS	North East and Yorkshire Genomics Medicine Service
NHPL	Newcastle Hospitals Pharmaservices Limited
NHRP	Newcastle Health Research Partnership
NHS	National Health Service
NHSAc	Newcastle Hospitals Skills Academy
NHSE	NHS England
NICU	Neonatal Intensive Care Unit
NIHR	National Institute for Health and Care Research
NMAHP	Nursing, Midwifery and Allied Health Professionals
NMC	Nursing and Midwifery Council
NoE	Networks of Excellence
Northumbria Healthcare	Northumbria Healthcare NHS Foundation Trust
NRCTC	National Renal Complement Therapeutics Centre
OD	Organisational Development
OH	Occupational Health
OHS	Occupational Health Service
OM	Order Management
PALS	Patient Advice and Liaison Service

PAs	Programme activities
PEHG	Promoting Equity in Health Group
PFI/PFI 2	Private Finance Initiative / Private Finance Initiative 2
PHD	Doctorate of Philosophy
PPE	Personal Protective Equipment
PRP	Performance-Related Pay
PSDS	Public Sector Decarbonisation Scheme
RCM	Royal College of Midwives
RCP	Royal College of Physicians
RCS	Royal College of Surgeons
RIDDOR	Reporting of Injuries, Diseases, and Dangerous Occurrences Regulations
RNDA	Registered Nurse Degree Apprentice
RSV	Respiratory Syncytial Virus
RTT	Referral To Treatment
RVI	Royal Victoria Infirmary
SEND	Special Educational Needs and Disabilities
SHC	Sustainable Healthcare Committee
SHINE	Sustainable Healthcare in Newcastle
SID	Senior Independent Director
SIRO	Senior Information Risk Owner
SMART	Specific, Measurable, Achievable, Realistic and Time-bound
SPC	Statistical Process Charts
SSC	Staff Social Club
SUSQI	Sustainable Quality Improvement
TAVI	Transcatheter Aortic Valve Implantation
TCFD	Task Force on Climate-Related Financial Disclosures
tCO2e	Tonnes of carbon dioxide equivalent
TDTS	Tobacco Dependency Treatment Service
TEL	Technology Enhanced Learning
UEC	Urgent and Emergency Care
UGR	Unified Genomic Record
UK	United Kingdom
UTC	Urgent Treatment Centre
UVC	Ultraviolet C
VAT	Value Added Tax
VONNE	Voluntary Organisations' Network North East
VSM	Very Senior Manager
VSS	Voluntary Severance Scheme
WDES	Workforce Disability Equality Standard
WLI	Waiting List Initiative
WRES	Workforce Race Equality Standard
WTE	Whole-time equivalent

Guide to SPC

SPC charts are simple graphs used to track how a process performs over time, helping you see what's normal variation and what might be a problem. They include an average line and limits that show the expected range, so you can quickly spot unusual changes.

	Variation/Performance Icons		
Icon	**Technical Description**	**What does this mean?**	**What should we do?**
	Common cause variation, NO SIGNIFICANT CHANGE.	This system or process is **currently not changing significantly**. It shows the level of natural variation you can expect from the process or system itself.	**Consider if the level/range of variation is acceptable**. If the process limits are far apart you may want to change something to reduce the variation in performance.
	Special cause variation of an CONCERNING nature where the measure is significantly HIGHER.	**Something's going on!** Your aim is to have low numbers but you have some high numbers – something one-off, or a continued trend or shift of high numbers.	**Investigate** to find out what is happening/ happened. Is it a one off event that you can explain? Or do you need to change something?
	Special cause variation of an CONCERNING nature where the measure is significantly LOWER.	**Something's going on!** Your aim is to have high numbers but you have some low numbers - something one-off, or a continued trend or shift of low numbers.	
	Special cause variation of an IMPROVING nature where the measure is significantly HIGHER.	**Something good is happening!** Your aim is high numbers and you have some - either something one-off, or a continued trend or shift of low numbers. Well done!	Find out what is happening/ happened. **Celebrate** the improvement or success. Is there **learning** that can be shared to other areas?
	Special cause variation of an IMPROVING nature where the measure is significantly LOWER.	**Something good is happening!** Your aim is low numbers and you have some - either something one-off, or a continued trend or shift of low numbers. Well done!	
	Special cause variation of an increasing nature where UP is not necessarily improving nor concerning.	**Something's going on!** This system or process is currently showing an unexpected level of variation – something one-off, or a continued trend or shift of high numbers.	**Investigate** to find out what is happening/ happened. Is it a one off event that you can explain? Do you need to change something? Or can you celebrate a success or improvement?
	Special cause variation of an increasing nature where DOWN is not necessarily improving nor concerning.	Something's going on! This system or process is currently showing an unexpected level of variation – something one-off, or a continued trend or shift of low numbers.	

	Assurance Icons		
Icon	**Technical Description**	**What does this mean?**	**What should we do?**
	This process will not consistently HIT OR MISS the target as the target lies between the process limits.	The process limits on SPC charts indicate the normal range of numbers you can expect of your system or process. If a target lies **within** those limits then we know that the target may or may not be achieved. The closer the target line lies to the mean line the more likely it is that the target will be achieved or missed at random.	Consider whether this is acceptable and if not, you will need to change something in the system or process.
	This process is not capable and will consistently FAIL to meet the target.	The process limits on SPC charts indicate the normal range of numbers you can expect of your system or process. If a target lies **outside of those limits in the wrong direction** then you know that the target cannot be achieved.	**You need to change something in the system or process if you want to meet the target.** The natural variation in the data is telling you that you will not meet the target unless something changes.
	This process is capable and will consistently PASS the target if nothing changes.	The process limits on SPC charts indicate the normal range of numbers you can expect of your system or process. If a target lies **outside of those limits in the right direction** then you know that the target can consistently be achieved.	**Celebrate the achievement**. Understand whether this is by design (!) and consider whether the target is still appropriate; should be stretched, or whether resource can be directed elsewhere without risking the ongoing achievement of this target.

Foreword to the Accounts

The Newcastle upon Tyne Hospitals NHS Foundation Trust

The accounts for the year ended 31 March 2026 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.

Robert Harrison
Acting Chief Executive Officer

25 June 2026

Independent auditor's report to the Council of Governors of The Newcastle Upon Tyne Hospitals NHS Foundation Trust

Report on the audit of the financial statements

Opinion on the financial statements

We have audited the financial statements of The Newcastle upon Tyne Hospitals NHS Foundation Trust ('the Trust') and its subsidiaries ('the Group') for the year ended 31 March 2026 which comprise the Consolidated Statement of Comprehensive Income, NHS Foundation Trust Statement of Comprehensive Income, Consolidated Statement of Financial Position, NHS Foundation Trust Statement of Financial Position, Consolidated Statement of Changes in Taxpayers' and Others' Equity, NHS Foundation Trust Statement of Changes in Taxpayers' Equity, the Group and NHS Foundation Trust Statement of Cash Flows, and notes to the financial statements, including material accounting policy information.

The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards as interpreted and adapted by HM Treasury's Financial Reporting Manual 2025/26 as contained in the Department of Health and Social Care Group Accounting Manual 2025/26, 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 2026 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 2025/26; and
- have been properly prepared in accordance with the requirements of the National Health Service Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Trust 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 other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information. Our opinion on the financial

statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in 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 2025/26 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.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the Trust and Group, we did not identify any laws and regulations that have an indirect effect on the preparation of the financial statements where non-compliance might have a material effect on the financial statements.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- gaining an understanding of the legal and regulatory framework applicable to the Trust and Group, the environment in which it operates, and the structure of the Trust and Group, and considering the risk of acts by the Trust and Group which were contrary to the applicable laws and regulations, including fraud;
- inquiring with management and the Audit Committee, as to whether the Trust and Group is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- inspecting correspondence, if any, with relevant licensing or regulatory authorities;

- reviewing minutes of relevant meetings in the year;
- 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.

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

In addition, we evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates and the risk of fraud revenue and expenditure recognition in relation to the accuracy and valuation of year end accruals.

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

- making enquiries of management, Internal Audit and the Audit, Risk and Assurance Committee on whether they had knowledge of any actual, suspected or alleged fraud;
- gaining an understanding of the internal controls established to mitigate risks related to fraud;
- discussing amongst the engagement team the risks of fraud; and
- addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with both management and the Audit, Risk and Assurance 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, (Revised 2024) and Supplementary Guidance Note 01, issued by the Comptroller and Auditor General in November 2024.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at **www.frc.org.uk/auditorsresponsibilities**. This description forms part of our auditor's report.

Report on the Trust's arrangements for securing economy, efficiency and effectiveness in the use of resources

Matter on which we are required to report by exception

We are required to report to you if, in our opinion, we are not satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2026.

On the basis of our work, having regard to the guidance issued by the Comptroller and Auditor General in March 2026, we have identified the following significant weakness in the Trust's arrangements for the year ended 31 March 2026.

In June 2024 we identified a significant weakness in relation to governance arrangements and securing economy, efficiency and effectiveness arrangements for the 2023/2024 year. In our view this significant weakness remains for the year ended 31 March 2026:

Significant weakness in arrangements – issued in a previous year	Recommendation
January 2024 CQC inspection report In January 2024 the CQC issued a report to the Trust which highlights the following key weaknesses: • a deterioration in operational performance, including safety and quality concerns; • failings in performance and risk management arrangements; and • a deterioration of staff relations, which could lead to retention and recruitment issues. The matters identified, in our view, are evidence of significant weaknesses in the Trust's arrangements to achieve economy, efficiency and effectiveness in its use of resources, specifically in the governance and improving the 3 E's criteria.	The Trust should take the following actions: • deliver the CQC action plan to successfully address the improvement points; and • continue to work with the CQC and other stakeholders to ensure successful and timely resolution of the issues underpinning CQC findings.

Responsibilities of the Accounting Officer

The Chief Executive as Accounting Officer is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in the Trust's use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

Auditor's responsibilities for the review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We are required by Schedule 10(1) of the National Health Service Act 2006 to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our work in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in March 2026.

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 2025/26; 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 2025/26; or
- we refer a matter to the regulator under Schedule 10(6) of the National Health Service Act 2006; or
- we issue a report in the public interest under Schedule 10(3) of the National Health Service Act 2006.

We have nothing to report in respect of these matters.

Use of the audit report

This report is made solely to the Council of Governors of The Newcastle upon Tyne Hospitals NHS Foundation Trust as a body in accordance with Schedule 10(4) of the National Health Service Act 2006. Our audit work has been undertaken so that we might state to the Council of Governors of the Trust those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors of the Trust as a body for our audit work, for this report, or for the opinions we have formed.

Delay in certification of completion of the audit

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

Mark Outterside, Key Audit Partner
For and on behalf of Forvis Mazars LLP (Local Auditor)
The Corner
Bank Chamber
26 Mosley Street
Newcastle upon Tyne
NE1 1DF

25 June 2026

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 March 2026

	Note	2025/26 Group £000	2024/25 Group £000
OPERATING INCOME			
Operating income from patient care activities	3	**1,662,477**	**1,571,014**
Other operating income	4	**223,058**	**201,660**
TOTAL OPERATING INCOME		**1,885,535**	**1,772,674**
Operating expenses	5	**(1,838,161)**	**(1,738,122)**
OPERATING SURPLUS		**47,374**	**34,552**
FINANCE INCOME AND COSTS			
Finance income	7	**6,394**	**10,575**
Finance expense - financial liabilities	8	**(40,659)**	**(44,626)**
PDC dividends payable	9	**(4,589)**	**(1,782)**
Net finance costs		**(38,854)**	**(35,833)**
Other gains and (losses)	10.2	**1,542**	**(385)**
OPERATING SURPLUS/(DEFICIT) FROM CONTINUING OPERATIONS		**10,062**	**(1,666)**
Other Comprehensive Income			
Will not be reclassified to income and expenditure:			
Impairments	10.1	**(1,912)**	**(3,187)**
Total Other Comprehensive Income		**(1,912)**	**(3,187)**
TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE YEAR		**8,150**	**(4,853)**

NHS FOUNDATION TRUST STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 March 2026

	Note	**2025/26 Total**	2024/25 Total
		£000	£000
OPERATING INCOME			
Operating income from patient care activities	3	**1,662,477**	1,571,014
Other operating income	4	**218,948**	195,693
TOTAL OPERATING INCOME		**1,881,425**	1,766,707
Operating expenses	5	**(1,829,491)**	(1,731,410)
OPERATING SURPLUS		**51,934**	35,297
FINANCE INCOME AND COSTS			
Finance income	7	**5,189**	9,318
Finance expense - financial liabilities	8	**(40,659)**	(44,626)
PDC dividends payable	9	**(4,589)**	(1,782)
Net finance costs		**(40,059)**	(37,090)
Gains/(losses) on disposal of assets	10.2	**264**	(33)
OPERATING SURPLUS / (DEFICIT) FROM CONTINUING OPERATIONS		**12,139**	(1,826)
SURPLUS/(DEFICIT) FOR THE YEAR		**12,139**	(1,826)
Other Comprehensive Income			
Will not be reclassified to income and expenditure:			
(Impairments) / Reversal of Impairments (net)	10.1	**(1,912)**	(3,187)
Other reserve movements		**0**	0
Total Other Comprehensive Income		**(1,912)**	(3,187)
TOTAL COMPREHENSIVE INCOME		**10,227**	(5,013)

