Gateshead Health
NHS Foundation Trust

Gateshead Health NHS Foundation Trust

Annual Report and Accounts 2021/22

Gateshead Health NHS Foundation Trust

Annual Report and Accounts 2021/22

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

Gateshead Health NHS Foundation Trust

Annual Report and Account 2021/22

(for the period 1 April 2021 to 31 March 2022)

Contents

Performance Report

Overview of performance

Chair and Chief Executive's statement

Last year we reflected that 2020/21 was a year unlike any other for our Trust, the NHS and the population as a whole. Sadly we saw the global pandemic continue throughout 2021/22 and it was another hugely challenging year for us all.

Our dedicated colleagues and volunteers worked incredibly hard to manage the impact of the pandemic whilst also focussing on the recovery of elective services for our patients. We are so proud of our colleagues, volunteers, governors and local communities for going above and beyond to look after each other and our patients.

Our patient services

In some ways the delivery of our patient services during 2021/22 was even more difficult than during the first year of the pandemic, as we continued to care for patients with Covid, but commence our elective recovery and respond to an increase in our non-elective activity compared to the previous year. This was against a backdrop of national workforce supply challenges and high absences.

Performance in respect of both elective and non-elective services was challenging, and we did not meet several of the nationally mandated performance targets. We did ensure that no patients waited over 104 weeks for treatment and successfully reduced the volume of over 52-week waiters. We were also able to assist other local providers in reducing their long waiters and extending the provision of certain services, such as gynaecology oncology services, to support other areas of the region that could no longer consistently provide their own services.

Despite significant operational challenges we received positive survey results from several national patient surveys, which provides a positive platform for our continued recovery of services.

We maintained a strong focus on quality during the year, monitoring key indicators and triangulating information to ensure that we identified any key themes and learnings. Delivering the highest standards of care for our patients is a top priority and we continually strive to improve, even during the times of greatest operational pressures.

Our people

Looking after the welfare, wellbeing and safety of our colleagues continues to be of paramount importance to us. We recognise that the impact of the pandemic on individuals will be significant and may last for years to come.

During the year we increased our health and wellbeing offering to colleagues – launching our Balance health and wellbeing programme with several initiatives to support mental and physical health. Events were held during the year to thank our colleagues for their hard work and provide a boost to morale. This included #Appreciation August with ice creams and cold drinks to thank colleagues, as well #ThankYouGateshead week in December.

Our occupational health teams and volunteers did a fantastic job at both vaccinating colleagues and testing for Covid over the last year, helping to keep us as protected as possible during this challenging time.

Our colleagues at QE Facilities worked tirelessly to support us to keep services running and our estate clean and tidy for patients and staff, often fulfilling requests at short notice.

Supply is a key risk across the NHS and here at Gateshead we are acutely aware of this. The Board identified workforce supply as a top priority during 2021/22, with a focus on actions to increase domestic recruitment, enter into international recruitment for the first time and encourage colleagues to remain with Gateshead Health and build their careers with us.

We invested in our management and leadership development provision and were delighted to launch our new Managing Well and Leading Well courses towards the end of the year.

We were pleased to see an increase in the participation rate for the NHS staff survey, which provides a rich source of feedback for us to be able to continue to improve and make our organisations great places to work. Seeking ideas, feedback and suggestions from our colleagues is an area of importance to us. We undertook a significant amount of engagement with colleagues, governors and stakeholders to develop our new vision, values and strategy which we are excited to launch in early 2022/23.

We continued to work closely with our staff networks during the year, with equality, diversity and inclusion remaining a key priority for us.

Financial performance

2021/22 represented a very unusual year in respect of finance, with different funding regimes in place to support providers to respond to the pandemic and recover services. We invested additional funds wherever possible to benefit our patients and colleagues. We ended the year in a surplus position, but recognise that the financial landscape for 2022/23 will be very different with some significant challenges and risks as we move to a new funding regime.

Innovation and service improvement

We are passionate about continuous improvement and despite the challenges that 2021/22 brought with it, we grasped opportunities to innovate and improve our services wherever possible. This included significant investment in a new operational model designed to improve patient flow and experience and avoid inappropriate admissions. This is a longer-term project, but feedback so far demonstrates that the changes are having a positive impact on our patients.

We made a significant investment in the very latest surgical technology, which will enable us to provide faster, safer and less invasive procedures. This is a major upgrade to our theatres and reflects our ambition to provide our patients with a world-class health service.

We also celebrated the opening of a new 10-bedded Sunniside ward for our older people experiencing functional mental illness and introduced new technology to support faster diagnostics for some of our key specialities.

Our QE Facilities colleagues entered into an exciting project to design and manufacture masks with a unique anti-viral layer. This is a fantastic achievement that when it is launched will provide significant benefits regionally, nationally and beyond.

Partnership working

Partnership working has never been more important and the collective response to the pandemic and recovery has demonstrated this. We have continued to cement our role in the Integrated Care System and Provider Collaborative, as well as developing partnerships with key organisations such as Citizens' Advice Gateshead to deliver support services to both patients and colleagues.

We were delighted to launch our Health Inequalities Board in late 2021/22, with the Gateshead Local Authority's Director of Public Health as a core member. This will provide a strong platform for collaborative working in addressing the unmet health needs of our local population, which is of utmost importance to us.

Looking ahead

As we write this statement, we are seeing further easing of Covid restrictions within the health sector and indeed across the world. Whilst we continue to exercise caution and ensure that we are prepared for further twists and turns, we are optimistic that we are making progress towards a return to business as usual.

Elective recovery and workforce supply will continue to be core priorities as we head into 2022/23 and whilst we know there will be challenges along the way we will continue to do our utmost to look after our patients and our colleagues to our very best abilities.

There are exciting times ahead as we plan to launch our new strategy in early 2022/23, with patients, people and partners at the very heart of this.

We are immeasurably proud of our Trust and QE Facilities colleagues and volunteers for their hard work, dedication, commitment and compassion. We would also like to extend our sincere thanks to our Governors, partners and the public for their incredible support and encouragement.

Yvonne Ormston MBE
Chief Executive
7 July 2022

Alison Marshall
Chair
7 July 2022

About us – our history, purpose and services

Gateshead Health NHS Foundation Trust was authorised as a Foundation Trust in January 2005. We provide secondary care, community services and older persons' mental health services to a local population of approximately 200,000. We also provide specialist screening services, gynaecology-oncology, pathology and breast services across a wider population, including other parts of the North East, Humberside, Cumbria and Lancashire.

Our services are primarily delivered from three locations in the Gateshead area – the Queen Elizabeth Hospital site, Bensham Hospital and Blaydon Urgent Treatment Centre.

In 2021/22 we also supported Newcastle Gateshead Clinical Commissioning Group (CCG) with the running of four GP practices in the outer west of the Gateshead borough.

As a group we employ over 4,800 staff and are also supported by many valued volunteers from our local communities.

During 2021/22 we were guided by our vision:

- We believe in the **patient being at the heart** of everything we do;
- We also want to **work well with our partners** to give you the best experience possible;
- We want to **be the best employer**, creating the right conditions for our staff to excel;
- We want to **spend our money wisely**, that means being held accountable to you by a Board of Non-Executive Directors and a Council of Governors; and
- **Living our values** every day including honesty, equality, respect, trust, openness, dignity and reform

Our values are grouped to form the acronym ICORE – Innovation, Care Openness, Respect and Engagement. Our values are the core of who we are and everything we do – we strive to live our values every day to provide the best care to our patients and the best working environment for our staff.

The Trust also wholly owns its subsidiary QE Facilities (QEF), which was established in 2014. QE Facilities provides estates, facilities, procurement, materials and supply chain management, equipment maintenance and transport services to the Trust. QEF also provides services to other NHS organisations as well as the private sector, with profits reinvested into patient care. QEF's vision is *'to work together with all of our partners to always provide the best non-clinical support services for the benefit of every patient across the NHS and within the communities we serve'*.

About us – our corporate objectives and key risks

At the beginning of 2021/22 the Board of Directors agreed five key strategic aims underpinned by a series of objectives, fifteen of which were deemed to be Board priority objectives.

The fifteen priority objectives included a focus on areas such as:

- Implementing the recommendations from the Ockenden maternity services report;
- Development of a health and wellbeing strategy and continued development of occupational health and testing services for staff;
- Strategic workforce planning;
- Delivery of the operational transformation programme to improve productivity and efficiency of service delivery;
- Continued development of pathology services; and
- Working collaboratively with partners at place within Gateshead.

Progress against all objectives was monitored by the Board-level committees during the year, with quarterly reports to the Board of Directors on the achievement of the fifteen Board priority objectives.

The Trust actively utilised its risk management framework and systems to proactively manage the principal risks faced during the year. Strategic and organisational-wide risks were recognised on the Organisational Risk Register (ORR), with cross-linkage to the Board Assurance Framework (BAF) to understand the potential impact of risks on the delivery of the corporate objectives.

The key risks faced by the Trust over the year included the impact of Covid, workforce shortages, delayed discharges, operational pressures and reduced service provision on both patient care and staff health and wellbeing. The risks facing the Trust changed over the year – as an example risks concerning the implementation of vaccination as a condition of deployment were high during Quarter 3 but reduced following the revoking of the legislation in March 2022. Risks relating to Covid also changed in score depending upon whether a further wave of the pandemic was being experienced.

Many of these risks are likely to remain live in 2022/23, as we focus on our elective recovery from the pandemic against a backdrop of national workforce supply pressures, colleagues who have worked tirelessly throughout the pandemic (with an inevitable impact on health, wellbeing and resilience), a much more challenging financial environment and a significant shortage of onward care packages to support timely discharge.

Both the ORR and BAF were regularly reviewed and monitored by the Board and its committees throughout the year. This assisted in monitoring the effectiveness of mitigations and enabling additional actions to be taken to manage risks and objectives where required.

Further information on the principal risks and mitigations can be found in the Annual Governance Statement section of the Annual Report.

Despite the challenging operating environment and associated risks, good progress was made during the year in respect of the delivery of the fifteen priority objectives. This included six being fully achieved and no objectives either not started or at significant risk of delivery (recognising that several objectives covered a longer time period).

Going concern

As an NHS Foundation Trust, the directors are required to make an assessment as at the balance sheet date as to whether the Trust remains a going concern.

In summary following our assessment, these accounts have been prepared on a going concern basis, in accordance with the definition as set out in section 4 of the DHSC Group Accounting Manual (GAM) which outlines the interpretation of International Accounting Standard 1 (IAS1) 'Presentation of Financial Statements' as "the anticipated continuation of the provision of a service in the future, as evidenced by the inclusion of financial provision for that service in published documents".

The directors have considered whether there are any local or national policy decisions that are likely to affect the continued funding and provision of services by the Trust. The Trust is a member of the Cumbria and the North East Sustainability and Transformation Partnership (STP). In November 2019, the STP published its Strategic Delivery Plan and NHS Long Term Plan response for the five-year period 2020/21 - 2024/25. This plan includes the continued provision of services by the Trust. No circumstances were identified that would cause the directors to doubt or question the continued provision of NHS services.

This year the Group reported a £17.47m surplus and met its financial performance targets. Income from Commissioners was largely based on the simplified block payments system introduced in response to the Covid-19 pandemic, which improved liquidity and cash flow during the year. Additional costs due to the pandemic were supported on an actual cost reimbursement basis for the first half of the year and on an advance block payment basis for the second half of the year.

In April 2020, the Department of Health and Social Care (DHSC) and NHS England and NHS Improvement (NHSE&I) announced reforms to the NHS cash regime for the 2020/21 financial year. During 2020/21 existing DHSC interim revenue loans as of 31 March 2020 were extinguished and replaced with the issue of Public Dividend Capital (PDC) to allow their repayment. This meant that the Trust received PDC of £12.235m to repay these loans which had accumulated from prior year deficits and thereby increased the total net assets, strengthening the value of the balance sheet and meaning the Trust is no longer required to generate surpluses to service this historic debt.

For 2022/23 a new financial framework has been implemented nationally. This is broadly a block payment arrangement for most services plus a move to a 'PbR' (payment by results) arrangement, the Elective Recovery Fund (ERF), which is received on the achievement of activity and trajectory targets relating to the recovery of waiting times. The Trust has planned to achieve these activity targets and therefore has assumed this income within the plan. We recognise that this is potentially uncertain but as it amounts to less than 2% of income to the Trust, we regard this as immaterial to the Going Concern assessment.

The Trust has produced its financial plans based on these assumptions which have been approved by the Trust Board.

The Trust has prepared a cash forecast modelled on the above expectations for funding during the going concern period to June 2023. The cash forecast shows sufficient liquidity for the Trust to continue to operate during that period and there is no expectation of cash support being required, although that option remains available to Foundation Trusts.

In conclusion, these factors, and the anticipated future provision of services in the public sector, support the Trust's adoption of the going concern basis for the preparation of the accounts.

Performance analysis

Operational performance

We have a range of key performance indicators to ensure our services are the best they possibly can be. Alongside this, we must meet a series of standards set nationally.

We collate our key performance measures in the monthly Integrated Oversight Report (IOR) to ensure we understand the correlation between activity undertaken, workforce risks and implications whilst providing an assurance of the quality of our services delivered against a range of key performance standards. The Trust reports key metrics from the Care Quality Commission's (CQC) Key Lines of Enquiry (KLOEs), the NHS England System Oversight Framework (SOF), the NHS Constitution and Recovery Metrics to provide a holistic and balanced view. Business Units are invited to Quarterly Oversight Meetings with our Executive team to review performance and facilitate wider feedback and engagement with the operational teams.

During the past year the pandemic has again placed exceptional pressures on the NHS, requiring changed ways of working with great speed and agility in every existing service whilst continuing to ensure the safety of all patients and staff.

Because of this, the usual monitoring against key targets has continued alongside the 2021/22 focus to recover hospital care activity back to pre-pandemic levels whilst ensuring that our most urgent patients continue to be treated with equity of access and elements of regional collaboration where appropriate. Recovery plans have been developed in conjunction with Business Unit teams to return to national compliance as soon as possible to reduce the number of long waiters.

Our longest waiters are reviewed weekly and contacted by the Trust to ensure that they have not deteriorated, and significant efforts have been made to reduce this cohort as quickly and as safely as possible.

Areas of performance challenge linked to the pandemic and other factors include:

- Activity volumes and value of the activity to attain the Elective Recovery Fund;
- A&E four-hour standard and supporting metrics;
- Referral To Treatment (RTT) 18 Weeks Standard;
- 6-week diagnostic standard;
- Cancer waiting time standards;
- Patients residing in hospital who no longer meet the criteria to reside, and
- Operational staffing pressures.

Elective activity

The challenge in 2021/22 was to recover our elective backlogs by focusing on returning to pre-pandemic levels of activity, whilst balancing this with Covid, workforce supply issues and high levels of sickness absence.

Subsequent waves of Covid infection and the volumes of inpatients that followed necessitated a highly flexible and reactive approach to capacity planning and staffing across the hospital site. Many services were unable to return to 100% of pre-Covid activity at any point throughout the year due to the continuing social distancing requirements and increased infection prevention and control regulations.

Overall, the number of patients admitted for hospital care fell 13% compared to the volumes recorded in 2019/20, and non-elective reduced by 19%. In areas where our patients didn't require an overnight bed, we treated just under 96% of patients compared to pre-Covid levels.

However, within the outpatient setting, activity compared to 2019/20 increased with services maximising and continuing to utilise new practices such as non-face-to-face consultations, as well as converting elective slots into outpatient clinics when facilities such as theatres were unavailable. In summary:

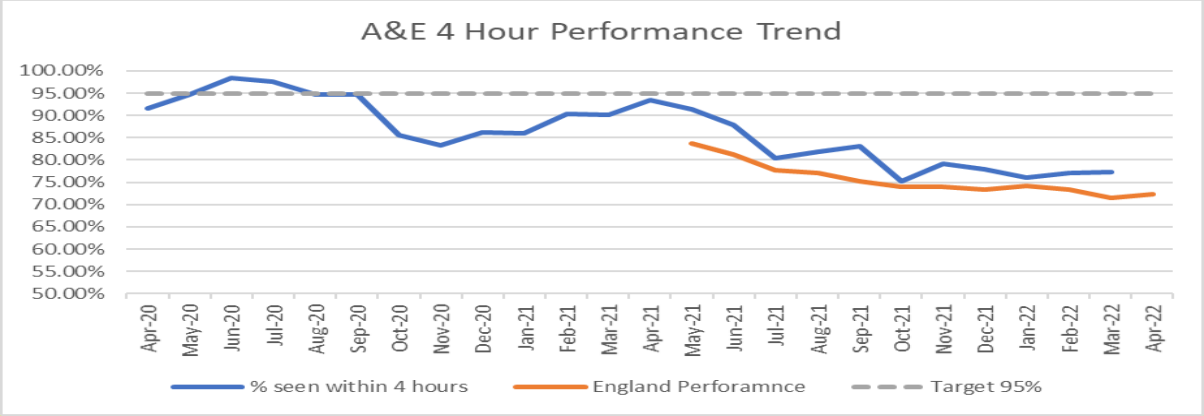
- Outpatient attendances increased by 4% (recovering strongly throughout the year to often outperform 2019/20 levels of activity in the latter half of the year);
- We met and often exceeded the digital requirement to see at least 25% of outpatient contacts via remote consultation; and
- The expectation to discharge patients from hospital care with the facility to return into acute care on a patient-initiated basis was below the expectation of 1.5% (1.3%).

	2019/20 (baseline) Precovid	2021/22		Variance	Percentage Delivered of Baseline Year
Inpatient Activity	66652	58184		-8468	87%
Daycase	29297	28111		-1186	96%
Elective	3900	3008		-892	77%
Emergency & Non-Elective	33455	27065		-6390	81%
Outpatient Activity	259442	269875		10433	104%
New Outpatients	65946	69899		3953	106%
Review Outpatients	193496	199976		6480	103%

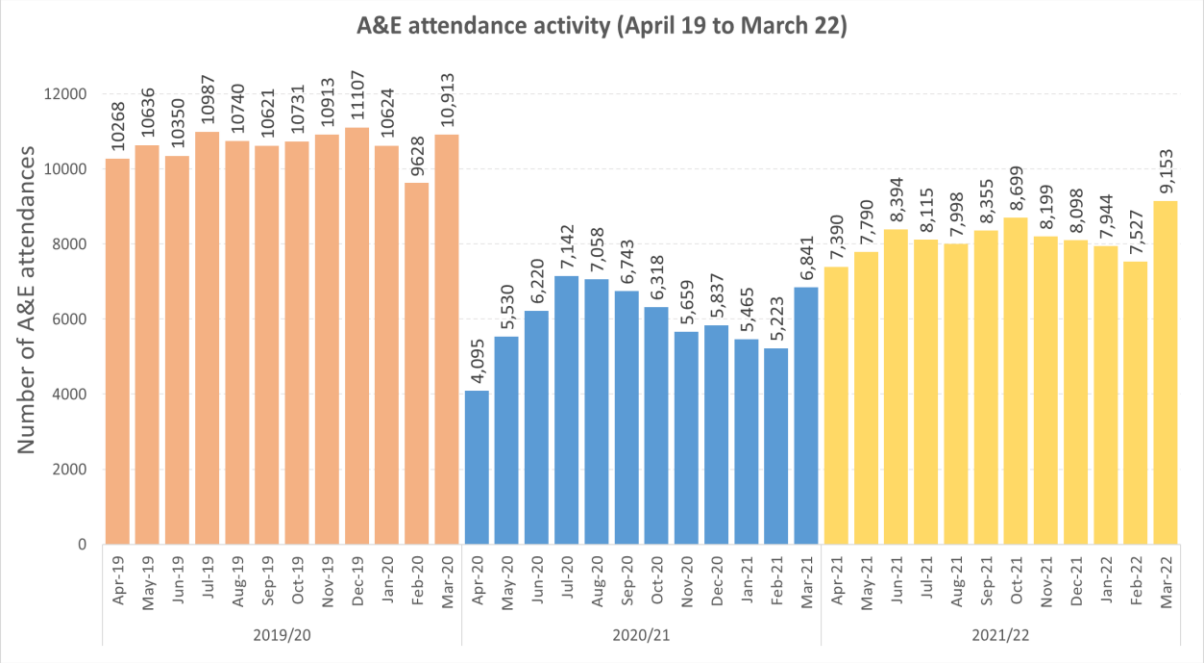
Accident and Emergency (A&E) activity and performance

During 2021/22, we consistently performed above the national average in terms of performance against the A&E 4-hour standard (figure 2), with overall Trust performance for 2021/22 at 81.62%. In line with the rest of the region's acute trusts, the 4-hour target was not met in any of the months. 24 patients waited in A&E for longer than 12 hours for a hospital bed. Whilst the volume of ambulance handover delays increased in the year, we were still one of the top performing acute trusts in the North-East.

Staff demonstrated their flexibility in responding to several challenges throughout the year, not least the waves of the pandemic which required the implementation of extraordinary changes to the operational delivery of care at a rapid pace, often flexing the front-of-house clinical model to cope with Covid peaks.



Whilst overall A&E activity is not yet back to pre-pandemic levels with an overall 23% reduction in emergency care attendances compared to 2019/20, patient confidence is returning with an upward trend in 2021/22, demonstrating an overall increase in activity of 35% on the previous year.



Changing our clinical model

During 2021/22 we reconfigured beds to align the clinical operating model to the revised activity profile to address some of our clinical challenges in delivering care. Additional investment supported increasing the overall core bed-base from 433 to 444 beds, protecting our elective beds, increasing non-elective beds and aligning the beds to specialty areas.

During 2021/22 ambulatory care was 'lifted and shifted' into implementing Same Day Emergency Care (SDEC). Our aims continue to reduce and prevent unnecessary admissions, by changing the way patients are assessed, diagnosed, and treated with the aim of rapid access to care to turn-around patient care in a day. The unit now sees on average 900 patients per month of which 80% are seen and treated within the day.

Further capital development work will continue into 2022/23 including building work to protect elective orthopaedic capacity and refine the bed base further.

Bed changes and challenges in-year

In line with infection, prevention and control measures our bed base reduced significantly to increase the distance between bays, altering 6 bedded bays to 4 bedded bays. This reduced the general and acute bed capacity by 44 beds and increased the occupancy levels in year, which meant that at times the Trust was pushed to full capacity placing an enormous amount of pressure on our staff and supporting community teams. Pressures were particularly evident from December with the arrival of the Omicron variant then going into Q4, delays in discharge, particularly affecting our patients who require Local Authority-provided home care support, intermediate care and reablement support, and patients who have complex care home needs.

Referral to Treatment (RTT) waiting times

The elective priority to clear backlog waits in 2021/22 was to minimise the number of RTT long waiters. Throughout 2021/22 no patients waited over 104 weeks for treatment, and we reduced the volume of over 52-week waiters from 107 in April 2021 to 41 at the end of March 2022, reporting a 62% reduction against the North East and North Cumbria (NENC) average of 56% across the year. We also provided support to other care providers to help them reduce their backlog of long waiters when they could no longer treat patients with complex care needs.

Overall, the waiting list increased by 22% over the year from 8,982 patients waiting in April 2021 to 10,956 patients waiting at the end of March 2022, consistent with the national and the local waiting list picture and in-line with recovery and referral rates.

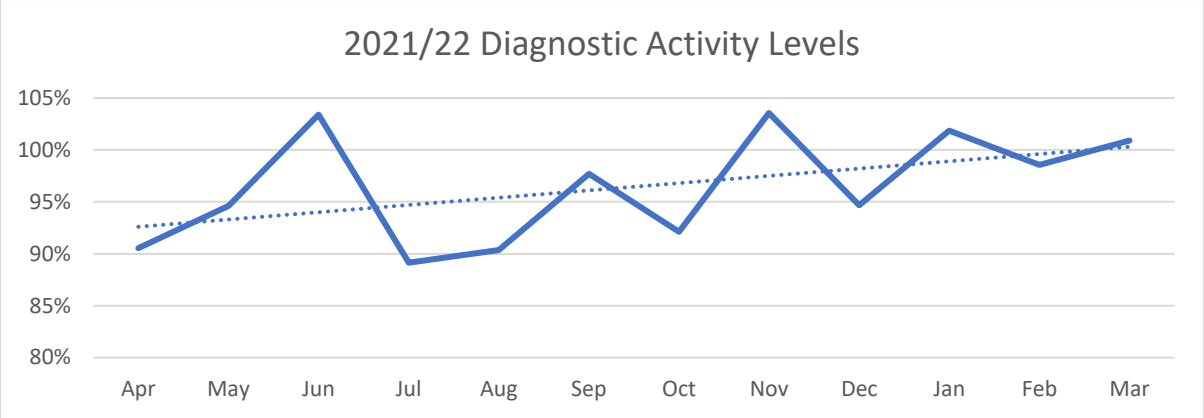
Compliance against the 18-week standard fell 2% from April 2021 with performance at 76.7% to 74.7% in March 2022. We consistently performed above the national average throughout the year. Treating of our longest waiters has remained a priority during significantly challenging times whilst we have battled with balancing non-elective pressures, delayed discharges, Covid waves and workforce issues.

We sought independent review of the waiting-lists to provide assurance in the process of waiting list management, validation and data quality processes. The overall compliance rate was excellent at 97.5% against a NHSE/I requirement of 95%. Further work continues to support continuity of administrative services in vulnerable areas.

Another significant development in year has been to develop our waiting lists to include several additional metrics relating to health inequalities which will be viewable to services and waiting list officers. These additional metrics will help the Business Units to plan their response to Covid, as well as meeting strategic objectives to reduce health inequalities. Metrics which will now be available to assist the routine planning of services include health deprivation statistics, ethnicity and learning difficulty indicators. In addition to this, a monthly Board in now in operation to oversee the wider strategic aims and strategic goals relating to health inequalities.

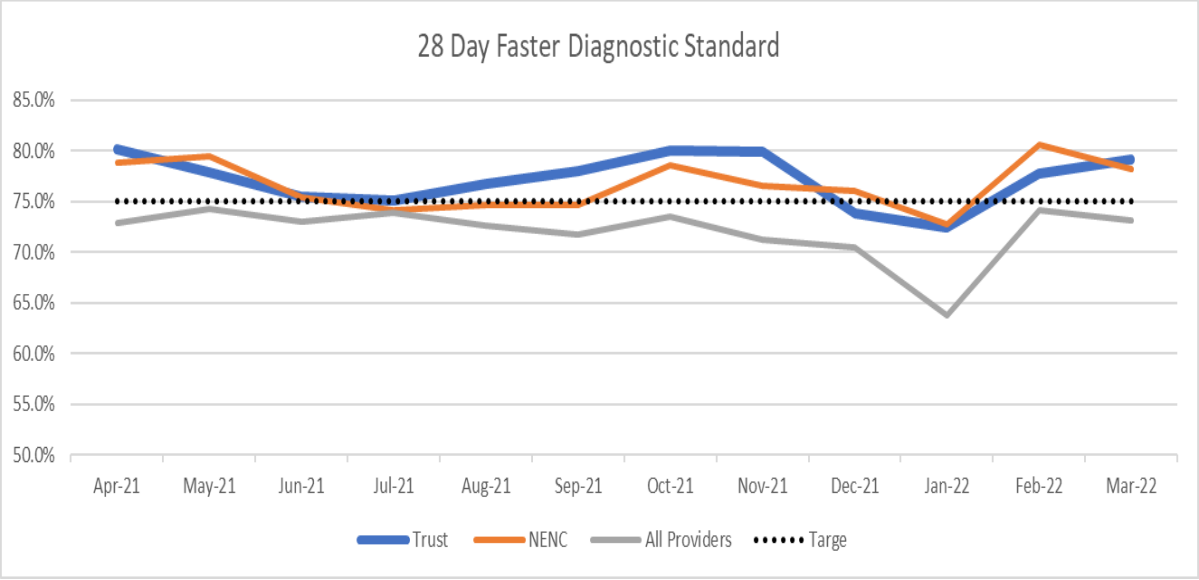
Diagnostics

During 2021/22, we didn't manage to meet the target of 99% of patients waiting less than 6 weeks for diagnostic tests. The necessary cancellation of all non-urgent diagnostic tests in the early stages of the pandemic significantly impacted the ability to meet this standard, with the Trust catching up on a backlog of requests throughout the year, with areas of challenge in audiology and echocardiology. Overall diagnostic activity has greatly increased from the start of the year (as shown in the following chart), and wherever possible, services have made use of the additional capacity provided by independent sector organisations and third-party organisations as well as undertaking additional clinics to maximise available assets where possible.



Rolling out Rapid Diagnostic Centres (RDCs) is part of an ambitious five-year plan to speed up diagnosis of cancer and other serious conditions to make sure everyone suspected of cancer gets the right tests at the right time in as few visits as possible. The Trust has hosted the early adopter and year 1 scheme at Blaydon offering MRI and CT scanning to patients in Gateshead and Newcastle. The expectation is that 75% pf patients will have a cancer diagnosis or ruled out within 28 days of referral (the 28 day faster diagnostic standard).

We achieved the standard across the year except for December and January, mirroring the NENC and national trendlines (as shown in the following chart). Best practice timed pathways are under development for 2022/23 to demonstrate how effective treatment can be provided within maximum target times to meet this standard.



Cancer

We have worked hard to ensure that cancer pathways and the treatment of cancer patients is prioritised, and we continue to address the patient back-log of waiters. The following table summarises performance across the range of measures.

Cancer measures	Standard %	April 21	May 21	June 21	July 21	Aug 21	Sept 21	Oct 21	Nov 21	Dec 21	Jan 22	Feb 22	March 22
All cancers 2 week waits	93	86.1	91.4	74.3	85.8	89.9	92.7	92.4	76.2	67.1	60.2	88.5	88.6
31 day diagnosis to first treatment	96	92.4	96.9	90.7	92.4	96.9	88	89.4	96.3	96.8	91.5	97.7	94.2
31 day subsequent treatments (drugs)	98	98.3	100	100	100	97.8	100	100	100	100	100	100	96.9
31 day subsequent treatments (surgery)	94	93.8	100	100	100	95.2	94.7	100	93.8	90	92.9	96.8	82.9
All cancers: 62 days referral to treatment	85	63.5	72.6	69.8	59.2	79.3	64.9	55.4	66.9	57.6	54.5	60	59.4
Referred from cancer screening: 62 days treatment	90	88.1	85.7	82.6	94.1	92.1	82.1	71.4	93	85.1	81.8	76.7	80.7
28 days faster diagnostic standard	75	79.4	77.6	76.2	75.9	77.7	79.4	80.3	80.5	74.8	73.1	78.1	80.1
28 day screening	75	64.9	75	65	64	57.8	51.7	63.8	63.1	59	53	64.9	67.7

In respect of the 2 week wait from urgent referral to see a specialist in hospital we have struggled to meet the standard of 93% of patients are seen within the target time of two weeks primarily due to capacity restrictions in infection, prevention and control measures coupled with increases in referral rates (particularly increases in the breast pathway).

