

Annual Report and Accounts 2023/2024





Healthcare at its best
with people at our heart



The Newcastle upon Tyne Hospitals
NHS Foundation Trust

Annual Report and Accounts

2023/2024

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Chair and Chief Executive Introduction

Overview of Performance: Statement from the Trust Chair

2023/24 has been a very difficult year for Newcastle Hospitals due to serious concerns that we received from the Care Quality Commission (CQC) following their inspections of our services. The final report from the CQC was received by the Trust in December 2023 which reflected their activity since June in a number of different services. They had previously undertaken a Mental Health and Disability inspection in December 2022 and an inspection of Maternity services in February 2023. The Trust also received restrictions on our licence to provide services which were imposed through a 'Notice of Decision' dated 18 December 2023.

In December 2023, I took over as Interim Chair and on 1 January 2024 we appointed a new Chief Executive, Sir James (Jim) Mackey.

Both Jim and I are fully committed to making improvements across the whole organisation, and to addressing the deficiencies that the CQC highlighted.

A key concern from the CQC was about our governance processes, and we have taken immediate steps to improve these, and for the whole Board of Directors to focus on this area. We have commissioned an external partner 'The Value Circle' (tvc) to design and implement a new governance model for the Trust which will ensure that all the issues in our Notice of Decision are addressed. This includes changes to our risk management system, our reporting and subsequent process for investigating incidents and the culture of our organisation. More detail of this is included in the Annual Governance Statement (AGS).

The Board has revised its committee structure to replace the Audit Committee with an 'Audit, Risk and Assurance Committee'. This will provide

greater Board focus on risks across the organisation and will support the assurances we need to demonstrate progress and improvement. We have also introduced a Digital and Data Committee which will consider our digital developments.

I am confident that we now have greater Board oversight of the issues raised, and have a clear plan to address them.

We have welcomed a number of directors to the Board this year with Rob Harrison as Managing Director, Annie Laverty as Chief Experience Officer and Shauna McMahon as Chief Information Officer becoming established in their roles very quickly.

This year, we have also taken steps forward in our partnerships working with our neighbouring Trusts – Gateshead Health NHS Foundation Trust (GHFT), Northumbria Healthcare NHS Foundation Trust (NHCFT) and North Cumbria Integrated Care NHS Foundation Trust (NCIC). Together we formed the Great North Healthcare (GNH) Alliance in December 2023 and have ambitious plans to work together to improve care, quality and access to services across our areas.

On behalf of the Board, I would like to express my sincere thanks to all our staff, volunteers and Governors for their contribution and dedication over the last year.



Professor Kath McCourt CBE
Interim Chair

27 June 2024



Statement from the Chief Executive

Since becoming Chief Executive on 1 January 2024, I have focussed almost exclusively on the two things that matter the most - how we can provide the best care for our patients, and how we can significantly improve the experience that our staff have at work.

I arrived shortly before the publication of our CQC report, and at a time of crisis for the Trust. There is no denying how difficult and disappointing this has been for everyone working here, but I have seen a genuine strength of spirit and commitment to making swift and significant improvements.

Many staff across the organisation have contacted me directly to share their views about issues that concern them and suggestions for improvements. I have also met with around 700 senior medical staff through the Senior Staff Committee and over 1,400 through the first series of our regular Chief Executive Roadshows. The feedback we have received is increasingly consistent including people asking for very reasonable improvements such as Wi-Fi at our hospitals and improvements to our electronic patient record. They are also asking for a more compassionate approach with management and Human Resources (HR) processes so that staff feel that they have been treated fairly and are valued.

Another area of concern from staff is the new structure that was adopted in 2023 which created our 8 Clinical Boards. This change was introduced quickly and has not yet brought the benefits that were expected, so further action will be needed over future months.

I have publicly committed to maintaining and strengthening support for our staff as we tackle the challenges ahead. Being open and transparent with them as well as with our partners and stakeholders, on both our

challenges and the changes we are making, will be vital as we improve and rebuild confidence in the organisation.

In terms of care for our patients, I have been pleased to see improvements in some of the key performance metrics over the last 3 months. Our 'Path to Zero' approach to long waits for elective care has seen the number of patients waiting over 104 weeks reduce to Zero, and the number waiting over 78 and 64 weeks dramatically reduce. Ambulance Handover times have continued to be very good.

However, there is much more that we can do, and must do to improve our 28 and 62 day cancer performance, diagnostic standards and Emergency Department (ED) Performance.

I am grateful to staff across the Trust who are tackling our challenges and driving up the standards of care we provide for our patients. I am confident that we can overcome these issues and regain the pride which makes Newcastle Hospitals such a special part of the NHS in the North East.



Sir James Mackey
Chief Executive

27 June 2024



Our Trust Strategy, Vision and Values

Our five-year strategy was published in September 2019 and every year our Board and Executive Team undertake a review of its contents. They agreed it still fits and is the right direction for Newcastle Hospitals.

Our clinical specialities have continued to review their own strategies and how they fit within the context of the wider system, and with the Trust-wide goals and objectives. These speciality level strategies and objectives will be used to help inform the refreshed Newcastle Hospitals strategy which is due for renewal in 2024/25.



Our vision is:

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

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

- **We care and are kind**

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



- **We have high standards**

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



- **We are inclusive**

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



- **We are innovative**

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



- **We are proud**

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



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

Our challenge is to not only grow and develop our own organisation, but to address the CQC recommendations, and work collectively as part of the GNH Alliance and the broader Integrated Care System (ICS) to improve the health and wellbeing of our patients.

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

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

Service Developments and Achievements

Pioneering implants for eye patients

Eye surgeons were the first in the United Kingdom (UK) to carry a pioneering implant for patients with late-stage age-related macular degeneration (AMD).

Consultant vitreoretinal surgeon and theatre lead for ophthalmology at the Royal Victoria Infirmary (RVI), Sandro Di Simplicio, successfully implanted a miniature telescope which enlarges objects in the centre of the visual field and gives patients back their vision and freedom.

The tiny telescope – just 10.8 mm in diameter – magnifies images so they can be seen by the intact parts of the retina around the macula – which is responsible for central vision, most of our colour vision and the fine detail of what we see – in the back of the eye.

AMD is the most common condition – and biggest cause of sight loss – affecting the macula, which is the most important part of the retina at the back of the eye. When a person develops AMD, light-sensitive cells in the central area of vision – the macula – become damaged and stop sending images to the brain, resulting in a ‘dark spot’ in central vision which grows until someone is virtually blind.

This new medical device – the Samsara Vision’s SING IMT™ miniature implantable telescope – is designed to reduce the effects of the ‘blind spot’ of AMD, allowing people living in the final stages of this eye disease to see clearly again.

‘Heartbox’ offers transplant hope

Newcastle patient Sanjana Kochhar was the first in the UK to receive a donor heart transported by a new method called the ‘XVIVO Heartbox.’ It is hoped this new method could improve heart function after surgery and increase the number of successful transplants.

Usually, donor hearts are preserved during transport by being placed in a cold solution and stored in an icebox at around four degrees. This method preserves the heart for less than four hours and the success of a transplant operation relies heavily on the organ arriving within this short timeframe.

Unfortunately, up to 20% of donor hearts may not function effectively after transplant, leading to some patients becoming poorly and needing intensive care after surgery.

As part of a European clinical trial, the Institute of Transplantation (IoT) is one of three sites in the UK - and one of fifteen European sites - trialling the Heartbox, which is a portable machine perfusion device with a special pump that is connected to the donor heart. The pump delivers a solution containing oxygen and nutrients to the heart during its journey to the hospital. As the heart is still and cold, it consumes less oxygen and loses less energy, helping to keep it in better condition.



World first for cancer services



The Freeman Hospital (FH) became the first in the world to administer an 'anti-cancer injection' which reduces the amount of time it takes administer treatment.

Atezolizumab (Tencentriq®) is an immunotherapy treatment that works by helping the immune system – which protects the body against illness and infection – to find and attack cancer cells.

The drug is usually given through a cannula – a thin tube put into veins in the arm or hand – which takes around 30 minutes to insert. If the vein is hard to find, the process can take up to an hour. The injection, which takes as little as seven minutes to administer, is a more comfortable experience for patients and can free up valuable time for our cancer teams.

UK's first robotic training programme

The trust, in partnership with Intuitive, launched a UK first of its kind programme to support surgical trainees from across the North East of England to gain hands-on experience of robotic surgery at the FH's Newcastle Surgical Training Centre (NSTC).

More than 30 surgical trainees in urology, colorectal, Hepato-Pancreatico-Biliary (HPB) and upper Gastrointestinal (GI) from trusts across the North East enrolled in the initial programme designed to create early exposure to robotic surgery sooner in a surgeon's career. The da Vinci Academic Surgical Trainee Programme is also supported by NHS England (NHSE) Education North East (formerly known as Health Education England North East (HEENE)).

Advancing treatments for blood cancer

Patients with an aggressive type of blood cancer, known as diffuse large B-cell lymphoma (DLBCL), can now benefit from a potentially curative new treatment option on the NHS, with approval of the drug glofitamab.

Glofitamab (also called Columvi®) is available for patients with previously treated DLBCL which is a type of non-Hodgkin lymphoma that develops in the glands, after being given the green light by the Medicines and Healthcare products Regulatory Agency (MHRA).

The NHS is fast-tracking the new treatment which is available for patients who have had two or more cancer treatments that have not been fully effective in eliminating their cancer and the FH was part of an NHS early access programme with clinical trials showing that the drug has the potential to cure patients from the disease.

Robotic-assisted knee surgery

Surgeons at the FH demonstrated the benefits of robotic-assisted surgery for knee replacement, including increased accuracy, shorter recovery and reduced pain after the operation.

In a study involving over 100 patients who required total knee replacement due to advanced arthritis, individuals were randomly allocated either a standard knee replacement or robotic-assisted surgery.

The trial was the first of its kind and found that robotic-assisted surgery can reduce pain and potentially speed up recovery time, in addition to decreasing the requirement for ongoing pain relief. The results highlight the potential for expanding the use of robotic-assisted surgery in knee replacement operations across the NHS.

£14million investment in rare disease research

Newcastle was named as the central co-ordination and administrative hub for a new platform bringing together UK strengths in rare disease research, as well as making a major contribution to the research programmes that make up the platform.

The UK Rare Disease Research Platform has been established with a £14 million investment over five years by the Medical Research Council (MRC) and the National Institute for Health and Care Research (NIHR).

Its aim is to bring together expertise from across the UK rare disease research system to foster new and innovative treatments for those directly and indirectly impacted by rare conditions. It will overcome some of the most common challenges in the diagnosis, management and treatment of rare diseases.

As a centre of research excellence, the City has a history of research and clinical care in rare disease and is home to the Newcastle Centre of Research Excellence for Rare Disease – a decades long collaboration between the Trust and Newcastle University, which form part of Newcastle Health Innovation Partners (NHIP), the Academic Health Science Centre (AHSC) for our area.

There will be 11 specialist nodes across the UK, as well as the central hub in Newcastle, which will deliver wider activities for all the UK interests in rare disease research. The contract was awarded through an open competitive procurement exercise to a consortium led by Newcastle University, the Trust and Genetic Alliance UK.

Expanding research and diagnostics

The Trust received £3 million from the NIHR to establish one of 14 HealthTech Research Centres (HRC) across the country, which will develop and evaluate new innovative technology solutions enabling better diagnosis for people.

The Department for Health and Social Care (DHSC) also announced the organisation would host one of 12 new NIHR Regional Research Delivery Networks (RRDN).

The new HRC continues a partnership with Newcastle University, working with businesses to support the development of diagnostic tests.

This will now expand to include wider diagnostic devices and digital technologies such as artificial intelligence, enabling people to better monitor their health, diagnose illness sooner and improve management of conditions.

The centre came into effect on 1 April 2024. It replaces and build on the success of the former NIHR Newcastle In Vitro Diagnostics Co-operative. From October 2024, the Trust will also host a new NIHR RRDN, transitioning from the region's current local clinical research network.

Community Diagnostic Centre (CDC)

Work to develop a new CDC at the Metrocentre in Gateshead got underway during 2023/24.

The Trust is working in partnership with GHFT on this project – expected to be open in the Autumn of 2024 - which will create a modern, state-of-the-art environment for patients, carers and staff.

The CDC will provide imaging, respiratory investigations and cardiac investigations with the centre designed to create capacity for these services that are seeing increased referrals. It is an important step in providing improved access to screening and diagnostic services outside of a hospital setting for the people of Gateshead and Newcastle.

Real Living Wage employer

The Trust has signed up to Living Wage Foundation accreditation for Newcastle Hospitals: our commitment that we will always pay wages that allow staff to meet the essential cost of living.

The Real Living Wage (RLW) is the only UK wage rate calculated based on the amount that people need to earn to live. It is higher than the minimum wage and is voluntarily paid by over 14,000 UK businesses who believe their staff deserve a wage which meets every day needs.

The accreditation is the culmination of a great deal of hard work and discussion with Trade Unions representing staff and we are now waiting on the outcome of the national Agenda for Change pay review for 2024/2025 to determine how we move forwards.

Investment in clinical training

As a leading teaching hospital, responsible for training the next generation of staff, it's important to us and to our patients that we provide the best possible learning environment and facilities.

In-year we opened two new training centres at the FH and in Eldon Court in Newcastle which, between them, provide thousands of clinical and non-clinical learning opportunities each month. Across the two sites, colleagues can access the latest technology and equipment in 'real-life' training spaces, including:

- Replica four-bed hospital bays with nurses' station.
- Hi-tech simulation facilities.

- Outpatient consultation rooms.
- A replica operating theatre.
- Adaptable lecture space and meeting rooms.
- A recording studio.
- IT training rooms.
- Virtual teaching options.

This was a collaborative effort from the many teams involved and means we can now offer purpose-built environments, equipped with the latest technology, where colleagues can take part in learning and development opportunities ranging from universal training to complex programmes and specialist courses.

A decade of care

In-year we celebrated 10 years of Newcastle's Healthcare Assistant Academy which has welcomed over 2,000 new healthcare support workers since it first opened its doors.

The Academy team supports around 200 healthcare support workers annually, including healthcare assistant apprentices, to ensure they feel prepared and confident with the knowledge and practical skills they need before joining their clinical wards or departments.

Forging overseas partnerships

A team of consultant gastroenterologists represented the UK on the international stage in performing live endoscopic surgery as part of a two-day EURO-EUS conference in Milan.

The event brought together delegates from around the world specialising in endoscopic ultrasound to share the latest advances and innovations with expert faculty from Italy the UK, America, Ecuador, India, Belgium and Hong Kong.

Live broadcast of medical procedures has gained popularity in recent decades at conferences and live digital learning events as an opportunity for experts to demonstrate novel techniques and emerging technology in complex procedures such as robotic, laparoscopic or endoscopic techniques.

The team, which specialises in disease of the gall bladder, biliary ducts and pancreas, have been at the forefront of developing minimally invasive techniques which prevent the need for full operations meaning less risk of complications and quicker recovery.

Theatre refurbishment

Work began on a complete refurbishment and upgrade of our operating theatres on our two main hospital sites, starting with the RVI Leazes Wing theatres 7 and 8 which were revamped with new lighting, flooring and the latest state-of-the-art equipment.

Future refurbishments will see Leazes Wing theatres 3 and 4 upgraded to laminar flow theatres, future-proofing robotic surgery services and providing greater flexibility for procedures carried out.

This is a five-phase project at the RVI and Freeman Central Operating Theatres which is due to be completed in 2035, with the theatre suite remaining operational throughout the works. Plans will then be made to continue the refurbishment programme across the remaining theatres.

National organ donation campaign - Waiting to live



Evie, one of our young patients waiting for a heart transplant, was invited to take part in a national campaign 'Waiting to live' which aims to encourage parents and families to consider organ donation and, it is hoped, register themselves and their children as donors.

As part of the campaign children currently waiting for life saving organ transplants were transformed into handmade dolls placed across the country with Evie's doll hosted at the FH. It is hoped that the dolls and the real-life children's stories will inspire more parents and families to consider organ donation and add themselves and their children onto the NHS Organ Donor Register.

Digital Developments

Context

Digital demands within the Trust continue to grow, driven by organisational change and the regional and national ambitions. We continue to focus on optimising and improving our digital functionality to meet these needs.

Across the health and social care sector, there is a growing dependency on digital solutions, not only to help deliver safe care, but with a high demand for data insights to help improve patient outcomes and operational efficiency.



Addressing digital inequalities and literacy



We must not leave those who face challenges accessing digital information behind. This is an ongoing challenge due to the speed at which digital innovations are implemented and become standard practice and behaviours for staff, patients and the public. This is why we are working more closely with the Trust's Patient

Experience team, patient groups and public health colleagues to tackle digital exclusion and address health inequalities through innovative processes. We are also linked in with regional communities and colleagues to improve how we engage, listen and act on feedback and experiences from a wide range of service users.

Throughout all our digital activity, we are prioritising the accessibility of the services and messaging we produce, for both internal staff (for example with the development of an enhanced intranet) and external audiences. This covers the ways in which users consume information we produce if they have different accessibility requirements (for example those with a learning disability or poor literacy skills) and making access to care at Newcastle Hospitals easier to understand and engage with.

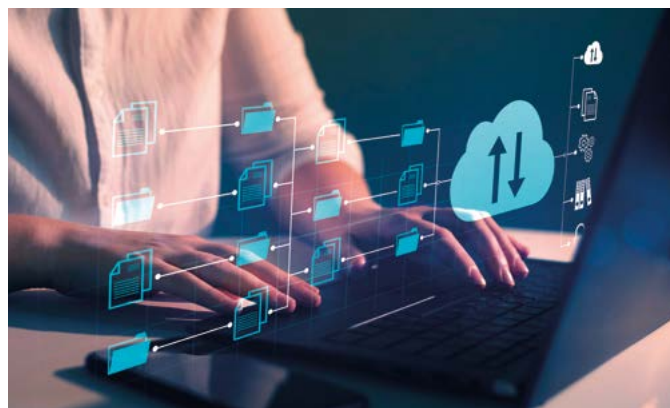
Externally, pieces of work such as the Patient Engagement Platform (PEP) aim to deliver a centralised, digital front-door to the Trust, where the public can manage their care around their busy lives and make engaging with the Trust more simple and quicker. A priority threading through all our digital output is to support stakeholders by offering alternatives to the meet individual needs, preferences or impairments.

Improving patient experience

This year we have implemented the PEP enabling patients to help manage their appointments. We continue to expand and connect more patients to that platform. The PEP is a secure platform that allows patients to access their information through the NHS App, on their phone, tablet or computer. By enabling people to receive text reminders about their appointments, we can reduce the number of non-attendance appointments and book other patients into free appointments. As the usage grows, feedback from patients and staff is being taken on board to improve the implementation and achieve the best output.



Service Management



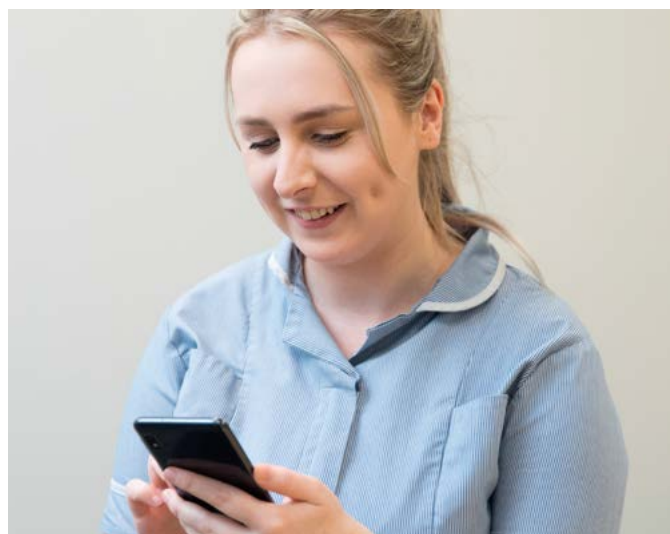
To provide an adequate digital service, it is imperative the infrastructure and day-to-day support is in place to maintain systems and meet the needs of staff. The Trust's IT Service Management team remain integral to address technical barriers and ensure that the correct security and processes are in place to make our wide range of systems run as efficiently as possible.

The Information Management and Technology (IM&T) staff portal (IT Service Portal) has been developed to improve user-experience when reporting issues and requesting changes requiring support from IM&T. The portal incorporates a new, streamlined digital requests process, bringing a single system to view the status of issues or requests online. In addition to software enhancements, hardware has been replaced, supporting the Trust's device refresh policy — with over 2,800 legacy devices replaced during 2023.

Strengthening our cyber security

As one of the biggest NHSmail users in the UK, with over 19,000 accounts, we have rolled out Multi-Factor Authentication (MFA) to all staff, ahead of the NHSE national deadline.

Over 99% of NHSmail users are now enabled with MFA and helping to strengthen the Trust's cyber security through an added verification layer.



Improving digital solutions

The user experience for healthcare systems can always be improved. We are undertaking a significant engagement exercise with frontline staff and using insight from both senior clinical, nursing and operational leaders. This feedback is informing the optimisation programme of work for the next 12 months, to ensure an improved experience for all our users.

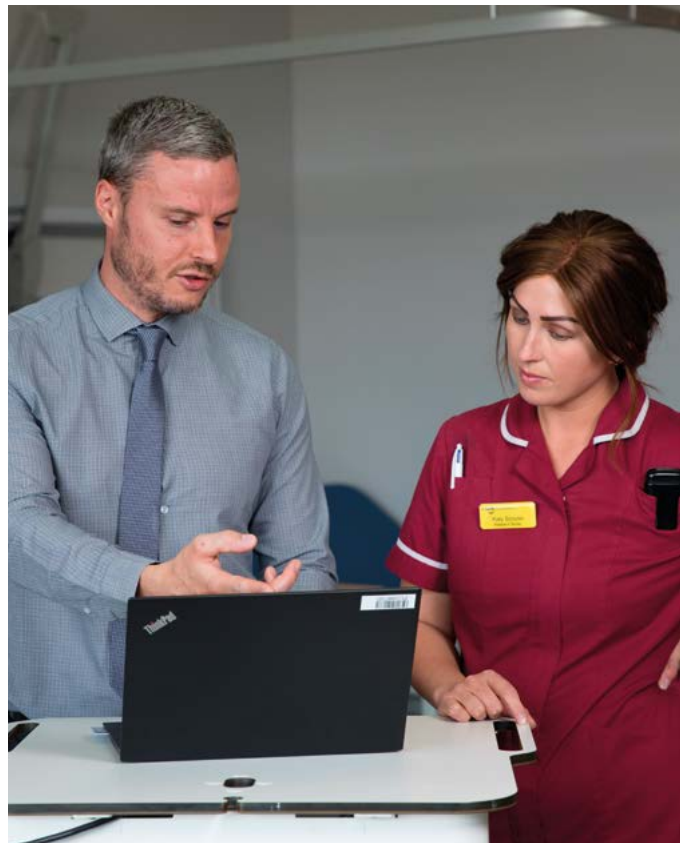
Improvements have been seen across several areas, including staff Wi-Fi access, eRecord load speeds, and multiple Do Not Attempt Cardiopulmonary Resuscitation (DNACPR) workflow improvements. To improve the user experience and ensure we are updating functions to align with best practice, we are working more closely with our Electronic Patient Record (EPR) supplier and adoption coaches.

Work is also underway to move the Trust's eRecord system to become remotely hosted onto Oracle Health infrastructure. This brings the Trust in line with other NHS Trusts and provides access to upgrade to the latest version of Oracle Health Millennium software.

Following on from our maternity services, our neonatal services is now benefitting from the introduction of BadgerNet, their new EPR. Replacing our previous paper-based neonatal records, the system aligns with the regional maternity EPR solution.

Enhancements to our eObservations (EOBS) and ward whiteboards are allowing staff to record and view patient data in real time at the point of care, helping to aid clinical decision making. We have been involved in discussions regionally and nationally around the improvement and changes in line with the national guidelines (NEWS2).

Around 14,000 new ICE OpenNet accounts have been created for all clinical staff in the Trust, meaning they can now view all lab results from other hospitals in the region, helping to provide the most complete picture of a patient's clinical record.



The Trust's new Infection Prevention and Control (IPC) monitoring and management platform, ICNET, has also been launched. It replaces labour-intensive manual, paper-based data collection processes and is helping to contribute towards reducing healthcare associated infections and free up staff time to deliver better patient care.

Supported by IM&T, the pharmacy department is now benefiting from the implementation of a new prioritisation tool. The Pharmacy Acuity Score dashboard enables pharmacy to identify the patients most likely to require medication reviews and to target clinical services.

The organisation's current limited intranet platform is also undergoing a significant redevelopment, ahead of its launch in mid-2024. Improvements to the navigation, accessibility, search functions and overall user experience will help staff to find, consume and update information faster and easier than before.

Service and Organisation Digital Transformation

IM&T are playing a crucial role in the digital transformation of specific services and wider organisational areas. We are working closely with our Dental Hospital and supporting their digital journey, implementing new digital processes, upgraded equipment and improved access to the Trust's EPR.

We actively participate in wider regional programmes. We are supporting the development of the new CDC at the Metrocentre, collaborating with digital colleagues at GHFT. Similarly, we have been involved in the launch of the new Education Centre opened within Eldon Square, ensuring the correct infrastructure and digital solutions are in place. In addition, we are part of the PATH5 Laboratory Information Management System (LIMS) with Trusts from across the region, coming together on a single lab system. We are also working with Sheffield and Leeds to join up some of the systems used in our genetics programme.

Work is ongoing to prepare for the staff migration from home drives to Microsoft Office 365 OneDrive, which will free up the Trust's drive storage, improve the security of patient data and enable staff to work more flexibly and efficiently from anywhere. Workflow improvements have also been made across nursing admission and discharge summary processes.

Our community services use the patient care system, SystemOne. We conduct monthly SystemOne checks to ensure users are set-up correctly, in order to deliver patient care in the community. We have worked with phlebotomy to digitise the domiciliary service, and this has been rolled out to General Practitioner (GP) practices across Newcastle, so lab work in the community can be processed more efficiently.

Improved dashboards

We produce hundreds of thousands of items of data daily. Our data warehouse is used to collect this data and present it in a format that can be understood and support staff to make informed decisions. This can be around the delivery of care, or how we run our theatres and other operational performance metrics.

Dashboards are used to help staff to visualise data in a clear and informative way. There have been developments to several dashboards used across the Trust. These include therapy services activity, ward compliance, Nursing, Midwifery and Allied Health professions (NMAHP), inpatient activity, outpatient activity, referrals, deteriorating patient's dashboard launched and safety assessment.

Clinical Coding Audit

In line with the DHSC's Data Security Standards, our Clinical Coding department recorded fantastic results and feedback when externally audited. The results from the audit provided assurance our clinical coding is of an exceedingly high standard.

This positively reflects the capture of good quality data and confirms we are delivering a robust data resource that allows the Trust to review and model data to drive efficiency and improve outcomes for our patients.

Supporting our ICS

The region's shared care record system, the Great North Care Record (GNCR), is hosted by Newcastle Hospitals and continues to evolve to support the NENC ICS. Over the last year, the GNCR has surpassed previous usage numbers, with over 620,000 views per month from users across the region – a rise of over 100,000 since 2023. The work of the team has resulted in being shortlisted for an HSJ Digital Award.

Developing Commercial Activity

Commercial enterprise and innovation are a key part of the Trust's business strategy.

Our Commercial Enterprise Team, established in 2020, provides a dedicated resource to enable the growth of commercial activity through identifying, leading and supporting a range of projects and initiatives across the trust. Members of the team bring expertise and knowledge from the healthcare and private sectors and working in collaboration with industry, academia and NHS partners they shape and develop commercial opportunities, focussing schemes that will deliver benefit for patients and staff of Newcastle Hospitals.

Throughout 2023/24 the team have been developing a three-year commercial strategy (2024-2027), aimed at accelerating the growth of commercial income across the five main themes listed below. Each theme will include a number of schemes all supporting increased income.

- Pharmacy production.
- Health and Life Sciences.
- Private and international healthcare.
- Education and training.
- Data partnerships.

Successful projects through 2023/24 have included providing internal and external consultancy including business development, pricing strategies, marketing and intellectual property to build and develop viable commercial income streams for a range of services within our portfolio areas. This has included developing the Clinical Skills Academy offer and closer working of our commercial labs in Newcastle's life science quarter. We have continued our role as a national test bed site for the Clinical Entrepreneur Programme InSites initiative providing real world testing and evaluation.

Innovation

Innovation belongs to everyone in our organisation and enables us to keep pace with healthcare advances, to provide more responsive, patient-centred services.

We work with colleagues from across the Trust and the wider national healthcare innovation system to discover, develop and deploy innovations that translate into real life benefits for patients and staff.

We're proud of our innovation background, supporting individuals and companies at all stages of their innovation journey by providing 'real life' testing and evaluation opportunities.

Through identifying new and cutting-edge ideas and developing new partnerships, we're able to feed into the pipeline of commercial income generation opportunities.

Partnership working

To support effective commercial growth, we are nurturing and strengthening our relationships with partners across healthcare, academia and industry.

Partnerships allow access to new markets and funding to support the growth of commercial schemes, whilst facilitating the delivery of shared goals, providing resources and investment opportunities.

We continue to build upon our partnerships with higher education and industry, signing multiple memorandums of understanding to expand the outputs of our research, further develop diagnostic techniques, improve population health and wellbeing, and reduce health inequalities. Since the emergence of the GNH Alliance, we are also in active discussions with neighbouring NHS trusts, exploring new opportunities which will have a greater impact and benefit for patients and staff across our region.

As part of our commercial strategy, we will:

- Develop strategic partnerships with large UK and global organisations.
- Develop international partnerships supporting the growth of international healthcare services.
- Develop relations with new partners to increase the pipeline of commercial opportunities.
- Build a strong network of partners to support the commercialisation and adoption of innovation.

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



Partnerships

In keeping with the strategic priorities for the Trust, developing partnerships to improve care for patients continues to be a focus of our work. Some key areas of partnership working are described below and specific examples for include:

1. Community Diagnostic Centre (CDC);
2. Newcastle Health Innovation Partners (NHIP);
3. North East and Yorkshire Genomics Medicine Service (NEYGMS);
4. Great North Healthcare Alliance; and
5. North East and North Cumbria Integrated Care Board (ICB)



1. Community Diagnostic Centre

The Trust continues to work with GHFT to develop a new CDC at the Metrocentre in Gateshead. This partnership will create a modern, state-of-the-art environment for patients, carers and staff outside of hospital which is easy to visit. The CDC will provide imaging, respiratory and cardiac investigations, providing additional capacity and improved access to these crucial tests, and having a positive impact on patients from both trusts.

When the centre opens in autumn 2024 it will offer 145,000 appointments and create 134 jobs.

2. Newcastle Health Innovation Partners

Another example of our external partnership working is illustrated through NHIP. The year 2023/24 was a significant milestone for NHIP as it celebrated its fourth year of designation by the NIHR and NHSE. Throughout this period, NHIP has continued to excel in collaborative research, innovation, education and training, reaffirming its position as a leading AHSC in England.

One example of success in 2023/24 was a £3million award secured from NIHR to develop and evaluate new innovative technology solutions through a NIHR Newcastle HealthTech Research Centre. NHIP also secured a key national role in rare disease research coordination whilst nurturing emergent research areas like sustainable healthcare and investing in a new research collaborative to help prevent suicides and reduce self-harm across our region.

The NHIP Academy that launched in 2022/23 as the academic career development arm of NHIP, had a tremendous first year, successfully securing millions of pounds of income for individual fellowships and broader training programmes. Most recently, this included a £1.5m funding

boost from Cancer Research UK to ensure clinical academics specialising in cancer research in Newcastle can access support at every stage of their career development journey.

Strategically, in 2023/24, NHIP established an external Advisory Board and diversified its strategy board leadership with representation from Northumbria University. An NHIP Public Partnership Group was also formed, alongside an 'open seat' initiative to promote equity, diversity and inclusion across key NHIP meetings.

From a communication and engagement perspective, NHIP fostered dialogue and collaboration through new initiatives like the NHIP newsletter, the NHIP Lightning Talks series and other symposia. Celebrations of NHS milestones and recognition of achievements, such as the Diagnostics North East Conference, also underscored NHIP's impact.

Looking forward to 2024/25, NHIP remains dedicated to shaping the future of research, education, training and patient care, driving innovation and collaboration for improved healthcare outcomes.



3. North East and Yorkshire Genomics Medicine Service

The Newcastle upon Tyne Hospitals NHS Foundation Trust (Newcastle Hospitals) works in collaboration with other leading provider Trusts in the region to deliver the NEYGMS – including Leeds Teaching Hospitals, Sheffield Children’s Hospital and Sheffield Teaching Hospitals.

During 2023/24, the NEYGMS continued its quest to embed genomics into everyday healthcare, helping to improve diagnosis, treatment options and prevention for patients with rare and inherited conditions, including cancer.

As part of this, eight Genomic Networks of Excellence were launched nationally to support the adoption of cutting-edge genomic advances and technology that will be transformative for patients. The networks are partnerships between the NHS, academia, the third sector and industry in key areas of genomic medicine. The NEY GMS is playing a leading role in the networks for prenatal genomic medicine, haemato-oncology, pharmacogenomics and medicines optimisation, and rare and inherited disease.

NEY GMS Medical Director, Michael Wright, said: “We’re proud that the North East and Yorkshire will be contributing to these important national networks, collaborating with partners across the country and building on the work of the Genomic Medicine Service to innovate and embed genomic medicine into everyday healthcare”.

The North East & Yorkshire is also co-leading a national pilot to integrate circulating tumour DNA (ctDNA) testing into a routine NHS lung cancer pathway for the first time. This could help thousands of people receive earlier, more targeted, lung cancer treatments. In total 10,000 patients will be involved in the pilot study (by March 2025), potentially enabling them to access targeted treatments and avoid unnecessary chemotherapy, significantly improving their quality of life.

Professor Alastair Greystoke, NEY GMS Clinical Director (Cancer), Co-Clinical Lead of the ctDNA pilot and Honorary Medical Oncologist at Newcastle Hospitals said: “It is fantastic that

through collaborations across the Genomic Medicine Service we can look to bring cutting-edge genomic testing to patients in the NHS. This pilot study is already significantly impacting patient journeys across the country, giving them quicker access to precision medicine.”

A comprehensive transformation programme continued within the regional Genomic Laboratory Hub (GLH), with closure of the Sheffield wet laboratory and transfer of significant activity into Newcastle’s Centre for Life. Additional, ongoing, transformation has also seen the establishment of Genomic Cellular Pathology Centres to improve cancer test pathways, including one based at Newcastle Hospitals and continued efforts in the design and implementation of a new NEY regional Genomics LIMS. The GLH has taken advantage of the latest technology and scientific innovations to improve test turnaround times and reduce backlogs (that had increased during the covid pandemic). Last year saw improvements with an overall 60% reduction in backlogs and continued delivery of the wide range of specialised tests included in the national genomic test directory.

Over the past year, the NEY GMS also contributed significantly to raising awareness of genomics and educating the NHS workforce with the delivery of its Genomics Roadshows – visiting 17 hospitals across the region from Cumbria and Northumberland down to Sheffield and Barnsley. Across these roadshows, the team had around 2,250 conversations and interactions with healthcare professionals and members of the public. In addition, a comprehensive series of Lunch & Learn education events was delivered, with seven webinars attracting over 700 attendees.

In March, the NEY GMS launched its own podcast ‘The Road to Genome’ with guests including former Trust Chair, Professor Sir John Burn, who shared reflections on his amazing career in Genomics and his groundbreaking work in Lynch Syndrome. For more information, go to ney-genomics.org.uk.

4. Great North Healthcare Alliance

Newcastle Hospitals, GHFT, NHCFT and NCIC have signalled their intentions to work together as the GNH Alliance. The aim is to formally establish the Alliance early in 2024/25. The trusts believe that there is huge potential to work together to deliver significant benefits to our patients and staff within our own organisations and in the wider region. The partners have agreed guiding principles which include a recognition that each Trust will retain its independent identity and integrity as a separate entity, and each Trust has the right to opt in or out of proposals, or move at the pace, phasing and degree that is appropriate to their organisation and their communities.

5. North East and North Cumbria Integrated Care Board

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

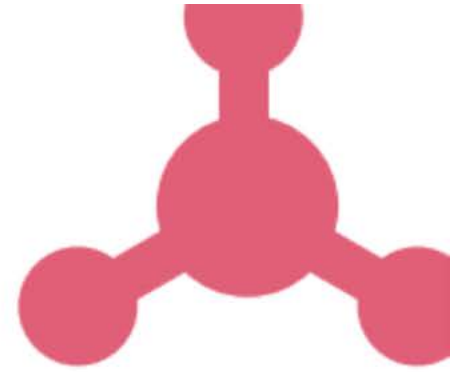
Strategy

The NENC ICB published its strategy in December 2022. The strategy sets four ambitious goals: longer healthier lives, fairer outcomes, best start in life and improving health and care services: See *'Better health & wellbeing for all'* infographic on the next page.

Place based partnerships:

Newcastle Hospitals links into 4 place-based system partnerships:

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



Better health & wellbeing for all...

Our integrated care strategy for the North East and North Cumbria

Our four key goals...



Longer & healthier lives

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



Fairer outcomes for all

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



Better health & care services

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



Giving children and young people the best start in life

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

Our supporting goals...



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



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



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



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



Reduce alcohol related admissions to hospital by 20%



Reduce drug related deaths by at least 15% by 2030



Reduce social isolation, especially for older and vulnerable people



Increase the percentage of cancers diagnosed at the early stages

We will do this by...



Supporting and growing our workforce



Harnessing new technology and making best use of data



Making the best use of our resources



Being England's greenest region by 2030



Listening to and involving our communities

This is a summary of our strategy - the full document is on our website:
www.northeastnorthcumbria.nhs.uk/ICP

Research

Clinical Research

Clinical research continues to benefit patients in Newcastle and beyond, thanks to our dedicated research teams.

Research happens in most of the Trust's clinical specialities and plays a vital role in tackling common health conditions, through to rare diseases that currently have no cure.

Over 14,000 patients have taken part in clinical trials in the last year, and we continue to be one of the top trusts in the country for the number of people taking part in research and number of studies open.

We continue to make positive progress against our Clinical Research Strategy. In 2023, we launched Dragons' Den, an initiative that provides a package of support to colleagues not usually involved in research to turn an idea into a research project.

As part of efforts to reduce our environmental impact, we have rolled out a remote monitoring system across clinical research, reducing the need for study monitors to travel to the Trust's sites.



A summary of our research achievements include:

A Newcastle patient became the first in the UK to receive a donor heart transported in the 'Heartbox'

Sanjana Kochhar from Newcastle upon Tyne was the first patient in the UK to receive a donor heart transported via a new method, called the XVIVO Heartbox. The Heartbox aims to preserve the heart for longer during transport from donor to recipient, which could improve heart function after surgery.

The IoT, based at the FH, was one of three sites in the UK and one of fifteen European sites involved in the trial.

Newcastle consultant awarded for 'exceptional innovation'

Mr Kenny Rankin, consultant orthopaedic surgeon at Newcastle Hospitals, was presented with the 'Researcher of the Year' accolade at the Bone Idols awards 2024.

The awards commenced in 2021 and are run by the Bone Cancer Research Trust. They recognise those who show dedication to improving the lives of bone cancer patients.

Kenny's research focusses on finding better, more precise ways to remove sarcomas, to help improve patients' quality of life after surgery.

John Walton Muscular Dystrophy Research Centre

The John Walton Muscular Dystrophy Research Centre, part of Newcastle Hospitals and Newcastle University, received a prestigious Centre of Excellence award from national charity, Muscular Dystrophy UK.

The award recognises the excellent care, access to treatments, and translational research the centre provides to patients with limb girdle muscular dystrophies, a group of rare conditions that there is currently no treatment for.

Depression after brain injuries

Newcastle is one of several sites in the UK taking part in the STOP-D trial. Led by King's College London and ran from the RVI, the study investigates if a common antidepressant, sertraline, can prevent depression after a Traumatic Brain Injury (TBI).



Major Trauma Centre (MTC) consultant neurosurgeon, Mr Damian Holliman is the Trust's lead in the national trial investigating if a widely used antidepressant is a clinical and cost-effective way of preventing depression following a TBI.

TBIs usually occur from a violent blow or jolt to the head or body and is one the most common reasons people attend Accident and Emergency (A&E) Departments. Depression can affect up to 50% of people with TBIs, which is on average ten times higher than the general population.

Smaller trials to date have shown that sertraline - an antidepressant widely used to treat mood disorders - could reduce the incidence of depression when taken within a few weeks of the TBI. The STOP-D trial aims to build on these smaller trials by testing the theory that taking 100mg of sertraline once a day for 12 months is both clinically and cost-effective.

This trial is a vital part of ensuring patients receive the right treatment and support following a brain injury, which is a very challenging and difficult time.

RSV clinical trial

Published results from a Moderna-sponsored clinical trial – ConquerRSV – show that Moderna’s mRNA-1345, a new vaccine for Respiratory Syncytial Virus (RSV) – a common virus which causes symptoms like a cold but can adversely impact young children and those with weakened immune systems - is generally well-tolerated, safe and effective.

Honorary consultant in infectious diseases at Newcastle, Dr Christopher Duncan, was UK lead (Chief Investigator) for the trial while his colleague, Dr Ashley Price, consultant in infectious diseases, was the principal investigator for the Newcastle site.

There is no specific treatment for RSV, and, until recently, no effective preventative vaccines were

available. In Newcastle, over 80 patients took part at the RVI’s Clinical Research Facility and were randomly allocated into groups to either receive the trial drug or a saline placebo.

Results have shown the vaccine effectively prevented against RSV-associated lower respiratory tract disease compared to the placebo dose, was generally well tolerated and no safety concerns were identified.

In the UK, the Joint Committee for Vaccination and Immunisation has recommended to the government that an NHS RSV vaccination programme be initiated.

£30million study paves way for new treatment for cirrhosis

Newcastle Hospitals is part of the Accelerating Discovery: actionable NASH Cirrhosis Endpoints (ADVANCE) study – the most extensive clinical study into liver cirrhosis ever conducted worldwide.

Data from blood tests and Magnetic Resonance Imaging (MRI) scans will be collected to map how disease-related changes evolve as cirrhosis progresses and the study will provide a detailed analysis of liver health.

Currently there are no approved medicines for cirrhosis and so there is an urgent need for earlier diagnosis and new medicines to prevent progression to liver failure, or to reverse the scarring of the liver once cirrhosis is established.

Led by Newcastle University, University of Edinburgh and leading research-driven global biopharmaceutical company, Boehringer Ingelheim, the £30million study will include 200 patients with cirrhosis who will be recruited at specialist liver clinics at hospitals across the UK and Europe, including the FH, or through referral by their treating physician.

Pioneering cancer techniques

Patients from the Trust have played a part in a pioneering study which aims to distinguish healthy tissue from tumour tissues through innovative tumour imaging and injectable dyes. Removing a patient’s tumour while sparing healthy tissue requires precision, but often surgeons must rely on their eyes and hands to determine where to cut. Researchers from Mass General Brigham in the US developed a visualisation tool – known as fluorescence lifetime (FLT) imaging - that combines high-speed cameras and fluorescent injection to distinguish tumour tissue from normal tissue.

Specimens from more than 60 patients, including those from Newcastle Hospitals who underwent surgery of various cancers, were examined and the team reported the technique was over 97 percent accurate across tumour types, with the potential to improve the accuracy of cancer surgeries.

The study was delivered and supported by the orthopaedics research team at Newcastle Hospitals and the North of England Bone and Soft Tissue Tumour Service.

Preventing kidney failure

Professor of complement therapeutics at Newcastle University and honorary consultant nephrologist, David Kavanagh, led a study to determine whether eculizumab – a pioneering drug for the rare kidney disease Atypical Haemolytic Uraemic Syndrome (aHUS) - could prevent organ failure and improve patient outcomes.

aHUS is a genetic life-threatening condition caused by a defect in the immune system which leads to kidney failure. The study showed the drug prevented 86% of patients going into kidney failure which highlights the importance of the use of the medication.

Funded by Kidney Research UK and the MRC, the study analysed more than 2,000 aHUS patients from 1995-2019 and its results further strengthen the importance of patients receiving



early lifesaving treatment, helping to significantly improve quality of life without the need for dialysis or a kidney transplant.

Further research by the Newcastle team will now focus on finding a cure for the small proportion of patients who do not respond to eculizumab.

Identifying the risk of diabetes



The Trust's biggest study to date - INGR1D2 - is helping to identify infants at risk of developing type 1 diabetes, which is caused by the pancreas making insufficient insulin, a hormone which helps the body use glucose (sugar) for energy.

One in every 250 children born in the UK is affected by type 1 diabetes and as there is no cure, treatment involves injecting insulin to help

control blood sugar levels, although it can still be challenging to live with the condition.

The study, called INGR1D2, aims to identify infants at high risk of developing this to study new treatments with the aim of preventing the development of the condition. It involves carrying out an extra test on the routine newborn blood spot screening card at around five days old to check for serious health conditions.

Because the test can be performed on blood that is already being taken, there's no extra needles or blood tests required. If the test determines the baby is at increased risk, they are invited to take part in a further study called SINT1A, which investigates whether a probiotic can prevent type 1 diabetes from developing.

Eight other hospital sites are also running the study across the North East and so far more than 10,000 newborns have been tested and more than 50 infants have been signed up to the SINT1A study, which is run by the RVI paediatric research team.

Reducing risk of infection in newborns

We are one of 80 sites across the country involved in a clinical trial - called GBS3 - to detect group B strep, a common but potentially harmful bacteria, during pregnancy in the hope it will reduce the risk of infection in newborn babies.

One in four pregnant women carries group B strep but is unlikely to know they carry it and while it is usually harmless, there is a small chance of babies becoming infected during labour which can make them seriously ill.

Now, patients who plan to have their baby at the RVI's maternity unit are given the opportunity to take part in the trial, which involves taking a swab at 35-37 weeks into the pregnancy. If the swab is positive for group B strep, antibiotics will be offered once labour starts.

HARMONIE study



The Trust was one of 150 sites in the UK to run the HARMONIE study, which aimed to find out if a one-off antibody helped to protect babies from RSV – a common seasonal virus that infects nearly all babies by their second birthday.

For most, RSV is mild and like a cold, but for others it leads to more severe illness, such as bronchiolitis, requiring hospital admission for oxygen and tube feeding.

Previous smaller studies have shown that the antibody called nirsevimab, works well and protects babies against RSV in one dose and the aim of HARMONIE was to test the antibody on a larger group to determine if it reduced the number of babies admitted to hospital with the virus.

Study results showed the antibody resulted in an 83% reduction in the number of babies admitted to hospital with RSV. Consultant paediatrician Professor Marieke Emonts-le Clercq, led the local study with support from the paediatric research team.



Newcastle-led landmark study finds surgery more effective than nasal sprays for symptoms of crooked septum

A UK-wide trial led by Newcastle's consultant otolaryngologist (Ear, Nose and Throat (ENT)), Sean Carrie with James O'Hara, an honorary consultant

otolaryngologist, was established to inform guidance on which patients may benefit from surgery for crooked septum and to standardise treatment across the UK.

A crooked (deviated) septum often means that one nasal passage is narrower than the other,

making it feel blocked, which can affect breathing, sleep or exercising. Surgery to correct this is a common operation, but there's a lack of high quality evidence evaluating septoplasty and therefore no clear guidelines for its use.

To address this, a team of UK researchers designed the Nasal Airways Obstruction Study (NAIROS) to provide definitive evidence and recommendations for use of septoplasty. It found surgery was more effective than nasal sprays and its findings recommend it should be offered to adults with at least moderate symptoms such as breathing disruptions well as paving the way for evidence-based guidelines.

Tonsillectomy is both clinically and cost effective for adults

A study carried out by Newcastle University and Newcastle Hospitals found that a tonsillectomy (tonsil removal) is both clinically and cost effective for adults who get recurrent severe sore throats. The results were published in world-renowned medical journal, The Lancet.

The biggest study of its kind carried out by the Trust and Newcastle University, revealed patients who had a tonsillectomy had 50% less sore throats over two years, compared to patients who did not undergo tonsillectomy.

The study was funded by the NIHR and the team also found that a tonsillectomy for those aged 16 years and over was cost effective in comparison to treatment with painkillers and ad-hoc antibiotics.

Almost 500 patients were randomised to either early tonsillectomy or given treatment such as painkillers and antibiotics and were only recruited if they met the current national guidance for offering tonsillectomy – seven episodes of tonsillitis in a year, five per year for two years, or three episodes for three years.

Monitoring chronic disease

Professor Fai Ng, honorary consultant rheumatologist and a professor of rheumatology in the Translational and Clinical Research Institute at Newcastle University, is leading the IDEA-FAST study, which aims to find effective ways to monitor symptoms in patients with chronic disease.

The study involved patients with neurodegenerative and inflammatory diseases, where fatigue can have a major impact on day-to-day activities and quality of life.

Monitoring symptoms often relies on asking patients to fill in a questionnaire about their experiences but the team looked at whether patients could wear small devices to monitor these physiological signals throughout the day, in turn providing more accurate and reliable results.

While this is an early pilot study, results have showed that digital technologies can give clinicians realistic information when monitoring patients at home, differentiate chronic patients from healthy individuals, and monitor their quality of life. It is hoped future research will be able to monitor additional physiological measures with a larger group of participants over a longer study period.



Awards and Achievements

Patient safety – Nursing Times Awards

The aHUS clinical nurse specialists – who lead the National aHUS nursing service from the RVI in Newcastle – were named winners for the Patient Safety Improvement Nursing Times Award.

The award was in recognition of their initiative **‘A Collaborative model of meningococcal vaccination response monitoring for patients receiving complement inhibition’** which seeks to enhance effective monitoring to help prevent potentially life-threatening infections caused by a known side effect of the lifesaving treatment patients with the rare disease aHUS receive.

The intention of the initiative – designed, led, implemented, and audited by the aHUS nurses – was to improve the percentage of patients undergoing an annual blood test to measure protection against meningitis.

They established new collaborative pathways whereby a blood sample for titres could be taken alongside the patient’s infusion at home which has significantly increased uptake and, consequently, improved patient safety nationwide.

The Trust also had four other finalists in the awards as follows:

- Nurse leader of the Year – Caroline Ralph.
- Ingrid Fuchs Cancer Nursing Award – 7-day systemic anti-cancer therapies service.
- Public Health Nursing – Operation encompass police cause for concern triage pilot.
- Technology and Data in Nursing – Digital pre-assessment for cancer patients.