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 2026

GROUP

	Note	**31 March 2026 £000**	31 March 2025 £000
NON-CURRENT ASSETS			
Intangible assets	11	**3,519**	5,281
Property, plant and equipment	12	**655,197**	616,945
Right of use assets	13	**26,490**	27,560
Other investments	15	**34,010**	47,407
Trade and other receivables	17	**12,384**	16,375
TOTAL NON-CURRENT ASSETS		**731,600**	713,568
CURRENT ASSETS			
Inventories	16	**35,732**	32,527
Trade and other receivables	17	**111,929**	110,387
Non-current assets held for sale	18	**755**	0
Cash and cash equivalents	19	**143,018**	151,365
TOTAL CURRENT ASSETS		**291,434**	294,279
CURRENT LIABILITIES			
Trade and other payables	20	**(190,602)**	(187,816)
Other liabilities	21	**(64,721)**	(77,002)
Borrowings	22	**(20,353)**	(18,040)
Provisions	23	**(284)**	(917)
TOTAL CURRENT LIABILITIES		**(275,960)**	(283,775)
NON-CURRENT LIABILITIES			
Borrowings	22	**(410,170)**	(414,239)
Provisions	23	**(2,913)**	(3,365)
TOTAL NON-CURRENT LIABILITIES		**(413,083)**	(417,604)
TOTAL ASSETS EMPLOYED		**333,991**	306,468
TAXPAYERS' EQUITY			
Public dividend capital *		**313,371**	293,998
Revaluation reserve *		**90,634**	92,816
Income and expenditure reserve *		**(120,172)**	(132,564)
TOTAL TAXPAYERS' EQUITY		**283,833**	254,250
OTHERS' EQUITY			
Charitable fund reserves *		**50,158**	52,218
TOTAL TAXPAYERS' AND OTHERS' EQUITY		**333,991**	306,468

* Reserves are described further in Note 1.15

The accounts on pages [2 to 84] were approved by the Board on xxx and signed on its behalf by:

Mr R Harrison
Interim Chief Executive
25th June 2026

NHS FOUNDATION TRUST STATEMENT OF FINANCIAL POSITION as at 31 March 2026

	Note	31 March 2026 £000	31 March 2025 £000
NON-CURRENT ASSETS			
Intangible assets	11	**3,519**	5,281
Property, plant and equipment	12	**655,197**	616,945
Right of use assets	13	**26,490**	27,560
Trade and other receivables	17	**22,404**	26,395
TOTAL NON-CURRENT ASSETS		**707,610**	676,181
CURRENT ASSETS			
Inventories	16	**31,950**	28,785
Trade and other receivables	17	**104,611**	104,935
Non-current assets held for sale	18	**755**	0
Cash and cash equivalents	19	**128,040**	143,452
TOTAL CURRENT ASSETS		**265,356**	277,172
CURRENT LIABILITIES			
Trade and other payables	20	**(190,798)**	(185,663)
Other liabilities	21	**(64,721)**	(77,002)
Borrowings	22	**(20,353)**	(18,040)
Provisions	23	**(284)**	(917)
TOTAL CURRENT LIABILITIES		**(276,156)**	(281,622)
NON-CURRENT LIABILITIES			
Borrowings	22	**(410,170)**	(414,239)
Provisions	23	**(2,913)**	(3,365)
TOTAL NON-CURRENT LIABILITIES		**(413,083)**	(417,604)
TOTAL ASSETS EMPLOYED		**283,727**	254,127
TAXPAYERS' EQUITY			
Public dividend capital *		**313,371**	293,998
Revaluation reserve *		**90,634**	92,816
Income and expenditure reserve *		**(120,278)**	(132,687)
TOTAL TAXPAYERS' EQUITY		**283,727**	254,127

* Reserves are described further in Note 1.15

The accounts on pages [2 to 84] were approved by the Board on xxx and signed on its behalf by:

Mr R Harrison
Interim Chief Executive
25th June 2026

CONSOLIDATED STATEMENT OF CHANGES IN TAXPAYERS' AND OTHERS' EQUITY

for the year ended 31 March 2026

GROUP 2025/26	Note	Public dividend capital*	Revaluation reserve*	Income and expenditure reserve*	Charitable fund reserves *	Total taxpayers' and others' equity
		£000	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2025		**293,998**	**92,816**	**(132,564)**	**52,218**	**306,468**
Surplus for the year		0	0	7,175	2,887	**10,062**
Impairments and Revaluation gains on property, plant and equipment	12.1	0	(1,912)	0	0	**(1,912)**
Transfer to retained earnings on disposal of assets		0	(270)	270	0	**0**
Other reserve movements - Charitable funds consolidation movement		0	0	4,947	(4,947)	**0**
Total comprehensive income for 2025/26		0	**(2,182)**	**12,392**	**(2,060)**	**8,150**
Public dividend capital received		44,373	0	0	0	**44,373**
Public dividend capital repaid		(25,000)	0	0	0	**(25,000)**
Total reserve movements for 2025/26		**19,373**	**(2,182)**	**12,392**	**(2,060)**	**27,523**
Taxpayers' and others' equity at 31 March 2026		**313,371**	**90,634**	**(120,172)**	**50,158**	**333,991**

* An explanation of the purpose of each reserve can be found in note 1.15

CONSOLIDATED STATEMENT OF CHANGES IN TAXPAYERS' AND OTHERS' EQUITY
for the year ended 31 March 2025

GROUP 2024/25		Public dividend capital*	Revaluation reserve*	Income and expenditure reserve*	Charitable reserves *	Total taxpayers' and others' equity
		£000	£000	£000	£000	£000
Total Taxpayers' and others' equity at 1 April 2024		**285,014**	**96,003**	**(130,862)**	**52,181**	**302,336**
Surplus/(deficit) for the year		0	0	(4,224)	2,558	**(1,666)**
Impairments and Revaluation gains on property, plant and equipment	12.1	0	(3,187)	0	0	**(3,187)**
Other reserve movements - Charitable funds consolidation movement		0	0	2,521	(2,521)	**0**
Total comprehensive expense for 2024/25		**0**	**(3,187)**	**(1,703)**	**37**	**(4,853)**
Public dividend capital received		8,984	0	0	0	**8,984**
Total reserve movements for 2024/25		**8,984**	**(3,187)**	**(1,703)**	**37**	**4,131**
Taxpayers' and others' equity at 31 March 2025		**293,998**	**92,816**	**(132,565)**	**52,218**	**306,468**

* An explanation of the purpose of each reserve can be found in note 1.15

NHS FOUNDATION TRUST STATEMENT OF CHANGES IN TAXPAYERS' EQUITY
for the year ended 31 March 2026

NHS FOUNDATION TRUST 2025/26	Note	Public dividend capital*	Revaluation reserve*	Income and expenditure reserve*	Total taxpayers' equity
		£000	£000	£000	£000
Taxpayers' equity at 1 April 2025		**293,998**	**92,816**	**(132,687)**	**254,127**
Total comprehensive income for 2025/26					
Surplus/(deficit) for the year		0	0	12,139	**12,139**
Transfer to retained earnings on disposal of assets		0	(270)	270	**0**
Impairments and Revaluation gains on property, plant and equipment	12.1	0	(1,912)	0	**(1,912)**
Total comprehensive income for 2025/26		**0**	**(2,182)**	**12,409**	**10,227**
Public dividend capital received		44,373	0	0	**44,373**
Public dividend capital repaid	1.21	(25,000)	0	0	**(25,000)**
Total reserve movements for 2025/26		**19,373**	**(2,182)**	**12,409**	**29,600**
Taxpayers' equity at 31 March 2026		**313,371**	**90,634**	**(120,278)**	**283,727**

NHS FOUNDATION TRUST 2024/25	Public dividend capital* £000	Revaluation reserve* £000	Income and expenditure reserve* £000	Total taxpayers' equity £000
Taxpayers' equity at 1 April 2024	285,014	96,003	(130,862)	**250,155**
Surplus/(deficit) for the year	0	0	(1,826)	**(1,826)**
Transfers between reserves	0	0	0	**0**
Impairments and Revaluation gains on property, plant and equipment (12.1)	0	(3,187)	0	**(3,187)**
Total comprehensive income for 2024/25	**0**	**(3,187)**	**(1,826)**	**(5,013)**
Public dividend capital received	8,984	0	0	**8,984**
Public dividend capital repaid (1.21)	0	0	0	**0**
Total reserve movements for 2024/25	**8,984**	**(3,187)**	**(1,826)**	**3,971**
Taxpayers' equity at 31 March 2025	**293,998**	**92,816**	**(132,687)**	**254,127**

* An explanation of the purpose of each reserve can be found in note 1.15

STATEMENTS OF CASH FLOWS
for the year ended 31 March 2026

	Note	GROUP		NHS FOUNDATION TRUST	
		2025/26	2024/25	**2025/26**	2024/25
		£000	£000	**£000**	£000
Cash flows from operating activities					
Net cash generated from operating activities	24	**72,849**	34,303	**76,692**	**29,910**
Cash flows from investing activities					
Interest received		**5,101**	9,354	**5,328**	**9,402**
Purchase of intangible assets		**194**	(1,186)	**194**	**(1,186)**
Purchase of property, plant and equipment		**(75,058)**	(48,994)	**(75,058)**	**(48,994)**
Sales of property, plant and equipment		**1,779**	53	**1,779**	**53**
Initial up front payments in respect of new right of use assets (lessee)		**(125)**	(12)	**(125)**	**(12)**
Receipt of cash donations to purchase capital assets		**2,049**	1,641	**6,996**	**4,162**
NHS Charitable funds - net cash flows from investing activities		**16,082**	(2,313)	**0**	**0**
Net cash used in investing activities		**(49,978)**	(41,457)	**(60,886)**	**(36,575)**
Cash flows from financing activities					
Public dividend capital received		**44,373**	8,984	**44,373**	**8,984**
Public dividend capital repaid		**(25,000)**	0	**(25,000)**	**0**
Movement in other loans		**(185)**	375	**(185)**	**375**
Capital element of lease liability repayments		**(5,583)**	(4,721)	**(5,583)**	**(4,721)**
Capital element of private finance initiative obligations		**(13,524)**	(12,294)	**(13,524)**	**(12,294)**
Interest on other loans		**(5)**	(3)	**(5)**	**(3)**
Interest element of lease liability repayments		**(546)**	(435)	**(546)**	**(435)**
Interest element of private finance initiative obligations		**(26,362)**	(26,311)	**(26,362)**	**(26,311)**
Public dividend capital dividend paid		**(4,386)**	1,836	**(4,386)**	**1,836**
Net cash used in financing activities		**(31,218)**	(32,569)	**(31,218)**	**(32,569)**
(Decrease) in cash and cash equivalents		**(8,347)**	(39,723)	**(15,412)**	**(39,234)**
Cash and cash equivalents at 1 April		**151,365**	191,088	**143,452**	**182,686**
Cash and cash equivalents at 31 March	19	**143,018**	151,365	**128,040**	**143,452**

NOTES TO THE 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 2025/26 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.

1.1.1 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 2026 which excludes VAT on relevant buildings and uses a single site approach.

NOTES TO THE ACCOUNTS

1.1.1 Critical accounting judgements in applying the NHS Foundation Trust's accounting policies (continued)

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.

NOTES TO THE ACCOUNTS (continued)

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 2025/26 was £457,723k (2024/25 £454,116k). Such indices can be subject to significant fluctuation depending on external factors not known at the time of valuation. As little as a 1% change in the underlying assumption would lead to a £4.57m change to the gross carrying value of land and buildings.

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. It is possible that actual lives may vary from those estimated depending on a number of factors such as the quality to which that asset is maintained or unexpected obsolecence due to changing technologies

1.2 Consolidation and investments in subsidiaries

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

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. Where material, the income, expenses, assets, liabilities, equity and reserves are consolidated in full into the appropriate financial statement lines.

Where consolidated, the amounts consolidated are drawn down from the subsidiaries financial statementsfor the year.

Where the accounting policies of the subsidiary are not aligned to those of the Foundation Trust (including where they report under FRS 102), amounts are adjusted during consolidation where the differences are material. Inter-entity balances, transactions, gains and losses are eliminated in full on consolidation.

Newcastle Hospitals Pharmaservices Ltd was incorporated on 16th September 2024 and is a wholly owned subsidiary of The Newcastle upon Tyne Hospitals NHS Foundation Trust. The company commenced trading on 1st December 2024 and the primary purpose of the company is to provide outpatient pharmacy services on behalf of the Foundation Trust.

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 are stated at cost less impairment losses.

NOTES TO THE ACCOUNTS (continued)

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 under the NHS Payment Scheme (NHSPS). The NHSPS sets out rules to establish the amount payable to trusts for NHS-funded secondary healthcare.