In respect of the 31-day diagnosis to treatment target the standard to ensure that 96% of patients wait 31 days or less from the decision to treat to receiving first definitive treatment was achieved in eight months during year – again following the local ICS and national trends.

The 62-day standard is to achieve 85% of patients who wait 62 days or less from referral to initial treatment for cancer. We experienced challenges along these pathways, particularly in our shared pathways where treatments are given in other hospital sites, for example lung and urology where treatments are not offered at on-site services and capacity is shared with other providers. The Trust has also supported the provision on gynaecology oncology across the ICS when service provision was severely limited in the south of the patch.

The pandemic pushed back the timeline to start the programme of targeted lung health checks in Gateshead, and we were keen to get started on this as lung cancer causes more deaths in the UK than any other cancer due to suffers often experiencing no signs or symptoms in the early stages. We were able to commence this work in quarter 4 and it will continue into 2022/23.

Cancer screening programmes continued during 2021/22 and throughout the latest wave of the pandemic, despite some areas of pressure. We continued to provide Bowel screening services across the North East. The breast screening department are on target to achieve backlog clearance by May 2022.

Financial performance

With the continuing pandemic, the financial arrangements for 2021/22 remained out-with the normal financial frameworks. The guidance issued in 2020/21 which suspended the national operational planning process continued into 2021/22.

The interim financial framework was split into two six month periods for the financial year, H1 and H2. We received a level of income reflective of actual costs incurred sufficient to achieve a breakeven financial position and the financial plans reflected that position, based on centrally calculated block contract values and North Integrated Care Partnership (ICP) system funding. However due to several factors including difficulty in recruiting and retaining staff the Group has returned a surplus position inclusive of QEF, the Trust's subsidiary company, and Charitable Funds.

The Trust and NHS England and Improvement focus on the non-GAAP (Generally Accepted Accounting Principles) measure of surplus / (deficit) for the year, excluding impairments, revaluations and movements in charitable funds, as being the primary financial KPI, and against this measure the Group also reported a surplus of £17.47m.

The Trust prepares the accounts under International Financial Reporting Standards (IFRS) and in line with the HM Treasury Financial Reporting Manual, NHS England and Improvement's Annual Reporting Manual (ARM) and approved accounting policies. The Group accounts include QE Facilities, as well as the Trust's Charitable Funds.

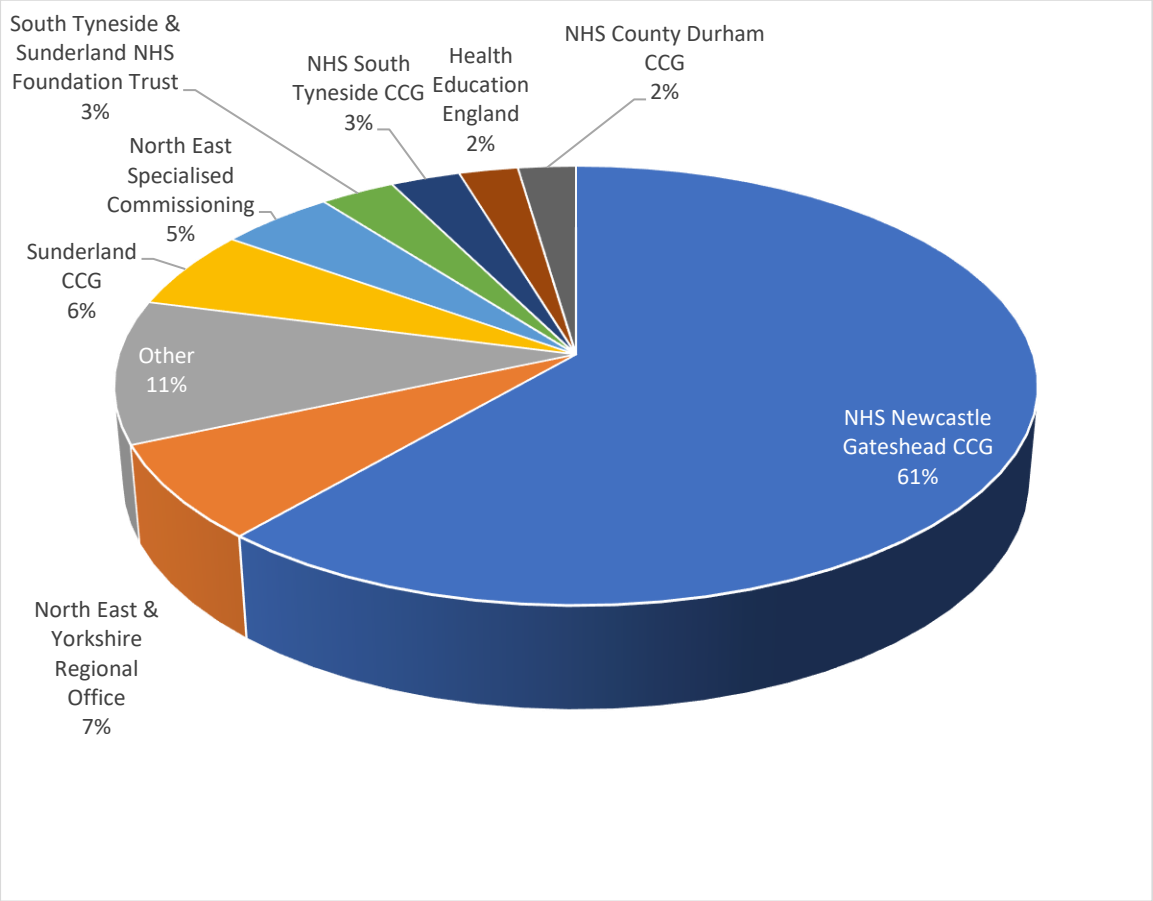
The financial outturn for the year can be summarised as follows:

	Group £'000
Income	369,414
Expenditure	(343,332)
Operating Surplus	26,082
Net Finance Costs	(2,939)
Other Gains and Losses	(132)
Corporation Tax	(775)
Surplus/(Deficit) for the Financial Year	22,236
I&E (reversals)/impairments	(8,844)
Surplus/(deficit)before impairments and transfers	13,392
Impact of DEL I&E reversals/(impairments)	519
Capital Donations/Grants	(953)
Prior Period Adjustments	3,405
Consumables donated from other DHSC bodies	925
Loss recognised on return of donated COVID assets to DHSC	178
Surplus/(Deficit) for the year before impairments, revaluations and charitable funds	17,466

Income

The Trust received £369.4m of total income for 2021/22, with NHS clinical revenue amounting to £341.6m, of which £318.7m (93.3%) came directly from CCGs for the commissioning of patient care and NHS England via the Area Teams, for specialised and screening services, with 66.2% directly

from Newcastle Gateshead CCG for the treatment of our immediate local population. An analysis of the total income the Trust received in 2021/22 is shown in the following chart.

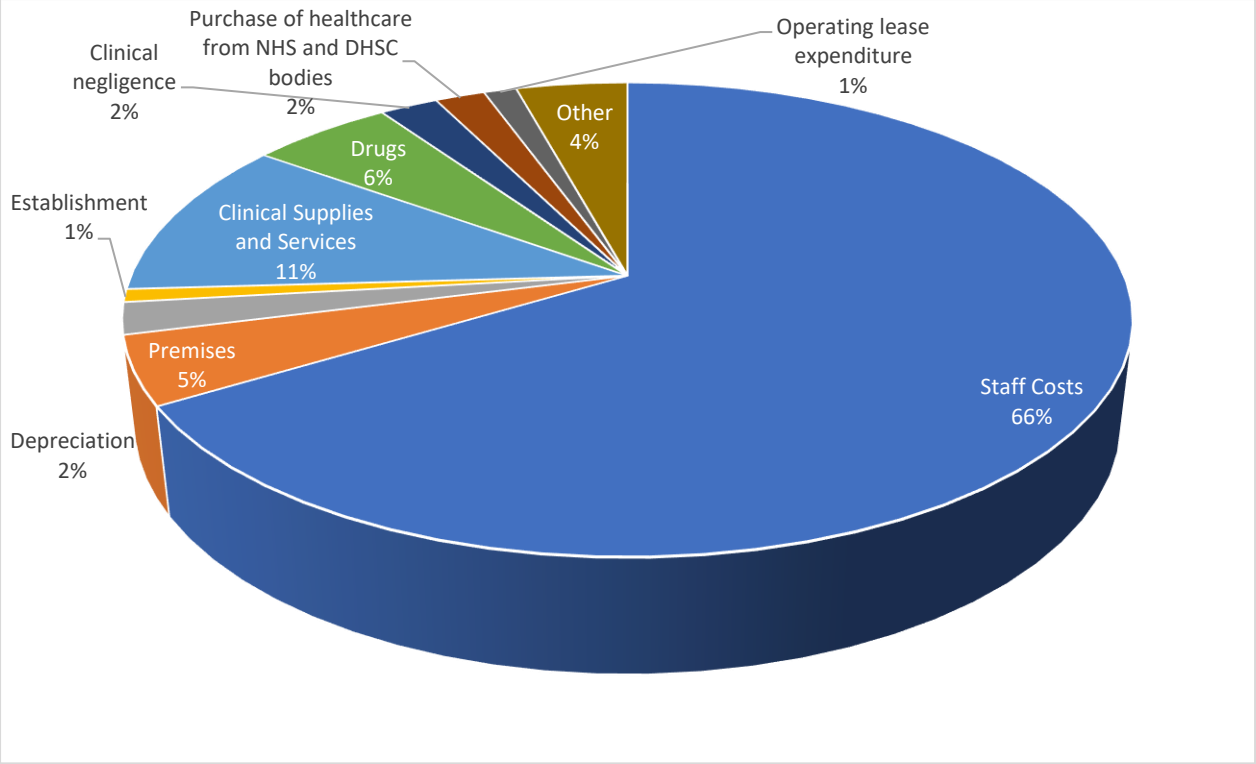


For 2021/2022 the Trust's income from private sources stood at 0.22% of total income, marginally higher than previous years. Section 43(2A) of the NHS Act 2006 (as amended by the Health and Social Care Act 2012) requires that the income from the provision of goods and services for the purposes of the health service in England must be greater than its income from the provision of goods and services for any other purposes. The Trust has met this requirement.

We continue to work towards compliance with the Better Payment Practice Code which requires the Trust to aim to pay all valid invoices by the due date of within 30 days of receipt of goods or a valid invoice (note that during the Covid 19 outbreak this has been reduced to 7 days). In 2021/22 85.8% of invoices (95.0% of value) met this standard. Detailed performance against the Code can be found in note 3.4 to the Financial Statements. Following a recommendation from government and NHSI/E, we also aim to pay small to medium sized businesses within 10 days of receipt of goods and services wherever possible.

Expenditure

Total expenditure for the year was £343.1m. By far the largest proportion is spending on pay and related expenses for our staff; this amounts to £233.7m (68%) of the total. Other material items of expenditure include medical and surgical consumables and drugs, amounting to £54.9m and premises costs of £16.4m. The following chart shows the full range of expenditure.

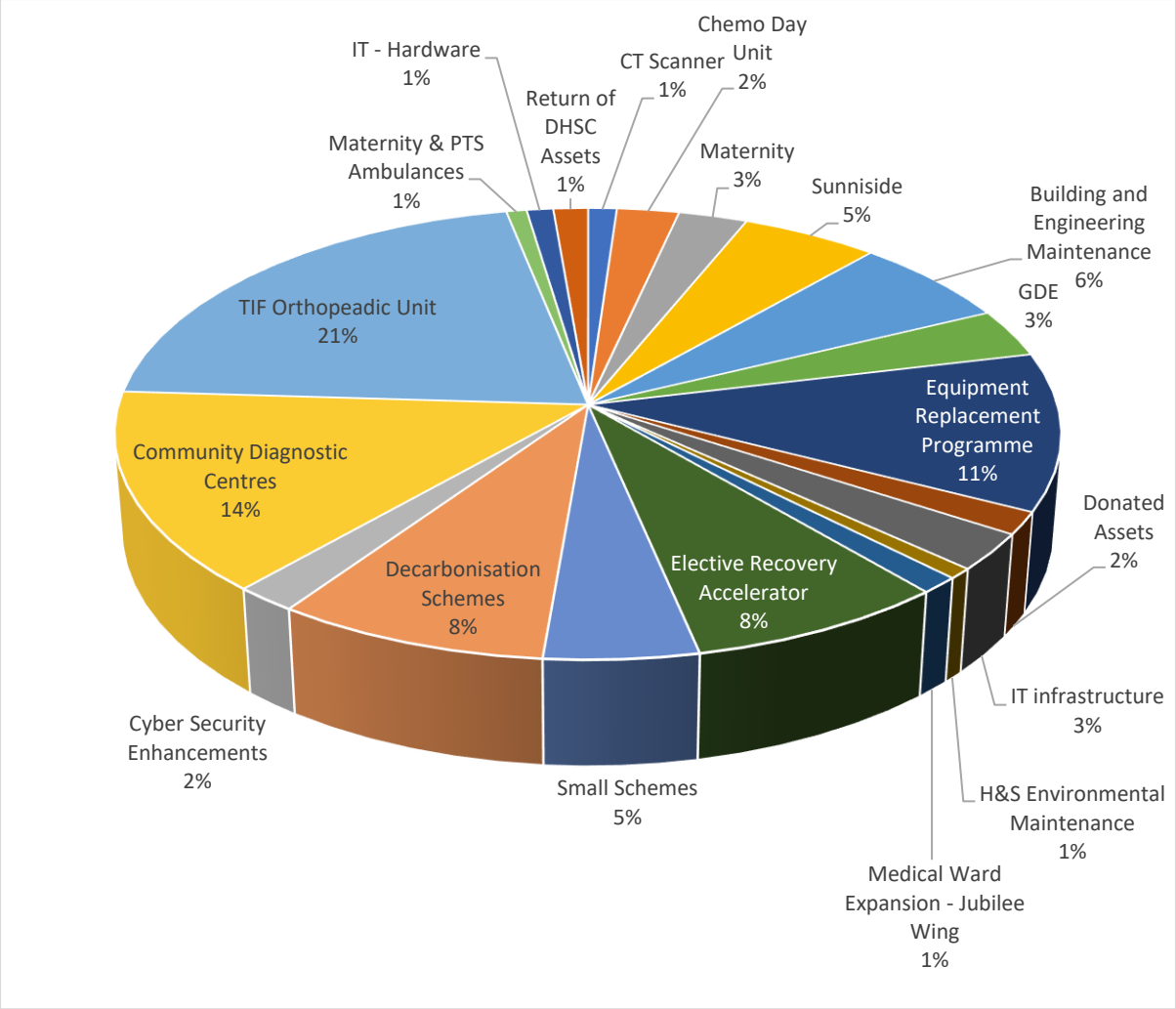


We have complied with the cost allocation and charging requirements set out in HM Treasury and Office of Public Sector Information guidance. This is relevant to areas such as Payment by Results, the mechanism by which the Trust receives some of its income from CCGs and the production of the annual Reference Cost Return.

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 £2k, although the total amount of interest actually paid in discharge of any such liability was nil.

Capital expenditure

Our capital expenditure for the year was £13.3m. Funding for the capital programme was made available from internal depreciation, cash, charitable funds, grant income and external funding of £6.2m. The breakdown of the capital programme is shown in the following chart.



Looking ahead – our financial plan

The national financial framework has been revised for 2022/23 to reflect the changing environment, pressures and the move away from pandemic funding arrangements. The funding broadly consists of a block contract with a 'PbR' (Payment by Results) element or Elective Recovery Fund (ERF) to incentivise the recovery of elective waiting times and list size, with a significant reduction in Covid funding compared to 2021/22. Based on this and a continuation of levels of expenditure seen in 2021/22 the Group has planned for a surplus of £1.6m. This assumes the achievement of activity, workforce and performance requirements within the period. As ever and within this financial environment, we continue to focus on the delivery of sustainable, high quality and safe services.

There are several significant risks to the planned position for 2022/23:

- Ongoing consequences of the Covid pandemic and other uncertainty surrounding pressures and therefore the cost base;
- Assumed level of income from ERF, dependent on delivery at both a local and system level;
- Delivery of capital schemes to enable recovery;
- Further changes in financial reporting systems and ability to respond;
- Delivery of increased efficiency requirement; and
- Impact of delivery of efficiencies and funding flows on the liquidity position.

Our Finance and Performance Committee will continue to seek assurance over the management of these risks during 2022/23 on behalf of the Board.

QE Facilities

It has been a busy year for colleagues in QE Facilities, who have continued to work tirelessly to provide high quality services to the Trust and other NHS organisations within the region and beyond. QE Facilities colleagues helped us to ensure that our estate, patient and staff areas were clean and safe during the year and reacted quickly to changing requirements and conditions, assisting us to keep our services running. QE Facilities also commenced work to support the Trust to return its key sites to business as usual. This involved relocation of corporate teams to new accommodation on and off-site.

QE Facilities expanded its patient transport services, working in partnership with North East Ambulance Service (NEAS) to provide services to patients of Newcastle Hospitals NHS Foundation Trust.

QE Facilities worked closely with Newcastle Hospitals NHS Foundation Trust to develop a mobile vaccination unit. The vehicle has travelled across the region supporting mobile vaccinations of patients.

Our QE Facilities colleagues entered into an exciting project to design and manufacture masks with a unique anti-viral layer. This is a fantastic achievement which when it is launched will provide significant benefits regionally, nationally and beyond.

Towards the end of the year QE Facilities played an integral role in delivering medical equipment and ambulances to assist Ukraine during the Russian invasion, in partnership with the Trust, NEAS and Ukraine Medical Aid North East. QE Facilities co-ordinated the collection and storage of equipment and used donated ambulances from NEAS to transport the equipment to the Polish-Ukrainian border. Several trips have been completed to-date and QE Facilities continues to provide support.

Environmental matters

We have made significant progress in reducing our emissions from our own activities in recent years. We have invested in technologies such as bio diesel combined heat and power (CHP) providing heat and electricity at zero carbon, reducing emissions by around 800 tonnes.

We recognise the enormity of climate change and the issues it presents to the health of everyone including our local community, the wider North East region and beyond - in particular the key issue of air quality, which is linked to respiratory diseases, heart disease and cancer.

As one of the largest employers in the area, we create a significant carbon footprint and contribution to air pollution, with the NHS as a whole responsible for around 5% of England's carbon footprint and 6.7 billion road miles from patients and visitors. We must take conscious action on how we impact air quality, from staff, patients and suppliers and our impact on climate change.

The Trust has committed to targets of being net zero by 2040 (NHS Carbon Footprint) and 2045 (NHS Carbon Footprint Plus) and our Green Plan details the short-term pathways over the next few years to achieve the longer-term target. Our objectives as a group are:

- An educated and engaged workforce who embed sustainability in their everyday actions;
- Improve local air quality through reducing and eliminating (where possible) emissions from vehicles;
- Achieve net zero of our NHS Carbon Footprint by 2040 and NHS Carbon Footprint by 2045; and
- Ensure that our activities and care benefit the wider local community.

The purpose of the Green Plan is to set out the Group's long-term targets and objectives in reducing our emissions and the short-term pathways and actions in line with the wider ICS and national targets.

The vision is to be a leader in sustainable healthcare within the NHS, to the benefit of our local community. The Green Plan focusses on nine key areas:

1. Workforce System and Leadership
2. Sustainable Models of Care
3. Digital Transformation
4. Travel & Transport
5. Estates & Facilities
6. Medicines
7. Supply Chain & Procurement
8. Food & Nutrition
9. Adaptation

Emergency preparedness, resilience and response

It is a requirement that all NHS providers submit an annual self-assessment statement of assurance against Emergency Preparedness, Resilience and Response (EPRR) core standards to their Trust Board.

The purpose of the EPRR annual assurance process is to assess the preparedness of the NHS, both commissioners and providers, against common NHS EPRR core standards.
https://www.england.nhs.uk/ourwork/eprr/gf/#annual-process

Due to demands on the NHS, the 2020 process was much reduced and focussed on learning from the first Covid-19 wave and the preparation for future waves and winter. The 2021 EPRR assurance returned some of the previous mechanisms to the process, but also acknowledged the previous 18 months and the changing landscape of the NHS.

The overall EPRR assurance rating is based on the percentage of core standards the organisation can self-assess as fully compliant. This is explained in more detail below:

Organisational rating	Criteria
Fully compliant	The organisation is fully compliant against 100% of the relevant NHS EPRR Core Standards
Substantial compliance	The organisation is fully compliant against 89-99% of the relevant NHS EPRR Core Standards
Partial compliance	The organisation is fully compliant against 77-88% of the relevant NHS EPRR Core Standards
Non- compliant	The organisation is fully compliant up to 76% of the relevant NHS EPRR Core Standards

A review of the EPRR core standards and the associated plan has been undertaken and the overall level of compliance within the Trust has currently self-assessed as **partial compliance**.

The Trust has been through a rapid period of change and has been faced with the many challenges of responding to reoccurring waves of Covid-19. Simultaneously, a new EPRR team has been put in place with specific responsibility for delivery of EPRR standards.

In support of overall Trust resilience, the Site Resilience Team (SRT) has also been established, bringing together the Patient-Flow Team and Acute Response Team (ART) to form a single team to facilitate and enhance Trust resilience.

It is acknowledged that although many positive steps forward have recently been taken, some standards will continue to require further review and enhancement.

A summary of the standards submission assessment scores against the respective core standards is provided below.

Core Standards (as of September 2021)	Total standards applicable	Fully compliant	Partially compliant	Non-compliant
1. Governance	5	5	0	0
2. Duty to risk assess	2	2	0	0
3. Duty to maintain plans	9	6	3	0
4. Command and control	1	1	0	0
5. Training and exercising	-	-	-	-
6. Response	5	5	0	0
7. Warning and informing	3	3	0	0
8. Cooperation	2	1	1	0
9. Business Continuity	7	7	0	0
10. CBRN	12	6	6	0
Total	**46**	**36**	**10**	**0**

The Trust's current compliance is **78.2%** which provides a rating of **partial compliance.** An action plan has been produced which outlines actions and a timeline to enhance Trust resilience. Our ambition for the review of the 2022/2023 standards is that the Trust will attain at least substantial compliance.

Social, community, anti-bribery and human rights issues

We recognise the importance of developing strong links with the communities we serve and working collaboratively with our partners to ensure that we are not only responsive, but proactive in our approach to meeting current healthcare and community needs. In 2021/22 we developed close linkages with Citizens' Advice Gateshead to support the social welfare needs of both our patients and our colleagues. We also established a Health Inequalities Board which will seek to improve population health and reduce inequalities in the Gateshead communities.

In respect of anti-bribery, there is a Counter-Fraud, Bribery and Corruption Policy in place with regular updates on activity and investigations provided to the Group Audit Committee. An updated version of the policy was in the process of launching at the year-end. The Trust's Conflicts of Interest policy also includes reference to bribery. The Local Counter Fraud Specialist ensures that fraud awareness is communicated and promoted to Trust colleagues through regular articles in the weekly staff newsletter.

We are fully committed to meeting our obligations in respect of human rights, equality, diversity and inclusion (EDI). In 2021/22 we established a Human Rights and EDI programme board to oversee several workstreams and help us to continue to progress in this area.

Equality of service delivery

As an NHS organisation, we aim to provide our services to all groups equally. We are subject to the Public Sector Equality Duty, which was introduced as part of the Equality Act 2010 and requires NHS organisations to eliminate unlawful discrimination, advance equality of opportunity and foster good relations.

We ensure that colleagues have access to appropriate learning and development opportunities in respect of EDI. This ensures that we can support the needs of our service users with protected characteristics.

Gateshead has a significant Jewish community, and we work closely with volunteers from the community who help us to ensure that we are respectful of strict cultural practices and provide tailored support to our patients.

Further information on our commitment to EDI can be found in the Staff Report section.

Yvonne Ormston MBE
Chief Executive
7 July 2022

Accountability Report

Directors' Report

The Board of Directors is responsible for the overall leadership and strategic direction of the Trust. The Board is comprised of Executive and Non-Executive Directors.

The Board operates a committee structure, with each committee responsible for seeking assurance on matters within its remit. The Board delegates some of its powers to a committee of Directors or to an individual Executive Director and these are set out in the Trust's scheme of delegation. Decision making for the operational running of the Trust is delegated to the Executive Team.

Our Chair and Chief Executive have complementary roles in leadership. Our Chair, Alison Marshall, leads the Board of Directors and ensures its effectiveness. The Chair of the Board also chairs our Council of Governors. The Chair is supported by the Vice Chair and Senior Independent Director, Mike Robson. Our Chief Executive, Yvonne Ormston MBE, leads the Executive Team and the organisation. The Chief Executive is supported by the Deputy Chief Executive, Jacqueline Bilcliff.

All Directors are required to comply with the requirements of the fit and proper persons test and make an annual declaration of compliance in this regard. All Directors also have a responsibility to declare relevant interests, as defined within our Constitution. A copy of the register of interests is available on request from the Company Secretary (contact details are contained at the end of the Annual Report).

The Code of Governance requires that the Chair's interests are disclosed as part of the Annual Report. The Chair's interests have not changed since her initial appointment. Alison Marshall is a Non-Executive Director of Northern Powergrid (Northeast) plc and Northern Powergrid (Yorkshire) plc, as well as being an ambassador for North Northumberland Hospice Care.

Board composition

The Board of Directors has a range of skills and experience gained from the public, private and voluntary sectors that complement the Trust's service delivery. This includes a wealth of senior experience in the NHS, finance, legal, people and organisational development and senior clinical experience and expertise. The Board of Directors is well-balanced and appropriately experienced and qualified to lead the Trust.

Our Non-Executive Directors bring strong, independent oversight to the Board and all our Non-Executive Directors are independent.

During 2021/22 there were several changes in Board composition.

Two Non-Executive Directors left the Board at the end of their terms of office, with Paul Hopkinson leaving on 30 June 2021 and David Shilton leaving on 30 September 2021. The Board of Directors records its sincere gratitude to both Paul and David for their commitment and contribution to the Trust.

Two new Non-Executive Directors were appointed by the Council of Governors to replace the outgoing Non-Executive Directors. Anna Stabler joined the Board in July 2021 as Non-Executive

Director and chair of the Quality Governance Committee. Anna is a qualified nurse and midwife and has previously worked in senior leadership and executive positions across commissioning, regulation and provider services.

Maggie Pavlou joined the Board in October 2021 as a Non-Executive Director. Maggie is a qualified HR professional with extensive experience of operating at Board level. She has significant experience of non-executive director and trustee roles and is passionate about charitable work.

In respect of Executive Directors, Gillian Findley joined the Board in August 2021 as Chief Nurse, with extensive experience of operating at Director level across both commissioning and provider sectors.

Jacqueline Bilcliff was the Trust's Acting Chief Executive from 1 May to 31 December 2021, during a period of time when Yvonne Ormston, Chief Executive, was absent from work for health reasons. During this period Kris Mackenzie, Deputy Director of Finance became Acting Group Director of Finance.

Following the return of the Chief Executive in January 2022, Jacqueline Bilcliff was appointed substantively to the role of Deputy Chief Executive effective from 1 February 2022. Jacqueline Bilcliff had been Acting Deputy Chief Executive prior to this.

The Board held fifteen meetings in total in 2021/22 (counting public and private Board meetings separately). Except for the meetings in March 2022 all meetings were held virtually in line with government guidelines during the pandemic. Where Board Members were not eligible to attend certain meetings, an adjusted denominator is shown (for example private Council of Governors' meetings or where a Board Member served on the Board for only part of the year).