HSJ Partnership Awards

An innovative collaboration between urological experts at the FH and B Braun Medical led to the introduction of a new specialist nurse-led nephrostomy service which has transformed patient experience following a nephrostomy insertion. Over a period of four years (including the COVID-19 pandemic) the new service has achieved:

- A huge reduction in hospital readmissions by over 40%.
- Improved clinical outcomes and safety for patients.
- Enhanced knowledge, skills and confidence for staff.

These results demonstrate major improvements in patient outcomes, treatment pathways and experiences leading to the new nurse-led service being shortlisted for the HSJ Partnership's Most Effective Contribution to Clinical Redesign Award.

HSJ Awards

Collaborative Newcastle, our partnership which aims to transform the health, wealth and wellbeing of people living in Newcastle, was shortlisted in this year's Health Service Journal Awards, which recognise outstanding contributions to healthcare.

The 'Learning to Lead Together' project is part of ongoing work to bring together knowledge, expertise and resources from across public and third sector partners, to enhance and improve health and care, as well as growth and prosperity in the city.

In addition, the National Renal Complement Therapeutic Centre was a finalist in the 'Acute Sector Innovation of the Year' category for their study and research to preventing meningococcal sepsis in patients. The centre at the RVI is the NHSE highly specialised service for aHUS.

Nursing Times Workforce Awards



Two teams were finalists in this year's Nursing Times Workforce Awards in the best workplace for learning development and best recruitment experience categories.

Our 'paediatric OSCE bootcamp' – a collaborative effort between the clinical educators at The Great North Children's Hospital (GNCH) and the international recruitment team - welcomes and supports new paediatric nurses from overseas who have made the life changing decision to leave their homeland to start afresh in Newcastle.

While a community-based Widening Access for Healthcare Support Worker (HCSW) recruitment event was held in the west end of Newcastle in-year, with the aim of recruiting from local communities, particularly people from underrepresented groups. The event had a huge response, attracting hundreds of interested individuals seeking to kickstart a healthcare career with the Trust.

Centre of Excellence Award

The John Walton Muscular Dystrophy Research Centre, part of the trust and Newcastle University, received a Centre of Excellence award from leading national charity, Muscular Dystrophy UK.

The charity for more than 110,000 children and adults in the UK living with one of over 60 muscle wasting and weakening conditions awarded the centre status for providing outstanding care, promoting best practice locally and nationally and demonstrating their commitment to improving health and care for people living with muscle wasting and weakening conditions.

British Journal of Nursing Awards

Lead nurse specialist in home parenteral nutrition and intestinal failure, Hayley Leyland, was a finalist for 'Nutrition Nurse of the Year' in the British Journal of Nursing Awards.

The shortlisting recognises the significant contribution Hayley has made nationally to the nursing profession – in particular the major influence she has had in the specialist field of nutritional nursing, making a huge difference to the lives of scores of patients.

Researcher of the Year



Consultant orthopaedic surgeon Kenny Rankin, who is also an honorary senior lecturer at Newcastle University, was commended for showing 'exceptional innovation' to the field of surgical oncology.

He was presented with the researcher of the year accolade at The Bone Idols Awards which were set up by the Bone Cancer Research Trust to celebrate those who show exceptional dedication to improving the lives of bone cancer patients.

Prestigious prize



Dr Chris Lamb was awarded the 2023 Sir Francis Avery Jones Medal from the British Society of Gastroenterology (BSG) for his work in translational gastroenterology research.

An honorary gastroenterologist at the Trust, as well as clinical senior lecturer and honorary consultant in gastroenterology in immunity and inflammation at the Translational & Clinical Research Institute at Newcastle University, Chris is an emerging leader in the NIHR Newcastle Biomedical Research Centre's (BRC) liver disease, multimorbidity and lifestyle research.

Merit Award

Advanced occupational therapist and specialised clinical frailty network lead, Jenny Welford, received a Royal College of Occupational Therapists' Merit Award in recognition of her contribution to her profession and significant achievements in recent months in her role as advanced occupational therapist at the Northern Centre for Cancer Care (NCCC).

Jenny has worked on numerous projects in cancer services including prehabilitation, phase one clinical trials, frailty and lung cancer and has secured the publication of articles in several high impact factor journals whilst consistently championing the role of occupational therapists in cancer services.

True star

Nursery nurse Micki Short received a Cavell Star Award in recognition of her commitment and dedication towards supporting asylum seeking families who have reached refuge in Newcastle.

Micki, who is a member of Newcastle Community's 0-19 services team, was part of a team who organised and oversaw the provision of supportive accommodation in a hotel designated for this vulnerable group of families as well as ongoing support.

Healthcare Support Worker Awards

Claire Taws, a healthcare assistant in the Children's Heart Unit, was awarded the Chief Nursing Officer for England's Healthcare Support Worker Award in the 'Working together for patients' category.

The award recognises HCSWs who have consistently demonstrated the values of the NHS in supporting their nurse, midwifery, and medical colleagues to deliver the highest possible patient care.

Healthcare assistant Linda Flynn, whose career spanned more than 45 years, was also posthumously awarded this accolade in recognition of her exceptional dedication to patient care, with infectious positivity and remarkable contributions to the FH community. Linda's award was collected by her family.



Maternity Support Worker accolade



Maternity health advisor Jenny Reed was presented with a Chief Midwifery Officer (CMO) Maternity Support Worker Award in recognition of her work supporting women and families across Newcastle which has made a huge impact on both staff, service users and their families and friends.

The CMO Awards recognise exceptional contributions made by individual midwives and maternity support workers. Nominations must meet specific criteria and are reviewed and approved by senior colleagues at NHS England.

Queen's Nurse

Senior health visitor Heather Ransom was granted the title Queen's Nurse – one of the highest accolades available to the profession in the country.

The much coveted title from the Queen's Nurse Institute is only granted to highly dedicated nurses who can demonstrate their commitment to providing the highest standards of practice and care and recognises their commitment to ongoing learning, leadership and excellence in healthcare.

Health visitor Caitlin McCord also received a Queens Nursing Institute (QNI) award – the Dora Roylance Memorial Prize - in recognition of her academic performance whilst completing a Specialist Community Public Health Nursing (SCPHN) Health Visitor programme at Northumbria University.

District nurse Georgia Hibbert was the recipient of the QNI Philip Goodeve Docker Memorial Prize for her performance whilst completing a Master's Degree at the university.

From the heart

Children's transplant nurse specialist Julie Flett received an 'Award of Excellence' from the Paediatric Heart Transplant Society - an international multidisciplinary, professional and collaborative organisation dedicated to advancing the science and treatment of children through the journey of heart transplant.

As nurse transplant specialists she and her colleagues look after young patients after they have had heart and / or lung transplant surgery and build strong, life-long relationships as they watch them grow up and transition from children's to adult services.



Celebrating Excellence Awards 2023

Celebrating Excellence Awards

Our Celebrating Excellence Awards give us the opportunity to show our appreciation for the work our staff do, day in and day out, as well as recognise the important role of our volunteers and charity supporters. This year as part of NHS 75 we introduced a lifetime achievement award. The winners were as follows:

- Innovation, Transformation & Research – BadgerNet maternity support team
- Quality Improvement and Patient Safety – Simulation team
- Partnership Working – International recruitment steering group
- Valued and Heard – Sinead Greener (Lead pharmacist)
- Volunteer of the Year – Jackie and Martin McLellan with Daisy the dog
- Championing Equality – Shane Adams (direct delivery team co-ordinator - Local Clinical Research Network)
- The Sustainable Healthcare in Newcastle (Shine) Award – Procurement and supply chain
- Rising Star – Nurse specialist – stroke – Hanna Perez
- Apprentice / Trainee of the Year – Paula Newman (dental)
- Unsung Hero (Support and Corporate Services) – Ken Marshall (security)
- Team of the Year (Support and Corporate Services) – What Matters to You team
- Clinician of the Year (Frontline / Clinical / Clinical Support) – Nurse consultant for bladder and bowel care, Jackie Rees
- Team of the Year (Frontline / Clinical / Clinical Support) – North East Assisted Ventilation Service
- Lifetime Achievement Award (NHS75) – Consultant paediatric cardiothoracic surgeon / transplant surgeon Asif Hasan
- Chief Executive's Award – Senior clinical educator in international recruitment Audrey Tapang
- Chairman's Award – Lead Governor Pam Yanez

People at our Heart Awards

We hosted our annual People at our Heart Awards – a staff and volunteer recognition scheme in which patients, relatives, colleagues and the public recognise staff for the work they do. This year's overall winners were:

- Individual - Charlotte Bratt, Staff Nurse Ward 21 Cardiothoracic Intensive Treatment Unit (ITU), FH.
- Team - Domestic staff at New Croft House.
- Volunteer - Nicola Smith, Splish Splash Bounce Volunteer.

Team of the year

The breast radiography team won the Regional Team of the Year Award at the Society of Radiographers Radiography Awards 2023. Our Newcastle service provides three-yearly screening for over 140,000 patients across the region.

In addition to screening 700 patients each week, they also support a full symptomatic service with assessment clinics, one-stop clinics, young person clinics, tumour localisation and contrast enhanced mammography, assisted by an administration team who work hard in the background to make sure clinics are set up and patients get their results in a timely manner.

Hat-trick for estates colleagues

The Estates Team and the Clinical Team behind the Day Treatment Centre (DTC) won three prestigious awards and were highly commended in a fourth category at the Constructing Excellence in the North East Awards.

The recognition was for their work on our bespoke £24million DTC that opened in 2022, which was singled out for integration and collaborative working, value and client of the year, as well as building project of the year.

It was a great achievement for the team, and our construction partners, to complete the centre in less than 10 months and it's fitting their dedication and hard work was recognised in this way.

Silver service!

Deputy catering manager Iain Clarke was a finalist in the Leader of the Year in the Healthcare Estates and Facilities Management Association (HEFMA) Awards 2023.

Joint Advisory Group on Gastrointestinal Endoscopy (JAG) accreditation

The Trust's endoscopy services achieved JAG accreditation which verified our teams are meeting the rigorous, high-quality standards used across the UK (and Republic of Ireland) to support improvement of endoscopy services.

These standards have been developed by a multi-professional group of clinicians, managers and service users and the accreditation programme is run by the Royal College of Physicians.

Nursing Quality Mark

The Trust was awarded the National Preceptorship for Nursing Interim Quality Mark.

Preceptorship provides a period of guidance and support for new registrants as they make the transition from student to confident, competent practitioners during their first year of employment.

It helps them to translate their theoretical learning into clinical practice as they develop their skills and knowledge and gain confidence when meeting other clinicians and patients. The Quality Mark recognises an NHS trust's commitment to providing a gold standard of preceptorship and was created in October 2022 when NHSE introduced the new National Preceptorship Framework for Nursing.

NHS Pastoral Care Award

The Trust was given the NHS Pastoral Care Quality Award for International Nurses and Midwives in recognition of the high quality support offered to internationally educated nursing and midwifery colleagues.

Launched in March 2022, the award is part of NHSE international recruitment programme, supporting NHS trusts to develop and enhance their own organisational international recruitment plans.

Medical Director receives OBE

Former Medical Director, Andy Welch, received his OBE from Prince William, Prince of Wales at Windsor Castle in recognition of his extensive contribution to the NHS and patients. Andy was awarded his title in the Queen's New Year's Honours in December 2022.

Clinical Fellowship

Dr Lorraine Cowley - a senior nurse researcher and genetic counsellor - was the first nurse to receive the prestigious Clinical Academic Research Partnership (CARP) fellowship by the MRC and NIHR to enhance her research into inherited diseases.

CARP awards are traditionally given to NHS consultants and are designed to provide research-qualified health professionals with the opportunity to form a research partnership with established biomedical and applied health researchers.

Dr Cowley's research will explore the experiences of patients and healthcare professionals in 15 Latin American countries who are part of a study known as Latin SEQ, which offers genetic testing to diagnose inherited muscle diseases.



National appointments

Dr Flora McErlane, a consultant in paediatric rheumatology at the GNCH, was appointed to lead a nationwide review into rheumatology services for children and young people.

She is one of two clinical leads working with NHSE's Getting It Right First Time (GIRFT) programme on the workstream alongside Dr Gavin Cleary (Alder Hey Children's NHS Foundation Trust).

As joint clinical leads for the new GIRFT workstream, the two will carry out data-driven peer review visits with all specialist paediatric rheumatology centres across England, with the aim of developing national pathways, sharing best practice, and extending support to centres facing challenges.

Earlier in the year, consultant vascular surgeon Rachel Bell was appointed as a national leader for vascular surgery with GIRFT.

Taking the plunge

Nurse specialist Mel Hall, who cares for patients diagnosed with rare and complex blood disorders, brought home five medals from the first European Ice Swimming Championships in Romania.

Held in the historic city of Oradea, Transylvania, Mel met up with 322 fellow ice swimmers from 27 countries to take part in the Championships which are classed as an extreme sport as it involves water at temperatures below 5.0 degrees Centigrade.

She won gold for the 100m breaststroke in a British record time of 1:27.81 minutes – also a new world record for her age group (40-44 years) – a gold in the 50m breaststroke in world record time followed by bronze overall in the final. In addition, she gained a silver medal in her age group for the 100m freestyle. Mel has now been selected to represent Team GB for the World Championships in January 2025.

Celebrating our activity and mobility support volunteers

Our team of activity and mobility volunteers – a group of 45 students from schools and colleges across Newcastle - were celebrated at a special graduation event.

The group work alongside the physiotherapy team on ward 14 at the FH to help get patients ready for discharge, get up and ready for the day or help to mobilise them in chair and bed exercise sessions, as well as supporting staff with mealtimes.

The volunteers all have a keen interest in a career in a variety of healthcare roles so the experience they're gaining is so valuable. They have also been a huge asset to the ward and the feedback from the staff and patients reflects this.

Project Choice (Choices College)

Our Project Choice (now known as Choices College) interns graduated from our programme in year, which is a supported internship programme for young adults with learning difficulties, disabilities or Autism.

It has been running across Newcastle Hospitals since 2012 and the programme continues to go from strength to strength with over 100 young adults completing the programme and a high transition rate from internship to employment (79%) which remains one of the highest in the country.

Fifty years of voluntary service

David Nicholson marked 50 years of voluntary service with Radio Tyneside which, over the years has progressed from being purely a hospital broadcasting service to the RVI, Freeman and Queen Elizabeth hospitals, to now a community radio station, covering the whole of the area - broadcasting 24 hours a day.

David joined in 1973 and started presenting programmes before becoming station manager. Over the years, he has seen the organisation grow and win many awards, including the

Queens Award for Voluntary Service, a Lifetime Achievement from the Radio Academy, and from the National Hospital Broadcasting Association.

In 1997, he was also presented with the Lord Mayor 800 award by Newcastle City Council (NCC) and received an OBE for his services to Radio Tyneside.

NHS 75

As part of the 75th birthday of the National Health Service (NHS) in July, we reflected on the history and achievements of our organisation and held activities across the trust and wider city. Some highlights in this anniversary year included:

- After a combined 75 years working at the Trust, husband and wife Karen and Paul Hutton, retired together in December 2023 with a very special gift. Local photographer and former nurse, Johannah Churchill, took portraits of the pair which were presented to them. Karen was a senior nursing sister in RVI outpatients while Paul worked in pharmacy quality control.
- Senior nurse for international recruitment, Audrey Tapang, was one of many NHS staff invited to attend a Royal Garden Party at Buckingham Palace, which also marked the King's Coronation festivities.
- RVI ward sister Jess Shield featured alongside Monty Python legend Michael Palin and England and Liverpool footballer Jordan Henderson in a new exhibition from Rankin and NHS Charities Together, celebrating 75 years of NHS charities. She was one of 14 NHS staff, patients and volunteers starring in *'Love and Charity: A History of Giving in the NHS'* – which celebrates the vital role charities have played throughout the health service's history and her portrait featured at the Saatchi gallery in London.



- An NHS75 timeline of Newcastle Hospitals over the years as well as an archive film showing a day in the life of the RVI in 1957.
- With the support of Newcastle Hospitals, we partnered with Greggs to offer all staff a free food and drink voucher.
- Key landmarks across the city being lit up in blue.



Newcastle Hospitals Charity



Newcastle Hospitals Charity (charity reg. no 1057213) is the official charity for Newcastle Hospitals. Their 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, people and wider communities of Newcastle Hospitals.

They work in partnership with Newcastle Hospitals to complement the world-class healthcare services and enable a wide range of initiatives - from cutting-edge research to vital improvements to the patient experience and environment.

The last year has seen the Charity raise more than £6m and commit more than £7.6m of project funding and has been proud to support innovative, creative, and touching projects for all facets of the hospital community.

The Charity remains incredibly grateful to its generous and compassionate supporters and fundraisers who make this work possible, many of whom are former patients and staff.

Newcastle Hospitals Charity supports the Trust as a whole by ensuring that funds are spent where they make the greatest impact, no matter how small or large, and is also the home of a number of designated funds that support specific services, such as:

- The GNCH Fund, which supports children and their families who come to the GNCH (based at the RVI) for treatment and care, including funding life-changing research, projects to make the hospital more welcoming for children and support services for children and their families, such as a financial hardship fund.
- The Sir Bobby Robson Foundation, which works to help find more effective ways to detect and treat cancer for patients across the North East, Cumbria and beyond. The Foundation funds clinical trials and cancer research, pioneering cancer treatment and innovative cancer support services, such as acupuncture, complementary therapies and counselling.

Impact

2023/24 saw another busy year for Newcastle Hospitals, with the Charity committing funding totalling more than £7.6m to over 625 projects across the Trust.

These funds supported a number of large-scale projects, which will make a significant difference to both staff and patients now and for years to come. All proposals seeking over £20,000 are considered by the Charity Committee, which is chaired by Jill Baker, Non- Executive Director (NED) of Newcastle Hospitals.

During the year more than £6.8m was committed to projects which were for Clinical Board-level or Trust-wide schemes and more than £830k in easy to access, smaller project funding. As well as supporting patients and hospital staff directly, the larger projects the Charity support play an enabling role in funding research and innovation, tackling health inequalities, and creating healthier communities across Newcastle and the wider region.

Some highlights included:

- £51,000 for the running costs of The People First Café in the NCCC in North Cumbria, which is staffed by a team of young people with learning disabilities and hospitality professionals.
- £79,000 to support patients with a learning disability by working with Skills for People, and patients with lived experience, to review patient literature to ensure all materials were accessible and understandable.
- £100,000 to purchase a liver perfusion device, to ensure that more donated livers are suitable for transplant.
- £129,000 to create a specialist Public Health Nurse 0-19 Service to both identify and respond to health needs in refugee families and those seeking asylum.

- £209,000 to refurbish the chemotherapy day unit, known as the Henderson Suite, at West Cumberland Hospital, Cumbria.
- £621,000 to amalgamate and expand the existing Newcastle Orthopaedic Retrieval Service (NRC) and the Tissue and Explant Analysis of Medical Implant Failure (TEAM) services.
- £700,000 to refurbish the Junior Doctors facilities at the RVI.
- £700,000 towards the purchase of a state-of-the-art solid-state scanner for use in Nuclear Medicine that will provide high quality images in a faster time.
- £706,000 to purchase a spinal surgical robotics system to further expand the Trust's Robotic Assisted Surgery programme.
- £70 for a radio on Ward 16 of the FH to help calm patients.
- £100 to create memory boxes following the death of a loved one.

While the majority of the Charity's funding continued to support initiatives within Newcastle Hospitals, the Charity remains committed to supporting external partner charities and organisations to deliver collaborative initiatives that address health inequalities in the community.

Some of the partner organisations that were funded in this way included:

- Coping with Cancer, who were supported to deliver a counselling service for children affected by cancer in their family.
- New Writing North, who partnered with the Charity Arts Programme, on a writing residency that helped to gather the stories and experiences of Newcastle Hospitals staff as part of celebrations for NHS75.
- Urban Green Newcastle, who continue to work with local cultural organisations to deliver art workshops, in collaboration with the Charity Arts Programme, for the benefit of patients, staff and the wider community at the Springbank Pavilion in Leazes Park.
- Live Well with Cancer, who undertook sleep education for patients with cancer.
- Radio Tyneside, who have been supported to digitise the station to future-proof their service.
- Child Brain Injury Trust, who have been funded to provide a support service for families impacted by acquired brain injury in the North East.
- Healthworks, who have been supported to continue their Long COVID service for a further year.

Once again, staff from across the Trust brought a wide range of ideas for projects and equipment to the Charity, which included a number of small gestures that made a big difference to the experiences of patients in our care. Of the 625 individual projects that were supported over the year, the Charity allocated more than £830k in easy to access, small project funding in 2023/24. Much of this was focused on staff health, wellbeing and development, and on initiatives that improved the experience of Newcastle Hospitals patients. This also included over £75k for the festive funding programme that saw decorations go up across the hospitals and token gifts purchased for patients who would be attending hospital over the festive period.

Examples of some of these smaller projects included:

- £40 for supplies to support a maternal mental health event.
- £50 for a tea set for relatives to enjoy refreshments with patients in Ward 6, FH.
- £50 for a selection of books to help children to manage their grief following a bereavement.

- The Sick Children’s Trust, who were funded to support costs associated with the running of Crawford House which is utilised by families of long-stay paediatric patients.
- Young Lives vs Cancer, who provide support for families with children with a cancer diagnosis.
- Ways to Wellness, to undertake the second phase of their social prescribing and community resources project for children and young people at the GNCH.

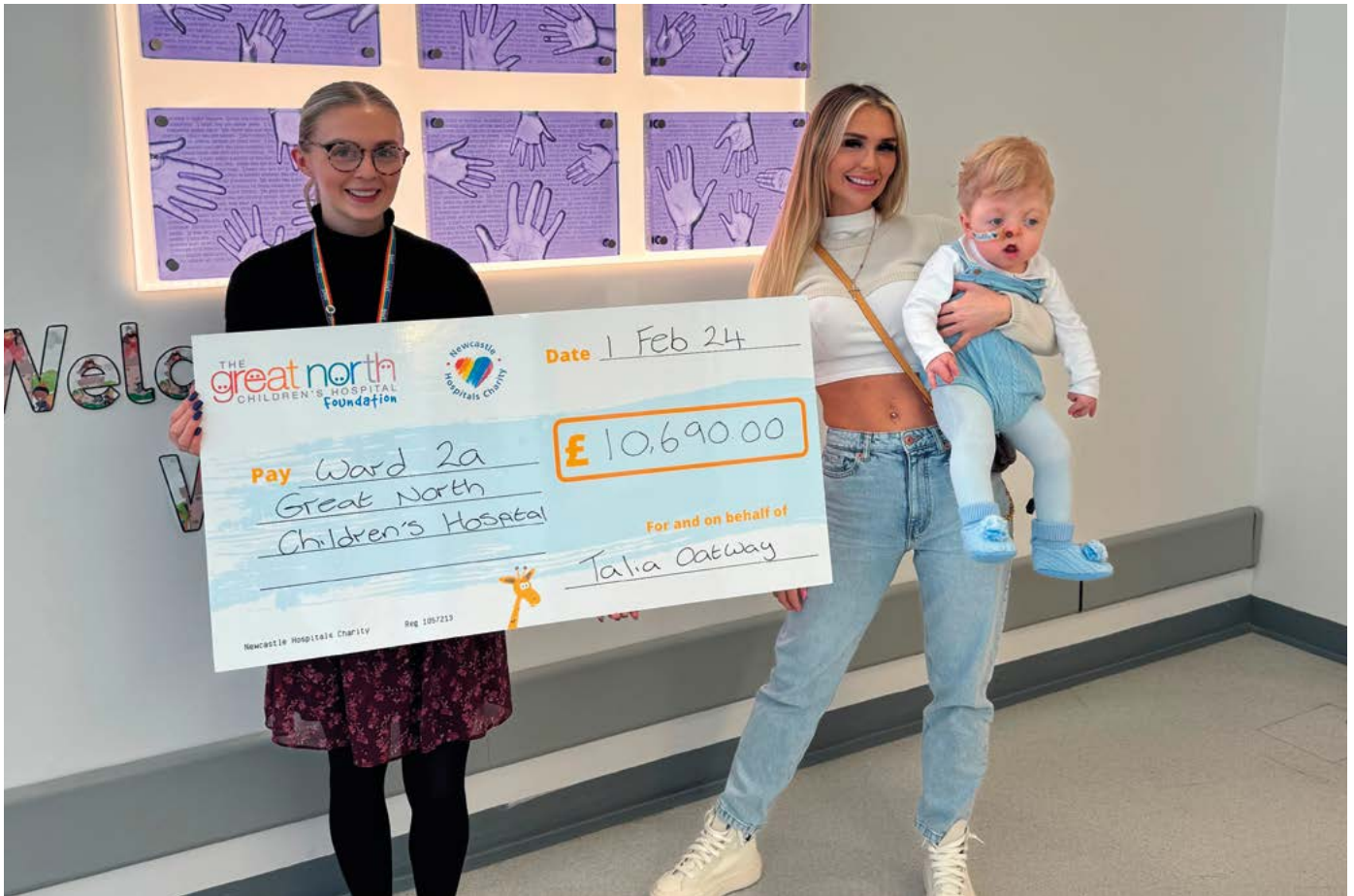
The Charity team provide direct support to Trust staff in developing proposals for funding and developing the structures and processes required to ensure that funding was readily accessible to Trust staff.

The Charity remains committed to building on this momentum in 2024/25, with support from Charity Committee members and the wider Trust. Priorities for the new financial year include delivering a funding strategy which focusses on projects that support patient care, patient and staff wellbeing, developing staff excellence, research and innovation, and addressing health inequalities and continuing to engage with Trust staff and the wider community to ensure that the Charity is able to address areas of need.

Fundraising

Newcastle Hospitals Charity raised over £6 million in 2023/24. The Charity Fundraising team drive income through a wide range of income streams, including community fundraising initiatives; large scale events fundraising including the Great North Run; corporate partnership opportunities; philanthropic donations; regular giving programmes; legacy giving; developing programmes for trust and foundation support as well as driving forward retail. This all raises important funds that help make a transformative difference to patient’s lives every single day. Thank you to everyone who has shown their support, dedicated their time and championed the work of the Charity – they could not do it without you.





Community Fundraising

The Charity can only achieve all it does through the generosity of the many individuals willing to help raise vital funds, often undertaking their own personal challenges to show their appreciation for the work of staff at Newcastle Hospitals. The creativity, energy and dedication, from all parts of our community, has been incredible. Some examples of this fundraising include:

- Talia Oatway raised more than £10,000 for Ward 2a at the GNCH, where her son Oakley received treatment, enabling the ward to purchase reclining chairs and sensory lights that improves patients and their families' hospital experience.
- Martyn Haughan, and his wonderful family and friends, have been fundraising for the last 10 years, raising an incredible £100,000 in total. This year they raised £26,000 walking from Newcastle to Penrith for the Sir Bobby Robson Foundation.
- Lucas, Teddy, Josh and Zach raised £576.83 making and selling cakes, pictures and keyrings for Ward 4, a children's cancer inpatient ward at the GNCH.
- Kingston Park Cubs and Beavers raised £250 in memory of Stephen Duck through a super fundraising day to support Haven, a quiet space dedicated to families dealing with end-of-life care.
- Louise Bean-Davison and Chris Davison raised more than £7,000 for Newcastle Cardiovascular Trials and Research, cycling from Land's End to John O' Groats, in memory of Louise's father.
- The Northumbria University Nursing and Midwifery Council (NMC) Competence Test Centre raised £1,055 in their "Biking to Belgium" fundraising event, cycling 600km as a collective force within 2 hours.

Corporate support

The Charity has been fortunate enough to develop key relationships with businesses across the region that share our vision, developing meaningful partnerships that help support business need and charity objectives, as highlighted below.

- Newcastle NE1 partnered with Newcastle Hospitals Charity in support of the GNCH for their first Dragon Boat Race Corporate Day, where 15 businesses signed up to take part in the race, raising £10,056.
- FP McCann continued their support with a very generous £10,000 donation to Newcastle Hospitals Charity in support of the GNCH.
- Northumbrian Water colleagues support the Sir Bobby Robson Foundation every year after losing their friend, Mick Clark, to cancer in 2011. This year they cycled a circular route from Washington, via Consett and Newcastle and back to Washington, to raise £3,349, bringing the total raised in Mick's memory to over £60,000.
- Home Group colleagues of Newcastle United fan, Angela Armstrong, organised a wonderful football-themed fundraising event in her memory, raising £3,458 for the Sir Bobby Robson Foundation.
- Stephen Hope Wealth Management and Bespoq Finance raised £3,750 for Ward 1b at The GNCH through their annual "Golf Day Fore Sophie" event at Wearside Golf Club. In May 2019, Sophie, aged 2, was diagnosed with an ependymoma brain tumour, requiring 3 brain operations, totalling 20 hours, 7 weeks of revolutionary proton beam therapy in Germany and finally chemotherapy back home in the UK. Now, at 6 years old, Sophie is nearing full recovery.
- Fenwick provided tickets to their much-anticipated Christmas window reveal, inviting a mixture of long-term patient families and valued young supporters of the Charity, as well as providing patients staying in hospital over the festive period with toys and gifts.
- Bradley Hall kindly chose Newcastle Hospitals Charity as a charity partner for their Festive Fundraiser 2023 – their 7th annual festive charity fundraiser, raising £16,500 for the GNCH.
- Northern Gas & Power showed incredible generosity over the festive period as they donated £12,000 to the GNCH as well as £2,500 worth of toys for the young patients.

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

Special thanks to: Medical Architecture, Geoffrey Robinson Limited and Robertson CE Limited who all contributed to our outdoor illuminations and the 21 businesses that supported the festive period and raised £13,300, including:

- o 1NE Logistics
- o Albany Contract Furniture
- o Armstrong Rhead Limited
- o Coolcheck Refrigeration Ltd
- o DTA Consulting Engineers
- o GT Cleaning Machines
- o Identity Consult
- o IE Signs Ltd
- o Keenan Processing Limited
- o McNally & Thompson UK Contracts Ltd
- o Naylor's Gavin Black
- o Nearby Group
- o Opus Building Services Ltd
- o P+HS Architects
- o RBC Brewin Dolphin Ltd
- o Rentokil Specialist Hygiene
- o Rider Hunt
- o Sharpsmart Ltd
- o Sintons LLP
- o Starbucks Jesmond / Kingston Park
- o T3 Security Ltd

Individuals

Individual support is shown in many different ways – spend in the Charity retail shops, the regular monthly donation made, or the philanthropic donations received – each contributes to how the Trust can better support its hospitals.

In terms of major gifts, Newcastle Hospitals Charity received over £680,000 from 17

individuals, funding a wide range of projects ranging from clinical research fellowships to renal equipment for children.

Newcastle Hospital Charity wants to give special thanks to those donors that chose to remain anonymous – their philanthropic support is helping to shape the future of healthcare.

Legacies

A gift to Newcastle Hospitals Charity in the form of a legacy is the greatest honour the Charity can receive and this year it received 61 legacy donations. Some examples of the generous individuals who chose to support the Charity with a legacy donation are:

- Ann Tait, who generously supported Newcastle Hospitals Charity.
- Colin Watson who generously supported the Newcastle Leukaemia & Lymphoma Fund.
- Elizabeth Taylor who generously supported Newcastle Hospitals Charity.
- Doris Livingstone who generously supported the NCCC.
- Sheila Elsie Naylor who generously supported the Cardiothoracic Centre.
- John Widdowson who generously supported the Special Care Baby Unit.
- Martin and Elaine Raeburn who generously chose to support the Sir Bobby Robson Foundation.
- Rita Matthewson who generously supported the Sir Bobby Robson Foundation.
- Gordon Begg who generously supported the Sir Bobby Robson Foundation.

Gifts in Kind

Newcastle Hospitals Charity are continually amazed by the generosity shown by all their donors in recognition of the excellent, compassionate healthcare and support services received. Even the smallest gift can help brighten up a difficult day in hospital.

Some examples of the gifts in kind received this year include:

- Staff of Primark in Newcastle kindly held a toy collection which was donated to the GNCH at Christmas.
- Rueben's Walkers visited the GNCH with £1,600 worth of toys, along with local company FR Surfacing, who donated £300 worth of toys. Reuben's Walkers is a charitable organisation that raises money through an annual walk for the founding members' son, Rueben, who sadly passed away in 2019.
- Pop Heroes Community are a charitable community outreach initiative that aims to bring a smile to vulnerable children in the UK. They kindly donated boxes of Funko Pop toys to the GNCH.
- Overbury, Orega Offices and Knight Frank organised a festive collection and kindly donated £500 worth of gifts to the GNCH, for young patients spending time in the hospital during the festive season.
- Wagamama in Newcastle kindly donated food for the Fracture Clinic team at the RVI.
- Bowmer & Kirkland generously donated 290 selection boxes for patients spending time in the hospitals over the festive season, putting a smile on their faces.



Arts Programme

The Charity has been continuing to invest in, and expand, their Arts Programme, growing audiences and participation with Trust staff, patients, visitors and the wider community, reaching over 200,000 people during the past 12 months.

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

With over 110 creative engagement sessions, in Trust sites and community settings, the Arts Programme has offered a range of activities, such as photography, printmaking, pottery, creative writing, crafting and live music. The Arts Programme has included visual arts exhibitions and museum displays across Trust sites and continues to work with the Trust's Estates teams to enhance the hospital environment.

This year has also seen the continuation of a strategic partnership between the Arts Programme and our city parks authority, Urban Green Newcastle, through the Springbank Pavilion project. Together, with local arts organisations, Chilli Studios, Curious Arts and GemArts, the Charity has funded free artist-led workshops that all centre around creative

practice in nature. This led to the project being highlighted in the new national publication 'Creative Health Review: How Policy can Embrace Creative Health.'

Live music has returned to our sites, through a partnership with Music in Hospitals and Care, and pop-up performances from choirs have filled our hospital sites with comforting sounds, and again, brought moments of collective joy.

A recent partnership with the writing development agency for the North of England, New Writing North, has enabled the first Writer in Residence for Trust staff. This has given Trust staff the opportunity to develop their confidence in their creative writing skills, and find ways to communicate their own stories, on their own terms.

Feedback and evaluation across the Arts Programmes has shown it continues to reduce isolation, create new connections and understanding, while improving wellbeing for those who have engaged with arts activities.

The Charity looks forward to continuing to develop the Arts Programme, by building capacity and using innovative methods to work across the Trust, to address health inequalities by improving wellbeing and supporting creativity across our communities.

Charity Strategy

The work of the Charity is led by three goals:

1. Improve the patient and visitor experience, enhancing care for the patients and the wider community.
2. Improve staff health, wellbeing and development.
3. Tackle health inequalities and key health issues for our region and nationally.

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

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

Connecting with Newcastle Hospitals Charity

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

 [Newcastle_NHS](#)

 [NewcastleHospitalsCharity](#)

 [Newcastle_NHS](#)

 [Newcastle Hospitals Charity](#)



1. Performance Report

A. Overview of Performance

In 2023/24 the Trust placed increased emphasis on recovering both performance and activity to pre-covid levels, whilst continuing to provide the highest level of care possible for patients.

Ambitious national targets were set out in the 2023/24 Operational Planning Guidance, including the elimination of waits of over 65 weeks for elective care, adherence to the 75% 28-day Faster Diagnosis Cancer Standard by March 2024 and the continued reduction of >62-day waits for cancer treatment. Stringent performance monitoring and review processes remained in place to support the Clinical Boards in meeting these recovery challenges and to provide regular reporting and feedback to the Executive Team on progress.

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 and the Great North Trauma and Emergency Centre;
- The Centre for Aging and Vitality (CAV – formerly Newcastle General Hospital) which is home to the region’s North East and Cumbria Transport and Retrieval (NECTAR) service, Westgate Road Urgent Treatment Centre, Newcastle Diabetes Service, Newcastle Westgate Cataract Centre and Clinics for Research and Service in Themed Assessment (CRESTA);
- Newcastle Dental Hospital;
- Newcastle Fertility Centre;
- Northern Genetics Centre;
- 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:

- o 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.
- o 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.
- o 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.
- o 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.
- o 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.
- o 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.
- o **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 goals area from the ICP strategy, particularly healthier and fairer and best start in life.

The Newcastle Place Based plan was developed by the Integrated Care Board's Newcastle Place team in conjunction with Collaborative Newcastle partners through its Joint Directors' Team which meets weekly. 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 refreshed 5-year Joint Forward Plan was approved by the ICB Board in March 2024 (<https://northeastnorthcumbria.nhs.uk/meetings-and-agendas/board-meeting-held-in-public-tuesday-26-march-2024/>). 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 NENC ICB also has a five year strategic plan covering the time period from 2019 - 2024 (NENC ICS Strategic five year plan ([NENC ICS Strategic five year plan \(northeastnorthcumbria.nhs.uk\)](https://northeastnorthcumbria.nhs.uk)).

The Newcastle Hospitals current strategy expires at the end of 2024 and work is underway to refresh, prioritising the clinical aspects first. We will continue to ensure our developing plans align with those in the NENC ICB.

The Trust has worked closely with ICB and Provider Collaborative colleagues from across the North East and North Cumbria 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 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.

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

Our strategic goals are:

- **Patients**

Putting patients at the heart of everything we do. Providing care of the highest standard focussing on safety and quality.



- **People**

We will ensure that each member of staff is able to liberate their potential.



- **Partnerships**

We will be an effective partner, developing and delivering integrated care and playing our part in local, regional, national and international programmes.



- **Pioneers**

Ensuring that we are at the forefront of health innovation and research.



- **Performance**

Being outstanding, now and in the future.



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

- **We care and are kind**

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



- **We have high standards**

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



- **We are inclusive**

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



- **We are innovative**

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



- **We are proud**

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



Going Concern

After making enquiries, the 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 Financial Reporting Manual.

Operating and Financial Performance

1. Financial Performance

The Trust continued to demonstrate financial resilience in the 2023/24 financial year with a £77k surplus on an NHSE Control Total basis (2022/23 surplus of £4.1 million). The Trust remains able to address the funding challenge facing all public services.

2. Income

2023/24 is the first year of a 2 year NHS Payment Scheme covering the Trust's main contracts with NENC ICB and NHSE. The contracts are on an Aligned Payment Incentive basis, with variable elements of the contract for Elective activity under the national Elective Recovery Fund 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 £1,599.0 million (2022/23: £1,482.9 million). This is higher than last year mainly due to an inflationary uplift to the block funding (£54 million), funding to deliver additional activity £29 million, and increased drugs and devices charges (£47 million) with efficiency requirements applied to the Trust's main contracts of £17 million.

3. Expenditure

Total expenditure for the year was £1,554.2 million (excluding finance costs and impairments), (2022/23: £1,436.7 million). Trust costs and expenditure shows a surplus against income, with a surplus of £77k. A number of Elective Recovery Schemes have continued to support and manage the number of elective patients on the waiting list and to increase above the 2019/20 activity levels.

The Trust has managed to deliver the Financial Plan during 2023/24 despite industrial action continuing over the course of the year which has necessitated the use of staff bank, overtime (at enhanced rates) 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:

- Pay expenditure includes the cost of the 2023/24 pay award and the additional pension cost of £33.8 million all matched by income. The on-going provision for the cost of enhanced overtime rates, cover for industrial action and the difficulty in meeting the cost improvement challenge during the year.
- Drugs are overspent, mainly related to an underlying growth in cost for 'block' drugs and old Payment by Results (PbR) tariff drugs, as some types of patient activity have increased, off-set by a variance of matched drugs with a corresponding variance on income.
- Expenditure in relation to clinical supplies pressures as activity levels have increased, along with higher inflation and where medical devices have moved onto block funding and more items moving onto the visible cost model.
- Additional premises expenses in relation to Estates related projects, non-recurring IT and other equipment and non-delivery of the cost improvement plans.

4. Capital Expenditure Plans

Capital expenditure totalled £40.1 million (2022/23: £63.6 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.

5. Delivering Value for Money in the Public Interest

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

The Trust delivered efficiencies of £56.4m during 2023/24 with £5.6m being delivered recurrently.

6. The Balance Sheet

The assets of the Trust's owned estate were valued at £461.5 million on 31 March 2024. In addition, the Trust has a further £171 million of PFI assets. The Trust has valued its land and buildings on a single, optimal site basis and funded via an alternative to PFI/PF2 arrangements. Such funding is exempt from Value Added Tax (VAT). The closing year end cash balance on 31 March 2024 was £182.7 million (2022/23: £195.8 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

2024/25, will be the second year of 2023-25 payment scheme where elective activity is incentivised through the national Elective Recovery Fund and other activity remains within a block envelope with continued emphasis on managing finances in partnership with other NHS bodies in the ICS. The Trust is expected to be required to deliver 107% of 2019/20 elective activity on a value weighted basis, the income will be varied by Commissioners to match.

The Trust's financial plan includes investment to help support specific pressures, for example urgent care services. The financial plan also includes a £108 million cost improvement target which assumes a combination of recurrent and non-recurrent measures. In addition, the plan is underpinned with non-recurrent income support of £21 million.

The Trust's financial plan includes investment to help support specific pressures, for example in urgent care services.

The main challenges to the Trust going into 2024/25 are:

- Operating within a finance regime where increasing volumes and acuity of emergency activity are funded within a block envelope.
- Operational challenges to achievement of elective activity valued at 107% of the activity delivered in 2019/20 and reduce the backlog of patients on the waiting list within the funding and capacity available.
- Achievement of a £108 million cost improvement target.
- The risk of cost pressures driven by supply side inflation in the economy.
- Delivering a capital programme that is adequate to preserve capacity and quality in a NHS-wide constrained capital funding environment.

8. Subsidiaries

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

9. In Summary

The Trust has had a successful year in terms of financial performance in that it has met its financial targets without having to compromise clinical quality. Looking to the future, the NHS will continue to face a challenging financial environment in 2024/25.

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 healthy balance sheet and a track record of transformation to respond to challenges. The Board of Directors recognise 2024/25 will be a challenging year but is confident of maintaining sound financial management and provision of a service portfolio of both national and international esteem and that the accounts are prepared on a going concern basis.



B. Analysis of Performance

Performance



The Trust made positive strides against many of the key operational targets set out in the 2023/24 operational planning guidance, continuing on the path to deliver sustainable recovery of pre-pandemic waiting list volumes and durations despite a challenging national backdrop of frequent interruptive spells of industrial action.

Periods of industrial action involving nurses, consultants and junior doctors took place over the course of the year as part of a national pay dispute between trade unions and the government.

During these times, our key priority was maintaining as much safe and effective care as possible for patients - prioritising those with the most severe illness - and contingency plans were put in place to mitigate staffing pressures. Both nursing and consultant unions have subsequently accepted national pay deals.

The organisation remained in receipt of Tier 1 support measures with NHS England throughout 2023/24 for the recovery of elective care performance, as well as for cancer care in the second half of the year. However the clearance of patients who had been waiting over 104

weeks for elective treatment, coupled with the near-elimination of patients who had waited over 78 weeks has provided assurance to our patients and the locality, as well as regionally and nationally, that the Trust is committed to treating its longest waiting patients as soon as practically possible, reducing overall waiting times and ensuring they receive the best possible standards of care.

With regards to cancer care, the volume of patients waiting longer than 62 days to start cancer treatment has also dropped to pre-COVID levels. Despite this progress, there remains more to improve - the Trust continues to fall short of a number of operational performance standards, including the 85% 62-day Referral to Treatment (RTT) Cancer standard, and a number of patients continue to experience waits for elective treatment of over 65 weeks.

A&E performance measured similarly to the previous financial year, reflecting ongoing pressures on both on emergency care and the wider system. Despite these challenges, the Trust's performance remained significantly above the national average throughout 2023/24, and in the top 20 performing acute Trusts for the majority of the year.



The Trust implemented an organisational restructure of services from 21 directorates to eight Clinical Boards in April 2023, with operational performance continuing to be monitored and accounted for through the Clinical Board Performance Review process.

Reviews were revised to take place monthly rather than quarterly to provide an increased level of support to the Clinical Boards. A wide range of data is used to support the process, with standing agenda items including:

- Quality Priorities (including a full review of the risk register).
- Operational Performance (core standards, planning requirements and internal Key Performance Indicators (KPIs)).
- HR (People Metrics – e.g. sickness absence, statutory and mandatory training and vacancy rates).
- Finance (including Cost Improvement Programmes).

In recognition of the outcomes of the Trust CQC Report following inspection in 2023, the Trust amended the Performance Review process in February 2024 to place an increased emphasis on Quality & Safety issues and develop stronger overarching links with Performance, with membership expanded accordingly.

Management of key risks and their impact on performance

In managing performance during 2023/24, the key risks have included:

- Continuing elevated levels of ED attendances (and of greater acuity) directly impacting on A&E performance.
- Ongoing periods of industrial action throughout the year disrupting progress with elective recovery.
- Management of workforce gaps across a range of staff groups.
- Bed availability at levels to sustain and grow the elective programme to support recovery.

Occupancy levels remained significantly higher than pre-pandemic in 2023/24. In mitigation the Trust identified additional capacity in its DTC and pinpointed elective patients who were suitable for treatment as a day case.

- Constrained diagnostic capacity to cope with rising demand, mitigated by insourcing, outsourcing & the use of the independent sector.
- Longer and growing waits for treatment and procedures. Short term additional capacity in various services has had to be secured to minimise further deterioration in waiting times. There has remained focus on these key risks throughout the planning rounds to further mitigate these risks going forward.

Elective Activity

As in the previous financial year, throughout 2023/24 elective activity was funded on a block income basis up to 100% of 2019/20 delivery, with a continued requirement to exceed these levels in order to secure additional income through the elective recovery fund as well as facilitate focus on demonstrable recovery and improvement in both waiting times and the size of backlogs.

Total elective activity delivery in 2023/24 compared favourably to 2019/20 volumes, measuring at 104% – the first time these levels have been exceeded since the pandemic.

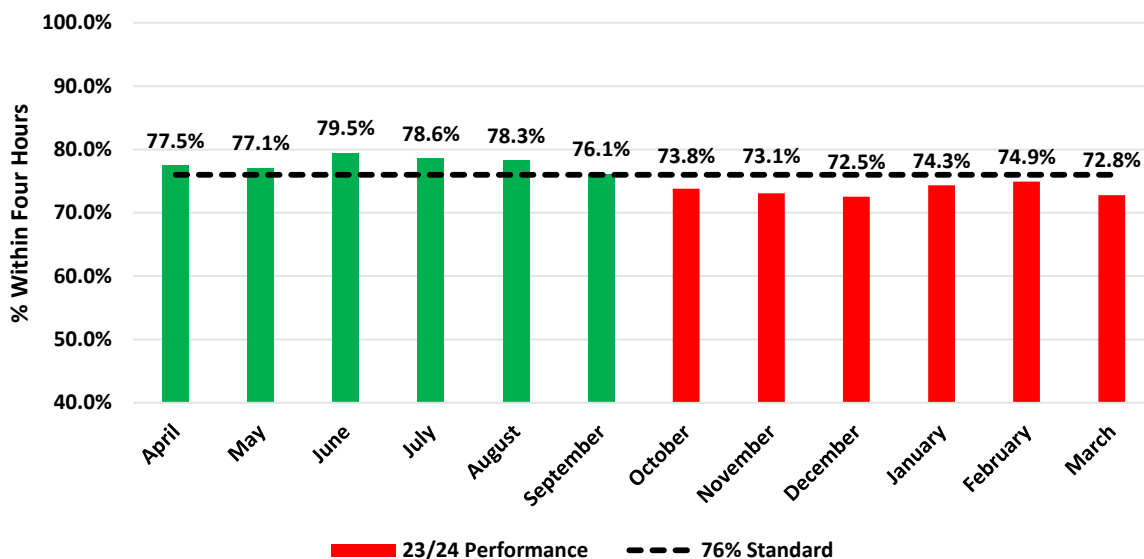
Overall, the provisional value-weighted activity outturn for the Trust compared to 2019/20 sits at 102%, just 1% shy of the amended NHSE target of 103%. Annual day case activity was recorded at 103.2% of 2019/20, while New Outpatients was at 103.8%. Elective inpatient spells remained below 2019/20 levels at 81.1% - though this did represent an increase on 2022/23 levels (74.8% of 2019/20). Outpatient procedures were at 108.6% - a sizeable improvement on the 91% achieved in the previous financial year.

Ongoing industrial action within certain clinical staff groups provided a constant challenge for the Trust in 2023/24, with over 1.3 million appointments affected nationally. Elective activity was impacted due to the need to prioritise adequate staffing for urgent care, urgent elective cases and other critical services. The Trust operated pro-actively to re-book cancelled procedures as soon as practically possible to mitigate the negative impacts on patient experience and health.

Urgent & Emergency Care

In recognition of the challenges faced nationally in achieving the 95% 4-hour A&E waiting time standard throughout 2022/23, the target was revised to 76% for 2023/24, with further improvement expected in 2024/25. For the financial year overall the Trust delivered performance against this standard of 75.6%, marginally below target but still comparing favourably to the national average of 70.9%. The target was achieved in each of the first six months of 2023/24 with an average performance of 77.8% but performance deteriorated from October 2023 onwards (average of 73.6%) in line with seasonal trends pertaining to demand, bed availability and workforce gaps. A number of initiatives have been implemented to improve flow front of house, streaming patients to alternative services as well as securing additional nursing resource to reduce time to assessment at peak times.

A&E Four-Hour Performance 2023/24



While A&E attendances dropped 3.4% from the previous year, 2023/24 attendances remained 3.1% above 2019/20 levels. Type 1 attendances decreased by just 0.6% from 2022/23 and thus remained 17.9% above 2019/20 demand, emphasising the overall increased acuity and complexity of patients receiving emergency care compared to pre-pandemic. Sustained higher levels of Type 1 attendances also impacted on other key performance indicators in A&E, with 12-hour trolley waits increasing by almost 20% and ambulance handovers over 60 minutes increasing by 142% on 2022/23 levels.

Newcastle Hospitals consistently exceeded the 70% national standard for urgent community responses (<2 hours) throughout the financial year.