Aligned payment and incentive contracts form the main payment mechanism under the NHSPS. API contracts contain both a fixed and variable element. Under the variable element, providers earn income for elective activity (both ordinary and day case), out-patient procedures, outpatient first attendances and chemotherapy delivery activity. The precise definition of these activities is given in the NHSPS. Income is earned at NHSPS prices based on actual activity. The fixed element includes income for all other services covered by the NHSPS assuming an agreed level of activity with 'fixed' in this context meaning not varying based on units of activity. Elements within this are accounted for as variable consideration under IFRS 15 as explained below.

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.

The Trust also receives income from commissioners under the Best Practice Tariff (BPT) scheme. Delivery under this scheme is part of how care is provided to patients. As such BPT payments are not considered distinct performance obligations in their own right; instead they form part of the transaction price for performance obligations under the overall contract with the commissioner and are accounted for as variable consideration under IFRS 15. Payment for BPT on non-elective services is included in the fixed element of API contracts with adjustments for actual achievement being made at the end of the year. BPT earned on elective activity is included in the variable element of API contracts and paid in line with actual activity performed.

1.3.1 Revenue from NHS contracts (continued)

Where the relationship with a particular integrated care board is expected to be a low volume of activity (annual value below £0.5m), an annual fixed payment is received by the provider as determined in the NHSPS documentation. Such income is classified as 'other clinical income' in these accounts.

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.

1.3.4 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 Statement of Comprehensive income once conditions attached to the grant have been met. Donations are treated in the same way as government grants.

1.3.5 Apprenticeship service income

The value of the benefit received when accessing funds from the Government's apprenticeship service is recognised as income at the point of receipt of the training service. Where these funds are paid directly to an accredited training provider from the Trust's apprenticeship service 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.

NOTES TO THE ACCOUNTS (continued)

1.5 Intangible assets

Recognition

Intangible assets are non-monetary assets without physical substance controlled by the Trust. They are capable of being sold separately from the rest of the NHS Foundation Trust's business or arise from contractual or other legal rights. Intangible assets are recognised only where it is probable that future economic benefits will flow to, or service potential be provided to, the 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 where it meets recognition criteria.

Measurement

Intangible assets are recognised initially at cost, comprising all directly attributable costs needed to create, produce and prepare the asset to the point that it is capable of operating in the manner intended by management. From 1st April 2025, subsequent measurement of intangible assets is at cost less amortisation.

Intangible assets held for sale are measured at the lower of their carrying amount or fair value less costs top sell.

Impairments

Where indicators of impairment exist, the recoverable amount is assessed as the higher of its fair value and the cost to replace the service capacity. Where this is lower than the carrying value an impairment is recognised in expenditure**.** The recoverable amount of intangible assets under construction is assessed annually, irrespective of indicators of impairment.

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 5-11 years.

Intangible assets under development are not amortised.

NOTES TO THE ACCOUNTS (continued)

1.6 Property, plant and equipment

Recognition

Property, plant and equipment is capitalised if it is capable of being used for a period which exceeds one financial year, it is probable that future economic benefits will flow to, or service potential be supplied to the NHS Foundation Trust, the cost of the item can be measured reliably and it is held for use in delivering services or for administrative purposes.

Also the assets:

a. individually have a cost of at least £5,000; or

b. form a group of assets which collectively have a cost of at least £5,000, and individually have a cost of more than £250, where the assets are functionally interdependent, they have broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or

c. form part of the initial setting-up cost of a new building, or refurbishment of a ward or unit, and their individual cost exceeds £250.

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

Subsequent expenditure

Subsequent expenditure relating to an item of property, plant and equipment is recognised as an increase in the carrying amount of the asset when it is probable that additional future economic benefits or service potential deriving from the cost incurred to replace a component of such item will flow to the enterprise and the cost of the item can be determined reliably. Where a component of an asset is replaced, the cost of the replacement is capitalised if it meets the criteria for recognition. The carrying amount of the part replaced is de-recognised. Other expenditure that does not generate additional future economic benefits or service potential, such as repairs and maintenance, is charged to the Statement of Comprehensive Income in the period in which it is incurred.

Measurement

Valuation

All property, plant and equipment is measured initially at cost, representing the costs directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management. Property assets are measured subsequently at valuation, plant and equipment is held at depreciated 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*. The latest full asset valuation exercise concluded as at 31 March 2023 when the District Valuer prepared an updated valuation, a desktop exercise has been carried out as at 31 March 2026 to update the asset valuation for all changes since the latest full valuation exercise.

NOTES TO THE ACCOUNTS (continued)

1.6 Property, plant and equipment *(continued)*

Current values in existing use is defined as market value except where a building is so specialised in nature no actove market exists from which to draw satisfactory transactional evidence. In this cas a valuer will adopt a depreciated replacement cost (DRC model on a modern equivalent asset (MEA) basis.

A DRC model estimates current value in existing use 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. An MEA basis assumes that the asset will be replaced with a modern asset of equivalent capacity and location requirements of the services being provided. Assets held at depreciated replacement cost have been valued on an alternative site basis where this would meet the location requirements.

Valuation guidance issued by the Royal Institute of Chartered Surveyors states that valuations are performed net of VAT where the VAT is recoverable by the entity. This basis has been applied to the NHS Foundation Trust's Private Finance Initiative (PFI) scheme where the construction is completed by a special purpose vehicle and that the costs have recoverable VAT for the NHS Foundation Trust.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees but not borrowing costs, and, where capitalised in accordance with IAS 23. borrowings 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.

NOTES TO THE ACCOUNTS (continued)

1.6 Property, plant and equipment *(continued)*

De-recognition

Assets intended for disposal are reclassified as 'held for sale' once the following criteria in IFRS 5 are met:

The sale must be highly probable and the asset available for immediate sale in its present condition.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their fair value less costs to sell. Depreciation ceases to be charged and the assets are not revalued, except where the 'fair value less costs to sell' falls below the carrying amount. Assets are de-recognised when all material sale contract conditions have been met.

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

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 - 3 years - 103 years
- Dwellings - 45 years - 53 years
- Assets under construction - Not depreciated
- Plant and machinery - 4 years - 16 years
- Transport equipment - 3 years - 11 years
- Information technology - 2 years - 11 years
- Furniture and fittings - 2 years - 10 years

NOTES TO THE ACCOUNTS (continued)

1.7 Donated and grant funded assets

Donated and grant funded property, plant and equipment assets are capitalised at their fair 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.

1.8 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. Annual contract payments to the operator (the unitary charge) are apportioned between the repayment of the liability including the finance cost, the charges for services and lifecycle replacement of components of the asset.

Initial recognition

In accordance with HM Treasury's FReM, the underlying assets are recognised as property, plant and equipment, together with an equivalent liability. Initial measurement of the asset and liability are in accordance with the initial measurement principles of IFRS 16 (see leases accounting policy).

Subsequent Measurement

Assets are subsequently accounted for as property, plant and equipment and/or intangible assets as appropriate.

The liability is subsequently reduced by the portion of the unitary charge allocated as payment for the asset and increased by the annual finance cost. The finance cost is calculated by applying the implicit interest rate to the opening liability and is charged to finance costs in the Statement of Comprehensive Income. The element of the unitary charge allocated as payment for the asset is split between payment of the finance cost and repayment of the net liability.

Where there are changes in future payments for the asset resulting from indexation of the unitary charge, the Trust remeasures the PFI liability by determining the revised payments for the remainder of the contract once the change in cash flows takes effect. The remeasurement adjustment is charged to finance costs in the Statement of Comprehensive Income.

The service charge is recognised in operating expenses in the Statement of Comprehensive Income.

NOTES TO THE ACCOUNTS (continued)

1.8 Private Finance Initiative (PFI) transactions *(continued)*

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 Foreign Exchange

The functional and presentational currency of the 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.

Where the Trust has assets or liabilities denominated in a foreign currency at the Statement of Financial Position date:

• monetary items are translated at the spot exchange rate on 31 March
• non-monetary assets and liabilities measured at historical cost are translated using the spot exchange rate at the date of the transaction and
• non-monetary assets and liabilities measured at fair value are translated using the spot exchange rate at the date the fair value was determined.

Exchange gains or losses on monetary items (arising on settlement of the transaction or on re-translation at the Statement of Financial Position date) are recognised in income or expense in the period in which they arise.

Exchange gains or losses on non-monetary assets and liabilities are recognised in the same manner as other gains and losses on these items.

1.10 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.

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 4.81% applied to new leases commencing in 2025 and 5.32% to new leases commencing in 2026.

The trust does not apply the above recognition requirements to leases with a term of 12 months or less or to leases where the value of the underlying asset is below £5,000, excluding any irrecoverable VAT. Lease payments associated with these leases are expensed on a straight-line basis over the lease term. Irrecoverable VAT on lease payments is expensed as it falls due.

Subsequent measurement

As required by a HM Treasury interpretation of the accounting standard for the public sector, the Trust employs a revaluation model for subsequent measurement of right of use assets, unless the cost model is considered to be an appropriate proxy for current value in existing use or fair value, in line with the accounting policy for owned assets.

The Trust subsequently measures the lease liability by increasing the carrying amount for interest arising which is also charged to expenditure as a finance cost and reducing the carrying amount for lease payments made. The liability is also remeasured for changes in assessments impacting the lease term, lease modifications or to reflect actual changes in lease payments. Such remeasurements are also reflected in the cost of the right of use asset. Where there is a change in the lease term or option to purchase the underlying asset, an updated discount rate is applied to the remaining lease payments.

The 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 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.

1.12 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 Group and NHS Foundation Trust's cash book. Interest earned on bank accounts is recorded as 'finance income' in the year to which it relates. Bank charges are recorded as operating expenditure in the years to which they relate.

As neither the group or NHS Foundation Trust has 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.

NOTES TO THE ACCOUNTS (continued)

1.13 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 2026.

		Nominal rate	Prior Year Rate
Short term	Up to 5 years	3.64%	4.03%
Medium term	After 5 years up to 10 years	4.22%	4.07%
Long term	Exceeding 10 years	5.32%	4.81%

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 2025.

	Inflation rate	Prior year rate
Year 1	2.50%	2.30%
Year 2	2.00%	2.30%
Into perpetuity	2.00%	2.00%

Early retirement provisions and injury benefit provisions both use the HM Treasury's post-employment benefits discount rate of 2.95% in real terms (prior year: 2.40%).

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.

NOTES TO THE ACCOUNTS (continued)

1.14 Contingencies

Contingent liabilities are not recognised in the accounts but are disclosed in Note 27. 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.

1.15 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 and its wholly owned subsidiary Newcastle Hospitals Pharmaservices Ltd accumulated surpluses and deficits are recognised in the Income and Expenditure reserve.

d) Charitable reserves relate to those held by the Newcastle upon Tyne Hospitals NHS Charity. Further analysis can be found in Note 34.

NOTES TO THE ACCOUNTS (continued)

1.16 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.

1.17 Value Added Tax (VAT)

Most of the activities of the group and 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.

1.18 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 Trust's wholly owned subsidiary Newcastle Hospitals Pharmaservices Ltd is subject to corporation tax on its profits.

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.

1.19 Third party assets

Assets belonging to third parties in which the NHS Foundation Trust has no beneficial interest (such as money held on behalf of patients) are not recognised in the accounts. However, they are disclosed in Note 31 to the accounts in accordance with the requirements of the HM Treasury Financial Reporting Manual (FReM).

NOTES TO THE ACCOUNTS (continued)

1.20 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.

1.21 Losses and special payments

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled.

Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis.

The losses and special payments note (Note 32) is compiled directly from the losses and compensations register which reports on an accruals basis with the exception of provisions for future losses.

NOTES TO THE ACCOUNTS (continued)

1.22 Financial assets and financial liabilities

Recognition

Financial assets and financial liabilities which arise where the group or 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 group or 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. The Charity however, holds some financial assets at fair value through profit or loss.

Financial liabilities are classified as subsequently measured at amortised cost or fair value through profit or loss.

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.

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.

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).

1.22 Financial assets and financial liabilities *(continued)*

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 it is older than 90 days for non-NHS customers. The NHS Foundation Trust has not recgonised expected credit losses against debts relating to NHS customers as this is not permitted as per the GAM. 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.

1.23 Trade payables

Trade payables are initially recognised at fair value and subsequently at amortised cost using the effective interest rate method.

1.24 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 1.22 Impairment of Financial Assets, an allowance for impairment of trade receivables is established when there is an expectation that the group or 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) 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.

NOTES TO THE ACCOUNTS (continued)

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

The DHSC GAM does not require the following IFRS Standards to be applied in 2025/26:

IFRS 18 Presentation and Disclosure in Financial Statements

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

IFRS 19 Subsidiaries without Public Accountability: Disclosures

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

1.26 Future Changes to the Government Accounting Manual (GAM)

Changes to valuation of property, plant and equipment (PPE) assets

The DHSC GAM for 2026/27 and associated consultation response document confirms future changes which will impact on the financial statements.

From 2026/27 NHS bodies' valuation methodology will be a mandated quinquennial revaluation frequency (or rolling programme) supplemented by annual indexation in the intervening years. The requirement in IAS 16 to revalue an asset when its fair value differs materially from its carrying value is being withdrawn for the public sector. Given the variation in PPE valuations in any given year, and future changes in indices, it is not possible to quantify the impact of applying these changes in future periods. PPE and right of use assets currently subject to revaluation have a total book value of £527,212k as at 31 March 2026.