Name and Position	**Background**	**Board** **15 meetings in total**	**Group Audit Committee** **6 meetings in total**	**Board Remuneration Committee** **5 meetings in total**	**Council of Governors** **8 meetings in total**
Executive Directors					
Yvonne Ormston, Chief Executive	Yvonne joined the organisation from the North East Ambulance Service in June 2019 where she has been a CEO for more than four years. Prior to that she was the Deputy Chief Executive with this Trust for ten years.	2 out of 4	N/a	3 out of 3	2 out of 3
Jaqueline Bilcliff, Group Director of Finance and Digital (April 2021 and	Jackie Bilcliff is our Group Director of Finance and Digital and has worked for the Trust since 2014. Jackie qualified in 1996 with CIPFA and has held several positions within the	15 out of 15	1 out of 1	2 out of 2	6 out of 6

Name and Position	Background	Board 15 meetings in total	Group Audit Committee 6 meetings in total	Board Remuneration Committee 5 meetings in total	Council of Governors 8 meetings in total
January 2022 onwards), Acting Chief Executive (May 2021 to December 2021), **Deputy Chief Executive** (substantively from February 2022)	private, health, and criminal justice sectors. Jackie is also Deputy Chief Executive alongside Yvonne Ormston MBE and has been in this post since January 2022.				
Joanne Baxter, Chief Operating Officer and Acting Chief Nurse (April to September 2021)	Joanne joined the Trust in June 2020 as the Chief Operating Officer. She is an experienced Executive Director having worked at Executive level since 2013 and brings a wealth of experience from over 30 years in the NHS. She is also a registered nurse by background. She joined the Trust from North East Ambulance Service where she was Executive Nurse and Director of Quality Safety Innovation and Improvement.	13 out of 15	1 out of 2	N/a	4 out of 5
Andy Beeby, Medical Director	Andy has been a consultant obstetrician and gynaecologist for the Trust since 1995 and Trust Medical Director since 2016. He is the Trust's Caldicott Guardian responsible for overseeing the appropriate use of personal information. He is joint Senior Responsible Officer for the North East and North Cumbria Local	13 out of 15	N/a	N/a	4 out of 6

Name and Position	Background	Board 15 meetings in total	Group Audit Committee 6 meetings in total	Board Remuneration Committee 5 meetings in total	Council of Governors 8 meetings in total
	Maternity and Neonatal System.				
Lisa Crichton-Jones, Executive Director of People and Organisational Development	Lisa joined the trust in October 2020 as Executive Director of People and OD. She is an experienced NHS HR Director, having worked at Executive Level since 2012 and in the NHS since 1999. She has experience working in large complex trusts as well as some time as the first Director of Workforce for the North East and North Cumbria Integrated Care System. She is a Governor at Gateshead College.	13 out of 15	N/a	3 out of 3	6 out of 7
Gillian Findley, Chief Nurse (from August 2021)	Gill trained as a Registered General Nurse and a Registered Sick Children's Nurse at Great Ormond Street in London. Since qualifying Gill has held various clinical and managerial positions in Leeds, Newcastle, and Durham. Most recently Gill worked in the County Durham Clinical Commissioning Group where she was the Director of Nursing. Gill has also undertaken secondments in Bradford and District Care Trust and Tees, Esk and Wear Valley's NHS Trust.	10 out of 10	2 out of 4	N/a	2 out of 4
Kris Mackenzie, Acting Group Director of	Kris joined the Trust in 2018 as Assistant Director of Finance, having previously held the	8 out of 8	4 out of 4	N/a	3 out of 5

Name and Position	Background	Board 15 meetings in total	Group Audit Committee 6 meetings in total	Board Remuneration Committee 5 meetings in total	Council of Governors 8 meetings in total
Finance (May 2021 to December 2021)	position of Senior Finance Lead at NHS Improvement. Kris became Deputy Director of Finance in 2019 and became Acting Group Director of Finance during the 2021/22 financial year.				
	Non-Executive Directors				
Alison Marshall, Chair	Alison Marshall has been Chair since October 2019, having previously been a non-executive director at Northumbria Healthcare NHS Foundation Trust. Before working in the NHS, Alison was a partner in a large law firm specialising in regulatory law and dispute resolution advising clients from both the public and private sector.	13 out of 15	N/a	5 out of 5	8 out of 8
Mike Robson, Vice Chair and Senior Independent Director	Mike is a public sector accountant. He worked in the NHS for over 34 years having been Director of Finance and Corporate Governance and Deputy Chief Executive at South Tyneside NHS Foundation Trust. He previously carried out a similar role at the Royal Victoria Infirmary, Newcastle.	15 out of 15	N/a	5 out of 5	7 out of 7
Dr Ruth Bonnington	Ruth has been a GP in Gateshead since 1995 and works in a small practice in Bensham. She has been on the Trust Board as a Non-Executive Director since 2017	14 out of 15	N/a	4 out of 5	6 out of 7

Name and Position	Background	Board 15 meetings in total	Group Audit Committee 6 meetings in total	Board Remuneration Committee 5 meetings in total	Council of Governors 8 meetings in total
	and is now Chair of the People and OD Committee as well as being health and wellbeing guardian.				
Councillor Martin Gannon	Martin has been Non-Executive Director of Gateshead Health NHS Trust since July 2017. Martin was elected as a member of Gateshead Council in 1984 and served in various roles including Deputy Leader for six years, before being elected as Leader of the Council in May 2016.	7 out of 15	N/a	3 out of 5	4 out of 7
Hilary Parker	Hilary joined the Trust Board in July 2020. She became the Chair of the Trust's wholly owned subsidiary company QE Facilities in October 2020. She has a wide experience in both the public and private sectors. She was a partner in a solicitors' practice for 30 years and was also a non-executive director of the Newcastle Hospitals NHS Foundation Trust for many years.	13 out of 15	5 out of 6	4 out of 5	6 out of 7
Andrew Moffat	During his executive career, Andrew has gained experience in the water, telecommunications and ports sectors, occupying senior financial, commercial and strategic roles both in the UK and internationally. He was Strategy Director at Orange,	14 out of 15	6 out of 6	5 out of 5	7 out of 7

Name and Position	Background	Board 15 meetings in total	Group Audit Committee 6 meetings in total	Board Remuneration Committee 5 meetings in total	Council of Governors 8 meetings in total
	Chief Finance Officer at Three (Italy), CFO at Three (UK) and after joining the Port of Tyne as Finance and Commercial Director in 2007 became Chief Executive for 10 years until 2018. He has sat on several regional regeneration Boards including the North East LEP, where he also chaired its Investment Board.				
Anna Stabler (from July 2021)	Anna has worked in the NHS for over 35 years and has worked clinically as a nurse, midwife and health visitor. Anna has worked in senior leadership positions across the NHS in commissioning, regulation and provider services. Her most recent role was as the Executive Chief Nurse in Cumbria. She maintains her registration as a nurse and midwife.	9 out of 11	5 out of 5	4 out of 5	2 out of 4
Maggie Pavlou (from October 2021)	Maggie joined the Trust in October 2021. Maggie is a qualified HR professional with extensive experience operating at Board level. Most recently Maggie was the Chief People Officer for Parkdean Resorts. Maggie also has significant experience of non-executive director and trustee roles and was the first female president and chair of the	6 out of 6	2 out of 3	2 out of 4	3 out of 3

Name and Position	Background	Board 15 meetings in total	Group Audit Committee 6 meetings in total	Board Remuneration Committee 5 meetings in total	Council of Governors 8 meetings in total
	North East Chamber of Commerce.				
Paul Hopkinson (to 30 June 2021)	Paul is a practising solicitor based in the North East but working for large-scale public-sector bodies in various parts of the country. He is also a trustee of a local cancer charity. His term of office ended on 30 June 2021.	5 out of 5	1 out of 1	1 out of 1	2 out of 2
David Shilton (to 30 September 2021)	David qualified as a nurse in 1978. He has worked at a senior management level in both the NHS and independent sector. His most recent role was as Executive Nurse Director with South Tyneside NHS Foundation Trust. His term of office ended on 30 September 2021.	8 out of 8	3 out of 3	1 out of 1	2 out of 3
Dr Mojgan Sani, Associate Non-Executive Director (to 31 May 2022)	Mojgan has a background in pharmacy. She joined the Trust on 1 December 2020 as an Associate Non-Executive Director via the NExT Director scheme. This is a placement to provide the opportunity to learn first-hand about challenges and opportunities associated with being a Non-Executive Director in the NHS today.	12 out of 15	N/a	2 out of 5	6 out of 7

Board appointments and performance

The appointment, re-appointment and, if appropriate, removal role of the Chair and Non-Executive Directors is the responsibility of the Council of Governors. The Council of Governors delegates responsibility to its Governor Remuneration Committee to oversee these processes and make

recommendations to the full Council of Governors. Chair and Non-Executive Director appointments are made based on three-year terms, with appointees serving no more than two terms unless exceptional circumstances arise.

Executive Directors are appointed by the Board's Remuneration Committee, which is chaired by the Board Chair with all Non-Executive Directors being members of the Committee. The Executive Director of People and Organisational Development acts as the professional advisor to the Committee, which is also routinely attended by the Chief Executive (except during discussions on her own remuneration). Further information about the Remuneration Committee can be found within the Remuneration Report section.

A robust appraisal process is in place for all Directors. The Chair appraises the Chief Executive, and the Chief Executive carries out performance reviews of the other Executive Directors.

The Chair undertakes the performance review of Non-Executive Directors, and the outcomes of these appraisals are reported to the Council of Governors. During 2021/22, as in previous years, the performance review of the Chair was led by the Senior Independent Director in accordance with a process agreed by the Council of Governors which is in line with the NHS Code of Governance. The outcome was then reported to the Council by the Senior Independent Director.

Group Audit Committee

The Group Audit Committee is a formal committee of the Board with delegated responsibility to conclude upon the adequacy and effective operation of the overall internal control system including an effective system of integrated governance and risk management. The Audit Committee is a Group Audit Committee, overseeing the controls, governance and risk environment of Gateshead Health NHS Foundation Trust and QE Facilities.

The Committee receives the internal and external audit work plans and reports, as well as the counter-fraud work plan, updates and reports.

The Committee also routinely reviews and approves the schedule of losses and special payments, as well as updates on the work of the Group's Executive Risk Management Group.

In 2021/22 the Committee:

- Reviewed the annual report, financial statements and other year-end submissions for the Trust, QE Facilities and the Charitable Fund before making recommendations to the respective Boards on the approval of these key documents;
- Sought assurance over the robustness of risk management processes, with regular update reports from the newly established Executive Risk Management Group;
- Ratified the revised Group Risk Management Policy;
- Reviewed Internal Audit updates throughout the year, including providing input on the draft plans presented at the beginning of the year. Progress in implementing audit recommendations was reviewed at each meeting;
- Approved the counter fraud annual work plan and received progress updates as well as updates on ongoing investigations;
- Reviewed the external audit reports in respect of the 2020/21 year-end, and the audit plans from the incoming auditors, Mazars;
- Approved the losses and special payment reports; and

- Commenced a review of the Trust's Constitution and Standing Orders.

During the year the Group Audit Committee considered the significant issues in relation to the Group's financial statements, operations and compliance.

The Group Audit Committee held detailed discussions and monitored specific actions regarding:

- Impact of Covid 19;
- The delivery of the audit programme to support the Audit Opinion; and
- Internal audit programme.

The draft financial statements for 2021/22 were discussed and reviewed at a dedicated workshop in April 2022. The draft outturn position, risks and other significant issues were discussed at this meeting.

External audit provided their external audit plan for the audit of the annual accounts to the Group

Audit Committee in March 2022. Significant risks identified were:

- Valuation of property, land, plant and equipment;
- Fraud risk from revenue and expenditure recognition;
- Mis-statements due to fraud and error; and
- IFRS 16 preparations.

The audit report provided updates conclusions on these risks following audit testing, as well as details on the audit opinion, which can be found in full later in the Annual Report.

As reported in last year's Annual Report, the 2020/21 financial year was the fourth and final year of the contract for external audit services provided by Ernst & Young LLP, and Mazars LLP were appointed by the Council of Governors as the external auditor for the Trust, QE Facilities and the Charitable Fund for 2021/22, covering an initial period of three years.

Mazars LLP's fee for the core audit work for 2021/22 was £81,175, excluding VAT. In line with the previous two years there was no requirement for external audit assurance work to be undertaken in respect of the Quality Account.

Mazars LLP undertake an independent examination of the Gateshead Health NHS Foundation Trust Charitable Fund, which for 2021/22 is proposed to cost £1,500 excluding VAT. Mazars LLP also undertake the audit of QE Facilities, and a fee of £15,925, excluding VAT, is proposed for 2021/22.

During the year no non-audit services were provided (except for the audit of the subsidiary company and the independent review of the Charitable Fund accounts). These services are excluded from the National Audit Office's 70% threshold for non-audit services work.

The internal audit function for the Trust and QE Facilities continues to be provided by the NHS Audit Consortium AuditOne. AuditOne also provide the counter-fraud service to the Trust.

Council of Governors

The Council of Governors continues to play a key role in the work of the Trust. The Council of Governors comprises of:

- Seven public governors representing the Central Gateshead constituency (of which there was one vacant position at the year-end);

- Six public Governors representing the Western Gateshead constituency (of which there was one vacant position at the year-end);
- Three public Governors representing the Eastern Gateshead constituency;
- One public Governor representing the Patient / Out-of-Area constituency;
- Six staff Governors representing the views and interests of the colleagues; and
- Nine appointed Governors representing the Trust's key stakeholders and partners (of which there were five vacancies at the year-end).

The Council of Governors has several important statutory duties, including appointing and re-appointing the Chair and the Non-Executive Directors, determining their remuneration and terms of service, and approving the appointment of the Chief Executive.

The Council of Governors represents the interests of Foundation Trust public and staff members within the constituencies served, the public and more generally the interests of the stakeholders who hold a position at the Council.

The Council of Governors also holds the Non-Executive Directors to account for the performance of the Board. In setting the Trust's strategy the Board have regard for the views of the Council of Governors.

All Governors are required to comply with the Code of Conduct for Governors and to declare any interests which may result in a potential conflict of interest in their role. A copy of the register of interests can be obtained from the Company Secretary using the contact details at the end of the Annual Report.

The Council of Governors met virtually during 2021/22 in accordance with Covid social distancing requirements. The Council met in public four times and in private four times throughout the year. The Council received weekly email bulletins from the Chair and Company Secretary to keep Governor colleagues informed of the latest updates and developments throughout the year.

In addition, Governor workshops were held in September, December and March covering topics such as the role of Governors and the development of the Trust's strategy.

Governor engagement with members and the public was appropriately restricted during 2021/22 due to the pandemic and the need to follow the government safety restrictions on contact and activity. As such the Membership Strategy Group did not meet during the year, although plans are in place to restart this meeting in early 2022/23, alongside a new Governor committee – the Governor Governance and Development Committee. Governors made use of alternative mechanisms to seek the views of members and the public, including the use of social media.

Some of the key achievements of the Council during 2021/22 included:

- Ratifying the appointments of two Non-Executive Directors – Anna Stabler and Maggie Pavlou – on the recommendations of the Governor Remuneration Committee;
- Approving the appointment of the Acting Chief Executive;
- Approving the appointments of the Lead and Deputy Lead Governors;
- Providing a view on the Trust's new strategy during its development phase through two facilitated workshops;
- Receiving Board committee presentations from each Non-Executive Director chair, supporting the Council in its role of holding Non-Executive Directors to account;

- Approving the recommendations of a time-limited Governor-led task and finish group to review the structure and composition of Governor committees;
- Receiving an assurance report on the outcome of the Chair and Non-Executive Director appraisals, with Governor input into the process via the Lead Governor; and
- Receiving an assurance presentation on the outcome of the Trust's peer well-led review.

Governor elections 2021/22

Elections in both public and staff constituencies are undertaken on behalf of the Trust by Civica Election Services who are engaged to act as the Returning Officer and Independent Scrutineer for the election process of Gateshead Health NHS Foundation Trust.

Elections for three staff and eight public governors, whose tenure of office ended on 4th January 2022, were held during 2021/22. Ten of the available seats were filled with one vacancy remaining in the Central constituency which will be carried forward to next year.

Five Governors were elected unopposed in the Eastern and Patient / Out of Area constituencies. Elections took place in the Western and Staff constituencies, with the results being published on 2nd December 2021. All five seats were filled.

We have eight new Governors in total and welcomed Gill Alderson and Ged Quinn as Public Governors in the Western constituency (note that Gill Alderson resigned from her position on 14 March 2022); Brenda Webb as Public Governor in the Central constituency; Barry Turnbull as Public Governor in the Eastern constituency; Agatha Kanyangu in the Patient / Out of Area constituency; and Helen Adams, Andrew Lowes and Richard Morrell as Staff Governors.

The table below shows the composition of the Council during the 2021/22 financial year, including the term dates of Governors and their attendance at the Council of Governors meetings. Where Governors were not eligible to attend certain meetings, an adjusted denominator is shown (for example where a Governor served on the Council for only part of the year).

Constituency	**Governor**	**Term**	**Council of Governors meetings attended (maximum of 8)**
Central			
	Eileen Adams	First term: 5 January 2014 – 4 January 2017 Second term: 5 January 2017 – 4 January 2020 Third term: 5 January 2020 – 4 January 2023	5 out of 8
	John Bedlington	First term: 5 January 2019 – 4 January 2022 Second term: 5 January 2022 – 4 January 2025	7 out of 8
	Helen Jones	First term: 5 January 2017 – 4 January 2020 Second term: 5 January 2020 – 4 January 2023	7 out of 8

Constituency	Governor	Term	Council of Governors meetings attended (maximum of 8)
	Abe Rabinowitz	First term: 5 January 2017 – 4 January 2020 Second term: 5 January 2020 – 4 January 2023	6 out of 8
	Karen Tanriverdi	First term: 5 January 2018 – 4 January 2021 Second term: 5 January – 4 January 2024	8 out of 8
	Brenda Webb	First term: 5 January 2022 – 4 January 2025	0 out of 1
	John Stephens	*First term: 5 January 2019 – 4 January 2022* *Left the Council on 4 January 2022*	4 out of 7
	1 vacancy as of 31 March 2022		
Western			
	Les Brown	First term: 5 January 2020 – 4 January 2023	6 out of 8
	Chris Hulley	First term: 5 January 2020 – 4 January 2023	0 out of 8
	Michael Lamport	First term: 5 January 2018 – 4 January 2021 Second term: 5 January 2021 – 4 January 2024	0 out of 8
	Ged Quinn	First term: 5 January 2022 – 4 January 2025	1 out of 1
	Geoffrey Riddell	First term: 5 January 2021 – 4 January 2024	3 out of 8
	Reverend Jenny Gill	*First term: 5 January 2017 – 4 January 2020* *Second term: 5 January 2020 – 4 January 2022* *Left the Council on 4 January 2022*	*7 out of 7*
	Grace Henderson	*First term: 5 January 2017 – 4 January 2020* *Second term: 5 January 2020 – 4 January 2022* *Left the Council on 4 January 2022*	*5 out of 7*
	Gill Alderson	*First term: 5 January 2022 – 4 January 2025* *Resigned 14 March 2022*	*0 out of 1*
	1 vacancy as of 31 March 2022		
Eastern			
	Des Costello	First term: 5 January 2020 – 4 January 2023	0 out of 8

Constituency	Governor	Term	Council of Governors meetings attended (maximum of 8)
	Alan Dougall	First term: 5 January 2020 – 4 January 2022	4 out of 8
	Barry Turnbull	First term: 5 January 2022 – 4 January 2025	0 out of 1
	Esther Ward	*First term: 5 January 2019 – 4 January 2022* *Left the Council on 4 January 2022*	*4 out of 7*
Patient / Out of Area			
	Agatha Kanyangu	First term: 5 January 2022 – 4 January 2024	0 out of 1
	Patrick Usher	*First term: 5 January 2021 – 4 January 2024* *Resigned 30 April 2021*	*n/a*
Staff			
	Helen Adams	First term: 5 January 2022 – 4 January 2024	1 out of 1
	Steve Connolly	First term: 5 January 2021 – 4 January 2024	5 out of 8
	Claire Ellison	First term: 5 January 2017 – 4 January 2020 Second term: 5 January 2020 – 4 January 2023	0 out of 8
	Andrew Lowes	First term: 5 January 2022 – 4 January 2025	1 out of 1
	Richard Morrell	First term: 5 January 2022 – 4 January 2025	1 out of 1
	Marceline Ndam	First term: 5 January 2021 – 4 January 2024	3 out of 8
	Joanne Coleman	*First term: 5 January 2016 – 4 January 2019* *Second term: 5 January 2019 – 4 January 2022* *Left the Council on 4 January 2022*	*5 out of 7*
	Kendra Marley	*First term: 5 January 2017 – 4 January 2019* *Second term: 5 January 2019 – 4 January 2022* *Left the Council on 4 January 2022*	*4 out of 7*
	Michael Loome	*First term: 5 January 2020 – 4 January 2023* *Resigned 31 July 2021*	*2 out of 4*
Appointed			
Northumbria University	Professor Debbie Porteous		2 out of 8

Constituency	Governor	Term	Council of Governors meetings attended (maximum of 8)
Newcastle University	Dr Laura Ternent		4 out of 8
Gateshead College	Chris Toon		4 out of 8
Gateshead Jewish Community	Aron Sandler		6 out of 8
Gateshead Diversity Forum	*Vacancy*		
Gateshead Youth Assembly	*Vacancy*		
Gateshead Voluntary Organisation	*Vacancy*		
Newcastle Gateshead Clinical Commissioning Group	*Vacancy*		
Gateshead Council	*Vacancy*		

Governor training and development

During 2021/22 we provided our Governors with a number of training and development opportunities. This included a fully revised induction, refresher training on the role of Governors, opportunities to attend external courses and dedicated induction sessions for Board committee observers. Quarterly Governor workshops are diarised throughout 2022/23 to protect time for further training, development and engagement out-with the Council meetings.

Lead and Deputy Lead Governors

The Council of Governors appoints a Lead Governor on an annual basis. In 2021/22 the Council also appointed a Deputy Lead Governor to support the Lead Governor and provide additional resilience. Reverend Jenny Gill was reappointed as Lead Governor, with Abe Rabin appointed as Deputy Lead Governor.

Reverend Jenny Gill left the Council following the end of her term in January 2022 and we wish to record our sincere thanks to Reverend Gill for her dedication to the Lead Governor role. Abe Rabin became Acting Lead Governor from 5 January 2022. The process for appointing a substantive Lead Governor commenced following this and on 31 March 2022 it was announced that Governors had voted for Abe Rabin to become the substantive Lead Governor, which will take effect from 19 May 2022. The process for seeking nominations for the Deputy Lead Governor commenced following this.

The Board's relationship with the Council of Governors

The Board of Directors and the Council of Governors work together closely throughout the year. All Board Members are invited to attend all meetings of the Council of Governors. Non-Executive Directors are also invited to attend quarterly Governor workshops.

There are two Governor observers appointed to attend specific Board committees. The Governor observers have an opportunity to meet with the Non-Executive Director chairs of the committees to share feedback following the meeting. The Governor observers also share feedback privately with Governor colleagues, supporting them to discharge the role of holding Non-Executive Directors to account.

The standing orders for the Board of Directors details the procedure through which the Council of Governors can raise concerns about the Board of Directors, as required by the Code of Governance.

Foundation Trust membership

Foundation Trust membership seeks to give local people and staff a greater influence on how our services are provided and developed.

There are several different constituencies to which our members belong. Those eligible to become public members are people over the age of 16 who live in Gateshead and the immediate surrounding area which is divided into three constituencies: Western; Central; and Eastern Gateshead, and the Out of Area constituency which includes County Durham, Newcastle, North Tyneside, Northumberland, South Tyneside and Sunderland (other than areas within the Gateshead constituency). The boundaries for public membership are shown on the map.

People over 16 years of age, living in these areas who wish to become a public member of Gateshead Health NHS Foundation Trust, must complete and have accepted a membership application form. Members can vote to elect governors for their constituency and can choose to be nominated to stand for election as a governor.

Patient membership is available to individuals who live outside of the areas shown in the map who have used any of the Trust's services within the seven years immediately preceding the date of their application for membership. Patient members are included in the Out of Area constituency.

As of 31st March 2022, the total number of public members was 13,344, a slight decrease since April 2021 however as expected due to government Covid restrictions. Our public membership profile as at 31st March 2022 was as follows:

Population/Public Membership Ratio at 31st March 2022				
	Western	Central	Eastern	Out of Area
Population	77,471	92,828	41,615	Unknown
Membership	3,587	6,953	2,275	529
%	4.63	7.49	5.47	Unknown

We are committed to ensuring that NHS Foundation Trust membership is representative of the whole community. An analysis of membership shows that ethnic makeup is higher than that of the Gateshead demographics. The membership is over represented by people aged over 75 and is under represented in all other age groups.

	Population Demographics	Membership Demographics
Gender		
Male	48.4%	35.1%
Female	51.6%	64.7%
Unknown		0.2%
Age		
Under 16*	19.3%	
16 – 19	4.9%	0.1%
20 – 29	11.4%	5.6%
30 – 59	41.6%	36.8%
60 – 74	15.2%	28.1%
75 and over	7.6%	28.0%
Age unknown		1.4%
Ethnic Breakdown		
White	98.4%	90.3%
Other	1.6%	7.5%
Unspecified		3.6%

Staff directly employed by the Trust or its subsidiary, QE Facilities, are automatically Foundation Trust members for the duration of their employment, unless they choose to 'opt out'. Employees of the Trust cannot be public members.

Staff whose services are contracted for by the Trust, staff not employed by the Trust but who in effect work in and with the Trust for most of their time, and volunteers are given the same status as staff, if they wish, provided they have worked with the Trust for a minimum of one year.

The number of staff members as at 31st March 2022 was 4,891 (compared to 4,134 members as at 21st March 2021).

Our membership strategy describes how we will maintain and develop an active and engaged membership. Organised membership engagement events have not taken place during the year due to the pandemic. As restrictions ease and we can safely engage with our members and the public, we look forward to refreshing our membership strategy. We intend to relaunch our Membership Strategy Group, a sub-group of the Council of Governors, and work closely with Governor colleagues to refresh the strategy and identify ways in which we can re-engage with our existing members and recruit new members.

Mandatory declarations

Fees and charges levied by the Group did not exceed £1m and were not otherwise material to the accounts.

The Directors consider the annual report and accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for patients, regulators and other stakeholders to assess the NHS Foundation Trust's performance, business model and strategy.

NHS Improvement's Well-Led Framework

In late 2020/21 the Board of Directors commissioned a peer review against the joint NHS England and Improvement and Care Quality Commission (CQC) Well-Led Framework. The review was conducted by North East Ambulance Service NHS Foundation Trust (NEAS) concluded in early 2021/22. For transparency it is noted that the review was conducted by the Trust Secretary at NEAS, who subsequently was recruited to the position of Company Secretary at NEAS following open recruitment.

The Board of Directors proactively commissioned the review, despite the pressures being faced by the pandemic which demonstrates a strong commitment to continuous improvement and the recognition of the importance of good governance. The review concluded that there was a good sense of self-awareness in respect of where the Trust could enhance its governance further. A significant number of workstreams had already commenced and a number of the recommendations implemented before the formal report was issued.

An action plan was developed to support the implementation of the recommendations, and this was presented to the Board throughout the year for assurance over progress. By the end of the year most recommendations had been implemented.

There are several other ways in which the Board demonstrated due regard to the well-led framework during the year. This included commissioning NHS Providers to deliver a bespoke Board development programme during 2021/22 to support continued development of the unitary Board and governance processes. In addition, Board Members completed a Board effectiveness survey in February 2022 which was mapped to the key lines of enquiry within the framework. The results were discussed as part of a Board development session, resulting in tangible actions such as the redesign of the Board Assurance Framework.

There are no material inconsistencies between the annual governance statement, corporate governance statement and reports from CQC.

Patient care

Delivering high quality and effective patient care continued to be a core priority for us throughout 2021/22. Whilst it has been another challenging year given the ongoing pandemic, the importance

that our colleagues placed on ensuring we continue to deliver safe, compassionate, effective care and improved patient experience has been clear throughout.

Commissioning for Quality and Innovation (CQUIN) targets continued to be paused nationally during 2021/22 because of the pandemic.

Overview of performance against key quality targets

The Quality Governance Committee and the Board of Directors monitor performance against several key quality targets, mapped against the CQC key lines of enquiry through the Trust's Integrated Oversight Report.

The quality metrics provide insights into safety and clinical effectiveness and are an important indicator of patient outcomes and experience.

Clinical effectiveness is in part measured through the mortality rate metrics. There are two different rates which measure mortality.

The Summary Hospital-level Mortality Indicator (SHMI) reports death rates (mortality) at a Trust level across the NHS in England and is regarded as the national standard for monitoring of mortality. For all SHMI calculations since October 2011, mortality for the Trust is banded 'as expected' (data to December 2021). The Trust reviews its SHMI monthly at the Mortality and Morbidity Steering group.

The Hospital Standardised Mortality Ratio (HSMR) shows a higher than expected rate of deaths, with a rate of 118.3 for the period April 2021 to January 2022. Assurance work was undertaken by the North East Quality Observatory Service (NEQOS) and reported to the Board in September 2021. This did not identify any material areas of concern, although the Board have continued to monitor the HSMR closely throughout the year, given it remained higher than expected.

The impact of the pandemic on the HSMR is not yet fully known, and as such we have triangulated information from several sources to gain a better understanding of mortality trends. This includes triangulating information from the work of our Medical Examiner, mortality reviews, mortality alerts and serious incidents (SIs). This has led to in-depth reviews in some areas, such as around congestive heart failure crude mortality.

Measure	2019-20	2020-21	2021-22	Target
HSMR	115.0	107.0	118.3*	<100
SHMI Period	Apr-19 to Mar-20	Apr-20 to Mar-21	Jan-21 to Dec-21	
SHMI	1.06	1.00	1.04	<=1
SHMI Banding	As expected	As expected	As expected	As expected or lower than expected

*HMSR figures cover April 2021 to January 2022.

With regards to key safety metrics:

- We have seen a reduction in hospital acquired pressure damage (grade 2 and above), which fell from 115 in 2020/21 to 87 in 2021/22;
- Our total rate of falls per 1000 bed days reduced from 10.36 in 2020/21 to 9.51 in 2021/22, although we didn't achieve our target of less than 8.5. Our rate of harm falls per 1000 bed days did reduce from 2.33 to 2.09, which was below our threshold of 2.25. This provides

good assurance that falls which result in harm are reducing, and we will continue to focus on falls prevention in 2022/23;
- We did not record any Never Events during 2021/22;
- Our patient safety incidents per 1,000 bed days reduced from 46.52 in 2020/21 to 38.92 in 2021/22; and
- We did not record any MRSA cases in 2021/22.

Further information of our performance against a range of quality indicators can be found within our Quality Account for 2021/22, which is available on our website.

Monitoring quality compliance

To ensure a robust monitoring plan is enacted to ensure CQC compliance and quality of care, two assessment tools have been developed by the Trust during 2021/22 and these will be used within a three-phase approach:

- Phase 1: Corporate Self-Assessment using the Trust's CQC Fundamental Standards Compliance Tracker (against the Fundamental Standards and regulations)
- Phase 2: Corporate/Business Unit Self-Assessment using the Trust's CQC Fundamental Standards Compliance Tracker (against the Fundamental Standards and regulations)
- Phase 3: Service/Team Level Self-Assessment using the Trust's KLOE Self-Assessment Framework and its associated prompts as a guide to assess current performance and service delivery against

In essence the three phases embody a multi-layered gap analysis. This is monitored via the Safecare / Risk and Patient Safety Council and escalated to the Board of Directors via Quality Governance Committee as appropriate.

Service developments

We continued to develop our services during the year to ensure that we provided the best possible care to our patients.

In July 2021 the Board approved significant investment in a **new operating model** within the QE hospital. This is a significant transformation project which commenced during 2021/22. The project has involved a number of service moves and redesigns including the launch of a Same Day Emergency Care (SDEC) model, as well as development of direct pathways from primary care and other providers. The project goals directly link to improving patient care and experience. They include but are not limited to reduced hospital admissions, reduction in emergency department waits, reduction in length of stay and reduction in patient transfers. Feedback from patients and colleagues so far has been positive, and we look forward to continuing this important project in 2022/23.