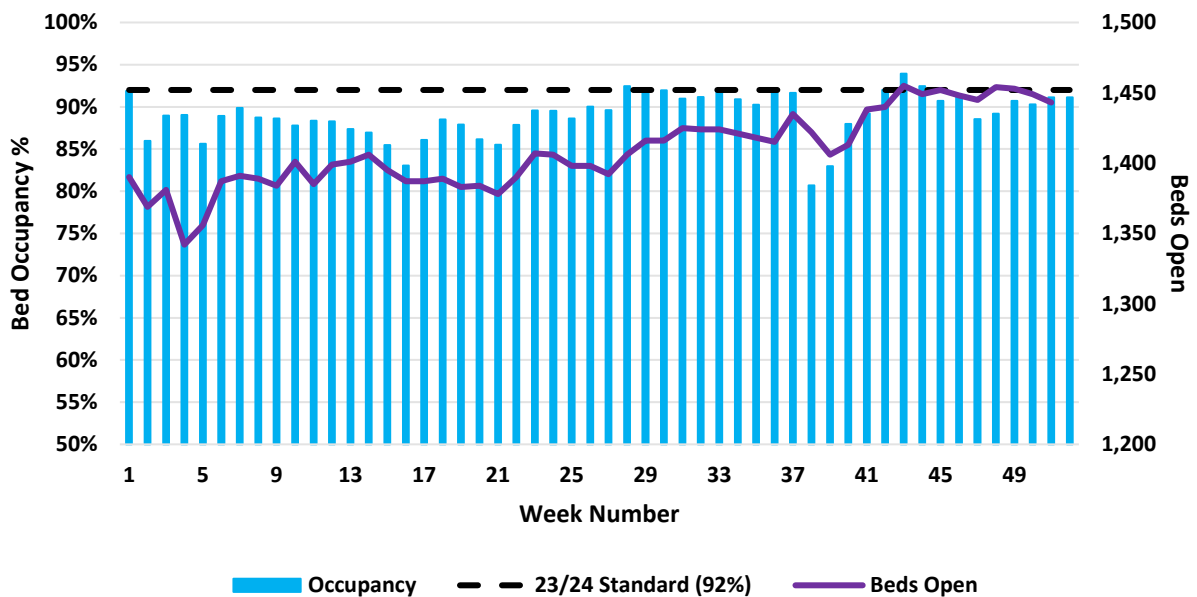




Bed Occupancy

General and acute bed occupancy levels remained consistently high in 2023/24, with an average of 88.9% across the year. That said, there was not an individual month throughout the year where average bed occupancy exceeded the 92% planning guidance standard, a figure frequently breached throughout 2022/23. Critical care occupancy reduced to a yearly average of 66.9% compared to 73.3% in 2022/23, in part due a reduction in the number of COVID patients being admitted to ITU.

Bed Occupancy 2023/24



Cancer

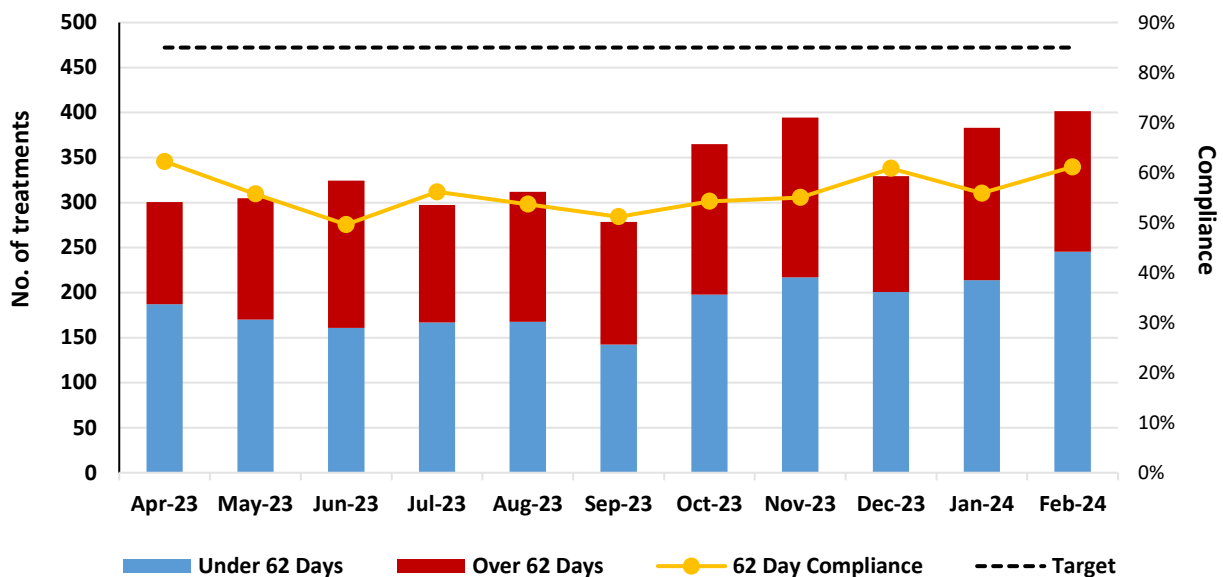
2023/24 witnessed a change to the long-established national cancer standards, with the previous nine individual standards being consolidated into three key standards - 28-Day Faster Diagnosis (FDS), 31-day Decision to Treatment and 62-day RTT standards.

Performance against the 75% target for the 28-day FDS (now the key standard at the front end of a cancer pathway) was 75.8% between April 2023 and February 2024 – 0.8% ahead of the national target. A large peak in skin cancer demand over the summer months continued far later into the year than usual, adversely impacting Trust level compliance.

The Trusts 31-day Performance reported at 86.1% against the 96% target for the same period, and organisational 62-day performance was 56%, significantly below the 85% target, with continued difficulties being seen nationwide in delivering against this standard.

Underlying issues preventing the Trust from achieving the 31- and 62-day cancer standards this year have included limited theatre capacity relative to demand, as well as the ongoing late receipt of tertiary referrals. Revisions to booking and scheduling systems and processes are ongoing and the Trust is working with the Northern Cancer Alliance (NCA) through the pathway boards to monitor and reduce late referrals. The Trust has committed to improving 62-day performance to 70% by March 2025 - as set out as one of the requirements in the 2024/25 operational planning guidance.

Cancer 62 Day (Referral to Treatment) Compliance 2023/24



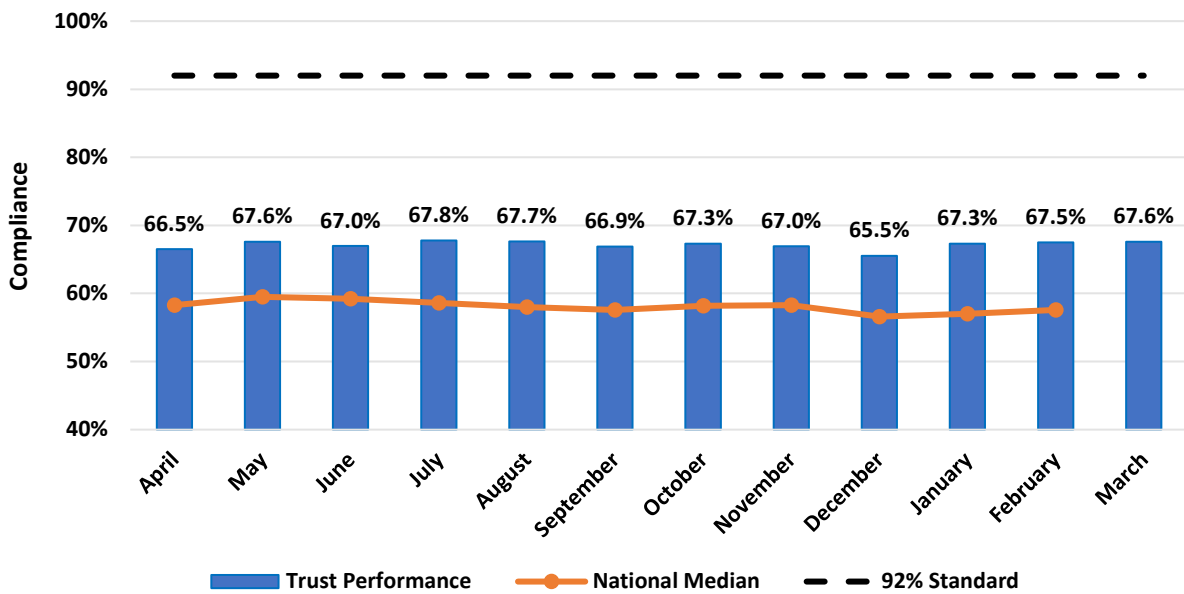
Further progress was made in reducing the number of patients waiting longer than 62 days for treatment following an urgent suspected cancer referral - this includes patients waiting for treatment as well as those who are on a cancer pathway and who do not have cancer but are waiting for this to be ruled out. By the end of the financial year the Trust had 186 patients breaching this standard, the lowest end of month position since May 2021 and below the target of 200 set for the Trust by NHSE as part of the drive to reduce the national backlog against this metric.



RTT Waiting Times

The national RTT standard sets out that 92% of patients should commence treatment within 18 weeks of referral. In 2023/24, Trust performance hovered within a narrow range between 65.5% to 67.8%, with the average for the whole year equalling 67.1%. While RTT performance was significantly below the national standard in 2023/24, the Trust continued to benchmark positively against comparative trusts for its performance, reporting as one of the top 3 Shelford trusts in every month of 2023/24. March’s RTT Patient Tracking List (PTL) showed there was 99,884 patients waiting for treatment in total – whilst this still represents a sizeable 30% increase on the waiting list size of February 2020, it also evidences substantial recent progress, falling below 100,000 for the first time in 12 months in February 2024.

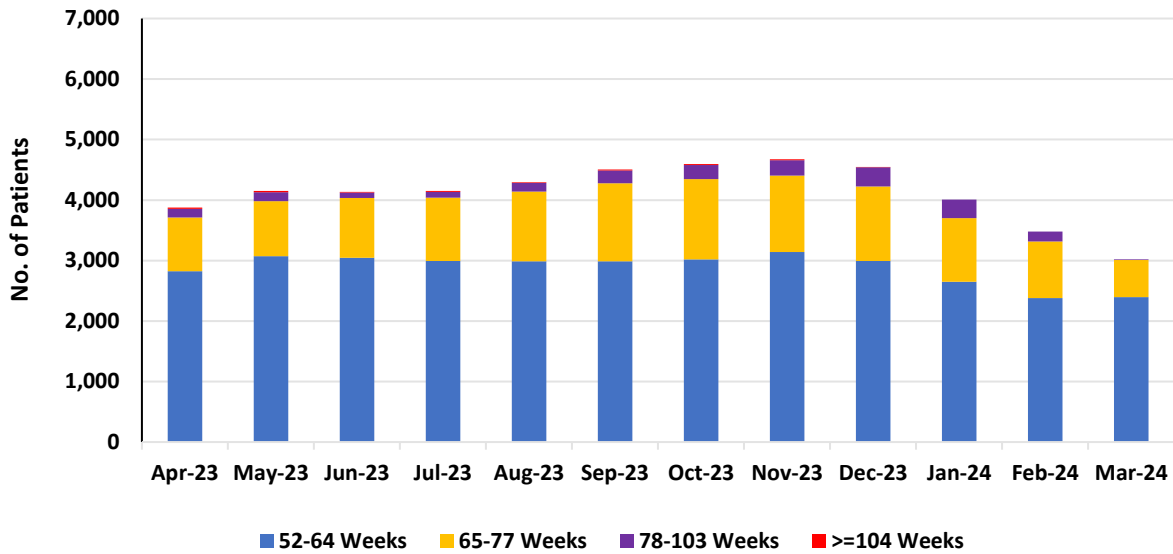
18-week RTT Performance 2023/24



The Trust worked extensively to treat its longest waiting patients in 2023/24, making excellent progress in reducing the backlogs that had built up since the pandemic. The number of patients waiting over 104 weeks for elective treatment fell to zero in February 2024 for the first time since November 2020, whilst concentrated efforts to treat all 78 - week waiters took the Trust from a high point of 322 patients at the end of December 2023 to just 7 patients waiting over this length of time at the end of March 2024. Three of these patients were awaiting corneal graft transplantation – for which there remains an ongoing national tissue shortage.

Patients who had waited over 65 weeks for treatment were also significantly reduced in 2023/24. As of the end of March 2024, there were 631 patients remaining in this waiting time category (down from 1,075 in March 2023- a 41.3% decrease), comfortably ahead of the H2 planning reset trajectory submitted in November 2023 – which committed to lowering this cohort of patients to 995 by March 2024. The ambition to clear 65-week waiters by September 2024 has been explicitly outlined in the 2024/25 planning guidance, and progress to date puts the Trust in a strong position to meet the renewed national ambition to eliminate this length of wait in the timescales requested.

RTT Long Waiters 2023/24

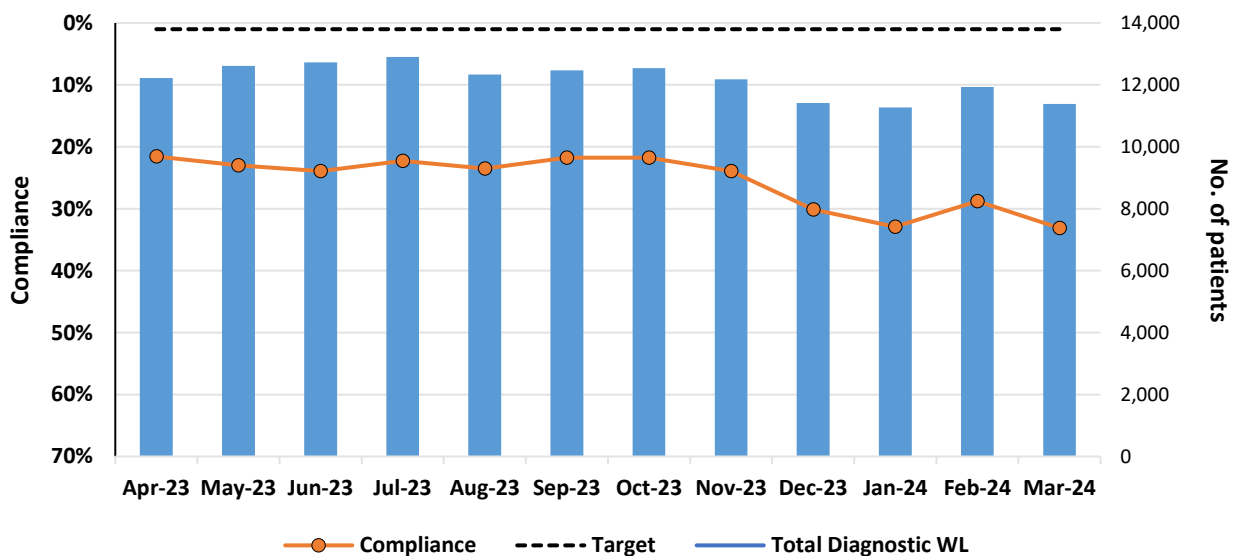


Diagnostics

Continued high demand for diagnostic services has had a direct impact on compliance with diagnostic performance standards. Whilst the contractual target of 99% receiving their diagnostic within 6 weeks of referral remains, the operational planning guidance for 2023/24 recognised the difficulty in achieving this, setting an ambition to return to 95% performance by March 2025. Throughout 2023/24, organisational performance ranged between 67% to 78%, a downward trend from the previous year where performance ranged between 75% to 85%.

The Trust has attempted to create additional capacity to meet demand, contracting with in/outsourcing companies as well as the independent sector as well as utilising temporary mobile scanners. Further expansion of CDC capacity upon relocation to the Metrocentre towards the end of 2024 is anticipated to further reduce waiting times.

Diagnostic Performance & WL Size 2023/24



Patient Initiated Follow-Ups (PIFU)

PIFUs remain an important tool to reduce the number of follow-up outpatient appointments, while ensuring patients could still access appointments when required. The national target was to reach 5% of patient appointment outcomes resulting in a PIFU listing by March 2024. Whilst the Trust did not meet this target, strides were made in delivery and implementation – by the end of March 2024 take-up had increased to 1.7%.

Outpatient Follow-Up Reduction

There was a continued national drive to reduce the number of outpatient follow-ups in 2023/24 to 75% of 2019/20 levels. The aim of this target was to free up capacity to support the elective recovery of services and avoid unnecessary appointments placing more strain on trusts. This remains a challenging ask for the organisation given the diversity of services provided, some highly specialised in nature and many with patients that require ongoing lifetime review once diagnosed. Furthermore, the need to increase new outpatient activity often led to additional patients requiring review appointments. Overall across the year to date the Trust has undertaken 4.9% more follow-up appointments than in 2019/20.

Countering Fraud

The Trust strives to protect public funds from fraud, bribery and corruption, through an environment that is resilient and intolerant of these economic crimes, and that aligns with the NHS Counter Fraud Authority strategy. This includes proactively seeking to prevent fraud from entering the system, detecting fraud that already exists and in the professional investigation of suspicions of wrongdoing and the protection of anyone who raises concerns of this nature.

This risk-based approach has seen the quality and quantity of referrals to the Fraud Team increase during the year. Resulting in demonstrable outcomes in terms of positive financial benefit and in pursuing appropriate sanctions.

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



Health Inequalities

The Trust has a legal duty to address health inequalities. This has been reiterated in a recent NHSE publication <https://www.england.nhs.uk/publication/nhs-englands-statement-on-information-on-health-inequalities/> (NHSE, 2023) which highlights how trusts exercise these functions and describe them in their Annual Report.

The update covers a brief background relevant to the population (acknowledging there is more work to do to define and describe the Trust's catchment population) and the five key priority areas which underpin the work of the National NHSE Healthcare Inequalities Improvement Programme (HiQiP):

1. Restoring NHS services inclusively.
2. Mitigating against digital exclusion.
3. Ensuring datasets are complete and timely.
4. Accelerating preventative programmes.
5. Strengthening leadership and accountability.

Catchment population

The 2021 Census estimates that Newcastle upon Tyne has a population of 300,135. The age distribution of this population shows a substantial peak in the population aged 20-24 years as a result of the large student population in the city with the presence of two universities. According to the Office for National Statistics (ONS), 17.8% of Newcastle's population is classed as income-deprived, making Newcastle the 36th most income-deprived local authority (of all 316 local authorities in England and excluding the Isles of Scilly). In the most recent census there has been an increase in the ethnic minority population across all ethnic categories in the city (20.1% in 2021 compared to 14.5% in 2011).

Healthy life expectancy indicates the number of years an individual is expected to live in good health. Similar to life expectancy, individuals in Newcastle have lower healthy life expectancy than is seen nationally in England. Females in Newcastle can expect to live 82.3 years but only 60.7 years of those in good health. Hence, females in Newcastle will spend 21.6 years in ill health whereas the equivalent figure is 16.7 years in ill health for males. Also most population health indicators tend to be worse than the national average. For example, Newcastle had the highest rate of alcohol specific admissions of all English core cities in 2022/23. However, there have been some good news stories with indicators such as smoking status at the time of delivery in Newcastle decreasing year on year in line with the national trend but with a bigger reduction in the more recent year than that seen nationally.



Strengthening leadership and accountability

The Trust is continually strengthening its approach to address health inequalities. Key priorities for the Trust is to endorse a Trust Health Inequality Plan and establish clear governance structures to embed equity in Trust core business. The Trust Board is taking forward plans to consider equity in performance reporting to the Board.

The Chief Operating Officer is the Executive Lead for the Trust on Health Inequalities. Additionally the new role of Chief Experience Officer has been created within the Executive Team. This will strengthen Board accountability, and provide visibility and momentum for a Trust-wide patient and staff experience programme (both integral to addressing health inequalities). Medical leadership continues with a Clinical Director Role on health inequalities supported by two clinical leads as well as a Consultant in Public Health (CPH).

The Trust is committed to an active and sustained programme of training which is currently delivered through a monthly Trust-wide Health Inequality Group meeting. This is a widely attended forum offering a space for learning of and sharing best practice and enables a culture of continuous learning. In addition, the second annual Trust Health Inequalities Collaboration Event took place on the 14 November 2023 and was co-delivered with cross-sector partners, particularly the voluntary and Charity Sector. The event was oversubscribed with over 200 delegates and a key note speech by Professor Bola Owolabi, Director of the National Healthcare Inequalities Improvement Programme at NHSE. Moreover, Newcastle Improvement has embedded equity teaching in the ICP (improvement coaching) which is an educational offering to increase improvement capacity across the organisation. The Improvement for Teams (ITP) programme has also supported projects to embed equity (e.g. addressing Did Not Attends in Radiology).

Accelerating prevention programmes

The prevention agenda is a core part of the Health Inequality agenda in the Trust. Key to these are a number of services such as the Inhouse Tobacco Dependency Treatment Service (Maternity and Inpatients), Alcohol Care Team and the Tier 3 Weight Management Service. In addition to these the Waiting Well Programme is fully funded and is now embedded in the ICB Healthier and Fairer governance and structures. These preventatively services see a disproportionate high number of patients from the 20% most deprived areas (core 20) or by design segment and target patients living in the 20% most deprived neighbourhoods (e.g. using the RAIDR Waiting Well Dashboard the Waiting Well targets patients from the 20% most deprived on the elective waiting list (priority list 4)). For example, in the calendar year 2023, the total number of smokers (aged 17 and over) referred to the inhouse inpatient service was 5,318; 60% of the smokers referred to the service lived in the 20% most deprived areas (core 20 population). For the tier 3 Weight Management Service over 50% of the referrals to our service come from those living in the most deprived 20% of areas nationally.

Partnerships with Voluntary and Community Sector (VCS) organisations have been key to delivering the prevention programmes in the Trust. For example, Health Works and Ways to Wellness (Waiting Well) and Health Works (tobacco dependency treatment service in inpatients).

There is currently ongoing work to improve the quality of data and embed equity measures as part of KPIs and performance reporting for these services. For example, as part of health inequality funding to the Tier 3 Weight Management Service one of the required KPIs is for 75% of the programme participants to be from the 20% most deprived areas. There is also ongoing targeted work as part of delivery of this service such as educational groups and clinics focused on Newcastle's more deprived wards e.g. Byker and Elswick.

With support from the CPH, and in collaboration with Public Health at NCC (Harm Reduction and Inclusion Health), health inequality funding has been used to fund new posts in Maternity, GNCH and the 0-19 service as well as a joint public health analyst between NCC and the Trust, and increase the percentage Whole-Time-Equivalent (WTE) for existing posts such as the Drug and Alcohol Midwife.



Ensuring datasets are complete and timely

The Trust has an Accessible Information Standards policy in place. There is a system to record and flag patients' needs and digital work had been initiated to implement the Reasonable Adjustment Digital Flag. Further work is under way 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 at the Trust Board level 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 (e.g. Skills for People, Deaflink and Disability North) regarding patient access and reasonable adjustments.

Additionally, a patient and staff experience programme overseen by the Chief Experience Officer has started. This ensures timely, transparent, systematic and publicly accessible information about the feedback patients and staff have provided, with the organisation's response to this feedback for patients and staff the CPH can use to embed equity.

The quality of demographic data (example age, ethnicity, gender) is constantly monitored over time and by dataset using the Data Quality Maturity Index (DQMI) data to benchmark.

Restoring NHS Services inclusively

Both the Inpatient Waiting List (IPWL) and the Outpatient Waiting List (OPWL) dashboards allow data to be displayed by demographic variables including socioeconomic deprivation (Indices of Multiple Deprivation (IMD) quintile), age, ethnicity as well as Learning Disability (LD) flags. The Outpatient Activity Dashboard contained within the operational reports in the Newcastle Hospitals Reporting Hub allows Did Not Attends, attendance and cancellation data to be viewed by patients' demographics, including IMD quintile, ethnicity and gender. The OPWL and outpatient activity dashboard also includes Language as a variable.

The Outpatient Transformation Programme plans to incorporate, consider, and address inequalities within all aspects of its current workstreams. As an example these currently include virtual attendance and work associated with analysing Did Not Attends and Was Not Brought (WNB) data.

Mitigating against Digital inclusion

A separate update is included in the Digital Developments section of this report. Briefly, the Digital Team works closely with the Trust's Patient Experience Team, patient groups, public health and the regional team in the ICS to embed digital inclusion and equity in existing programmes of work and pathways (e.g. the PEP).



Shine

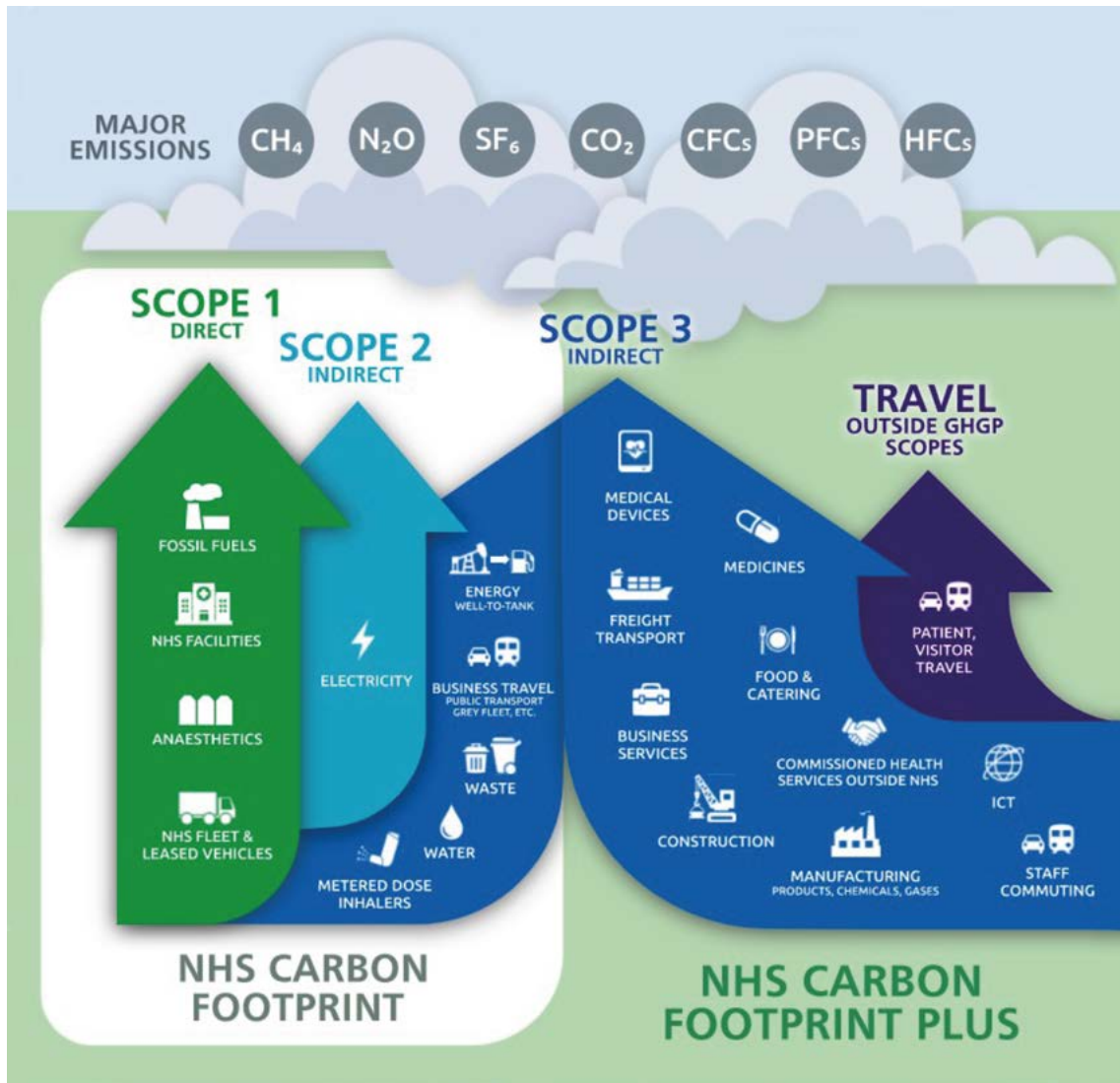
Sustainable Healthcare in Newcastle

We have produced a detailed, stand-alone, Sustainable Healthcare in Newcastle (Shine) Report for 2023-24. This is available on the Trust website and includes an in-depth explanation of our carbon footprint as well as more information on our performance against a full range of sustainability actions in 2023/24 and our plans for 2024/25.

We have included summary information in the table below about our progress under each of our Shine themes. Whilst we are pleased to report achievements across the breadth of our Shine programme, we are not on track to achieve the rates of decarbonisation necessary to halt our contribution to the health crisis that is the climate crisis.

Transitioning from fossil-fuel heat to low carbon heat for our hospital estate remains our biggest challenge. We have secured a small amount of government funding that will decarbonise our non-clinical office building, Regent Point, and will use the lessons learned from this to help inform our approach to decarbonising our larger and more complex hospital buildings.





Our Climate Emergency Strategy for 2020-2025 [https://bit.ly/CEStrategy_NUTH] and Annual Shine Reports align with the guidance of the Greener NHS programme as well as the Greenhouse Gas Protocol. The Strategy uses the definitions set out in the 'Delivering a Net Zero NHS' report from NHSE (see diagram above) to define our three goals. We are working to embed sustainability across the Trust and we will continue to help deliver the actions required to achieve our goals:

1. Zero Carbon Care

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




2. Clean Air

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

3. Zero Waste

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

Our work to achieve these goals is spread across **eight Shine themes**, each with specific actions and performance targets. Progress in each of these Shine themes is covered in detail in the standalone report and a summary has been included in the table below:

Shine Theme	Achievements and Highlights in 2023/24
 <p data-bbox="188 584 296 618">Energy</p>	<p data-bbox="402 349 1482 577">Carbon emissions from heating and powering our buildings in 2023/24 are forecast to be slightly lower than last year. Whilst energy saving investment has taken place, in the form of on-site renewable energy generation (solar photovoltaics (PV)) and more energy efficient lighting (Light-emitting Diode (LED)), this has been offset by an increasing demand for energy this year.</p> <p data-bbox="402 595 1482 745">Work began on the decarbonisation of our Regent Point site. This £1.7m project, part-funded with a grant from Phase 3b of the Public Sector Decarbonisation Scheme (PSDS), includes the installation of air source heat pumps, solar panels, LED lighting and building automatic control upgrades.</p> <p data-bbox="402 763 1482 913">Bids for £12.7m of PSDS 3c funding, to facilitate the decarbonisation of our RVI and FH sites, were unsuccessful. The heavily oversubscribed scheme is the only source of funding for estates decarbonisation and further delays our window of opportunity to meet our Estates Net Zero 2030 target.</p> <p data-bbox="402 931 1482 1081">Vacancies in our Energy Team and Estates Net Zero Team for the majority of 2023/24 have significantly impacted on our ability to make progress in this theme. However, two of the five vacant posts were recruited to in December.</p>
 <p data-bbox="193 1294 288 1328">Water</p>	<p data-bbox="402 1115 1482 1384">Water use is estimated to have increased, due to leaks identified at the FH and CAV sites. These leaks were identified by our metering software, located, repaired and usage has returned to expected levels. The result is that carbon emissions from Trust water use will be 60% lower in 2023/24, compared to the baseline year 2019/20, mostly due to the change in national greenhouse gas conversion factors (rather than any significant reductions in usage).</p>
 <p data-bbox="193 1648 292 1682">Waste</p>	<p data-bbox="402 1415 1482 1529">As patient activity increases, overall waste volumes are slightly lower this year than last year but slightly above that of the 2019/20 baseline year (and pre-pandemic).</p> <p data-bbox="402 1547 1482 1662">Less than 2% of waste is now sent for disposal – the lowest level of the waste hierarchy. We have been zero to landfill since 2011 so this is clinical waste that requires incineration by law.</p> <p data-bbox="402 1680 1482 1787">Most of our waste goes to energy recovery facilities and almost 30% of our waste is currently recycled. We continue to explore innovative ways to reduce this further.</p> <p data-bbox="402 1805 1482 1993">Our Community services newly-formed Green Working Group established that facilities for recycling were not consistent across all sites. The Waste Team responded by improving recycling facilities across the services to ensure that almost all community sites now have recycling provisions in place.</p>



Buildings & Land

We are continuing to work on our **30-year Biodiversity Management Plan for the green spaces at the RVI and FH**. We are keen to provide green spaces for our patients, staff, visitors and communities to enjoy. The Estates team have led on the planting of hedgerows, spring bulbs, trees and wildflowers. Compost facilities have been installed to reduce waste and work has started on a pond at the FH.

As part of the first staff led **'Green the Grey'** charity-supported project, the Therapy Services Courtyard at the FH was enhanced with outdoor planters and plants with trellises, which is maintained by staff.



Purchasing

We continue to work with **our procurement team to engage our suppliers in our award winning 5 Step Net Zero Carbon Framework** and embed this into our procurement processes.

Suppliers are required to report and reduce their organisational emissions to Net Zero by 2040. This will improve the accuracy of our supply chain carbon footprint (the largest portion of our Carbon Footprint Plus).

Last year the **Trust Food and Drink Strategy was launched with sustainability included as one of the three priorities**.

The strategy (https://bit.ly/FDS_NUTH) includes ambitious Net Zero commitments for both our food production and how we deliver it to patients. A Sustainability Monitoring Plan has been developed and is reviewed at regular meetings. We have signed the Coolfood Pledge and are committed to reducing the carbon emissions from the food we serve by at least 25% by 2030.



Journeys

In collaboration with Northumbria University we are joint-funding a **4-year PhD student, Babatunde Okeowo, as part of our commitment to achieve 'Excellent' on the Clean Air Hospital Framework (CAHF)**. Air quality monitors have been installed across both the RVI and the FH, allowing us to identify priority action areas and trend impacts. We have made significant improvements in our CAHF score, moving from 17% (Starting Out) to a score of 38% (Getting There). We still have a long way to go to achieve our ambition of CAHF Excellent Status in 2025 (>70%).

The Travel and Transport team are making progress in **electrifying our fleet**. The staff hopper bus, moving staff between our main hospital sites, is now fully electric and they are working on pilots to switch to electric vehicles for transporting dialysis patients, and for pool cars, for our community services teams. **Solar panels have also been installed** on the roof of the new multi-storey car park on our RVI site (providing zero carbon electricity for its LED lighting and electric vehicle charging points).



Care

We continue to work on reducing emissions from **anaesthetic gases**, the most potent of which, desflurane, has not been used in the Trust since June 2022. **Nitrous oxide cracking technology is now well established in Maternity Services** at the RVI, which has led to a significant reduction in carbon emissions associated with our use of pain-relieving gas & air (Entonox). Piped nitrous oxide has been decommissioned at the FH and we are working with clinical teams at the RVI to reduce nitrous oxide waste where it is still clinically required.

Working with Health Care Without Harm Europe we have joined other European hospitals to co-develop **a best practice Eco Maternity model**. This three-year project will be publicly announced in early 2024/25 and brings funded internal capacity to lower carbon and single use plastic in our maternity care pathway.

Funded by the Newcastle Hospitals Charity, and co-managed by the Centre for Sustainable Healthcare, we have **two Clinical Sustainability Fellows**, Dr Fatima Tahir (oncology) and Dr Emma Vittery (paediatrics), in post for the year to work part time on sustainable healthcare. They will be working to increase knowledge of sustainable practice and accelerate progress in their respective specialist areas. We are also collaborating with the Public Health Team's Clinical Fellow Emma Roycroft on clean air and smoke free hospitals.



People

We have developed a **10-step sustainability framework** to embed sustainability from Ward to Board. We have a number of different working groups and teams following the framework including Clinical Research and the Integrated Laboratory Medicine Clinical Board.

We are part of the **Corporate Induction** program for all new Trust staff. We provide staff with information about the steps the Trust are taking in light of the climate emergency, including ways they can get involved.

Our staff engagement programme, **Shine Rewards, continues to recruit staff with over a thousand signed up undertaking sustainable actions**. We have 544 Green Champions (increased from 388 last year) and key asks from the group were presented to our new Chief Executive Officer (CEO) Sir James Mackey who confirmed his support for the Trust's Climate Emergency Strategy.



Task Force on Climate-Related Financial Disclosures (TCFD)

NHSE's NHS FT Annual Reporting Manual (ARM) has adopted a phased approach to incorporating the TCFD recommended disclosures as part of sustainability annual reporting requirements for NHS bodies, stemming from HM Treasury's TCFD aligned disclosure guidance for public sector annual reports. TCFD recommended disclosures as interpreted and adapted for the public sector by the HM Treasury TCFD aligned disclosure application guidance, will be implemented in sustainability reporting requirements on a phased basis up to the 2025/26 financial year. Local NHS bodies are not required to disclose scope 1, 2 and 3 greenhouse gas emissions under TCFD requirements as these are computed nationally by NHSE. However, Newcastle Hospitals have publicly reported our scope 1, 2 and 3 greenhouse gas emissions each year, since our 2019/20 baseline year, in our detailed standalone Annual Shine Reports and will continue to do so.

TCFD Governance Pillar (Board oversight of climate-related issues)

Dr Victoria McFarlane Reid (Executive Director for Commercial Development and Innovation) is Executive Lead for sustainability on the Trust Board of Directors and chairs the Executive Oversight Group (EOG) for Climate Emergency and the Sustainable Healthcare Committee. 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 to Board twice a year.

The Trust Board Assurance Framework (BAF) includes a climate-related risk entry, currently risk rated with score of 20, which is regularly reviewed by the Board and co-owned by Board members Dr McFarlane-Reid and Mr Robert Smith (Estates Director). The Trust ensures that its obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with. The Head of Emergency Preparedness Resilience and Response, supported by the Sustainability Team, has undertaken risk assessments on the effects of climate change and has a severe weather plan and climate adaptation plan in place.

2023/24 Case Study Highlight: Regent Point Decarbonisation

A successful bid was made for PSDS Phase 3b funding to fully decarbonise our Regent Point office building. The work started at the end of 2023 and is due to be complete in Summer 2024. The project includes:

- Reducing demand for electricity by installing energy efficient LED lights throughout the building (LED lights use at least half the energy of the current lighting in place).
- Installing solar panels on the roof of Regent Point, to generate on-site zero carbon renewable electricity.
- Replacing old fossil fuel gas boilers with air source heat pumps that will provide renewable heating and hot water for the whole building.





Health and Safety

We take the health and safety of our staff, patients and visitors very seriously. We have a dedicated Health and Safety Committee that monitors performance through receiving reports and updates on a range of areas, including:

- Staff related incidents e.g. trips, slips, falls, violence and aggression.
- Provision and support of lone working devices.
- Quarterly reports on health and safety compliance audits.
- Work to reduce violence and aggression towards staff.
- Quarterly reports on the health and safety inspection programme.
- Arrangements to manage and reduce staff stress; and
- Collaborative working with recognised unions and partner agencies.
- A range of health and safety related training for example stress at work, COSHH and risk assessment.
- Safe working environments.

During 2023/24, there were 32 incidents that met the criteria for reporting to the Health and Safety Executive via Reporting of Injuries, Diseases, and Dangerous Occurrences Regulations (RIDDOR). All RIDDOR incidents have been investigated appropriately and, where necessary, remedial action has been implemented and lessons shared.



Sir James Mackey
Chief Executive

27 June 2024

2. Accountability Report

Board of Directors

Between 1 April 2023 and 31 March 2024, the Board of Directors met on thirteen occasions. Six of these meetings were formal ordinary meetings, whereas seven were extraordinary. One of the extraordinary meetings was convened to approve the content of the Annual Report and Accounts 2022/23 and the remaining six were convened to discuss the findings of the CQC inspection reports and required actions.

In compliance with the requirements of the Health and Social Care Act 2012, the Board holds part of its meetings in public. A private session also takes place to discuss confidential business items. During 2023/24 formal meetings of the Board of Directors took place bi-monthly, with a private board development session held during the alternate months.

Meetings of the Board take place within the Trust and members of the public are able to observe proceedings via Microsoft Teams.

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

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

A detailed Schedule of Reservation and Delegation of Powers is in place and it sets out explicitly those decisions which are reserved for

the Board, those that may be determined by standing committees, and those that are delegated to managers.

In March 2024, the Trust implemented a revised governance structure to introduce a new Digital and Data Committee and to expand the remit of the Audit Committee to incorporate 'Risk and Assurance'. In addition the Finance Committee was renamed as the Finance and Performance Committee.

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 Executive or NEDs.



The Board of Directors consists of the following voting members:

Professor Sir John Burn - Chairman until 30 Nov 2023

Appointed 1 December 2017 for 3 years and reappointed 1 December 2020 for 3 years

Term of office ended 30 November 2023

Sir John became Chairman of the Trust on 1 December 2017.

He obtained a first class honours degree in Human Genetics and an MD with distinction from Newcastle University, where he has been Professor of Clinical Genetics since 1991.

He was appointed as a Consultant Specialist in Newcastle in 1984 and led the regional NHS Genetics Service for 20 years. As well as helping to create the Centre for Life, which houses an education and science centre alongside the regional genetics service and NHS fertility service, he leads the Cancer Prevention Group there, part of the Newcastle University Faculty of Medical Sciences.

He is a Fellow of the Royal Colleges of Physicians (London and Edinburgh), Paediatrics and Child Health, Obstetricians and Gynaecologists, and a Fellow of the Academy of Medical Sciences.

Sir John was knighted in 2010 and was chosen as one of the first 20 'local heroes' to have a brass plaque on Newcastle Quayside in 2014. He also received the Living North award in 2015 for services to the North East.

He is Co-Director of the international organisation, Global Variome, which seeks to share knowledge of genetic variation for clinical benefit and is Vice President of the Human Genome Organisation.

Sir John is Chair for the Newcastle based DNA device company, QuantuMDx Ltd and is also a Trustee of the European Hereditary Tumour Group.

Previous roles include Chair of the British Society for Genetic Medicine, President of the European Society of Human Genetics, Lead Clinician of the Northern Strategic Authority and NED at NHSE.

Attendance at ordinary meetings (Attendance at extraordinary meetings):

4 of 4 [Public], 4 of 4 [Private], (3 of 3)



**Professor Kath McCourt - Interim Chair from 1 December 2023
NED, Deputy Chair (from 1 August 2021 until 30 November 2023), and
Chair of the Quality Committee (up to November 2021)**

Appointed 1 December 2015 for 3 years

*Reappointed: - 1 December 2018 for 3 years, - 1 December 2021 for 1 year,
- 1 December 2022 for 1 year, - 1 December 2023 for 1 year*

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

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

During her career Kath has been nominated, elected and represented her employer and the nursing profession in a variety of regional, national and international settings.

She has significant Board level experience through chairing committees and groups and has been an advisory consultant to a number of overseas governments and organisations including the World Health Organisation and is presently the President of the Commonwealth Nurses and Midwives Federation.

Kath was an Honorary Colonel, 201 Field Hospital – Newcastle upon Tyne and is a Fellow of the Royal College of Nursing. She received the CBE in the Queen’s Birthday Honours 2012 for services to nursing.

As Trust Chair, Professor McCourt:

- Chairs the Board of Directors and ensures that a corporate vision and strategy is developed and maintained;
- Chairs the Council of Governors and acts as a bridge between the Council of Governors and the Board of Directors;
- Ensures the Council of Governors has appropriate arrangements in place to hold the Board of Directors to account through the NEDs;
- Has a close working relationship with the Trust’s Chief Executive;
- Is an Ambassador for Newcastle Hospitals and the wider healthcare system; and
- Represents the Trust at local, national and international level.

Attendance at ordinary meetings (Attendance at extraordinary meetings):
6 of 6 [Public], 6 of 6 [Private], (7 of 7)



Ms Gillian (Jill) Baker - NED and Chair of the Newcastle Hospitals' Charity Committee

Appointed 1 July 2019 for 3 years and reappointed 1 July 2022 for 3 years

Jill joined the Board as a NED on 1 July 2019. She has over 30 years' experience working in the charity, health and local authority sectors specialising in children's social care, criminal justice and community development.

The 'thread' that runs through her career, is that of reducing inequalities and in improving outcomes for people and communities.

In the course of her career, she has worked in a women's refuge, in a number of community projects in the west end of Newcastle and in Scotland, as well as leading on a range of regional and national strategies for young offenders. She has also successfully set up and run a local charity.

Jill is now Director of Communities at Lloyds Bank Foundation – an independent charitable foundation which supports small charities across England and Wales through grant funding, capacity building and working to influence and shape their future. This involves working across all sectors, to ensure those small community based organisations remain at the forefront of dealing with a range of difficult issues, such as homelessness or drug and alcohol dependency.

Jill has a Masters in social research, is a Churchill Fellow and a Trustee of the Community Foundation in Tyne and Wear. She has previously served as a NED with the North East Ambulance Service NHS Foundation Trust (NEAS), as well as being a school governor.



Attendance at ordinary meetings (Attendance at extraordinary meetings):
6 of 6 [Public], 6 of 6 [Private], (6 of 7)

Mrs Jackie Bilcliff - Chief Finance Officer (CFO)

Appointed 5 September 2022

Jackie Bilcliff is our Chief Finance Officer and has worked for the Trust since September 2022.

Jackie was previously Group Director of Finance and Digital at GHFT and worked for the Trust since 2014. She was also Deputy Chief Executive and had been in this post since January 2022. Jackie qualified in 1996 with Chartered Institute of Public Finance and Accountancy (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 function (financial services, income and financial management);
- Ensuring financial governance and effective financial reporting;
- Financial transformation;
- Supplies and procurement; and
- The financial aspects of the Trust's Private Finance Initiative (PFI) contracts.

*Attendance at ordinary meetings (Attendance at extraordinary meetings):
6 of 6 [Public], 6 of 6 [Private], (6 of 7)*

Mrs Liz Bromley - NED

Appointed 1 June 2022 for 3 years

Liz joined the Trust as a NED in June 2022. She is Chief Executive Officer of NCG (formerly Newcastle College Group), one of the UK's largest national Further Education (FE) College Groups, and the only one with a national footprint. NCG has two colleges in Newcastle – Newcastle College and Newcastle Sixth Form, and one in Carlisle; four other colleges are in the North West, the Midlands and London.



Liz started a career in Higher Education with the Open University where she was Associate Dean in the Faculty of Health and Care, and led the development of a brand new social work degree, following the Victoria Climbié review. The Faculty also introduced the first distance learning, practice based pre- registration Nursing Programme in the early 2000s. After more than 20 years working in Universities, Liz joined the FE sector and moved to the North East in 2019.

Throughout her career, Liz has led on a number of significant change programmes and service restructures, and has a strong background in leadership and other professional development. She is a passionate advocate of education as the force behind genuine social mobility and cultural capital.

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

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

*Attendance at ordinary meetings (Attendance at extraordinary meetings):
4 of 6 [Public], 5 of 6 [Private], (6 of 7)*



Mr Graeme Chapman - NED and Chair of the Quality Committee from November 2021

Appointed 30 July 2020 for 3 years and reappointed 30 July 2023 for 3 years

Graeme is an experienced industry professional, Chair and NED with over 30 years' experience delivering business transformation to commercial and public sector customers and partners. Graeme has strong multi-industry knowledge in Healthcare, Lifesciences, Government, Financial Services, Manufacturing and Utilities.



Graeme is qualified to Master's degree level in Engineering and holds post-graduate qualifications in Marketing and Management.

Graeme spent his early career in Engineering but spent the later part of his career in Information Technology. Graeme worked at Microsoft for over 20 years, spending 10 years working in Health and Life Sciences with a significant focus on digital transformation strategy.

During 2023/24 Graeme was the Chair of NHIP, the AHSC for the NENC.

Having been born, educated, and worked in Newcastle, Graeme has a strong connection with the region and has a passion for its growth and development.

**Attendance at ordinary meetings (Attendance at extraordinary meetings):
6 of 6 [Public], 6 of 6 [Private], (7 of 7)**

Ms Maurya Cushlow - Executive Chief Nurse

Appointed 1 January 2019 in substantive post (appointed 1 April 2018 on secondment as interim)

Maurya was appointed as Executive Chief Nurse in January 2019, having held the post of Interim Chief Nurse at Newcastle Hospitals since April 2018.

With over 40 years' experience in the NHS, Maurya started off her healthcare career as a registered general nurse in Sunderland and has subsequently enjoyed a varied and successful nursing and management career. She has worked as an Executive Director for over 20 years in the NHS.



Prior to this, her roles included Accountable Chief Officer for North Tyneside Clinical Commissioning Group, Director of Operations at the NHS North of Tyne and Managing Director of Newcastle and North Tyneside Community Health Services.

In parallel, Maurya has also pursued her academic qualifications, achieving an MBA from Durham University in 2000.

**Attendance at ordinary meetings (Attendance at extraordinary meetings):
5 of 6 [Public], 5 of 6 [Private], (5 of 7)**

Dame Jackie Daniel - Chief Executive

Appointed 1 May 2018 and retired on 31 December 2023

Dame Jackie began her NHS career as a nurse before moving into management and has been a Chief Executive Officer for 21 years leading a range of acute, mental health and specialist trusts.

She was appointed as Chief Executive of Newcastle Hospitals in May 2018 until she retired on 31 December 2023. During her time as CEO the Trust became the first healthcare organisation in the world to declare a climate emergency and played a leading role in the UK's response to the Covid19 pandemic and covid vaccination programme.

She has a degree in Nursing Studies, a Master's degree in Quality Assurance in Health & Social Care and is a qualified business and personal coach. A strong advocate of developing diverse leadership and supporting women in leadership roles.

Dame Jackie is passionate about the improvement in the health, wealth and wellbeing of those living in our region.

She was a member of the NHS Assembly, an Independent Member of the Board of the Office for Strategic Coordination of Health Research (OSCHR), a member of the National People Board and a member of the Recovery, Resilience and Growth Oversight Board. She was also a Director of the Academic Health Science Network (AHSN) and Northern Health Science Alliance (NHSA). She is Vice Chair of the NHS Confederation.

Attendance at ordinary meetings (Attendance at extraordinary meetings):
3 of 4 [Public], 3 of 4 [Private], (3 of 3)



Sir James (Jim) Mackey - Chief Executive

Appointed 1 January 2024

Sir James became CEO of Newcastle Hospitals on 1 January 2024.

He was previously Chief Executive of NHCFT and during that time held a two-year secondment in a national role as Chief Executive of NHS Improvement (NHSI). He was knighted in 2019 for services to healthcare and was at the forefront of the region's response to the Covid-19 pandemic, which saw NHCFT set up its own factory to make personal protective equipment (PPE).

Sir James is also chair of the NHS Customer Board for Procurement and Supply and was appointed by NHSE and NHSI as Senior Responsible Officer and National Director of Elective Recovery for the elective recovery programme in 2021. He was Acting Interim Chief Operating Officer of NHSE for a period of time in 2023.

As CEO, Sir James is responsible for:

- Ensuring good governance – corporate, clinical, research, employment, statutory and regulatory;
- Sustaining a 'going concern';
- Ensuring service provision and delivery to optimal standards in the public interest;
- Ensuring good internal and external relations; and
- Providing organisational leadership.

Attendance at ordinary meetings (Attendance at extraordinary meetings):
2 of 2 [Public], 2 of 2 [Private], (3 of 3)



Ms Steph Edusei - NED

Appointed 1 August 2021 for 3 years

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

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

She is a strong supporter of her local community having been a leader with Girlguiding UK for over 30 years and a school governor, and is Chair of the not for profit Eliot Smith Dance Company. She has a passion for involving the public and patients in healthcare and is a strong advocate for equality, diversity and inclusion. Steph speaks publicly on racism and discrimination, and provides coaching and mentoring support to people from minoritised communities.