The current accounting policy for property assets measures the cost of replacing the service potential using a 'modern equivalent asset'. This policy is not changing. In deriving the modern equivalent asset, the Trust and its valuers currently adopt an 'alternative site' assumption for its specialised buildings, meaning the replaced service potential may be in a different location. The option of using this assumption is being withdrawn for NHS bodies from 1 April 2028. Therefore the hypothetical modern equivalent asset will change to be located on current sites in asset valuations from 2028/29. Assets valued on an alternative site basis have a total book value of £382,132k at 31 March 2026. The Trust is not currently able to quantify the impact of these future changes.

NOTES TO THE ACCOUNTS (continued)

2.0 NHS Foundation Trust Adjusted Financial Performance (Control Total)

The NHS Foundation Trust reports to NHS England on an adjusted financial performance (control total) basis, these figures differ to those reported in the NHS Foundation Trusts statement of comprehensive income on page 4. This is as a result of excluding certain funding streams and technical adjustments as identified below.

2025/26

	£000
Reconciliation to control total	
Deficit for the year (SOCI Trust)	12,139
Surplus for the year (NHPS Limited)	(17)
Less/Add: Reversal of impairments/impairments	**880**
Add: Donated asset depreciation	**1,574**
Add: pepercorn ROU asset depreciation	**68**
Less: Donated income received for asset purchases	**(6,996)**
Remove PFI revenue costs on an IFRS 16 basis	**50,547**
Add back PFI revenue costs on a UK GAAP basis	**(53,243)**
Remove net impact of DHSC centrally procured inventories	**151**
Underlying result	**5,103**
Control Total Plan	**0**

2024/25

Reconciliation to control total	£000
Deficit for the year (SOCI Trust)	(1,826)
Surplus for the year (NHPS Limited)	123
Less/Add: Reversal of impairments/impairments	1,595
Add: Donated asset depreciation	1,279
Add: pepercorn ROU asset depreciation	58
Less: Donated income received for asset purchases	(4,162)
Remove PFI revenue costs on an IFRS 16 basis	55,414
Add back PFI revenue costs on a UK GAAP basis	(52,481)
Underlying result	0
Control Total Plan	**0**

NOTES TO THE ACCOUNTS (continued)

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. 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.

	2025/26 %	2024/25 %
NHS North East and North Cumbria ICB	62	42
NHS England	25	46

NOTES TO THE ACCOUNTS (continued)

3. Operating income from patient care activities

3.1 Income from patient care activities by nature

GROUP and NHS FOUNDATION TRUST

	2025/26	2024/25
	£000	£000
Acute Services		
Income from commissioners under API contracts - variable element*	**332,937**	338,680
Income from commissioners under API contracts - fixed element*	**890,618**	813,332
High cost drugs income from commissioners	**281,118**	269,001
Other NHS clinical income ***	**17,678**	13,110
	1,522,351	1,434,123
Community Services		
Income from commissioners under API contracts*	**50,908**	53,481
Income from other sources	**7,421**	6,494
	58,329	59,975
All Services		
Private patient income	**5,119**	3,510
Other clinical income ***	**17,316**	15,398
Additional pension contribution central funding ****	**59,362**	54,949
Agenda for change pay award central funding**	**0**	3,059
	81,797	76,916
	1,662,477	1,571,014

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.

*Aligned payment and incentive contracts are the main form of contracting between NHS providers and their commissioners. More information can be found in the 2025/26 NHS Payment Scheme documentation. https://www.england.nhs.uk/publication/2025-26-nhs-payment-scheme/

**Additional funding was made available by NHS England in 2024/25 for implementing the backdated element of pay awards where government offers were made at the end of the financial year 2023/24 Funding was made available to cover a backdated pay award for Redident Doctors averaging 4.05% of salary. 2023/24: In March 2024, the government announced a revised pay offer for consultants, reforming consultant pay scales with an effective date of 1 March 2024. Trade Unions representing consultant doctors accepted the offer in April 2024.

*** 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 and form 20.6% to 23.7% from 1 April 2024. 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.

NOTES TO THE ACCOUNTS (continued)

3. Operating income *(continued)*

3.2 Income from patient care activities by source

GROUP and NHS FOUNDATION TRUST

	2025/26	2024/25
	£000	£000
NHS Foundation Trusts	**1,396**	3,027
Integrated Care Boards	**1,171,955**	742,794
NHS England	**452,797**	793,275
Local Authorities	**7,421**	6,494
NHS Other (including UKHSA and MHRA)	**3,960**	3,499
Non NHS (including non-English NHS):		
- Private patients	**5,119**	3,510
- Overseas patients (chargeable to patient)	**1,062**	1,231
- Injury cost recovery scheme*	**4,322**	4,324
- Other **	**14,445**	12,860
	1,662,477	1,571,014

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 24.62% (2024/25 24.45%). 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.

As of April 2025, NHSE England has delegated commissioning responsibility for some specialised services to ICBs to improve local integration, patient pathways and population health management. These services which treat rare or complex conditions, are now managed locally to consider where a greater focus on upstream intervention ('left-shift') could significantly reduce demand for them. The ICBs income related to the delegated specialised services in 25/26 were £380.8m in total (£375.8m for NENC ICB and £5.0m for three Yorkshire ICBs).

3.3 Income from overseas visitors

	2025/26	2024/25
	£000	£000
Income recognised in the year	**1,062**	1,231
Cash payments received in-year (relating to invoices raised in the current and previous years)	**376**	339
Amounts added to the provision for impairment of receivables (relating to invoices raised in the current and prior years)	**756**	921
Amounts written off in-year (relating to invoices raised in the current and previous years)	**724**	577

NOTES TO THE ACCOUNTS (continued)

4. Other operating income

	GROUP		NHS FOUNDATION TRUST	
	2025/26	2024/25	**2025/26**	2024/25
	£000	£000	**£000**	£000
Research and development	**63,189**	55,141	**63,189**	55,141
Education and training	**66,392**	61,948	**66,392**	61,948
Non-patient care services to other bodies *	**38,560**	34,064	**38,560**	34,064
Other income **	**41,654**	38,237	**41,654**	38,237
Education and training - notional income from apprenticeship fund	**1,697**	1,529	**1,697**	1,529
Cash donations for the purchase of capital assets - received from NHS charities	**0**	0	**4,947**	2,521
Cash donations for the purchase of capital assets - received from other bodies	**2,049**	1,641	**2,049**	1,641
Rental revenue from operating leases	**460**	612	**460**	612
Charitable fund incoming resources	**9,057**	8,488	**0**	0
Total Other Operating Income	**223,058**	201,660	**218,948**	195,693
Total income from patient care activities	**1,662,477**	1,571,014	**1,662,477**	1,571,014
Total operating income	**1,885,535**	1,772,674	**1,881,425**	1,766,707

* Non-patient care services to other bodies includes the hosting of Northern Medical Physics and Clinical Engineering (NMPCE) (formerly known as Regional Medical Physics Department (RMPD) Services) and Regional Drugs and Therapeutics Services.

** Other income includes Department of Health and Social Care funding for clinical excellence awards, clinical test income, property utilities income and catering and nursery income.

4.1 Fees and charges

The Group and NHS Foundation Trust had no schemes which individually had a cost exceeding £1,000k in the current or preceding year.

4.2 Additional information on contract revenue (IFRS 15) recognised in the period

	2025/26	**2024/25**
	£000	**£000**
Revenue recognised in the reporting period that was included in within contract liabilities at the previous period end	**13,088**	14,865

NOTES TO THE ACCOUNTS (continued)

4. Other operating income *(continued)*

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:

	2025/26	2024/25
	£000	£000
Income from services designated as commissioner requested services	1,169,798	1,110,041
Income from services not designated as commissioner requested services	492,679	460,973
	1,662,477	**1,571,014**

4.4 Operating lease income

GROUP and NHS FOUNDATION TRUST

	2025/26	2024/25
	£000	£000
Building rental recognised in other income	**460**	612
Future minimum lease payments due		
- not later than one year	**184**	290
- later than one year and not later than five years	**736**	984
- later than five years	**1,053**	1,236
	1,973	2,510

The NHS Foundation Trust acts as lessor of certain buildings and office accommodation, principally for healthcare purposes.

NOTES TO THE ACCOUNTS (continued)

5. Operating Expenses

5.1 Operating expenses comprise:	GROUP		NHS FOUNDATION TRUST	
	2025/26	2024/25	**2025/26**	2024/25
	£000	£000	**£000**	£000
Purchase of healthcare from NHS and DHSC bodies	**43,100**	42,660	**43,100**	42,660
Purchase of healthcare from non NHS bodies	**13,709**	16,048	**13,709**	16,048
Employee expenses - non-executive directors	**220**	199	**207**	199
Employee expenses - staff and executive directors	**1,032,414**	956,758	**1,030,291**	956,174
Supplies and services - clinical (excluding drugs costs)	**183,016**	183,217	**183,014**	183,217
Supplies and services – clinical: utilisation of consumables donated from DHSC group bodies for COVID response	**151**	0	**151**	0
Supplies and services - general	**14,505**	14,258	**14,505**	14,258
Drugs inventories consumed	**296,171**	288,001	**299,295**	288,989
Inventories written down (net, including inventory drugs)	**306**	342	**306**	342
Consultancy costs	**1,120**	1,216	**1,120**	1,216
Establishment	**9,238**	10,155	**8,822**	9,992
Premises - business rates payable to Local Authorities	**5,745**	6,500	**5,722**	6,499
Premises - other	**62,768**	58,513	**62,515**	58,434
Transport - business	**2,570**	2,677	**2,566**	2,677
Transport - other (including patient travel)	**3,522**	2,710	**3,522**	2,710
Depreciation on property, plant and equipment (Note 12 & 13.1)	**35,504**	34,476	**35,504**	34,476
Amortisation on intangible assets (Note 11)	**1,568**	2,639	**1,568**	2,639
Net impairments of property, plant and equipment * (Note 12 & 13.1)	**880**	1,595	**880**	1,595
Movement in credit loss allowance: contract receivables/assets (Note 17.2)	**4,958**	704	**4,958**	704
Change in provisions - discount rate	**(80)**	8	**(80)**	8
External audit fees - Statutory audit**	**195**	192	**177**	162
External audit fees - Charitable fund accounts	**11**	11	**0**	0
Internal Audit - Non Staff	**266**	287	**266**	287
Clinical negligence - amounts payable to NHS Resolution (premium)	**29,651**	29,937	**29,651**	29,937
Legal fees	**784**	789	**784**	789
Insurance	**674**	789	**674**	783
Research and development - staff costs	**35,929**	30,352	**35,929**	30,352
Research and development - non staff costs	**25,288**	22,759	**25,288**	22,759
Education and training - non-staff	**2,233**	3,132	**2,233**	3,132
Education and training - notional expenditure funded from apprenticeship fund	**1,697**	1,529	**1,697**	1,529
Rentals under operating leases - minimum lease payments	**444**	368	**444**	368
Redundancy costs - staff costs	**4,223**	0	**4,223**	0
Charges to operating expenditure for on-SoFP IFRIC 12 schemes on an IFRS basis - PFI schemes	**13,023**	13,663	**13,023**	13,663
NHS Charitable fund - other resources expended	**8,844**	6,838	**0**	0
Other	**3,514**	4,800	**3,427**	4,812
	1,838,161	1,738,122	**1,829,491**	1,731,410

* Net impairments total £880k (2024/25 £1,595k net reversal of impairment).

** External audit fees - Statutory audit include VAT (£147k excl. VAT for Group and Trust Audit and £15k excl. VAT for NHPS Ltd) (2024/25 £145k exc. VAT for Group and Trust Audit and £15k excl. VAT for NHPS Ltd)

NOTES TO THE ACCOUNTS (continued)

5. Operating Expenses *(continued)*

5.2 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, Forvis Mazars, covering the period of 1 October 2024 to 30 September 2027 as auditors.

5.3 Directors' remuneration and other benefits

Details of director's remuneration and other benefits are disclosed in the remuneration section of the annual report.

NOTES TO THE ACCOUNTS (continued)

5. Operating Expenses *(continued)*

5.4. Staff costs and numbers

5.4.1 Staff costs

	GROUP 2025/26	NHS FOUNDATION TRUST 2025/26	GROUP 2024/25	NHS FOUNDATION TRUST 2024/25
	£000	**£000**	£000	£000
Salaries and wages *	**836,963**	**834,940**	783,909	783,455
Social security costs	**91,596**	**91,596**	69,854	69,811
Apprenticeship levy	**3,922**	**3,908**	3,744	3,742
Pension cost - employer contributions to NHS pension schemes	**90,774**	**90,774**	84,208	84,157
Pension cost - employer contributions paid by NHSE on provider's behalf (2025/26 9.4%, 2024/25 9.4%)	**59,362**	**59,362**	54,949	54,915
Pension cost - Other	**236**	**236**	281	281
Agency and contract staff	**5,442**	**5,356**	7,136	7,136
Total gross staff costs	**1,088,295**	**1,086,172**	1,004,081	1,003,497
Recoveries from DHSC Group bodies in respect of staff cost netted off expenditure	**(5,533)**	**(5,533)**	(9,419)	(9,419)
Recoveries from Other bodies in respect of staff cost netted off expenditure	**(10,196)**	**(10,196)**	(7,552)	(7,552)
Total staff costs	**1,072,566**	**1,070,443**	987,110	986,526
Analysed into operating expenditure - Note 5.1				
Employee expenses - staff and executive directors	**1,032,414**	**1,030,391**	956,758	956,174
Research and development	**35,929**	**35,929**	30,352	30,352
Redundancy	**4,223**	**4,223**	0	97
Total employee benefits excluding capitalised costs	**1,072,566**	**1,070,543**	987,110	986,623

* Included within salaries and wages is an amount of £75,365k (2024/25 £70,737k) relating to recharges from Northumbria NHS Foundation Trust, the host body for Junior Doctors in training.