In December 2021 we celebrated the opening of a **new 10-bedded Sunniside ward** for our older people experiencing functional mental illness. The new environment allows both of our mental health wards to work as a unit and provides a therapeutic environment for patients to receive treatment and recover from serious illness.

During 2021/22 our **Covid housebound vaccination team** continued to deliver first, second, third and booster doses to over 2,000 housebound residents in Gateshead. The team of volunteers, bank and permanent colleagues worked tirelessly with changing vaccines, complex requirements and challenging logistics to deliver care to people in their own homes.

In August 2021 we become the first Trust in the country to launch a new **Rapid Diagnostic Concept Service** to help diagnose gynaecological cancers quickly and offer bespoke patient care. The service is funded by the Northern Cancer Alliance as part of a pilot. The service enables faster referrals, provides tailored plans and a single point of contact for each individual patient.

We introduced new technology into our services with a direct impact on patient care. Our patients were the first in the region to benefit from a new type of technology which provides a quicker and more comfortable way to detect breast cancer. This **new specialist type of mammogram** improves diagnosis during breast screening and reduces the need for MRI scans.

We are delighted to be a test site for cutting-edge **artificial intelligence (AI) technology which has the potential to transform breast cancer detection**, improve patient experience and free up valuable time for colleagues. The trial will explore the ability of the AI tool to detect cancerous and pre-cancerous changes in mammograms, freeing up time that a second radiologist would normally spend analysing screening images.

Service user feedback

Listening to the views of our patients, carers and members of the public is important to us. We use this feedback to help us to continually improve our services and the care we provide.

Our Patient Experience Volunteers visits the wards and spend time talking to our patients five days a week. Feedback is shared with the ward sister and patient experience team for swift resolution of any concerns. We also launched our electronic Friends and Family Test (FFT) across the Trust, except for community and maternity where a digital option is being explored for 2022/23.

Several service improvements have been made throughout the year in response to patient feedback, including through our complaints and compliments process. This includes enhanced training and risk assessments on how to care for patients who have received certain procedures (for example ensuring regular pressure sore assessments for mothers who have had epidurals), as well as improvements in the hospital environment and interactions (for example our QE Facilities security staff have received additional training to ensure that they can appropriately support visitors / patients with disabilities).

Our new Sunniside ward was designed in a collaborative effort between patients and colleagues. Focus groups were held with past and present patients to understand the impact the environment can have on their recovery and experience of the service. This feedback informed the design, layout and features of the new building.

Our patients often take part in internal and external surveys, which provide us with rich information about the quality of our services. Several survey results were published during the year, including but not limited to:

- The **Adult Inpatient Survey**, which is produced annually by the CQC. It is based on feedback from people who spent time as a hospital inpatient between January and July 2020. We received excellent results which highlighted that 98% of patients felt they were treated with dignity and respect, while 98% had confidence and trust in their doctors.
- The **National Cancer Patient Experience Survey** is conducted annually. Patients rated cancer services as 9 out of 10, with 97% of patients responding that they always felt they were treated with dignity and respect. 94% of patients responded that they had been given the name of their clinical nurse specialist and 93% of patients responded that they had been provided with a contact if they were worried about their condition or treatment after leaving hospital.
- **Urgent and Emergency Care Survey 2020**, which all trusts are required by CQC to conduct. 44 out of 65 questions were scored positively and the Trust scored the highest in the region for our Urgent and Emergency Care services.

Improvements in patient and carer information

We are continually seeking to improve the information that we provide to our patients and their carers. During 2021/22 our Patient Information Review Panel met every month and approved 103 new leaflets to help our patients and carers understand more about our services and care.

In addition, a process was put in place where the index of patient information leaflets would be reviewed monthly to reduce the number of out-of-date leaflets. As such the number of out-of-date leaflets has reduced from 330 in April 2021 to 195 at the end of March 2022. The number of current leaflets in April 2021 was 235 and in March 2022 there were 388. The work is ongoing with a clear escalation plan now implemented for out-of-date patient information.

Complaints handling

Feedback from patients and visitors is invaluable in helping us ensure that the services provided meet the expectations and needs of our patients through a constructive review.

In 2021/22 we received a total of 280 formal complaints. Promoting a culture of openness and truthfulness is a prerequisite to improving the safety of patients, staff and visitors as well as the quality of healthcare systems. It involves apologising and explaining what happened to patients who have been harmed because of their healthcare treatment when inpatients or outpatients of the Trust. It also involves apologising and explaining what happened to staff or visitors who have suffered harm. It encompasses communication between healthcare organisations, healthcare teams and patients and/or their carers, staff and visitors and makes sure that openness, honesty and timeliness underpins responses to such incidents.

The Patient Advice and Liaison Service (PALS) offer confidential advice, support and information on health-related matters. They provide a point of contact for patients, their families and carers.

Our key complaints and PALs concerns statistics are shown in the following table, with a comparison to the previous year.

Complaints Performance Indicators	2021/22	2020/21
Complaints received	280	225
Acknowledged within three working days	280	225
Complaints closed	279	165
Closed within agreed timescale (eight weeks)	89	50
Number of complaints upheld	217 (78%)	126 (56%)
Concerns received by PALs	598	479
Number of closed complaints re-opened	40	25
Number of closed complaints referred to the Parliamentary and Health Service Ombudsman	8	8

This demonstrates that there has been a 24% increase in complaints received and an increase of 25% in respect of PALs concerns. All complaints were acknowledged within three days and 31% of complaints were closed within the agreed timescale, an improvement from 22% in the previous year.

We note that the number of complaints upheld increased to 78% of total complaints received this year. During 2021/22 the top five main reasons to raise a formal complaint were in relation to (noting that the themes were consistent with the prior year):

- Communications - (54 complaints)
- Clinical treatment – Surgical Group (48 complaints)
- Clinical treatment – General Medical Group (47 complaints)
- Values and behaviours - (Staff) (35 complaints)
- Clinical treatment – Accident & Emergency (30 complaints)

We strive to learn from all patient feedback, and you can see several examples of how we have made changes because of feedback in the *Service User Feedback* sub-section of this report. As part of our quality priorities for 2022/23 we are looking at how we can triangulate patient experience data with patient safety data, such as incidents and staffing data, to identify additional learnings and improvements we can make.

Stakeholder relationships

During the year we have worked closely with our partners and stakeholders to deliver core services for our patients and our colleagues.

With the **North East and North Cumbria Integrated Care System (ICS)** becoming a statutory body from 1 July 2022, building and maintaining strong relationships with our partners is of paramount importance. It enables us to work collectively to improve the health of people living and working in the region and tailor our care to meet the needs of communities at a place level. We have worked closely with our partners in the ICS during the year to support its development ahead of the formal launch. We form part of the Provider Collaborative which supports the work of the ICS through provider trusts working together to innovate and ensure that services are consistently of the highest

quality and sustainable. Our Chief Executive, Yvonne Ormston MBE, also has a key role to play as ICS Pathology Network Director.

We developed a closer working relationship with **Citizens' Advice Gateshead** to ensure our cancer service patients receive easy, direct access to social welfare advice, information and advocacy services. As part of the staff health and wellbeing programme we also supported a 'direct access' service for staff so that they receive priority support from a dedicated social welfare adviser team either through direct referral from the Occupational Health Team, line manager or by self-referral using a dedicated helpline telephone or email. We look forward to continuing to develop this relationship for the benefit of patients and staff during 2022/23.

We established a **Health Inequalities Board**, chaired by the Medical Director, which aims to embed a culture that tackles inequalities in outcomes, experience and access as well as improve population health and health inequalities across the population and staff in Gateshead. The Director of Public Health for Gateshead Council is a member of the group to strengthen the partnership working and support a programme of work to tackle health inequalities across Gateshead.

During the year the Trust has continued to be an active partner of **Gateshead Cares**, the Gateshead Health and Care System Board. The Board is underpinned by an alliance agreement which focuses on five key areas: children with special educational needs and disabilities, adult care homes, mental health transformation, older people (strength and balance), and the development of the Primary Care Networks (PCNs).

We have also continued to participate in the **Gateshead Care Partnership** with the local authority, CCG and CBC Health Federation partners specifically around key issues such as discharge and children's therapies.

There are several examples of where we have partnered with other local providers to deliver services to patients and staff. These included, but are not limited to:

- Delivering of **CT and MRI scanning services** at the Community Diagnostic Hub in Blaydon for patients of both Gateshead Health and Newcastle-upon-Tyne Hospitals NHS Foundation Trust;
- A partnership with Newcastle-upon-Tyne Hospitals NHS Foundation Trust to provide **consultant radiologist input** into the interventional radiology service at Gateshead;
- Several **partnerships regarding Covid testing**. This included delivering staff testing for Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust (CNTW) and supporting CNTW to set up their own testing facility, whilst we continued to rapidly process the tests via our pathology laboratory.

Looking ahead, in partnership with **Dementia UK** we have secured funding for Admiral Nursing posts to work alongside Age Concern peer support mentor workers in the community. These posts will be introduced in 2022/23 and are an addition to the suite of services which we provide for individuals with dementia in the community.

Consultation with local groups, our patients and local community

We are regular attendees of Gateshead's Care, Health and Wellbeing Overview and Scrutiny Committee. Through the year, we have collaborated with Gateshead health partners to provide a Gateshead system Covid update. We also provided updates on the work that was undertaken around infection, prevention and control, the mental health hospital estates work and a general update on the recovery post-Covid.

We value the input of our patients and local communities into shaping the services we provide. Here are just a few examples of our collaborative working over the last year:

- Holding **co-design workshops** in cancer services across all tumour sites, as well as a service-specific pathway redesign within gynae-oncology;
- Seeking telephone feedback from our patients in relation to the **Clinical Health Psychology for Cancer service**. The high level of patient satisfaction for the service supported the service to secure funding for an additional year;
- We identified a gap in relation to seeking sufficient levels of feedback from users of our **community mental health** team. Sixteen family members, partners or friends of patients who had experience of our service were contacted to obtain their feedback. The team created a 'you said, we did' display and there are plans to develop a focus group to seek further feedback; and
- Following the launch of our **Same Day Emergency Care service** we undertook a patient satisfaction survey to understand how the new department and location were being received. As a result of the feedback, we have improved the signage to the unit. Further patient involvement in planned to take place in May 2022.

Yvonne Ormston MBE
Chief Executive
7 July 2022

Remuneration Report

The Trust has in place two remuneration committees:

- In accordance with legislation, the Board established a Remuneration Committee which is responsible for approving executive director appointments and determining their remuneration, allowances and other terms and conditions of office; and
- The Governor Remuneration Committee approves the remuneration, allowances and other terms and conditions for the Chair and non-executive directors. The Committee formulates recommendation regarding appointments for the consideration of the Council of Governors.

Within this report the term 'senior manager' is used. Guidance issued by NHS England and Improvement defines senior managers as '*those persons in senior positions having authority or responsibility for directing or controlling the major activities of the NHS Foundation Trust*'. The guidance states that the Board of Directors should be treated as senior managers as a matter of course. No other members of staff are defined as senior managers for the purposes of this report in the context of Gateshead Health NHS Foundation Trust.

In accordance with the NHS Foundation Trust Annual Reporting Manual 2021/22 this remuneration report is divided into three parts:

- **Annual Statement on Remuneration**, which sets out the major decisions on senior managers' remuneration as well as any substantial changes to senior managers' remuneration which were made during the year and the context in which those changes occurred and decisions have been taken;
- **Senior Managers' Remuneration Policy**, which sets out information about our policy; and
- **Annual Report on Remuneration**, which includes details about the directors' service contracts and other related matters.

Annual Statement on Remuneration

The two remuneration committees aim to ensure that both non-executive and executive directors' remuneration is set appropriately, taking into account relevant market conditions. As Chair of the Trust, I chair the Board's Remuneration Committee. I attend the Governor Remuneration Committee, which is chaired by Chris Toon, appointed governor from Gateshead College. I make recommendations in relation to the non-executive directors. The Senior Independent Director makes recommendations in respect of my own position, at which point I withdraw from the meeting and take no part in discussions or decision-making.

Non-Executive Directors

The Governor Remuneration Committee met twice during 2021/22. Being mindful of the 2019 NHS England and Improvement guidance on the remuneration of chairs and non-executive directors (which sought to standardise remuneration across the NHS), the Governor Remuneration Committee recommended to the Council that no increases in remuneration be applied for 2021/22 in respect of the Chair and non-executive directors. The Council approved this recommendation in February 2021, in advance of the commencement of the financial year.

The Governor Remuneration Committee played in integral role in the appointment of two new Non-Executive Directors during 2021/22. Anna Stabler joined the Board in July 2021 and Maggie Pavlou joined the Board in October 2021, replacing Paul Hopkinson and David Shilton who left following the

completion of their second terms of office. The appointments were approved by the Council of Governors, following recommendations from the Committee.

Executive Directors

The Board's Remuneration Committee met five times during 2021/22. At the beginning of the year the Committee was concerned with developing robust interim arrangements, as the Chief Executive was required to take a period of absence for medical treatment. The Committee appointed the Group Director of Finance and Digital to the position of Acting Chief Executive from 1 May 2021 for an initial period of 6 months, with this being extended to 8 months in a later meeting. The Committee also approved the appointment of the Deputy Director of Finance to the role of Acting Group Director of Finance for the same period.

Following the return of the Chief Executive in January 2022, the Committee approved the appointment of the Group Director of Finance initially to the Acting Deputy Chief Executive position, and then substantively to the Deputy Chief Executive position for a period of two years following an internal recruitment process. The Committee approved an additional duties allowance to reflect the increased workload and responsibilities associated with the Deputy Chief Executive role.

Executive Director remuneration operates on a three-point scale. During the year the Committee reviewed Executive Director pay scales, noting that remuneration had not been discussed in detail by the Committee since 2018. The intention in 2018 had been to undertake a detailed review of payscales in the near future, but this work was postponed due to personnel changes, the pandemic and the expectation of new national guidance in this area.

The review included consideration of benchmarking from local trusts, NHS England and Improvement and NHS Providers. The exercise demonstrated that the Trust generally benchmarked lower than the three sources, particularly when compared to local trusts. The Committee considered the importance of setting remuneration at levels which would seek to attract and retain high calibre directors, who historically have been drawn from the local north east market.

Recognising that remuneration for executive directors had not kept pace with the local and national market, the Committee considered several options. After due consideration it was agreed to implement an interim modest uplift to payscales to reduce the gap between the Trust and benchmarked sources. The Committee was mindful of the need to be sensitive to the pay and terms and conditions for Agenda for Change colleagues within the Trust.

It was agreed that a full external review of remuneration would be commissioned in 2022/23, and this review would include the Medical Director position (which had not been included in the internal review).

It is noted that the QE Facilities' Remuneration Committee did not meet during 2021/22 and therefore there is no separate statement from the Chair of this Committee (who is also the Chair of the QE Facilities Board).

Alison Marshall
Chair of the Trust's Board of Directors
7 July 2022

Senior Managers' Remuneration Policy

The table below sets out the component parts of our remuneration package for senior managers, excluding non-executive directors.

Component	Specific to:	Strategic Link	Maximum Possible	Description
Salary	All staff	To attract and retain suitably qualified individuals to lead and direct the Trust's activities.	Dependent on salary scale, mindful of the need to attract and retain suitable individuals, subject to periodic benchmarking and retention considerations.	Senior managers, clinical and non-clinical will attract an A4C/M&D nationally agreed salary. Executive Directors are subject to a locally determined 3-point scale
Performance bonus	QEF Directors	To attract and retain suitably qualified individuals to lead and direct the company's activities.	Between 5 and 20% of annual salary.	Potential to attract a performance bonus subject to the achievement of key outcomes and the approval of the QEF Remuneration Committee. The Committee determines when and if performance bonuses are triggered.
Lease car scheme	QEF Directors	To attract and retain suitably qualified individuals to lead and direct the company's activities.	£9.2k	Non-contributory lease car or cash equivalent, up to the maximum amount.
Pension	All staff	To attract and retain suitably qualified individuals to lead and direct the Trust / company's activities.	In line with NHS pensions	NHS pension scheme and set contribution rates
QEF salary	QEF Directors	To attract a suitable individual to lead and direct the specific activities of QEF	No limit applied but subject to benchmarking and final approval by Group remuneration committee	Additional payment for Company Directorship for Non-Executive Directors. Salary is determined by the QEF Remuneration Committee.

Component	Specific to:	Strategic Link	Maximum Possible	Description
Expenses	All staff	Reimbursement of necessary business expenses	No limit	Reimbursed in line with the Trust's travel and subsistence policy and national T&Cs.
Additional duties enhancement	Trust Executive Directors	To attract and retain suitably qualified individuals to lead and direct the Trust's activities.	Discretionary – usually no more than £10k per annum	To recognise additional temporary responsibilities

The policy in respect of the non-executive directors and Chair is reviewed annually by the Governor Remuneration Committee. The Committee sets remuneration having regard for benchmarking information and guidance issued by NHS England and Improvement. The key components are set out in the below table:

Component	Specific to:	Strategic Link	Maximum Possible	Description
Fees	Chair and non-executive directors	To attract and retain suitably qualified individuals to non-executive director positions	As determined by the Council of Governors based on national guidance and local benchmarking.	The fees are set by the Council of Governors having regard to guidance issued by NHS England and NHS Improvement and local benchmarking. Non-executive directors do not participate in any performance-related schemes, nor do they receive any pension or private medical insurance or taxable benefits.
Other fees payable to non-executive directors or items considered to be remuneration in nature	Chair and non-executive directors	To attract and retain suitably qualified individuals to non-executive director positions	Vice Chair / Senior Independent Director - £3,165 Group Audit Committee Chair - £3,165	Enhancements were applied on appointment to the additional role.

Component	Specific to:	Strategic Link	Maximum Possible	Description
QE Facilities fees	QE Facilities non-executive directors including the chair	To attract and retain suitably qualified individuals to non-executive director positions	Salary levels determined by independent benchmarking	Additional payment to reflect company non-executive director role

During the year two senior managers of the Trust and its subsidiary were paid more than the threshold set by the Civil Service (the Prime Minister's ministerial and parliamentary salary). The policy on very senior manager pay is reviewed and benchmarked regularly. Payscales are set with reference to publicly available, independently produced, sector specific benchmarking information, taking into account the local market too. This ensures that the Trust can offer salaries to recruit and retain the best candidates for these important roles which are proportionate to the market place.

All posts are permanent and may be terminated by mutual agreement, resignation or dismissal. The notice period for Executive Directors is six months. The Trust currently has no provision for compensation for early retirement or payments for loss of office (subject to audit). No payments were made to past senior managers.

In setting the remuneration policy for senior managers, consideration was given to the pay and conditions of employees on Agenda for Change and relevant national guidance. In determining non-incremental pay uplift for executive directors and other senior managers, consideration is given to any national pay award decisions and to appropriate national guidance.

We are committed to the principles of diversity and inclusion, and we recognise the importance of having a Board that is reflective of the population that we serve. Our recruitment processes encourage the emergence of candidates from diverse backgrounds, and we ensure that diversity and inclusion are taken into consideration when evaluating the skills, knowledge and experience needed for each Board-level vacancy. This is in line with our wider recruitment processes for the Trust.

During 2021/21 we appointed 3 Board Members, all of whom are female. As a result, the voting Board is made up of 71% female directors and 29% male directors. The Board continued to participate in the NHS England and Improvement NExT Director Scheme, which provides non-executive director placements for talented people from under-represented communities. Dr Mojgan Sani remained with the Board on placement, which is due to end in May 2022. At this point the Board will re-engage with NHS England and Improvement with a view to hosting a further placement.

Annual Report on Remuneration

All Non-Executive Directors are members of the Board Remuneration Committee, and their attendance statistics can be seen in the Directors' Report section of the Accountability Report.

The Governor Remuneration Committee met twice during 2021/22 and the Governor membership and attendance can be seen in the below table:

Member	Number of meetings attended (out of a maximum of 2)
Mr C Toon – Appointed Governor and Committee Chair	2 out of 2
Reverend Jenny Gill – Lead Governor and Public Governor	2 out of 2
Mr M Loome – Public Governor *(left the Council prior to the second meeting)*	1 out of 1
Mr A Rabin – Public Governor	1 out of 2
Mrs K Tanriverdi – Public Governor	2 out of 2
Mrs J Coleman – Staff Governor	2 out of 2

QE Facilities has its own Remuneration Committee, but it did not meet during 2021/22.

Director and governor expenses

There were 25 Governors in post at 31 March 2022 (compared to 26 Governors as at 31 March 2021) and 1 Governor claimed expenses totalling £78.70 (compared to 11 Governors claiming expenses totalling £2,535.15 in 2020/21).

As at 31 March 2022 there were 18 Directors on the Trust and QE Facilities' Boards, including Dr Mojgan Sani as part of the NExT Director placement (compared to 17 Directors as at 31 March 2022). No expenses were claimed (compared to 9 Directors claiming expenses totalling £3,197.09 in 2020/21).

It is noted that the number of Governors and Directors in post during the year varied due to several new appointments, Governor resignations and Governor elections.

Remuneration tables (subject to audit)

The remuneration tables on the following pages are subject to audit.

2020/21						Name and Title	2021/22					
Salary and fees	Expense payments & BiK	Performance Bonus	Long Term Performance Bonus	Pension-related Benefits	Total		Salary and fees	Expense payments & BiK	Performance Bonus	Long Term Performance Bonus	Pension-related Benefits	Total
(bands of £5000) £000	Rounded to the nearest £100	(bands of £5000) £000	(bands of £5000) £000	(bands of £2500) £000	(bands of £5000) £000		(bands of £5000) £000	Rounded to the nearest £100	(bands of £5000) £000	(bands of £5000) £000	(bands of £2500) £000	(bands of £5000) £000
50 - 55	0	0	0	0	50 - 55	Mrs AR Marshall Chairman	50 - 55	0	0	0	0	50 - 55
195 - 200	0	0	0	372.5 - 375	570 - 575	Mrs YA Ormston Chief Executive	205 - 210	0	0	0	72.5 - 75	280 - 285
95 - 100	0	0	0	145 - 147.5	245 - 250	Mrs J Baxter Chief Operating Officer	135 - 140	0	0	0	95 - 97.5	230 -- 235
125 - 130	0	0	0	27.5 - 30	150 - 155	Mrs J Bilcliff Group Director of Finance / Acting Chief Executive	180 - 185	300	0	0	2670 - 2672.5	2855 - 2860
N/A	N/A	N/A	N/A	N/A	0	Mrs K Mackenzie Acting Group Director of Finance (from May 2021 to February 2022)	100 - 105	500	0	0	145 - 147.5	245 - 250
60 - 65	5,400	0	0	25 - 27.5	95 - 100	Mrs L Crichton-Jones Director of People & OD	125 - 130	1900	0	0	42.5 - 45	170 - 175
N/A	N/A	N/A	N/A	N/A	0	Mrs G Findley Chief Nurse (from August 2021)	80 - 85	0	0	0	55 - 57.5	135 - 140
0-5	0	0	0	0	0-5	Mrs SE Watson Director of Strategy & Transformation (to April 2020)	N/A	N/A	N/A	N/A	N/A	0
125 - 130	1,900	0	0	60 - 62.5	185 - 190	Dr H Lloyd Director of Nursing, Midwifery & Quality (to February 2021)	N/A	N/A	N/A	N/A	N/A	0
190 - 195	0	0	0	0	190 - 195	Mr P Harding Managing Director QE Facilities Ltd (to February 2021)	N/A	N/A	N/A	N/A	N/A	0
115 - 120	7,900	0	0	0	120 - 125	Mr AJ Robson Managing Director (from March 2021) / Finance Director QE Facilities Ltd	145 - 150	5,300	0	0	0	150 - 155
5 - 10	0	0	0	0 - 2.5	5 - 10	Mr B Walker, Finance Director QE Facilities Ltd	85 - 90	0	0	0	0	85 - 90
5 - 10	0	0	0	0	5 - 10	Mr S Bowron Non Executive Director, Chair of QEF (to October 2020)	N/A	N/A	N/A	N/A	N/A	0
5 - 10	0	0	0	0	5 - 10	Mr HJE Robinson Non Executive Director (Trust & QEF)	5 - 10	0	0	0	0	5 - 10
10 - 15	0	0	0	0	10 - 15	Mr JP Hopkinson Non Executive Director (left June 2021)	0 - 5	0	0	0	0	0 - 5
10 - 15	0	0	0	0	10 - 15	Mr DH Shilton Non Executive Director (left September 2021)	5 - 10	0	0	0	0	5 - 10
10 - 15	0	0	0	0	10 - 15	Dr R Bonnington Non Executive Director	10 - 15	0	0	0	0	10 - 15
10 - 15	0	0	0	0	10 - 15	Cllr M Gannon Non Executive Director	10 - 15	0	0	0	0	10 - 15
15 - 20	0	0	0	0	15 - 20	Mr M Robson Non Executive Director	15 - 20	0	0	0	0	15 - 20

2020/21						Name and Title	2021/22					
Salary and fees	Expense payments & BiK	Performance Bonus	Long Term Performance Bonus	Pension-related Benefits	Total		Salary and fees	Expense payments & BiK	Performance Bonus	Long Term Performance Bonus	Pension-related Benefits	Total
(bands of £5000) £000	Rounded to the nearest £100	(bands of £5000) £000	(bands of £5000) £000	(bands of £2500) £000	(bands of £5000) £000		(bands of £5000) £000	Rounded to the nearest £100	(bands of £5000) £000	(bands of £5000) £000	(bands of £2500) £000	(bands of £5000) £000
10 - 15	0	0	0	0	10 - 15	Mr A Moffat Non Executive Director	15 - 20	0	0	0	0	15 - 20
10 - 15	0	0	0	0	10 - 15	Mrs H Parker Non Executive Director	15 - 20	0	0	0	0	15 - 20
0 - 5	0	0	0	0	0 - 5	Dr M Sani Non Executive Director	5 - 10	0	0	0	0	5 - 10
N/A	N/A	N/A	N/A	N/A	0	Ms A Stabler Non Executive Director (from July 2021)	10 - 15	0	0	0	0	10 - 15
N/A	N/A	N/A	N/A	N/A	0	Ms M Pavlou Non Executive Director (from February 2022)	5 - 10	0	0	0	0	5 - 10
165 - 170 *	0	0	0	102.5 - 105	270 - 275	Mr AR Beeby Medical Director	120 - 125 *	0	0	0	0	120 - 125

* £55 - 60k relates to role as a consultant (2021 = £70k - £75k)

Salary and Fees includes Basic Pay, Additional Programme Activity, Clinical Excellence Awards, Car Allowance, Redundancy Payments and Payments in Lieu of Notice / Annual Leave.

Benefits in Kind (BiK) relate to lease car payments made by the Trust.

No other remuneration or pensions contributions are paid to/for these senior managers.

There were no golden hellos or compensation for loss of office.

Pensions entitlements (subject to audit)

Name and title	Real increase in pension at pension age	Real increase in lump sum at pension age	Total accrued pension at pension age at 31 March 2022	Lump sum at pension age related to accrued pension at 31 March 2022	Cash Equivalent Transfer Value at 1 April 2021	Real Increase in Cash Equivalent Transfer Value	Cash Equivalent Transfer Value at 31 March 2022	Employers Contribution to Stakeholder Pension
	(bands of £2500) £000	(bands of £2500) £000	(bands of £5000) £000	(bands of £5000) £000	£000	£000	£000	£000
Mrs Y Ormston, Chief Executive	2.5 - 5.0	7.5 - 10.0	85.0 - 90.0	250.0 - 255.0	1,938	119	2,096	0
Mrs J Baxter, Chief Operating Officer	5.0 - 7.5	7.5 - 10.0	45.0 - 50.0	130.0 - 135.0	891	94	1,009	0
Mrs J Bilcliff, Acting Chief Executive / Group Director of Finance	117.5 - 120.0	340.0 - 342.5	140.0 - 145.0	370.0 - 375.0	418	2,475	2,921	0
Mrs K Mackenzie, Acting Group Director of Finance	5.0 - 7.5	12.5 - 15.0	25.0 - 30.0	50.0 - 55.0	275	78	391	0
Mrs L Crichton-Jones, Director of People & OD	2.5 - 5.0	0.0 - 2.5	35.0 - 40.0	70.0 - 75.0	614	37	671	0
Mrs G Findley, Chief Nurse	0.0 - 2.5	0.0 - 2.5	55.0 - 60.0	85.0 - 90.0	882	32	956	0
Mr AR Beeby, Medical Director	Nil	Nil	60.0 - 65.0	185.0 - 190.0	289	0	0	0

Mr B Walker is not included as he participates in a defined contribution scheme not a defined benefit scheme.
Mr AR Beeby left the NHS pension scheme during 21/22 and started participating into a defined contribution scheme, details of which are not disclosed above as it is not a defined benefit scheme.
Mr A.J Robson, Managing Director of QE Facilities Limited, received no pension contributions in the year but does have previous benefits accrued. However no disclosure has been made as to the total of these benefits as the Trust have been informed by the NHS Pension Agency that the information cannot be provided for individuals who did not contribute to the NHS Pension Scheme in year.

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme, or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which the disclosure applies. The CETV figures, and the other pension details, include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

Real Increase in CETV - this reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Name and title	Real increase in pension at pension age	Real increase in lump sum at pension age	Total accrued pension at pension age at 31 March 2021	Lump sum at pension age related to accrued pension at 31 March 2021	Cash Equivalent Transfer Value at 1 April 2020	Real Increase in Cash Equivalent Transfer Value	Cash Equivalent Transfer Value at 31 March 2021	Employers Contribution to Stakeholder Pension
	(bands of £2500) £000	(bands of £2500) £000	(bands of £5000) £000	(bands of £5000) £000	£000	£000	£000	£000
Mrs Y Ormston, Chief Executive	15.0 - 17.5	47.5 - 50.0	80.0 - 82.5	240.0 - 245.0	1,459	390	1,938	0
Mrs J Baxter, Chief Operating Officer	5.0 - 7.5	10.0 - 12.5	40.0 - 45.0	120.0 - 125.0	727	103	891	0
Mrs J Bilcliff Group Director of Finance	0.0 - 2.5	(2.5) - 0.0	25.0 - 30.0	30.0 - 35.0	374	20	418	0
Mrs L Crichton-Jones, Director of People & OD	0.0 - 2.5	(2.5) - 0.0	35.0 - 40.0	65.0 - 70.0	571	7	614	0
Dr H Lloyd Director of Nursing, Midwifery & Quality	0.0 - 2.5	7.5 - 10.0	45.0 - 50.0	140.0 - 145.0	919	71	1,031	0
Mr AR Beeby, Medical Director	5.0 - 7.5	15.0 - 17.5	60.0 - 65.0	190.0 - 195.0	1,426	0	0	0

Mr P Harding is excluded from this table as he had no employer contribution pension arrangements during the year. Mr B Walker is not included as he participates in a defined contribution scheme not a defined benefit scheme.