Steph was named Northern Power Women Transformational Leader in 2022.

Attendance at ordinary meetings (Attendance at extraordinary meetings):
6 of 6 [Public], 6 of 6 [Private], (6 of 7)



Mr Jonathan Jowett - NED, Senior Independent Director (SID), Chair of the People Committee, and Chair of the Appointments and Remuneration Committee

Appointed 1 November 2016 for 3 years and reappointed 1 November 2019 for 3 years, Reappointed 1 November 2022 for 1 year and then reappointed 1 November 2023 for 1 year

Jonathan joined as NED in November 2016. His executive role is Company Secretary and General Counsel at Greggs plc, where he is a member of the Operating Board, reporting to the Chief Executive.

He is a lawyer by profession and has spent most of his career working in international manufacturing companies across a variety of sectors including medical product and consumer healthcare.

Jonathan's responsibilities at Greggs include legal and government affairs, risk management and insurances, internal audit, food safety, health and safety, sustainability and pensions' administration.

He is Secretary to the PLC board and its committees, and is responsible for governance and corporate policies.

Jonathan gained national recognition from his peers in the 2012 Financial Times Innovative Lawyers awards for his contribution to developing the law on VAT on hot food.

Jonathan is Chair of Trustees of the Great North Air Ambulance Service (GNAAS) and in his spare time, he is a Director of Darlington Football Club.

Attendance at ordinary meetings (Attendance at extraordinary meetings):
6 of 6 [Public], 6 of 6 [Private], (6 of 7)



**Mr Bill MacLeod - Interim Deputy Chair from 14 February 2024
NED and Chair of the Audit Committee (from August 2021)**

Appointed 30 July 2020 for 3 years and reappointed 30 July 2023 for 3 years

Bill became a NED at Newcastle Hospitals on 30 July 2020. He is a Chartered Accountant and was a partner at PricewaterhouseCoopers LLP for 25 years specialising in Audit.

He held a number of senior positions with the firm including Senior Partner of the Newcastle office. On a national basis, he served on PricewaterhouseCoopers UK's Supervisory Board, chaired the firm's own Audit and Risk Committee and his final role was as the firm's Ethics Partner with oversight of professional ethics and conduct.

Bill joined the Council of Newcastle University in 2020 and is Audit Committee Chair. Previously, he chaired the International Advisory Board at Newcastle University Business School from 2015 to 2022. He is also a director of Newcastle Gateshead Initiative, chairing its Finance Group, a member of the Ethics Board of the Institute of Chartered Accountants of Scotland and a trustee of Kielder Observatory.



*Attendance at ordinary meetings (Attendance at extraordinary meetings):
6 of 6 [Public], 6 of 6 [Private], (7 of 7)*

**Dr Vicky McFarlane Reid - Executive Director for Commercial
Development and Innovation**

Appointed 23 September 2019

Vicky joined the Trust in September 2019. Her current role is Executive Director for Commercial Development and Innovation. She is responsible for 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.

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 BSc in Biology and before joining the Trust, she spent 17 years working for Leica Biosystems (a Danaher company) in the field of Cancer Diagnostics as the Director for Research and Development.



*Attendance at ordinary meetings (Attendance at extraordinary meetings):
6 of 6 [Public], 6 of 6 [Private], (6 of 7)*



Mr Andy R Welch - Medical Director/Deputy Chief Executive

Appointed to Director role on 1 April 2013

Appointed to Deputy Chief Executive role in October 2019

Stepped down from Medical Director/Deputy Chief Executive role on 31 January 2024



Andy was appointed Executive Medical Director in 2013 having previously been Associate Medical Director and Cancer Lead. Since 2019 he was, in addition, Deputy Chief Executive until he stood down on 31 January 2024.

Andy chairs the NCA and continues to practice clinically as a Consultant Head and Neck Surgeon. Andy advised on clinical and strategic issues and was the Trust's Responsible Officer and Caldicott Guardian.

The Medical Director portfolio covers:

- Quality and patient safety;
- Infection prevention and control;
- Cancer standards;
- Clinical operational matters;
- Trauma;
- Medical education and training;
- Clinical risk, governance, effectiveness and audit;
- Clinical research and innovation;
- New procedures, drug, medicines management;
- Medical staff health and wellbeing;
- Primary care liaison; and
- Efficient use of resources – theatre efficiency, patient flow, job planning, remuneration, working patterns, service sustainability and improvement.

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

*Attendance at ordinary meetings (Attendance at extraordinary meetings):
5 of 5 [Public], 5 of 5 [Private], (4 of 6)*

Mr Martin Wilson - Chief Operating Officer

Appointed 8 October 2018

Martin's role is to support the development and progress of strategies for clinical services and also strengthen how we work in alliance with neighbouring hospital trusts – NHCFT, GHFT and NCIC – to ensure our services deliver the best possible care to patients. He works closely with the Medical Directors, the Executive Director of Nursing and other Directors to do this.

Martin is also responsible for developing and leading our partnerships with NCC, around integrated health and care services.

Martin joined Newcastle Hospitals in October 2018 from national roles at the DHSC, and at NHSE and NHSI, where he was the Director of Strategy / Deputy National Director responsible for emergency and elective care across England.

Martin is a registered nurse and a graduate of the NHS Management Training Scheme. Having grown up and lived most of his life in Newcastle, he worked for a number of years at NHCFT before taking on a number of director roles within the former North East Strategic Health Authority, St George's Hospital NHS Foundation Trust, University College London Hospitals NHS Foundation Trust, and McKinsey & Company.

Attendance at ordinary meetings (Attendance at extraordinary meetings):
2 of 6 [Public], 3 of 6 [Private], (6 of 7)



Robert Harrison - Managing Director

Appointed 1 February 2024

Rob commenced as Managing Director of Newcastle Hospitals in February 2024. The role is 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. It also encompasses the role of Deputy Chief Executive.

Prior to this Rob was Managing Director of South Tees Hospitals NHS FT and part of the leadership team returning the Trust to CQC "Good" in 2023, he joined South Tees in 2020 from Harrogate and District NHS FT, where he served as Chief Operating Officer for ten successful years.

Robert 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 the Pharmaceutical research prior to joining the NHS Graduate Management Training Scheme. He subsequently held NHS management positions in Lancashire, Merseyside and Cheshire, prior to moving to Harrogate.

Attendance at ordinary meetings (Attendance at extraordinary meetings):
1 of 1 [Public], 1 of 1 [Private], (1 of 1)



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 clinical lecturer at Newcastle University.

Michael has extensive experience in the NHS as a clinician in genetics and molecular medicine 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.

His joint appointment as medical director marks a change from how the role has previously worked and reflects the level of complexity and demands that are currently placed on the organisation. His immediate priority is quality and safety and to help ensure all our staff are able to do their jobs to the best of their ability, feel safe and supported at work and are able to deliver the excellent patient care the Trust is committed to.

Attendance at ordinary meetings (Attendance at extraordinary meetings):
1 of 1 [Public], 1 of 1 [Private], (1 of 1)*

*Dr Wright also attended one Extraordinary meeting to deputise for Mr Welch



Dr Lucia Pareja-Cebrian - Joint Medical Director

Appointed 1 March 2024

Lucia joined Newcastle hospitals in 2015 as a Consultant Microbiologist. Following her completing 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 Midyorkshire 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.

Attendance at ordinary meetings (Attendance at extraordinary meetings):
1 of 1 [Public], 1 of 1 [Private], (0 of 1)



Mr Ian Joy - Executive Director of Nursing

Appointed 1 March 2024

Ian became Executive Director of Nursing for Newcastle Hospitals on the 1 March 2024, having been deputy chief nurse since July 2021.

Since qualifying as a staff nurse over 20 year ago, Ian has held a number of clinical and senior nursing management roles across the region and has a keen interest in clinical education, workforce planning and staff development.

Ian is a national Chief Nursing Officer (CNO) Safe Staffing Fellow having completed the first cohort of this programme nationally and he supports safe staffing work streams locally, regionally and nationally.

Attendance at ordinary meetings (Attendance at extraordinary meetings):
1 of 1 [Public], 1 of 1 [Private]^

^Mr Joy also deputised for Ms Cushlow at one Private Board and one Public Board meeting



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

Following the publication of the CQC inspection reports in January 2024, and the associated decision to increase the frequency of the Committee meetings, the Council of Governors agreed that the Associate NED roles be stood down. This decision was taken to allow the recruitment of a substantive NED(s) to ensure sufficient membership and quorum of NEDs across Committee meetings.

Professor David Burn - Associate Non-Executive Director

Appointed 1 October 2020 to 29 February 2024

David was appointed as Associate Non-Executive Director in October 2020, following a three year term as a Non-Executive Director.

He is Pro-Vice-Chancellor of the Faculty of Medical Sciences at Newcastle University and a Professor of Movement Disorders Neurology and Honorary Consultant Neurologist for Newcastle Hospitals.



His first degree was at Oxford (Physiological Sciences), returning to his native North East for clinical training and early medical jobs, including neurology. After further neurology training and undertaking research in London (National Hospital for Neurology and Neurosurgery, Queen Square and Hammersmith Hospital), he was appointed as a Consultant Neurologist and Senior Lecturer in Newcastle in 1994.

David has an international reputation for research in dementia associated with Parkinson's.

He is a NIHR Emeritus Senior Investigator, chairs the board of the NHSA, and is Director of the NIHR/NHSE NHIP AHSC.

Attendance at ordinary meetings (Attendance at extraordinary meetings):
0 of 6 [Public], 2 of 6 [Private], (1 of 7)

Mrs Pam Smith - Associate Non-Executive Director

Appointed January 2022

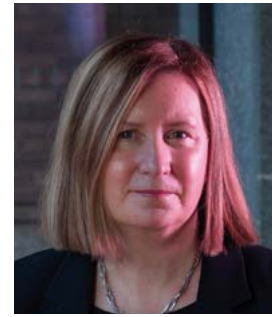
Term ended on 29 February 2024

Pam joined NCC as Chief Executive in January 2022 having been Chief Executive at Stockport Council since 2017 where she was also Greater Manchester's Lead Chief Executive for 'Age Friendly Greater Manchester', and she continues to be the Solace lead spokesperson for Housing.

Pam was previously Chief Executive at Burnley Council and has also worked for the Audit Commission.

Pam joined NCC at a time of great change and opportunity as the city sought to emerge strongly from the pandemic. Pam is passionate about people, communities and neighbourhoods and is eager to work with residents and colleagues from across the region to achieve the best outcomes for the people of Newcastle; leveraging the opportunities that levelling up and devolution offer to secure outstanding schools, excellent jobs and high-quality homes to make Newcastle one of the best places in the world to grow up, work and live.

Attendance at ordinary meetings (Attendance at extraordinary meetings):
1 of 6 [Public], 1 of 6 [Private], (2 of 7)



Christine Smith - Associate Non-Executive Director

Appointed 2 May 2023 for 3 years

Christine is a Non-Executive Director with over 20 years experience delivering Board and Senior leadership roles in Financial and Commercial functions across a number of industries including Retail, Financial Services - Retail Banking, Manufacturing, Education and B2B Services. An experienced leader in corporate governance through Committee Chair and Membership accountabilities in Audit, Risk, Conduct and Remuneration.

Graduating from Glasgow Caledonian University in 1994 with a bachelors degree in Accountancy, proceeding to become a qualified accountant with the Chartered Institute of Management Accountants. An associate member for over 25 years.

Christine has a passion for ESG (Environmental, Social and Governance) and is a strong advocate for social mobility, equality, diversity and inclusion. An Alumni member of The Forward Institute - a not for profit organisation incorporating public, private and third sector leaders and organisations serious about delivering responsible leadership in today's society. An SME and Key Speaker on Wellbeing, Domestic/Financial Abuse, Early Careers Opportunities, Racism and Discrimination.

Christine spends much of her personal time, volunteering, travelling and participating in sporting and leisure activities. An active sprint triathlete, who has a passion for scuba diving and live music.

Attendance at ordinary meetings (Attendance at extraordinary meetings):
6 of 6 [Public], 6 of 6 [Private], (2 of 7)



The following senior directors also attend/ attended the Board of Directors during 2023/24:

- Mrs Christine Brereton – Chief People Officer.
- Mrs Caroline Docking – Director of Communications & Corporate Affairs.
- Mr Graham King – Chief Information Officer. Resigned 31 August 2023.
- Mrs Shauna McMahon – Chief Information Officer. Appointed 15 January 2024.
- Mrs Angela O’Brien – Director of Quality and Effectiveness.
- Mr Rob Smith – Director of Estates.
- Mrs Annie Lavery – Chief Experience Officer. Appointed 1 February 2024.

The Board of Directors was supported by:

- Mrs Kelly Jupp – Trust Secretary;
- Mrs Lauren Thompson – Corporate Governance Manager / Deputy Trust Secretary; and
- Mrs Gillian Elsander – Corporate Governance Officer and Personal Assistant to the Chairman and Trust Secretary.

The Council of Governors has the power to terminate the appointments of the 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.

The Trust has not made any political donations during 2023/24.

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

- Mr King declared an interest as a Shareholder Nominated Director of Health Call Limited.
- Mr Jowett declared an interest in that the spouse of one of the public observers was employed at his place of work. He also declared an interest as the Chair of the Great North Air Ambulance.
- Sir James Mackey and Mr Graeme Chapman declared an interest in relation to Sanius Health.
- Ms Edusei declared an interest as the CEO of St Oswald’s Hospice.
- Sir James Mackey as a Trustee of Alnwick Garden.
- Ms Cushlow and Professor McCourt as members of the Heath Committee.

During 2023/24 six members of the Board of Directors claimed a total of £7,077.53 (2022/23 £7,204.88) in expenses. This was largely for business travel.



Well-led

In January 2024, the Care Quality Commission published its report following inspections of the Trust which took place between June to September 2023, when inspectors visited urgent and emergency care, children and young people's services, NECTAR (patient transport service), medical services, surgery and maternity.

They also spent time in the FH's cardiothoracic surgery department and a separate report was published at the same time as the Trust-wide report.

The CQC rated that overall our organisation 'requires improvement' and this rating also applied to the categories of 'safe, effective and responsive.' The rating for caring was 'good' while the rating for the Trust being well-led was 'inadequate.'

Inspectors did see - and highlight – the compassion and kindness of our teams and rated 'caring' as 'good.'

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

We fully accept the CQC's report and their clear recommendations for attention and improvement are being addressed as a matter of urgency with a detailed programme of work and action plan underway. This is themed around:

- An Effective Governance System- a full review and test of the systems, checks and balances in place to monitor quality, safety and risk. This work includes strengthening arrangements from Board to Ward, including Clinical Board and Directorate ways of working. Progress against this is being reported monthly to the CQC.
- Having an open and honest incident reporting system where staff are supported to speak up, share ideas and report issues when they see or feel something could be done differently.
- Creating the best possible environment for staff and patients which includes continuing a significant piece of work with colleagues from across the organisation looking at how we work together, our relationships and our culture.



The report follows an earlier inspection of maternity services at the RVI in January 2023 as part of the CQC's wider programme of work they are doing across the country into standards of maternity care.

The team specifically looked at how safe and well-led services were and their visit included the main delivery suite, post and ante-natal wards, assessment areas and clinics and the Newcastle Birthing Centre.

In May 2023, their report rated maternity services as 'requires improvement' with safety being rated as 'requires improvement' and 'well-led' as good. Key action areas identified were around equipment checks, appraisals and medicines management and a separate action plan is in place for maternity services.

Further details about our patient care activities and stakeholder relations are set out within the Partnerships, Performance and Overview of our Quality Priorities sections of this report.

Patient document review

In mid-September 2023 following correspondence from the CQC, the Trust identified a number of documents in our electronic patient record which may not have been sent to GPs including discharge summaries and clinic letters, as well as internal documents from the last five years.

The Trust put in place rapid and comprehensive arrangements to review and tackle the backlog of 25,318 documents, accounting for circa 0.3% of overall patient contacts. This included arrangements for prioritisation, communication with GPs and patients, Standard Operating Procedures, training and a new reporting suite. By December 2023, the 90% clearance target had been achieved and work has continued in early 2024/25 to clear the residual documents. An extensive harm review was undertaken in parallel to the clearance, which as of May 2024 has identified 2 moderate level events with the remainder being low or no harm.

National maternity survey

Maternity services across Newcastle Hospitals, which oversee the delivery of more than 6,000 babies every year, were rated amongst the best in the country in the national maternity survey published by the CQC.

The Trust was rated as much better, better or somewhat better than most trusts in a number of categories after women were asked about their experiences of care at three different stages of their maternity journey – antenatal care, labour and birth and postnatal care.

National Cancer Patient Experience Survey

The National Cancer Patient Experience Survey is an annual survey designed to monitor progress on cancer care across the NHS and provides information to drive local quality improvements, assist commissioners and providers of cancer care and to inform the work of the various charities and stakeholder groups supporting cancer patients.

This year's Trust results were positive overall, with 19 questions being above the results we would expect particularly round respect and dignity, care and patient pain control.



Audit Committee

Committee purpose

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

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

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

Committee Membership and Meetings

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

Four ordinary meetings and one extraordinary meeting were held between 1 April 2023 and 31 March 2024 and attendance was as follows:

Committee Member	Attendance at ordinary meetings	Attendance at extraordinary meeting
Mr B MacLeod, NED and Committee Chair	4 of 4	1 of 1
Mr J Jowett, NED and SID	4 of 4	1 of 1
Mr G Chapman, NED	4 of 4	1 of 1
Professor K McCourt, NED*	1 of 1	0 of 0
Miss C Smith, NED#	2 of 2	1 of 1
Ms J Baker, NED^	1 of 1	0 of 0

* Professor K McCourt attended as an Interim Committee member for the 25 April 2023 Committee meeting only.

Miss C Smith joined as a Committee member from June to October 2023.

^ Ms J Baker joined as a Committee member from January 2024.

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

- External and Internal Audit at all meetings;
- The Trust's Fraud Specialist Manager and the Counter Fraud Specialist;
- Management, represented by the Chief Executive Officer, the Chief Finance Officer, the Assistant Chief Executive/Director of Communications and Corporate Affairs, the Chief Information Officer, the Executive Director for Business, Development and Enterprise/Director for Commercial Development and Innovation, and the Chief Operating Officer.
- The Trust Secretary and Corporate Governance Manager / Deputy Trust Secretary, who also provide Secretariat Support to the Committee;
- The Head of Corporate Risk & Assurance;
- The Clinical Effectiveness Manager, the Head of Quality Assurance and Clinical Effectiveness and the PSIRF Implementation Lead;
- The External Auditor of the Trust Charity; and
- Senior finance team and IT team members.

During 2023/24, the following training sessions were provided to Committee members (and offered to all Board members):

- 5 February 2024 – PwC facilitated a training session on the purpose of the Audit Committee, roles and responsibilities, governance and the definitions of risk, control and assurance.

In addition, a further briefing was scheduled in February 2024 on Information Governance (IG)/ Cyber Security.

Governance, Internal Control and Risk Management

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

The Audit Committee had a Schedule of Business for the year and uses a rolling programme and action log to track Committee actions.

The Committee has reviewed:

- Its Terms of Reference and Schedule of Business.
- The Head of Internal Audit opinion (June 2024).
- The Board Assurance Framework (BAF); being the underlying assurance processes that indicate the achievement of corporate objectives and the effectiveness of management of principal risks.
- Risk management arrangements and the BAF Risk Management Annual Report.
- Amendments required to the Scheme of Delegation, Standings Orders and Standing Financial Instructions.
- The response to the External Auditors on:
 - o ISA+240: Audit Committee responsibilities for preventing fraud in the Annual Accounts.
 - o ISA+250: Audit Committee responsibilities for being satisfied that the Annual Accounts comply with laws and regulations.
 - o ISA+501: Specific consideration of the potential for, and actual, litigation and claims affecting the financial statements.



- o ISA+570: Consideration for the Going Concern Assumption in an audit of financial statements.
- o Committee members agreed the response for submission to the External Auditors for the year.

The BAF focuses on the key risks against achievement of the strategic objectives. The BAF is a 'live' document which is continuously reviewed and updated by the Corporate Risk & Assurance Department. Each ordinary meeting of the Committee is updated on the BAF and Executive Oversight Register.

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

- Executive Lead review undertaken during the previous 3 month period and any recommendations for risks held on the BAF aligned to that Committee;
- Assurances received and any areas requiring Committee consideration;
- Number of risks held on the BAF, movements in risks and the risks categorised by risk type;
- Risks added to/removed from the Executive Oversight Register during the period; and
- Operational risk profile.

The Board Risk Appetite Statement was due to be presented to the Audit Committee in January 2024 however following publication of the Trust CQC inspection reports that month the production of the Statement was delayed to enable further work to be undertaken on the overarching Trust risk management arrangements. In January 2024 the Trust procured the services of tvC, to provide advice and support in ensuring an effective governance system was in place from Ward to Board.

Updates from members of the Finance, Quality and People Committees continue to appear as a

standing agenda item on the Audit Committee agenda, with any matters raised for the Committee members' attention by exception.

The 2023/24 Risk Management audit report received a reasonable assurance rating from AuditOne, with one high-risk recommendation, reported to the June 2023 Audit Committee meeting. The 2023/24 BAF audit report received a good assurance rating.

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 2023/24, including regular updates of performance against the Plan.
- Consideration of the major findings arising from internal audit work and management's responses.
- Receipt of the Internal Audit Annual Report and Head of Internal Audit Opinion.
- Monitoring progress with implementation of agreed audit recommendations.

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

The internal audit plan for 2023/24 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 limited assurance report has been issued in relation to Outpatients (Appointment Booking Process) Follow Up during the year 2023/24.

A number of high priority recommendations were identified by Internal Audit and reported during 2023/24, these covered the following internal audits:

- Outpatients (Appointment Booking Process) and associated follow-up – the IT vacant slot report was available within Cerner but not configurable or exportable, and a capacity report was not available to identify available appointments or cancellations – Limited Assurance (reported June 2023 and January 2024).
- Outpatients (Appointment Booking Process) – Synertec – unable to fully reconcile the Trust records and Synertec invoices for outpatient letters – Limited Assurance (reported June 2023).
- Duty of Candour – six from a sample of 20 closed patient safety incidents had no evidence of duty of candour being enacted – Reasonable Assurance (reported June 2023).
- Mental Capacity Action – evidence of assessments of capacity are not recorded in a clear, consistent manner within e records, the Mental Capacity Assessment (MCA) forms developed to record assessments should be fully utilised to demonstrate the assessments have been completed – Reasonable assurance (reported in draft in June 2023 and in final form in July 2023).
- Risk management – consider the underlying reasons behind the gaps / issues identified in Datix and consider whether improvements to the functionality of the risk management system are required in order to improve compliance – Reasonable assurance (reported July 2023).
- Temporary Staff (Non-Medical Staff) – two (out of ten) agency staff sampled, did not have their bookings made by the Staff Bank Team – Reasonable Assurance (reported in October 2023).
- Community Estate Management – 47% of the sites reviewed (18 out of 38) did not have Service Level Agreements in place to define individual roles and responsibilities, monitoring and reporting – Reasonable Assurance (reported October 2023).
- Management of Volunteers follow up – high rated recommendation reiterated that a signed Memorandum of Understanding was not in place with all third-party providers of volunteers to set out their key responsibilities including those in relation to compliance with NHS Employment Check Standards, confidentiality, induction, and statutory and mandatory training – Reasonable assurance (reported October 2023).
- Sustainability Agenda (advisory report) – four high rated recommendations were issued in relation to carbon footprint data, ISO Net Zero Gap Analysis and the Red Flag Register (reported January 2024).
- PFI Performance Management – the Trust should implement a standard operating procedure or similar guidance document to detail the process to be followed for checking the accuracy of monthly performance reports received and verifying the completeness of any identified service breaches or quality failures – Reasonable assurance (reported January 2024).
- Business cases – all business cases should have evidence that they are fully recommended and supported by the Clinical Board / Corporate Manager (and Finance Manager for those submitted via Salesforce). They should all then be authorised and approved in line with the Trust Scheme of



Delegation – Reasonable assurance (reported January 2024).

- Procurement – waivers should not be considered for approval until all sections of the waiver form have been fully completed – Reasonable assurance (reported January 2024).

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

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

External Audit

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

This was achieved by:

- Discussing and agreeing with the external auditor the nature and scope of the audit as set out in the External Audit Annual Plan.
- Reviewing external audit reports, together with the appropriateness of management responses.
- Receiving the year-end Audit Opinion and ISA 260 report (Trust and Charity). For 2023/24, there was no requirement to undertake audit procedures on the Quality Report. During 2023/24, the Value for Money Conclusion certificate was signed separate to the Audit Opinion, at a later point during the financial year.
- Received the Annual Audit Letter.

The Council of Governors has the statutory responsibility for the appointment of the external auditors, and this process is led by a sub-group of public Governors supported by

Trust officers and the Chair of the Audit Committee. During 2023/24, a robust procurement and evaluation process was undertaken regarding the external audit contract with 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 Mazars LLP external audit fees for 2023/24 consist of:

- Statutory Accounts £90,000 (excluding VAT) which is lower than the statutory fee invoiced for 2022/23. The 2022/23 fee included an additional cost associated with auditing the Trusts lease accounting in accordance with the new International Financial Reporting Standard 16 (IFRS16) at that time.

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

For 2023/24, there was no mandated requirement to undertake external audit procedures on the Quality Report and therefore no fee was charged in relation to this.

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

During 2022/23, the Trust's policy on Non-Audit Work was reviewed and updated. It was considered at the April 2023 Audit Committee meeting and the Council of Governors reviewed and approved the policy in June 2023. The policy requires review every three years.

No additional services/non-audit work was carried out by Mazars LLP during 2023/24.

Management

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

Financial Areas of Review

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

The Committee has achieved this primarily through review and approval of the Annual Accounts, including those of the Newcastle upon Tyne Hospitals NHS Charity. The Committee also reviewed the External Audit Opinion and fed back relevant comments for consideration by the external auditors.

In the course of 2023/24, there were no significant issues that the Committee had to consider in relation to the financial statements. During the year, the Committee reviewed the following key areas of management judgement and significant risks:

- Accounting for PFI (Trust);
- Management over-ride of controls (Group and Trust);
- Valuation of property assets (Trust);
- Risk of fraud in revenue recognition (Group and Trust); and
- First time adoption International Financial Reporting Standard (IFRS) 16.

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

- Fire remedial work provision; and
- Value for money work.

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

Other Areas of Action and Review

The Committee has:

- Reviewed details of all Losses and Compensation Payments.
- Received reports on approved single tender actions where applicable.
- Reviewed regular debtors and creditors reports.
- Received and approved the Counter Fraud annual plan, as well as regular updates in the form of the Fraud response log, associated progress reports, the Annual Report on Counter Fraud, and the Counter Fraud Functional Standard Return.
- Reviewed the minutes of associated Committees.
- Reviewed the content of the statutory Annual Report (including the Annual Governance Statement).
- Reviewed and endorsed changes to the Trust Scheme of Delegation, Standing Financial Instructions and Standing Orders.
- Received the Annual Accounts preparation timetable and subsequently the Annual Accounts and Going Concern Review.
- Received an annual report on special severance payments/settlement agreements.
- Approved the Trust's Annual Modern Slavery Act Statement.
- Received updates on Standards of Business Conduct, including declarations of interest, fit and proper persons and the annual review of the register of gifts and hospitality.
- Received a report on waivers and breaches of the Trust Standing Financial Instructions.
- Received an action log to follow up previous Committee meeting actions.
- Received an update on the Clinical Audit Process.



- Received regular updates on information governance, information management and technology (IM&T) and cyber security from the joint/single Senior Information Risk Owners (SIRO(s)).
- Received updates from the Chairs/members of the Quality, People and Finance Committees.
- Approved the Internal Audit Charter and Protocol (April 2023).
- Received an update on the PFI energy costs/ Value-added Tax (VAT) matter.
- Reviewed the performance of Internal Audit, External Audit and Counter Fraud.
- Received further updates on:
 - o Progress made in relation to the follow up of internal audit recommendations;
 - o The external audit tender; and
 - o The Healthcare Financial Management Association (HFMA) checklist.

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

BPPC

The Trust is required to pay trade creditors in accordance with the national 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% of non-NHS trade invoices within target (2022/23: 93%) and 90% of NHS trade invoices were paid within target (2022/23: 87%). Full details of the Trust's performance against the BPPC are included within note 6.1 of the Annual Accounts.

Invoice Payment Performance

The total amount of any liability to pay interest which accrued by virtue of failing to pay invoices within the 30 day period where obligated to do so was £6,609k (2022/23 £6,863k). The total amount of interest actually paid in discharge of any such liability was £1k (2022/23 Nil).

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 2023/24

Information relating to the Trust's Quality Priorities is outlined in detail in the Quality Account 2023/24. Progress against the priorities has been monitored over the last 12 months by the Trust Board and the Quality Committee.

We committed to eight priorities for improvement in 2023/24 and an overview of the progress made for each priority is summarised as follows:

Patient Safety

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

Reducing healthcare associated infections remains a priority for the Trust whilst we continue to adapt to living with Covid-19, in line with the framework of patient and staff safety. As part of this the Trust has embedded COVID-19 guidance into the management of respiratory infections, alongside the management of surges in Influenza and RSV to maintain patient safety and optimise patient flow.

National reporting of other organisms including Methicillin-resistant Staphylococcus Aureus (MRSA), MSSA, GNBSI such as E.coli, Klebsiella, Pseudomonas aeruginosa, and C.difficile has continued. The Trust has met the national trajectories for Klebsiella and C.difficile however were above the national thresholds for other GNBSI's and the internal MSSA target.

To the end of March 2024, we reported:

- Four MRSA Blood Stream Infections (BSI).
- MSSA rates were above the internal 10% reduction trajectory. There is no national threshold for MSSA BSI.
- All GNBSI rates were above national thresholds except for Klebsiella which was 16 cases under the national threshold of no more than 130 cases.
- Achieved the national threshold reduction for C. difficile infections with 21 cases under the national threshold of no more than 165 cases.

Our IPC Team have implemented several strategies throughout the year to make improvements in the rates of infection. Some examples of these include:

- Adopted the National IPC BAF (2023) to monitor and report on progress on all related standards in the Trust.
- Improved diagnosis and management of sepsis through collaborative working with the Sepsis Clinical Director and specialist nurses. The National Contract data for sepsis identification, screening and treatment only includes a proportion of inpatients who undergo sepsis screening and who, if found to have suspected sepsis received Intravenous antibiotic treatment within one hour of diagnosis. Current sepsis compliance for inpatients increased from 66% to 81% in 2023/24.
- A number of quality improvement projects undertaken in key Clinical Boards, running in parallel with Trust-wide awareness campaigns, education projects, and audits of practice.
- Clinical Board Quality Oversight Groups are provided with quarterly infection control updates and are attended by senior team representatives.

Priority 2 – Management of Abnormal Results

The management of clinical investigations is a major patient safety issue in all healthcare systems. Nationally there is mounting evidence of serious harm caused by unintentional delays in clinical investigations being undertaken, acknowledged and endorsed, resulting in delays to clinical care, treatment and follow-up.

We aim to be a world leader by improving patient safety through preventing these unintentional delays in the system. Some examples of initiatives undertaken by the Trust include:

- Improvements made to our electronic systems so that sharing of information is effective across laboratories, radiology, and the patient record.
- The addition of a 'lead clinician' mandatory field to all electronic forms used to request investigations through the patient record (including radiology, laboratory medicine and echocardiography). This field ensures the correct clinician receives the results of the test they have requested.
- Ensuring that radiology tests are no longer automatically cancelled when an inpatient is discharged from hospital.
- Making it easier for clinicians to view the results of tests they have requested, avoiding test results being missed.

On evaluation, the data has demonstrated that for MRI 61.3% of cases were sent to the message centre (in the EPR) of the lead clinician. We estimate that 22,000 more MRI reports will be sent to the correct lead clinician. For Computed Tomography (CT) our data shows that the correct clinician received the results as planned in 51% of cases. We estimate that, over the course of one year, over 48,500 more CT reports will be sent to the correct clinician.

Future work within the Trust aims to build on the results above the further improve and optimise the current systems.

Priority 3 – Implementation of the National Patient Safety Strategy (NPSS) & PSIRF

Despite decades of dedicated work, avoidable harm continues to occur during the provision of healthcare. The new NHS NPSS outlines the national ambition for transformational change to continuously improve the safety of patients, by building on and improving patient safety culture and patient safety systems. During the last year we have undertaken the following strategies to provide meaningful patient safety:

- The Trust's Patient Safety Incident Response Plan was approved by the ICB in December 2023.
- The Trust's PSIRF Policy was ratified in January 2024.
- The Trust has now moved away from the Serious Incident Framework and went live with the PSIRF in January 2024.
- All three of the Trust PSIRF priorities have an identified medical lead in addition to support from Newcastle Improvement, the Clinical Governance and Risk Department (CGARD) and a NED.
- A range of proportionate learning responses have been identified by the PSIRF. A proportionate response is one which investigates the incident in the most appropriate level of detail to generate learning and recommendations. These responses fall into four main categories: Rapid Response Assessment, After Action Review, Patient Safety Incident Investigation and Thematic Review.



Clinical Effectiveness

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

The need for early recognition and management of deterioration of pregnant women was highlighted by Mothers and Babies: Reducing Risk through Audits and Confidential Enquiries and the Ockenden Report. Internally the Directorate identified that not having triage at the point of presentation to MAU was a contributory factor to adverse events within Maternity. It was therefore recognised that there was a need for formal triage on MAU at the point of presentation to reduce the likelihood of avoidable harm to mothers and babies.

Completion of the 'Institute for Healthcare (IHI) Triage in Maternity project' facilitated significant change in MAU and led to the introduction of a formal, objective triage tool, using a bespoke platform within BadgerNet (electronic maternity system which was implemented in January 2023). The Birmingham Symptom Specific Obstetric Triage System was implemented in December 2023 and has been supported by the appointment of a Band 7 post to lead implementation and training and the redirection of elective patient flow away from the assessment unit, achieved by the development of a new maternity day-care unit, within the antenatal ward. This has included a complete refurbishment of the clinical area and guidance has been developed for place of care/referral pathways. The women attending the assessment unit are now emergencies only, reducing the number of attendances and supporting the implementation of electronic triage.

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

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

where monitoring systems have been deficient in non-maternity settings.

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

We have created an electronic MEOWS chart for use within the electronic observation system. This went live in May 2023 within maternity areas, with the exception of MAU, which requires a restructure of the digital elements of the pathway. Progress is currently being monitored by the deteriorating patient group.

Priority 5 – Best Interests Decisions/MCA and Deprivation of Liberty Safeguards (DoLS).

Ensuring the correct assessment and documentation of mental capacity assessments, best interest decisions and Deprivation of Liberty Safeguards (DoLS) is essential in providing high quality, safe care to patients who may lack capacity to make decisions. In order to achieve this, it is essential that staff receive the appropriate training and guidance. Over the previous year we have implemented a number of initiatives to support staff, including the implementation a Trust-wide "Care for me, With Me" programme. This has included the development and publication of a Mental Capacity Assessment and DoLS training package.

Documentation compliance audits have also been undertaken and demonstrated improvement across the Trust in the documentation of Mental Capacity Act assessment prior to DoLS being put in place. A best interests audit was also introduced in Quarter 3.

The Trust has received an increasing number of DoLS referrals throughout the year demonstrating a greater awareness by staff of the processes required. Staff are also supported in the process of completing mental capacity assessments and Best Interest decisions by the Trust MCA Lead Practitioner and wider safeguarding team.

Patient Experience

Priority 6 – Ensure reasonable adjustments are made for patients with suspected, or known, Learning Disability.

We are committed to ensuring patients with a learning disability and or autism have access to services that will help improve their health and wellbeing and provide a positive and safe patient experience for them and their families. As part of this the Trust has undertaken dedicated work to improve the identification and provision of 'reasonable adjustments' for patients, including how this information is shared and documented. Some examples of this has included:

- A change in digital documentation to ensure staff are prompted to identify if a patient has a confirmed learning disability if they have a passport and alert flag on the system. There has been greater awareness of how to document reasonable adjustments and work undertaken in collaboration with patients in discussing their needs, as identified in their passports.
- Greater awareness of the role of the Learning Disability Liaison team.
- Implementation of learning disability training (Diamond Standards e-learning).
- Reintroduction of the role of the Learning Disability Champions.

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

The Trust has seen an increase in adults, children and young people presenting with mental health issues in their ED, which has resulted in some patients experiencing delays in accessing treatment within the appropriate care environment.

In order to improve this experience for patients the Trust has trialled a number of initiatives including:

- The appointment of a Clinical Manager by Cumbria, Northumberland, Tyne and Wear

NHS Foundation Trust (CNTW) to lead on the Children and Young People Service liaison proposal to use the Psychiatric Liaison team to support Children and Young People in ED.

- The development of a welcome pack for the Children and Young People in ED.
- The implementation of a Quality Improvement project called 'We Can Talk in Private' in adult ED. The project aims to support patients to indicate the wish to speak to staff in private by holding a card up.

Priority 8 – Embed a consistent approach to transition young people from child to adult services.

Each year over 6,000 13–17-year-olds are admitted to the Trust with over 11,000 attending outpatient services. The young people within the GNCH are often cared for by multiple teams as rare conditions overlap into a variety of specialties. Co-ordination and preparation for transfer into adult care, can often be inconsistent. Patient's care may also be transferred to a different area, local adult hospital or GP depending on their diagnosis.

There is increasing evidence that young people with chronic health conditions are at risk of being lost in the system. They can fail to engage when they move from child to adult services resulting in poor health outcomes. Transitional care is a process rather than an event and can facilitate the move between these services. In order to support patients through this transition, funding has been agreed for a project team to:

- Embed the principles of transition across the organisation.
- Develop bespoke pathways for more complex groups of patients.
- Ensure youth worker oversight of any patient under 18 years old outside paediatric areas.
- Recruit a data manager.



Quality Priorities for Improvement 2024/25

Following discussion with the Board of Directors, the Council of Governors, patient representatives, staff and public, the priorities for 2024/25 listed below have been agreed. A public consultation event was held in January 2024 and presentations have been provided at various staff meetings across the Trust. In response to the CQC inspection discussions have led to some changes on focus this year to reflect our current position in relation to patient and staff feedback.

Patient Safety

Priority 1 - To improve patient safety by ensuring staff feel free to report safety concerns; incidents and near-misses, resulting in an overall increase in incident reporting rates.

Priority 2 - Achieve a reduction in the incidence of surgical 'never events' with a specific focus on Ophthalmology, sharing the learning to inform and improve practice across other surgical specialities.

Clinical Effectiveness

Priority 3 - To ensure reasonable adjustments are made for patients with suspected or known Learning Disability &/or Autism. Appropriate and consistent use of MCA & DoLS for patients with vulnerabilities.

Patient Experience

Priority 4 - To ensure the Trust has a systematic way of improving from patient and staff feedback in all its forms.

Priority 4a - With new midwifery leadership, agree a staffing model for the birthing unit and associated staff development plan, to honour our commitment to consistent opening of the birthing centre.

In addition to the priorities contained within the Quality Account, in the coming year, a new Quality Strategy will be launched which will set out our vision, aims and objectives, in relation to the delivery of high-quality care for the next five years. This strategy will reflect the recommendations made as a result of our CQC inspections and the new Clinical Board Quality and Safety Governance Framework which underpins the Clinical Board structure implemented in 2023.

The Trust will continue to embed a safety culture, with a particular focus on the embedding the PSIRF and empowering staff to be open, with a focus on reporting incidents, learning, innovation and improvement. This will include the development and optimisation of our digital systems. Engagement and involvement of the people who use our services and our partners, will also be an important and essential component in delivering this strategy.



Sir James Mackey
Chief Executive

27 June 2024

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 January 2023.

The membership of the Committee is made up of the Chair and a minimum of two NEDs. The Chief Executive, Chief People Officer and Trust Secretary also attend as appropriate.

The Committee met on eight occasions during 2023/24:

	Attendance at ordinary meetings	Attendance at extraordinary meetings
Mr J Jowett, NED, SID and Committee Chair	4 of 4	4 of 4
Professor Sir J Burn, Chairman [Committee member until 30 November 2023]	2 of 2	1 of 1
Professor K McCourt, NED [Interim Chair from 1 December 2023]	4 of 4	4 of 4
Mr B MacLeod, NED	4 of 4	4 of 4
Miss C Smith, NED [Committee member from December 2023]*	1 of 2*	3 of 3

* One ordinary meeting was convened at short notice and Miss Smith was unable to attend due to pre-existing commitments.

The extraordinary meetings were convened to discuss changes to the Executive Team member composition and portfolios following the appointment of a new Chief Executive and the publication of the CQC inspection reports during 2023/24.

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

The remuneration for NEDs is determined by the Council of Governors, as delegated to the Nominations Committee, which last considered the fees paid to NEDs in January 2023, and to the Chairman in July 2022, alongside the guidance issued by NHSE and NHSI regarding the 'Structure to align remuneration for chairs and

Non- Executive Directors of NHS Trusts and NHS Foundation Trusts'.

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

The Committee is also responsible for ensuring that due process is in place, and has been followed, in relation to the application and decision making by the Local Awards Committee (LAC) for making Local Clinical Excellence Awards (LCEAs) / National Clinical Impact Awards (NCIA). The Committee considers the recommendations of the LAC prior to submission to the Trust Board for approval. For the 2022/23 and 2023/24 awards round, the total value of awards available was equally distributed to

eligible consultants, with the payments made during March 2024 and April 2024.

Further during 2023/24, the Committee:

- Continued to be advised on national developments regarding the taxation of pension entitlements. The Committee agreed to introduce a local policy facilitating an 'opt out and additional pay scheme' from 1 November 2019 which continued to remain in place during 2023/24, the purpose being to protect and retain capacity.
- Considered and agreed the LCEAs/NCIAs.
- Was advised on the outcome of the annual performance appraisal exercise and received an update on talent management and the succession plan.
- Considered/approved VSM pay, and the remuneration packages of individual Executive Team members as appropriate.
- Considered the annual review of Director, VSM and Senior Clinician Pay and the National Pay Award.
- Oversaw the process for the recruitment and appointment of the:
 - o Chief Executive Officer who commenced in January 2024, following the retirement of the previous Chief Executive Officer in December 2023.
 - o Chief Information Officer who commenced in January 2024, following the resignation of the previous postholder in August 2023.
 - o Joint Medical Directors who commenced in March 2024, following the standing down of the Medical Director in January 2024.
 - o The Executive Director of Nursing who commenced in March 2024, following the Executive Chief Nurse advising of their intention to retire in April 2024.

- Agreed interim Executive Team member arrangements where required during the year.
- Considered/approved Senior secondments.
- Received updates on VSM recruitment.
- Approved the content of the Annual Report on Remuneration.
- Considered the new national guidance on the Fit and Proper Persons Test and agreed to adopt the national guidance in full.



Mr Jonathan Jowett
Committee Chair

27 June 2024

Annual Report on Remuneration

Remuneration Policy

Introduction

The Appointments and Remuneration Committee is responsible for determining the remuneration of the Chief Executive, Executive Directors and VSM's. The definition of VSM is a person with authority or responsibility for directing or controlling the major activities of the Trust; it also includes those who influence decisions of the organisation as a whole including advisory and non-executive board members.

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

Pay Setting and Review Process

The Committee is cognisant of the requirements set out in the Guidance. It is committed to ensuring the Trust is able to offer proportionate and fair remuneration packages, reflective of the responsibility of working in a large and complex environment and to promote the long-term success of the Trust by attracting, recruiting and retaining high calibre staff in a competitive marketplace.

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



Future Policy Table:

Component of pay*	How the Trust operates this in practice	Maximum limit	Performance measures
Base salary	<p>The following factors are taken into consideration when determining pay for VSM's:</p> <ul style="list-style-type: none"> • Responsibilities, duties and accountabilities of the post holder. • Skills, experience and individual performance against objectives, values, core behaviours and the resulting performance rating from appraisal. • Consideration and recognition of additional responsibilities or achievements relating to Trust performance/quality, CQC ratings, the annual plan and strategic objectives. • Remuneration benchmarking reports against relevant regional and peer comparators (e.g. Shelford Group), including any 'cost of living' increases. • Prevailing market conditions and national context. • Value for money. • NHSI/Ministerial opinion. <p>The Committee reserves the right to approve specific increases in exceptional cases, for example, significant change to an individual's role.</p>	There is no prescribed maximum limit.	Not applicable.
Taxable benefits	<p>Very senior managers' benefits include:</p> <ul style="list-style-type: none"> • A car allowance by exception only. • Contributory NHS Pension Scheme - not all VSM's participate in the Scheme. <p>The Trust does not routinely facilitate an 'opt out' and reimbursement to an amount equal to the employer pensions contributions.</p> <p>Non-Executive Directors do not receive benefits.</p>	There is no prescribed maximum limit.	Not applicable.
Pension	<p>The Trust operates the standard NHS Pension Scheme.</p> <p>In addition, we have a Local Employer Contribution Recycle Scheme. The scheme offers a cash alternative to employer contributions (to the NHS Pension Scheme) where employees opt out of the NHS Pension Scheme and satisfy specific criteria (as defined in the policy).</p>	<p>As per standard NHS Pension Scheme.</p> <p>As per policy.</p>	Not applicable.

Component of pay*	How the Trust operates this in practice	Maximum limit	Performance measures
Earn-back and bonus	<p>From 2018, and in line with the Guidance, a transition to a revised VSM remuneration package was introduced for new VSM appointments or following review of the current portfolio of a substantively employed VSM. The revised employment contract incorporated two key changes to pay:</p> <ul style="list-style-type: none"> • An element of earn-back** (i.e. an element of base pay placed at risk and 'earned back' if agreed performance objectives are achieved). • Eligibility for consideration of a non-consolidated, non-pensionable performance-related pay (PRP) bonus conditional upon achieving performance objectives. This is intended to incentivise VSM's to achieve key strategic outcomes. <p>** In NHS Terms and Conditions of Employment from 1 April 2021, in the year after staff have reached the top of bands 8c, 8d or 9, 5% of basic salary will become re-earnable. Where standards are met salary is retained at the top of the band. If standards are not met salary may be reduced by 5% or 10% from the pay-step date. Salary can be restored to the top of the band at the end of the following year by meeting the required standards.</p> <p>On 17 November 2021 Committee members revisited the two changes to pay noted above and agreed that any VSM appointments from that point onwards would not include an earn-back element in their employment contract.</p>		<p>For those Directors who are eligible to be considered for a bonus / earn back provision as per their employment contract, objectives are set at the start of the financial year and achievement is considered at the end of the year.</p> <p>If objectives are not achieved then the Trust has the right to reclaim back/ withhold the percentage of salary 'earnback'.</p> <p>The Appointments and Remuneration Committee approves whether a bonus is paid or earnback applied.</p>

* Each component links to our strategic goals of:

- We are the recognised employer of choice in the North East.
- We enable all staff to liberate their potential.



VSM Pay Guidance

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

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

- NHS Foundation Trusts are required to seek opinion via nhsi.vsmcases@nhs.net of NHSI, DHSC and the Minister of State for Health before confirming VSM salaries at appointment, or any individual/group increase (outside nationally recommended cost of living increases).
- This applies to all on-payroll VSM appointments in NHS Foundation Trusts where the annual salary is £150,000 or above; it also applies to acting-up arrangements, promotions/pay rises for individuals in post earning £150,000 or above, and NHS secondments and conversion of off-payroll interns into on-payroll arrangements.
- £150,000 is the threshold used in the Civil Service for approval by the Chief Secretary to the Treasury and considered a suitable benchmark above which NHS Trusts are required to seek opinion. Some of our very senior managers are paid more than the threshold. In these instances, the Appointments and Remuneration Committee has taken steps to assure itself that the pay received by these individuals is commensurate with market conditions, the responsibilities and duties of the role, and is regularly reviewed to ensure that the Trust is receiving value-for-money. One of the ways in which the Committee does this is by reviewing independent remuneration benchmarking reports to assess the market rate.

At the time of writing this report (May 2024), publication of a VSM National Pay Framework is awaited.

Performance Review

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

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

The appraisal results in a performance rating and any review is intended to promote the concept of recognition and reward for achievement, underpinned by appropriate behaviours and to ensure that the relationship between pay and performance is aligned to and consistent with the core values, behavioural framework and strategic objectives – 'healthcare at its best with people at our heart'.

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

During the year 2023/24, a consolidated salary uplift of between 5-5.5% was applied to applicable Executive Directors and VSMs backdated to 1 April 2023 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 VSM's are subject to the normal performance management processes and sanctions. Terminations resulting from redundancy are in accordance with the provisions of national terms and conditions, in the event of retirement, in accordance with the NHS Pension Scheme.

Diversity and Inclusion

Diversity and Inclusion are written into our organisational strategy, our core values and are being embedded into our decision-making. 'We are inclusive' is one of our core values.

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

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

Individual salary is the product of individual negotiation informed by NHS Terms and Conditions of Service pay scales and flexible to provide agreement to a 'spot rate' in relation to market conditions or other relevant considerations.