5.4.2 Staff numbers

Staff numbers are included within the staff report section of the Annual Report.

5.4.3 Retirements due to ill-health

During 2025/26 there were 10 (2024/25 12) 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 £1,563k (2024/25 £1,665k).

These estimated costs are calculated on an average basis and will be borne by the NHS Pension Scheme.

NOTES TO THE ACCOUNTS (continued)

5. Operating Expenses *(continued)*

5.4.4 Reporting of other compensation packages

There were no exit payments following employment tribunal (2024/25 - nil).

There were 193 exit payments made in 2025/26 totalling £4,223k (2024/25 nil) 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

	2025/26 Number	**2025/26 Value £000**
Total Non-NHS trade invoices paid in the year	**231,014**	**850,779**
Total Non NHS trade invoices paid within target	**221,768**	**811,908**
Percentage of Non-NHS trade invoices paid within target	**96%**	**95%**
Total NHS trade invoices paid in the year	**5,507**	**200,067**
Total NHS trade invoices paid within target	**4,992**	**187,933**
Percentage of NHS trade invoices paid within target	**91%**	**94%**

	2024/25 Number	2024/25 Value £000
Total Non-NHS trade invoices paid in the year	230,475	744,074
Total Non NHS trade invoices paid within target	214,435	701,884
Percentage of Non-NHS trade invoices paid within target	93%	94%
Total NHS trade invoices paid in the year	4,928	186,093
Total NHS trade invoices paid within target	4,627	182,708
Percentage of NHS trade invoices paid within target	94%	98%

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.

6.2 The Late Payment of Commercial Debts (Interest) Act 1998

GROUP and NHS FOUNDATION TRUST

	2025/26 £000	2024/25 £000
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**	1

NOTES TO THE ACCOUNTS (continued)

7. Finance income

Finance income represents interest received on assets and investments in the period

	GROUP		NHS FOUNDATION TRUST	
	2025/26	2024/25	**2025/26**	2024/25
	£000	£000	**£000**	£000
Interest on bank accounts	**4,987**	9,304	**5,189**	9,249
NHS Charitable fund - investment income	**1,407**	1,271	**0**	0
Other Finance Income*	**0**	0	**0**	69
Total finance income	**6,394**	10,575	**5,189**	9,318

*Other finance income relates to interest charged to the Foundation Trust's subsidiary in relation to a working capital facility

8. Finance expense - financial liabilities

Finance expenditure represents interest and other charges involved in the borrowing of money.

GROUP and NHS FOUNDATION TRUST

	2025/26	2024/25
	£000	£000
Interest on lease obligations	**546**	435
Interest on other loans	**5**	3
PFI - Main finance costs	**26,362**	26,311
PFI - Remeasurement of liability resulting from a change in index or rate	**13,718**	17,812
Total interest expense	**40,631**	44,561
Unwinding of discount on provisions	**28**	65
Total finance expense	**40,659**	44,626

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 £4,589k (2024/25 £1,782k).

NOTES TO THE ACCOUNTS (continued)

10. Impairments and gains/(losses) on disposal

10.1 Impairments of assets

GROUP and NHS FOUNDATION TRUST

	2025/26 £000 Net impairments	**2025/26 £000 Impairments**	**2025/26 £000 Reversals**	2024/25 £000 Net impairments	2024/25 £000 Impairments	2024/25 £000 Reversals
Changes in market price and optimal site valuation	**880**	**1,800**	**(920)**	1,595	3,704	(2,109)
Total impairments (credited)/charged to operating surplus	**880**	**1,800**	**(920)**	1,595	3,704	(2,109)
Net impairments (credited)/debited to the revaluation reserve	**1,912**	**3,449**	**(1,537)**	3,187	4,655	(1,468)
Total impairments	**2,792**	**5,249**	**(2,457)**	4,782	8,359	(3,577)

10.2 Gains/(losses) on assets

GROUP and NHS FOUNDATION TRUST

	GROUP		**NHS FOUNDATION TRUST**	
	2025/26 £000	2024/25 £000	**2025/26 £000**	2024/25 £000
Gains on disposal of other property, plant and equipment	**68**	38	**68**	38
Losses on disposal of other property, plant and equipment	**(38)**	(71)	**(38)**	(71)
Gains on disposal of right of use assets	**8**		**8**	
Gains on disposal of right of use assets	**0**	0	**0**	0
Gain on disposal of assets held for sale	**226**		**226**	
Fair value gains/(losses) on charitable fund investments & investment properties	**1,278**	(352)	**0**	0
	1,542	(385)	**264**	(33)

NOTES TO THE ACCOUNTS (continued)

11. Intangible Assets

GROUP AND NHS FOUNDATION TRUST	Software licences	Under development	Total
	£000	£000	£000
Cost at 1 April 2025	25,406	830	**26,236**
Additions purchased	(2)	(192)	**(194)**
Reclassifications	638	(638)	**0**
Disposals	0	0	**0**
Cost at 31 March 2026	**26,042**	**0**	**26,042**
Accumulated amortisation at 1 April 2025	20,955	0	**20,955**
Provided during the year	1,568	0	**1,568**
Disposals	0	0	**0**
Accumulated amortisation at 31 March 2026	**22,523**	**0**	**22,523**
Net book value			
Purchased	3,519	0	**3,519**
Total at 31 March 2026	**3,519**	**0**	**3,519**
Cost at 1 April 2024	24,068	1,005	25,073
Additions purchased	488	698	1,186
Reclassifications	873	(873)	0
Disposals	(23)		(23)
Cost at 31 March 2025	25,406	830	26,259
Accumulated amortisation at 1 April 2024	18,339	0	18,339
Provided during the year	2,639	0	2,639
Disposals	(23)	0	(23)
Accumulated amortisation at 31 March 2025	20,955	0	20,955
Net book value			
Purchased	4,451	830	5,281
Total at 31 March 2025	4,451	830	5,281

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 2025 £Nil) and has no intangibles funded by government grant (31 March 2025 £Nil).

NOTES TO THE ACCOUNTS (continued)

12. Property, Plant and Equipment

12.1 Property, plant and equipment at the Statement of Financial Position date comprise the following elements:

2025/26 Financial Year

GROUP

	Land	Buildings	Dwellings	Assets under construction	Plant and Machinery	Transport Equipment	Information Technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2025	21,515	482,073	740	22,401	227,754	438	34,774	831	**790,526**
Additions purchased	0	6,908	0	41,644	13,292	10	4,955	0	**66,809**
Additions purchased from cash donations	0	0	0	3,977	3,019	0	0	0	**6,996**
Reclassifications	0	25,106	0	(26,678)	1,572	0	0	0	**0**
Impairments charged to operating expenses	(102)	(1,698)	0	0	0	0	0	0	**(1,800)**
Impairments charged to the revaluation reserve	0	(3,160)	(289)	0	0	0	0	0	**(3,449)**
Reversal of impairments credited to operating expenses	0	920	0	0	0	0	0	0	920
Reversal of impairments credited to the revaluation reserve	565	648	6	0	0	0	0	0	**1,219**
Depreciation eliminated on revaluation	0	(15,514)	(6)	0	0	0	0	0	**(15,520)**
Transfers to/from assets held for sale and assets in disposal groups	(539)	(305)	(250)	0	0	0	0	0	**(1,094)**
Disposals	0	0	0	0	(4,236)	(52)	0	0	**(4,288)**
Cost or valuation at 31 March 2026	**21,439**	**494,978**	**201**	**41,344**	**241,401**	**396**	**39,729**	**831**	**840,319**

NOTES TO THE ACCOUNTS (continued)

12. Property, Plant and Equipment *(continued)*

12.1 Property, plant and equipment at the Statement of Financial Position date comprise the following elements *(continued)*

2025/26 Financial Year
GROUP

	Land	Buildings	Dwellings	Assets under construction	Plant and Machinery	Transport Equipment	Information Technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Accumulated Depreciation at 1 April 2025	0	2	0	0	143,030	376	29,343	830	**173,581**
Provided during the year	0	15,514	6	0	13,594	10	1,041	0	**30,165**
Reversal of impairments credited to operating expenses	0	0	0	0	0	0	0	0	**0**
Depreciation eliminated on revaluation	0	(15,514)	(6)	0	0	0	0	0	**(15,520)**
Reclassifications	0	0	0	0	0	0	0	0	**0**
Disposals	0	0	0	0	(3,052)	(52)	0	0	**(3,104)**
Accumulated Depreciation at 31 March 2026	**0**	**2**	**0**	**0**	**153,572**	**334**	**30,384**	**830**	**185,122**
Net book value As at 31 March 2026	**21,439**	**494,976**	**201**	**41,344**	**87,829**	**62**	**9,345**	**1**	**655,197**
Net book value As at 31 March 2025	21,515	482,071	740	22,401	84,724	62	5,431	1	616,945
Financing of property, plant and equipment									
Owned	21,439	320,899	201	37,368	78,111	62	9,327	1	**467,408**
PFI	0	165,523	0	0	0	0	0	0	**165,523**
Owned - donated/granted	0	8,554	0	3,976	9,718	0	18	0	**22,266**
Total at 31 March 2026	**21,439**	**494,976**	**201**	**41,344**	**87,829**	**62**	**9,345**	**1**	**655,197**

NOTES TO THE ACCOUNTS (continued)

12. Property, Plant and Equipment *(continued)*

12.1 Property, plant and equipment at the Statement of Financial Position date comprise the following elements *(continued)*

2025/26 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 2025/26 the following took place which resulted in movements to the statement of comprehensive income, the revaluation reserve and the income and expenditure reserve.

A desktop update of the NHS Foundation Trust's estate was carried out as at 31 March 2026 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) £1,800K (2024/25 £3,704k) charge to operating expenditure relating to impairments in year.

ii) a £920k (2024/25 £2,109k) credit to operating expenditure reversing prior year impairments.

Revaluation reserve

i) a £3,449k (2024/25 £4,655k) charge to the revaluation reserve for impairments in year.

ii) a £1,537k (2024/25 £1,468k) credit to the revaluation reserve relating to an increase in asset values.

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.

NOTES TO THE ACCOUNTS (continued)

12. Property, Plant and Equipment *(continued)*

12.1 Property, plant and equipment at the Statement of Financial Position date comprise the following elements *(continued)*

2025/26 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 £4,947k (2024/25 £2,521k) 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.

NOTES TO THE ACCOUNTS (continued)

12. Property, Plant and Equipment *(continued)*

12.1 Property, plant and equipment at the Statement of Financial Position date comprise the following elements *(continued)*

2024/25 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 2024	21,421	481,404	614	9,717	224,165	458	32,612	831	**771,222**
Additions purchased	0	2,354	0	31,853	14,604	0	2,976	0	**51,787**
Additions purchased from cash donations	0	0	0	1,312	2,850	0	0	0	**4,162**
Reclassifications	0	20,424	0	(20,481)	57	0	0	0	**0**
Impairments charged to operating expenses	0	(3,704)	0	0	0	0	0	0	**(3,704)**
Impairments charged to the revaluation reserve	0	(4,636)	(19)	0	0	0	0	0	**(4,655)**
Reversal of impairments credited to operating expenses	0	326	0	0	0	0	0	0	**326**
Reversal of impairments credited to the revaluation reserve	94	1,210	164	0	0	0	0	0	**1,468**
Depreciation eliminated on revaluation	0	(15,305)	(19)	0	0	0	0	0	**(15,324)**
Disposals	0	0	0	0	(13,922)	(20)	(814)	0	**(14,756)**
Cost or valuation at 31 March 2025	**21,515**	**482,073**	**740**	**22,401**	**227,754**	**438**	**34,774**	**831**	**790,526**

NOTES TO THE ACCOUNTS (continued)

12. Property, Plant and Equipment *(continued)*

12.1 Property, plant and equipment at the Statement of Financial Position date comprise the following elements *(continued)*

2024/25 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
Accumulated Depreciation at 1 April 2024	0	2	0	0	143,527	383	28,562	830	**173,304**
Provided during the year	0	15,305	19	0	13,340	13	1,595	0	**30,272**
Depreciation eliminated on revaluation	0	(15,305)	(19)	0	0	0	0	0	**(15,324)**
Disposals	0	0	0	0	(13,837)	(20)	(814)	0	**(14,671)**
Accumulated Depreciation at 31 March 2025	**0**	**2**	**0**	**0**	**143,030**	**376**	**29,343**	**830**	**173,581**
Net book value as at 31 March 2025	**21,515**	**482,071**	**740**	**22,401**	**84,724**	**62**	**5,431**	**1**	**616,945**
Net book value as at 31 March 2024	21,421	481,402	614	9,717	80,638	75	4,050	1	597,918
Financing of property, plant and equipment									
Owned	21,515	309,016	740	22,401	76,699	62	5,393	1	**435,827**
PFI	0	164,218	0	0	0	0	0	0	**164,218**
Owned - donated/granted	0	8,837	0	0	8,025	0	38	0	**16,900**
Total at 31 March 2025	**21,515**	**482,071**	**740**	**22,401**	**84,724**	**62**	**5,431**	**1**	**616,945**

NOTES TO THE ACCOUNTS (continued)

12. Property, Plant and Equipment *(continued)*

12.2 Assets held at open market value

Of the closing balances at 31 March 2026 £3,872k (2024/25 £3,308k) 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 2025	**164,218**
Additions	**6,908**
Reclassifications	**43**
Impairments	**(5,646)**
Valuation at 31 March 2026	**165,523**
Accumulated Depreciation at 1 April 2025	**0**
Provided during the year	**5,071**
Depreciation eliminated on revaluation	**(5,071)**
Accumulated Depreciation at 31 March 2026	**0**
Net book value at 31 March 2026	**165,523**
Valuation at 1 April 2024	168,191
Additions	2,354
Reclassifications	667
Impairments	(6,994)
Valuation at 31 March 2025	164,218
Accumulated Depreciation at 1 April 2024	0
Provided during the year	5,071
Depreciation eliminated on revaluation	(5,071)
Accumulated Depreciation at 31 March 2025	0
Net book value at 31 March 2025	164,218

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.