Mr A.J. Robson, Acting Managing Director of QE Facilities Limited, received no pension contributions in the year but does have previous benefits accrued. However no disclosure has been made as to the total of these benefits as the Trust have been informed by the NHS Pension Agency that the information cannot be provided for individuals who did not contribute to the NHS Pension Scheme in year.

*Fair pay multiple (subject to audit)**

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

The banded remuneration of the highest-paid director in the organisation in the financial year 2021-22 was £205-210k (2020-21, £195-200k). This is a change between years of 4.25%.

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

For employees of the Trust as a whole, the range of remuneration in 2021-22 was from £15-20k to £255-260k (2020-21 £15-20k to £210-215k). 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 6%, due to pay awards, premium payments associated with critical COVID shifts. 4 employees received remuneration in excess of the highest-paid director in 2021-22, this compares with 6 in 2020/21.

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

2021/22	25th Percentile	Median	75th Percentile
Salary component of pay	£26,251	£34,534	£45,131
Total pay and benefits excluding pension benefits **	£26,251	£34,534	£45,131
Pay and benefits excluding pension: pay ratio for highest paid director	7.9:1	6:1	4.6:1

* no ratios for 'total salary' (which includes any benefits in kind and performance pay) have been disclosed, on the grounds that the 'salary only' ratios are not significantly different to the ratios for total salary – as the Trust does not have material benefits in kind or performance pay.

** there is no material difference between salary component of pay and total pay and benefits excluding pension benefits as there is no significant benefits in kind and no performance pay

The median pay in 2021-22 is £34,534 (2020-21 was £29,833). This is a change between years of 15% and is as a result of pay awards and premium rates that have been paid for critical shifts during the Covid pandemic. The median is 6 times the remuneration of the highest director, compared to 6.6 times in 20-21. No performance-related pay has been made in-year and therefore percentage ratios are not applicable.

Yvonne Ormston.

Yvonne Ormston MBE
Chief Executive
7 July 2022

Staff Report

Looking after our people and making our Trust a great place to work was one of our key strategic aims during 2021/22. This strategic aim will continue as part of our new strategy, which puts our people right at the heart of everything we do.

We cannot underestimate just how challenging 2021/22 has been for our colleagues, as the pandemic continued to prevail throughout with an inevitable impact on staff absences and vacancies, alongside the need to commence our elective recovery for our patients. Colleagues have worked under significant pressure and immensely difficult circumstances to provide the best possible care to our patients and each other.

Both front-line and corporate colleagues have felt these pressures acutely and the impact of the pandemic will be with us for many years. Supporting our staff through these challenging times is a key priority and during 2021/22 we placed a significant emphasis on staff health and wellbeing. This included introducing our Balance health and wellbeing initiative, which provides a wealth of internal and external resources to support mental and physical health. We also launched health and wellbeing check-ins for staff, seeking to ensure that all staff had an opportunity to have a check-in discussion with their line manager.

Several initiatives were held during the year to thank our colleagues for their hard work and provide a boost to morale. This included #Appreciation August with free ice creams and cold drinks to thank colleagues, as well #ThankYouGateshead week in December, where colleagues could share thank you messages for each other. A draft health and wellbeing strategy is in development and we will maintain our focus on this important area in 2022/23.

Key headlines – recruitment, retention and absences

Recruitment and retention are significant risks throughout the NHS nationally and we have undoubtedly experienced pressures during 2020/21, with the Board identifying supply as its key priority.

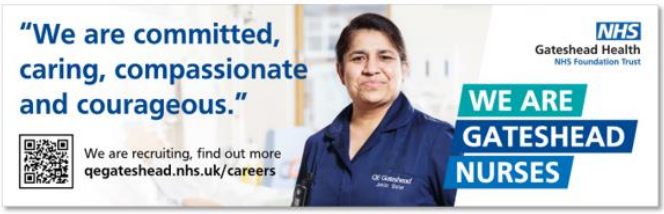
To address the issue of supply, focus was placed on three key areas:

- Domestic recruitment;
- International recruitment; and
- Retention.

A supply task and finish group met on a fortnightly basis and has continued into 2022/23. The group reviewed the staffing establishment, undertaking a thorough review of the staffing requirements of the Trust and the required shift patterns to deliver safe and effective care. Analysis of key data such as recruitment metrics, workforce age profile and leaver statistics was also undertaken. We have also undertaken a full review of our recruitment service, including a rapid process improvement workshop (RPIW), to ensure that the service is as efficient and effective as possible.

We commenced international recruitment, which was a new venture for the Trust, and we anticipate that our first cohort of international recruits will join us in July 2022.

With regards to domestic recruitment, we have delivered several recruitment events with a particular focus on nursing and healthcare assistant (HCA) recruitment. Further events are planned throughout 2022/23. In late 2022/23 we planned a new marketing campaign to support domestic recruitment, which was set to launch in quarter 1 2022/23.



In other initiatives, we have developed plans to work with local schools on summer placements and careers days. We are working closely with Gateshead College on industry placements and have also built linkages with the Prince's Trust.

We believe that retention is just as important as recruitment and have taken a number of steps to support our colleagues and encourage them to continue their careers with us. This includes increasing our health and wellbeing offering, as described at the beginning of this section, as well as enhancing our learning offerings. This has included the launch of our Leading Well and Managing Well programmes for staff. We are developing a policy around rotational posts to provide colleagues with opportunities to gain different experiences within the Trust.

Whilst we know that these actions won't eradicate all supply risks and issues given the national shortages, we believe that they will support the Trust in taking local actions to secure as many new staff as possible and provide positive encouragement to our colleagues to retain their career within our Trust. Supply will continue to be a Board priority during 2022/23 with close monitoring of the impact of these actions.

Like all organisations, the impact of the pandemic increased our sickness absence levels to greater levels than expected. The following information is based on the 2021 calendar year.

Figures converted by the Department of Health and Social Care to best estimates of required data items		**Statistics produced by NHS Digital from ESR Data Warehouse**		
Average full-time equivalent 2021	**Adjusted full-time equivalent days lost to Cabinet Office definitions**	**Full-time equivalent days available**	**Full-time equivalent days lost to sickness absence**	**Average sick days per full-time equivalent**
4,214	50,311	1,538,224	81,616	11.9

Source: NHS Digital - Sickness Absence and Workforce Publications - based on data from the ESR Data Warehouse: January 2021 – December 2021

Our continued focus on health and wellbeing is an important part of supporting our colleagues to be well enough to remain at work. We are also undertaking a review of our sickness absence policy and approach to ensure that this is appropriate and supportive for both managers and staff.

The latest information about our staff turnover can be found on the NHS Digital website at the following link: https://digital.nhs.uk/data-and-information/publications/statistical/nhs-workforce-statistics

Analysis of staff costs and numbers (subject to audit)

An analysis of our average staff numbers for the year is shown below (in respect of whole-time equivalent numbers). The 'other' category includes apprentices.

	Group				Foundation Trust			
	2021/22 total number	**Permanently employed number**	**Other number**	***Total 2020/21 number***	**2021/22 total number**	**Permanently employed number**	**Other number**	***2020/21 number***
Medical and dental	454	448	6	*426*	454	448	6	*426*
Ambulance staff	0	0	0	*0*	0	0	0	*0*
Administration and estates	964	941	23	*908*	809	786	23	*743*
Healthcare assistants and other support staff	950	937	13	*978*	497	497	0	*543*
Nursing, midwifery and health visiting staff	1,330	1,198	132	*1,294*	1,330	1,198	132	*1,293*
Healthcare scientists	399	394	5	*422*	388	383	5	*364*
Scientific, therapeutic and technical staff	427	419	8	*375*	427	419	8	*422*
Other	11	11	0	*13*	4	4	0	*6*
Total	**4,535**	**4,348**	**187**	***4,416***	**3,909**	**3,735**	**174**	***3,797***

As at 31 March 2022 the gender split of the workforce was as follows (this table is not subject to audit):

	Male	**Female**
Directors	7	11
Other senior managers	56	150
Employees	1023	3727

An analysis of our staff costs for the year is shown in the following table (subject to audit):

	Group				Foundation Trust			
	2021/22 total £000	**Permanently employed £000**	**Other £000**	***Total 2020/21 £000***	**2021/22 total £000**	**Permanently employed £000**	**Other £000**	***2020/21 £000***
Salaries and wages	181,015	168,935	12,080	*168,756*	164,563	152,787	11,776	*152,269*
Capitalised salaries and wages	498	498	0	*1,155*	498	498	0	*1,155*
Social security costs	17,080	16,008	1,072	*15,242*	15,555	14,511	1,044	*13,910*
Apprenticeship levy	994	928	66	*757*	906	842	64	*678*
Pension costs - defined contribution plans. Employers'	18,509	17,325	1,185	*17,604*	17,685	16,485	1,200	*16,755*

	Group				Foundation Trust			
	2021/22 total £000	**Permanently employed £000**	**Other £000**	***Total 2020/21 £000***	**2021/22 total £000**	**Permanently employed £000**	**Other £000**	***2020/21 £000***
contributions to NHS Pensions								
Pension cost – employer contributions paid by NHSE on provider's behalf (6.3%)	8,099	7,564	535	*7,677*	7,733	7,186	547	*7,302*
Pension costs – other	375	375	0	*84*	184	184	0	*84*
External bank	990	0	990	*898*	990	0	990	*898*
Agency / contract staff	5,980	0	5,980	*4,127*	4,497	0	4,497	*2,778*
NHS Charitable Funds staff	0	0	0	*0*	0	0	0	*0*
Termination benefits	170	170	0	*1,535*	170	170	0	*1,535*
Total	**233,710**	**211,803**	**21,907**	***217,835***	**212,781**	**192,663**	**20,118**	***197,364***

Staff equality, diversity and inclusion

At Gateshead Health we are passionate about equality, diversity and inclusion (EDI) and we have continued to take steps to ensure that EDI considerations are part of everything that we do. Our Board Members are committed to equality, diversity and inclusion. Our Chief Executive, Yvonne Ormston, is the deputy chair of the Health and Care Women's Leaders Network, a Guiding group member for the LGBT Network as well as ICS Lead for EDI.

We operate within a legislative framework which is underpinned by the Equality Act 2010, which means we need to comply with a range of different requirements, including but not limited to:

- Public Sector Equality Duty (PSED);
- Human Rights – Mental Health Code of Practice;
- Equality Delivery System (EDS2);
- Workforce Race Equality Standard (WRES);
- Workforce Disability Standard (WDES);
- Gender Pay Gap; and
- Accessible Information Standard.

We are also progressing towards Stonewall accreditation to demonstrate our commitment to lesbian, gay, bisexual and transgender plus (LGBT+) equality.

Ensuring equality for all is a core part of our organisational culture and compassionate leadership approach. Our policies help us to ensure that we embrace equality, diversity and inclusion both in service delivery and employment with the Trust. As part of policy review and development, all policies must be accompanied by an equality and quality impact assessment (EQiA). The EQiA is reviewed by the Trust's new dedicated Policy Review Group and signed off by the EDI and Engagement Manager prior to a policy being approved. This ensures that there are no unintended negative consequences of a policy for anyone with a protected characteristic.

We have four staff networks in place within the Trust – our BAME network, D-Ability network, women's network and LGBT+ network. This helps to ensure that the voice of members of staff who

share an affiliation with a protected characteristic are actively listened to and inform our continued development.

Our four staff networks provide an invaluable space for mutual peer support, networking and opportunities for personal and professional development of members. Our networks provide a safe space where information, knowledge and experiences can be shared. Their activity helps us to support organisational and cultural development in positive and innovative ways.

Our staff networks played an integral role in helping us to promote and celebrate key occasions such as Black History Month and Disability History Month, with events and celebrations held throughout each month. This included organising an 'In Conversation with….' online event with four keynote speakers. The event was open to NHS colleagues and members of the public across the region and was very well received.

A similar event was held to celebrate Disability History Month with three keynote speakers, including Baroness Tanni Grey-Thompson, Paralympian and crossbench peer in the House of Lords.

There are many more EDI initiatives in the pipeline for 2022/23, including the launch of reverse mentoring.

Workforce Disability Equality Standard (WDES)

The WDES was developed to help NHS organisations make a positive impact for all disabled colleagues working in the NHS. The WDES aims to inform year-on-year improvements in reducing those barriers that impact most on the career opportunities and workplace experiences of disabled staff.

The D-Ability network has been integral to this work and has helped us to develop a greater understanding of the experiences of disabled staff. A detailed action plan for the Trust has been developed and this will enable us to measure our progress in this area.

Our latest staff survey results demonstrate that we have improved in a number of areas – including the percentage of staff with a long-term illness who believe the Trust provides equal opportunities for career progression and the percentage of staff with a long-term illness who feel that the Trust has made adequate adjustments to enable them to carry out their work. We do know that we continue to be on a journey with more work to do to ensure that disabled colleagues feel fully supported. The staff engagement score for staff with a long-term illness was lower than for staff without a long-term condition / illness (although still higher than the national average).

Our D-Ability Group and the Trust's Human Rights and EDI Steering Group continue to be focussed on the WDES results and improvement actions, but we recognise that it is the responsibility of every member of staff to embrace this.

We are a Disability Confident Level 2 employer which means that we are recognised for actively attracting and recruiting disabled people to help fill opportunities, providing a fully inclusive and accessible recruitment process and we offer guaranteed interviews to disabled people who meet the

minimum criteria for roles. We are flexible when assessing applicants to give disabled applicants the best opportunity to demonstrate that they can fulfil the role and we commit to proactively offering and making reasonable adjustments. We are working towards Disability Confident Leader Level 3 accreditation, which will result in the Trust being recognised as a champion within local and business communities.

Workforce Race Equality Standard (WRES)

The WRES was developed with similar principles in mind, helping to ensure that NHS organisations make a positive impact for colleagues from a Black, Asian or Minority Ethnic (BAME) background. In relation to the WRES 2021 results we were pleased to feature in the top ten best performing trusts for 2 indicators – Indicator 2 (white applicants being appointed from shortlisting compared to BAME applicants) and Indicator 5 (percentage of staff experiencing harassment, bullying or abuse from patients, relatives or the public in the last 12 months).

This is a fantastic achievement, but we know we still have a lot more work to do on our journey, as outlined in the staff survey section of this report. This will continue to be an area for focus for us.

Further information on our approach to EDI can be found on our website. Information on gender pay gap reporting can also be found on the Cabinet Office website: https://gender-pay-gap.service.gov.uk/

Communicating, consulting and engaging with our colleagues

We actively encourage our colleagues to become involved in identifying improvements and shaping our performance and operations.

We have several consultative forums in place within the Trust. Our Joint Consultation Committee and Local Negotiation Committee are the most formal arenas for consultation with staff side colleagues. They are also supported by several sub-committees (such as policy sub-committee and working groups such as Medical Workforce Group). In addition, there are forums such as Junior Doctor Forum. Staff side colleagues are involved in each of our three staff network groups.

As a specific response to the pandemic, we established a workforce cell as part of our formal EPRR response. Staff side and staff network colleagues are part of the core membership of this group which enabled them to raise concerns, provide feedback and be part of tactical decision making in respect of issues affecting the workforce. Staff-Side colleagues also attend the People and OD Portfolio Board, which reports into the People and OD Board committee.

We also relaunched our transformation programme and portfolio during the year. The delivery of transformation programmes involves collaboration and key contributions from those colleagues who work in and understand these areas the most. Our transformation team facilitate rapid process improvement workshops (RPIWs), with an RPIW on recruitment processes being held at year-end in partnership with the recruitment team. Further RPIWs are planned for 2022/23 and we aim to train

more colleagues to be certified leaders, increasing our capacity to facilitate these important engagement and improvement events.

Our key communications priorities are:

- Building on existing staff communication to motivate, empower and celebrate ourselves to create a highly engaged workforce;
- Support leaders across the organisation to communicate and engage;
- Share proactive and positive stories about patient care that highlight the quality and safety of our services;
- Ensure all activities are accessible and inclusive, supporting to embed this across the organisation; and
- Raise the profile of the Trust and proactively promote its work and reputation

We communicate with our colleagues using several different channels. The key tools that we use to ensure information is cascaded is through QE Weekly (a weekly staff newsletter), an internal staff Facebook group, Team Brief (managers' briefing), and the intranet (Staff Zone) plus other ad-hoc briefings that are distributed as required.

Freedom to Speak Up

All NHS providers are required to have a Freedom to Speak Up Guardian (FTSUG). Gateshead Health NHS Foundation Trust is committed to achieving the highest possible standards/duty of care and the highest possible ethical standards in public life and in all its practices. We are committed to promoting an open and transparent culture to ensure that all members of staff feel safe and confident to speak up.

The FTSUG is employed by the Trust but is independent and works alongside Trust leadership teams to support this goal. The FTSUG reports to the Board and the People and OD Committee twice per year, as well as continuing to report to the National Guardian Office on a quarterly basis. Our FTSUG supports the delivery of the Trust's corporate strategy and vision as encapsulated in our values.

As well as via the FTSUG, staff may also raise concerns with their trade union or professional organisations as per our Freedom to Speak Up Policy. When concerns are raised via the FTSUG, the Guardian commissions an investigation and feeds back outcomes and learning to the person who has spoken up. The FTSUG is actively engaged in profile raising and education in relation to this role. The FTSUG reports directly to the Chief Executive and has regular meetings with the Director of People and OD and the Non-Executive Director responsible for FTSU.

Health and safety performance

We are totally committed to ensuring the health, safety & wellbeing of all staff groups, patients, contractors and members of the public who are in any way affected by the activities of the Group at all its locations.

Our health and safety policy sets out several key objectives, including:

- To prevent accidents and cases of work-related ill health;
- To manage health and safety risks in our workplace;
- To provide clear instructions and information, and adequate training, to ensure employees are competent to do their work;
- To provide personal protective equipment;
- To consult with our employees on matters affecting their health and safety;

- To provide and maintain safe plant and equipment;
- To ensure safe handling and use of substances;
- To maintain safe and healthy working conditions; and
- To implement emergency procedures, including evacuation in case of fire or other significant incident.

In delivering these aims, we expect all staff, bank staff, students and contractors to always conduct themselves in line with the policy and to fully engage in all identified health & safety initiatives to deliver continual health & safety improvements.

Assurance on all matters relating to health & safety continues to be achieved through the Group Health & Safety committee meetings and team structure.

As part of the Trust's continued overall response to the pandemic we continued to run our Safer Working Practices group in addition to a Group Covid 19 Workplace Safety Policy. We also reported on various health and safety related performance around accidents and incidents to the Health and Safety Committee.

Throughout the course of the year we continued to implement:

- Covid staff risk assessments;
- Covid environmental risk assessments;
- Social distancing;
- Improved signage;
- Improved communications via our weekly staff newsletter;
- Infection Prevention Control team ward audits;
- Access to work based Personal Protective Equipment;
- Improved fit testing of respiratory face masks and provision of alternative respiration equipment;
- Limiting visitation to protect our patients and colleagues where appropriate;
- Reduction in unnecessary staff movements between units, departments and areas including the increased and consistent use of Microsoft Teams as a communication media;
- Working from home policies;
- Support for clinically and extremely vulnerable staff; and
- Provision of a Covid handbook for staff

Occupational health

As part of our continued response to supporting colleagues during the pandemic our Occupational Health team were instrumental in delivering the Vaccination as a Condition of Deployment programme (VCOD), working with both regional and national teams to ensure compliance with relevant legislation and guidance, whilst maintaining a supportive approach to colleague engagement. This included the coordination of several on-site vaccination clinics, regular information sharing drop-in sessions for both colleagues and managers, 1:1 consultations with concerned colleagues and the development of learning resources to support colleague's personal decision making. Follow the government's reconsideration of VCOD, the Occupational Health team continued to provide support to colleagues, recognising the emotional impact that this decision would have had for some individuals.

To ensure ongoing psychological support is available to colleagues the Occupational Health team have partnered with Talk Works to provide both counselling and clinical psychology support. This offer compliments our internal provision, which we are currently expanding to include the appointment of a Clinical Psychologist and counsellor.

Health and wellbeing has played a significant part in the wider occupational health and wellbeing offer, as outlined earlier in this report, and this has seen the Health & Wellbeing team move under the newly created position of Occupational Health & Wellbeing Manager. The Health & Wellbeing team has secured regional funding to continue in post until June 2023 and the Health & Wellbeing Strategy, now drafted, is in the final stages of review and approval.

Countering fraud and corruption

Local Counter Fraud Specialist Services (LCFS) were provided under contract arrangements with AuditOne. As referred to in the Performance Report a Counter-Fraud, Bribery and Corruption Policy is in place with regular updates on activity and investigations provided to the Group Audit Committee. An updated version of the policy was in the process of launching at the year-end. The Trust's Conflicts of Interest policy also includes reference to bribery. The Local Counter Fraud Specialist ensures that fraud awareness is regularly communicated and promoted to Trust colleagues through regular articles in the weekly staff newsletter.

Trade union facility time

The tables below outline the facilities we have provided for trade union colleagues during the year and collectively they constitute our facility time report for 2021/22.

Relevant union official:

Number of employees who were relevant union officials during the relevant period	**Full Time Equivalent (FTE)**
12	11.35

Percentage of time spent on facility time:

Percentage of Time	**Number of Employees**
0%	3
1%-50%	9
51%-99%	0
100% of their working time	0

Percentage of pay bill spent on facility time

Total Pay Bill	£ 233,200,000
Total cost of facility time	£26,994.84
Percentage of the total pay bill spent on facility time, calculated as: (Total cost of facility time / total Pay Bill x 100	0.01%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	100%

Here in Gateshead, whether providing support to individual members of Trust staff, to teams going through changes, or by playing a valuable role in contributing to Trust-wide agendas (for example via Joint Consultative Committees, the workforce cell, our supply group or People and OD Portfolio Board) we recognise that the participation of trade union representatives supports our partnership approach and our values of openness, respect and engagement.

Expenditure on consultancy

During 2021/22 we spent a total of £548k on consultancy (2020/21: £485k).

Exit packages (subject to audit)

Exit packages during 2021/22 are detailed in the following table. All payments made were due to contractual or legal obligations.

Exit package cost band	2021/22 Group				2020/21 Group			
	Number of compulsory departures agreed	Cost of compulsory departures agreed £000	Number of other departures agreed £000	Cost of other departures agreed £000	Number of compulsory departures agreed	Cost of compulsory departures agreed £000	Number of other departures agreed £000	Cost of other departures agreed £000
<£10,000	0	0	0	0	5	29	14	48
£10,001 - £25,000	0	0	2	28	0	0	3	47
£25,001 - £50,000	1	35	0	0	1	32	0	0
£50,001 - £100,000	2	133	0	0	1	131	0	0
£100,001 - £150,000	0	0	0	0	0	0	0	0
£150,001 - £200,000	0	0	0	0	0	0	0	0
>£200,000	0	0	0	0	0	0	0	0
Total	**3**	**168**	**2**	**28**	**8**	**192**	**17**	**95**
Redundancy	3	168	2	28	8	192	17	95
Voluntary Severance Scheme	0	0	0	0	0	0	0	0
Total	**3**	**168**	**2**	**28**	**8**	**192**	**17**	**95**

Off-payroll transactions

The Trust makes every effort to minimise the use of off-payroll arrangements, which are only used as a last resort, for example where recruitment has failed for critical posts. Only in very exceptional circumstances would off-payroll engagements be undertaken for highly paid staff. When off-payroll engagements arise we strictly apply NHS England and Improvement requirements to ensure proper protocols are followed and disclosures made.

The following table shows all off-payroll engagements as of 31 March 2022, for more than £245 per day:

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

The following table shows all new off-payroll engagements, or those that reached six months in duration, in between 1 April 2021 and 31 March 2022, for more than £245 per day that last longer than six months.

Number of new engagements, or those that reached six months in	1
duration, between 1 April 2021 and 31 March 2022	
Of which:	
Number assessed as within the scope of IR35	1
Number assessed as not within the scope of IR35	0
Number engaged directly (via PSC contracted to trust) and are	0
on the Trust's payroll	
Number of engagements reassessed for consistency/assurance purposes	0
during the year	
Number of engagements that saw a change to IR35 status following the	0
consistency review	

There were no off-payroll engagements of Board Members and / or senior officials with significant financial responsibility between 1 April 2021 and 31 March 2022, as shown by the following table.

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.	21

Staff survey report

Staff experience and engagement

Increasing staff engagement remains a priority for the Trust and our change in approach to include an increased number of paper surveys for front line colleagues for the 2021 Staff Survey signifies our intention and desire to capture the views of as many colleagues as possible. We have a well-established, representative Staff Survey Steering Group which guides the organisational response, and each Business Unit develops their own action plans which are monitored throughout the year.

NHS staff survey

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

The response rate to the 2021/22 survey among our staff was 47% (2020/21: 39%).

2021/22

Scores for each indicator together with that of the survey benchmarking group (acute and acute community trusts) are presented below.

Indicators	2021/22	
	Trust score	Benchmarking group score
People Promise:		
We are compassionate and inclusive	7.4	7.2
We are recognised and rewarded	5.9	5.8
We each have a voice that counts	6.9	6.7
We are safe and healthy	6.0	5.9
We are always learning	5.1	5.2
We work flexibly	6.0	5.9
We are a team	6.6	6.6
Staff engagement	6.9	6.8
Morale	5.9	5.7

2019/20 and 2020/21

Scores for each indicator together with that of the survey benchmarking group (acute and acute community trusts) are presented below.

Indicator	2020/21		2019/2020	
	Trust	Benchmarking group score	Trust	Benchmarking group score
Equality, diversity and inclusion	9.3	9.1	9.4	9.2
Health and wellbeing	6.2	6.1	6.1	6.0
Immediate managers	6.9	6.8	7.1	6.9

Indicator	2020/21		2019/2020	
	Trust	Benchmarking group score	Trust	Benchmarking group score
Morale	6.3	6.2	6.3	6.2
Quality of appraisals	DNA	DNA	5.6	5.5
Quality of care	7.5	7.5	7.6	7.5
Safe environment – bullying and harassment	8.4	8.1	8.5	8.2
Safe environment – violence	9.5	9.5	9.6	9.5
Safety culture	7.0	6.8	7.0	6.8
Staff engagement	7.1	7.0	7.2	7.1
Team working	6.5	6.5	6.8	6.7

Staff survey results commentary

Following the publication of the 2020 annual staff survey results several key priorities were identified and were overseen by the Staff Survey Steering Group. The priorities for 2021 were to:

- Increase engagement and completion of the annual staff survey;
- Create a culture where staff feel safe to raise concerns and speak up;
- Increase support for line managers to ensure they have the knowledge and skills needed to effectively lead their team; and
- Support a compassionate and inclusive culture that promotes equality, diversity and inclusion.

Progress against each of these priorities is outlined below.

Increase engagement and completion of the annual staff survey

Several steps were taken to increase engagement and participation in the 2021 staff survey, including:

- Increased use of paper surveys to increase accessibility for patient facing colleagues;
- On-site Staff Survey Hubs where colleagues could either post their paper survey or complete their electronic survey; and
- A significant amount of social media activity, with high levels of engagement.

The impact of this was a completion rate of 47%, compared with 39% in 2020. 47% also exceeded the median response rate for our benchmarking group, acute and acute community trusts, which was 46% across 126 organisations.

Create a culture where staff feel safe to raise concerns and speak up

An increased focus on creating a psychologically safe workplace with the creation of Freedom to Speak Up Champions (FTSU), Cultural Ambassadors, health and wellbeing leads, a review of the FTSU service, a renewed focus on human factors and closer partnerships between People and OD and our staff networks have all contributed to an increase in the number of colleagues who report that they would feel safe to raise concerns.

Increase support for line managers to ensure they have the knowledge and skills needed to effectively lead their team

The need to increase line manager support was clear from the 2020 survey results and in response we have a new Managing Well programme being piloted, aimed at supporting line managers with their day-to-day responsibilities. Leading Well is also underway, with a range of initiatives aimed at

developing our leaders and providing a safe space to discuss key issues and our coaching and mentoring offer is currently being relaunched.

Support a compassionate and inclusive culture that promotes equality, diversity and inclusion

In November 2021, we had the pleasure of virtually welcoming Professor Michael West CBE to Gateshead and listening to him share his thoughts and insights on the importance of leading with compassion, as well as the part that self-compassion plays in our ability to do this. This has been followed by a development programme delivered in partnership with Levati Learning for both our Executive and senior management teams whilst we finalise the content of our 3 day, Leading Well course which will be delivered to leaders across the Trust in 2022.

We have also launched a new monthly newsletter, 'Main Stage', for people managers across Gateshead and the POD senior management team continue to work closely with our EDI Lead and Network Chairs to support the ongoing inclusivity agenda.

Staff survey 2021 analysis

As a Trust we are either in line with or have exceeded the average scores of our benchmarking group in all but one of the People Promise & Theme results. *We Are Always Learning* showed a below average score of 5.1 out of 10 and correlates with a number of responses relating to opportunities for career progression and development. Whilst it is likely this has been impacted by the availability of opportunities because of the pandemic, it is a key area of focus for us this year, with several pivotal development programmes in early pilot stages.

We have seen a drop in both our *Staff Engagement* and *Morale* scores this year with *Advocacy* and *Work Pressure* respectively showing the most significant reduction. Whilst an impact on feelings of work pressure could be expected given the working environment that colleagues have experienced over the last 12 months, a drop in *Advocacy* is an area of interest and relates closely to how engaged colleagues are with the organisation and their reflections on both the staff and patient experience. We will be focusing closely on this metric, particularly at a team level, to understand thoughts and concerns in more detail and determine those things that will make the most difference to the colleague's experiences and perceptions of the organisation.

When considering our results at a question level we can see that we have scored significantly better than 2020 in 2 questions, specifically around feeling confident and safe to raise concerns. This is encouraging and suggests the increased focus on creating a psychologically safe culture is being felt by colleagues. This is only the start of this work, which will progress to include the introduction of a Just & Restorative Culture within the organisation over the coming 12 months, which it is hoped with strengthen this further.