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



Directors Remuneration and Other Benefits

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

2023/24	Salary	Expense payments	Annual Performance related bonuses	Other payments	Long term performance pay and bonuses	Total
Name and title	(bands of £5,000) £000	(to nearest £100) £	(bands of £5,000) £000	(bands of £5,000) £000	(bands of £2,500) £000	(bands of £5,000) £000
Chairman Professor Sir J Burn (v)	40-45	-	-	-	-	40-45
Chief Executive Sir J Mackey (i)	90-95	2,000	-	-	-	90-95
Chief Executive Dame J Daniel (ii)*	245-250	-	10-15	-	-	255-260
Medical Director/Deputy CEO Mr A Welch (iii)	230-235	-	-	-	-	230-235
Joint Medical Director Dr M Wright (vi)	20-25	-	-	-	-	20-25
Joint Medical Director Ms L Pareja-Cebrian (vi)	30-35	-	-	-	0-2.5	30-35
Chief Finance Officer Mrs J Bilcliff	175-180	900	-	-	-	180-185
Executive Chief Nurse Ms M Cushlow*	180-185	-	-	-	-	180-185
Executive Director of Nursing Mr I Joy (viii)	10-15	-	-	-	-	10-15
Chief Operating Officer Mr M Wilson*	185-190	1,600	-	-	-	185-190
Managing Director Mr R Harrison (vii)	30-35	-	-	-	-	30-35
Executive Director for Commercial Development and Innovation Dr V McFarlane-Reid*	155-160	-	-	-	40-42.5	200-205
Non-Executive Director Mr J Jowett	10-15	-	-	-	-	10-15
Non-Executive Director Mrs E Bromley	10-15	-	-	-	-	10-15
Non-Executive Director / Interim Chair Professor K McCourt (ix)	25-30	-	-	-	-	25-30
Non-Executive Director Miss C Smith (iv)	10-15	200	-	-	-	10-15
Non-Executive Director Ms S Edusei	10-15	-	-	-	-	10-15
Non-Executive Director Ms G Baker	10-15	200	-	-	-	15-20
Non-Executive Director Mr G Chapman	10-15	2,500	-	-	-	15-20
Non-Executive Director Mr B MacLeod	15-20	-	-	-	-	15-20

- (i) *Sir James Mackey was appointed as Chief Executive Officer on 1 January 2024.*
- (ii) *Dame Jackie Daniel retired on 31 December 2023. The figure stated in other payments relates to Local employer contribution recycle scheme received during 2023/24.*
- (iii) *Mr Andy Welch stood down as Medical Director/Deputy Chief Executive on 31 January 2024. Within the figure reported for Mr A Welch's salary and fees are payments of £126k made in respect of clinical duties. No additional payment was made in relation to the Deputy Chief Executive role.*
- (iv) *Miss Christine Smith was appointed as a Non-Executive Director with effect from 3 May 2023.*
- (v) *Professor Sir John Burn stood down as Chairman of the Board on 30 November 2023.*
- (vi) *Mrs Lucia Pareja-Cebrian and Dr Michael Wright were appointed as Joint Medical Directors on 1 March 2024.*
- (vii) *Mr Robert Harrison was appointed as Managing Director and commenced on secondment from South Tees Hospitals FT from 1 February 2024.*
- (viii) *Mr Ian Joy was appointed acting Executive Director of Nursing from 1st March 2024 to 31st August 2024.*
- (ix) *Professor McCourt became Interim Chair with effect from 1 December 2023.*



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

2022/23	Salary	Expense payments	Annual Performance related bonuses	Other payments	Long term performance pay and bonuses	Total
Name and title	(bands of £5,000) £000	(to nearest £100) £	(bands of £5,000) £000	(bands of £5,000) £000	(bands of £2,500) £000	(bands of £5,000) £000
Chairman Professor Sir J Burn	55-60	-	-	-	-	55-60
Chief Executive Dame J Daniel (i)*	310-325	-	10-15	-	-	320-325
Medical Director/Deputy CEO Mr A Welch (ii)	265-270	-	-	-	-	265-70
Chief Finance Officer Mrs J Bilcliff (iv)	95-100	400	-	-	-	95-100
Finance Director Mrs A Dragone (iii)	65-70	-	-	-	-	65-70
Executive Chief Nurse Ms M Cushlow*	170-175	-	5-10	-	90.0-92.5	270-275
Chief Operating Officer Mr M Wilson*	170-175	1,500	5-10	-	60.0-62.5	220-225
Executive Director for Business, Development and Enterprise Dr V McFarlane-Reid*	150-155	-	5-10	-	95-97.5	255-260
Non-Executive Director Mr J Jowett	10-15	-	-	-	-	10-15
Non-Executive Director Mrs E Bromley (vi)	10-15	-	-	-	-	10-15
Non-Executive Director Professor K McCourt	10-15	-	-	-	-	10-15
Non-Executive Director Mr S Morgan (v)	10-15	-	-	-	-	10-15
Non-Executive Director Ms S Edusei	10-15	-	-	-	-	10-15
Non-Executive Director Ms G Baker	10-15	-	-	-	-	10-15
Non-Executive Director Mr G Chapman	10-15	-	-	-	-	10-15
Non-Executive Director Mr B MacLeod	15-20	-	-	-	-	10-15

- (i) Payments included in salary for Dame J Daniel include the Local Employer Contribution Recycle Scheme received during 2022/23. This was previously disclosed in other payments.
- (ii) Within the figure reported for Mr A Welch's salary and fees are payments of £109k made in respect of clinical duties.
- (iii) Mrs A Dragone resigned as Finance Director with effect from 31 July 2022.
- (iv) Mrs J Bilcliff was appointed as Chief Finance Officer with effect from 5 September 2022
- (v) Mr S Morgan resigned as a Non-Executive Director with effect from 31 January 2023.
- (vi) Mrs E Bromley was appointed a Non-Executive Director with effect from 1 June 2022.

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

This was not applied during 2022/23 as the objectives were fully achieved.

Pension related benefits are calculated as the annual increase in pension entitlement in accordance with the 'HM Revenue and Customs (HMRC)' method. In summary this is as follows:

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

Where:

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

The inflation rate prescribed for use in 2023/24 is 10.1% (2022/23 3.1%).

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

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

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

Total Pension Entitlement (this section is subject to audit)

	Real increase in pension at pension age	Real increase in pension lump sum at pension age	Total accrued pension at pension age at 31 March 2024	Lump sum at pension age related to accrued pension at 31 March 2024	Cash Equivalent Transfer Value at 1 April 2023	Real increase in Cash Equivalent Transfer Value	Cash Equivalent Transfer Value at 31 March 2024
Name and title	(bands of £2,500) £000	(bands of £2,500) £000	(bands of £5,000) £000	(bands of £5,000) £000	£000	£000	£000
Executive Director for Commercial Development and Innovation Dr V McFarlane-Reid	2.5-5	-	10-15	-	120	47	201
Executive Chief Nurse Ms M Cushlow	-	35-37.5	90-95	265-270	1,957	164	2,343
Chief Operating Officer Mr M Wilson	-	25-27.5	45-50	115-120	691	124	909
Chief Finance Officer Mrs J Bilcliff	-	-	35-40	20-25	551	112	738
Joint Medical Director Dr M Wright	-	-	95-100	125-130	1,724	-	1,880
Joint Medical Director Mrs L Pareja- Cebrian	0-2.5	-	35-40	90-95	686	1	774
Managing Director Mr R Harrison	-	5-7.5	45-50	120-125	656	25	936
Executive Director of Nursing Mr I Joy	0-2.5	-	30-35	75-80	522	1	584

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

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 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.

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

The banded remuneration of the highest-paid director in the organisation in the financial year 2023/24 was £372,500 (2022/23, £322,500). This is a change between years of an increase of 15.5% (2022/23 2.9%). This is calculated on an annualised basis as the highest paid director was only in post for part of the 2023/24 financial year.

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 2023/24 was from £20,375 to £372,500 (2022/23 £19,658 to £322,500). 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 5% (2022/23 10%). No employees received remuneration in excess of the highest-paid director in 2023/24.

The average employee remuneration saw a reduction of around 1% compared to 2022/23. The main reason for the reduction was that employee remuneration in 2022/23 included a one-off non-consolidated pay award which was not repeated in 2023/24.

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.

2023/24 (2022/23)	25th Percentile	Median	75th Percentile
Salary Component of Pay	£27,596 (£27,872)	£35,392 (£35,661)	£45,996 (£47,797)
Total pay and benefits excluding pension benefits	£27,596 (£27,872)	£35,392 (£35,661)	£45,996 (£47,797)
Pay and benefits excluding Pension: pay ratio for highest paid director	13.40 (11.65)	10.52 (9.11)	8.1 (6.79)

	25th Percentile	Median	75th Percentile
2023/24	13.40	10.52	8.1
2022/23	11.65	9.11	6.79

The calculation is based on Trust employees as at 31 March 2024. This number includes locum staff, junior doctors on training rotations employed via NHCFT as Lead Employer Trust, the Trust's in-house nurse and clerical bank staff and includes external agency staff. Any part time employee numbers are pro-rated to provide whole time equivalents.



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

The Trust did not make any payments to past senior managers in 2023/24.

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

The Trust did not make any payments for loss of office in 2023/24.

Trust Board Declarations of Interest:

Chairman (until 30 November 2023)

Professor Sir John Burn

Chair QuantuMDx Group Ltd.
Shareholder of 3,600 shares (300 shares are in the name of other family members at QuantuMDx).
Director and Treasurer - Global Variome Ltd. Global Variome Ltd is the holding company for the UNESCO register NGO of this name responsible for the Human Variome Project - an international effort to have data on genetic variation of relevance to healthcare - it was recognised as a UK charity in 2017.
Professor of Clinical Genetics in Newcastle University and senior strategic advisor.
Sits on the Bowel Cancer UK Medical Advisory Board.
Trustee of the Charity, European Hereditary Tumour Group (EHTG).
Patron of the charity Veteran at Ease.
Cultural ambassador for the Durham County Community Foundation.
Chairman of Pulse Diagnostics (part owned by Trust) until 30 November 2023.
Trustee of the charity HUGO London and Vice President of HUGO International from April 2023 until March 2024. Member of the Board of HUGO until 2025.
Honorary Consultant Clinical geneticist in Newcastle Hospitals (from 1 December 2023)

Interim Chair (from 1 December 2023)

Professor Kath McCourt

Fellow - Royal College of Nursing.
President, Commonwealth Nurses and Midwives Federation.
Member of the Heath Committee.
Trustee, Bishop Bewick Catholic Education Trust. Relative works for GHFT.
Relative works for Newcastle Hospitals.
Non-remunerated independent member of annual academic career progression committee, University of Cumbria

Non-Executive Directors

Mr Jonathan Jowett	<p>Company Secretary and Director of Darlington 1883 Limited. Company Secretary & General Counsel of Greggs PLC. As part of his Company Secretary role at Greggs PLC, Mr Jowett is a Director of a number of dormant companies set up by Greggs PLC. Chair of the Trustees of the GNAAS from 19 July 2022. Director of Arc Medtech Limited, a software development company owned by the GNAAS.</p>
Ms Gillian (Jill) Baker	<p>Director, Lloyds Bank Foundation. Trustee at Community Foundation for Tyne and Wear and Northumberland.</p>
Mr Graeme Chapman	<p>Appointed as Chair of the Strategy Board and Chair of the Advisory Board, Newcastle Health Innovation Partners from 27 April 2023 to 30 April 2024.</p>
Mr Bill MacLeod	<p>NED, Newcastle Gateshead Initiative Ltd. Appointed member of Council, Newcastle University. Member of the Ethics Board Institute of Chartered Accountants of Scotland. Trustee at Kielder Observatory Astronomical Society.</p>
Ms Stephanie Edusei	<p>Director/Board Member, The North East England Chamber of Commerce. Chief Executive, St Oswald's Hospice. The Angelou Centre (Black led women's charity based in Newcastle upon Tyne offering training and development, counselling, wellbeing services and refuge accommodation) [until August 2023]. Chair of Eliot Smith Dance.</p>
Mrs Liz Bromley	<p>CEO of NCG, education provider. Board member of English Heritage. Non-Executive member of the Board of NCFE, an educational charity. Member of E-Act Multi-academy Trust (MAT).</p>
Miss C Smith	<p>NED, Company Director and Chair of the Audit Committee at Bradbury Group Ltd (Door Manufacturing and Sales Company). NED, Rakem Group (Chemical Manufacturing, Distribution and Sales). Chartered Institute of Management Accountants (CIMA) Conduct Committee Member (Accountancy Profession).</p>



Associate Non-Executive Directors

Professor David Burn
(until 29 February 2024)

Pro-Vice Chancellor and Professor of Movement Disorders Neurology - Faculty of Medical Sciences. Executive, Medical Schools Council.
Director and Chair of Board of Newcastle Health Innovation Partners.
Board Member, NENC AHSN. Chair of the NHSA Board.

Ms Pam Smith
(until 29 February 2024)

Chief Executive, NCC.

Chief Executive

Dame Jackie Daniel
(until 31 December 2023)

Board Director of the AHSN NENC Ltd.
Vice-Chair, NHS Confederation.
Lay Member, Newcastle University Court.
Member, Recovery, Resilience and Growth Programme. Member, OSCHR.
Member of Newcastle City Futures Board / Newcastle Health & Wellbeing Board (Local Authority).
Board Director NHSA (until October 2023).

Sir James Mackey
(from 1 January 2024)

Director role held - The Alnwick Garden Trust
Chair of the NHS Customer Board - NHS Customer Board for Procurement and Supply
Advisory Board Member – Altera Health (an EPR provider)
National Director of Elective Recovery - NHSE

Executive Directors

Mrs Jackie Bilcliff
Chief Finance Officer

Husband is an Associate of Identity Consult, a company which tenders for work (construction, project management and health and safety) at Newcastle Hospitals.

Ms Maurya Cushlow
Executive Chief Nurse

No items to declare.

Mr Ian Joy
Executive Director of Nursing
(from 1 March 2024)

No items to declare.

Mr Martin Wilson
Chief Operating Officer

Partner is Chief Delivery Officer and National Director of Vaccination and Screening for NHSE.

Mr Rob Harrison

Managing Director

South Tees Hospitals NHS Foundation Trust – Current employer –
Managing Director on secondment to Newcastle Hospitals

Chair of the Network – North East and North Cumbria Spinal
Operational Delivery Network

Mr Andy R Welch

Medical Director / Deputy
CEO (until 31 January 2024)

Clinical Private Practice, Medicolegal
Relative works for Newcastle Hospitals.

Mrs Lucia Pareja Cebrian

Joint Medical Director
(from 1 March 2024)

Husband works for Newcastle Hospitals.

Dr Michael Wright

Joint Medical Director
(from 1 March 2024)

No items to declare.

Dr Vicky McFarlane-Reid

Executive Director of
Commercial Development
and Innovation

No items to declare.



Sir James Mackey
Chief Executive

27 June 2024



Healthcare at its best
with people at our heart

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 NCC.

The table included in the 'Governor Elections' section details the individuals who make up our Council of Governors.

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

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

Topics of note have included:

- Updates on the CQC inspections and associated reports.
- The Newcastle Hospitals Freedom to Speak Up Guardians.
- Development of the Trust's People Strategy – the People Promise.
- Approval of the CEO appointment.

In April 2023, a private workshop was held for Governors, which included presentations on:

- Staff Survey Results.
- The Trust management restructure.
- Operational and Financial Plans for the year 2023/24.

In October 2023, a second private workshop was held for Governors, which included presentations on:

- Updates on Estates issues within the Trust.
- Digital improvements within the Trust.

- Feedback from Governor attendance at the Governor Focus Conference.

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

Meetings included updates from both the Chairman or Interim Chair, as well as the Chief Executive or Deputy Chief Executive. The Governors also received and discussed the Integrated Board Report at each meeting. Meetings also included regular updates from the Chairs of the Council's Working Groups, being:

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

Each of the Working Groups are aligned to a specific Committee of the Trust Board. Throughout the year, meetings between chairs of the Working Groups and Committees have taken place, as well as Chairs attending the aligned Working Group or committee meeting to gain further assurance.

During the year the Quality of Patient Experience Working Group recommenced their programme of unannounced visits to clinical areas and support services throughout the Trust. In addition the Group has continued to be updated on patient experience and complaints throughout the organisation via regular presentations from the Head of Patient Experience.

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

Mrs Pam Yanez, Public Governor for the Newcastle upon Tyne constituency continued to hold the role of Lead Governor during 2023/24.

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

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

Members Events held during the year 2023/24 included a Discussion Forum allowing members to share their experience on accessing healthcare with a disability. This included presentations from our Head of Patient Experience and Equality, Diversity & Inclusion Manager. A large number of Patient Experience team members were also able to attend to answer questions and provide feedback.

A second event was held in November 2023 focusing on Research Innovation at the Trust. We heard from members of our Clinical Research Directorate and from the new Head of Public Partnerships, Kasia Kurowska. A further programme of events for 2024/25 is currently in development.

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

In the first instance, it is the responsibility of the Trust's Chair, as leader of both forums, to try and reach a consensus. If a resolution cannot be found, the next formal step would be for the Chair to receive formal representation from the

Lead Governor to try and reach a mutually acceptable position. The Trust did not need to utilise this resolution process during 2023/24.

Conflicts of interest declared by the Council of Governors in 2023/24 are as follows:

- Professor Philip Home informed the Trust that he was working with pharmaceutical company Eli Lilly on an insulin trial.
- 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.
- Mr David Black informed the Trust that he was appointed as a Director of the charity Support and Grow North East Ltd (Charity Number 1197333), and that he would also be undertaking the role of Company Secretary.
- Mrs Claire Watson informed the Trust that she was appointed as a Trustee for the charity Wellchild (Charity Number 289600).
- Dr Alexandros Dargès-Chantler informed the Trust that he is a Member of the British Association for Sexual Health and HIV (BASHH).
- Mr David Black informed the Trust that he is the Chair of the Newcastle University – North East Fatigue Research Network Steering Group.

During 2023/24, seven Governors claimed a total of £1,068.19 (2022/23 £882.59) in expenses. This largely related to 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 2023 election round took place in the spring with the Notice of Election published on 30 March 2023 and the result declared on 31 May 2023.

Newly elected Governors undertook an induction facilitated by the Chairman, Trust Secretary and Chairs of the Working Groups on 9 June 2023.

Governor attendance at meetings during 2023/24 is listed on the following pages. Public and Staff Governors are appointed for 3-year terms. Appointed Governors are reviewed annually to ensure they are still affiliated with/employed by the organisation in which they were appointed. Governors can serve for a maximum time period of 9-years.

The Council of Governors met for four formal meetings and two private workshops in 2023/24. There were three extraordinary meetings convened in order to agree NED re-appointments, to provide CQC updates and to provide a leadership update following the appointment of the new CEO.

Key:

1	Public constituency: Newcastle upon Tyne
2	Public constituency: Northumberland, Tyne and Wear (excluding Newcastle)
3	Public constituency: North East
Staff – A&CI, M&Ch	Admin and Clerical, Managerial and Chaplains
Staff – E&A	Estates and Ancillary
Staff – AHP	Allied Health Professionals
Staff – M&D	Medical and Dental
Staff – N&M	Nursing and Midwifery
Staff – V	Volunteers
Appointed – APEX	Advising on Patient Experience (APEX) Group
Appointed – NCC	Newcastle City Council
Appointed – NU	Newcastle University
Appointed – Nbria U	Northumbria University

Governor attendance at meetings

Class/ Constituency	Name	Attendance at ordinary meetings (Attendance at extraordinary meetings)	Notes
Staff – N&M	Mrs Glenda Bestford	1 of 1	End of term 31 May 2023 – did not stand for re-election
1/Appointed – APEX	Mr David Black	5 of 6 (3 of 3)	Public Governor until 16 February 2024 and then became an Appointed Governor from 17 February 2024
2	Mr Graham Blacker	0 of 1	End of term 31 May 2023 – completed third and final term
Staff – E&A	Ms Genna Bulley	1 of 6 (1 of 3)	
1	Mrs Judy Carrick	6 of 6 (3 of 3)	
Staff – N&M	Mrs Sharon Chilton	2 of 5 (2 of 3)	Appointed 1 June 2023
1	Ms Jill Davison	1 of 1	End of term 31 May 2023 – did not stand for re-election
1	Dr Alexandros Dearges-Chantler	6 of 6 (1 of 3)	
Appointed - NU	Professor Justin Durham	0 of 2	Stood down 15 August 2023
2	Mrs Madeleine Elliott	0 of 1	End of term 31 May 2023 – did not stand for re-election
2	Mr David Evans	0 of 1	End of term 31 May 2023 – did not stand for re-election
1	Mrs Aileen Fitzgerald	4 of 6 (3 of 3)	
1	Mr David Forrester	5 of 6 (3 of 3)	
2	Mr Tom Forster	0 of 0	Stood down 5 June 2023
1	Mr Ian Frenette-Wood	1 of 2	Stood down 2 October 2023
Staff – V	Mr Gary Gibson	6 of 6 (1 of 3)	
1	Mrs Jill Gregory	0 of 0	Stood down 29 June 2023
Staff – A&CI, M&Ch	Mrs Kelly Gribbon	1 of 4 (1 of 3)	Stood down 9 February 2024
Staff – M&D	Dr John Hanley	2 of 3	Stood down 31 August 2023
1	Mrs Kate Hawley	2 of 5 (0 of 3)	
2	Mrs Catherine Heslop	4 of 6 (1 of 3)	
1	Mr Alex Holloway	4 of 5 (3 of 3)	
2	Professor Philip Home	6 of 6 (3 of 3)	
3	Mr David Hughes	2 of 6 (1 of 2)	Stood down 23 November 2023



Class/ Constituency	Name	Attendance at ordinary meetings (Attendance at extraordinary meetings)	Notes
Appointed - Nbria U	Professor Tom Lawson	0 of 3	Stood down 22 September 2023
2	Mr John McDonald	5 of 6 (1 of 3)	Re-appointed for second term 1 June 2023
2	Professor Reverend Pauline Pearson	4 of 6 (3 of 3)	Re-appointed for second term 1 June 2023
2	Ms Linda Pepper	3 of 5 (3 of 3)	Appointed 1 June 2023
2	Mr Shashir Pobbathi	3 of 5 (3 of 3)	Appointed 1 June 2023
Staff – AHP	Miss Elizabeth Rowen	5 of 6 (3 of 3)	
Staff – N&M	Mrs Poonam Singh	5 of 6 (3 of 3)	
Appointed – NCC	Cllr Ian Tokell	6 of 6 (3 of 3)	
Appointed - Nbria U	Professor John Unsworth	2 of 2 (1 of 1)	
1	Dr Eric Valentine	6 of 6 (2 of 3)	
1	Mrs Emma Vinton	0 of 1	End of term 31 May 2023 – did not stand for re-election
2	Mr Bob Waddell	2 of 6 (3 of 3)	
Appointed - NU	Doctor Luisa Wakeling	2 of 3 (2 of 3)	Appointed 22 August 2023
3	Mr Michael Warner	2 of 6 (0 of 3)	
2	Mrs Claire Watson	5 of 6 (2 of 3)	
2	Dr Ian Wilson	0 of 1	End of term 31 May 2023 – did not stand for re-election
1	Mrs Pam Yanez	6 of 6 (3 of 3)	

Nominations Committee

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

Committee members were supported by Trust officers, as appropriate, including the Chief People Officer and Trust Secretary.

Attendance of the Committee membership is set out below:

Member	Number of meetings attended	
	Ordinary	Extraordinary
Professor Sir John Burn, Trust Chairman and Committee Chair - until 30 November 2023	1 of 1	1 of 2*
Professor Kath McCourt, Interim Chair and Committee Chair - from 1 December 2023	1 of 1	1 of 1^
Mrs Pam Yanez, Committee Vice-Chair and Lead Governor (Public Governor)	1 of 2	3 of 3
Mr Jonathan Jowett, Committee Member, SID	2 of 2	3 of 3
Mrs Catherine Heslop, Committee Member (Public Governor)	2 of 2	2 of 3
Mrs Judy Carrick, Committee Member (Public Governor)	2 of 2	3 of 3
Mr David Black, Committee Member (Public Governor/ Appointed Governor)	2 of 2	3 of 3
Ms Genna Bulley, Committee Member (Staff Governor)	1 of 2	1 of 3
Mr Bob Waddell, Committee Member (Public Governor) - from 1 June 2023	2 of 2	2 of 3
Mr John McDonald, Committee Member (Public Governor) - from 1 June 2023	2 of 2	1 of 3

* Professor Sir John Burn did not attend the meeting on 19 October 2023 due to a conflict of interest with the agenda item under discussion.

^ Professor Kath McCourt also attended the Extraordinary Committee meeting on 19 October 2023 but was not a formal member of the Committee at that time.



There were five meetings of the Committee in the period 1 April 2023 to 31 March 2024, two of which were ordinary meetings and three were extraordinary meetings. The extraordinary meetings were convened to consider Chair/NED appointments/reappointments.

The Terms of Reference for the Committee specify that a minimum of two meetings per year are required.

During the year, Committee activity included:

- Approval of the Annual Report of the Committee for 2022/23.
- 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 one replacement NED and the reappointment of four NEDs.
- Agreed the content of some training slides for new Governors on the remit and membership of the Nominations Committee.
- Approving an updated Schedule of Business for the year.
- Receiving and considering reports on the Chairman and NED appraisals.
- Discussing Chair/NED reappointment and recruitment considerations, including the new Code of Governance for Provider Trusts.
- Receiving the bi-annual summary of Chair/NED activities.
- Exploring NED development/shadowing/mentoring programmes in order to improve the diversity of NED membership of the Board.
- Considering the Associate NED roles and overall NED composition on the Trust Board.
- Supporting a recommendation for the Interim Deputy Chair.
- Seeking training for Committee members (scheduled and undertaken on 9 April 2024).

- Agreeing the recruitment process for up to two new NEDs with clinical expertise, this included:
 - o Ensuring a robust job description and person specification was developed and agreed the search strategy for the appointment;
 - o For the first replacement NED appointment, Committee members conducted shortlisting on 12 April 2024.
 - o An Interview Panel was convened, with the Public Governor members in the voting majority. Interviews were held on 3 May 2024, and a recommendation for appointment made to the Council of Governors thereafter.

In conclusion the Committee has met its duties for the year 2023/24.

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;
- Allied Health Professionals;
- 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 2023/24, 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 Mrs Pam Yanez, Lead Governor, via email at nuth.lead-governor@nhs.net.



Membership size and movements	
Public constituency	Last year (2023/24)
At year start (1 April)	5,653
New Members	237
Members Leaving	152
At year end (31 March)	5,738

Staff constituency	Last year (2023/24)
At year start (1 April)	4,379
New Members	2,581 *
Members leaving	177
At year end (31 March)	6,783

Patient constituency	The Trust does not currently have a separate Patient Constituency.
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*New members of staff who are directly employed by Newcastle Hospitals are automatically included as members within the Staff Constituency.

Analysis of current membership[^]		
Public constituency	Number of members	Eligible membership
<i>Age (years):</i>		
0-16	5	262,165
17-21	53	87,477
22+	5,284	1,100,797
<i>Ethnicity:</i>		
White	5,086	1,333,173
Mixed	37	19,229
Asian or Asian British	250	60,381
Black or Black British	62	17,463
Other	11	17,083
<i>Socio-economic groupings:</i>		
AB	1,490	114,931
C1	1,620	197,115
C2	1,113	133,561
DE	1,468	210,010
<i>Gender Analysis:</i>		
Male	2,125	708,737
Female	3,453	741,702

[^] The analysis section of this report excludes 397 public members with no dates of birth, 293 members with no stated ethnicity, and 161 members with no gender recorded.

Staff Report

Workforce Information (Subject to audit):

Workforce Demographics	As at March 2023				As at March 2024			
	Permanent FTE	Other FTE	Total FTE	% of Total FTE	Permanent FTE	Other FTE	Total FTE	% of Total FTE
Staff Group								
Medical and dental	1,183.34	666.33	1,849.68	12.58%	1,115.13	692.10	1,807.24	11.90%
Ambulance staff	0.25	0.00	0.25	0.00%	0.00	-	0.00	0.00%
Administration and estates	2,930.03	0.00	2,930.03	19.93%	2,999.01	-	2,999.01	19.74%
Healthcare assistants and other support staff	2,116.41	0.00	2,116.41	14.39%	2,247.99	-	2,247.99	14.80%
Nursing, midwifery and health visiting staff	4,689.95	0.00	4,689.95	31.89%	4,978.19	-	4,978.19	32.77%
Nursing, midwifery and health visiting learners	127.25	0.00	127.25	0.87%	117.38	-	117.38	0.77%
Scientific, therapeutic and technical staff	1,934.90	0.00	1,934.90	13.16%	2,025.40	-	2,025.40	13.33%
Healthcare science staff	1,047.71	0.00	1,047.71	7.13%	1,010.74	-	1,010.74	6.65%
Social care staff	0.00	8.29	8.29	0.06%	-	7.28	7.28	0.05%
Grand Total	14,029.84	674.62	14,704.46	-	14,493.85	699.39	15,193.24	-

FTE = Full time equivalent

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



	As at March 2023		As at March 2024	
	FTE	% of Total FTE	FTE	% of Total FTE

Full Time/Part Time

Full Time	9,992.03	72.49%	10,341.00	72.85%
Part Time	3,792.84	27.51%	3,853.44	27.15%

Gender

Female	10,513.30	76.27%	10,780.23	75.95%
Male	3,271.57	23.73%	3,414.21	24.05%

Disabled

No	11,190.45	81.18%	11,773.50	82.94%
Not recorded	1,974.13	14.32%	1,684.83	11.87%
Yes	620.30	4.50%	736.11	5.19%

Ethnic Group

BME	1,994.23	14.47%	2,447.71	17.24%
Not recorded	234.97	1.70%	230.67	1.63%
White	11,555.67	83.83%	11,516.06	81.13%

Age

16-25	1,246.12	9.04%	1,299.30	9.15%
26-35	3,758.67	27.27%	3,958.75	27.89%
36-45	3,184.19	23.10%	3,365.72	23.71%
46-55	3,210.49	23.29%	3,149.57	22.19%
56-65	2,237.28	16.23%	2,261.81	15.93%
66+	148.12	1.07%	159.29	1.12%

Turnover	April 2022 – March 2023	April 2023 – March 2024
		15.29%

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 2022/23 £000	Permanently employed total 2022/23 £000	Other total 2022/23 £000	Total 2023/24 £000	Permanently employed total 2023/24 £000	Other total 2023/24 £000
Salaries and wages	688,008	605,481	82,527	712,982	625,988	86,994
Social security costs	61,308	61,308	0	66,190	66,190	0
Apprenticeship levy	3,161	3,161	0	3,508	3,508	0
Pension cost – employer contributions to NHS pension scheme	70,713	70,713	0	77,410	77,410	0
Pension cost – employer contributions paid by NHSE on provider’s behalf (6.3%)	30,919	30,919	0	33,813	33,813	0
Pension costs – other*	328	328	0	447	447	0
Temporary staff – agency/ contract staff	7,098	0	7,098	7,572	0	7,572
TOTAL GROSS STAFF COSTS	861,535	771,910	89,625	901,922	807,356	94,566
Recoveries from DHSC Group bodies in respect of staff cost netted off expenditure	(6,528)	(6,528)	0	(6,477)	(6,477)	0
Recoveries from other bodies in respect of staff cost netted off expenditure	(8,418)	(8,418)	0	(7,923)	(7,923)	0
TOTAL STAFF COSTS	846,590	756,964	89,625	887,522	792,956	94,566



“Off-Payroll” Engagements

Highly-paid off-payroll engagements as of 31 March 2024, earning £245 per day or greater.

Number of existing engagements as of 31 March 2024	20
Of which:	
• Number that have existed for less than one year at time of reporting	11
• Number that have existed for between one and two years at time of reporting	3
• Number that have existed for between two and three years at time of reporting	3
• Number that have existed for between three and four years at time of reporting	2
• Number that have existed for four or more years at time of reporting	1

All highly-paid off-payroll workers engaged at any point during the year ended 31 March 2023 earning £245 per day or greater

Number of off-payroll workers engaged during the year ended 31 March 2023	20
Of which:	
• Not subject to off-payroll legislation	20
• Subject to off-payroll legislation and determined as in-scope of IR35	0
• Subject to off-payroll legislation and determined as out-of-scope of IR35	0
Number of engagements reassessed for compliance or assurance purposes during the year	0
Of which: number of engagements that saw a change to IR35 status following review	0

For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2023 and 31 March 2024

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

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

Exit Packages (Subject to audit)

	Total number of exit packages 2023/24	Total cost of exit packages 2023/24	Total number of exit packages 2022/23	Total cost of exit packages 2022/23
	Number	£000	Number	£000
Exit package cost band				
<£10,000	0	0	0	0
£10,000 to £25,000	1	14	1	14
£25,001 to £50,000	0	0	1	26
There was one compulsory redundancy made during 2023/24 at a cost of £14k (2022/23 Nil)				
There were no exit payments made during 2022/23 or 2023/24				
There were no special payments for exit payments made following employment tribunals or court orders (2022/23 two at a cost of less than £40k).				

Consultancy

The Trust spent £545,000 on consultancy fees in 2023/24 (£1,192,000 2022/23)

Senior Staff Gender Breakdown

	April 2022 – March 2023		April 2023 – March 2024	
	Male	Female	Male	Female
Executive Directors	2	4	5	4
Non-Executive Directors	5	3	5	3
Other Senior Employees	7	6	1	5



Human Resources Indicators

Clinical Board (CB) / Corporate Service (CS)	Training	Appraisals	Sickness	Turnover
	> 95%	> 80%	< 3%	< 8%
CB Cancer and Haematology	94.05%	88.97%	4.66%	9.58%
CB Cardiothoracic Services	90.40%	77.27%	4.99%	10.92%
CB Clinical and Research Services	93.95%	83.55%	4.34%	10.56%
CB Family Health	90.57%	83.15%	6.46%	12.79%
CB Medicine and Emergency Care	89.85%	77.29%	6.09%	9.16%
CB Peri-operative and Critical Care	94.60%	88.67%	5.18%	8.63%
CB Surgical and Associated Services FH	93.64%	86.05%	4.94%	10.38%
CB Surgical and Specialist Services RVI	92.13%	81.06%	5.18%	10.52%
CS Business and Development	98.18%	90.32%	1.22%	9.09%
CS Chief Executive	92.78%	90.00%	1.98%	13.43%
CS Chief Operating Officer	89.05%	75.00%	4.68%	33.33%
CS CRC NENC	97.77%	95.24%	3.35%	7.19%
CS Estates	93.84%	89.30%	7.03%	11.98%
CS Finance	96.01%	77.08%	2.40%	12.39%
CS Human Resources	96.92%	85.94%	4.36%	12.55%
CS Information Management and Technology	96.79%	85.12%	4.24%	14.16%
CS Integrated Covid Hub North East	98.25%	77.78%	0.65%	8.70%
CS Medical Director	94.00%	93.94%	4.94%	17.28%
CS Patient Services	96.35%	90.31%	4.13%	8.53%
CS Regional Drugs and Therapeutics	96.87%	88.24%	2.99%	14.29%
CS Supplies	93.44%	86.15%	5.78%	15.48%

% Appraisal Compliance by Staff Group

Staff Group	%
Add Prof Scientific and Technic	82.20%
Additional Clinical Services	81.39%
Administrative and Clerical	83.38%
Allied Health Professionals	83.72%
Estates and Ancillary	90.08%
Healthcare Scientists	83.71%
Managers (Band 8c and above)	91.87%
Medical and Dental	79.44%
Nursing and Midwifery Registered	84.44%
Total	83.73%

Trade Union Data

Relevant Union Officials

Number of staff who were relevant union officials during the relevant period	Full-time equivalent
41	35.88

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

Percentage of time	Number of employees
0%	27
1-50%	13
51%-99%	0
100%	1

Percentage of Trust's total pay bill spent on paying staff who were relevant union officials for facility time during the relevant period:

First Column	Figures
Provide the total cost of facility time	£41,890.30
Provide the total pay bill	*£806,337,669
Provide the % of total pay bill spent on facility time	0.0052%

(*pending audit)

Percentage of total paid facility time hours that were spent by staff who were relevant union officials on paid trade union activities.

Time spent on paid trade union activities as percentage of total paid facility time hours	5.17%
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Staff Health and Wellbeing

The national NHS People Plan identifies 'Looking after Our People' as a key theme. During these ongoing challenging times, the health and wellbeing of our staff remains a key priority. Our staff need to be healthy and well to deliver the best possible patient care. We recognise there is no single solution for how we solve the challenge of improving staff health and wellbeing.

Our People Programme Board guides and ensures the success of the NHS People Plan and our people priorities, emphasising a cultural focus. It drives delivery, identifying priorities and planning transformative initiatives in line with the Trust's people agenda. Key priorities involve workforce planning, culture change, supporting future-ready Clinical Boards and reshaping the People Directorate to prioritise people.

Our Health and Wellbeing Steering Group created in 2023 provides a platform to engage a diverse representation of staff, ensuring a comprehensive and supportive wellbeing framework. Beyond coordinating the Trust's approach to staff health and wellbeing, the Steering Group facilitates discussions and responses on relevant issues, emphasising key trends and assessing effectiveness. Going forward the group will actively drive delivery and improvement by evaluating wellbeing performance through key performance indicators, determining action plans and prioritising initiatives and interventions.

The continued support of our Health Advocates remains key in fostering a culture of health and well-being within the Trust as they continue to play a pivotal role as catalysts for positive change. These advocates help champion wellness initiatives, creating an environment where employees thrive both personally and professionally. Health advocates serve as valuable sources of information, keeping staff informed about awareness sessions and resources. By disseminating knowledge, they empower individuals to make informed choices about their well-being. Advocates are also helping to create a sense of community within the workplace, encouraging open conversations about health.

Whether through workshops, support groups or wellness challenges they foster connections that strengthen the fabric of the Trust. Health advocates inspire and motivate colleagues to adopt healthier lifestyles. From encouraging physical activity to promoting mindful practices they contribute to a workplace culture that prioritises overall well-being.

In advancing the people strategy, the People Programme Board will be assured by three steering groups addressing the following; equality, diversity, inclusion; health and wellbeing; and flexible working.

In the last 12 months we have implemented/achieved the following:

- Living Wage Employer – we are an accredited Living Wage Employer emphasising the importance of providing a living wage to its workforce. This aligns to our commitment to help address poverty and better health and livelihoods.
- Sexual Safety Charter – we have signed the national Sexual Safety Charter underscoring a zero-tolerance stance against any unwarranted, inappropriate, or harmful sexual behaviours towards its workforce. This initiative prioritises creating a safe and respectful workplace environment.
- Menohealth Collaboration – we offer a 10-week menopause support program and are able to record menopause as a reason for absence to better help manage staff attendance.
- Support – we continue to support our staff in need with various initiatives, including meal cards, food fridges and access to our 'Helping Hands' service which is run by the Citizens Advice Bureau.
- Financial wellbeing – a financial wellbeing program is in place offering information and advice on travel schemes, salary sacrifice schemes and financial support.
- Money Helper sessions – these are sessions and an online resource run by the Money and Pensions Service which provide advice



and guidance on all issues relating to money, savings, debt and pensions.

- 'New to You' clothes swap – an initiative that enables sustainability and a sense of community to help others in need.
- Vaccination support – we actively support staff vaccinations (flu and Covid) with each vaccination contributing £1 to the Trust's charity 'Helping Hands'.
- Wellbeing Café – a dedicated safe space for staff to explore various well-being themes and share resources.
- Staff social club and fitness centres – provide staff with access to a range of social, cultural and recreational activities, such as days out, discounted events, gym and lottery.

Additionally staff have on-going access to an in-house Occupational Health Service and many self-help resources.

Staff vaccination campaign

We actively encouraged staff to get their COVID-19 and flu vaccines this year to help protect themselves, their patients and services and colleagues at work.

The Trust had the highest uptake nationally (for NHS organisations with more than 10,000 staff) for its staff vaccination programme. In total 11,852 members of staff received their flu jab while 9,366 had their autumn/winter boosters.



Equality, Diversity and Inclusion (EDI)

In times of uncertainty we need to develop leaders who can operate effectively and in ways that truly reflect the aspirations and values of the NHS. An inclusive culture empowers diverse talent to think differently and share their experiences and perspectives which is a key driver for innovation, development and engagement.

Diversity and inclusion are complementary terms we reference to support and promote equity, but there are distinct differences between the two. Inclusion means that people across varying identities are and feel valued, welcomed, respected, included, represented, heard, can contribute and have a voice. We have a number of challenges ahead of us to actively improve our staff experience. Our challenge is to shift the mind-set at all levels and to radically alter leadership expectations, plans, ideas and behaviours towards inclusion.

Our People Programme Board guides and ensures the success of the NHS People Plan and our people priorities, emphasising a cultural focus. It drives delivery, identifying priorities and planning transformative initiatives in line with the Trust's people agenda. Key priorities involve workforce planning, culture change, supporting future-ready Clinical Boards and reshaping the People Directorate to prioritise people.

Our EDI Steering Group formed in 2023 provides a platform to engage staff to achieve a more inclusive culture. Its main purpose is to drive forward the development and Trust-wide delivery of the Trust's Equality, Diversity and Inclusion agenda. The Steering Group will support the strategic direction for equality and diversity in line with the Trust's Programme Board, people strategy, vision and core values and drive the identification, development and delivery of key priorities that will serve as a catalyst for change by promoting equity and cohesion whilst tackling inappropriate behaviours and discrimination.

In the last 12 months we have implemented/achieved the following:

- Choices College (formally Project Choice) is a supported internship programme for young adults with learning difficulties, disabilities or autism (LDDA) and is reaching its 12th year. Since it started our overall transition rate into employment (over 10 intakes) is 72%. We have won 15 awards, including national awards from the Health Service Journal (HSJ) and Chartered Institute of Personnel and Development (CIPD) and we continue to share best practice within and out with the NHS.
- In April 2023, we launched a supported Apprenticeship Programme that welcomes Neurodiverse candidates.
- Our coaching for leader's course is designed specifically for the needs of our colleagues in the race equalities network and provides the learners with an Institute of Leadership and Management (ILM) 3 Award in Effective Coaching. The programme was launched in 2023 and has places for up to 60 participants.
- Our Impact Leadership Development Programme was launched following the success of our 'Maximising Your Potential Programme' and shows our continued commitment to place priority on increased access to leadership development.
- Our Cultural Ambassadors Programme has been in place for a number of years now and helps our commitment to address any discrimination or bias within our employee relations processes, such as discipline and grievance. In the last year we have grown our complement of Ambassadors from 4 to 14.
- We have refreshed the depth and scope of our training on incivilities and micro-aggression which has been well received.

- One of the central themes of our training programmes for managers (Enhanced Induction and Enhancing Excellence in Management) is embedding the skills needed to underpin a culture that embraces and promotes equality, diversity, and inclusion. Learning scenarios have been carefully chosen to generate discussion around key EDI themes, challenge assumptions and highlight resources managers can access to support their colleagues. Members of our Enabled Staff Network and trade union colleagues supported the development of content around Neurodivergence, race-related discrimination and harassment.
- Our staff networks (Race, Enabled and Pride) are actively involved and continue to play an important role in ensuring we value and celebrate diversity with passion and energy and we continue to be highly committed to being instrumental in delivering a health service where equality, diversity and inclusion are embraced and communicated in everyday work.
- We continue to ensure an annual programme of awareness sessions across all protected characteristics, including raising appropriate flags to celebrate Lesbian, Gay, Bisexual and Transgender (LGBT) History Month, Bi Visibility Day, Transgender Day of Visibility and Remembrance and Bi-Visibility Day.

Choices College (formerly Project Choice)

Through Choices College a supported internship programme for young adults with LDDA we continue to provide young adults with LDDA in our community with an opportunity to become employment ready and secure employment. Since its introduction in 2012, 120 participants have completed an internship, 86 secured paid employment and 49 of these secured employment with the Trust 84% of which remain employed. The Trust's supported internship is the one of the best in the country for its overall rate of transition from internship to employment – 72% compared to the national average of 31%.

Only 4.8% of people in England with a learning disability who are known to local authorities go on to secure paid employment, compared to 80% of their peers.

Through Choices College we work hard to challenge and change cultures, demonstrating how young people with a learning disability can enrich our workforce, bring incredible skills and talent, encourage greater diversity and meet a real business need. With the right support anyone can achieve great things and that is what our interns have been doing year after year.

A film featuring the Trust is used as a national promotional tool to encourage other Trusts to become hosts, helping us to contribute and share best practice on a national level. The number of hosts for the project has been gradually rising over recent years and is at 14 from September 2023.

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

- An increased overall awareness across the organisation of the skills and value that people with learning disabilities, disabilities and autism can offer;
- Increasing the diversity of our workforce by creating employment opportunities;
- Staff developing specialist mentoring skills and increased staff engagement through involvement in the project, and a sense of pride and achievement; and
- A demonstrable ongoing commitment to promote access to work to those with learning disabilities.

In April 2023 a small pilot programme to compliment the supported internship programme was launched within the Trust. This is a supported Apprenticeship Programme that particularly welcomes Neurodiverse candidates. Participants complete an apprenticeship which includes the achievement of an NVQ in Hotel Cleaning Operatives which in turn leads to employment in the Trust. This is initially being trialled with a view to expanding to other roles.

Staff Experience and Engagement

2023 NHS Staff Survey Results Summary

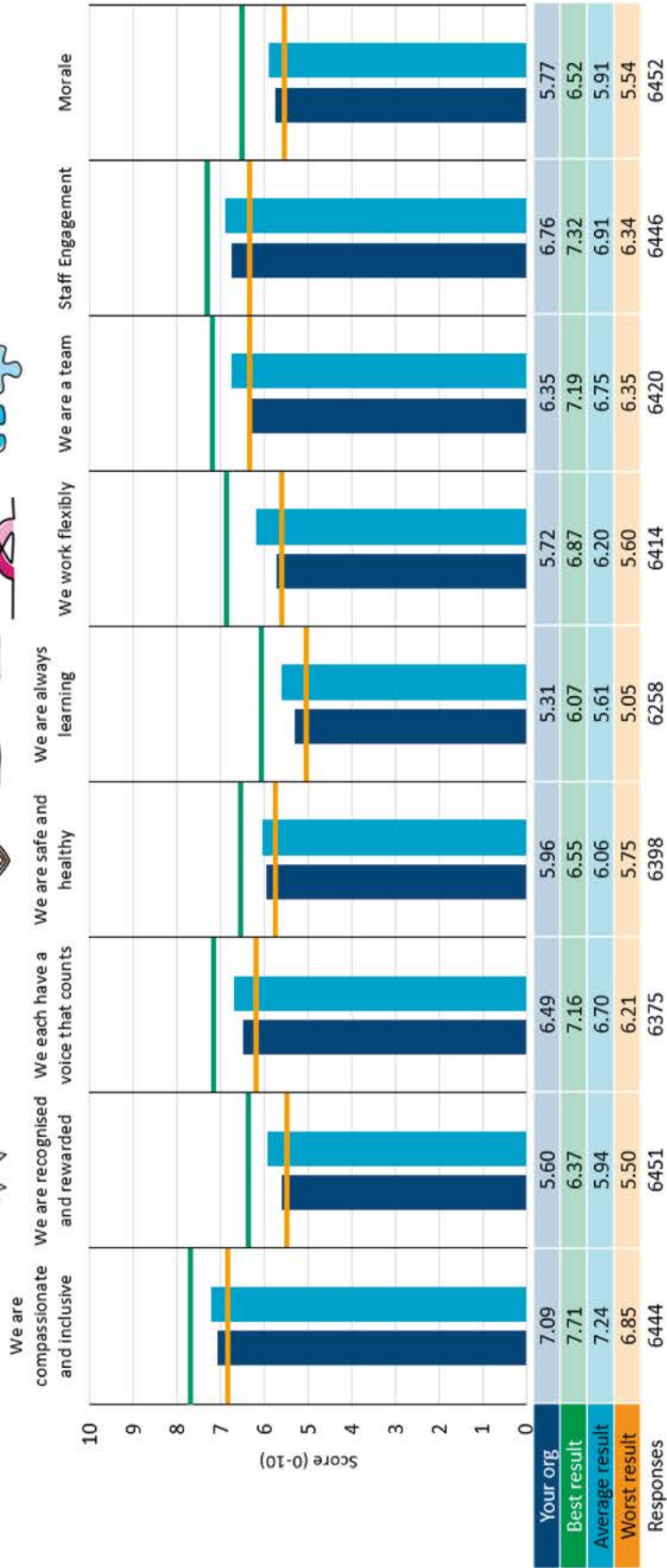
The last few years have been exceptionally difficult for everyone working in the NHS, and now, more than ever, it is important to hear what colleagues think about working in our Trust – to help develop our staff's experience.

A full census survey was sent via email to all eligible employees of the Trust (via external post for those on maternity leave and employees in the Estates directorate), giving all members of our staff a voice with 6,457 staff participating in the survey, equalling a response rate of 42%.





The following results advise on the Trust results alongside national benchmarking scores.



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

Indicators (scores out of 10) (‘People Promise’ elements and themes)	2023/24		2022/23		2021/22	
	Trust score*	Benchmarking group score*	Trust score	Benchmarking group score	Trust score	Benchmarking group score
People Promise:						
1. We are compassionate and inclusive	7.08	7.24	7.31	7.16	7.31	7.17
2. We are recognised and rewarded	5.60	5.91	5.68	5.71	5.76	5.81
3. We each have a voice that counts	6.49	6.69	6.72	6.63	6.74	6.66
4. We are safe and healthy	5.97	6.07	5.97	5.87	5.96	5.88
5. We are always learning	5.30	5.63	5.37	5.38	5.18	5.23
6. We work flexibly	5.70	6.17	5.71	5.98	5.60	5.95
7. We are a team	6.34	6.73	6.51	6.62	6.43	6.56
Staff engagement	6.75	6.88	6.92	6.76	6.92	6.81
Morale	5.77	5.92	5.80	5.69	5.84	5.74

* Please note that the scores shown in the table above for 2023/24 are slightly different to those shown on the infographic on the previous page as the infographic scores are based on the national benchmarking of all sectors, resulting in slight differences in the weightings.



The Trust recognises and acknowledges we have work to do to help our staff have a good experience at work as unfortunately the results of the staff survey have further declined. To support our people, the Trust has developed a new People Programme. This programme will oversee the development and implementation of our new People Strategy through a new People Programme Board.

Key to this programme is our partnership working with our staff and staff representatives. Our People Programme Board includes Staff Network Representative, Staff Side Chair and the Trust Freedom to Speak Up Guardian alongside members of the Executive Team.

To help guide the People Programme Board, two initial steering groups have been developed. An EDI Steering Group which includes chairs of the staff networks alongside a Health and Wellbeing Steering Group that has leads across the Trust on the Health and Wellbeing agenda.

Listening and understanding our staff's experience is essential in informing our new People Strategy. We have developed a range of feedback routes including CEO roadshows, People Programme Focus Groups, NHS Staff Survey, Trust Staff Survey alongside our staff representatives of Staff Networks, Staff Side and Freedom to Speak Up Guardian. The People Programme will continue to develop our engagement and work together with staff to support our staff's experience.

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 as a member only costs £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 30 prizes each month, with a top prize of £1000; join the 24/7 RVI and Freeman Fitness Centres.

Over the last year, 291 staff signed up as new members, taking total membership to 8,816 - more than half of the organisation. As the SSC continues to grow, there is focus on developing the financial structure to enhance reinvestment back into the club, alongside updating lottery prizes to give away more money to members.

During 2023, operational delivery of events and ticket offerings exceeded all previous years. Members had access to 77 events, and 8,760 event places. There was significant focus on working with more local independent businesses in order to support growth throughout the region, as well as offering a variety of new and different opportunities, not yet seen before by members.