NOTES TO THE ACCOUNTS (continued)

13. Leases

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

2025/26 Financial Year

GROUP AND NHS FOUNDATION TRUST

	Property (Land and Buildings)	Plant and Machinery	Transport Equipment	Total	Of which: leased from DHSC group bodies
	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2025 - brought forward	**31,107**	**3,910**	**186**	**35,203**	**22,807**
Additions - lease liability	438	5,029	113	**5,580**	0
Additions - up front lease payments (before or on commencement)	0	121	4	**125**	0
Remeasurements of Lease Liability	(446)	0	0	**(446)**	(947)
Reversal of Impairments charged to revaluation Reserve	318	0	0	**318**	126
Depreciation eliminated upon revaluation	(1,442)	0	0	**(1,442)**	(1,442)
Disposals - Lease Termination	(2,393)	(111)	(120)	**(2,624)**	(2,312)
Cost or valuation at 31 March 2026	**27,582**	**8,949**	**183**	**36,714**	**18,232**
Accumulated depreciation at 1 April 2025 - brought forward	**5,954**	**1,567**	**122**	**7,643**	3,957
Provided during the year - right of use asset	**3,547**	**1,641**	**83**	**5,271**	2,808
Provided during the year - peppercorn leased asset	**68**	**0**	**0**	**68**	0
Depreciation eliminated upon revaluation	**(1,442)**	**0**	**0**	**(1,442)**	(1,442)
Disposals - Lease Termination	**(1,085)**	**(111)**	**(120)**	**(1,316)**	(1,004)
Accumulated depreciation at 31 March 2026	**7,042**	**3,097**	**85**	**10,224**	**4,319**
Net book value at 31 March 2026	**20,540**	**5,852**	**98**	**26,490**	**13,913**
Net book value of right of use assets leased from other NHS providers	**8,779**	**0**	**0**	**8,779**	
Net book value of right of use assets leased from other DHSC Group Bodies	**5,134**	**0**	**0**	**5,134**	

NOTES TO THE ACCOUNTS (continued)

13.1 Right of use assets (continued)

2024/25 Financial Year

GROUP AND NHS FOUNDATION TRUST

	Property (Land and Buildings)	Plant and Machinery	Transport Equipment	Total	Of which: leased from DHSC group bodies
	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2024 - brought forward	**29,346**	**4,455**	**208**	**34,009**	**21,424**
Additions - lease liability	348	388	38	**774**	**0**
Additions - up front payments (before or on commencement)	11	0	1	**12**	
Remeasurements of Lease Liability	1,157	146	0	**1,303**	**1,135**
Reversal of impairments charged to operating expenses	1,783	0	0	**1,783**	**1,483**
Depreciation eliminated on revaluation	(1,233)	0	0	**(1,233)**	(1,175)
Disposals - Lease Termination	(305)	(1,079)	(61)	**(1,445)**	**(60)**
Cost or valuation at 31 March 2025	**31,107**	**3,910**	**186**	**35,203**	**22,807**
Accumulated depreciation at 1 April 2024 - brought forward	**4,129**	**1,870**	**118**	**6,117**	**2,652**
Provided during the year - right of use asset	**3,305**	**776**	**65**	**4,146**	**2,540**
Provided during the year - peppercorn leased asset	**58**	**0**	**0**	**58**	**0**
Depreciation eliminated on revaluation	**(1,233)**	**0**	**0**	**(1,233)**	**(1,175)**
Disposals - Lease Termination	**(305)**	**(1,079)**	**(61)**	**(1,445)**	**(60)**
Accumulated depreciation at 31 March 2025	**5,954**	**1,567**	**122**	**7,643**	**3,957**
Net book value at 31 March 2025	**25,153**	**2,343**	**64**	**27,560**	**18,850**
Net book value of right of use assets leased from other NHS providers	**9,707**	**0**	**0**	**9,707**	
Net book value of right of use assets leased from other DHSC Group Bodies	**9,143**	**0**	**0**	**9,143**	

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 the following assets.

i) Peppercorn leases which are supplied to the Trust at no cost and therefore not set using market conditions.
ii) The North Cumbria Cancer Centre which is a specialist building which could be subject to fluctuations of its value in use and therefore measured at depreciated replacement cost.

Therefore a revaluation of these assets have been carried out by a by a qualified valuer within the Valuation Office Agency resulting in a revaluation totalling £318k (2024/25 reversal of impairment of £1,783k).

NOTES TO THE ACCOUNTS (continued)

13. Leases *(continued)*

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	Total 2025/26 £000	Of which: leased from DHSC group bodies 2025/26 £000	Total 2024/25 £000	Of which: leased from DHSC group bodies 2024/25 £000
As at 1st April	**30,364**	**22,973**	33,008	25,058
Lease additions	**5,580**	**0**	774	0
Lease liability remeasurements	**(446)**	**(947)**	1,303	1,135
Interest charge arising in year	**546**	**209**	435	235
Early terminations	**(1,316)**	**(1,316)**	0	0
Lease Payments (cash outflows)	**(6,129)**	**(3,550)**	(5,156)	(3,455)
Carrying value at 31 March	**28,599**	**17,369**	**30,364**	**22,973**

13.4 Maturity analysis of future lease payments

GROUP AND NHS FOUNDATION TRUST	Total 31 March 2026 £000	Of which: leased from DHSC group bodies 31 March 2026 £000	Total 31 March 2025 £000	Of which: leased from DHSC group bodies 31 March 2025 £000
Undiscounted future lease payments payable in:				
- not later than one year;	6,412	3,018	5,157	3,434
- later than one year and not later than five years;	18,230	12,072	17,647	13,642
- later than five years.	6,592	3,018	9,451	6,679
Total gross future lease payments	31,234	18,108	**32,255**	**23,755**
Finance charges allocated to future periods	(2,635)	(739)	(1,891)	(782)
Net lease liabilities at 31 March	**28,599**	**17,369**	**30,364**	**22,973**
Of which:				
- Current	5,774	2,800	4,777	3,229
- Non-Current	22,825	14,569	25,587	19,744

NOTES TO THE ACCOUNTS (continued)

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 and Newcastle Hospitals Pharmaservices Limited 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 (2023/24 £Nil).

Pulse Diagnostics Limited

The NHS Foundation Trust holds 89% (2024/25 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 (2024/25 £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.

Newcastle Hospitals Pharmaservices Limited

The NHS Foundation Trust holds 100% of the total share capital of Newcastle Hospitals Pharmaservices Limited. The company is incorporated in the UK for the purpose of providing an outpatient pharmacy service to the Foundation Trust. The company commenced trading in December 2024. The results of the company are consolidated into the group accounts.

NOTES TO THE ACCOUNTS (continued)

15. Other investments

GROUP

	2025/26 £000	2024/25 £000
Carrying value at 1 April	**47,407**	44,175
Additions	**0**	3,584
Fair value gains / (losses) through profit and loss.	**1,278**	(352)
Disposals	**(14,675)**	0
Fair value at 31 March	**34,010**	**47,407**

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.

NOTES TO THE ACCOUNTS (continued)

16. Inventories

GROUP

	2025/26 £000 Total	**2025/26 £000 Drugs**	**2025/26 £000 Consumables**	**2025/26 £000 Consumables donated from DHSC**	**2025/26 £000 Charitable funds inventory**
As at 1 April	**32,527**	**12,541**	**19,819**	**151**	**16**
Additions	**450,897**	**296,546**	**154,351**	**0**	**0**
Inventories recognised in expenses	**(447,413)**	**(295,540)**	**(151,722)**	**(151)**	**0**
Write down of inventories	**(306)**	**(306)**	**0**	**0**	**0**
Movement in Charitable funds inventories	**27**	**0**	**0**	**0**	**27**
As at 31 March	**35,732**	**13,241**	**22,448**	**-**	**43**

	2024/25 £000 Total	2024/25 £000 Drugs	2024/25 £000 Consumables	2024/25 £000 Consumables donated from DHSC	2024/25 £000 Charitable funds inventory
As at 1 April	26,591	8,744	17,654	151	42
Additions	455,351	307,559	147,792	0	0
Inventories recognised in expenses	(449,047)	(303,420)	(145,627)	0	0
Write down of inventories	(342)	(342)	0	0	0
Movement in Charitable funds inventories	(26)	0	0	0	(26)
As at 31 March	32,527	12,541	19,819	151	16

NHS FOUNDATION TRUST

	2025/26 £000 Total	**2025/26 £000 Drugs**	**2025/26 £000 Consumables**	**2025/26 £000 Consumables donated from DHSC**
As at 1 April	**28,785**	**8,815**	**19,819**	**151**
Additions	**454,008**	**299,657**	**154,351**	**0**
Inventories recognised in expenses	**(450,537)**	**(298,664)**	**(151,722)**	**(151)**
Write down of inventories	**(306)**	**(306)**	**0**	**0**
As at 31 March	**0**	**0**	**0**	**0**
	31,950	**9,502**	**22,448**	**-**

	2024/25 £000 Total	2024/25 £000 Drugs	2024/25 £000 Consumables	2024/25 £000 Consumables donated from DHSC
As at 1 April	26,549	8,744	17,654	151
Additions	431,648	283,856	147,792	0
Inventories recognised in expenses	(429,070)	(283,443)	(145,627)	0
Write down of inventories	(342)	(342)	0	0
As at 31 March	28,785	8,815	19,819	151

All stock is held at the lower of cost and net realisable value.

NOTES TO THE ACCOUNTS (continued)

17. Receivables

17.1 Receivables

	GROUP		NHS FOUNDATION TRUST	
	31 March 2026 £000	31 March 2025 £000	**31 March 2026 £000**	31 March 2025 £000
Current				
Contract receivables invoiced	**49,945**	40,353	**49,993**	41,080
Contract receivables not yet invoiced	**36,655**	45,821	**37,303**	45,821
Allowance for impaired contract receivables / assets	**(7,219)**	(4,302)	**(7,219)**	(4,302)
PFI prepayment (lifecycle replacement)	**7,081**	6,667	**7,081**	6,667
Other prepayments	**9,585**	8,841	**9,573**	8,710
VAT receivable	**6,682**	6,343	**3,590**	2,983
Clinician pension tax provision reimbursement funding from NHSE	**79**	64	**79**	64
Interest receivable	**392**	506	**382**	471
Other receivables	**3,834**	2,487	**3,829**	3,440
NHS Charitable funds: Receivables	**4,895**	3,607	**0**	0
Total current receivables	**111,929**	110,387	**104,611**	104,934
Non-current				
PFI prepayment (lifecycle replacement)	**10,087**	13,849	**10,087**	13,849
Other prepayments	**898**	901	**898**	901
Clinician pension tax provision reimbursement funding from NHSE	**1,399**	1,625	**1,399**	1,625
Other receivables	**0**	0	**10,020**	10,020
Total non - current receivables	**12,384**	16,375	**22,404**	26,395
Total receivables	**124,313**	126,762	**127,015**	131,329
Of which:				
NHS and DHSC group bodies	**22,327**	40,012	**22,327**	33,224
Non NHS and DHSC group bodies	**101,986**	68,279	**104,688**	98,105
	124,313	108,291	**127,015**	131,329

NOTES TO THE ACCOUNTS (continued)

17. Receivables *(continued)*

17.2 Allowances for credit losses (doubtful debts)

GROUP and NHS FOUNDATION TRUST

	2025/26	2024/25
	£000	£000
	Total	Total
At 1 April	**4,302**	5,492
New allowances arising	**5,466**	2,546
Reversals of allowances	**(508)**	(1,842)
Utilisation of allowances	**(2,041)**	(1,895)
At 31 March	**7,219**	4,301
Loss/gain recognised in expenditure	**4,958**	704

Included within the above is an allowance for unsuccessful compensation claims and doubtful debts of £2,354k (2024/25 £2,177k) relating to the NHS Injury Cost Recovery Scheme. The Compensation Recovery Unit have advised that the probability of not receiving income is 24.62% (2024/25 24.45%).