We can also see that we scored significantly worse than 2020 in 20 questions. When we look at those 5 of the 20 that showed the largest variance the themes suggest high levels of presenteeism, concerns with supply, negative impacts on morale and limited opportunities for flexible working. Whilst the data shows that there is a similar picture across the sector there are things that we can do at an organisational level to address these. Supply, flexible working opportunities and the effective management of absence are all current priorities for the organisation and work is underway in all areas. When we also consider those areas that indicate a drop in engagement and morale, it is hoped that work focused on these contributing factors will have a positive impact.

As outlined earlier in the WRES section of the report, we were pleased to feature in the top 10 nationally for two of the WRES indicators in the staff survey. We do recognise that there are other areas within the WRES and WDES staff survey results that show we still have further work to do. The

data suggests that an increased number of colleagues with a long-term condition or illness have experienced harassment and bullying from patients or service users, which is of concern. However, the number of colleagues feeling confident to report these instances has increased, which is encouraging and aligns with other data trends we have seen throughout the report.

This trend is mirrored with an increased number of BME colleagues also experiencing harassment and bullying from patients or service users and will be explored further in the work we do surrounding the creation of a psychologically safe place to work.

Staff survey – next steps

We continue to communicate the results both across the Trust and to key stakeholder groups specifically. This will be in addition to bespoke, partnership working between our People and OD teams and Business Units to understand those factors, at a local level, that have informed this data and support teams to develop their newly designed People Action Plan. The People Action Plan will be designed around the 7 People Promises and will be informed by a range of information including the staff survey, pulses survey, people metrics and local anecdotal information.

NHS Foundation Trust Code of Governance

The NHS Foundation Trust Code of Governance contains guidance on good corporate governance. NHS England and Improvement, as the healthcare sector regulator, is keen to ensure that NHS Foundation Trusts have the autonomy and flexibility to ensure their structures and processes work well for their individual organisations, whilst making sure they meet overall requirements. For this reason, the Code is designed around a "comply or explain" basis. NHS England and Improvement recognises that the departure from the specific provisions of the Code may be justified in particular circumstances, and reasons for non-compliance with the Code should be explained.

We have applied the principles of the Code on this "comply or explain" basis.

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 ref	Summary of requirement	Section reference
A.1.1	The schedule of matters reserved for the Board of Directors should include a clear statement detailing the roles and responsibilities of the Council of Governors. This statement should also describe how any disagreements between the Council of Governors and the Board of Directors will be resolved. The annual report should include this schedule of matters or a summary statement of how the Board of Directors and the Council of Governors operate, including a summary of the types of decisions to be taken by each of the Boards and which are delegated to the executive management of the Board of Directors.	The Board's relationship with the Council of Governors
A.1.2	The annual report should identify the chairperson, the deputy chairperson (where there is one), the chief executive, the senior independent director (see A.4.1) and the chairperson and members of the nominations, audit and remuneration committees. It should also set out the number of meetings of the Board and those committees and individual attendance by directors. This requirement is also contained in paragraph 7.46 as part of the remuneration report requirements. The disclosure relating to the remuneration committee should only be made once.	Directors' Report and Board composition sections
A.5.3	The annual report should identify the members of the Council of Governors, including a description of the	Council of Governors

Code ref	Summary of requirement	Section reference
	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.	
FT ARM	The annual report should include a statement about the number of meetings of the Council of Governors and individual attendance by governors and directors.	Council of Governors Board attendance shown in the Board composition section table
B.1.1.	The Board of Directors should identify in the annual report each non-executive director it considers to be independent, with reasons where necessary.	Board composition
B.1.4.	The Board of Directors should include in its annual report a description of each director's skills, expertise and experience. Alongside this, in the annual report, the Board should make a clear statement about its own balance, completeness and appropriateness to the requirements of the NHS Foundation Trust.	Board composition
FT ARM	The annual report should include a brief description of the length of appointments of the non-executive directors, and how they may be terminated	Board appointments and performance
B.2.10	A separate section of the annual report should describe the work of the nominations committee(s), including the process it has used in relation to Board appointments.	Annual Statement on Remuneration
FT ARM	The disclosure in the annual report on the work of the nominations committee should include an explanation if neither an external search consultancy nor open advertising has been used in the appointment of a chair or non-executive director.	Not applicable – open advertising used for positions
B.3.1.	A chairperson's other significant commitments should be disclosed to the Council of Governors before appointment and included in the annual report. Changes to such commitments should be reported to the Council of Governors as they arise, and included in the next annual report.	Directors' Report
B.5.6	Governors should canvass the opinion of the trust's members and the public, and for appointed governors the body they represent, on the NHS Foundation Trust's forward plan, including its objectives, priorities and strategy, and their views should be communicated to the Board of Directors. The annual report should contain a statement as to how this requirement has been undertaken and satisfied.	Council of Governors

Code ref	Summary of requirement	Section reference
FT ARM	If, during the financial year, the Governors have exercised their power* under paragraph 10C** of schedule 7 of the NHS Act 2006, then information on this must be included in the annual report. This is required by paragraph 26(2)(aa) of schedule 7 to the NHS Act 2006, as amended by section 151 (8) of the Health and Social Care Act 2012. * Power to require one or more of the directors to attend a governors' meeting for the purpose of obtaining information about the Foundation Trust's performance of its functions or the directors' performance of their duties (and deciding whether to propose a vote on the Foundation Trust's or directors' performance). ** As inserted by section 151 (6) of the Health and Social Care Act 2012)	Not applicable – these powers were not exercised
B.6.1.	The Board of Directors should state in the annual report how performance evaluation of the Board, its committees, and its directors, including the chairperson, has been conducted.	Board appointments and performance
B.6.2.	Where there has been external evaluation of the Board and/or governance of the trust, the external facilitator should be identified in the annual report and a statement made as to whether they have any other connection to the trust.	NHS Improvement's Well-Led Framework
C.1.1.	The directors should explain in the annual report their responsibility for preparing the annual report and accounts, and state that they consider the annual report and accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for patients, regulators and other stakeholders to assess the NHS Foundation Trust's performance, business model and strategy. Directors should also explain their approach to quality governance in the Annual Governance Statement (within the annual report). See also ARM paragraph 2.108.	Mandatory disclosures in the Directors' Report
C.2.1	The annual report should contain a statement that the Board has conducted a review of the effectiveness of its system of internal controls.	Annual Governance Statement
C.2.2.	A trust should disclose in the annual report: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	Directors' Report – Group Audit Committee
C.3.5.	If the Council of Governors does not accept the audit committee's recommendation on the appointment, reappointment or removal of an external auditor, the Board of Directors should include in the annual report a statement from the audit committee explaining the recommendation	Not applicable

Code ref	Summary of requirement	Section reference
	and should set out reasons why the Council of Governors has taken a different position.	
C.3.9.	A separate section of the annual report should describe the work of the audit committee in discharging its responsibilities. The report should include: • the significant issues that the committee considered in relation to financial statements, operations and compliance, and how these issues were addressed; • an explanation of how it has assessed the effectiveness of the external audit process and the approach taken to the appointment or re-appointment of the external auditor, the value of external audit services and information on the length of tenure of the current audit firm and when a tender was last conducted; and • if the external auditor provides non-audit services, the value of the non-audit services provided and an explanation of how auditor objectivity and independence are safeguarded.	Directors' Report – Group Audit Committee
D.1.2.	Where an NHS Foundation Trust releases an executive director, for example to serve as a non-executive director elsewhere, the remuneration disclosures of the annual report should include a statement of whether or not the director will retain such earnings.	Not applicable
E.1.5.	The Board of Directors should state in the annual report the steps they have taken to ensure that the members of the Board, and in particular the non-executive directors, develop an understanding of the views of governors and members about the NHS Foundation Trust, for example through attendance at meetings of the Council of Governors, direct face-to-face contact, surveys of members' opinions and consultations.	The Board's relationship with the Council of Governors
E.1.6.	The Board of Directors should monitor how representative the NHS Foundation Trust's membership is and the level and effectiveness of member engagement and report on this in the annual report.	Foundation Trust membership
E.1.4.	Contact procedures for members who wish to communicate with governors and/or directors should be made clearly available to members on the NHS Foundation Trust's website and in the annual report.	Contact information
FT ARM	The annual report should include: • a brief description of the eligibility requirements for joining different membership constituencies, including the boundaries for public membership; • information on the number of members and the number of members in each constituency; and • a summary of the membership strategy, an assessment of the membership and a description of	Foundation Trust membership

Code ref	Summary of requirement	Section reference
	any steps taken during the year to ensure a representative membership [see also E.1.6 above], including progress towards any recruitment targets for members.	
FT ARM	The annual report should disclose details of company directorships or other material interests in companies held by governors and/or directors where those companies or related parties are likely to do business, or are possibly seeking to do business, with the NHS Foundation Trust. As each NHS Foundation Trust must have registers of governors' and directors' interests which are available to the public, an alternative disclosure is for the annual report to simply state how members of the public can gain access to the registers instead of listing all the interests in the annual report.	Council of Governors

Comply or explain disclosures

We have complied with the majority of the "comply or explain" disclosures of the Code of Governance, except for one statement. The following table outlines the provision where we did not fully comply with the provision.

Code ref	Summary of requirement	Explanation
D.2.3.	The Council should consult external professional advisers to market-test the remuneration levels of the chairperson and other non- executives at least once every three years and when they intend to make a material change to the remuneration of a non-executive.	During 2019/20 NHS Improvement released new requirements regarding Chair and Non-Executive Director remuneration in November 2019. The aim of this new publication was to align remuneration for Chairs and Non-Executive Directors in both trusts and Foundation Trusts by April 2022. The Governor Remuneration Committee therefore reviewed the proposed national remuneration structures set by NHS Improvement (alongside publicly available benchmarking information), rather than consulting external professional advisers.

NHS System Oversight Framework

NHS England and Improvement's NHS System 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 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.

Segmentation

As at 16 May 2022 the Trust was placed in segment 2, which was consistent with the position throughout 2021/22. Segment 2 is described in the NHS System Oversight Framework as the default position allocated to trusts unless the criteria for moving into another segment are met.

Current segmentation information for NHS trusts and Foundation Trusts is published on the NHS England and NHS Improvement website: **https://www.england.nhs.uk/publication/nhs-system-oversight-framework-segmentation/**

Modern Slavery and Human Trafficking Act 2015 Annual Statement 2021/22

Gateshead Health NHS Foundation Trust offers the following statement regarding its efforts to prevent slavery and human trafficking in its supply chain.

Section 54 of the Modern Slavery Act 2015 requires all organisations to set out the steps the organisation has taken during the financial year to ensure that slavery and human trafficking is not taking place in any of its supply chains and in any part of its own business or supply chain.

The Organisation

Gateshead Health NHS Foundation Trust provides secondary care, community and older persons' mental health services to a local population of approximately 200,000. Wider populations are served for specialist screening services, gynaecology-oncology services and some breast services, including South of Tyne, Northumberland, Humberside, Cumbria and Lancashire. Our annual turnover is around £348m and we have a workforce of around 4,800 people.

Our Commitment

The Trust considers the potential social impact and effect of its supply chain prior to the commencement of a procurement. It is committed to ensuring its suppliers adhere to the highest standards of ethics and undertakes due diligence when considering new suppliers as well as regularly reviewing existing suppliers.

The Trust recognises that it has a responsibility to take a robust approach preventing and addressing any concerns to slavery and human trafficking.

The organisation is committed to preventing slavery and human trafficking in its corporate activities and to ensuring that its supply chains are free from slavery and human trafficking.

We are committed to acting ethically and with integrity and transparency in all business dealing and to putting effective systems and controls in place to safeguard against any form of modern slavery taking place within the business of our supply chain.

Training

Advice and training regarding modern slavery and human trafficking is available to staff through our safeguarding children and adults training programmes, our safeguarding policies and procedures and our safeguarding lead.

Although specific training has not been undertaken for staff, Trust staff undertake safeguarding training as part of core training which references Modern Day Slavery and informs staff how to raise concerns regarding any vulnerable adult.

Members of the Procurement senior team are Chartered Institute of Purchasing and Supply (CIPS) qualified and abide by the CIPs code of professional conduct.

The Trust's Policy Framework

The Trust has several policies in place which support this agenda including-

a Recruitment and Selection policies

b Safeguarding policies

c Raising Concerns – Freedom to Speak Up

d Managing Conflicts of Interest

Our Due Diligence

As part of our efforts to monitor and reduce the risk of slavery and human trafficking occurring within our supply chain we have taken the following steps:

- Gathered information from the business concerning existing suppliers;
- Identified tier 1 suppliers to our business; and
- Sought confirmation from those suppliers of their own compliance with the Modern Slavery Act (where appropriate) and their commitment to ethical business practices and transparency in their own supply chains.

These steps have been taken to enable us to:

- Establish and assess areas of potential risk in our business and supply chains;
- Monitor potential risk areas in our business and supply chains;
- Train our employees on what to look for (the signs of modern slavery);
- Reduce the risk of slavery and human trafficking occurring in our business and supply chains;
- Provide adequate protection for whistle blowers.

As a result, we undertake a process of due diligence to provide assurance to all relevant interested parties (ie our staff and our customers) that we work alongside reputable organisations.

We also confirm the identities of all new employees and their right to work in the United Kingdom in line with NHS employment check standards within our recruitment and selection practices and pay all our employees above the National Living Wage.

Our core values give staff a platform for our employees to raise concerns about poor working practices or behaviours not in line with those expected.

Risk and Compliance

The Trust has taken steps to evaluate the nature and extent of its exposure to the risk of modern slavery occurring within our supply chain, measured against legislative and regulatory requirements.

Yvonne Ormston MBE
Chief Executive
7 July 2022

Statement of Accounting Officer's Responsibilities

Statement of the chief executive's responsibilities as the accounting officer of Gateshead Health NHS Foundation Trust

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

NHS Improvement, in exercise of the powers conferred on Monitor by the NHS Act 2006, has given Accounts Directions which require Gateshead Health NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis required by those Directions. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Gateshead Health NHS Foundation Trust and of its income and expenditure, other items of comprehensive income and cash flows for the financial year.

In preparing the accounts and overseeing the use of public funds, the Accounting Officer is required to comply with the requirements of the Department of Health and Social Care Group Accounting Manual and in particular to:

- observe the Accounts Direction issued by NHS Improvement, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the NHS Foundation Trust Annual Reporting Manual (and the Department of Health and Social Care Group Accounting Manual) have been followed, and disclose and explain any material departures in the financial statements;
- ensure that the use of public funds complies with the relevant legislation, delegated authorities and guidance;
- confirm that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for patients, regulators and stakeholders to assess the NHS Foundation Trust's performance, business model and strategy; and
- prepare the financial statements on a going concern basis and disclose any material uncertainties over going concern.

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

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

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

Yvonne Ormston MBE
Chief Executive
7 July 2022

Annual Governance Statement

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's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me. I am also responsible for ensuring that the NHS Foundation Trust is administered prudently and economically and that resources are applied efficiently and effectively. I also acknowledge my responsibilities as set out in the NHS Foundation Trust Accounting Officer Memorandum.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of Gateshead Health NHS Foundation Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Gateshead Health NHS Foundation Trust for the year ended 31 March 2022 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

Risk management leadership

As Accounting Officer, I have ultimate accountability and responsibility for leading our risk management arrangements on behalf of the Board of Directors. Executive leadership for risk management is delegated to the Chief Nurse, as outlined within our risk management framework. The Chief Nurse is responsible for providing leadership for the development and implementation of the Group's risk management strategy, ensuring that we constantly monitor and evaluate the effectiveness of our systems of internal control. This includes ensuring that there is central support in terms of resource and systems in place to deliver the risk management strategy. The Chief Nurse, along with the Medical Director, also leads on all aspects of clinical risk.

Each executive director has responsibility for leadership in respect of risks relating to their own portfolio areas. As an example, the Chief Operating Officer has specific responsibility for operational risk, performance, planning and Emergency Preparedness, Resilience and Response (EPRR)-related risks.

Professional support in respect of the implementation of the risk management strategy and risk systems is provided by the Head of Risk and Patient Safety (who reports to the Chief Nurse), with the Company Secretary providing support in relation to the Board Assurance Framework (BAF).

The Board introduced a new Executive Risk Management Group in March 2021, with 2021/22 therefore being its first full year of operation. The Executive Risk Management Group seeks assurance over effective risk management within both the Trust and its wholly-owned subsidiary, QE Facilities (which provides a range of functions including estates, facilities, transport and procurement). During the year the Group was chaired by the Chief Executive and Deputy Chief Executive with all Executive Directors being members - demonstrating the importance placed on risk

management by the senior leadership team. The Managing Director of QE Facilities is also a member of the Group, which ensures that there is appropriate representation and scrutiny in respect of the subsidiary.

The Group met 10 times during the year and reviewed the Organisational Risk Register (ORR) at each meeting, as well as the risk registers for each business unit (corporate and operational) and QE Facilities on a cyclical basis. The work of the Group provides constructive challenge and debate on the completeness of risk registers, the appropriateness of risk scores and the frequency and robustness of risk review. The Group formally reports into the Group Audit Committee, with assurance reports provided to every meeting of the Committee to demonstrate the impact of the Group and provide an insight into the risk management control environment.

The work of the Group also informed the risk reporting to other key forums within the governance structure, with the full ORR presented at every Executive Team meeting for review, as well as the relevant extracts being presented to the Board committees throughout the year (alongside the BAF extracts). The ORR and BAF were presented in full to the Board of Directors on a quarterly basis.

Risk management training

We ensure through our management structures that we provide training and support on the delivery of risk management activities.

Our statutory and mandatory training programme supports staff in risk identification and assessment through subject-specific modules including health and safety, fire safety, moving and handling and falls training, for example. It is recognised that the pandemic has had an impact on training compliance rates, with each business unit developing action plans to support improved compliance during the recovery phase.

The group risk management policy (which applies to the Trust and QE Facilities) provides detailed information on risk reporting, risk register usage, risk review and risk escalation. A revised risk management policy was ratified by the Group Audit Committee in September 2021. As part of its launch the risk management pages on the Trust's intranet were fully refreshed and include additional guidance and information on how to implement the policy.

The Corporate Risk Manager has also delivered one-to-one and group training throughout the year via video conferencing, as well as holding bespoke risk review sessions with risk owners.

The Board received an update on risk management as part of its bi-monthly Board strategy (training and development) sessions. In April 2021 the Board considered the risk appetite and risk management maturity of the Trust. Following initial consideration of the current position by the Executive Risk Management Group, the Board will be holding a further workshop in early 2022/23 to review progress.

The risk and control framework

The Trust's risk management policy sets out the framework for the management of risk including how risks are being identified, evaluated and controlled. As referred to previously, a revised policy was ratified in September 2021 which reflected the current governance framework, including the role of Executive Risk Management Group.

The policy describes how we use the National Patient Safety Agency (NPSA) risk matrix as a tool to assist in assigning a consequence and likelihood level to risks (using a 5x5 matrix). A standardised approach to risk assessment, scoring and grading is used, with risks being assigned an initial, current

and target score. Our response to risk is in proportion to the level of risk identified and in accordance with the risk appetite and tolerance levels set by the Board of Directors.

The Board of Directors set an escalation level of 15, which means that any risks with a current risk score of 15 or above are reported to the Executive Risk Management Group to be considered for inclusion on the ORR. The risk management policy includes a full risk management governance framework to outline how risks escalate from ward to Board.

In April 2021 the Board agreed that the Trust was between the 'risk aware' and 'risk defined' level on the maturity scale, although closer to 'risk defined'. The Board agreed an aim of reaching 'risk enabled' within three years. We recognise that part of this goal will be further defining and embedding risk appetite into our governance and decision-making, so that it proactively informs how we operate.

Another key part of the risk and control framework is the BAF. The BAF provides a method for seeking assurance over the management of the principal strategic risks to meeting the Trust's corporate objectives. The BAF identifies key controls and assurances, as well as any gaps and corresponding action plans. Each of the Board's committees was assigned responsibility for seeking assurance over the delivery of specific Board-priority corporate objectives and consequently reviewed the related BAF extracts at every committee meeting. Committees tracked the actions taken to address control and assurance gaps, which helped to mitigate risks which may have impacted upon the ability to deliver the corporate objectives.

The detailed reviews of the committees informed the Board's quarterly review of the full BAF document. The BAF was fully redesigned in 2021/22 with several sessions held during the year to support the Board in utilising the tool most effectively. As the BAF is such a key document in respect of assurance and governance, it is important that it is allowed to continually evolve to support good governance. Some further changes are planned in 2022/23 to enhance the usability of the document.

Our internal auditors undertake an annual review of risk management and the BAF. The 2021/22 review concluded that '*governance, risk management and control arrangements provide a good level of assurance that the risks identified are managed effectively. A high level of compliance with the control framework was found to be taking place. Minor remedial action is required*'. This provides good external assurance around the risk and control framework in place during 2021/22.

Governance processes and structures

Our broader governance processes and structures help to ensure that there are effective controls and escalation mechanisms in place to support decision-making and risk management.

Our Board of Directors is supported by the work of six Board committees:

- Group Audit Committee;
- Finance and Performance Committee;
- Quality Governance Committee;
- People and Organisational Development Committee;
- Remuneration Committee; and
- Digital Committee.

Each committee has delegated authority from the Board to review matters outlined with the terms of reference. The committees are chaired by Non-Executive Directors and are assurance-focussed

committees. Key assurances, decisions, risks and any matters for escalation are reported to the Board of Directors (except for the Remuneration Committee where appropriate due to the nature of its role). The Trust's subsidiary, QE Facilities, reports into the Finance and Performance Committee in respect of performance against its contract with the Trust. QE Facilities also provides six monthly reports on performance directly to the Board of Directors, ensuring appropriate scrutiny and accountability.

The Board committees themselves are supported by a series of sub-groups, which undertake detailed work / seek assurance on specific matters and are accountable to the Board committees.

The Group Audit Committee has a key role in seeking assurance over the effectiveness of systems of internal control within both the Trust and QE Facilities. It therefore has an important and different role to play in respect of the governance structure.

The Executive Team seeks to ensure that items presented to Board committees have been subject to thorough review and scrutiny prior to consideration at Board committee-level, enabling clear articulation of assurances, risks and well-formulated action plans.

Having an effective governance structure supports in the identification and management of principal risks to compliance with the NHS Foundation Trust licence condition 4 (FT governance). A significant amount of work has been undertaken in respect of strengthening the governance structure during 2021/22, informed in part by a peer review of governance undertaken using the well-led framework. This review concluded in early 2021/22.

Key changes made in 2021/22 to strengthen our governance include:

- Fully reviewing and revising the terms of reference for Board committees, which informed changes to the cycles of business;
- Revising the format and style of reports to formal committees and groups, with the use of a new cover sheet and report template. This increases the focus on assurance and risk;
- Embedding the new format BAF and using this to shape the agendas of Board committees;
- Embedding the new Executive Risk Management Group and its reporting to the Group Audit Committee;
- Reviewing the role, remit and responsibilities of the Executive Team and Senior Management Team to strengthen debate, discussion and decision-making at these levels;
- Continued development of the Integrated Oversight Report (IOR) to provide comprehensive performance reporting to the Board and committees, supporting by exception-based spotlight reports; and
- Development of a new process for the review and approval of policies and procedures with a dedicated Policy Review Group in place to increase consistency and robustness of review and seek assurance over the completion of effective consultation and equality and quality impact assessments (EQiA).

We are committed to continuous improvements in respect of these processes and structures – ensuring that we have strong governance in place enables our Board to be assured over the services we provide to our patients and the working environment we provide for our colleagues.

As a Board we have considered licence condition 4 and we have not identified any principal risks to compliance.

As referred to earlier, the Board commissioned a peer review of our governance using the well-led framework. This work concluded in early 2021/22. The report concluded that there was a strong commitment to continuous improvement and a recognition of the importance of good governance. The report reflected that there was a strong sense of self-awareness in respect of where further enhancements to governance could be made. Several recommendations were made, and an action plan was developed as a result. The action plan was monitored by the Executive Team and reported to Board throughout the year. The latest update demonstrates that over 80% of actions on the plan have been completed so far.

In February 2022 the Board undertook a Board effectiveness questionnaire mapped against the well-led framework key lines of enquiry. The Board also commissioned NHS Providers to deliver a bespoke Board development programme during 2021/22. These actions demonstrate the Board's commitment to continuous improvement of governance within the Trust. It also contributes to the Board's ability to assure itself of the validity of the corporate governance statement which is prepared on an annual basis in accordance with the provider licence conditions.

As well as formal governance processes and structures, culture is key to ensuring that risk management principles are embedded into the everyday activity of the Trust. Risk management is also embedded into the activity of the organisation through incident reporting. This is openly encouraged throughout the Trust, and we recommenced our long-term plans to develop a just and restorative culture.

One of our quality priorities for 2021/22 was to ensure that there is a positive safety culture within the Trust in which openness, fairness, accountability and learning from high levels of incident reporting is the norm. A monthly learning bulletin is in place to capture and share learning from incidents, and the patient safety team introduced thematic analysis of low and no harm incidents during the year. A Freedom to Speak Up Guardian is in place with the latest staff survey results demonstrating significant improvement in relation to staff feeling safe and confident to raise concerns.

We are committed to complying with the general and specific duties of the Public Sector Equality Duty and monitoring risks and the potential impact on people with protected characteristics. There was a significant focus on the completion of EQiAs for service changes and policy reviews, which again demonstrate an important focus on the wider aspects of risk. We work closely with our staff networks in assessing EDI-related risks and mitigating action plans to help us to continue to improve our services and offerings for both patients and colleagues.

Quality governance

The Quality Governance Committee leads on seeking assurance over all aspects of the quality of clinical care; quality and clinical governance systems; clinical risk issues; research and development; and compliance with regulatory standards of quality and safety.

Groups which report into the Quality Governance Committee include our Safeguarding Committee, SafeCare Risk and Patient Safety Council, Group Health and Safety Committee and our Mortality and Morbidity Steering Group.

The quality of performance information is assessed through a rolling multi-year programme of audit, data quality spot checks and reviews against updated guidance.

The Care Quality Commission (CQC) last fully inspected the Trust in April 2019, when the Trust received an overall rating of 'good'. The Quality Governance Committee monitored the resulting

action plan on behalf of the Board. There were no unannounced inspections in 2021/22, although CQC did conduct a Mental Health Act monitoring visit in summer 2021.

To ensure a robust monitoring plan in enacted to ensure CQC compliance and quality of care, two assessment tools have been developed by the Trust during 2021/22 and these will be used within a three-phase approach:

- Phase 1: Corporate Self-Assessment using the Trust's CQC Fundamental Standards Compliance Tracker (against the Fundamental Standards and regulations)
- Phase 2: Corporate/Business Unit Self-Assessment using the Trust's CQC Fundamental Standards Compliance Tracker (against the Fundamental Standards and regulations)
- Phase 3: Service/Team Level Self-Assessment using the Trust's KLOE Self-Assessment Framework and its associated prompts as a guide to assess current performance and service delivery against

In essence the three phases embody a multi-layered gap analysis. This is monitored via the Safecare / Risk and Patient Safety Council and escalated to the Board of Directors via the Quality Governance Committee as appropriate.

Key risks during 2021/22

Our key risks during 2021/22 as recorded on our ORR and referred to in our BAF were:

Theme	Key risk	Score at year-end	Mitigating actions
Quality outcomes	Risk of unintended harm to patients due to the impact of reduced services, delayed treatment and pathway starts	16	• Detailed elective recovery plans are in place. • Additional capacity is being secured where possible. • Clinical reviews in place for long waiters. • Work being undertaken on health inequalities in partnership with the local system.
Quality outcomes	Risk of delayed transfers of care and increased hospital lengths of stay	16	• Significant daily monitoring in place. • Monitoring breaches and levels of harm. • Increased frequency of meetings with the local authority. • Collaborative working to undertake a gap analysis in respect of onward care provision.
Regulation, compliance and reputation	Risk of failing to meet CQC fundamental standards, which impacts upon patient care	12	• Full gap analysis being undertaken. • Three phase compliance review process implemented. • Mock inspections / audits planned.
Regulation, compliance and reputation	Risk that uncertainty relating to next steps for the Covid vaccine may lead to staff leaving employment	9	• Legislation revoking vaccination as a condition of deployment came into force in March 2022, reducing this risk. • Health and wellbeing support continued for affected staff.
Regulation, compliance	Risk relating to the monitoring and oversight of GP	16	• Strategy in development to formalise reporting and monitoring processes.

Theme	Key risk	Score at year-end	Mitigating actions
and reputation	practices hosted by the Trust		
Regulation, compliance and reputation	Further waves of Covid may impact on the ability to deliver key performance targets and recovery plans	16	• EPRR incident response and surge plans in place. • Learning identified and applied from previous waves. • New operating model assists in protecting elective activity.
Regulation, compliance and reputation	Risk that place strategies do not fully align with Trust objectives and aspirations to tackle health inequalities	9	• Significant involvement in Integrated Care System and Provider Collaborative helps to ensure that Trust plans and objectives compliment system places. • New strategy includes a significant focus on partnership working and collaboration.
People and resources	Risk that a lack of leadership and OD strategy may result in a failure to support our workforce	12	• New leadership development opportunities launched, including Leading Well pilot. • Executive and Senior Management Team development work undertaken. • Appointments made to the OD team, providing greater capacity and resilience. • Staff survey communication and response plans in place.
People and resources	Risk of low or inadequate staffing affecting service provision as a result of Covid surge and response	16	• Deployment hub established to support service provision in times of surge. • Increase training of volunteers and non-clinical staff. • New operating model aligns staffing to activity and service plans. • Supply is one of the Board's top priorities. • Use of workforce bank and agency where appropriate and critical. • Safe staffing report in place with robust forecasting.
People and resources	Risk of not having the right people in the right place at the right time with the right skills	16	• Staffing task and finish group meeting fortnightly. • Focus on domestic and international recruitment, as well as retention. A significant number of actions taken to progress these three strands. • Detailed review of staffing requirements to ensure establishment is robust.
People and resources	Risk that we are not able to support the increased health and wellbeing needs of our colleagues	12	• Expansion of health and wellbeing offering. • Health and wellbeing strategy in development. • Alignment and linkage with ICS to share access to resources.