These events range from artistic pottery and painting workshops to day trips and exploring other cities, opportunities to learn new skills and get active with kayaking & golf, as well as vouchers to well-known hotels, spas, restaurants, and attractions across the northeast.

Looking ahead for 2024, there are currently 81 events planned and several more in the pipeline, forecasting over 9,500 event places, working closely with suppliers and venues to ensure our events are as inclusive as possible, offering a wide range of activities accessible for all members to benefit from.

More information about the club is available here: staffsocial.newcastle-hospitals.nhs.uk.

Partnerships with the armed forces

As one of the largest employers in the North East, we recognise the importance that healthcare plays in supporting the country's defence and security, and so we are committed to supporting the UK's Armed Forces community, from cadet adult volunteers to reservists, veterans and their families. We have demonstrated this commitment not only by developing our own covenant, but also being re-accredited with achieving the Gold Defence Employer



Recognition Scheme Award in 2023/2024, winning the HSJ award for Reservist Support Initiative in 2019, being recredited as “Veteran Aware” by the NHS Veteran Covenant Healthcare Alliance and being active members of the Step into Health programme.

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

There is significant support from the Board of Directors for this work as well as management champions, clinical champions and HR who work together to promote the forces and ensure both staff and patients are supported and not disadvantaged.

Some of the ways staff are supported include:

- Dedicated reserve forces training and mobilisation policy;
- Additional training provided on the Virtual Learning Environment for staff across the Trust to develop their understanding on how to support patients from the armed forces community;
- Guaranteed interviews for service leavers, veterans and reservists who meet the essential criteria for roles;
- An additional 10 days paid annual leave for reservists and cadet adult volunteers to attend their annual camps;
- Supporting reservists and their managers with mobilisation and demobilisation;
- Working alongside the Carers Transition Partnership (CTP) to develop rotational work placements for service leavers to help ease their transition back to ‘civvy street’; and
- Providing an Armed Forces staff network since 2018, which has 60 members of staff from across the Trust.

The core values of the Trust and the Armed Forces are closely aligned, with a focus on people and partnerships, pioneering services and staff pride in what they do. As a result, we strive to ease the path for service leavers to work in healthcare and offer an internal mentor on an ad-hoc basis, where appropriate or necessary while working alongside CTP.

Education and Workforce Development

Educational delivery in the Trust has benefited significantly from the opening of the Eldon Court Education facilities in the centre of Newcastle, and the investment in the refurbishment of the FH Education Centre. This has provided high quality educational space, including training wards, simulation areas and the capacity to facilitate medical and clinical examination requirements.

Leadership and Organisational Development

A review of our Leadership and Management offer, driven by staff survey and recent CQC findings has been a key area of activity this year. As a priority, an assessment of equality of access to all training and education opportunities was instigated to ensure that cultural values and expectations are embedded throughout the offer right from the point of on-boarding. Collaborative Leadership across our regional partnerships was further developed by the Learning to Lead Together programme with 2 cohorts launched in 2023/24. Following the previous award of the People Development Programme of the Year at the Learning Awards, it was shortlisted for the HSJ Award this year. As part of education delivery, 684 delegates, predominantly nursing, midwifery and allied health professional staff, have successfully completed the Leading Empowered Organisations programme. Feedback said the process had left delegates feeling valued and respected, empowered to build capacity and to challenge themselves and others. A total of 93 delegates from over 30 departments attended a 3 day Senior Leadership Development Programme with 98% of delegates rating their

experience as 4 or higher out of 5. The course was described as purposeful in embedding the concept of kindness and trust in professional relationships, helpful in providing space for personal, work-based reflection and both challenging and informative. 39 people also completed the Impact Leadership course, specifically designed to support development of colleagues who are part of the Race Equality Network. Organisational Development support was provided for 34 teams impacting over 1,000 people. Interventions focused on psychological safety, incivility and culture, low morale, burnout, uncertainty due to change and difficulty in recruitment and retention. The team won a Celebrating Excellence Award for their work supporting staff engagement through 'What Matters To You' work.

Preceptorship, Health Care Academy and Simulation

Over 20 preceptorship courses have taken place supporting nearly 500 new nursing, midwifery and allied health professional staff to develop their skills as they start work as a registered professionals within the Trust. This programme has now achieved the National Preceptorship Interim Quality mark for the training and education it provides. 343 delegates completed courses through the Healthcare Academy, training the Healthcare Support workforce to support excellent patient care. The Simulation Team won a Celebrating Excellence Award for their work in supporting quality improvement in patient services.

Medical Education

During the year the organisations supported a total of 482 undergraduate doctors across years 3, 4 and 5 of study with placements across the Trust with students achieving excellent pass rates.

Technology Enhanced Learning

The Technology Enhanced Learning team has worked across the team to support the development of digitally delivered educational

resources. 12 learning modules were completed covering a range for subjects including Allied Health Professions (AHP) On-boarding, Practice Placement eLearning, Points of Care Testing, Patient Falls and Paediatric Palliative Care.

Staff Appraisal Improvement

The Trust's position on appraisal completion has improved steadily throughout the year from 79% to 84%. Work is underway to review and develop a more accessible system to facilitate regular, individual, performance and career development conversations, due to its recognised role in the wellbeing, value and worth, and productivity of our people. A two-strand approach to improvement has been implemented to address the barriers to appraisal completion, simplifying the process and to improve the quality and impact of these development discussions.

Statutory and Mandatory Training

Work has continued to ensure the robustness of our Statutory and Mandatory Training portfolios to support high quality patient care.

A significant improvement project has been implemented, focusing particularly on the identification of accurate training audiences across core subjects and the alignment of the organisation's statutory and Mandatory offer with the Skills for Health Core Skills Training Framework. This has required specific subject areas such as Resuscitation, Safeguarding and Moving and Handling to audit whether the correct level of training is allocated to particular roles and individuals in order to mitigate clinical risk.

Role specific training has been reviewed with subject matter experts to identify redundant courses and promote completions in low compliance subjects. This has been successful in the areas of Mental Capacity and Learning Disabilities Diamond Standards which were released during the period and have attained compliance rates of 92.2% and 91.2% respectively.

Training records held remotely have been migrated onto the Learning Lab to facilitate more complete and agile data reporting and the processes governing data displayed on the PowerBI dashboard have been reviewed. This has ensured more timely updating of changes between the Learning Lab and Power BI.

Extensive work has been undertaken to review completion rates by area and staff group, helping to support individuals and their managers to achieve full compliance. As a result of this and the other improvement initiatives, the organisational compliance rate over all core subjects has improved during the year from 86.1% to 91.9%.

Newcastle Skills Academy

To date, 14 courses have been developed and launched with most of these available to book via the dedicated Newcastle Clinical Skills Academy website which went live in October 2023. Several of these courses have run with multiple cohorts across the year. The prospectus includes a range of courses which also appeal to clinical and non-clinical staff. Partnerships with third-party providers have broadened the prospectus, reducing reliance on our own clinical experts, building resilience within this education offer.

Courses have been promoted at associated clinical conferences and events which has resulted in higher than anticipated delegate numbers. A range of other courses are at various stages of development, with a number of bespoke offers now ready to be advertised and promoted. A three-year business plan (2024/25 – 2026/27) which will deliver £1.5m in contribution has been developed and is being monitored within the new commercial governance structure.

Apprenticeships

Utilisation of the apprenticeship levy represents an opportunity to support recruitment shortfalls, talent pipelines and career development opportunities. There are currently £6,159,977 of Apprenticeship Levy funding available to the Trust. In the year 2023/24, the Trust has spent £1,689,892 and has also transferred £181,850 to support local pharmacies and the NEAS. 165 people were supported to start apprenticeships over 32 different areas, the largest numbers embarking on qualifications for Nursing Associates, Senior Healthcare Support Workers and Dental Technicians. Work is continuing to explore potential future delivery of medical apprenticeships within the Trust, and to support healthcare assistant route to becoming qualified midwives.

Work Experience and Widening Participation

The organisation was successful this year in securing a bronze award from NHSE against the Work Experience Quality Standard. The work taking place within the Dental School and the robustness of the Trust's EDI policy were cited as strengths. A plan has been developed to ensure this good practice will now be applied consistently across the Trust. The application procedure has been updated to ensure a high quality of placement experience is maintained and more emphasis has been placed on collecting and evaluating feedback from those taking part to drive further improvement. The team has worked with 27 specialist areas to offer a wide range of opportunities, and collaborates with 45 schools and higher Education Institutions to widen interest in NHS career opportunities and pathways.

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 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	<p>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.</p> <p>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.</p>	<p>Detailed within both the Partnerships, Performance and AGS sections of this report.</p> <p>A number of 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:</p> <ul style="list-style-type: none"> • The Trust continues to work closely with the Integrated Care Board and the Provider Collaborative. • The ICB's Newcastle Place Based Plan was developed with input from the Trust through the Collaborative Newcastle Joint Director Team. • The CQC inspection and report process and the Trust's development of its Action Plan identify and address a number of risks to Trust governance which would otherwise impact on sustainability. • The Trust Board have considered major challenges facing the Trust and decided along with three other local NHS Foundation Trusts to create the Great North Healthcare Alliance to tackle shared challenges. • The Trust is developing a Clinical Strategy in a process which includes an assessment of effectiveness and efficiency and development of plans to improve the quality of healthcare delivery.

Code section	Summary of requirement	Details/Section reference
A2.3	<p>The Board of Directors should assess and monitor culture. Where it is not satisfied that policy, practices or behaviour throughout the business are 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.</p>	<p>Detailed within the EDI, Staff Engagement and Experience and Staff Health and Wellbeing sections of this report.</p> <p>A number of activities have been undertaken during the year in order to assess and drive cultural improvements. These have included:</p> <ul style="list-style-type: none"> • CEO state of the nation and staff roadshows – January to February 2024. • People Programme focus groups – September 2023 to February 2024. <p>Feedback from the sessions has been used to develop the Trust People Strategy.</p> <ul style="list-style-type: none"> • Dedicated discussion sessions for the Board of Directors, Executive Team, Trust Management Group and Council of Governors on the NHS Staff Survey results and required actions. • The work undertaken by the Health & Wellbeing Steering Group. • Drafting of a Civility Charter, due for approval in Quarter 1 of 2024/25. • Communications to staff in relation to health and wellbeing support. • A review of the leadership development programmes in place and creation of the leadership development 'offer'.
A2.8	<p>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.</p> <p>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.</p>	<p>Detailed within the Partnerships section of this report.</p> <p>A Strategic Oversight Group was established for the development of the CDC which includes NED representation from both Newcastle Hospitals and GHFT. The Group provides a governance forum to oversee the development, provide strategic direction and ensure mitigating action is taken when risks emerge. The minutes of the meetings are reported into the Finance Committee.</p> <p>For collaboration with other organisations, such as the creation of the GNH Alliance, regular updates are reported to the Trust Board meetings.</p> <p>The Collaborative Newcastle Joint Director Team meets on a weekly basis bringing together colleagues from the Trust, City Council, ICB, mental health trust, primary care and voluntary sector to discuss place based issues and to make appropriate decisions.</p>



Code section	Summary of requirement	Details/Section reference
B2.6	<p>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:</p> <ul style="list-style-type: none"> • 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 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. <p>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.</p>	<p>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.</p> <p>Of the circumstances that are listed in code section B2.2, both the Interim Chair and SID have been in post for more than six years. This has been considered in detail by both the Nominations Committee and the Council of Governors, who approved the reappointments in order to provide stability during the transition to a new CEO and during the CQC inspection periods.</p> <p>In addition, one of the Associate NEDs who was in post until 29 February 2024, Professor D Burn, is Pro-Vice Chancellor and Professor of Movement Disorders Neurology - Faculty of Medical Sciences. Independence was considered and it was determined that there were no areas of concern. The Associate NEDs were not remunerated and were not members of Board Committees. Any situation where a conflict of interest arose were appropriately considered and mitigating action taken.</p>
B 2.13	<p>The annual report should give the number of times the Board and its Committees met, and individual Director attendance.</p>	<p>The number of times the Board has met and individual director attendance is disclosed within the Board of Directors section of the Accountability Report.</p> <p>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.</p> <p>The number of times the Nominations Committee has met and individual member attendance is disclosed within the Nominations Committee section of the Annual Report.</p> <p>The number of times the Audit Committee has met and individual NED attendance is disclosed within the Audit Committee section of the Accountability Report.</p> <p>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.</p>

Code section	Summary of requirement	Details/Section reference
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.	<p>Detailed within the Our Governors and Nominations Committee sections in the Accountability Report.</p> <p>In 2023/24 to the Trust has not needed to utilise the resolution process for resolving disagreement.</p> <p>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 2024.</p>
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.	<p>During the year the Trust has worked with Gatenby Sanderson, a recruitment search agency, as part of Executive and Non-Executive recruitment exercises.</p> <p>There are no declarations of interest for the Board of Directors which suggest any connection between individual directors and Gatenby Sanderson.</p>
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.	<p>A Nominations Committee Chair and NED appointments process and succession policy is in place.</p> <p>A rigorous and transparent process is followed which involves:</p> <ol style="list-style-type: none"> 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 Chief People Officer, the Trust Secretary, the SID/Chair as appropriate, an external representative from the ICB/NHSE and a diversity representative. 5. The Interview Panel makes a recommendation to the Council of Governors for approval. <p>For the recruitment of a Chair the process includes establishing a focus group of governors and senior staff to meet the candidates prior to the final interview.</p> <p>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.</p>

Code section	Summary of requirement	Details/Section reference
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	An external review of governance and leadership was conducted by PwC in 2022/23 as detailed in the 2022/23 Annual Report. Mr MacLeod, NED, is a former partner in PwC, who worked in the private sector audit department at PwC.
C 4.13	The annual report should describe the work of the Nominations Committee(s), including: <ul style="list-style-type: none"> 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 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. 	Detailed within the Nominations Committee section in the Accountability Report. See also C 2.8 above. The CQC 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, such as NHSE NExT Director Scheme and the creation of shadow/development NED roles. The Committee is currently exploring the potential to create a Diversity Advisor to the Board role (as at May 2024). A skills audit process for the NEDs commenced in March 2024, in conjunction with tvC, 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 report. It directly links to one of our values is: We are inclusive – Everyone is welcome here. 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. A skills audit process for the NEDs commenced in March 2024, in conjunction with tvC, in order to identify the composition of the NED skills within the Board and any potential gaps.

continued overleaf

Code section	Summary of requirement	Details/Section reference																					
<p>C 4.13 <i>(cont'd)</i></p>		<p>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.</p> <p>As at March 2024 the difference between BME representation on the Board and in the workforce was -12.1%, BME members on the Board are underrepresented in terms of headcount. This has worsened due to increased numbers of BME staff in the workforce.</p> <p>Executive Board membership: the difference between BME representation on the Board and in the workforce was -16.2%. Last year when comparing Nationally the Trust performed better than 56% of Trusts and worse than 44% of Trusts.</p> <table border="1" data-bbox="928 1010 1469 1379"> <thead> <tr> <th></th> <th>2024 - Number of BME staff per band</th> <th>2024 - Additional staff required to achieve equity</th> </tr> </thead> <tbody> <tr> <td>Band 8a</td> <td>20</td> <td>57</td> </tr> <tr> <td>Band 8b</td> <td>4</td> <td>28</td> </tr> <tr> <td>Band 8c</td> <td>0</td> <td>15</td> </tr> <tr> <td>Band 8d</td> <td>1</td> <td>2</td> </tr> <tr> <td>Band 9</td> <td>1</td> <td>1</td> </tr> <tr> <td>VSM</td> <td>0</td> <td>4</td> </tr> </tbody> </table> <p>https://www.newcastle-hospitals.nhs.uk/about/trust/equality-diversity-and-inclusion/workforce-race-equality-standard/</p> <p>https://www.newcastle-hospitals.nhs.uk/about/trust/equality-diversity-and-inclusion/workforce-race-equality-standard/workforce-race-equality-standard-wres-action-plan-2023/</p> <p>https://www.newcastle-hospitals.nhs.uk/about/trust/equality-diversity-and-inclusion/gender-pay-reporting/</p>		2024 - Number of BME staff per band	2024 - Additional staff required to achieve equity	Band 8a	20	57	Band 8b	4	28	Band 8c	0	15	Band 8d	1	2	Band 9	1	1	VSM	0	4
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VSM	0	4																					



Code section	Summary of requirement	Details/Section reference
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 Quarter 1 of 2024/25 to discuss and agree with the Governors their preferred approach for engaging with members on the 2024/25 Plan.
D 2.4	<p>The annual report should include:</p> <ul style="list-style-type: none"> • 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 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. 	Detailed within the Audit Committee section of this report.
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 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.	Detailed within the AGS within this report.

Code section	Summary of requirement	Details/Section reference
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 2023/24.
Appendix B, para 2.3 (not in Schedule A)	The annual report should identify the members of the Council of Governors, including a description of the constituency or organisation that they represent, whether they were elected or appointed, and the duration of their appointments. The annual report should also identify the nominated Lead Governor.	Detailed within the Our Governors and Governor Elections sections of this report.
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, eg through attendance at meetings of the council of governors, direct face-to-face contact, surveys of members' opinions and consultations.	This is conducted through a number of different ways such as: <ul style="list-style-type: none"> • 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 organization to discuss services directly with Members and patients. • The Members' newsletters and the Trust website includes contact details for Members to contact Governors.



Code section	Summary of requirement	Details/Section reference
Additional requirement of FT ARM resulting from legislation	<p>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.</p> <p>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.</p> <p>* 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).</p> <p>** As inserted by section 151 (6) of the Health and Social Care Act 2012)</p>	Power not exercised in 2023/24.

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. The framework looks at five national themes:

- Quality of care, access and outcomes;
- Preventing ill health and reducing inequalities;
- Finance and use of resources;
- People; and
- Leadership and capability.

Based on information from these themes, providers are segmented from 1 to 4, where '4' reflects providers receiving the most support, and '1' reflects providers with maximum autonomy.

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

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

A Foundation Trust will only be in segments 3 or 4 where it has been found to be in breach or suspected breach of its licence.

On 2 May 2023 the Newcastle Upon Tyne Hospitals NHS Foundation Trust was moved into segment 2 in accordance with the requirements of the Oversight Framework, the primary driver being ongoing prevalence of elective waiting times over 65 weeks.

Additionally, the Trust was placed in the highest level of oversight for elective care and cancer through a process known as 'tiering'. However, during Quarter 4 of 2023/24, the Trust made significant impacts on both the size of the overall waiting list and on the reduction of patients who have been waiting over 104, 78 and 65 weeks for their care. On the 30 April 2024, the Trust received a letter from the National Elective Recovery Program to say that we had been de-escalated from Tier 1.

On 12 December 2023 Newcastle Hospitals was moved into segment 3 of the Oversight Framework, due to the outcome of the CQC inspection process.

The Trust's action plan for addressing the issues raised in the CQC report is being implemented at pace and is monitored through appropriate internal and external governance mechanisms. A monthly Quality Improvement Group chaired by the ICB is in place and includes members from NHSE and the CQC who are able to take assurance from the progress being made to address the issues raised which is necessary in order for the Trust to move to a lower segment of the Oversight Framework.

Current segmentation information for NHS Trusts and Foundation Trusts is published on the NHS England website: <https://www.england.nhs.uk/publication/nhs-system-oversight-framework-segmentation/>.



Statement of Accounting Officers Responsibility

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 Newcastle Hospitals 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 Newcastle Hospitals 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 DHSC 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 ARM (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 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 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.



Sir James Mackey
Chief Executive

27 June 2024

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 2024 and up to the date of approval of the annual report and accounts.

3. Capacity to Handle Risk

The Board of Directors 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.

Structures and systems are in place to support the delivery of risk management, across the Trust and Group. Risk management training and support has been provided to staff throughout the year. This has included basic risk management training and Datix risk management system training in addition to guidance and support as and when required.

Committees of the Board of Directors are in place to ensure effective governance for strategic, corporate, and operational risk processes and systems.

The Executive Risk Group received and considered a regular report on the Trust's Risk Register on a bimonthly basis and considers the systems and processes in place for Trust-wide Risk Management.

Each Committee of the Board meets at least quarterly to review risks held on the Board Assurance Framework (BAF) relating to the Committee's area of focus.

The Audit Committee meets five times per year as a minimum requirement and provides the Board with an independent and objective review of risk management systems and practice. As Accounting Officer, I delegate these particular aspects of my role to Executive Directors. These arrangements are reflected in job descriptions and performance review mechanisms. As Accountable Officer, I am directly accountable to the Board of Directors, have overall responsibility and accountability for all aspects of Risk Management and Assurance, and delegate this responsibility to the senior managers of the Trust and Group as detailed in the Risk Management Policy.



4. The Risk and Control Framework

The Risk Management Policy sets out the structures and processes for the identification, evaluation, and control of risk, as well as the system of internal control. Delivery of this policy has been overseen by the Audit 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, as well as an associated annual plan.
- A clearly defined Committee structure that supports robust and timely decision making around key organisations risks.
- System and process for the identification, analysis, prioritisation, and actions in relation to risks affecting all areas of Trust activity.

A Trust-wide risk register is maintained, which records when a risk has been identified, its owners, likelihood of occurrence, potential impact and mitigating action. Senior management teams are responsible for ensuring effective risk management in their areas, in line with the Trust and Group strategy and policies. This includes primary responsibility for the identification, investigation and follow-up of all risk related actions as defined in job descriptions and objectives.

The Trust and Group continually reviews its risk and control framework through its governance and operational structures. The Trust and Group principal risks and mechanisms to control them are identified through the BAF, which is reported to the Board of Directors quarterly.

The table below details the top three risks identified in 2023/24:

Top 3 Risks BAF 2023/2024

Risk	Key Controls
Patient Safety and Quality <ul style="list-style-type: none"> • Capacity and Demand pressures • Aging Estate and Environment • Provision of safe quality care 	<ul style="list-style-type: none"> • Weekly performance monitoring. • Performance improvement plans. • Estates risk assessments. • Critical infrastructure replacement. • Clinical standards, policies and guidelines. • Incident reporting and management process.
Financial Sustainability <ul style="list-style-type: none"> • Cost Improvement Programme (CIP) • Elective Recovery Fund (ERF) • Capital Department Expenditure Limits (CDEL) 	<ul style="list-style-type: none"> • Central forecasting to year end. • Quality impact assessments. • Cost improvement assessment framework introduced. • Finance department restructured to support new Clinical Board model. • Finance dashboards created. • Development and management of CDEL plan.
Workforce Sustainability <ul style="list-style-type: none"> • Industrial Action • Sickness Absence • Statutory and Mandatory training • Staff wellbeing 	<ul style="list-style-type: none"> • Industrial action protocol. • Local and national business continuity and contingency plans. • Occupational health services and support. • Staff handbook and wellbeing strategy. • Compliance improvement plans • Dedicated workforce advisors.

5. Quality Governance

The Trust and Group Quality Governance arrangements are delivered through the quality governance structure. There are established Trust-wide systems to facilitate the monitoring, review and oversight of quality governance and ensure that the key commitments described in the quality strategy and associated quality priorities are delivered.

The Integrated Board Report is a standing agenda item for the Quality Committee and Trust Board which is used for reporting on quality and performance metrics.

The Quality Committee have oversight of the Quality Governance framework. The Trust conducts a detailed annual self-assessment against the NHS/CQC Well-Led Framework.

The Patient Safety and Quality Review process is in place and is regularly reviewed and aligned to the CQC inspection approach. This is also supplemented by a programme of visits to services across the Trust by the NEDs, as well as Chief Executive sessions.

The Trust and Group went live with the PSIRF in January 2024. The Framework promotes a range of system-based approaches from learning from patient safety incidents. A PSIRF policy and action plan is in place which was approved by the ICB on 22 December 2023.

Two governance groups have been established to monitor and support the PSIRF process, a weekly Response Action Review Meeting, and monthly Patient Safety Incident Forum. The function of these groups is to discuss, review and monitor controls and actions.

The implementation and delivery of the PSIRF Framework embeds patient safety incident response within the wider system of improvement and prompts a significant cultural change towards systematic patient safety management. A PSIRF update is also provided to the Quality Committee 4 times per year.

6. Principal Risks to Compliance with NHS Provider Licence Section 4

Over the course of 2023/24 the CQC conducted several visits across the Trust and in July 2023 the CQC completed a full comprehensive inspection, a final inspection report was received in January 2024 rating the Trust as 'Requires Improvement' and inadequate for Well Led.

The Trust and Group is registered with the CQC however the CQC have applied conditions on the Trust licence.

The key findings and improvements required are themed into six categories, Cardiothoracic, Leadership and Management, Risk and Governance, Patient Safety, Culture and Digital.

The Trust and Group has an action plan in place broken down into must do actions as follows:

- 13 must-do actions following the Mental Health, Learning Disability and Autism inspection of December 2022;
- 3 must-do actions following the national Maternity inspection of January 2023; and
- 66 core inspection must-do actions applying to multiple core services.

A separate effective governance system action plan is in place relating to CQC licence conditions.

Following review of the Trust and Groups governance arrangements, including an externally led leadership and governance review and the findings of the CQC inspection, the Trust and Group recognised there are significant weaknesses in its risk and control framework and compliance with the NHS Provider Licence section four.

Work is now underway supported by external partners, tvc, to ensure that the Trust and Group have effective leadership and governance arrangements in place which are integrated through the Trust. This includes a comprehensive action plan with an Executive Senior Responsible Owner for each action. The action plan has clear



timelines for delivery of each action and a robust process for providing evidence and assurance.

A CQC Delivery Group has been established to monitor and review progress against all actions for improvement. A Recovery and Oversight Group chaired by a Non-Executive Director has also been established to ensure Board level oversight and assurance is provided.

The Trust and Group are fully engaged with the CQC and are committed to ensuring improvements are made.

NHS Foundation Trusts and Groups are required to publish an up-to-date register of interests for decision-making staff within the past twelve months as per the 'managing conflicts of interest' NHSE guidance. The Trust and Group has published all declarations interests 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 report declarations of interest on an annual basis to the Audit Committee and also documents this 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.

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

The Trust and Group reviewed equality data annually in relation to:

- Recruitment (applicants, shortlisted and appointed).

- Staff currently in post.
- Distribution of the workforce.
- Employee relations events (including disciplinary, capability, grievance, dignity, and respect).
- Flexible working applicants.
- Access to training.
- Leavers.

Monitoring provides data which informs plans and strategies to achieve an inclusive workplace and make improvements to the working environment for all staff. The outcomes are reported to the Trust Board annually and action plans are updated as appropriate.

The Equality Duty requires public bodies to have due regard to the need to eliminate discrimination, advance equality of opportunity, and foster good relations while developing policies and delivering services. Equality Analysis is considered in respect of all policies, procedures, strategies, and service developments.

The Equality Delivery System is designed to specifically support service delivery that is fair, providing equality of access to employment and delivery of services that meets the needs of a diverse population. The Equality Delivery System is a requirement of the NHS Contract, and the Trust and Group annually undertakes a full grading exercise. The outcomes are reported to the Trust Board annually and action plans are updated as appropriate.

The Trust publishes its Gender Pay Gap Report annually on its own website and the designated Government website. There is a published action plan to address areas which require improvement.

The Trust and Group uses Workforce Race Equality Standard (WRES) data to track progress against nine metrics to identify and help eliminate any differential in the treatment of staff. Information is presented to the Trust Board annually and a WRES action plan is agreed. The Trust and Group is cognisant of the national

requirements to increase Ethnic Minority representation at senior level across the NHS.

The Trust and Group uses Workforce Disability Equality Standard (WDES) data to track progress against 10 metrics to identify and help eliminate any differential in the treatment of staff. Information is presented to the Trust Board annually and a WDES action plan is agreed. Equality dashboards are in place to develop and achieve these ambitions.

The Trust and Group has established staff networks in place for race, enabled and pride staff. These groups help review and inform the Trust's action plans, policies and procedures. The terms of reference for these groups include to:

- Promote a work environment in which staff feel supported and valued, whilst enabling them to fulfil their potential and contribute fully to the benefit of the service and our patients.
- Challenge discrimination and to positively promote equality.
- Manage a network of staff that can offer advice and support to others.
- Ensure that good practice and initiatives to promote issues effecting diverse staff groups are shared.
- Provide a forum for discussion and debate which draws on knowledge and experience.
- Act as a driving force to promote continuous practice improvement.
- Ensure Trust policies are inclusive.
- Assist the Trust in meeting its obligations regarding its duty under the Equality Act and NHS Equality Delivery System (EDS)
- Provide a place for staff receive peer support i.e., raise concerns and ideas in a safe and confidential environment.

Equality and Diversity is a Trust Mandatory Training requirement for all staff and is one of the Trust and Group's HR KPIs. Compliance with

requirements is monitored and reported throughout the year to managers, Staff-side, and the Trust Board.

The Trust and Group has undertaken risk assessments and has a Climate Emergency Strategy and action plan in place which take account of the 'Delivering a Net Zero Health Service' report under the Greener NHS programme. The Trust ensures that its obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

The Trust and Group is committed to be a global leader in sustainable healthcare delivery through collaboration and innovation, helping our patients and communities thrive within the means of our planet. The Trust Board approved Climate Emergency Strategy contains three long term goals:

- **Zero Carbon Care**

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

- **Clean Air**

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

- **Zero Waste**

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



The strategy includes a comprehensive five-year action plan covering eight Sustainable Healthcare priorities. A sustainability report is produced annually, 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 is monitored and actions identified through a number of ways, for example:

- Monthly monitoring and reporting to the Committees of the Board and Board of Directors on KPIs such as finance, activity, patient safety and quality.
- Weekly reporting to the Executive Team on the Trusts financial position and performance.
- Assurance committee reporting.
- Reporting to NHSE.
- Approval of the operational plan.

Monthly Performance Reviews take place throughout the Trust at an operational level which focuses on performance on a range of metrics. The purpose of the Monthly 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 performance metrics.

The Trust and Group agree an annual audit programme with the Trust's internal auditors through delegated authority to the Trust Audit

Committee. The Audit Committee receives internal audit reports in line with an agreed work plan that aims to test the economy, efficiency and effectiveness of Trust systems and processes, including financial management and control. The audit plan is reviewed and agreed by the Audit Committee in April each year.

Any report which offers limited assurance results are reported to the Executive Team and Audit Committee and remedial management action plan are monitored. All serious issues identified are escalated to the Board of Directors.

8. Information Governance

The Trust and Group are committed to ensuring the organisation complies with the UK Data Protection Act 2018, General Data Protection Regulations, Caldicott principles and NHS Data Security Standards.

The Trust and Group has effective arrangements in place for Information Governance and monitoring of performance against the Data Security and Protection Toolkit with reporting through the Data Protection and Security Risk Group and regular updates reported to the Audit Committee and Board of Directors.

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 2023/2024 with full Standards Met.

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 2023/24, the Trust and Group reported one incident to the Information Commissioners Office (ICO), the incident was reviewed by the ICO, and no further action was taken. A process is in place for the investigation of all information governance incidents to ensure guidance is provided to staff and any actions are taken.

9. Data Quality and Governance

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

The Trust and Group have a Data Quality Policy 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 Information Management and

Technology Directorate that provides routine and ad-hoc data quality analysis, reporting and root cause analysis of all data issues. National benchmarking resources such as the Commissioning Data Sets (CDS) Data Quality Dashboards and the DQMI are used to compare and track the quality of data and allow for benchmarking against local Trusts and national peers to ensure that high standards are met and maintained.

The Trust's Data Protection and Security Risk Group reviews data quality and associated workflows to ensure that NHS data standards are adhered to. The work of the group is evidenced through regular reports that are shared through the Audit Committee and Board of Directors.

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 Quality and Performance Report is produced and reported routinely, reviewed by the Quality Committee and the Board of Directors which details performance against metrics and quality priorities.

10. Review of Effectiveness of Internal Control

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. It is important to note that I was appointed Chief Executive Officer in January 2024.

My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit, and the executive managers and clinical leads within the NHS Foundation Trust and the Group who have responsibility for the development and maintenance of the internal control framework. I have drawn upon 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 findings from the CQC comprehensive inspection report received in January 2024.

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 2023/24 provided a reasonable level of assurance.

I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board and the Audit Committee, and a plan to address weaknesses and ensure improvements of the system are put in place.

Conclusion

The Trust and Group has recognised that there are significant weaknesses in its internal control and compliance processes with the NHS Provider Licence section four, as documented in section 6 above. These weaknesses were reflected in recent CQC visits, the CQC Well Led Inspection report and the notice of conditions on the Trust Provider Licence.

I must conclude that, with the regulatory action taken by the CQC and the significant improvements that are required I cannot provide assurance on the effectiveness of all systems of internal control as highlighted in the well-led section of this report.

A comprehensive action plan is now in place to ensure significant improvements are made which are being actively monitored. The Trust and Group are fully engaged with the CQC and are committed to ensuring improvements are made.



Sir James Mackey
Chief Executive

27 June 2024

Audit & 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

External Auditors – 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 Code of Audit Practice issued by the National Audit Office, which by necessity ensures compliance with International Standards of Audit (UK & Ireland) issued by the Auditing Practice Board. This required an opinion on the Annual Accounts and a Review of arrangements for legality, financial standing, internal financial control, and standards of financial conduct, including fraud and corruption.

Robson Laidler carry out an audit of Newcastle Hospitals Charity.

The Audit, Risk and Assurance Committee met on a regular basis to assess a range of studies and work programmes, including detailed value for money scrutinies.

The internal and external auditors attended all meetings of the Audit, Risk and Assurance Committee and on each occasion and auditors also had unrestricted access to the Audit, Risk and Assurance Committee, its Chair and individual members.



Abbreviations and Glossary of Terms

A&E	Accident and Emergency
ADVANCE	Accelerating Discovery: actionable NASH Cirrhosis Endpoints
AGS	Annual Governance Statement
AHP	Allied Health Professionals
AHSC	Academic Health Science Centre
AHSN	Academic Health Science Network
aHUS	Atypical Haemolytic Uraemic Syndrome
AMD	Age-related Macular Degeneration
ARM	Annual Reporting Manual
BAF	Board Assurance Framework
BMA	British Medical Association
BME	Black and Minority Ethnic
BASHH	British Association for Sexual Health and HIV
BPPC	Better Payments Practice Code
BRC	Biomedical Research Centre
BSG	British Society of Gastroenterology
BSI	Blood Stream Infections
C.difficile/C.diff	Clostridium Difficile
CAHF	Clean Air Hospital Framework
CARP	Clinical Academic Research Partnership
CAV	Campus for Ageing and Vitality
CDC	Community Diagnostic Centre
CDEL	Capital Departmental Expenditure Limit
CDS	Commissioning Data Set
CEO	Chief Executive Officer
CGARD	Clinical Governance and Risk Department
CIMA	Chartered Institute of Management Accountants
CIP	Cost Improvement Programme
CIPD	Chartered Institute of Personnel and Development
CIPFA	Chartered Institute of Public Finance and Accountancy
CMO	Chief Midwifery Officer
CNTW	Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust

Abbreviations and Glossary of Terms (continued)

CPH	Consultant in Public Health
CQC	Care Quality Commission
CRESTA	Clinics for Research and Service in Themed Assessment
CT	Computerised Tomography
ctDNA	Circulating tumour DNA
CTP	Carers Transition Partnership
DHSC	Department of Health and Social Care
DLBCL	Diffuse Large B-cell Lymphoma
DNACPR	Do Not Attempt Cardiopulmonary Resuscitation
DoLS	Deprivation of Liberty Safeguards
DQMI	Data Quality Maturity Index
DTC	Day Treatment Centre
ED	Emergency Department
EDI	Equality, Diversity and Inclusion
EDS	Equality Delivery System
EHTG	European Hereditary Tumour Group
ENT	Ear, Nose and Throat
EOBS	Electronic Observations System
EPR	Electronic Patient Record
ERF	Elective Recovery Fund
FDS	Faster Diagnosis Standard
FE	Further Education
FH	Freeman Hospital
FT	Foundation Trust
FTE	Full-Time Equivalent
FLT	Fluorescence Lifetime
GHFT	Gateshead Health NHS Foundation Trust
GI	Gastrointestinal
GIRFT	Getting it Right First Time
GLH	Genomic Laboratory Hub
GMS	Genomic Medicine Service



Abbreviations and Glossary of Terms (continued)

GNAAS	Great North Air Ambulance Service
GNBSI	Gram Negative Blood Stream Infections
GNCH	Great North Children's Hospital
GNCR	Great North Care Record
GNH Alliance	Great North Healthcare Alliance
GP	General Practitioner
HCSW	Health Care Support Workers
HEE	Health Education England
HEENE	Health Education England North East
HEFMA	Healthcare Estates and Facilities Management Association
HFMA	Healthcare Financial Management Association
HiQiP	National NHSE Healthcare Inequalities Improvement Programme
HMRC	HM Revenue and Customs
HPB	Hepato-Pancreatico-Biliary
HR	Human Resources
HRC	HealthTech Research Centres
HSJ	Health Service Journal
ICB	Integrated Care Board
ICO	Information Commissioners Office
ICP	Integrated Care Partnership
ICS	Integrated Care System
IFRS	International Financial Reporting Standard
IG	Information Governance
IHI	Institute for Healthcare Improvement
ILM	Institute of Leadership and Management
IMD	Indices of Multiple Deprivation
IM&T	Information Management and Technology
IoT	Institute of Transplantation
IPC	Infection Prevention and Control
IPWL	Inpatient Waiting List
ITP	Improvement for Teams

Abbreviations and Glossary of Terms (continued)

ITU	Intensive Treatment Unit
JAG	Joint Advisory Group on Gastrointestinal Endoscopy
KPI	Key Performance Indicator
LAC	Local Awards Committee
LCEAs	Local Clinical Excellence Awards
LD	Learning Disability
LDDA	Learning Difficulties, Disabilities or Autism
LED	Light-emitting Diode
LGBT	Lesbian, Gay, Bisexual, Transgender
LIMS	Laboratory Information Management System
MAT	Multi-academy Trust
MAU	Maternity Assessment Unit
MBA	Master's in Business Administration
MCA	Mental Capacity Assessment
MFA	Multi-Factor Authentication
MEOWS	Modified Early Obstetrics Warning Score
MHRA	Medicines and Healthcare products Regulatory Agency
MRC	Medical Research Council
MRI	Magnetic Resonance Imaging
MRSA	Methicillin-Resistant Staphylococcus Aureus
MSSA	Methicillin-Sensitive Staphylococcus Aureus
MTC	Major Trauma Centre
NAIROS	Nasal Airways Obstruction Study
NCA	Northern Cancer Alliance
NCC	Newcastle City Council
NCCC	Northern Centre for Cancer Care
NCIA	National Clinical Impact Awards
NCIC	North Cumbria Integrated Care NHS Foundation Trust
NEAS	The North East Ambulance Service NHS Foundation Trust
NECTAR	North East and Cumbria Transport and Retrieval
NED	Non-Executive Director



Abbreviations and Glossary of Terms (continued)

NEIL	North East Innovation Lab https://commercial.newcastle-hospitals.nhs.uk/our-services/innovation-lab/
NENC	North East and North Cumbria
Newcastle Hospitals	The Newcastle upon Tyne Hospitals NHS Foundation Trust
NEY	North East and Yorkshire
NEYGMS	North East and Yorkshire Genomics Medicine Service
NHCFT	Northumbria Healthcare NHS Foundation Trust
NHIP	Newcastle Health Innovation Partners
NHS	National Health Service
NHSA	Northern Health Science Alliance
NHSE	NHS England
NHSI	NHS Improvement
NIHR	National Institute for Health Research
NMAHP	Nursing, Midwifery and Allied Health Professionals
NMC	Nursing and Midwifery Council
NPSS	National Patient Safety Strategy
NRC	Newcastle Orthopaedic Retrieval Service
NSTC	Newcastle Surgical Training Centre
NVQ	National Vocational Qualification
ONS	Office for National Statistics
OPWL	Outpatient Waiting List
OSCE	Observed Structured Clinical Examination
OSCHR	Office for Strategic Coordination of Health Research
PEP	Patient Engagement Platform
PFI	Private Finance Initiative
PHD	Doctorate of Philosophy
PIFU	Patient-Initiated Follow-Up
PPE	Personal Protective Equipment
PRP	Performance-Related Pay
PSDS	Public Sector Decarbonisation Scheme
PSIRF	Patient Safety Incident Response Framework

Abbreviations and Glossary of Terms (continued)

PTL	Patient Tracking List
PV	Photovoltaics
QNI	Queens Nursing Institute
RCP	Royal College of Physicians
RIDDOR	Reporting of Injuries, Diseases, and Dangerous Occurrences Regulations
RLW	Real Living Wage
RRDN	Regional Research Delivery Network
RSV	Respiratory Syncytial Virus
RTT	Referral To Treatment
RVI	Royal Victoria Infirmary
SCPHN	Specialist Community Public Health Nursing
SHINE	Sustainable Healthcare in Newcastle
SID	Senior Independent Director
SIRO	Senior Information Risk Owner
SOF	System Oversight Framework
SSC	Staff Social Club
TBI	Traumatic Brain Injury
TEAM	Tissue and Explant Analysis of Medical Implant Failure
TFCF	Task Force on Climate-Related Financial Disclosures
tvc	thevaluecircle
UK	United Kingdom
VAT	Value Added Tax
VCS	Voluntary and Community Sector
VSM	Very Senior Manager
WDES	Workforce Disability Equality Standard
WNB	Was Not Brought
WRES	Workforce Race Equality Standard
WTE	Whole-time equivalent



Annual Accounts 2023/24

Annual Accounts 2023/24

Foreword to the Accounts

The Newcastle upon Tyne Hospitals NHS Foundation Trust

The accounts for the year ended 31 March 2024 are set out on the following pages and comprise the Consolidated Statement of Comprehensive Income, the NHS Foundation Trust Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the NHS Foundation Trust Statement of Financial Position, the Consolidated Statement of Changes in Taxpayers' and Others' Equity, the NHS Foundation Trust Statement of Changes in Taxpayers' Equity, the Statements of Cash Flows and the Notes to the Accounts.

The accounts have been prepared by The Newcastle upon Tyne Hospitals NHS Foundation Trust in accordance with paragraphs 24 and 25 of Schedule 7 within the National Health Services Act 2006.

The Consolidated Statement of Comprehensive Income has been presented in three columns for 2023/24 showing the Income & Expenditure of the NHS Foundation Trust (as shown in column 1), the impact of the Charitable Fund consolidation (column 2) and the consolidated final result for the year (column 3).



Sir James Mackey
Chief Executive

27 June 2024



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 2024 which 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 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 2023/24 as contained in the Department of Health and Social Care Group Accounting Manual 2023/24, 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 2024 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 2023/24; and
- have been properly prepared in accordance with the requirements of the National Health Service Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities section of our report. We are independent of the Trust and Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, and taking into account the requirements of the Department of Health and Social Care Group Accounting Manual, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Trust's or the Group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this report.

Other information

The 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.

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

We have nothing to report in these regards.

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Accounting Officer is required to comply with the Department of Health and Social Care Group Accounting Manual 2023/24 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 identified that the principal risks of non-compliance with laws and regulations related to the National Health Service Act 2006 (as amended by the Health and Social Care Act 2012) and we considered the extent to which non-compliance might have a material effect on the financial statements.

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:

- inquiring with management and the Audit, Risk and Assurance Committee, as to whether the Trust and the Group is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- considering the risk of acts by the Trust and the Group which were contrary to applicable laws and regulations, including fraud.

We evaluated the Accounting Officer's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, and significant one-off or unusual transactions.

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

- making enquiries of management 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;
- addressing the risks of fraud through management override of controls by performing journal entry testing, testing of accounting estimates, and consideration of any significant transactions outside the normal course of business;

- testing income and expenditure transactions around the year-end;
- testing year end accruals; and
- reviewing intra-NHS reconciliations provided by the Department of Health and Social Care.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management and the Audit, 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, and Supplementary Guidance Note 01, issued by the Comptroller and Auditor General in February 2023.

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 2024.

On the basis of our work, having regard to the guidance issued by the Comptroller and Auditor General in May 2024, we have identified the following significant weakness in the Trust's arrangements for the year ended 31 March 2024:

Significant weakness in arrangements	Recommendation
<p>January 2024 CQC inspection report</p> <p>January 2024 the CQC issued a report to the Trust which highlighted weaknesses in the Trust's governance arrangements (how the Trust monitors and assesses risk) and securing economy, efficiency and effectiveness arrangements (how the Trust evaluates the services it provides to assess performance and identify areas for improvement). the following key weaknesses:</p> <ul style="list-style-type: none">• 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. <p>The matters identified, in our view, are evidence of significant weaknesses in the Trust's arrangements.</p>	<p>The Trust should take the following actions:</p> <ul style="list-style-type: none">• 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 regulatory notices and other 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 May 2024.

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 2023/24; 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 2023/24; or
- the Annual Governance Statement is misleading or is not consistent with our knowledge of the Trust and Group and other information of which we are aware from our audit of the financial statements; or
- we refer a matter to the regulator under Schedule 10(6) of the National Health Service Act 2006; or
- we issue a report in the public interest under Schedule 10(3) of the National Health Service Act 2006.

We have nothing to report in respect of these matters.

Use of the audit report

This report is made solely to the Council of Governors of The Newcastle upon Tyne Hospitals NHS Foundation Trust as a body in accordance with Schedule 10(4) of the National Health Service Act 2006. Our audit work has been undertaken so that we might state to the Council of Governors of the Trust those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors of the Trust as a body for our audit work, for this report, or for the opinions we have formed.

Certificate

We certify that we have completed the audit of The Newcastle upon Tyne Hospitals NHS Foundation Trust and The Newcastle upon Tyne Hospitals NHS Foundation Trust Group in accordance with the requirements of chapter 5 of part 2 of the National Health Service Act 2006 and the Code of Audit Practice.



Mark Kirkham, Partner
For and on behalf of Forvis Mazars LLP

5th Floor
3 Wellington Place
Leeds
LS1 4AP

27 June 2024

Consolidated Statement of Comprehensive Income

for the year ended 31 March 2024

		2023/24	2023/24	2023/24
		NHS	Charitable	Group
		Foundation	fund	
		Trust		
	Note	£000	£000	£000
OPERATING INCOME				
Operating income from patient care activities	3	1,419,143	0	1,419,143
Other operating income*	4	163,679	4,306	167,985
TOTAL OPERATING INCOME		1,582,822	4,306	1,587,128
Operating expenses	5	(1,569,175)	(6,853)	(1,576,028)
OPERATING SURPLUS		13,647	(2,547)	11,100
FINANCE INCOME AND COSTS				
Finance income	7	10,678	1,265	11,943
Finance expense - financial liabilities	8	(75,918)	0	(75,918)
PDC dividends payable	9	(1,860)	0	(1,860)
Net finance costs		(67,100)	1,265	(65,835)
Other gains and (losses)	10.2	44	3,504	3,548
OPERATING SURPLUS FROM CONTINUING OPERATIONS		(53,409)	2,222	(51,187)
SURPLUS FOR THE YEAR		(53,409)	2,222	(51,187)
Other Comprehensive Income				
Will not be reclassified to income and expenditure:				
Impairments	10.1	(5,205)	0	(5,205)
Total Other Comprehensive Income		(5,205)	0	(5,205)
TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE YEAR		(58,614)	2,222	(56,392)

* The other operating income for the NHS Foundation Trust is net of income eliminated on consolidation of £550k. This relates to cash donations made by the Charitable fund to the NHS Foundation Trust for the purchase of capital assets.

Consolidated Statement of Comprehensive Income

					for the year ended 31 March 2023				
					2022/23	2022/23	2022/23		
					NHS	Charitable			
					Foundation	fund			
					Trust	£000	Group		
					£000	£000	£000		
					Note				
OPERATING INCOME									
Operating income from patient care activities		3	1,316,788		0	1,316,788			
Other operating income*		4	152,136		7,306	159,442			
TOTAL OPERATING INCOME			1,468,924		7,306	1,476,230			
Operating expenses		5	(1,428,851)		(6,134)	(1,434,985)			
OPERATING SURPLUS			40,073		1,172	41,245			
FINANCE INCOME AND COSTS									
Finance income		7	5,495		1,125	6,620			
Finance expense - financial liabilities		8	(28,666)		0	(28,666)			
PDC dividends payable		9	(6,087)		0	(6,087)			
Net finance costs			(29,258)		1,125	(28,133)			
Other gains and losses		10.2	193		(1,396)	(1,203)			
OPERATING SURPLUS FROM CONTINUING OPERATIONS			11,008		901	11,909			
SURPLUS FOR THE YEAR			11,008		901	11,909			
Other Comprehensive Income									
Will not be reclassified to income and expenditure:									
Reversal of Impairments		10.1	9,997		0	9,997			
Total Other Comprehensive Income			9,997		0	9,997			
TOTAL COMPREHENSIVE INCOME FOR THE YEAR			21,005		901	21,906			

* The other operating income for the NHS Foundation Trust is net of income eliminated on consolidation of £2,653k. This relates to cash donations made by the Charitable fund to the NHS Foundation Trust for the purchase of capital assets.