17.3 Receivables past due but not impaired

	31 March	**31 March**
	2026	2025
	£000	£000
31 to 90 days	**3,309**	4,215
91 to 180 days	**6,261**	530
By more than 180 days	**20,288**	20,358
Total	**29,858**	25,103

18 Non-current assets held for sale

GROUP and NHS FOUNDATION TRUST

	2025/26	2024/25
	£000	**£000**
	Total	Total
NBV of non-current assets for sale and assets at 1 April	**0**	0
Assets classified as available for sale in the year	**1,094**	0
Assets sold in year	**(339)**	0
NBV of non-current assets for sale and assets in disposal groups at 31 March	**755**	0

NOTES TO THE ACCOUNTS (continued)

19. Cash and cash equivalents

	GROUP		NHS FOUNDATION TRUST	
	2025/26	2024/25	**2025/26**	2024/25
	£000	£000	**£000**	£000
Balance at 1 April	**151,365**	191,088	**143,452**	182,686
Net change in year	**(8,347)**	(39,723)	**(15,412)**	(39,234)
Balance at 31 March	**143,018**	151,365	**128,040**	143,452
Made up of:				
Cash at commercial banks and in hand	**12,473**	2,205	**41**	37
Government Banking Service	**130,545**	99,160	**127,999**	93,415
Deposits with the National Loan Fund	**0**	50,000	**0**	50,000
Cash and cash equivalents as per the Statement of Financial Position	**143,018**	151,365	**128,040**	143,452

There is no difference between cash and cash equivalents as detailed above and cash and cash equivalents in the Statement of Cash Flows.

NOTES TO THE ACCOUNTS (continued)

20. Trade and other payables

	GROUP		NHS FOUNDATION TRUST	
	31 March 2026	31 March 2025	**31 March 2026**	31 March 2025
	£000	£000	**£000**	£000
Current				
Trade payables	**34,562**	32,244	**37,338**	30,521
Capital payables	**14,912**	19,513	**14,912**	19,513
Accruals	**89,979**	86,048	**88,025**	85,676
Annual leave accrual	**2,894**	6,415	**2,894**	6,415
Pension contributions payable	**12,641**	11,868	**12,633**	11,868
Other taxes payable	**21,272**	18,061	**21,228**	18,029
PDC dividend payable	**605**	402	**605**	402
Other payables	**13,163**	13,238	**13,163**	13,238
NHS Charitable funds:				
Trade and other payables	**574**	27	**0**	0
Total trade and other payables	**190,602**	187,816	**190,798**	185,662
Of which payable to NHS and DHSC group bodies - current	**6,572**	5,517	**6,572**	5,517

The Group and NHS Foundation Trust have no non-current trade and other payables.

21. Other liabilities

GROUP and NHS FOUNDATION TRUST

	31 March 2026	31 March 2025
	£000	£000
Current		
Deferred income	**60,080**	72,283
Other*	**4,641**	4,719
Total other liabilities	**64,721**	77,002

*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.

NOTES TO THE ACCOUNTS (continued)

22. Borrowings

22.1 Total Borrowings

GROUP and NHS FOUNDATION TRUST

	31 March 2026 £000	31 March 2025 £000
Current		
Lease Liabilities	**5,774**	4,777
Obligations under PFI agreements	**14,389**	13,077
Other Loans	**190**	186
Total current borrowings	**20,353**	18,040
Non-current		
Lease Liabilities	**22,825**	25,587
Obligations under PFI agreements	**387,345**	388,463
Other Loans	**0**	189
Total non-current borrowings	**410,170**	414,239
Total borrowings	**430,523**	432,279

22.2 Reconciliation of liabilities arising from financing activities - 2025/26

GROUP and NHS FOUNDATION TRUST

	31 March 2026 £000	**31 March 2026 £000**	**31 March 2026 £000**	**31 March 2026 £000**
	Lease liabilities	**PFI obligations**	**Other loans**	**Total**
Carrying value at 31 March 2025 brought forward	30,364	401,540	375	**432,279**
Cash movements				
Financing cash flows - principal	(5,583)	(13,524)	(185)	**(19,292)**
Financing cash flows - interest (for liabilities measured at amortised cost)	(546)	(26,362)	(5)	**(26,913)**
Non-cash movements				
Application of effective interest rate (interest charge arising in year)	546	26,362	5	**26,913**
Additions	5,580	0	0	**5,580**
Lease liability remeasurements	(446)	0	0	**(446)**
Termination of Lease	(1,316)	0	0	**(1,316)**
Remeasurement of PFI liability resulting from change in index or rate	0	13,718	0	**13,718**
Carrying value at 31 March 2026	**28,599**	**401,734**	**190**	**430,523**

NOTES TO THE ACCOUNTS (continued)

22.2 Reconciliation of liabilities arising from financing activities - 2023/24

GROUP and NHS FOUNDATION TRUST

	31 March 2025 £000	31 March 2025 £000	31 March 2025 £000	31 March 2025 £000
	Lease liabilities	**PFI obligations**	**Other loans**	**Total**
Carrying value at 31 March 2024 brought forward	33,008	396,022	0	**429,030**
Cash movements				
Financing cash flows - principal	(4,721)	(12,294)	375	**(16,640)**
Financing cash flows - interest (for liabilities measured at amortised cost)	(435)	(26,311)	(3)	**(26,749)**
Non-cash movements				
Application of effective interest rate (interest charge arising in year)	435	26,311	3	**26,749**
Additions	774	0	0	**774**
Lease liability remeasurements	1,303	0	0	**1,303**
Remeasurement of PFI liability resulting from change in index or rate	0	17,812	0	**17,812**
Carrying value at 31 March 2025	**30,364**	**401,540**	**375**	**432,279**

NOTES TO THE ACCOUNTS (continued)

22. Borrowings *(continued)*

22.3 Obligations under PFI arrangements

GROUP and NHS FOUNDATION TRUST

	31 March 2026 £000	31 March 2025 £000
Gross liabilities which are due:		
Not later than one year	**39,847**	38,568
Later than one year and not later than five years	**156,733**	152,333
Later than five years	**466,781**	489,115
Total gross liabilities	**663,361**	680,016
Finance charges allocated to future periods	**(261,627)**	(278,476)
Net obligations	**401,734**	401,540
Net PFI obligations which are due:		
Not later than one year	**14,389**	13,077
Later than one year and not later than five years	**64,764**	59,516
Later than five years	**322,581**	328,947
	401,734	401,540

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).

NOTES TO THE ACCOUNTS (continued)

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.

NOTES TO THE ACCOUNTS (continued)

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.

22.5 Analysis of amounts payable to service concession operators

	31 March 2026 £000	31 March 2025 £000
Unitary payment payable to service concession operators	**56,471**	55,710
Consisting of:		
Service element	**13,023**	13,663
Repayment of finance lease liability	**13,524**	12,294
Interest charge	**26,362**	26,311
Capital lifecycle costs- including prepayment element	**3,562**	3,442
Total amount paid to service concession operators	**56,471**	55,710

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.

NOTES TO THE ACCOUNTS (continued)

22. Borrowings *(continued)*

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 2026 £000	31 March 2025 £000
Total future payments committed	**910,830**	937,545
Of which payments due:		
Not later than one year	**55,617**	55,699
Later than one year and not later than five years	**214,069**	210,409
Later than five years	**641,144**	671,437
	910,830	937,545

The amounts shown above are measured at current prices at 31st March 2026 and exclude any future impact of inflation.

NOTES TO THE ACCOUNTS (continued)

22. Borrowings *(continued)*

22.7 Asset financing component of PFI schemes

	Gross payments		Present value of payments	
	31 March 2026 £000	31 March 2025 £000	**31 March 2026 £000**	31 March 2025 £000
Not later than one year	**39,847**	38,568	**14,389**	13,077
Later than one year and not later than five years	**156,733**	152,333	**64,764**	59,516
Later than five years	**466,781**	489,115	**322,581**	328,947
Sub-total	**663,361**	680,016	**401,734**	401,540
Less: finance cost attributable to future periods	**(261,627)**	(278,476)		
Total	**401,734**	401,540		

NOTES TO THE ACCOUNTS (continued)

22. Borrowings *(continued)*

22.8 Services component of PFI schemes

	Gross payments	
	31 March 2026 £000	31 March 2025 £000
Not later than one year	**13,291**	12,640
Later than one year and not later than five years	**39,945**	40,157
Later than five years	**118,916**	124,233
	172,152	177,030

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 £13,023k (2024/25 £13,663k).

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 2026 £000	31 March 2025 £000
Not later than one year	**3,648**	3,528
Later than one year and not later than five years	**14,594**	14,112
Later than five years	**58,370**	56,442
	76,612	74,082

The lifecycle component excludes the impact of inflation in future years.

NOTES TO THE ACCOUNTS (continued)

23. Provisions

GROUP and NHS FOUNDATION TRUST

	31 March 2026 £000	31 March 2025 £000
Pensions - Injury benefits	**1,514**	1,740
Legal claims - other	**205**	166
Clinician pension tax reimbursement	**1,478**	1,689
Other	**0**	687
Total	**3,197**	4,282
Analysed by:		
Current	**284**	917
Non-current	**2,913**	3,365
Total	**3,197**	4,282

	Pensions - Injury benefits	**Legal claims - other**	**Other**	**Clinician pension tax reimbursement**	**Total**
Movement in year:	**£000**	**£000**	**£000**	**£000**	**£000**
At 1 April 2025	1,740	166	687	1,689	**4,282**
Change in the discount rate	(80)	0	0	(113)	**(193)**
Arising during the year	37	300	0	(113)	**224**
Utilised during the year - accruals	0	0	0	0	**0**
Utilised during the year - cash	(127)	(208)	(3)	(79)	**(417)**
Reversed unused	(84)	(53)	(684)	0	**(821)**
Unwinding of discount *	28	0	0	94	**122**
At 31 March 2026	**1,514**	**205**	**0**	**1,478**	**3,197**
Expected timing of cash flows					
-not later than one year	0	205	0	79	**284**
-later than one year and not later than five years	465	0	0	235	**700**
-later than five years	1,049	0	0	1,164	**2,213**
Total	**1,514**	**205**	**0**	**1,478**	**3,197**

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.

NOTES TO THE ACCOUNTS (continued)

23. Provisions *(continued)*

Clinician pension tax reimbursement - 2019/20 Pension Annual Allowance Charge Compensation Scheme (PAACCS) - estimated liability as at 31 March 2026 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 which includes asbestos remediation works required across the Trust estate.

The NHS Foundation Trust has an insurance arrangement through the NHS Resolution in respect of clinical negligence, with liabilities covered by an annual insurance premium payment. Excluded from this note therefore is a sum of £365,725k (2024/25 £349,344k) 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	
	2025/26 £000	2024/25 £000	**2025/26 £000**	2024/25 £000
Total operating surplus/(deficit)	**47,374**	34,552	**51,934**	35,297
Depreciation and amortisation	**37,072**	37,115	**37,072**	37,115
Net impairments (Reversals)	**880**	1,595	**880**	1,595
Income recognised in relation to donated assets - cash	**(2,049)**	(1,641)	**(6,996)**	(4,162)
(Increase) in inventories	**(3,178)**	(5,962)	**(3,165)**	(2,236)
(Increase) in trade and other receivables	**275**	(17,326)	**827**	(24,814)
Increase/(Decrease) in trade and other payables	**6,637**	3,522	**9,534**	1,396
Decrease in other liabilities	**(12,281)**	(2,810)	**(12,281)**	(2,810)
Decrease in provisions	**(1,113)**	(11,471)	**(1,113)**	(11,471)
NHS Charitable funds - net adjustments for working capital movements, non-cash transactions and non-operating cash flows	**(768)**	(3,271)	**0**	0
Net cash generated from operating activities	**72,849**	34,303	**76,692**	29,910

NOTES TO THE ACCOUNTS (continued)

25. Financial Commitments

25.1 Contractual Capital Commitments

Commitments under capital expenditure contracts as at 31 March 2026 amount to £2,077k (2024/25 £7,336k).

	31 March 2026	31 March 2025
	£000	£000
Property, plant and equipment	**2,077**	7,336
Intangible assets	**0**	0
	2,077	7,336

25.2 Other financial commitments Group and NHS Foundation Trust

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. These contracts cover a wide range of services including managed service and maintenance contracts:

	31 March 2026	31 March 2025
	£000	£000
not later than 1 year	**32,556**	28,868
after 1 year and not later than 5 years	**38,725**	40,370
paid thereafter	**4,045**	6,016
Total	**75,326**	**75,254**

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 2026	**31 March 2025**
	£'000	**£000**
Extension options and termination options (not reasonably certain to be exercised)	**849**	**849**
Total	**849**	**849**

26. Events after the Reporting Date

There are no events after the reporting date to report.