Theme	Key risk	Score at year-end	Mitigating actions
			• Health and wellbeing dashboard developed with early warning metrics. • Health and wellbeing check-ins for all staff.
Finance and efficiency	Risk of malware compromising servers and equipment	10	• Completion of cyber essentials plus accreditation underway. • Cyber security KPIs developed, alongside IT security assurance report. • Replacement of end-of-life network hardware underway.
Finance and efficiency	Risk that the Trust is unable to form a suitable capital plan due to reduced levels of capital available	9	• Approved capital plan was in place for 2021/22. • Additional funding made available centrally.
Finance and efficiency	Risk that we are unable to formulate a coherent financial plan due to uncertainty surrounding the financial framework	3	• Risk fully mitigated at year-end with current score lower than target.

Many of these risks are likely to remain live in 2022/23, as we focus on our elective recovery from the pandemic against a backdrop of national workforce supply pressures, colleagues who have worked tirelessly throughout the pandemic (with inevitable impact on health, wellbeing and resilience), a much more challenging financial environment and a significant shortage of onward care packages to support timely discharge.

Our most significant risks will continue to be reported and monitored at every Board committee and Board of Directors meeting.

Safe staffing

We adhere to the principles of safe staffing, as defined in the national guidance, Developing Workforce Safeguards. We use evidence-based tools and data such as the Safer Nursing Care tool, Birthrate Plus, eRostering and model hospital. Alongside this we use professional judgement and other key forms of information (such as patient and staff feedback) to ensure workforce planning is responsive to need and proactive in relation to forward planning.

Nurse staffing is reported to the Board of Directors at every meeting and reported to the Quality Governance Committee on those months when a Board meeting is not held. This ensures that there is Non-Executive Director scrutiny on a monthly basis.

The People and Organisational Development Committee oversees our wider workforce planning, metrics and talent management. The Committee has received regular updates on supply during 2021/22 and this will continue to be a priority area for the Committee in 2022/23.

Data security

The Digital Committee receives assurance on data security as part of key reports presented throughout the year. The Digital Assurance Group and Digital Transformation Group support the

work of the Committee. The Committee receives a key performance indicator (KPI) report at every meeting which provides assurance over several indicators, including those relating to information governance and data security. The Trust's Chief Digital Information Officer is also the Senior Information Risk Officer (SIRO).

The Trust recently appointed an Information Security Specialist to assist the IT department and the SIRO in identifying gaps in processes, monitoring and management, gaps in security and risk reporting and to be a point of contact for advice, guidance and to monitor progress and action plans.

Mandatory disclosures

The Foundation Trust is fully compliant with the registration requirements of the CQC.

The Foundation Trust has published on its website an up-to-date register of interests, including gifts and hospitality, for decision-making staff (as defined by the trust with reference to the guidance) within the past twelve months as required by the Managing Conflicts of Interest in the NHS guidance.

As an employer with staff entitled to membership of the NHS Pension Scheme, control measures are in place to ensure all employer obligations contained within the Scheme regulations are complied with. This includes ensuring that deductions from salary, employer's contributions and payments into the Scheme are in accordance with the Scheme rules, and that member Pension Scheme records are accurately updated in accordance with the timescales detailed in the Regulations.

Control measures are in place to ensure that all the organisation's obligations under equality, diversity and human rights legislation are complied with.

The Foundation Trust has undertaken risk assessments and has plans in place which take account of the 'Delivering a Net Zero Health Service' report under the Greener NHS programme. The Trust ensures that its obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

Review of economy, efficiency and effectiveness of the use of resources

We have robust arrangements in place for setting financial objectives and targets. Whilst the national financial framework for 2021/22 continued to flex and be governed centrally (and split into two halves – H1 and H2), we sought to ensure that we maintained strong controls, checks and balances in respect of our financial plans and spend. This included:

- Approval of annual budgets by the Board for both H1 and H2;
- Finance-related corporate objectives were approved at Board and monitored through Finance and Performance Committee;
- Reporting to Board committees and the Board of Directors on key aspects of performance via the Integrated Oversight Report and supporting reports. This enabled triangulation of performance across several different metrics and areas;
- Monthly group financial reporting to the Finance and Performance Committee, enabling close monitoring and scrutiny of performance against revenue and capital plans;
- Reporting on financial performance at every Board meeting;
- Launch of quarterly oversight meetings to enable holistic review of all aspects of business unit performance, including financial performance;
- Relaunch of the Trust's transformation programme, including a strong focus on demonstrating efficiencies and value for money. The Transformation Board was reinstated with its inaugural meeting in February 2022;

- Development of a new business case process in collaboration with colleagues across the Trust. This launched on 1 April 2022 and seeks to prioritise business cases in accordance with their linkages to strategy and outputs; and
- Relaunch of the Trust's financial accountability framework in shadow form in 2021/22 with a formal launch from April 2022.

A scheme of delegation is in place, along with standing financial instructions. A full review of both documents is planned for early 2022/23.

Due to the urgent requirement to procure certain goods and services during the pandemic, the Trust undertook single tender action / a waiver of the standing orders on a higher number of occasions than usual. There is an acknowledgement that 2022/23 will bring greater scrutiny in this area, with the Finance and Performance Committee being clear that as we enter recovery, the need to adhere to standing order requirements to safeguard value for money must prevail.

Information governance

No reported data incidents were deemed to meet the threshold of risk which would require reporting to the Information Commissioner's Office (ICO).

During 2021/22 our information governance team delivered several key activities:

- Providing training and support remotely;
- Establishing and reviewing the provisions in contracts with third parties;
- Establishing and reviewing the governance structure within IT to provide training and support with regards to Information Security management practices;
- Establishing reporting governance to the Digital Assurance Group and the Digital Committee;
- Introducing data sensitivity, retention and N365 acceptable use policy to align with the implementation of Office 365 throughout the Trust;
- Responding to legal developments and the end of the EU exit transition period; and
- Digital restructure to separate cyber assurance from operational delivery.

Data quality and governance

We recognise that all our decisions – where clinical, managerial or financial – should be based on information which is of the highest quality. Bespoke projects undertaken during 2021/22 included commissioning an external company to support our business units in large-scale validation of waiting list data for referral to treatment (RTT) waiting lists. The external report identified some recommendations around processes, but concluded that there were no immediate concerns, stating that the Trust should have good confidence in submitted waiting lists.

We continue to develop our reporting of data quality metrics within the KPI report to the Digital Committee, which will provide the Committee and executive management with routine assurance over the quality of data from our key systems.

Our internal auditors review data quality on an annual basis through their core assurance programme. In 2021/22 this included a data quality audit on performance target under the Single Oversight Framework.

Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the NHS Foundation Trust who have responsibility for the development and maintenance of the internal

control framework. I have drawn on performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, the Group Audit Committee and Executive Risk Management Group and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Maintaining and reviewing the effectiveness of the system of internal control has been undertaken with consideration of the following:

- The BAF provides evidence of the effectiveness of controls and assurances in respect to the principal risks to the achievement of our corporate objectives. The Board committees review the BAF extract at every meeting and the Board reviews the BAF three times a year;
- The Board and Board committees advise me of key assurances, risks and issues, which enable actions to be taken to address identified weaknesses;
- Our corporate governance structure and meeting calendar is planned to enable timely escalation of issues;
- Clinical audit processes are a key element of maintaining and reviewing the effectiveness of the system of internal control. We have an annual clinical audit programme, and the Quality Governance Committee reviews the content and outcomes of the programme throughout the year. We will be strengthening the process in 2022/23 by ensuring that the Group Audit Committee has a key role in seeking assurance over the process for developing and delivering the programme;
- Internal audit deliver an annual plan for the group, which is developed in conjunction with the Group Audit Committee and Executive Directors with a goal of seeking assurance over controls and processes across several key areas and systems;
- The Group Audit Committee, with full support of executive management, plays a key role in monitoring the implementation of audit recommendations, holding owners to account to ensure that recommendations (which ultimately should strengthen the control environment);
- 2 internal audits undertaken in 2021/22 were given limited assurance – induction and control of substances hazardous to health (COSHH). Implementation of the recommendations arising from these audits was given priority attention by the Executive Team, recognising the importance of swift resolution to improving the control environment and minimising any related risks.

Whilst recognising that there are areas for us to improve on, the Head of Internal Audit Opinion for the period 1 April 2021 to 31 March 2022 provides 'good assurance' in respect of the systems of internal control.

Conclusion

Taking into account the above, my review confirms that Gateshead Health NHS Foundation Trust has sound systems of internal control, with no significant control issues having been identified.

Yvonne Ormston.

Yvonne Ormston MBE
Chief Executive
7 July 2022

Independent auditor's report to the Council of Governors of Gateshead Health NHS Foundation Trust

Report on the audit of the financial statements

Opinion on the financial statements

We have audited the financial statements of Gateshead Health NHS Foundation Trust ('the Trust') and its subsidiaries ('the Group') for the year ended 31 March 2022 which comprise the Group and Trust Statement of Comprehensive Income, the Group and Trust Statements of Financial Position, the Group and Trust Statement of Changes in Taxpayers' Equity, the Group and Trust Statement of Cash Flows, and notes to the financial statements, including the summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards as interpreted and adapted by HM Treasury's Financial Reporting Manual 2021/22 as contained in the Department of Health and Social Care Group Accounting Manual 2021/22, and the Accounts Direction issued under the National Health Service Act 2006.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Trust and Group as at 31 March 2022 and of the Trust's and the Group's income and expenditure for the year then ended;
- have been properly prepared in accordance with the Department of Health and Social Care Group Accounting Manual 2021/22; and
- have been properly prepared in accordance with the requirements of the National Health Service Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities section of our report. We are independent of the Trust and Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Accounting Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Trust's or the Group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this report.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's

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

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

We have nothing to report in these regards.

Responsibilities of the Accounting Officer for the financial statements
As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Accounting Officer is required to comply with the Department of Health and Social Care Group Accounting Manual 2021/22 and prepare the financial statements on a going concern basis, unless the Trust is informed of the intention for dissolution without transfer of services or function to another entity. The Accounting Officer is responsible for assessing each year whether or not it is appropriate for the Trust and Group to prepare financial statements on the going concern basis and disclosing, as applicable, matters related to going concern.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the Trust and Group, we identified that the principal risks of non-compliance with laws and regulations related to the National Health Service Act 2006 (as amended by the Health and Social Care Act 2012), and we considered the extent to which non-compliance might have a material effect on the financial statements.

We evaluated the Accounting Officer's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, significant one-off or unusual transactions, and the risk of fraud in revenue recognition.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- discussing with management and the Audit Committee the policies and procedures regarding compliance with laws and regulations;
- communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- considering the risk of acts by the Trust and Group which were contrary to applicable laws and regulations, including fraud.

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

- making enquiries of management and the Audit Committee on whether they had knowledge of any actual, suspected or alleged fraud;
- gaining an understanding of the internal controls established to mitigate risks related to fraud;
- discussing amongst the engagement team the risks of fraud; and
- addressing the risks of fraud through management override of controls by performing testing on journal entries, year-end accruals and provisions; and
- addressing the risk of fraud through revenue recognition by testing a sample of revenue around the year-end and considering information provided by the Department of Health and Social Care in respect of year end intra-NHS transactions.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management and the Audit Committee. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

We are also required to conclude on whether the Accounting Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. We performed our work in accordance with Practice Note 10: Audit of financial statements and regularity of public sector bodies in the United Kingdom, and Supplementary Guidance Note 01, issued by the Comptroller and Auditor General in April 2021.

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

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

Matter on which we are required to report by exception

We are required to report to you if, in our opinion, we are not satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2022.

We have not completed our work on the Trust's arrangements. On the basis of our work to date, having regard to the guidance issued by the Comptroller and Auditor General in December 2021, we have not identified any significant weaknesses in arrangements for the year ended 31 March 2022.

We will report the outcome of our work on the Trust's arrangements in our commentary on those arrangements within the Auditor's Annual Report. Our audit completion certificate will set out any matters which we are required to report by exception.

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

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

We have undertaken our work in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in December 2021.

Report on other legal and regulatory requirements

Opinion on other matters prescribed by the Code of Audit Practice
In our opinion:

- the parts of the Remuneration and Staff Report subject to audit have been properly prepared in accordance with the requirements of the NHS Foundation Trust Annual Reporting Manual 2021/22; and
- the other information published together with the audited financial statements in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception under the Code of Audit Practice
We are required to report to you if:

- in our opinion the Annual Governance Statement does not comply with the NHS Foundation Trust Annual Reporting Manual 2021/22; or
- the Annual Governance Statement is misleading or is not consistent with our knowledge of the Trust and Group and other information of which we are aware from our audit of the financial statements; or
- we refer a matter to the regulator under Schedule 10(6) of the National Health Service Act 2006; or
- we issue a report in the public interest under Schedule 10(3) of the National Health Service Act 2006.

We have nothing to report in respect of these matters.

Use of the audit report
This report is made solely to the Council of Governors of Gateshead Health NHS Foundation Trust as a body in accordance with Schedule 10(4) of the National Health Service Act 2006. Our audit work has been undertaken so that we might state to the Council of Governors of the Trust those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest

extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors of the Trust as a body for our audit work, for this report, or for the opinions we have formed.

Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate until we have completed the work necessary to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness is its use of resources and complete the work necessary to provide assurance to the NAO on the whole of government accounts return.

Cameron Waddell (Key Audit Partner)
For and on behalf of Mazars LLP

The Corner
Bank Chambers
26 Mosley Street
Newcastle
NE1 1DF
United Kingdom

7 July 2022

FOREWORD TO THE ACCOUNTS

Gateshead Health NHS Foundation Trust

These accounts for the year ended 31 March 2022 have been prepared, on a going concern basis, by Gateshead Health NHS Foundation Trust under Schedule 7 (paragraphs 24 and 25) of the National Health Service Act 2006 in a form which NHSIE has, with the approval of the Treasury, directed.

Yvonne Ormston
Chief Executive

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 March 2022

`	Note	Group 2021/22 £000	Foundation Trust 2021/22 £000	Group 2020/21 (restated) £000	Foundation Trust 2020/21 (restated) £000
Revenue					
Operating Income from patient care activities	2	**341,649**	**341,283**	293,592	293,217
Other operating income	2	**28,829**	**18,709**	55,821	47,008
Operating expenses	3	**(343,506)**	**(336,976)**	(342,486)	(337,335)
Operating (deficit)/surplus from continuing operations		**26,972**	**23,015**	6,927	2,890
Finance Costs					
Finance income	6	**115**	**733**	81	670
Finance expense - financial liabilities	6.1	**(529)**	**(2,058)**	(587)	(2,136)
PDC Dividends payable		**(2,497)**	**(2,497)**	(1,635)	(1,635)
Net Finance Costs		**(2,911)**	**(3,822)**	(2,141)	(3,101)
Other Gains/ (Losses)		**(132)**	**(178)**	(3)	(3)
Corporation tax (expense)/income	5.0	**(775)**	**0**	(904)	0
(Deficit)/Surplus from continuing operations		**23,154**	**19,016**	**3,879**	**(214)**
Surplus / (Deficit) of discontinued operations		**0**	**0**	0	0
Surplus/(Deficit)for the financial year		**23,154**	**19,016**	**3,879**	**(214)**
Other comprehensive income					
Impairments	7.0	**0**	**0**	(2,411)	(2,411)
Revaluations	7.0	**4,093**	**4,093**	0	0
Other recognised gains and losses		**0**	**0**	0	0
Actuarial gains/(losses) on defined benefit pension schemes		**0**	**0**	0	0
Other reserve movements		**76**	**0**	147	0
Total Comprehensive (Expense)/Income for the year		**27,323**	**23,109**	**1,615**	**(2,625)**

The notes on pages 113 to 153 form part of these accounts.

STATEMENT OF FINANCIAL POSITION AS AT 31 March 2022

	Note	Group 31 March 2022	Foundation Trust 31 March 2022	Group 31 March 2021 (restated)	Foundation Trust 31 March 2021 (restated)
		£000	**£000**	£000	£000
Non-current assets					
Property, plant and equipment	8.1-8.4	**137,786**	**136,526**	120,999	119,755
Investment Property	8.5	**80**	**0**	80	0
Investments in Subsidiaries	8.9	**0**	**16,824**	0	16,824
Loans to Subsidaries	8.9	**0**	**11,668**	0	15,789
Other Investments (Charitable)	22	**1,250**	**0**	1,146	0
Trade and other receivables	10.1	**1,957**	**1,227**	2,093	1,363
Total non-current assets		**141,073**	**166,245**	124,318	153,731
Current assets					
Inventories	11.1	**4,577**	**2,013**	5,017	2,598
Trade and other receivables	10.1	**22,050**	**22,801**	20,969	22,015
Non-Current assets for Sale and Assets in disposal Groups		**0**	**0**	0	0
Cash and cash equivalents	12	**56,803**	**50,519**	44,223	35,022
Total current assets		**83,430**	**75,333**	70,209	59,635
Current liabilities					
Trade and other payables	13.1	**(52,833)**	**(51,050)**	(58,151)	(53,870)
Borrowings	14.1	**(1,022)**	**(1,719)**	(1,204)	(1,877)
Provisions	15	**(3,835)**	**(3,516)**	(5,318)	(4,464)
Other liabilities	13.2	**(8,113)**	**(7,890)**	(4,228)	(3,303)
Total current liabilities		**(65,803)**	**(64,175)**	(68,901)	(63,514)
Total assets less current liabilities		**158,700**	**177,403**	**125,626**	**149,852**
Non-current liabilities					
Trade and other payables		**0**	**0**	0	0
Borrowings	14.1	**(13,011)**	**(55,058)**	(14,010)	(56,753)
Provisions	15	**(3,122)**	**(3,122)**	(2,565)	(2,565)
Other Liabilities	13.2	**(2,044)**	**(325)**	(2,007)	(901)
Total non-current liabilities		**(18,177)**	**(58,505)**	(18,582)	(60,219)
Total assets employed		**140,523**	**118,898**	**107,044**	**89,633**
Financed by taxpayers' equity					
Public Dividend Capital		**145,471**	**145,471**	139,315	139,315
Revaluation reserve		**9,795**	**9,795**	6,611	6,611
Charitable Fund Reserve		**2,344**	**0**	1,350	0
Other Reserves		**99**	**99**	99	99
Income and expenditure reserve		**(17,186)**	**(36,467)**	(40,331)	(56,392)
Total taxpayers' equity		**140,523**	**118,898**	107,044	89,633

The financial statements on pages 108 to 153 were approved by the Board on 7 July 2022 and signed on its behalf by:

Yvonne Ormston

Yvonne Ormston
Chief Executive

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY

	Group						Foundation Trust				
	Total	Public Dividend Capital	Revaluation Reserve	Charitable Fund Reserve	Other Reserves	Income and Expenditure Reserve	Total	Public Dividend Capital	Revaluation Reserve	Other Reserves	Income and Expenditure Reserve
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Taxpayers' Equity at 1 April 2021	**107,044**	**139,315**	**6,611**	**1,350**	**99**	**(40,331)**	**89,633**	**139,315**	**6,611**	**99**	**(56,392)**
Changes in taxpayers' equity for 2021/22											
Retained surplus/(deficit) for the year	**23,154**	**0**	**0**	**918**	**0**	**22,236**	**19,016**	**0**	**0**	**0**	**19,016**
Impairments	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Transfer from Revaluation Reserve to I & E reserve	**0**	**0**	**(909)**	**0**	**0**	**909**	**0**	**0**	**(909)**	**0**	**909**
Revaluations Property,Plant and Equipment	**4,093**	**0**	**4,093**	**0**	**0**	**0**	**4,093**	**0**	**4,093**	**0**	**0**
Asset disposals	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Other Recognised gains / losses	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Other reserve movements	**76**	**0**	**0**	**76**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	134,367	**139,315**	**9,795**	**2,344**	**99**	**(17,186)**	**112,742**	**139,315**	**9,795**	**99**	**(36,467)**
Public Dividend Capital received	**6,156**	**6,156**	**0**	**0**	**0**	**0**	**6,156**	**6,156**	**0**	**0**	**0**
Public Dividend Capital repaid	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Taxpayers' Equity at 31 March 2022	**140,523**	**145,471**	**9,795**	**2,344**	**99**	**(17,186)**	**118,898**	**145,471**	**9,795**	**99**	**(36,467)**

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY

	Group (restated)						Foundation Trust (restated)				
	Total	Public Dividend Capital	Revaluation Reserve	Charitable Fund Reserve	Other Reserves	Income and Expenditure Reserve	Total	Public Dividend Capital	Revaluation Reserve	Other Reserves	Income and Expenditure Reserve
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Taxpayers' Equity at 1 April 2020	**84,322**	**118,208**	**9,022**	**1,066**	**99**	**(44,073)**	**71,151**	**118,208**	**9,022**	**99**	**(56,178)**
Changes in taxpayers' equity for 2020/21											
Retained surplus/(deficit) for the year	**3,879**	**0**	**0**	**137**	**0**	**3,742**	**(214)**	**0**	**0**	**0**	**(214)**
Impairments	**(2,411)**	0	**(2,411)**	**0**	**0**	0	**(2,411)**	0	**(2,411)**	**0**	0
Transfer from Revaluation Reserve to I & E reserve	0	**0**	**0**	**0**	**0**	0	0	**0**	**0**	**0**	0
Revaluations Property,Plant and Equipment	0	**0**	**0**	**0**	**0**	0	0	**0**	**0**	**0**	0
Asset disposals	0	**0**	**0**	**0**	**0**	0	0	**0**	**0**	**0**	0
Other Recognised gains / losses	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Other reserve movements	**147**	**0**	**0**	**147**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	85,937	**118,208**	**6,611**	**1,350**	**99**	**(40,331)**	**68,526**	**118,208**	**6,611**	**99**	**(56,392)**
Public Dividend Capital received	**21,107**	**21,107**	**0**	**0**	**0**	**0**	**21,107**	**21,107**	**0**	**0**	**0**
Public Dividend Capital repaid	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Taxpayers' Equity at 31 March 2021	**107,044**	**139,315**	**6,611**	**1,350**	**99**	**(40,331)**	**89,633**	**139,315**	**6,611**	**99**	**(56,392)**

STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31 March 2022

	Note	Group		Foundation Trust	
		2021/22	2020/21 (restated)	**2021/22**	2020/21 (restated)
		£000	£000	**£000**	£000
Cash flows from operating activities					
Operating surplus /(deficit) from continuing operations		**26,973**	6,927	**23,015**	2,890
Operating surplus /(deficit) of discontinued operations		**0**	0	**0**	0
		26,973	6,927	**23,015**	2,890
Non-cash or non-operating income and expense:					
Depreciation and amortisation		**7,640**	7,026	**7,542**	6,959
Impairment		0	2,892	**0**	2,892
Reversals of Impairments		**(8,844)**	0	**(8,844)**	0
Non Cash Donations credited to Income		**(1,314)**	(864)	**(1,314)**	(864)
Change in Trade and Other Receivables		**(724)**	1,039	**3,661**	5,772
Change in Inventories		**440**	(723)	**585**	(443)
Change in Trade and other Payables		**(4,863)**	19,699	**(2,393)**	16,970
Change in Other Liabilities		**3,921**	1,325	**4,010**	1,388
Change in Provisions		**(898)**	4,400	**(364)**	3,546
Tax (paid)/received		**(848)**	(720)	**0**	0
Other movements in operating cash flows		**73**	(186)	**(21)**	(9)
NHS Charitable Funds - working Capital adjustments	22	**(36)**	148	**0**	0
Net cash (outflows)/inflows from operating activities		**21,520**	40,963	**25,877**	39,101
Cash flows from investing activities					
Interest received		**88**	53	**733**	670
Purchase of Property, Plant and Equipment		**(13,311)**	(16,304)	**(13,195)**	(15,379)
Proceeds From the Sale of Property, Plant and Equipment		**504**	0	**504**	0
Receipt of cash grants/donations to Purchase capital assets		**1,100**	0	**1,100**	0
NHS Charitable Funds - net cash flow from investing activities	22	**0**	0	**0**	0
Net cash outflow from investing activities		**(11,619)**	(16,251)	**(10,858)**	(14,709)
Net cash (outflow) / inflow before financing		**9,901**	24,712	**15,019**	24,392
Cash flows from financing activities					
Public dividend capital received		**6,156**	21,107	**6,156**	21,107
Public dividend capital repaid		**0**	0	**0**	0
Movement in Loans from the DHSC		**(1,178)**	(13,591)	**(1,178)**	(13,591)
Movement in Finance Lease		**0**	0	**(672)**	(1,678)
Loan Interest paid		**(559)**	(620)	**(559)**	(620)
Finance Lease Interest		**0**	0	**(1,529)**	(1,549)
PDC Dividend paid		**(1,740)**	(1,936)	**(1,740)**	(1,936)
Net cash inflow / (outflow) from financing activities		**2,679**	4,960	**478**	1,733
Increase in cash and cash equivalents		**12,580**	29,672	**15,497**	26,125
Opening Cash and Cash equivalents at 1 April		**44,223**	14,551	**35,022**	8,897
Closing Cash and Cash equivalents at 31 March		**56,803**	**44,223**	**50,519**	**35,022**

Notes to the Accounts

1 Accounting policies and other information

Basis of preparation

NHS Improvement, in exercising the statutory functions conferred on Monitor, has directed that the financial statements of the trust shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (GAM), which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the GAM 2021/22 issued by the Department of Health and Social Care. The accounting policies contained in the GAM follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the 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.

Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment and certain financial assets and financial liabilities.

Going concern

These accounts have been prepared on a going concern basis. As an NHS Foundation Trust, the directors are required to make an assessment as at the balance sheet date as to whether the Trust remains a going concern.

In summary following our assessment, these accounts have been prepared on a going concern basis, in accordance with the definition as set out in section 4 of the DHSC Group Accounting Manual (GAM) which outlines the interpretation of IAS1 'Presentation of Financial Statements' as "the anticipated continuation of the provision of a service in the future, as evidenced by the inclusion of financial provision for that service in published documents".

The directors have considered whether there are any local or national policy decisions that are likely to affect the continued funding and provision of services by the Trust. The Trust is a member of the Cumbria and the North East Sustainability and Transformation Partnership (STP). In November 2019, the STP published its Strategic Delivery Plan and NHS Long Term Plan response for the five year period 2020/21 - 2024/25. This plan includes the continued provision of services by the Trust. No circumstances were identified that would cause the directors to doubt or question the continued provision of NHS services.

This year the Trust reported a £14.3m surplus and met its financial performance targets. Income from Commissioners was largely based on the simplified block payments system introduced in response to the COVID-19 pandemic, which improved liquidity and cash flow during the year.

In April 2020, the Department of Health and Social Care (DHSC) and NHS England and NHS Improvement (NHSE&I) announced reforms to the NHS cash regime for the 2020/21 financial year. During 2020/21 existing DHSC interim revenue loans as at 31 March 2020 were extinguished and replaced with the issue of Public Dividend Capital (PDC) to allow their repayment. This meant that the Trust received PDC of £12.235m to repay these loans which had accumulated from prior year deficits and thereby increased the total net assets, strengthening the value of the balance sheet and meaning the Trust is no longer required to generate surpluses to service this historic debt.

For 2022/23 there is a move towards block contract funding arrangements, with additional funding available to support elective recovery post COVID. The Trust is assuming continuation of expenditure trends and achievement of its recovery trajectories, submitted as part of 2022/23 planning.

The Trust has produced its financial plans based on these assumptions which have been approved by the Trust Board.

The Trust has prepared a cash forecast modelled on the above expectations for funding during the going concern period to June 2023. The cash forecast shows sufficient liquidity for the Trust to continue to operate during that period and there is no expectation of cash support being required, although that option remains available to Foundation Trusts.

In conclusion, these factors, and the anticipated future provision of services in the public sector, support the Trust's adoption of the going concern basis for the preparation of the accounts.

Accounting policies and other information (continued)
Consolidation

NHS Charitable Fund
The Foundation Trust is the corporate trustee to Gateshead Health NHS Foundation Trust Charitable Fund. The Foundation Trust has assessed its relationship to the Charitable Fund and determined it to be a subsidiary because the Trust is exposed to, or has rights to, variable returns and other benefits for itself, patients and staff from its involvement with the Charitable Fund and has the ability to affect those returns and other benefits through its power over the fund.

The charitable fund's statutory accounts are prepared to 31 March in accordance with the UK Charities Statement of Recommended Practice (SORP) which is based on UK Financial Reporting Standard (FRS) 102. On consolidation, necessary adjustments are made to the charity's assets, liabilities and transactions to:

• recognise and measure them in accordance with the foundation trust's accounting policies and
• eliminate intra-group transactions, balances, gains and losses.

Other subsidiaries
QE Facilities Limited is a wholly owned subsidiary of the Trust. Subsidiary entities are those over which the 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 income, expenses, assets, liabilities, equity and reserves of subsidiaries are consolidated in full into the appropriate financial statement lines.

Where subsidiaries' accounting policies are not aligned with those of the trust (including where they report under UK FRS 102) then amounts are adjusted during consolidation where the differences are material. Inter-entity balances, transactions and gains/losses are eliminated in full on consolidation. The primary statements and notes to the accounts are presented with seperate Group and Trust columns.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Trust's accounting policies, mangement is required to make judgements, estimates and assumptions about the carrying amonuts of assets and liabilities that are not readily apparent from sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates and the estimates and underlying assumptions are continually reveiwed. Revisions to accounting estimates are recognised in the period in which the estimates is revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies
The following are critical judgements, apart from those involving estimations (below) that management has made in the process of applying the Trust's accounting policies and that have the most siginificant effect on the amounts recognised in the Financial statements.
The Trust has made critical judgements, based on accounting standards, in the classification of leases and arrangements containing a lease.

The Trust has made critical judgements in relation to the Modern Equivalent Asset (MEA) revaluation as at 31st March 2022. Cushman & Wakefield as the Trust's valuer carries out a professional valuation of the modern equivalent asset required to have the same productive capacity and service potential as existing Trust assets. Judgements have been made by the Trust in relation to floor space, bed space, garden space, car parking areas and all areas associated with the capacity required to deliver the Trust's services as at 31st March 2022.