NHS Foundation Trust Statement of Comprehensive Income

		for the year ended 31 March 2024	
		2023/24	2022/23
		Total	Total
Note		£000	£000
OPERATING INCOME			
	Operating income from patient care activities	3 1,419,143	1,316,788
	Other operating income	4 163,679	154,789
	TOTAL OPERATING INCOME	1,582,822	1,471,577
	Operating expenses	5 (1,569,175)	(1,428,851)
	OPERATING SURPLUS	13,647	42,726
FINANCE INCOME AND COSTS			
	Finance income	7 10,678	5,495
	Finance expense - financial liabilities	8 (75,918)	(28,666)
	PDC dividends payable	9 (1,860)	(6,087)
	Net finance costs	(67,100)	(29,258)
	Gains/(losses) on disposal of assets	10.2 44	193
	OPERATING SURPLUS FROM CONTINUING OPERATIONS	(53,409)	13,661
	SURPLUS FOR THE YEAR	(53,409)	13,661
Other Comprehensive Income			
Will not be reclassified to income and expenditure:			
	(Impairments) / Reversal of Impairments (net)	10.1 (5,205)	9,997
	Other reserve movements	0	0
	Total Other Comprehensive Income	(5,205)	9,997
	TOTAL COMPREHENSIVE INCOME	(58,614)	23,658

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 2024	
				GROUP	
				31 March 2024	31 March 2023
				£000	£000
	Note				
NON-CURRENT ASSETS					
Intangible assets	11		6,734	7,032	
Property, plant and equipment	12		597,918	604,438	
Right of use assets	13		27,892	43,332	
Other investments	15		44,175	40,671	
Trade and other receivables	17		19,248	18,877	
TOTAL NON-CURRENT ASSETS			695,967	714,350	
CURRENT ASSETS					
Inventories	16		26,591	22,016	
Trade and other receivables	17		89,043	106,434	
Cash and cash equivalents	18		191,088	205,693	
TOTAL CURRENT ASSETS			306,722	334,143	
CURRENT LIABILITIES					
Trade and other payables	19		(175,823)	(197,565)	
Other liabilities	20		(79,812)	(74,187)	
Borrowings	21		(16,118)	(11,107)	
Provisions	22		(12,514)	(6,362)	
TOTAL CURRENT LIABILITIES			(284,267)	(289,221)	
NON-CURRENT LIABILITIES					
Borrowings	21		(412,912)	(239,801)	
Provisions	22		(3,174)	(13,295)	
TOTAL NON-CURRENT LIABILITIES			(416,086)	(253,096)	
TOTAL ASSETS EMPLOYED			302,336	506,176	
TAXPAYERS' EQUITY					
Public dividend capital *			285,014	283,797	
Revaluation reserve *			96,003	101,208	
Income and expenditure reserve *			(130,862)	71,212	
TOTAL TAXPAYERS' EQUITY			250,155	456,217	
OTHERS' EQUITY					
Charitable fund reserves *			52,181	49,959	
TOTAL TAXPAYERS' AND OTHERS' EQUITY			302,336	506,176	

* Reserves are described further in Note 1.16

The accounts on pages 189 to 266 were approved by the Board on 27 June 2024 and signed on its behalf by:



Sir James Mackey
Chief Executive

27 June 2024

NHS Foundation Trust Statement of Financial Position

as at 31 March 2024

NHS FOUNDATION TRUST

	Note	31 March 2024 £000	31 March 2023 £000
NON-CURRENT ASSETS			
Intangible assets	11	6,734	7,032
Property, plant and equipment	12	597,918	604,438
Right of use assets	13	27,892	43,332
Trade and other receivables	17	19,248	18,877
TOTAL NON-CURRENT ASSETS		651,792	673,679
CURRENT ASSETS			
Inventories	16	26,549	21,957
Trade and other receivables	17	89,481	107,115
Cash and cash equivalents	18	182,686	195,783
TOTAL CURRENT ASSETS		298,716	324,855
CURRENT LIABILITIES			
Trade and other payables	19	(175,823)	(197,565)
Other liabilities	20	(79,812)	(74,187)
Borrowings	21	(16,118)	(11,107)
Provisions	22	(12,514)	(6,362)
TOTAL CURRENT LIABILITIES		(284,267)	(289,221)
NON-CURRENT LIABILITIES			
Borrowings	21	(412,912)	(239,801)
Provisions	22	(3,174)	(13,295)
TOTAL NON-CURRENT LIABILITIES		(416,086)	(253,096)
TOTAL ASSETS EMPLOYED		250,155	456,217
TAXPAYERS' EQUITY			
Public dividend capital*		285,014	283,797
Revaluation reserve*		96,003	101,208
Income and expenditure reserve*		(130,862)	71,212
TOTAL TAXPAYERS' EQUITY		250,155	456,217

* Reserves are described further in Note 1.16

The accounts on pages 189 to 266 were approved by the Board on 27 June 2024 and signed on its behalf by:



Sir James Mackey
Chief Executive

27 June 2024

Consolidated Statement of Changes in Taxpayers' and Others' Equity

for the year ended 31 March 2024

GROUP 2023/24	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 2023		283,797	101,208	71,212	49,959	506,176
Application of IFRS 16 measurement principles to PFI liability on 1 April 2023		0	0	(148,664)	0	(148,664)
Total Taxpayers' and others' equity at 1 April 2023		283,797	101,208	(77,452)	49,959	357,512
Surplus for the year		0	0	(53,959)	2,772	(51,187)
Impairments and Revaluation gains on property, plant and equipment	12.1	0	(5,205)	0	0	(5,205)
Other reserve movements - Charitable funds consolidation movement		0	0	550	(550)	0
Total comprehensive income for 2023/24		0	(5,205)	(53,409)	2,222	(56,392)
Public dividend capital received		1,217	0	0	0	1,217
Total reserve movements for 2023/24		1,217	(5,205)	(53,409)	2,222	(55,175)
Taxpayers' and others' equity at 31 March 2024		285,014	96,003	(130,862)	52,181	302,336

* An explanation of the purpose of each reserve can be found in note 1.16

Consolidated Statement of Changes in Taxpayers' and Others' Equity

for the year ended 31 March 2023

GROUP 2022/23	Note	Public dividend capital* £000	Revaluation reserve* £000	Income and expenditure reserve* £000	Charitable reserves* £000	Total taxpayers' and others' equity £000
Taxpayers' and others' equity at 1 April 20212		264,484	91,211	55,310	51,711	462,716
Implementation of IFRS 16 on 1st April 2023		0	0	2,240	0	2,240
Total Taxpayers' and others' equity at 1 April 2023		264,484	91,211	57,550	51,711	464,956
Surplus for the year		0	0	11,008	901	11,909
Impairments and Revaluation gains on property, plant and equipment	12.1	0	9,997	0	0	9,997
Other reserve movements - Charitable funds consolidation movement		0	0	2,653	(2,653)	0
Total comprehensive expense for 2022/23		0	9,997	13,661	(1,752)	21,906
Public dividend capital received		19,313	0	0	0	19,313
Total reserve movements for 2022/23		19,313	9,997	13,661	(1,752)	41,219
Taxpayers' and others' equity at 31 March 2023		283,797	101,208	71,212	49,959	506,176

* An explanation of the purpose of each reserve can be found in note 1.16

NHS Foundation Trust Statement of Changes in Taxpayer's Equity

for the year ended 31 March 2024

NHS FOUNDATION TRUST 2023/24				
	Public dividend capital*	Revaluation reserve*	Income and expenditure reserve*	Total taxpayers equity
Note	£000	£000	£000	£000
Taxpayers' equity at 1 April 2023	283,797	101,208	71,212	456,217
Application of IFRS 16 measurement principles to PFI liability on 1 April 2023	0	0	(148,664)	(148,664)
Total Taxpayers' and others' equity at 1 April 2023	283,797	101,208	(77,452)	307,553
Total comprehensive income for 2023/24				
Deficit for the year	0	0	(53,409)	(53,409)
Transfers between reserves	0	0	0	0
Impairments and Revaluation gains on property, plant and equipment	12.1	(5,205)	0	(5,205)
Total comprehensive income for 2023/24	0	(5,205)	(53,409)	(58,614)
Public dividend capital received	1,217	0	0	1,217
Public dividend capital repaid	1.22	0	0	0
Total reserve movements for 2023/24	1,217	(5,205)	(53,409)	(57,397)
Taxpayers' equity at 31 March 2024	285,014	96,003	(130,862)	250,155
NHS FOUNDATION TRUST 2022/23				
	Public dividend capital*	Revaluation reserve*	Income and expenditure reserve*	Total taxpayers equity
Note	£000	£000	£000	£000
Taxpayers' equity at 1 April 2022	264,484	91,211	55,310	411,005
Implementation of IFRS 16 on 1st April 2022	0	0	2,240	2,240
Total Taxpayers' and others' equity at 1 April 2022	264,484	91,211	57,550	413,245
Surplus for the year	0	0	13,661	13,661
Transfers between reserves	0	0	0	0
Impairments and Revaluation gains on property, plant and equipment	12.1	9,997	0	9,997
Total comprehensive expense for 2022/23	0	9,997	13,661	23,658
Public dividend capital received	19,313	0	0	19,313
Public dividend capital repaid	1.22	0	0	0
Total reserve movements for 2022/23	19,313	9,997	13,661	42,971
Taxpayers' equity at 31 March 2023	283,797	101,208	71,211	456,216

* An explanation of the purpose of each reserve can be found in note 1.16

Statements of Cash Flows

for the year ended 31 March 2024

		GROUP		NHS FOUNDATION TRUST	
	Note	2023/24 £000	2022/23 £000	2023/24 £000	2022/23 £000
Cash flows from operating activities					
Net cash generated from operating activities	23	61,053	64,202	63,276	62,834
Cash flows from investing activities					
Interest received		10,925	4,805	10,925	4,805
Purchase of intangible assets		(2,263)	(1,102)	(2,263)	(1,102)
Purchase of property, plant and equipment		(39,185)	(68,172)	(39,185)	(68,172)
Sales of property, plant and equipment		2	2,309	2	2,309
Receipt of cash donations to purchase capital assets		300	107	850	2,760
NHS Charitable funds - net cash flows from investing activities		1,265	1,124	0	0
Net cash used in investing activities		(28,956)	(60,929)	(29,671)	(59,400)
Cash flows from financing activities					
Public dividend capital received		1,217	19,313	1,217	19,313
Capital element of lease liability repayments		(5,182)	(5,388)	(5,182)	(5,388)
Capital element of private finance initiative obligations		(11,474)	(6,650)	(11,474)	(6,650)
Interest element of lease liability repayments		(562)	(418)	(562)	(418)
Interest element of private finance initiative obligations		(25,933)	(28,271)	(25,933)	(28,271)
Public dividend capital dividend paid		(4,767)	(6,380)	(4,767)	(6,380)
Net cash used in financing activities		(46,701)	(27,794)	(46,701)	(27,794)
(Decrease)/increase in cash and cash equivalents		(14,604)	(24,521)	(13,096)	(24,360)
Cash and cash equivalents at 1 April		205,693	230,213	195,782	220,142
Cash and cash equivalents at 31 March	18	191,088	205,693	182,686	195,782

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 2023/24 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.

1. Accounting policies and other information (continued)

1.1.1 Critical accounting judgements in applying the NHS Foundation Trust's accounting policies (continued)

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 2024 which excludes VAT on relevant buildings and uses a single site approach.

c) Right of Use Assets

The Trust recognises right of use assets which are provided to the Trust through lease arrangement as prescribed within the standard of IFRS 16. A number of these arrangements are undocumented with other intra-government departments relating to buildings which have no set term. Where this is the case the Trust exercises judgement in relation to the remaining life of the assets taking into account all relevant factors relating to the future intention to provide services on an ongoing basis from the property. These judgements are reviewed on an annual basis.

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 2023/24 was £453,671k (2022/23 £439,584k).

b) Asset lives

The Trust depreciates property, plant and equipment based upon its assessment of the remaining useful economic life of the underlying asset. Remaining lives for buildings are determined by the District Valuer as part of the Trust's revaluation cycle, whereas remaining lives of plant and equipment are determined by staff within the Electronics and Medical Engineering department. Further details of asset lives used can be found in note 1.6.

1.2 Consolidation and investments in subsidiaries

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

1. Accounting policies and other information (continued)

1.2.1 NHS Charitable Fund (continued)

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.

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.

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) which replaced the National Tariff Payment System on 1 April 2023. The NHSPS sets out rules to establish the amount payable to trusts for NHS-funded secondary healthcare.

1. Accounting policies and other information (continued)

1.3.1 Revenue from NHS contracts (continued)

Aligned payment and incentive contracts form the main payment mechanism under the NHSPS. In 2023/24 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.

In 2022/23 fixed payments were set at a level assuming the achievement of elective activity targets - 'aligned payment and incentive' contracts. These payments are accompanied by a variable-element to adjust income for actual activity delivered on elective services and advice and guidance services. Where actual elective activity delivered differed from the agreed level set in the fixed payments, the variable element either increased or reduced the income earned by the Trust at a rate of 75% of the tariff price.

The Trust also received additional income outside of the block payments to reimburse specific costs incurred, particularly specialised high cost drugs and devices, and other income top-ups, mainly for Covid testing and vaccination to support the delivery of services. Reimbursement and top-up income is accounted for as variable consideration.

The Trust also receives income from commissioners under Commissioning for Quality Innovation (CQUIN) and Best Practice Tariff (BPT) schemes. Delivery under these schemes is part of how care is provided to patients. As such CQUIN and BPT payments are not considered distinct performance obligations in their own right; instead they form part of the transaction price for performance obligations under the overall contract with the commissioner and accounted for as variable consideration under IFRS 15. Payment for CQUIN and 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.

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.

Elective recovery funding provides additional funding to integrated care boards to fund the commissioning of elective services within their systems. In 2023/24, trusts do not directly earn elective recovery funding, instead earning income for actual activity performed under API contract arrangements as explained above. The level of activity delivered by the trust contributes to system performance and therefore the availability of funding to the trust's commissioners. In 2022/23 elective recovery funding for providers was separately identified within the aligned payment and incentive contracts.

Other contracts particularly those with local authorities in respect of Public Health services are agreed predominantly on a block (fixed price) basis.

1. Accounting policies and other information (continued)

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 Digital Apprenticeship Service (DAS) account held by the Department for Education, the corresponding notional expense is also recognised at the point of recognition of the benefit.

1.4 Expenditure on goods and services

Expenditure on goods and services is recognised when, and to the extent that they have been received, and is measured at the fair value of those goods and services. Expenditure is recognised in operating expenses except where it results in the creation of a non-current asset such as property, plant and equipment.

Expenditure with a value below £1k, not aligned to a purchase order and which is non routine, is not accrued.

1. Accounting policies and other information (continued)

1.5 Intangible assets

Recognition

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

Internally generated intangible assets

Expenditure on research is not capitalised. Expenditure on development is capitalised when it meets the requirements set out in IAS38.

Software

Software which is integral to the operation of hardware e.g. an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software which is not integral to the operation of hardware e.g. application software and software licences, is capitalised as an intangible asset when expenditure of at least £5,000 is incurred.

Measurement

Intangible assets are recognised initially at cost, comprising all directly attributable costs needed to create, produce and prepare the asset to the point that it is capable of operating in the manner intended by management.

Subsequently intangible assets are measured at current value in existing use. Where no active market exists, intangible assets are valued at the lower of amortised replacement cost and the value in use where the asset is income generating. Revaluation gains and losses and impairments are treated in the same manner as for property, plant and equipment. An intangible asset which is surplus with no plan to bring it back into use is valued at fair value where there are no restrictions on sale at the reporting date and where they do not meet the definitions of investment properties or assets held for sale.

Amortisation

Intangible assets are amortised over their expected useful economic lives in a manner consistent with the consumption of economic or service delivery benefits, normally between 5-10 years.

Intangible assets under development are not amortised.

1.6 Property, plant and equipment

Recognition

Property, plant and equipment is capitalised if it is capable of being used for a period which exceeds one financial year, it is probable that future economic benefits will flow to, or service potential be supplied to the NHS Foundation Trust, the cost of the item can be measured reliably and it is held for use in delivering services or for administrative purposes.

1. Accounting policies and other information (continued)

1.6 Property, plant and equipment (continued)

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 2024 to update the asset valuation for all changes since the latest full valuation exercise.

1. Accounting policies and other information (continued)

1.6 Property, plant and equipment (continued)

Current values in existing use are determined as follows:

- Land and non-specialised buildings -market value for existing use
- Specialised buildings - depreciated replacement cost on modern equivalent asset basis.

For specialised assets, current value in existing use is interpreted as the present value of the asset's remaining service potential, which is assumed to be at least equal to the cost of replacing that service potential. Specialised assets are therefore valued at their depreciated replacement cost (DRC) on a modern equivalent asset (MEA) basis. An MEA basis assumes that the asset will be replaced with a modern asset of equivalent capacity and location requirements of the services being provided. Assets held at depreciated replacement cost have been valued on an alternative site basis where this would meet the location requirements.

Valuation guidance issued by the Royal Institute of Chartered Surveyors states that valuations are performed net of VAT where the VAT is recoverable by the entity. This basis has been applied to the NHS Foundation Trust's Private Finance Initiative (PFI) scheme where the construction is completed by a special purpose vehicle and that the costs have recoverable VAT for the NHS Foundation Trust.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees but not borrowing costs, 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.

1. Accounting policies and other information (continued)

1.6 Property, plant and equipment (continued)

Impairments (continued)

An impairment that arises from a clear consumption of economic benefit or of service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss are reversed. Reversals are recognised in operating expenditure to the extent that the asset is restored to the carrying amount it would have had if the impairment had never been recognised. Any remaining reversal is recognised in the revaluation reserve. Where, at the time of the original impairment, a transfer was made from the revaluation reserve to the income and expenditure reserve, an amount is transferred back to the revaluation reserve when the impairment reversal is recognised.

Other impairments are treated as revaluation losses. Reversals of 'other impairments' are treated as revaluation gains.

De-recognition

Assets intended for disposal are reclassified as 'held for sale' once the following criteria in IFRS 5 are met:

The sale must be highly probable and the asset available for immediate sale in its present condition.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their fair value less costs to sell. Depreciation ceases to be charged and the assets are not revalued, except where the 'fair value less costs to sell' falls below the carrying amount. Assets are de-recognised when all material sale contract conditions have been met.

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

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 - 4 years - 100 years
- Dwellings - 42 years - 50 years
- Assets under construction - Not depreciated

1. Accounting policies and other information (continued)

1.6 Property, plant and equipment (continued)

Depreciation (continued)

- Plant and machinery - 5 years - 19 years
- Transport equipment - 7 years - 11 years
- Information technology - 3 years - 11 years
- Furniture and fittings - 5 years - 10 years

1.7 Donated and grant funded assets

Donated and grant funded property, plant and equipment assets are capitalised at their 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.

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

1.8 Private Finance Initiative (PFI) transactions

PFI transactions which meet the IFRIC 12 definition of a service concession, as interpreted in HM Treasury's FReM, are accounted for as "on-Statement of Financial Position" by the NHS Foundation Trust. 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.

1. Accounting policies and other information (continued)

1.8 Private Finance Initiative (PFI) transactions (continued)

Subsequent Measurement (continued)

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.

Initial application of IFRS 16 liability measurement principles to PFI and LIFT liabilities

IFRS 16 liability measurement principles have been applied to PFI liabilities in these financial statements from 1 April 2023. The change in measurement basis has been applied using a modified retrospective approach with the cumulative impact of remeasuring the liability on 1 April 2023 recognised in the income and expenditure reserve.

Comparatives for PFI liabilities have not been restated on an IFRS 16 basis, as required by the DHSC Group Accounting Manual. Under IAS 17 measurement principles which applied in 2022/23 and earlier, movements in the liability were limited to repayments of the liability and the annual finance cost arising from application of the implicit interest rate. The cumulative impact of indexation on payments for the asset was charged to finance costs as contingent rent as incurred.

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. Accounting policies and other information (continued)

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

1. Accounting policies and other information (continued)

1.10 Leases (continued)

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 3.51% applied to new leases commencing in 2023 and 4.72% to new leases commencing in 2024.

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 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 Initial application of IFRS 16 in 2022/23

IFRS 16 Leases as adapted and interpreted for the public sector by HM Treasury was applied to these financial statements with an initial application date of 1 April 2022. IFRS 16 replaced IAS 17 Leases, IFRIC 4 Determining whether an arrangement contains a lease and other interpretations.

The standard was applied using a modified retrospective approach with the cumulative impact recognised in the income and expenditure reserve on 1 April 2022. Upon initial application, the provisions of IFRS 16 were only applied to existing contracts where they were previously deemed to be a lease or contain a lease under IAS 17 and IFRIC 4. Where existing contracts were previously assessed not to be or contain a lease, these assessments were not revisited.

1. Accounting policies and other information (continued)

1.11 Initial application of IFRS 16 in 2022/23 (continued)

The Trust as lessee

For continuing leases previously classified as operating leases, a lease liability was established on 1 April 2022 equal to the present value of future lease payments discounted at the Trust's incremental borrowing rate of 0.95%. A right of use asset was created equal to the lease liability. Hindsight was used in determining the lease term where lease arrangements contained options for extension or earlier termination.

No adjustments were made on initial application in respect of leases with a remaining term of 12 months or less from 1 April 2022 or for leases where the underlying assets had value below £5,000. No adjustments were made in respect of leases previously classified as finance leases.

Trust as a Lessor

Leases of owned assets where the Trust is lessor were unaffected by initial application of IFRS 16.

1.12 Inventories

Inventories are valued at the lower of cost and net realisable value, by reference to supplier information on a first-in first-out basis. This is considered to be a reasonable approximation to fair value due to the high turnover of inventory. The de minimis level for inventory items is £100 inclusive of VAT.

Obsolete and defective stock are charged to the Statement of Comprehensive Income as an expense.

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

1.13 Cash and cash equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value. In the Statement of Cash Flows, cash and bank balances are recorded at the current values of these balances in the NHS Foundation Trust's cash book. Interest earned on bank accounts is recorded as 'finance income' in the year to which it relates. Bank charges are recorded as operating expenditure in the years to which they relate.

As the NHS Foundation Trust has no bank overdrafts there is no difference between the amount disclosed as cash and cash equivalents in the Statement of Financial Position and in the Statement of Cash Flows.

1. Accounting policies and other information (continued)

1.14 Provisions

The NHS Foundation Trust recognises a provision where it has a present legal obligation or constructive obligation of uncertain timing or amount, for which it is probable that there will be a future outflow of cash or other resources, and where a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation.

Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using HM Treasury's discount rates effective from 31 March 2024.

		Nominal rate	Prior year rate
Short term	Up to 5 years	4.26%	3.27%
Medium term	After 5 years up to 10 years	4.03%	3.20%
Long term	Exceeding 10 years	4.72%	3.51%

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 2024.

	Inflation rate	Prior year rate
Year 1	3.60%	7.40%
Year 2	1.80%	0.60%
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 2.45% in real terms (prior year: 1.70%).

Clinical negligence costs

NHS Resolution operates a risk pooling scheme under which the NHS Foundation Trust pays an annual contribution to NHS Resolution which, in return, settles all clinical negligence claims. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the NHS Foundation Trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the NHS Foundation Trust is disclosed in Note 22 but is not recognised in the NHS Foundation Trust's accounts.

Annual premiums under the scheme are charged to operating expenses and provision is made for the 'excess' payable on a case when the liability arises.

Non-clinical risk pooling

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

1. Accounting policies and other information (continued)

1.14 Provisions (continued)

Other provisions

Other provisions relate predominantly to potential remedial building works resulting from on-going developments. The provision and amount is recognised and determined following professional advice from independent qualified property surveyors. The timing of payments is dependent on work programme estimates.

1.15 Contingencies

Contingent liabilities are not recognised in the accounts but are disclosed in Note 26, unless the probability of a transfer of economic benefits is remote. Contingent liabilities are defined as:

- a) Possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events, not wholly within the NHS Foundation Trust's control; or
- b) Present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise, or for which the amount of the obligation cannot be measured with sufficient reliability.

1.16 Reserves

- a) Public dividend capital represents the Secretary of State for Health and Social Care's 'equity' investment in the NHS Foundation Trust.
- b) The revaluation reserve is used to record revaluation gains and losses on property, plant and equipment as well as intangible assets.
- c) The NHS Foundation Trust's accumulated surpluses and deficits are recognised in the Income and Expenditure reserve.
- d) Charitable reserves relate to those held by the Newcastle upon Tyne Hospitals NHS Charity. Further analysis can be found in Note 34.

1.17 Expenditure on employee benefits

Short term employee benefits

Salaries, wages and employment-related payments such as social security costs and the apprenticeship levy are recognised in the period in which the service is received from employees. The cost of annual leave entitlement earned but not taken by employees at the end of the period is recognised in the accounts to the extent that employees are permitted to carry forward leave into the following period.

1. Accounting policies and other information (continued)

1.17 Expenditure on employee benefits (continued)

Pension costs

Past and present employees are covered by the provisions of the two NHS Pensions Schemes. Both schemes are unfunded, defined benefit schemes that cover NHS employers, General Practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care, in England and Wales. The schemes are not designed in a way that would enable the NHS Foundation Trust to identify its share of the underlying scheme assets and liabilities. Therefore the schemes are accounted for as though they are a defined contribution scheme: the cost to the NHS Foundation Trust is taken as equal to the employer's pension contributions payable to the schemes for the accounting period. The contributions are charged to operating expenses as they become due.

Additional pension liabilities arising from early retirements are not funded by the scheme except where the retirement is due to ill-health. The full amount of the liability for the additional costs is charged to operating expenses at the time the NHS Foundation Trust commits itself to the retirement, regardless of the method of payment.

1.18 Value Added Tax (VAT)

Most of the activities of the NHS Foundation Trust are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of non-current assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

1.19 Corporation tax

NHS Foundation Trusts are exempt from corporation tax on their principal health care income under section 519A Income and Corporation Taxes Act 1988. The NHS Foundation Trust does not have any corporation tax liability in the current or prior year.

The Newcastle upon Tyne Hospitals NHS Charity is a registered charity, and as such is entitled to certain tax exemptions on income and profits for investments, and surpluses on trading activities carried out in furtherance of the charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

1.20 Third party assets

Assets belonging to third parties in which the NHS Foundation Trust has no beneficial interest (such as money held on behalf of patients) are not recognised in the accounts. However, they are disclosed in Note 31 to the accounts in accordance with the requirements of the HM Treasury Financial Reporting Manual (FRM).

1.21 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.

1. Accounting policies and other information (continued)

1.21 Public Dividend Capital and Public Dividend Capital - Dividend (continued)

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.

1.22 PDC repaid

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled.

Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis.

The losses and special payments note (Note 32) is compiled directly from the losses and compensations register which reports on an accruals basis with the exception of provisions for future losses.

1.23 Financial assets and financial liabilities

Recognition

Financial assets and financial liabilities which arise where the NHS Foundation Trust is party to the contractual provisions of a financial instrument and as a result has a legal right to receive or a legal obligation to pay cash or another financial instrument. The GAM expands the definition of a contract to include legislation and regulations which give rise to arrangements that in all other respects would be a financial instrument and do not give rise to transactions classified as a tax by ONS.

This includes the purchase or sale of non-financial items (such as goods or services), which are entered into in accordance with the NHS Foundation Trust's normal purchase, sale or usage requirements and are recognised when, and to the extent which, performance occurs, i.e. when receipt or delivery of the goods or service is made.

1. Accounting policies and other information (continued)

1.23 Financial assets and financial liabilities (continued)

Classification and measurement

Financial assets and financial liabilities are initially measured at fair value plus or minus directly attributable transaction costs except where the asset or liability is not measured at fair value through profit and loss. Fair value is taken as the transaction price, or otherwise determined by reference to quoted market prices or valuation techniques.

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

Financial assets are predominantly classified as subsequently measured at amortised cost or fair value through profit or loss. The Charity however, holds some financial assets at fair value through profit or loss.

Financial liabilities 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, and any changes in the fair value are recorded through the income statement.

Impairment of financial assets

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

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

1. Accounting policies and other information (continued)

1.23 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 i) it is older than 90 days for non-NHS customers and ii) it is older than 180 days for NHS customers. In addition further credit losses may be recognised sooner if there is a known factor or future event that will influence the customers ability to pay the debt due to the NHS Foundation Trust.

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

Expected losses are charged to operating expenditure within the Statement of Comprehensive Income and reduce the net carrying value of the financial asset in the Statement of financial Position.

De-recognition

Financial assets are de-recognised when the contractual rights to receive cash flows from the assets have expired or the NHS Foundation Trust has transferred substantially all of the risks and rewards of ownership.

Financial liabilities are de-recognised when the obligation is discharged, cancelled or expires.

1.24 Trade payables

Trade payables are initially recognised at fair value and subsequently at amortised cost using the effective interest rate method.

1.25 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 1.23 Impairment of Financial Assets, a allowance for impairment of trade receivables is established when there is an expectation that the NHS Foundation Trust will not be able to collect all amounts due according to the original terms of the receivables. Future expected credit losses are determined by; significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delay in payments (more than 90 days overdue Non NHS and 180 days overdue NHS) are considered indicators that the trade receivable is impaired. The amount of the allowance is the difference between the asset's gross carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the Statement of Comprehensive Income within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in the Statement of Comprehensive Income.

1. Accounting policies and other information (continued)

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

IFRS 17 Insurance Contracts

The DH GAM does not require this standard to be applied in 2023/24 as it is not due for HM Treasury FReM adoption until 1 April 2025. The effect of this standard has not been quantified.

IFRS 18 Presentation and Disclosure in Financial Statements

This standard is yet to be adopted by the DH GAM and HM Treasury FReM. The effect of this standard is yet to be quantified.

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 189. This is as a result of excluding certain funding streams and technical adjustments as identified below.

	2023/24 £000	2022/23 £000
Reconciliation to control total		
Surplus for the year (SOCl Trust)	(53,409)	13,661
Less/Add: Reversal of impairments/impairments	15,019	(7,933)
Add: Donated asset depreciation	1,340	1,169
Less: Donated income received for asset purchases	(866)	(2,760)
Remove net impact of consumables donated from other DHSC bodies	76	(46)
Remove actual IFRIC 12 scheme finance costs	75,330	0
Add back forecast IFRIC 12 scheme interest on an IAS 17 basis	(13,336)	0
Add back forecast IFRIC 12 scheme contingent rent on an IAS 17 basis	(18,107)	0
Remove PDC dividend benefit arising from PFI liability remeasurement	(5,970)	0
Underlying result	77	4,091
Control Total Plan	0	3,745

2.0 NHS Foundation Trust Adjusted Financial Performance (Control Total) (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. Clinical commissioning groups (CCGs) were closed down on 1 July 2022 when integrated care boards were established on a statutory basis. Further information can be found in Note 27, Related Party Transactions. Operating income used in the calculation is before the impact of impairments and consolidation.

	2023/24	2022/23
	%	%
NHS England	46	43
NHS North East and North Cumbria ICB	43	33
NHS Newcastle Gateshead CCG	0	6

The following is an analysis of the financial information provided to the Board of Directors in relation to the years ended 31 March 2024 and 31 March 2023.

	2023/24	2022/23
	£000	£000
Operating income (within EBITDA)	1,581,955	1,468,817
Operating expenses (within EBITDA)	<u>(1,515,600)</u>	<u>(1,401,235)</u>
Earnings before interest, tax, depreciation and amortisation (EBITDA)	66,355	67,582
Operating expenses (outside EBITDA)	(38,556)	(35,442)
Non-operating income	11,588	8,557
Non-operating expenditure	<u>(77,777)</u>	<u>(34,970)</u>
Surplus for the year excluding reversal of impairments	(38,390)	5,727
Net (impairments)/reversal of impairments	<u>(15,019)</u>	<u>7,932</u>
Surplus for the year after impairments	<u>(53,409)</u>	<u>13,659</u>

Differences between the amounts presented to the Board in May 2024 and those included within these accounts are purely presentational. See note 2.

The figures presented to the Board of Directors do not include those of the Newcastle upon Tyne Hospitals NHS Charity.

3. Operating income from patient care activities

3.1 Income from patient care activities by nature

GROUP and NHS FOUNDATION TRUST	2023/24	2022/23
	£000	£000
Acute Services		
Income from commissioners under API contracts - variable element*	296,223	0
Income from commissioners under API contracts - fixed element*	754,850	942,103
High cost drugs income from commissioners	245,943	199,020
Other NHS clinical income ***	19,957	12,910
	1,316,973	1,154,033
Community Services		
Income from commissioners under API contracts*	43,038	40,176
Income from other sources	8,738	10,894
	51,776	51,070
All Services		
Private patient income	2,407	2,051
Elective recovery fund	0	33,861
Other clinical income ***	13,432	18,009
Additional pension contribution central funding****	33,813	30,919
Agenda for change pay award central funding**	742	26,845
	50,394	111,685
	1,419,143	1,316,788

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 2023/25 NHS Payment Scheme documentation. <https://www.england.nhs.uk/pay-syst/nhs-payment-scheme/>

**Additional funding was made available by NHS England in 2023/24 and 2022/23 for implementing the backdated element of pay awards where government offers were made at the end of the financial year. 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. 2022/23: In March 2023, the government made a pay offer for staff on agenda for change terms and conditions which was later confirmed in May 2023. The additional pay for 2022/23 was based on individuals in employment at 31 March 2023.

*** Other clinical income comprises non-protected clinical income and relates to the NHS Injury Compensation Scheme, overseas patients, devolved government and cross border activity.

**** The employer contribution rate for NHS pensions increased from 14.3% to 20.6% (excluding administration charge) from 1 April 2019. Since 2019/20, NHS providers have continued to pay over contributions at the former rate with the additional amount being paid over by NHS England on providers' behalf. The full cost and related funding have been recognised in these accounts.

3. Operating income from patient care activities (continued)

3.2 Income from patient care activities by source

GROUP and NHS FOUNDATION TRUST

	2023/24	2022/23
	£000	£000
NHS Foundation Trusts	1,707	1,557
NHS Trusts	0	38
CCGs	0	148,206
Integrated Care Boards	691,579	487,266
NHS England	695,020	643,179
Local Authorities	8,738	10,894
NHS Other (including UKHSA & MHRA)	3,186	3,257
Non NHS (including non-English NHS):		
- Private patients	2,407	2,051
- Overseas patients (chargeable to patient)	852	831
- Injury cost recovery scheme*	3,906	3,581
- Other **	11,748	15,928
	<u>1,419,143</u>	<u>1,316,788</u>

All income relates to continuing operations

* Injury Cost Recovery Scheme income is subject to a provision for impaired receivables to reflect expected rates of collection. The provision is based on the value of receivables not recovered in previous years which is assessed at 23.07% (2022/23 24.86%). Any movement in year is adjusted against the receivable balance in the Statement of Financial Position.

** Non-NHS other income relates primarily to healthcare activity income from Scottish, Welsh and Irish health bodies.

3.3 Income from overseas visitors

	2023/24	2022/23
	£000	£000
Income recognised in the year	852	831
Cash payments received in-year (relating to invoices raised in the current and previous years)	283	198
Amounts added to the provision for impairment of receivables (relating to invoices raised in the current and prior years)	479	406
Amounts written off in-year (relating to invoices raised in the current and previous years)	254	277

4. Other operating income

	GROUP		NHS FOUNDATION TRUST	
	2023/24 £000	2022/23 £000	2023/24 £000	2022/23 £000
Research and development	46,484	42,582	46,484	42,582
Education and training	57,623	55,746	57,623	55,746
Non-patient care services to other bodies *	23,347	12,084	23,347	12,084
Reimbursement and top up funding	0	6,763	0	6,763
Other income **	33,027	31,638	33,027	31,638
Education and training - notional income from apprenticeship fund	1,448	1,197	1,448	1,197
Donations/grants of physical assets - received from other bodies	16	0	16	0
Cash donations for the purchase of capital assets - received from NHS charities	0	0	550	2,653
Cash donations for the purchase of capital assets - received from other bodies	300	107	300	107
Contributions to expenditure - consumables (inventory) donated from DHSC group bodies for COVID response	299	1,576	299	1,576
Rental revenue from operating leases	585	443	585	443
Charitable fund incoming resources	4,856	7,306	0	0
Total Other Operating Income	167,985	159,442	163,679	154,789
Total income from patient care activities	1,419,143	1,316,788	1,419,143	1,316,788
Total operating income	1,587,128	1,476,230	1,582,822	1,471,577

* 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. Other operating income (continued)

4.2 Additional information on contract revenue (IFRS 15) recognised in the period

	2023/24	2022/23
	£000	£000
Revenue recognised in the reporting period that was included in within contract liabilities at the previous period end	10,446	11,925

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:

	2023/24	2022/23
	£000	£000
Income from services designated as commissioner requested services	1,002,676	958,406
Income from services not designated as commissioner requested services	416,467	358,382
	1,419,143	1,316,788

4.4 Operating lease income

GROUP and NHS FOUNDATION TRUST

	2023/24	2022/23
	£000	£000
Building rental recognised in other income	585	443

Future minimum lease payments due

- not later than one year	286	379
- later than one year and not later than five years	1,074	569
- later than five years	1,392	18
	2,752	966

The NHS Foundation Trust acts as lessor of certain buildings and office accommodation, principally for healthcare purposes.

5. Operating Expenses

5.1 Operating expenses comprise:

	GROUP		NHS FOUNDATION TRUST	
	2023/24 £000	2022/23 £000	2023/24 £000	2022/23 £000
Purchase of healthcare from NHS and DHSC bodies	11,048	8,653	11,048	8,653
Purchase of healthcare from non NHS bodies	19,971	17,016	19,971	17,016
Employee expenses - non-executive directors	191	188	191	188
Employee expenses - staff and executive directors	859,231	821,407	859,231	821,407
Supplies and services - clinical (excluding drugs costs)	164,759	129,433	164,759	129,433
Supplies and services – clinical: utilisation of consumables donated from DHSC group bodies for COVID response	375	1,530	375	1,530
Supplies and services - general	12,708	10,652	12,708	10,652
Drugs inventories consumed	277,699	252,810	277,699	252,810
Inventories written down (net, including inventory drugs)	262	305	262	305
Consultancy costs	545	1,192	545	1,192
Establishment	9,814	9,750	9,814	9,750
Premises - business rates payable to Local Authorities	4,979	6,620	4,979	6,620
Premises - other	47,867	52,085	47,867	52,085
Transport - business	2,342	2,447	2,342	2,447
Transport - other (including patient travel)	2,682	2,763	2,682	2,763
Depreciation on property, plant and equipment (Note 12 & 13.1)	35,997	32,898	35,997	32,898
Amortisation on intangible assets (Note 11)	2,561	2,586	2,561	2,586
Net impairments of property, plant and equipment * (Note 12 & 13.1)	15,019	(7,933)	15,019	(7,933)
Movement in credit loss allowance: contract receivables/assets (Note 17.2)	1,925	1,669	1,925	1,669
Provisions arising /(released) in year	310	109	310	109
Change in provisions - discount rate	(133)	(774)	(133)	(774)
External audit fees - Statutory audit**	126	114	126	114
External audit fees - Charitable fund accounts	11	13	0	0
Internal audit costs not included within employee expenses	268	234	268	234
Clinical negligence - amounts payable to NHS Resolution (premium)	26,807	24,566	26,807	24,566
Legal fees	622	630	622	630
Insurance	666	758	666	758
Research and development - staff costs	28,194	25,165	28,194	25,165
Research and development - non staff costs	18,385	16,542	18,385	16,542
Education and training - non-staff	2,927	3,039	2,927	3,039
Education and training - notional expenditure funded from apprenticeship fund	1,448	1,197	1,448	1,197
Rentals under operating leases - minimum lease payments	1,146	0	1,146	0
Redundancy costs - staff costs	97	18	97	18
Charges to operating expenditure for on-SoFP IFRIC 12 schemes on an IFRS basis - PFI schemes	11,455	8,542	11,455	8,542
NHS Charitable fund - other resources expended	6,842	6,121	0	0
Other	6,882	2,641	6,882	2,641
	1,576,028	1,434,985	1,569,175	1,428,851

* Net impairments total £15,019k (2022/23 £7,933k net reversal of impairment).

** External audit fees - Statutory audit include VAT (£90k excl. VAT)

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, Mazars, covering the period of 1 October 2018 to 30 September 2021 as auditors and has enacted the option for a three year extension to 30 September 2024.

5.3 Directors' remuneration and other benefits

Details of director's remuneration and other benefits are disclosed in the remuneration section of the annual report.

5.4. Staff costs and numbers

5.4.1 Staff costs

GROUP and NHS FOUNDATION TRUST

	2023/24 £000	2022/23 £000
Salaries and wages *	712,982	688,008
Social security costs	66,190	61,308
Apprenticeship levy	3,508	3,161
Pension cost - employer contributions to NHS pension schemes	77,410	70,713
Pension cost - employer contributions paid by NHSE on provider's behalf (6.3%)	33,813	30,919
Pension cost - Other	447	328
Agency and contract staff	7,572	7,098
Total gross staff costs	901,922	861,535
Recoveries from DHSC Group bodies in respect of staff cost netted off expenditure	(6,477)	(6,528)
Recoveries from Other bodies in respect of staff cost netted off expenditure	(7,923)	(8,418)
Total staff costs	887,522	846,590
included within:		
Costs capitalised as part of assets	0	0
Analysed into operating expenditure - Note 5.1		
Employee expenses - staff and executive directors	859,231	821,407
Research and development	28,194	25,165
Redundancy	97	18
Total employee benefits excluding capitalised costs	887,522	846,590

* Included within salaries and wages is an amount of £58,326k (2022/23 £54,849k) relating to recharges from Northumbria NHS Foundation Trust, the host body for Junior Doctors in training.

5. Operating Expenses

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 2023/24 there were 10 (2022/23 14) 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 £995k (2022/23 £1,863k).

These estimated costs are calculated on an average basis and will be borne by the NHS Pension Scheme.

5.4.4 Reporting of other compensation packages

There were no exit payments following employment tribunal (2022/23 - 2 exit payment following employment tribunal at a cost of £40k).

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

NHS FOUNDATION TRUST	2023/24 Number	2023/24 Value £000
Total Non-NHS trade invoices paid in the year	223,205	682,094
Total Non-NHS trade invoices paid within target	211,425	651,870
Percentage of Non-NHS trade invoices paid within target	95%	96%
Total NHS trade invoices paid in the year	5,639	139,483
Total NHS trade invoices paid within target	5,060	136,058
Percentage of NHS trade invoices paid within target	90%	98%
	2022/23 Number	2022/23 Value £000
Total Non-NHS trade invoices paid in the year	214,961	677,896
Total Non-NHS trade invoices paid within target	200,532	636,768
Percentage of Non-NHS trade invoices paid within target	93%	94%
Total NHS trade invoices paid in the year	5,298	130,237
Total NHS trade invoices paid within target	4,581	123,583
Percentage of NHS trade invoices paid within target	86%	95%

The Better Payment Practice Code requires the NHS Foundation Trust to aim to pay all undisputed invoices by the due date or within 30 days of receipt of goods or a valid invoice, whichever is later.

6. Better payment practice code (continued)

6.2 The Late Payment of Commercial Debts (Interest) Act 1998

GROUP and NHS FOUNDATION TRUST

	2023/24 £000	2022/23 £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	1	0

7. Finance income

Finance income represents interest received on assets and investments in the period.

	GROUP		NHS FOUNDATION TRUST	
	2023/24 £000	2022/23 £000	2023/24 £000	2022/23 £000
Interest on bank accounts	10,678	5,495	10,678	5,495
NHS Charitable fund - investment income	1,265	1,125	0	0
Total finance income	11,943	6,620	10,678	5,495

8. Finance expense - financial liabilities

Finance expenditure represents interest and other charges involved in the borrowing of money.

GROUP and NHS FOUNDATION TRUST	2023/24 £000	2022/23 £000
Interest on lease obligations	562	418
PFI - Main finance costs	25,933	13,785
PFI - Contingent finance costs	0	14,486
PFI - Remeasurement of liability resulting from a change in index or rate*	49,397	0
Total interest expense	75,892	28,689
Unwinding of discount on provisions	26	(23)
Total finance expense	75,918	28,666

From 1 April 2023, IFRS 16 liability measurement principles are applied to PFI liabilities. Increases to imputed lease payments arising from inflationary uplifts are now included in the liability, and contingent rent no longer arises. More information is provided in Note 21.8.

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 £1,860k (2022/23 £6,087k).

10. Impairments and gains/(losses) on disposal

10.1 Impairments of assets

GROUP AND NHS FOUNDATION TRUST

	2023/24 £000 Net impairments	2023/24 £000 Impairments	2023/24 £000 Reversals	2022/23 £000 Net impairments	2022/23 £000 Impairments	2022/23 £000 Reversals
Changes in market price and optimal site valuation	15,019	16,416	(1,397)	(7,933)	59	(7,992)
Total impairments (credited)/charged to operating surplus	15,019	16,416	(1,397)	(7,933)	59	(7,992)
Net impairments credited to the revaluation reserve	5,205	7,926	(2,721)	(9,997)	411	(10,408)
Total impairments	20,224	24,342	(4,118)	(17,930)	470	(18,400)

10.2 Gains/(losses) on disposal/derecognition of assets

GROUP AND NHS FOUNDATION TRUST

	GROUP		NHS FOUNDATION TRUST	
	2023/24 £000	2022/23 £000	2023/24 £000	2022/23 £000
Gains on disposal of other property, plant and equipment	2	267	2	267
Losses on disposal of other property, plant and equipment	0	(109)	0	(109)
Gains on disposal of right of use assets	42	35	42	35
Fair value gains/(losses) on charitable fund investments & investment properties	3,504	(1,396)	0	0
	3,548	(1,203)	44	193

11. Intangible Assets

GROUP AND NHS FOUNDATION TRUST	Software licences £000	Under development £000	Total £000
Cost at 1 April 2023	22,626	184	22,810
Additions purchased	1,000	1,263	2,263
Reclassifications	442	(442)	0
Cost at 31 March 2024	24,068	1,005	25,073
Accumulated amortisation at 1 April 2023	15,778	0	15,778
Provided during the year	2,561	0	2,561
Accumulated amortisation at 31 March 2024	18,339	0	18,339
Net book value			
Purchased	5,729	1,005	6,734
Total at 31 March 2024	5,729	1,005	6,734
Cost at 1 April 2022	21,613	95	21,708
Additions purchased	905	197	1,102
Reclassifications	108	(108)	0
Cost at 31 March 2023	22,626	184	22,810
Accumulated amortisation at 1 April 2022	13,192	0	13,192
Provided during the year	2,586	0	2,586
Accumulated amortisation at 31 March 2023	15,778	0	15,778
Net book value			
Purchased	6,848	184	7,032
Total at 31 March 2023	6,848	184	7,032

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 2023 £Nil) and has no intangibles funded by government grant (31 March 2023 £Nil).

Revaluations

At the year end a review was carried out to determine if the current value of intangible assets was still appropriately stated. No adjustment to current value was deemed necessary.

12. Property, Plant and Equipment

12.1 Property, plant and equipment at the Statement of Financial Position date comprise the following elements:

2023/24 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 2023	21,421	474,791	616	21,382	213,569	433	32,285	831	765,328
Additions purchased	0	2,259	0	21,744	12,265	25	343	0	36,636
Additions - donations of physical assets (non-cash)	0	0	0	0	16	0	0	0	16
Additions purchased from cash donations	0	0	0	229	621	0	0	0	850
Reclassifications	0	33,638	0	(33,638)	0	0	0	0	0
Impairments charged to operating expenses	0	(9,795)	0	0	0	0	0	0	(9,795)
Impairments charged to the revaluation reserve	0	(7,926)	0	0	0	0	0	0	(7,926)
Reversal of impairments credited to operating expenses	0	1,397	0	0	0	0	0	0	1,397
Reversal of impairments credited to the revaluation reserve	0	2,704	17	0	0	0	0	0	2,721
Depreciation eliminated on revaluation	0	(15,664)	(19)	0	0	0	0	0	(15,683)
Disposals	0	0	0	0	(2,306)	0	(16)	0	(2,322)
Cost or valuation at 31 March 2024	21,421	481,404	614	9,717	224,165	458	32,612	831	771,222
Accumulated Depreciation at 1 April 2023									
Provided during the year	0	15,664	19	0	133,214	368	26,476	830	160,890
Reversal of impairments credited to operating expenses	0	0	0	0	12,619	15	2,102	0	30,419
Depreciation eliminated on revaluation	0	(15,664)	(19)	0	0	0	0	0	(15,683)
Reclassifications	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	(2,306)	0	(16)	0	(2,322)
Accumulated Depreciation at 31 March 2024	0	2	0	0	143,527	383	28,562	830	173,304
Net book value as at 31 March 2024	21,421	481,402	614	9,717	80,638	75	4,050	1	597,918
Net book value As at 31 March 2023	21,421	474,789	616	21,382	80,355	65	5,809	1	604,438
Financing of property, plant and equipment									
Owned	21,421	305,571	614	9,717	74,407	75	3,991	1	415,797
PFI	0	168,191	0	0	0	0	0	0	168,191
Owned - donated/granted	0	7,640	0	0	6,231	0	59	0	13,930
Total at 31 March 2024	21,421	481,402	614	9,717	80,638	75	4,050	1	597,918

12. Property, Plant and Equipment (continued)

12.1 Property, plant and equipment at the Statement of Financial Position date comprise the following elements: (continued)

2023/24 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 2023/24 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 2024 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) £9,795K (2022/23 £0k) charge to operating expenditure relating to impairments in year.
- ii) a £1,397k (2022/23 £7,992k) credit to operating expenditure reversing prior year impairments.

Revaluation reserve

- i) a £7,926k (2022/23 £411k) charge to the revaluation reserve for impairments in year.
- ii) a £2,721k (2022/23 £10,408k) 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.

2023/24 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 £550k (2022/23 £2,635k) between additions purchased and additions donated in the financial year. As a result the NHS Foundation Trust's property, plant and equipment note has not been included within the accounts.

12. Property, Plant and Equipment (continued)

12.1 Property, plant and equipment at the Statement of Financial Position date comprise the following elements:

2022/23 Financial Year GROUP

Cost or valuation at 1 April 2022

	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
Additions purchased	20,486	437,453	333	28,905	193,441	405	29,787	831	711,641
Additions purchased from cash donations	0	1,979	0	32,302	17,177	56	2,544	0	54,058
Reclassifications	0	34,547	0	(39,825)	2,736	0	24	0	2,760
Impairments charged to operating expenses	0	0	0	0	0	0	0	0	0
Impairments charged to the revaluation reserve	0	(411)	0	0	0	0	0	0	(411)
Reversal of impairments credited to operating expenses	0	7,891	101	0	0	0	0	0	7,992
Reversal of impairments credited to the revaluation reserve	2,860	7,355	193	0	0	0	0	0	10,408
Depreciation eliminated on revaluation	0	(14,023)	(11)	0	0	0	0	0	(14,034)
Derecognition - COVID equipment returned to DHSC	0	0	0	0	0	0	0	0	0
Disposals	(1,925)	0	0	0	(5,063)	(28)	(70)	0	(7,086)
Cost or valuation at 31 March 2023	21,421	474,791	616	21,382	213,569	433	32,285	831	765,328

Accumulated Depreciation at 1 April 2022

Provided during the year*	0	505	0	0	126,643	385	24,344	829	152,706
Depreciation eliminated on revaluation	0	13,520	11	0	11,408	11	2,202	1	27,153
Reversal of impairments credited to operating expenses	0	(14,023)	(11)	0	0	0	0	0	(14,034)
Reclassifications	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0	0	0
Derecognition - COVID equipment returned to DHSC	0	0	0	0	(4,837)	(28)	(70)	0	(4,935)
Accumulated Depreciation at 31 March 2023	0	2	0	0	133,214	368	26,476	830	160,890
Net book value as at 31 March 2023	21,421	474,789	616	21,382	80,355	65	5,809	1	604,438

Net book value as at 31 March 2022

	20,486	436,948	333	28,905	66,798	20	5,443	2	558,935
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Financing of property, plant and equipment

Owned	21,421	289,956	616	21,382	73,762	65	5,726	1	412,929
PFI	0	176,631	0	0	0	0	0	0	176,631
Owned - donated/granted	0	8,202	0	0	6,593	0	83	0	14,878
Total at 31 March 2023	21,421	474,789	616	21,382	80,355	65	5,809	1	604,438

12. Property, Plant and Equipment (continued)

12.2 Assets held at open market value

Of the closing balances at 31 March 2024 £3,308k (2022/23 £3,038k) 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 2023	176,631
Additions	2,259
Reclassifications	446
Impairments	(11,145)
Valuation at 31 March 2024	168,191
Accumulated Depreciation at 1 April 2023	0
Provided during the year	5,916
Depreciation eliminated on revaluation	(5,916)
Accumulated Depreciation at 31 March 2024	0
Net book value at 31 March 2024	168,191
Valuation at 1 April 2022	174,252
Additions	1,979
Reclassifications	1,111
Impairments	(711)
Valuation at 31 March 2023	176,631
Accumulated Depreciation at 1 April 2022	502
Provided during the year	5,464
Depreciation eliminated on revaluation	(5,966)
Accumulated Depreciation at 31 March 2023	0
Net book value at 31 March 2023	176,631

The PFI arrangements relate to the Transforming Newcastle Hospitals scheme and the Boiler Houses at the RVI and Freeman sites. See Note 21 for further information.