These accounts were authorised for issue by the Trust Board on xxxxx.

27. Contingent Liabilities

GROUP and NHS FOUNDATION TRUST

	31 March 2026	31 March 2025
	£000	£000
Gross and net value of contingent liabilities- other	**39**	58

The contingent liability figure relates to the non-provided risks for Employer and Public Liability claims based upon risk assessments supplied by the NHS Resolution.

NOTES TO THE ACCOUNTS (continued)

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. 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. The NHS Foundation Trust Consolidated Accounts are included within the Whole of Government Accounts. NHS England 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.

28.3 Transactions with other related parties

The Group and 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 2026 or 31 March 2025. 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 2026 and 31 March 2025. Further details can be found in note 28.7. This table excludes balances with other whole of government entities.

	31 March 2026 £000 Payables	31 March 2026 £000 Receivables	31 March 2026 £000 Income	31 March 2026 £000 Expenditure
Other bodies or persons outside of the whole of government accounting boundary	**1,476**	**1,245**	**7,856**	**11,608**
Total value of transactions with other related parties and balances as at 31 March	**1,476**	**1,245**	**7,856**	**11,608**

NOTES TO THE ACCOUNTS (continued)

28. Related Party Transactions *(continued)*

28.3 Transactions with other related parties (continued)

	31 March 2025 £000 Payables	31 March 2025 £000 Receivables	31 March 2025 £000 Income	31 March 2025 £000 Expenditure
Other bodies or persons outside of the whole of government accounting boundary	1,609	3,975	14,694	2,982
Total value of transactions with other related parties and balances as at 31 March	1,609	3,975	14,694	2,982

28.4 Significant transactions and balances with other NHS and whole of government bodies

The table below identifies the five 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 2026 £000 Payables	**31 March 2026 £000 Receivables**	**31 March 2026 £000 Income**	**31 March 2026 £000 Expenditure**
NHS England	**180**	**1,688**	**464,307**	**884**
NHS North East and North Cumbria ICB	**0**	**6,710**	**1,157,027**	**3**
DHSC (excluding PDC)	**0**	**0**	**41,244**	**0**
NHS Pension Scheme (Employer's contributions, Payables includes Employee's contributions)	**12,668**	**0**	**0**	**150,136**
HM Revenues and Customs (excluding VAT)	**21,272**	**0**	**0**	**95,518**

NOTES TO THE ACCOUNTS (continued)

28. Related Party Transactions *(continued)*

28.4 Significant transactions and balances with other NHS and whole of government bodies *(continued)*

	31 March 2025 £000 Payables	31 March 2025 £000 Receivables	31 March 2025 £000 Income	31 March 2025 £000 Expenditure
NHS England	178	2,817	804,855	1,291
NHS North East and North Cumbria ICB	0	16,141	735,141	13
DHSC (excluding PDC)	0	0	41,494	0
NHS Pension Scheme (Employer's contributions, Payables includes Employee's contributions)	11,904	0	0	139,157
HM Revenues and Customs (excluding VAT)	18,061	0	0	73,598

None of the receivable or payable balances are secured. Amounts are usually due within 30 days and will be settled in cash.

NOTES TO THE ACCOUNTS (continued)

28. Related Party Transactions (continued)

28.5 Commitments at 31 March 2026

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 2025/26.

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 substantive Chief Executive Sir James Mackey was seconded to NHS England for the whole of the 2025/26 financial year. Transactions with NHS England are disclosed in note 28.4.

A Non-Executive Director Mr W MacLeod, holds the post is a Lay Member of Council of Newcastle University as well as Chair of International Advisory Board at the business school. Transactions with the University were both financial and non financial relating principally to income received of £5,585k (2024/25 £10,409k) and expenditure of £10,539k (2024/25 £2,347k). The year end receivable balance was £1,170k (2024/25 £3,865k) and payable balance was £1,401k (2024/25 £1,600k).

The NHS Foundation Trust's Acting Chief Executive Robert Harrison is a Director of Health Innovations (NENC). The NHS Foundation Trust provides financial services support to Health Innovations 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 HI NENC, were income of £1,681k (2024/25 £4,045k) and expenditure of £74k (2024/25 £17k). Year end balances were £36k (2024/25 £42k) receivable and £Nil (2024/25 Nil) payable.

A Non-Executive Director Mr H Kajee, holds the post of Deputy Chair of Northumbria University l. Transactions with the University were income received of £290k (2024/25 £129k) and expenditure of £477k (2024/25 £500k). The year end receivable balance was £290k (2024/25 £63k) and payable balance was £39k (2024/25 £9k).

The Trust's Interim Director of Operations Ms Sue Hillyard is an Associate of The Value Circle. Transactions with the Value Circle were expenditure of £516k. The year end payable balance was £28k.

NOTES TO THE ACCOUNTS (continued)

28. Related Party Transactions *(continued)*

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 Remuneration report section of the annual report.

There were no amounts owing to key management personnel at the beginning or end of the financial year.

NOTES TO THE ACCOUNTS (continued)

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 Group and 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.

An analysis of aged and impaired receivables is given in Note 17.2.

The credit risk associated with non cash financial instruments is considered to be low. The Group's maximum exposure to credit risk at the balance sheet date is £266,776k (2024/25 £288,933k). There are no amounts held as collateral against these balances.

At 31 March 2026 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 2026 there are £Nil (2024/25 £Nil) financial assets that would otherwise be past due or impaired whose terms have been renegotiated.

NOTES TO THE ACCOUNTS (continued)

29 Financial Instruments and Financial Risk Management *(continued)*

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 (now NHS England) when the NHS Foundation Trust was applying for Foundation Trust status.

NOTES TO THE ACCOUNTS (continued)

29 Financial Instruments and Risk Management *(continued)*

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 2025/26 the NHS Foundation Trust's cash and cash equivalents attracted interest at a rate of 5.14%, however, following a number of interest rate reductions during the financial year linked to the change in the Bank of England base rate, the Trust is now receiving interest at 4.39%. 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 Virgin Money. The interest rate on this deposit is currently fixed at 3.25%. The Newcastle upon Tyne Hospitals NHS Charity also holds a variable cash balance with HSBC which attracts an interest rate at 1.77%.

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 2026	31 March 2025	**31 March 2026**	31 March 2025
	£000	£000	**£000**	£000
Receivables (excluding non financial assets) - with NHS and DHSC bodies	**21,891**	32,483	**21,891**	32,483
Receivables (excluding non financial assets) - with other bodies	**63,194**	54,071	**73,895**	65,736
Cash and cash equivalents	**130,586**	149,197	**128,040**	143,452
Consolidated NHS Charitable fund financial assets - Investments	**34,010**	47,407	**0**	0
Consolidated NHS Charitable fund financial assets- Receivables (excluding non financial assets)	**4,895**	3,607	**0**	0
Consolidated NHS Charitable fund financial assets - Cash and cash equivalents	**12,432**	2,168	**0**	0
Total	**267,008**	288,933	**223,826**	241,671

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.

For presentational purposes the charitable elements of the group's financial assets have been separately disclosed.

NOTES TO THE ACCOUNTS (continued)

30. Financial Assets and Liabilities *(continued)*

30.2 Carrying values of financial liabilities

	GROUP		NHS FOUNDATION TRUST	
	31 March 2026 £000	31 March 2025 £000	**31 March 2026 £000**	31 March 2025 £000
Other financial liabilities				
Obligations under leases	28,599	30,364	28,599	30,364
Trade and other payables (excluding non financial liabilities) - with other bodies	**146,939**	146,455	**147,761**	144,361
Trade and other payables (excluding non financial liabilities) - with NHS and DHSC bodies	**5,445**	4,588	**5,445**	4,588
Other Borrowings	**190**	375	**190**	375
PFI finance lease obligations	**401,734**	401,540	**401,734**	401,540
Total	**582,907**	583,322	**583,729**	581,228

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 financial liabilities*

In one year or less	**198,833**	195,143	**199,655**	193,049
In more than one year but not more than five years	**174,963**	169,980	**174,963**	169,980
In more than five years	**473,373**	498,556	**473,373**	498,566
Total	**847,169**	863,679	**847,991**	861,595

* The values above represent an undiscounted future cash flow (ie gross liabilities including finance charges) and therefore do not match the values in the table above.

NOTES TO THE ACCOUNTS (continued)

31. Third Party Assets

The NHS Foundation Trust held £4k (2024/25 £5k) cash at bank, which relates to monies held by the NHS Foundation Trust on behalf of patients. These monies have not been included in the cash and cash equivalents figure reported in the accounts.

32. Losses and Special Payments

There were 450 cases of losses and special payments totalling £1,215k during the year (2024/25 629 cases totalling £1,382k). 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	**2025/26 Total number of cases**	**2025/26 Total value of cases**	2024/25 Total number of cases	2024/25 Total value of cases
	No	**£000**	No	£000
Losses				
Cash losses - overpayment of salaries	**21**	**15**	5	1
Bad debts and claims abandoned in relation to :				
a. private patients	**3**	**2**	77	45
b. overseas visitors	**148**	**724**	157	577
c. other	**64**	**64**	164	254
Damage to buildings, property etc. (including stores losses) due to:				
a. stores losses	**48**	**125**	47	212
b. other	**92**	**195**	105	189
Total losses	**376**	**1,125**	555	1,278
Special payments				
Compensation under court order or legally binding arbitration	**0**	**0**	0	0
Ex-gratia payments in respect of:				
a. loss of personal effects	**44**	**31**	56	21
b. personal injury with advice	**30**	**59**	18	83
c. other	**0**	**0**	0	0
Total special payments	**74**	**90**	74	104
Total losses and special payments	**450**	**1,215**	629	1,382

Recovered Losses	**2025/26 £000**	2024/25 £000
Compensation payments received	109	19

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.

NOTES TO THE ACCOUNTS (continued)

33 Pension Costs

33.1 NHS Retirement Benefit Scheme

Past and present employees are covered by the provisions of the NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions.

Both the 1995/2008 and 2015 schemes are accounted for, and the scheme liability valued, as a single combined scheme. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

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 2026, is based on valuation data as 31 March 2024, updated to 31 March 2026 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 statement by the scheme actuary, which forms part of the annual NHS Pension Scheme Annual Report and Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (considering recent demographic experience), and to recommend the contribution ratee payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2020. The results of this valuation set the employer contribution rate payable from April 2024 to 23.7% of pensionable pay. The core cost cap cost of the scheme was calculated to be outside of the 3% cost cap corridor as at 31 March 2020. However, when the wider economic situation was taken into account through the economic cost cap cost of the scheme, the cost cap corridor was not similarly breached. As a result, there was no impact on the member benefit structure or contribution rates.

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

NOTES TO THE ACCOUNTS (continued)

33.1 NHS Retirement Benefit Scheme

b) Full actuarial (funding) valuation continued

The NHS Foundation Trust estimates that its employer contributions into the scheme in 2026/27 will be £93,770k (2025/26 £90,774k), which is based on the 14.38% contribution. The additional contributions from 14.38% to 23.7%, estimated to be £61,321k (2024/25 £59,362k) 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 2026/27.

33.2 National Employment Savings Trust (NEST)

During the year the NHS Foundation Trust made contributions into the National Employment Savings Trust. This is a defined contribution scheme into which eligible staff are automatically enrolled. These employees are not eligible to join the NHS Retirement Benefit scheme. Employers contributions by the NHS Foundation Trust for the year were £236k (2023/24 £281k). During the 2026/27 year Employer's contributions are estimated to be £244k.

NOTES TO THE ACCOUNTS (continued)

34. The Newcastle upon Tyne Hospitals NHS Charity

34.1 Funds

	31 March 2026 £000	31 March 2025 £000
Restricted	**23,708**	21,566
Unrestricted	**26,450**	30,652
	50,158	52,218

As at 31 March 2026 the total funds as disclosed in the Newcastle Upon Tyne Hospitals NHS Charity accounts amount to £11,847k (2024/25 £37,003k). This balance has been adjusted for IFRS accounting policies and is disclosed in the group accounts as £50,158k (2024/25 £52,218k). The adjustment to funds of £38,312k (2024/25 £15,215k) has been included within unrestricted funds.

Restricted funds

Restricted funds may be accumulated income funds which are expendable at the trustee's discretion only in furtherance of the specified conditions of the donor and the objects of the charity. They may also be capital funds (e.g. endowments) where the assets are required to be invested, or retained for use rather than expended.

Unrestricted funds

Unrestricted income funds are accumulated income funds that are expendable at the discretion of the trustees in furtherance of the charity's objects. Unrestricted funds may be earmarked or designated for specific future purposes which reduces the amount that is readily available to the charity.

The aim of the Charitable fund is to use the available funds to complement NHS resources in The Newcastle upon Tyne Hospitals NHS Foundation Trust to increase patient comfort and enhance facilities for both patients and staff.

33.2 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.