The PFI assets detailed above are included within the column headed 'Buildings excluding dwellings' in Note 12.1.

VAT is excluded from the valuation of the Trust's PFI buildings in both the current and prior year.

13. 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

2023/24 FINANCIAL YEAR GROUP	Property (Land and Buildings) £000	Plant and Machinery £000	Transport Equipment £000	Total £000	Of which: leased from DHSC group bodies £000
Valuation / gross cost at 1 April 2023 - brought forward	44,738	4,039	211	48,988	34,660
Additions - lease liability	0	383	0	383	0
Remeasurements of Lease Liability	208	33	0	241	1,208
Impairments charged to operating expenses	(6,621)	0	0	(6,621)	(6,066)
Depreciation eliminated on revaluation	(3,623)	0	0	(3,623)	(3,534)
Disposals - Lease Termination	(5,356)	0	(3)	(5,359)	(4,844)
Cost or valuation at 31 March 2024	29,346	4,455	208	34,009	21,424
Accumulated depreciation at 1 April 2023 - brought forward	4,797	809	50	5,656	3,879
Provided during the year - right of use asset	4,357	1,061	71	5,489	3,428
Provided during the year - peppercorn leased asset	89	0	0	89	0
Depreciation eliminated on revaluation	(3,623)	0	0	(3,623)	(3,534)
Disposals - Lease Termination	(1,491)	0	(3)	(1,494)	(1,121)
Accumulated depreciation at 31 March 2024	4,129	1,870	118	6,117	2,652
Net book value at 31 March 2024	25,217	2,585	90	27,892	18,772
Net book value of right of use assets leased from other NHS providers	8,339	0	0	8,339	
Net book value of right of use assets leased from other DHSC Group Bodies	10,433	0	0	10,433	

13. Leases (continued)

13.1 Right of use assets (continued)

2022/23 FINANCIAL YEAR GROUP	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 2022 - brought forward	0	0	0	0	0
Recognition of right of use assets for existing operating leases on initial application of IFRS 16 on 1 April 2022	45,157	1,985	110	47,252	38,387
Additions - lease liability	3,593	2,054	105	5,752	2
Remeasurements of Lease Liability	(135)	0	0	(135)	0
Impairments charged to operating expenses	(59)	0	0	(59)	0
Depreciation eliminated on revaluation	(89)	0	0	(89)	0
Disposals - Lease Termination	(3,729)	0	(4)	(3,733)	(3,729)
Cost or valuation at 31 March 2023	44,738	4,039	211	48,988	34,660
Accumulated depreciation at 1 April 2022 - brought forward	0	0	0	0	0
Provided during the year - right of use asset	4,797	809	50	5,656	3,879
Provided during the year - peppercorn leased asset	89	0	0	89	0
Depreciation eliminated on revaluation	(89)	0	0	(89)	0
Accumulated depreciation at 31 March 2023	4,797	809	50	5,656	3,879
Net book value at 31 March 2023	39,941	3,230	161	43,332	30,781
Net book value of right of use assets leased from other NHS providers	15,659	0	0		
Net book value of right of use assets leased from other DHSC Group Bodies	15,122	0	0		

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.

- The economic life of the asset, judged as the lease term, is shorter than full revaluation cycle.
- 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.

- Peppercorn leases which are supplied to the Trust at no cost and therefore not set using market conditions.
- The North Cumbria Cancer Centre which is a specialist building and therefore measured at depreciated replacement cost.

Therefore a revaluation of these assets have been carried out by a qualified valuer within the Valuation Office Agency resulting in impairments totalling £6,621k (2022/23 £59k).

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 21.

GROUP AND NHS FOUNDATION TRUST	Of which: leased from DHSC group bodies		Of which: leased from DHSC group bodies	
	Total 2023/24 £000	2023/24 £000	Total 2022/23 £000	2022/23 £000
As at 1 April	41,473	30,906	0	0
IFRS 16 implementation - adjustments for existing operating leases	0	0	45,012	38,387
Lease additions	383	0	5,752	2
Lease liability remeasurements	241	1,208	(135)	0
Interest charge arising in year	562	332	418	347
Early terminations	(3,907)	(3,762)	(3,768)	(3,764)
Lease Payments (cash outflows)	(5,744)	(3,626)	(5,806)	(4,066)
Carrying value at 31 March	33,008	25,058	41,473	30,906

13.4 Maturity analysis of future lease payments

GROUP AND NHS FOUNDATION TRUST	Of which: leased from DHSC group bodies		Of which: leased from DHSC group bodies	
	Total 31 March 2024 £000	31 March 2024 £000	Total 31 March 2023 £000	31 March 2023 £000
Undiscounted future lease payments payable in:				
- not later than one year;	4,760	3,308	5,771	3,676
- later than one year and not later than five years;	17,433	13,147	19,023	14,644
- later than five years.	13,031	9,576	19,705	14,353
Total gross future lease payments	35,224	26,031	44,499	32,673
Finance charges allocated to future periods	(2,216)	(973)	(3,026)	(1,767)
Net lease liabilities at 31 March	33,008	25,058	41,473	30,906
Of which:				
- Current	4,364	3,083	5,188	3,315
- Non-Current	28,644	21,975	36,285	27,591

14. Investments in Subsidiaries and Joint Ventures

The investments relate to the shareholdings detailed below. The investments in companies which would qualify as subsidiaries have not been consolidated into the group accounts on the basis of immateriality. The results of the Newcastle upon Tyne Hospitals NHS Charity are consolidated.

The investments in subsidiaries and joint ventures are not supported by the underlying net assets of these companies and therefore the investments are impaired to £Nil (2022/23 £Nil).

Pulse Diagnostics Limited

The NHS Foundation Trust holds 89% (2022/23 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 (2022/23 £113k) has previously been impaired. The company has not yet commenced trading.

The NHS Foundation Trust also has a shareholding in the following dormant company

Newcastle Healthcare Property Company Limited

The NHS Foundation Trust owns 100% of the £1 ordinary share capital of Newcastle Healthcare Property Company Limited, a company incorporated in the UK for general commercial activities. The company has not yet commenced trading.

Newcastle upon Tyne Hospitals NHS Charity

The NHS Foundation Trust acts as Corporate Trustee for the Newcastle upon Tyne Hospitals NHS Charity the results of which are consolidated into the Group accounts.

15. Other investments

GROUP

	2023/24 £000	2022/23 £000
Carrying value at 1 April	40,671	42,067
Additions	0	0
Fair value gains / (losses) taken to income and expenditure	3,504	(1,396)
Fair value at 31 March	<u>44,175</u>	<u>40,671</u>

The 'other investments' are held within the Newcastle upon Tyne Hospitals NHS Charity. The NHS Foundation Trust does not hold any 'other investments'.

The Investments are held in a (i) Charities Ethical Investment Fund* and a (ii) Growth & Income Fund for Charities ** and are administered on behalf of the Newcastle upon Tyne Hospitals NHS Charity by CCLA Investment Management Ltd* and Newton Investment Management**. The investments include equities, property and cash. The equities comprise shareholdings in public companies with stock market quotations, however the portfolio manager refrains from direct investment in companies that derive a substantial amount of their profit from investment in tobacco.

16. Inventories

GROUP	2023/24	2023/24	2023/24	2023/24	2023/24
	£000	£000	£000	£000	£000
	Total	Drugs	Consumables	Consumables donated from DHSC	Charitable funds inventory
As at 1 April	22,016	7,961	13,769	227	59
Additions	424,353	278,422	145,632	299	0
Inventories recognised in expenses	(419,499)	(277,377)	(141,747)	(375)	0
Write down of inventories	(262)	(262)	0	0	0
Movement in Charitable funds inventories	(17)	0	0	0	(17)
As at 31 March	26,591	8,744	17,654	151	42
	2022/23	2022/23	2022/23	2022/23	2022/23
	£000	£000	£000	£000	£000
	Total	Drugs	Consumables	Consumables donated from DHSC	Charitable funds inventory
As at 1 April	18,739	7,940	10,575	181	43
Additions	391,241	252,926	136,739	1,576	0
Inventories recognised in expenses	(387,675)	(252,601)	(133,544)	(1,530)	0
Write down of inventories	(305)	(304)	(1)	0	0
Movement in Charitable funds inventories	16	0	0	0	16
As at 31 March	22,016	7,961	13,769	227	59
NHS FOUNDATION TRUST	2023/24	2023/24	2023/24	2023/24	
	£000	£000	£000	£000	
	Total	Drugs	Consumables	Consumables donated from DHSC	
As at 1 April	21,957	7,961	13,769	227	
Additions	424,353	278,422	145,632	299	
Inventories recognised in expenses	(419,499)	(277,377)	(141,747)	(375)	
Write down of inventories	(262)	(262)	0	0	
As at 31 March	26,549	8,744	17,654	151	
	2022/23	2022/23	2022/23	2022/23	
	£000	£000	£000	£000	
	Total	Drugs	Consumables	Consumables donated from DHSC	
As at 1 April	18,696	7,940	10,575	181	
Additions	391,241	252,926	136,739	1,576	
Inventories recognised in expenses	(387,675)	(252,601)	(133,544)	(1,530)	
Write down of inventories	(305)	(304)	(1)	0	
As at 31 March	21,957	7,961	13,769	227	

All stock is held at the lower of cost and net realisable value.

In response to the COVID 19 pandemic, the Department of Health and Social Care centrally procured personal protective equipment and passed these to NHS providers free of charge. During 2023/24 the NHS Foundation Trust received £299k (2022/23 £1,576k) of items purchased by DHSC.

These inventories were recognised as additions to inventory at deemed cost with the corresponding benefit recognised in income. The utilisation of these items is included in the expenses disclosed above.

17. Receivables

17.1 Receivables

	GROUP		NHS FOUNDATION TRUST	
	31 March 2024 £000	31 March 2023 £000	31 March 2024 £000	31 March 2023 £000
Current				
Contract receivables invoiced	34,628	37,812	34,628	37,812
Contract receivables not yet invoiced	41,937	58,361	42,658	58,361
Allowance for impaired contract receivables / assets	(5,493)	(6,492)	(5,493)	(6,492)
PFI prepayment (lifecycle replacement)	2,310	2,253	2,310	2,253
Other prepayments	7,159	6,922	7,159	6,922
PDC dividend receivable	3,216	309	3,216	309
VAT receivable	1,722	3,774	1,722	3,774
Clinician pension tax provision reimbursement funding from NHSE	82	88	82	88
Interest receivable	556	803	556	803
Other receivables	2,643	2,322	2,643	3,285
NHS Charitable fund - investment income	283	282	0	0
Trade and other Rec in SOFP	89,043	106,434	89,481	107,115
Non-current				
PFI prepayment (lifecycle replacement)	17,119	16,134	17,119	16,134
Other prepayments	514	789	514	789
Clinician pension tax provision reimbursement funding from NHSE	1,615	1,954	1,615	1,954
Trade and other Rec in SOFP	19,248	18,877	19,248	18,877
Total receivables	108,291	125,311	108,729	125,992
Of which:				
NHS and DHSC group bodies	40,012	50,814	40,012	50,814
Non NHS and DHSC group bodies	68,279	74,497	68,717	75,178
	108,291	125,311	108,729	125,992

17. Receivables (continued)

17.2 Allowances for credit losses (doubtful debts)

GROUP AND NHS FOUNDATION TRUST

	2023/24	2022/23
	£000	£000
	Total	Total
At 1 April	6,492	6,983
New allowances arising	4,319	4,236
Reversals of allowances	(2,394)	(2,567)
Utilisation of allowances	(2,925)	(2,160)
At 31 March	<u>5,492</u>	<u>6,492</u>
Loss/gain recognised in expenditure	<u>1,925</u>	<u>1,669</u>

Included within the above is an allowance for unsuccessful compensation claims and doubtful debts of £1,876k (2022/23 £2,116k) relating to the NHS Injury Cost Recovery Scheme. The Compensation Recovery Unit have advised that the probability of not receiving income is 23.07% (2022/23 24.86%).

17.3 Receivables past due but not impaired

	31 March	31 March
	2024	2023
	£000	£000
31 to 90 days	4,268	2,246
91 to 180 days	505	440
By more than 180 days	14,587	14,419
Total	<u>19,360</u>	<u>17,105</u>

18. Cash and cash equivalents

	GROUP		NHS FOUNDATION TRUST	
	2023/24 £000	2022/23 £000	2023/24 £000	2022/23 £000
Balance at 1 April	205,693	230,213	195,783	220,142
Net change in year	(14,605)	(24,520)	(13,097)	(24,359)
Balance at 31 March	191,088	205,693	182,686	195,783
Made up of:				
Cash at commercial banks and in hand	8,446	9,941	44	31
Government Banking Service	62,642	195,752	62,642	195,752
Deposits with the National Loan Fund	120,000	0	120,000	0
Cash and cash equivalents as per the Statement of Financial Position	191,088	205,693	182,686	195,783

There is no difference between cash and cash equivalents as detailed above and cash and cash equivalents in the Statement of Cash Flows.

19. Trade and other payables

	GROUP		NHS FOUNDATION TRUST	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
	£000	£000	£000	£000
Current				
Trade payables	17,452	15,003	17,452	15,003
Capital payables	11,471	12,128	11,471	12,128
Accruals	89,741	113,284	89,741	113,284
Annual leave accrual	7,826	6,717	7,826	6,717
Pension contributions payable	10,973	9,970	10,973	9,970
Other taxes payable	18,429	17,473	18,429	17,473
Other payables	19,931	22,990	19,931	22,990
NHS Charitable funds: Trade and other payables	0	0	0	0
Total trade and other payables	175,823	197,565	175,823	197,565
Of which payable to NHS and DHSC group bodies - current	4,106	4,267	4,106	4,267

The Group and NHS Foundation Trust have no non-current trade and other payables.

20 Other liabilities

GROUP and NHS FOUNDATION TRUST

	31 March 2024	31 March 2023
	£000	£000
Current		
Deferred income	74,331	67,929
Other*	5,481	6,258
Total trade and other payables	79,812	74,187

*Other liabilities relate to funding received from Department of Health and Social Care in relation to the NHS Foundation Trusts involvement with the Lighthouse Laboratory, Integrated Covid Hub North East (ICHNE) which the Trust accounts for on an agency basis.

21. Borrowings

21.1 Total Borrowings

GROUP and NHS FOUNDATION TRUST	31 March 2024 £000	31 March 2023 £000
Current		
Lease Liabilities	4,364	5,188
Obligations under PFI agreements	11,754	5,919
Total current borrowings	16,118	11,107
Non-current		
Lease Liabilities	28,644	36,285
Obligations under PFI agreements	384,268	203,516
Total non-current borrowings	412,912	239,801
Total borrowings	429,030	250,908

21.2 Reconciliation of liabilities arising from financing activities - 2023/24

GROUP and NHS FOUNDATION TRUST	31 March 2024 £000	31 March 2024 £000	31 March 2024 £000
	Lease liabilities	PFI obligations	Total
Carrying value at 31 March 2023 brought forward	41,473	209,435	250,908
Cash movements			
Financing cash flows - principal	(5,182)	(11,474)	(16,656)
Financing cash flows - interest (for liabilities measured at amortised cost)	(562)	(25,933)	(26,495)
Non-cash movements			
Application of IFRS 16 measurement principles to PFI liability on 1 April 2023	0	148,664	148,664
Application of effective interest rate (interest charge arising in year)	562	25,933	26,495
Additions	383	0	383
Early termination	(3,907)	0	(3,907)
Lease liability remeasurements	241	0	241
Remeasurement of PFI liability resulting from change in index or rate	0	49,397	49,397
Carrying Value at 31 March 2024	33,008	396,022	429,030

21. Borrowings (continued)

21.2 Reconciliation of liabilities arising from financing activities - 2022/23

GROUP and NHS FOUNDATION TRUST	31 March 2023 £000	31 March 2023 £000	31 March 2023 £000
	Lease liabilities	PFI obligations	Total
Carrying value at 31 March 2023 brought forward	0	216,085	216,085
Cash movements			
Financing cash flows - principal	(5,388)	(6,650)	(12,038)
Financing cash flows - interest (for liabilities measured at amortised cost)	(418)	(13,785)	(14,203)
Non-cash movements			
Impact of implementing IFRS 16 on 1 April 2022	45,012	0	45,012
Application of effective interest rate (interest charge arising in year)	418	13,785	14,203
Additions	5,752	0	5,752
Early termination	(3,768)	0	(3,768)
Lease liability remeasurements	(135)	0	(135)
Carrying value at 31 March 2023	41,473	209,435	250,908

21.3 Obligations under PFI arrangements

GROUP and NHS FOUNDATION TRUST	31 March 2024 £000	31 March 2023 £000
Gross liabilities which are due:		
Not later than one year	36,930	19,254
Later than one year and not later than five years	146,492	75,757
Later than five years	504,294	277,595
Total gross liabilities	687,716	372,606
Finance charges allocated to future periods	(291,694)	(163,171)
Net obligations	396,022	209,435
Net PFI obligations which are due:		
Not later than one year	11,754	5,919
Later than one year and not later than five years	54,104	26,530
Later than five years	330,164	176,986
	396,022	209,435

21. Borrowings (continued)

21.4 PFI Schemes (continued)

The NHS Foundation Trust has three PFI schemes which are included within the Statement of Financial Position.

The NHS Foundation Trust has determined that in accordance with the relevant accounting standards, it should recognise an asset of the relevant buildings as an item of property, plant and equipment and a corresponding finance lease liability. This then requires the NHS Foundation Trust to apportion the Unitary Payment for accounting purposes only into the following components: (a) a finance lease rental/asset financing component, (b) a services component and (c) a component in respect of funding for the replacement of parts of the asset over the life of the contract (lifecycle replacement).

Transforming Newcastle Hospitals (TNH) PFI scheme:

Original Capitalised value	£281,635k
Contract Start date	May 2005
Contract End date	May 2043

The Transforming Newcastle Hospitals PFI scheme, for a major service configuration at the Freeman Hospital and Royal Victoria Infirmary, reached financial close on 27 April 2005. After a negotiated settlement the final phase of the scheme, Phase 9, was handed over to the NHS Foundation Trust during 2016/17.

The initial Unitary Payment became payable from April 2005, when the scheme became partly operational (Freeman Multi-Storey Car Park). Construction of the Freeman Multi-Storey Car Park commenced prior to contract completion and was subsequently incorporated into the scheme. The District Valuer has prepared a Modern Equivalent Asset valuation for the separate elements of the scheme (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.

21. Borrowings (continued)

21.4 PFI schemes (continued)

RVI Boiler House PFI scheme:

Capitalised value	£5,704k
Contract Start date	October 2002
Contract End date	June 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	Decemberr 1997
Contract End date	June 2027

The Freeman Boiler House PFI scheme covers two stages, both for the upgrade of facilities and the provision of energy through the Freeman Boiler House. The first stage became operational on 1 December 1997 and the second on 1 January 2008.

21.5 Analysis of amounts payable to service concession operators

	31 March 2024 £000	31 March 2023 £000
Unitary payment payable to service concession operators	52,162	46,353
Consisting of:		
Service element	11,455	8,542
Repayment of finance lease liability	11,474	6,649
Interest charge	25,933	13,785
Contingent rent	0	14,486
Capital lifecycle costs - including prepayment element	3,300	2,891
Total amount paid to service concession operators	52,162	46,353

The NHS Foundation Trust made no additional payments to the PFI operator during the current or prior year and recognised no PFI support income within the Statement of Comprehensive Income in the current or prior year.

21. Borrowings (continued)

21.6 Total PFI arrangements - commitments

Maturity analysis of unitary payments

The NHS Foundation Trust is committed to make the following Unitary Payments over the remaining period of the PFI schemes:

	31 March 2024 £000	*Restated 31 March 2023 £000
Total future payments committed	951,703	968,669
Of which payments due:		
Not later than one year	53,418	49,181
Later than one year and not later than five years	206,404	196,422
Later than five years	691,881	723,066
	951,703	968,669

The amounts shown above are measured at current prices at 31st March 2024 and exclude any future impact of inflation. Previously the financial statements had included estimates for future RPI inflation. Therefore the amounts at 31st March 2023 have been restated to exclude these estimates.

21.7 Asset financing component of PFI schemes

	Gross payments		Present value of payments	
	31 March 2024 £000	31 March 2023 £000	31 March 2024 £000	31 March 2023 £000
Not later than one year	36,930	19,254	11,754	5,919
Later than one year and not later than five years	146,492	75,757	54,104	26,530
Later than five years	504,294	277,595	330,164	176,986
Sub-total	687,716	372,606	396,022	209,435
Less: finance cost attributable to future periods	(291,694)	(163,171)		
Total	396,022	209,435		

21. Borrowings (continued)

21.8 Impact of change in accounting policy for on-SoFP PFI liabilities

IFRS 16 liability measurement principles have been applied to PFI, LIFT and other service concession arrangement liabilities from 1 April 2023. When payments for the asset are uplifted for inflation, the imputed lease liability recognised on the SoFP is remeasured to reflect the increase in future payments. Such increases were previously recognised as contingent rent as incurred.

The change in measurement basis has been applied retrospectively without restatement of comparatives and with the cumulative impact on 1 April 2023 recognised in the income and expenditure reserve. The incremental impact of applying the new accounting policy on (a) the allocation of the unitary charge in 2023/24 and (b) the primary statements in 2023/24 is set out in the disclosures below.

Impact of change in accounting policy on the allocation of unitary payment

	IFRS 16 basis (new basis) 2023/24 £000	IAS 17 basis (old basis) 2023/24 £000	Impact of change 2023/24 £000
Unitary payment payable to service concession operator	52,162	52,162	0
Consisting of:			
Interest charge	25,933	13,336	12,597
Repayment of balance sheet obligation	11,474	5,919	5,555
Service element	11,455	11,455	0
Lifecycle maintenance	2,259	2,259	0
Contingent rent	0	18,152	(18,152)
Addition to lifecycle prepayment - capital	1,041	1,041	0

21. Borrowings (continued)

21.8 Impact of change in accounting policy for on-SoFP PFI liabilities (continued)

Impact of change in accounting policy on primary statements

Impact of change in PFI accounting policy on 31 March 2024	£000
Statement of Financial Position:	
Increase in PFI liabilities	(192,506)
Increase in cash and cash equivalents (impact of PDC dividend only)	5,970
Impact on net assets as at 31 March 2024	(186,536)
Impact of change in PFI accounting policy on 2023/24 Statement of Comprehensive Income:	£000
PFI liability remeasurement charged to finance costs	(49,397)
Increase in interest arising on PFI liability	(12,597)
Reduction in contingent rent	18,152
Reduction in PDC dividend charge	5,970
Net impact on (deficit)	(37,872)
Impact of change in PFI accounting policy on 2023/24 Statement of Changes in Equity:	£000
Adjustment to reserves for the cumulative retrospective impact on 1 April 2023	(148,664)
Net impact on 2023/24 surplus / deficit	(37,872)
Impact on equity as at 31 March 2024	(186,536)
Impact of change in PFI accounting policy on 2023/24 Statement of Cash Flows:	£000
Increase in cash outflows for capital element of PFI	(5,555)
Decrease in cash outflows for financing element of PFI	5,555
Decrease in cash outflows for PDC dividend	5,970
Net impact on cash flows from financing activities	5,970

21. Borrowings (continued)

21.9 Services component of PFI schemes

	Gross payments	
	31 March 2024 £000	31 March 2023 £000
Not later than one year	12,189	8,499
Later than one year and not later than five years	42,744	36,098
Later than five years	127,712	133,156
	182,645	177,753

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 £11,455k (2022/23 £8,542k).

The actual amounts paid vary to forecast due to inflation, contract variations and credits received for service failures.

21.10 Lifecycle replacement component of PFI schemes

	Gross payments	
	31 March 2024 £000	31 March 2023 £000
Not later than one year	3,376	3,294
Later than one year and not later than five years	13,506	13,177
Later than five years	54,020	49,408
	70,902	65,879

The lifecycle component excludes the impact of inflation in future years.

22. Provisions

GROUP and NHS FOUNDATION TRUST	31 March 2024 £000	31 March 2023 £000			
Pensions - Injury benefits	1,689	1,759			
Legal claims - other	386	348			
Clinician pension tax reimbursement	1,697	2,042			
Other	11,916	15,508			
Total	15,688	19,657			
Analysed by:					
Current	12,514	6,362			
Non-current	3,174	13,295			
Total	15,688	19,657			
	Pensions - Injury benefits £000	Legal claims - other £000	Other £000	Clinician pension tax reimbursement £000	Total £000
Movement in year:					
At 1 April 2023	1,759	348	15,508	2,042	19,657
Change in the discount rate	(133)	0	0	(364)	(497)
Arising during the year	175	413	0	0	588
Utilised during the year - accruals	(33)	0	0	0	(33)
Utilised during the year - cash	(97)	(144)	(3,592)	(51)	(3,884)
Reversed unused	(8)	(231)	0	(40)	(279)
Unwinding of discount *	26	0	0	110	136
At 31 March 2024	1,689	386	11,916	1,697	15,688
Expected timing of cash flows					
- not later than one year	130	386	11,916	82	12,514
- later than one year and not later than five years	491	0	0	131	622
- later than five years	1,068	0	0	1,484	2,552
Total	1,689	386	11,916	1,697	15,688

Pensions - relates to sums payable to former employees having retired prematurely due to injury at work. The outstanding liability is based upon current and expected benefits advised by the NHS Pensions Agency and the computed life expectancies of pension recipients.

Legal Claims - based upon professional assessments, which are uncertain to the extent that they are an estimate of the likely outcome of individual cases. Due dates of settlement of claims are based upon estimates supplied by the NHS Litigation Authority and/or Legal Advisers.

22. Provisions (continued)

Clinician pension tax reimbursement - 2019/20 Pension Annual Allowance Charge Compensation Scheme (PAACCS) - estimated liability as at 31 March 2024 provided by NHS England. The figures are derived from combining information on applications to join the 2019/20 scheme under the policy, together with information in the scheme pays election form where present, and with averages assumed where these forms are absent or clearly an estimate (values less than £100). Future liabilities based on individual member data and scheme rules are then discounted to give a total for the NHS Foundation Trust.

Other - the opening balance relates to building related provisions resulting from the on-going development of the Royal Victoria Infirmary (RVI), Freeman and the Campus for Ageing and Vitality (CAV) sites. The provision relates to building relation provisions which includes fire remediation works required across the Trust estate as obligated under Article 4 of the Regulatory Reform (Fire Safety) Order 2005. The remediation works are expected to be carried out within the coming years.

The NHS Foundation Trust has an insurance arrangement through the NHS Resolution in respect of clinical negligence, with liabilities covered by an annual insurance premium payment. Excluded from this note therefore is a sum of £128,182k (2022/23 £405,591k) which is included within the provisions of the NHS Litigation Authority in respect of clinical negligence liabilities of the NHS Foundation Trust.

Where it is not considered probable that a payment will be made, non-provided amounts are disclosed in Note 26, Contingent Liabilities.

* Unwinding of discount relates to the inflation effect on existing provisions of their payment in the future.

23. Notes to the Statement of Cash Flows

23.1 Reconciliation of operating surplus to net cash flow from operating activities

	GROUP		NHS FOUNDATION TRUST	
	2023/24 £000	2022/23 £000	2023/24 £000	2022/23 £000
Total operating surplus/(deficit)	11,100	41,245	13,647	42,726
Depreciation and amortisation	38,558	35,484	38,558	35,484
Net impairments (Reversals)	15,019	(7,933)	15,019	(7,933)
Income recognised in relation to donated assets - cash	(316)	(107)	(866)	(2,760)
(Increase) in inventories	(4,592)	(3,261)	(4,592)	(3,261)
(Increase) in trade and other receivables	20,723	(6,448)	20,965	(6,642)
Increase/(Decrease) in trade and other payables	(21,085)	358	(21,085)	358
Decrease in other liabilities	5,625	7,436	5,625	7,436
Decrease in provisions	(3,995)	(2,574)	(3,995)	(2,574)
NHS Charitable funds - net adjustments for working capital movements, non-cash transactions and non-operating cash flows	16	2	0	0
Net cash generated from operating activities	61,053	64,202	63,276	62,834

24. Financial Commitments

24.1 Contractual Capital Commitments

Commitments under capital expenditure contracts as at 31 March 2024 amount to £5,857k (2022/23 £1,150k).

	31 March 2024 £000	31 March 2023 £000
Property, plant and equipment	5,772	1,150
Intangible assets	85	0
	<u>5,857</u>	<u>1,150</u>

24.2 Other financial commitments

The NHS Foundation Trust is committed to making payments under non-cancellable contracts (which are not leases, PFI contracts or other service concession arrangement), analysed by the period during which the payment is made:

	31 March 2024 £000	31 March 2023 £000
Not later than 1 year	31,383	33,423
After 1 year and not later than 5 years	31,986	48,898
Paid thereafter	1,535	1,092
Total	<u>64,904</u>	<u>83,413</u>

24.3 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 2024 £000	31 March 2023 £000
Extension options and termination options (not reasonably certain to be exercised)	973	189
Total	<u>973</u>	<u>189</u>

25. Events after the Reporting Date

There are no events after the reporting date to report.

26. Contingent Liabilities

GROUP and NHS FOUNDATION TRUST	31 March 2024 £000	31 March 2023 £000
Gross and net value of contingent liabilities - other	<u>85</u>	<u>42</u>

The contingent liability figure relates to the non-provided risks for Employer and Public Liability claims based upon risk assessments supplied by the NHS Resolution.

27. Related Party Transactions

27.1 Ultimate parent

The NHS Foundation Trust is a public benefit corporation established under the National Health Service Act 2006. Monitor (operating as NHS England) the Independent Regulator for NHS Foundation Trusts, has the power to control the NHS Foundation Trust within the meaning of IAS 27 Consolidated and Separate Financial Statements. Monitor does not prepare group accounts but does prepare separate NHS Foundation Trust Consolidated Accounts. The NHS Foundation Trust Consolidated Accounts are included within the Whole of Government Accounts. Monitor is accountable to the Secretary of State for Health and Social Care (DHSC) and therefore the NHS Foundation Trust's parent department is the DHSC and ultimate parent is HM Government.

27.2 Whole of Government Accounts Bodies

All government bodies which fall within the Whole of Government accounts boundary are regarded as related parties because they are all under the common control of HM Government and Parliament. This includes for example all NHS bodies, all local authorities and central government bodies.

27. Related Party Transactions (continued)

27.3 Transactions with other related parties

The NHS Foundation Trust had no direct transactions with board members other than remuneration which is disclosed in the Remuneration Report in the current or previous financial year and had no outstanding payable or receivable balances at 31 March 2024 or 31 March 2023. 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 2024 and 31 March 2023. Further details can be found in note 27.7. This table excludes balances with other whole of government entities.

	31 March 2024 £000 Payables	31 March 2024 £000 Receivables	31 March 2024 £000 Income	31 March 2024 £000 Expenditure
Other bodies or persons outside of the whole of government accounting boundary	1,246	1,830	13,711	9,141
Total value of transactions with other related parties and balances as at 31 March	1,246	1,830	13,711	9,141
	31 March 2023 £000 Payables	31 March 2023 £000 Receivables	31 March 2023 £000 Income	31 March 2023 £000 Expenditure
Other bodies or persons outside of the whole of government accounting boundary	556	2,522	13,185	11,035
Total value of transactions with other related parties and balances as at 31 March	556	2,522	13,185	11,035

27. Related Party Transactions (continued)

27.4 Significant transactions and balances with other NHS and whole of government bodies

The table below identifies the eleven organisations with which the NHS Foundation Trust has had the largest value of revenue transactions during the current and previous year. The NHS Pension Scheme and HM Revenues and Customs (excluding VAT) are also included due to the material value of payments made.

	31 March 2024 £000 Payables	31 March 2024 £000 Receivables	31 March 2024 £000 Income	31 March 2024 £000 Expenditure
NHS England	103	3,662	724,781	718
NHS North East and North Cumbria ICB	0	18,588	687,160	32
DHSC (excluding PDC)	0	899	32,800	(18)
NHS Pension Scheme (Employer's contributions, Payables includes Employee's contributions)	11,007	0	0	111,223
HM Revenues and Customs (excluding VAT)	18,429	0	0	69,698

	31 March 2023 £000 Payables	31 March 2023 £000 Receivables	31 March 2023 £000 Income	31 March 2023 £000 Expenditure
NHS England	53	34,039	625,051	946
NHS North East and North Cumbria ICB	0	2,660	483,854	59
NHS Newcastle Gateshead CCG	0	0	90,896	0
Health Education England	0	221	55,942	(1)
DHSC (excluding PDC)	0	648	29,800	18
NHS Northumberland CCG	0	0	18,520	0
NHS North Tyneside CCG	0	0	17,430	0
NHS Pension Scheme (Employer's contributions, Payables includes Employee's contributions)	9,983	0	0	101,632
HM Revenues and Customs (excluding VAT)	17,473	0	0	64,469

None of the receivable or payable balances are secured. Amounts are usually due within 30 days and will be settled in cash.

27. Related Party Transactions (continued)

27.5 Commitments at 31 March 2024

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 2023/24.

27.6 Charitable funds

The NHS Foundation Trust receives revenue and capital payments from a number of charitable funds, including the Newcastle upon Tyne Hospitals NHS Charity, for which the NHS Foundation Trust acts as 'Corporate Trustee'. The results for this Charity are consolidated within these group accounts.

27.7 Directors

The NHS Foundation Trust's former Chair, Professor Sir J Burn holds the posts of Professor of Clinical Genetics and Senior Strategic Advisor with Newcastle University and Mr W MacLeod, Non Executive Director holds the post of Chair of International Advisory Board and is also a Lay Member of Council. Transactions with the University were both financial and non financial relating principally to income received of £7,738k (2022/23 £7,360k) and expenditure of £8,594k (2022/23 £2,453). The year end receivable balance was £1,787k (2022/23 £2,453k) and payable balance was £1,217k (2022/23 £556k).

The NHS Foundation Trust's Chief Executive Sir J Mackey holds the post of National Director for Elective Recovery for NHS England. Details of transactions with NHS England can be found in note 27.4.

The NHS Foundation Trust's Chief Executive Sir J Mackey holds the post of Chair of NHS Advisory Board for Procurement and Supply for NHS Supply Chain. Transactions during the year with NHS Supply Chain consisted of income of £6k (2022/23 Nil) and expenditure of £86,388k (2022/23 £56,472k) in relation to clinical and general supplies. The year end balances were £6k receivables (2022/23 Nil) and payables £168k (2022/23 1,842k).

The NHS Foundation Trust's Chief Executive Sir J Mackey is a Trustee of Alnwick Gardens. Transactions during the year consisted of expenditure of £7k (2022/23 £14k).

The NHS Foundation Trust's former Chief Executive Dame Jackie Daniel is a director of Northern Health Science Alliance. The NHS Foundation Trust had transactions during the year of £30k expenditure (2022/23 Nil).

The NHS Foundation Trust's former deputy chief executive / medical director Mr A Welch and estates director Mr R Smith were directors of Newcastle Healthcare Property Company Limited during the year. The company has not started trading.

The NHS Foundation Trust's former Chair, Professor Sir John Burn, continues as a director of Pulse Diagnostics Limited alongside senior manager Dr A J Sims. The company is not currently trading.

The NHS Foundation Trust's former Chair, Professor Sir John Burn, holds the position of Director with European Hereditary Tumour Group. During the year the NHS Foundation Trust had the following transactions with European Hereditary Tumour Group of expenditure of less than £1k (2022/23 Nil).

27. Related Party Transactions (continued)

27.7 Directors (continued)

The NHS Foundation Trust's former Chair, Professor Sir John Burn, holds the position of Chair with Quantum DX. During the year the NHS Foundation Trust had the following transactions with Quantum DX of income of £1k (2022/23 £122k) and did not hold any year end receivable balance (2022/23 £15k).

The NHS Foundation Trust's former Chief Executive Dame Jackie Daniel is a director of Academic Health Science Network North East and North Cumbria (AHSN NENC). The NHS Foundation Trust provides financial services support to AHSN NENC. Transactions during the year, including funds transfers in respect of receipts and payments made to and by the NHS Foundation Trust on behalf of AHSN NENC, were income of £5,943k (2022/23 £5,528k) and expenditure of £58k (2022/23 £68k). Year end balances were £17k (2022/23 £15k) receivable and £Nil (2022/23 Nil) payable.

A non-executive director, Jonathan Jowett is the Company Secretary of Greggs PLC. During the year the NHS Foundation Trust had the following transaction with Greggs PLC, expenditure of £53k (2022/23 £18k).

A non-executive director, E Bromley is the Chief Executive of Newcastle College Group. During the year the NHS Foundation Trust had the following transaction with Newcastle College Group, expenditure of £8k (2022/23 Nil).

The NHS Foundation Trusts Interim Chair, Professor K McCourt is a Convenor of Fellows of Royal College of Nursing. During the year the NHS Foundation Trust had the following transactions with Royal College of Nursing, expenditure of £9k (2022/23 £1k) and a payables balance of £Nil (2022/23 £1k).

The NHS Foundation Trusts Interim Chair, Professor K McCourt is a non remunerated independent member of annual academic career progression committee of the University of Cumbria. During the year the NHS Foundation Trust had transactions with University of Cumbria of £8k expenditure (Nil 2022/23).

The NHS Foundation Trusts Interim Chair, Professor K McCourt is a Trustee of Bishop Bewick Catholic Education Trust. During the year the NHS Foundation Trust had transactions with Bishop Bewick Catholic Education Trust of £26k income (Nil 2022/23) and Nil expenditure (£5k 2022/23). There was also a receivables balance of £26k (Nil 2022/23).

A non-executive director, Stephanie Edusei is a Director/Board member of The North East Chamber of Commerce. During the year the NHS Foundation Trust had the following transactions with The North East Chamber of Commerce of expenditure of £11k (2022/23 £1k).

The NHS Foundation Trust's Managing Director Mr R Harrison currently seconded to the organisation and is substantively employed by South Tees NHS Foundation Trust. During the year the NHS Foundation Trust had transactions with South Tees NHS Foundation Trust of £2,047k income (£1,526k 2022/23) and expenditure of £1,894k (£2,467k 2022/23). Year End balances were receivables £802k (£665k 2022/23) and payables £302k (£219k 2022/23).

A non-executive director, Stephanie Edusei is Chief Executive of St Oswald's Hospice. During the year the NHS Foundation Trust had the following transactions with St Oswald's Hospice of income of £3k (2022/23 £136k) and expenditure of £363k (2022/23 £165k). Year end balances were Nil receivable (2022/23 £29k) and £29k payable (Nil 2022/23).

27. Related Party Transactions (continued)

27.8 Remuneration of key management personnel

The remuneration of the executive and non-executive directors, who are the key management personnel of the NHS Foundation Trust, is set out in 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.

28 Financial Instruments and Financial Risk Management

IFRS 7 requires disclosure of the role that financial instruments have had during the year in creating or changing the risks an entity faces in undertaking its activities. Because of the continuing service-provider relationship that the NHS Foundation Trust has with local Integrated Care Boards (ICBs) and the way those ICBs are financed, the NHS Foundation Trust is not exposed to the degree of financial risk faced by business entities. Also, financial instruments play a much more limited role in creating or changing risk than would be typical of the listed companies to which the financial reporting standards mainly apply. Financial assets and liabilities are generated by day-to-day operational activities rather than being held in order to change the risks facing the NHS Foundation Trust.

The NHS Foundation Trust's capital and treasury management operations are carried out by the finance department, within parameters defined formally within the NHS Foundation Trust's standing financial instructions and policies agreed by the Board of Directors.

IFRS 7 also requires disclosures relating to the risks associated with financial instruments. There are three types of risk which the NHS Foundation Trust has assessed which are detailed below:

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. For the NHS Foundation Trust, credit risk arises mainly from NHS and other receivable balances. Credit risk is mitigated as a substantial part of the NHS Foundation Trust's activity is carried out with other Health Bodies. For other transactions specific checks are made regarding credit worthiness before the NHS Foundation Trust enters into any new contracts. The NHS Foundation Trust manages this risk by regular review of aged receivable balances, prompt follow up on those which are overdue and provides for any deemed to be impaired. Once the balance is determined to be irrecoverable the amount is written off.

Of the Group's cash and cash equivalents balance at the year end, 33% was held with the Government Banking Service and 4% with the NHS Foundation Trust's and Charity's bankers, HSBC, Barclays and Virgin Money (previously Clydesdale). The credit risk arising, i.e., that the banks may default on repayment, is considered to be low.

The NHS Foundation Trust held 63% of its cash and cash equivalent balances totalling £120,000k in short term deposits with the National Loans Fund at the year end which is deemed to be zero risk. The Trust placed deposits between November 2023 and March 2024. The average deposit during this time was £125,286k. During the 2022/23 year the NHS Foundation Trust placed no deposits with the National Loans Fund due to the low Bank of England base rate. As at 31st March 2024 the Bank of England Base Rate 5.25%.

Credit Risk (continued)

An analysis of aged and impaired receivables is given in Note 17.2.

The credit risk associated with all other financial instruments is considered to be low. The Group's maximum exposure to credit risk at the balance sheet date is £311,514k (2022/23 £339,452k). There are no amounts held as collateral against these balances.

At 31 March 2024 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 2024 there are £Nil (2022/23 £Nil) financial assets that would otherwise be past due or impaired whose terms have been renegotiated.

Liquidity risk

Liquidity risk is the risk that the NHS Foundation Trust will encounter difficulty in meeting obligations associated with financial liabilities. The NHS Foundation Trust's net operating costs are incurred under contracts with various commissioning bodies, which are financed from resources voted annually by Parliament. During the year the NHS Foundation Trust will receive income month by month, based on block contracts negotiated with commissioners and with corrections applied to adjust for actual expenditure incurred for some services.

The NHS Foundation Trust largely finances its capital expenditure from internally generated resources. In addition, funds have also been made available from Government, in the form of additional Public Dividend Capital, to progress specific capital schemes. The NHS Foundation Trust can borrow from commercial sources to finance capital schemes. Such financing would be drawn down to match the spend profile of the scheme concerned and the NHS Foundation Trust is not, therefore, exposed to significant liquidity risk in this area.

The NHS Foundation Trust is also subject to liquidity risk in relation to the long term PFI contracts into which it has entered. The maturity analysis for payments under these schemes can be found in Note 21. Expenditure savings have been identified to mitigate the liquidity risk of the PFI contracts. Prior to the contract being entered into the scheme was reviewed by HM Treasury and, subsequently, by Monitor when the NHS Foundation Trust was applying for Foundation Trust status.

Market Risk - Interest-rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

At the beginning of 2023/24 the NHS Foundation Trust's cash and cash equivalents attracted interest at a rate of 4.14%, however, following a number of interest rate rises during the financial year linked to the change in the Bank of England base rate, the Trust is now receiving interest at 5.14%. Any reduction in the base rate or interest rate would have an immaterial impact on cash flows and hence interest rate risk on these financial assets is deemed to be immaterial.

28 Financial Instruments and Financial Risk Management (continued)

Market Risk - Interest-rate risk (continued)

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 4%. The Newcastle upon Tyne Hospitals NHS Charity also holds a variable cash balance with HSBC which attracts an interest rate at 2%.

A significant area of uncertainty that affects the carrying value of assets held by the Charity is the performance of investment markets. The Charity utilises Investment advisors and regularly reviews their performance in line with the Charity Investment Policy.

The NHS Foundation Trust's PFI arrangements are on fixed interest terms.

Other than as described above, none of the other remaining NHS Foundation Trust financial assets or liabilities carry interest rates which vary with market rates and therefore interest rate risk is not deemed material and a sensitivity analysis is not considered necessary.

29. Financial Assets and Liabilities

29.1 Carrying values of financial assets

	GROUP		NHS FOUNDATION TRUST	
	31 March 2024 £000	31 March 2023 £000	31 March 2024 £000	31 March 2023 £000
Receivables (excluding non-financial assets) - with NHS and DHSC bodies	34,055	49,845	34,055	49,845
Receivables (excluding non-financial assets) - with other bodies	41,913	42,961	42,634	43,924
Cash and cash equivalents	182,686	195,783	182,686	195,783
Consolidated NHS Charitable fund financial assets - Investments	44,175	40,671	0	0
Consolidated NHS Charitable fund financial assets - Cash and cash equivalents	8,685	10,192	0	0
Total	311,514	339,452	259,375	289,552

The Group and NHS Foundation Trust financial assets are held at amortised costs, with the exception of the Charitable Investments which are held at fair value through profit and loss.

29. Financial Assets and Liabilities (continued)

29.2 Carrying values of financial liabilities

	GROUP		NHS FOUNDATION TRUST	
	31 March 2024 £000	31 March 2023 £000	31 March 2024 £000	31 March 2023 £000
Other financial liabilities				
Obligations under leases	33,008	41,473	33,008	41,473
Trade and other payables (excluding non-financial liabilities) - with other bodies	142,665	166,022	142,665	166,022
Trade and other payables (excluding non-financial liabilities) - with NHS and DHSC bodies	3,756	4,100	3,756	4,100
PFI finance lease obligations	396,022	209,435	396,022	209,435
Total	575,451	421,030	575,451	421,030

All of the Group and NHS Foundation Trust other financial liabilities are carried at amortised cost. Fair value is not considered significantly different from book value.

Maturity of other financial liabilities *

In one year or less	188,111	195,147	188,111	195,147
In more than one year but not more than five years	163,925	94,780	163,925	94,780
In more than five years	517,325	297,300	517,325	297,300
Total	869,361	587,227	869,361	587,227

30. Application of new standards

The NHS Foundation Trust adopted IFRS 16 in relation to PFI liabilities with effect from 1st April 2023. The impact of the new accounting standard is detailed in note 21.

31. Third Party Assets

The NHS Foundation Trust held £7k (2022/23 £6k) 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 468 cases of losses and special payments totalling £696k during the year (2022/23 506 cases totalling £1,983k). 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	2023/24	2023/24	2022/23	2022/23
	Total number of cases No	Total value of cases £000	Total number of cases No	Total value of cases £000
Losses				
Cash losses - overpayment of salaries	8	3	15	9
Bad debts and claims abandoned in relation to:				
a. private patients	25	10	32	19
b. overseas visitors	73	254	76	277
c. other	91	58	58	27
Damage to buildings, property etc. (including stores losses) due to:				
a. stores losses	41	103	42	142
b. other	148	184	184	199
Total losses	386	612	407	673
Special payments				
Compensation under court order or legally binding arbitration	0	0	5	99
Ex-gratia payments in respect of:				
a. loss of personal effects	66	31	76	40
b. personal injury with advice	16	53	17	109
c. other	0	0	1	1,062
Total special payments	82	84	99	1,310
Total losses and special payments	468	696	506	1,983
	2023/24	2022/23		
	£000	£000		
Recovered Losses				
Compensation payments received	5	60		

Recovered losses relate to the retrospective payment of bad debts previously written off, these figures are not included in the Analysis of losses and special payments by category table above.

33 Pension Costs

33.1 NHS Retirement Benefit Scheme

Past and present employees are covered by the provisions of the 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 2024, is based on valuation data as 31 March 2023, updated to 31 March 2024 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

b) Full actuarial (funding) valuation

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

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2020. The results of this valuation set the employer contribution rate payable from April 2024. The Department of Health and Social Care has recently laid Scheme Regulations confirming the employer contribution rate will increase to 23.7% of pensionable pay from 1 April 2024 (previously 20.6%). 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.

33 Pension Costs (continued)

33.1 NHS Retirement Benefit Scheme (continued)

b) Full actuarial (funding) valuation continued

The NHS Foundation Trust estimates that its employer contributions into the scheme in 2024/25 will be £79,036k (2023/24 £77,410k), which is based on the 14.38% contribution. The additional contributions from 14.38% to 20.6%, estimated to be £34,523k (2023/24 £33,813k) 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 2024/25.

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 £447k (2022/23 £328k). During the 2024/25 year Employers contributions will be 3% of the employees salary.

34. The Newcastle upon Tyne Hospitals NHS Charity The Newcastle upon Tyne Hospitals NHS Charity

34.1 Funds

	31 March 2024 £000	31 March 2023 £000
Restricted	18,678	16,507
Unrestricted	33,503	33,452
	51,181	49,959

As at 31 March 2024 the total funds as disclosed in the Newcastle Upon Tyne Hospitals NHS Charity accounts amount to £38,788k. This balance has been adjusted for IFRS accounting policies and is disclosed in the group accounts as £52,181k. The adjustment to funds of £13,393k has been included within unrestricted funds.

33 Pension Costs (continued)

34.1 Funds (continued)

Restricted funds

Restricted funds may be accumulated income funds which are expendable at the trustee's discretion only in furtherance of the specified conditions of the donor and the objects of the charity. They may also be capital funds (e.g. endowments) where the assets are required to be invested, or retained for use rather than expended.

Unrestricted funds

Unrestricted income funds are accumulated income funds that are expendable at the discretion of the trustees in furtherance of the charity's objects. Unrestricted funds may be earmarked or designated for specific future purposes which reduces the amount that is readily available to the charity.

The aim of the Charitable fund is to use the available funds to complement NHS resources in The Newcastle upon Tyne Hospitals NHS Foundation Trust to increase patient comfort and enhance facilities for both patients and staff.

34.2 Further information

Further information relating to the use of the Charitable funds and the Trustees' report can be found within the Newcastle upon Tyne Hospitals NHS Charity Annual Report and Accounts which form part of The Newcastle upon Tyne Hospitals NHS Foundation Trust Annual Report and Accounts.

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