Accounting policies and other information (continued)

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

The Trust's revaluations of land and buildings are based upon the professional valuations provided by Cushman & Wakefield on a Modern Equivalent Asset basis and include estimates relating to the use of BCIS indices by the valuer which can fluctuate year on year. Impairments are recognised on the basis of these valuations.

Consolidation

Revenue from contracts with customers

Where income is derived from contracts with customers, it is accounted for under IFRS 15. The GAM expands the definition of a contract to include legislation and regulations which enables an entity to receive cash or another financial asset that is not classified as a tax by the Office of National Statistics (ONS).

Revenue in respect of goods/services provided is recognised when (or as) performance obligations are satisfied by transferring promised goods/services to the customer and is measured at the amount of the transaction price allocated to those performance obligations. At the year end, the Trust accrues income relating to performance obligations satisfied in that year. Where the Trust's entitlement to consideration for those goods or services is unconditional a contract receivable will be recognised. Where entitlement to consideration is conditional on a further factor other than the passage of time, a contract asset will be recognised. Where consideration received relates to a performance obligation that is to be satisfied in a future period, the income is deferred and recognised as a contract liability.

Revenue from NHS Contracts

The main source of income for the Trust is contracts with commissioners for health care services. A performance obligation relating to delivery of a spell of health care is generally satisfied over time as healthcare is received and consumed simultaneously by the customer as the Trust performs it. The customer in such a contract is the commissioner, but the customer benefits as services are provided to their patient. Even where a contract could be broken down into separate performance obligations, healthcare generally aligns with paragraph 22(b) of the Standard entailing a delivery of a series of goods or services that are substantially the same and have a similar pattern of transfer. At the year end, the Trust accrues income relating to activity delivered in that year, where a patient care spell is incomplete. This accrual is disclosed as a contract receivable as entitlement to payment for work completed is usually only dependent on the passage of time.

Accounting policies and other information (continued)

Elective Recovery Fund (ERF)

The ERF enables providers to earn income linked to the achievement of recovery trajectories and weighted activity.

Grants and donations

Government grants are grants from government bodies other than income from commissioners or Trusts for the provision of services. Where a grant is used to fund revenue expenditure it is taken to the Statement of Comprehensive Income to match that expenditure. Where the grant is used to fund capital expenditure, it is credited to the consolidated statement of comprehensive income once conditions attached to the grant have been met. Donations are treated in the same way as government grants.

Apprenticeship service income

The value of the benefit received when accessing funds from the Government's apprenticeship service is recognised as income at the point of receipt of the training service. Where these funds are paid directly to an accredited training provider from the Trust's Digital Apprenticeship Service (DAS) account held by the Department for Education, the corresponding notional expense is also recognised at the point of recognition for the benefit.

Expenditure on employee benefits

Short-term employee benefits

Salaries, wages and employment-related payments 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 financial statements to the extent that employees are permitted to carry-forward leave into the following period.

Pension costs

NHS Pension Scheme

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Both schemes are unfunded, defined benefit schemes that cover NHS employer, general practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care, in England and Wales. The scheme is not designed in a way that would enable employers to identify their share of the underlying scheme assets and liabilities. Therefore the scheme is accounted for as though it is a defined contribution scheme; the cost to the Trust is taken as equal to the employer's contributions payable to the scheme for the accounting period. The contributions are charged to operating expenses as they become due.

Additional pension liabilities arising from early retirements are not funded by the scheme except where the retirement is due to ill-health. The full amount of the liability for the additional costs is charged to the operating expenses at the time the trust commits itself to the retirement, regardless of the method of payment.

Other Pension Schemes

The group also operates a defined contribution workplace pension scheme which is the National Emplyment Savings Trust Scheme (NEST). The amount charged to the Statement of Comprehensive Income represents the contributions payable to the scheme in respect of the accounting period.

Ill Health Retirements

There were two ill health retirements in 2021/2022 at a cost of £103,357.

Expenditure on other goods and services

Expenditure on goods and services is recognised when, and to the extent that, they have been received, and is measured at the fair value of those goods and services. Expenditure is recognised in operating expenses except where it results in the creation of a non-current asset such as property, plant and equipment.

Accounting policies and other information (continued)

Discontinued operations

Discontinued operations occur where activities either cease without transfer to another entity, or transfer to an entity outside of the boundary of Whole of Government Accounts, such as private or voluntary sectors. Such activities are accounted for in accordance with IFRS 5. Activities that are transferred to other bodies within the boundary of Whole of Government Accounts are 'machinery of government changes' and treated as continuing operations.

Property, plant and equipment

Recognition

Property, plant and equipment is capitalised where:

• it is held for use in delivering services or for administrative purposes
• it is probable that future economic benefits will flow to, or service potential be provided to, the trust
• it is expected to be used for more than one financial year and
• the cost of the item can be measured reliably; and
· assets individually have a cost of at least £5,000, or collectively, a number of items have a cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control.

Where a large asset, for example a building, includes a number of components with significantly different asset lives, e.g., plant and equipment, then these components are treated as separate assets and depreciated over their own useful lives.

Subsequent expenditure

Subsequent expenditure relating to an item of property, plant and equipment is recognised as an increase in the carrying amount of the asset when it is probable that additional future economic benefits or service potential deriving from the cost incurred to replace a component of such item will flow to the enterprise and the cost of the item can be determined reliably. Where a component of an asset is replaced, the cost of the replacement is capitalised if it meets the criteria for recognition above. The carrying amount of the part replaced is de-recognised. Other expenditure that does not generate additional future economic benefits or service potential, such as repairs and maintenance, is charged to the Statement of Comprehensive Income in the period in which it is incurred.

Measurement

Valuation

All property, plant and equipment assets are measured initially at cost, representing the costs directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management.

Assets are measured subsequently at valuation. Assets which are held for their service potential and are in use (i.e. operational assets used to deliver either front line services or back office functions) are measured at their current value in existing use. Assets that were most recently held for their service potential but are surplus with no plan to bring them back into use are measured are 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 de determined at the end of the reporting period. Current values in existing use are determined as follows:

Land and non-specialist buildings - market value for existing use
Specialist buildings - depreciated replacement cost on a modern equivalent asset basis

For specialist assets, current value in existing use is interpreted as the present value of 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 local requirements.

Valuation guidance issued by the Royal Institute of Chartered Surveyors and adopted by the Trust states that valuations are performed net of VAT where the VAT is recoverable by the entity.

Accounting policies and other information (continued)

Property, plant and equipment (continued)

The pandemic and the measures taken to tackle COVID-19 continue to affect economies and real estate markets globally. Nevertheless, as at the 31 March 2022 valuation, property markets are mostly functioning again, with transaction volumes and other relevant evidence at levels where an adequate quantum of market evidence exists upon which to base opinions of value. Accordingly, and for the avoidance of doubt, the 2022 valuation is not reported as being subject to 'material valuation uncertainty' as defined by VPS 3 and VPGA 10 of the RICS Valuation – Global Standards.

For the avoidance of doubt this explanatory note has been included to ensure transparency and to provide further insight as to the market context under which the valuation opinion was prepared for year end 2022 and 2021. In recognition of the potential for market conditions to move rapidly in response to changes in the control or future spread of COVID-19 we highlight the importance of the valuation date.

IT equipment, transport equipment, furniture and fittings, and plant and machinery that are held for operational use are valued at depreciated historical cost where the assets have short useful lives or low values or both, as it is not considered to be materially different from current value in existing use.

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. Freehold land is considered to have an infinite life and is not depreciated.

Property, plant and equipment which has been reclassified as 'held for sale' ceases to be depreciated upon the reclassification. Assets in the course of construction and residual interests are not depreciated until the asset is brought into use or reverts to the trust, respectively.

Revaluation gains and losses

Revaluation gains are recognised in the revaluation reserve, except where, and to the extent that, they reverse a revaluation decrease that has previously been recognised in operating 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'.

Accounting policies and other information (continued)

Property, plant and equipment (continued)

Impairments
In accordance with the GAM, impairments that arise from a clear consumption of economic benefits or of service potential in the asset are charged to operating expenses. A compensating transfer is made from the revaluation reserve to the income and expenditure reserve of an amount equal to the lower of (i) the impairment charged to operating expenses; and (ii) the balance in the revaluation reserve attributable to that asset before the impairment.

An impairment that arises from a clear consumption of economic benefit or of service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss are reversed. Reversals are recognised in operating income 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 all of the following criteria 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 economic life is adjusted. The asset is de-recognised when scrapping or demolition occurs.

Donated, government grant and other grant funded assets
Donated and grant funded property, plant and equipment assets are capitalised at their fair value on receipt. The donation/grant is credited to income at the same time, unless the donor has imposed a condition that the future economic benefits embodied in the grant are to be consumed in a manner specified by the donor, in which case, the donation/grant is deferred within liabilities and is carried forward to future financial years to the extent that the condition has not yet been met.

The donated and grant funded assets are subsequently accounted for in the same manner as other items of property, plant and equipment.

This includes assets donated to the 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.

Investment property

Investment properties are measured at fair value. Changes in fair value are recognised as gains or losses in income/expenditure.

Only those assets which are held solely to generate a commercial return are considered to be investment properties. Where an asset is held, in part, to support service delivery objectives, then it is considered to be an item of property, plant and equipment. Properties occupied by employees, whether or not they pay rent at market rates, are not classified as investment properties.

Accounting policies and other information (continued)

Cash and cash equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and that form an integral part of the Trust's cash management. Cash, bank and overdraft balances are recorded at current values.

Inventories

Inventories are valued at the lower of cost and net realisable value. Inventories were valued using the weighted average cost method until August 2019. From August 2019, due to a change in software, inventories are now valued on a first in first out basis by reference to supplier information.

In 2020/21 and 2021/22, the Trust received inventories including personal protective equipment from the Department of Health and Social Care at nil cost. In line with the GAM and applying the principles of the IFRS Conceptual Framework, the Trust has accounted for the receipt of these inventories at a deemed cost, reflecting the best available approximation of an imputed value for the transaction based on the cost of acquisition by the Department.

Financial assets and financial liabilities

Recognition

Financial assets and financial liabilities arise where the 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 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 services is made.

Classification and measurement

Financial assets and financial liabilities are initially measured at fair value plus or minus directly attributable transaction costs . Fair value is taken as the transaction price, or otherwise determined by reference to quoted market prices or valuation techniques.

After initial recognition, these financial assets and financial liabilities are measured at amortised cost using the effective interest method less any impairment (for financial assets), except where the asset or liability is measured at fair value through income and expenditure. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

Interest revenue or expense is calculated by applying the effective interest rate to the gross carrying amount of a financial asset or amortised cost of a financial liability and recognised in the Statement of Comprehensive Income and a financing income or expense. In the case of loans held from the Department of Health and Social Care, the effective interest rate is the nominal rate of interest charged on the loan.

Accounting policies and other information (continued)

Impairment of financial assets

For all financial assets measured at amortised cost including lease receivables, contract receivables and contract assets or assets measured at fair value through other comprehensive income, the Trust recognises an allowance for expected credit losses.

The Trust adopts the simplified approach to impairment for contract and other receivables, contract assets and lease receivables, measuring expected losses as at an amount equal to lifetime expected losses. For other financial assets, the loss allowance is initially measured at an amount equal to 12-month expected credit losses (stage 1) and subsequently at an amount equal to lifetime expected credit losses if the credit risk assessed for the financial asset significantly increases (stage 2).

For financial assets that have become credit impaired since initial recognition (stage 3), expected credit losses at the reporting date are measured as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. Expected losses are charged to operating expenditure within the Statement of Comprehensive Income and reduce the net carrying value of the financial asset in the Statement of Financial Position.

De-recognition

Financial assets are de-recognised when the contractual rights to receive cash flows from the assets have expired or the Trust has transferred substantially all the risks and rewards of ownership.

Financial liabilities are de-recognised when the obligation is discharged, cancelled or expires.

Leases

Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

The trust as lessee

Finance leases

Where substantially all risks and rewards of ownership of a leased asset are borne by the trust, the asset is recorded as property, plant and equipment and a corresponding liability is recorded. The value at which both are recognised is the lower of the fair value of the asset or the present value of the minimum lease payments, discounted using the interest rate implicit in the lease. The implicit interest rate is that which produces a constant periodic rate of interest on the outstanding liability.

The asset and liability are recognised at the commencement of the lease. Thereafter the asset is accounted for as an item of property plant and equipment.

The annual rental charge is split between the repayment of the liability and a finance cost so as to achieve a constant rate of finance over the life of the lease. The annual finance cost is charged to Finance Costs in the Statement of Comprehensive Income.

Operating leases

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially in other liabilities on the statement of financial position and subsequently as a reduction of rentals on a straight-line basis over the lease term.

Contingent rentals are recognised as an expense in the period in which they are incurred.

Leases of land and buildings

Where a lease is for land and buildings, the land component is separated from the building component and the classification for each is assessed separately.

Accounting policies and other information (continued)

The Trust as lessor

Finance leases

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Trust's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the trust's net investment outstanding in respect of the leases.

Operating leases

Rental income from operating leases is recognised on a straight-line basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

Provisions

The Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount for which it is probable that there will be a future outflow of cash or other resource and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using HM Treasury's discount rates effective from 31 March 2022.

HM Treasury's discount rates effective for 31 March 2022

Up to 5 years nominal rate 0.47% (2021: (0.02%))
After 5 years up to 10 years nominal rate 0.70% (2021: 0.18%)
After 10 years up to 40 years nominal rate 0.95% (2021: 1.99%)
Exceeding 40 years nominal rate 0.66% (2021: 1.99%)

Clinical negligence costs

NHS Resolution operates a risk pooling scheme under which the 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 trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the trust is disclosed at note 15 but is not recognised in the Trust's accounts.

Non-clinical risk pooling

The Foundation Trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the 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 particular claims are charged to operating expenses when the liability arises.

Contingencies

Contingent liabilities are not recognised, but are disclosed in note 16.3, unless the probability of a transfer of economic benefits is remote.

Contingent liabilities are defined as:

• possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or

• present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

Accounting policies and other information (continued)

Public dividend capital

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS 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 repayment of PDC from, the Trust. PDC is recorded at the value received.

A charge, reflecting the cost of capital utilised by the NHS Foundation Trust, is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the NHS foundation trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, with certain additions and deductions as defined in the PDC dividend policy issued by the Department of Health and Social Care. This policy is available at https://www.gov.uk/government/publications/guidance-on-financing-available-to-nhs-trusts-and-foundation-trusts. In accordance with the requirements laid down by the Department of Health and Social Care (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the "pre-audit" version of the annual accounts. The dividend calculated is not revised should any adjustment to net assets occur as a result of the audit of the annual accounts.

Value added tax

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 fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

Corporation tax

QE Facilities Limited is a wholly owned subsidiary of Gateshead Health NHS Foundation Trust and is subject to corporation tax on its profits.
Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years. Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided for is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

In the March 2021 Budget the UK Government announced that legislation will be introduced in Finance Bill 2021 to increase the main rate of UK corporation tax from 19% to 25%, effective 1 April 2023. As the changes had not been substantively enacted at the balance sheet date, the deferred tax balances as at 31 March 2021 continue to be measured at a rate of 19%. The Finance Act 2021, was enacted in May 2021 and included the increase to the main rate of corporation tax to 25% from April 2023. As a result of this, closing deferred tax balances at 31 March 2022 have been measured at this increased cost.

Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts . However, they are disclosed in a separate note to the accounts in accordance with the requirements of HM Treasury's Financial Reporting Manual.

Losses and special payments

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled. Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis.

The losses and special payments note is compiled directly from the losses and compensations register which reports on an accrual basis with the exception of provisions for future losses.

Gifts

Gifts are items that are voluntarily donated, with no preconditions and without the expectation of any return. Gifts include all transactions economically equivalent to free and remunerated transfers, such as the loan of an asset for its expected useful life, and the sale or lease of assets at below market value.

Standards, amendments and interpretations in issue but not yet effective or adopted

IFRS 16 Leases

IFRS 16 Leases will replace IAS 17 Leases, IFRIC 4 Determining whether an arrangement contains a lease and other interpretations and is applicable in the public sector for periods beginning 1 April 2022. The standard provides a single accounting model for lessees, recognising a right of use asset and obligation in the statement of financial position for most leases: some leases are exempt through application of practical expedients explained below. For those recognised in the statement of financial position the standard also requires the remeasurement of lease liabilities in specific circumstances after the commencement of the lease term. For lessors, the distinction between operating and finance lease will remain and the accounting will largely be unchanged.

IFRS 16 changes the definition of a lease compared to IAS 17 and IFRIC 4. The Trust will apply this definition to new leases only and will grandfather its assessments made under the old standards of whether existing contracts contain a lease.

On transition to IFRS 16 on 1 April 2022, the Trust will apply the standard retrospectively without restatement and with the effect of initially applying the standard recognised in the income and expenditure reserve at that date. For existing leases with a remaining lease term of more than 12 months and an underlying asset value of at least £5,000, a lease liability will be recognised equal to the value of remaining lease payments discounted on transition at the Trust's incremental borrowing rate if an interest rate implicit in any individual lease cannot be readily determined. The Trust's incremental borrowing rate will be a rate defined by HM Treasury. For 2022, this rate is 0.95% . The related right of use asset will be measured equal to the lease liability adjusted for any prepaid or accrued lease payments. No adjustments will be made on 1 April 2022 for existing finance leases.

For leases commencing in 2022/2023, the Trust will not recognise a right of use asset or lease lability for short term leases (less than or equal to 12 months) or for leases of low value assets (less than £5,000). Right of use assets will be subsequently measured on a basis consistent with owned assets and depreciated over the length of the lease term.

Early impact assessments of applying IFRS 16 suggest that the Trust will at transition experience a significant increase in right of use assets and related liabilities , relating to remaining lease commitments of property, plant and equipment. This will lead to a negative impact on the statement of comprehensive income due to the change in timings of expenses given the fact that operating lease accounting requires the straight line recognition of expense, whereas the liability under IFRS 16 is accounted for using the effective interest method. Notwithstanding the change in classifications, this negative impact is not expected to be material to the net future outturn of the statement of comprehensive income.

IFRS 16 Leases (continued)

Estimated impact on 1 April 2022 statement of financial position	**£000's**
Additional right of use assets recognised for existing operating leases	29,024
Additional lease obligations recognised for existing operating leases	(29,024)
Changes to other statement of financial position line items	0
Estimated impact on net assets on 1 April 2022	**0**
Estimated in-year impact in 2022/23	
Additional depreciation on right of use assets	(13,569)
Additional finance costs on lease liabilities	(301)
Lease rentals no longer charged to operating expenditure	13,712
Other impacts on income / expenditure	0
Estimated impact on surplus/deficit in 2022/23	(158)
Estimated increase in capital additions in 2022/23	**4,474**

Note 1.1 Segmental analysis

The Foundation Trust operates within a single reportable segment i.e. healthcare. This primarily covers the provision of a wide range of healthcare related services to the community of Gateshead and additionally the provision of an increasing range of more specialised services to patients outside of the area.

The Board of Directors/Chief Executive acts as the Chief Operating Decision Maker for the Foundation Trust and the monthly financial position of the Foundation Trust is presented/reported to them as a single segment.

	Group		**Foundation Trust**	
	2021/22 Total £000	**2021/22 Healthcare £000**	**2021/22 Total £000**	**2021/22 Healthcare £000**
Income				
Income from activities	**341,649**	**341,649**	**341,283**	**341,283**
Other operating income	**28,829**	**28,829**	**18,709**	**18,709**
Total Operating Income	**370,478**	**370,478**	**359,992**	**359,992**

The majority of the Trust's total income from activities is received/derived from Clinical Commissioning Groups and NHS England. Of the £341,649k reported in 2021/22 (2020/20: £293,592k), an amount of £326,806k i.e. 95.76% was attributable to CCGs and NHS England (2020/21: £280,175k i.e. 95.43%)

	Group		Foundation Trust	
	2020/21 Total £000	2020/21 Healthcare £000	2020/21 Total £000	2020/21 Healthcare £000
Income				
Income from activities	293,592	293,592	293,217	293,217
Other operating income	55,821	55,821	47,008	47,008
Total Operating Income	349,413	349,413	340,225	340,225

Note 2. Income

2.1 Operating Income from activities by classification	Group	Foundation Trust	Group	Foundation Trust
	2021/22	**2021/22**	2020/21	2020/21
	£000	**£000**	£000	£000
Block contract/system envelope income*	**276,554**	**276,554**	233,611	233,611
High Cost Drug Income from Commissioners	**15,129**	**15,129**	13,514	13,514
Other NHS Clinical income*	**16,248**	**16,248**	12,951	12,951
Community Income	**20,917**	**20,917**	21,073	21,073
Additional Income for the delivery of healthcare services	**101**	**101**	90	90
Private patient income	**743**	**743**	413	413
Elective Recovery Fund	**2,666**	**2,666**	0	0
Additional pension contribution central funding	**8,099**	**7,733**	7,677	7,302
Other clinical income	**1,192**	**1,192**	4,263	4,263
Total Income from Activities	**341,649**	**341,283**	293,592	293,217

All services are commissioner requested except private patients

* A revised funding regime was introduced in 2021/22 in response to the COVID 19 pandemic . This resulted in reclassification of income between Reimbursement & Top up Funding to Block Contract System Envelope Income.

2.1.1 Private patient income

	Group	
	2021/22	2020/21
	£000	£000
Private patient income	**743**	413
Total patient related income	**341,649**	293,592
Proportion (as percentage)	**0.22%**	0.14%

	Foundation Trust	
	2021/22	2020/21
	£000	£000
Private patient income	**743**	413
Total patient related income	**341,283**	293,217
Proportion (as percentage)	**0.22%**	0.14%

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

2.2 Operating lease income

	Group & Foundation Trust	
	2021/22	2020/21
	£000	£000
Rents recognised as income in the period	**350**	340
Total	**350**	340
Future minimum lease payments due		
- not later than one year	**350**	340
- later than one year and not later than five years	**310**	310
- later than five years	**1,628**	1,771
Total	**2,288**	2,421

2.3 Income from activities by source

	Group	Foundation Trust	Group	Foundation Trust
	2021/22	**2021/22**	2020/21	2020/21
	£000	**£000**	£000	£000
NHS Foundation Trusts	**12,733**	**12,733**	12,108	12,108
NHS Trusts	**0**	**0**	0	0
CCGs and NHS England	**326,806**	**326,440**	280,176	279,801
Local Authorities	**101**	**101**	90	90
Department of Health - grants	**0**	**0**	0	0
Department of Health - other	**0**	**0**	0	0
Department of Health - social care	**4**	**4**	0	0
NHS Other	**85**	**85**	0	0
Non-NHS Private patients	**743**	**743**	413	413
Non-NHS Overseas patients (non-reciprocal)	**30**	**30**	47	47
NHS injury scheme	**377**	**377**	296	296
Non NHS other	**770**	**770**	462	462
Additional Income for the delivery of healthcare services	**0**	**0**	0	0
Total Income from continuing Activities	**341,649**	**341,283**	293,592	293,217

Injury cost recovery income is subject to a provision for impairment of receivables of 22.43% to reflect expected rates of collection

2.4 Other Operating Income

	Group	Foundation Trust	Group	Foundation Trust
	2021/22	**2021/22**	2020/21	2020/21
	£000	**£000**	£000	£000
Research and development	**640**	**640**	693	693
Education and Training	**9,373**	**9,292**	6,922	6,878
Charitable and other contributions to expenditure	**0**	**0**	23	23
Non-patient care services to other bodies	**8,281**	**2,071**	6,777	1,564
Re-imbursement and Top-Up funding	**3,277**	**3,277**	28,969	28,969
Rental revenue from operating leases	**350**	**29**	350	31
Income in respect of staff costs	**1,017**	**1,018**	810	810
Notional Income from Apprentice Fund	**417**	**417**	319	274
Charitable Funds NHS income excluding investing	**1,063**	**0**	442	0
Donated Equipment from DHSC for Covid response non cash	**0**	**0**	841	841
Contributions to expenditure - inventory donated by DHSC for Covid response	**0**	**0**	187	187
Contributions to expenditure - inventory donated by NHSE for Covid response	**585**	**585**	4,939	4,939
Donation/Grant of Physical Assets	**214**	**214**	0	0
Cash Grants for the Purchase of Physical Assets	**1,100**	**1,100**	0	0
Car Parking	**169**	**169**	91	87
Pharmacy Sales	**172**	**3**	94	7
Creche Services	**96**	**96**	137	137
Clinical Test Services	**553**	**553**	298	298
Catering	**587**	**0**	542	0
Other (note 2.4.1)	**935**	**(755)**	3,388	1,270
Total Other Operating income	**28,829**	**18,709**	55,821	47,008

2.4.1 Other Operating Income - Other

	Group	Foundation Trust	Group	Foundation Trust
	2021/22	**2021/22**	2020/21	2020/21
	£000	**£000**	£000	£000
Central Sterile Supplies Dept.	**2**	**0**	2	0
Salary sacrifice	**597**	**590**	450	437
Other	**336**	**(1,345)**	2,936	833
Total Other Operating Income - other	**935**	**(755)**	3,388	1,270

Note 3. Expenses

Notes to the Accounts

3.1 Operating expenses comprise:

	Group 2021/22 £000	Foundation Trust 2021/22 £000	Group 2020/21 £000	Foundation Trust 2020/21 £000
Purchase of healthcare from NHS and DHSC Bodies	**6,709**	**6,703**	5,695	5,689
Purchase of healthcare from non NHS Bodies	**2,959**	**2,755**	1,178	952
Purchase of Social Care	**540**	**540**	0	0
Staff and Executive Director Costs	**232,135**	**211,204**	214,363	193,988
Employee Expenses - Non-executive directors	**184**	**179**	189	178
Supplies and services - clinical (excluding drugs costs)	**34,230**	**38,570**	31,968	36,916
Supplies and services - consumables donated from DHSC group bodies for Covid response	**1,509**	**1,509**	2,761	2,761
Supplies and services - general	**2,439**	**0**	8,258	4,885
Supplies and services - general: notional cost of equipment donated from DHSC for Covid response below capital threshold	**0**	**0**	187	187
Supplies and services - general notional cost of equipment donated from NHSE for Covid response below capital threshold	**0**	**0**	0	0
Establishment	**3,118**	**2,248**	3,112	1,985
Research and development - (not included in employee expenses)	**40**	**21**	12	3
Research and development - (included in employee expenses)	**691**	**691**	593	593
Change in Provisions discount rates	**514**	**514**	83	83
Transport (Business travel only)	**549**	**514**	526	490
Transport (Other)	**754**	**3,304**	516	3,075
Premises	**16,408**	**33,511**	16,193	34,196
Increase/(decrease) in bad debt provision	**801**	**829**	166	86
Drugs Inventories consumed	**19,117**	**19,040**	16,266	16,308
Inventories written down (consumables donated from DHSC group bodies for Covid response	**0**	**0**	1,118	1,118
Operating Lease Expenditure Net	**4,404**	**1,734**	3,114	742
Depreciation on property, plant and equipment	**7,641**	**7,542**	7,026	6,923
Net Impairments/(Revaluations) of Property, Plant & Equipment	**(8,844)**	**(8,844)**	2,892	2,892
Audit fees				
* audit services- statutory audit	**97**	**81**	76	65
Other auditors' remuneration				
Other services	**0**	**0**	34	23
Audit Fees payable to external auditor of charitable funds accounts	**2**	**0**	4	0
Clinical negligence	**7,871**	**7,871**	7,292	7,292
Legal Fees	**113**	**73**	378	349
Consultancy Costs	**548**	**436**	485	501
Internal Audit costs - (not included in employee expenses)	**213**	**157**	221	166
Training, courses and conferences	**1,331**	**1,175**	1,304	1,170
Car parking & Security	**175**	**0**	271	31
Voluntary Severance Payments	**0**	**0**	0	0
Redundancy	**170**	**170**	192	97
Insurance	**423**	**187**	559	427
Other Services	**4,059**	**4,059**	4,275	4,344
NHS Charitable funds other resources expended	**171**	**0**	328	0
Protective Clothing	**0**	**0**	7,122	6,879
Professional Fees	**0**	**0**	1,044	31
Other	**2,436**	**204**	2,685	1,910
	343,506	**336,976**	342,486	337,336

* Mazars LLP Limited liability of £2,000,000.

Statutory audit fees are shown as inclusive of VAT for the Trust and net of VAT for the subsidiary

3.2 Operating leases

Group & Foundation Trust

Payments recognised as an expense	**2021/22**	2020/21
	£000	£000
Minimum lease payments	**5,462**	4,219
Sub-lease payments *	**(1,057)**	(1,105)
	4,404	3,114

Total future minimum lease payments	**2021/22**	2020/21
	£000	£000
Payable:		
Not later than one year	**3,342**	3,423
Between one and five years	**4,364**	3,279
After 5 years	**39**	173
Total	**7,744**	6,875

* Sub-lease payments relate to contributions from employees in the Trust's Green Car Salary Sacrifice scheme

3.3 The Late Payment of Commercial Debts (Interest) Act 1998/ Public Contract Regulations 2015

	2021/22	2020/21
	£000	£000
Total liability accruing in the year under this legislation as a result of late payments	2	12

No claims were made against the Foundation Trust during the accounting period under this legislation. No compensation was paid to cover debt recovery under this legislation.

3.4 Better Payment Policy

	2021/22		2020/21	
	Number	**£000**	Number	£000
Total bills paid in the year	**28,138**	**157,147**	24,025	**156,403**
Total bills paid within target	**24,153**	**149,307**	20,354	**146,889**
Percentage of bills paid within target	**85.8%**	**95.0%**	84.7%	**93.9%**

The Better Payment Practice Code recommends the Trust to aim to pay all valid invoices by the due date or within 30 days of receipt of goods or a valid invoice, with the exception of small to medium sized businesses which, under the recommendation of central government, are paid within 10 days of receipt of goods and services wherever possible.

Note 4. Employee expenses, numbers and benefits

4.1 Employee expenses (Including Executive Directors' Costs)

	Group		Foundation Trust	
	2021/22	2020/21	**2021/22**	2020/21
	£000	£000	**£000**	£000
Salaries and wages	**181,015**	168,756	**164,563**	152,269
Capitalised Salaries and wages	**498**	1,155	**498**	1,155
Social Security Costs	**17,080**	15,242	**15,555**	13,910
Apprenticeship levy	**994**	757	**906**	678
Pension costs - defined contribution plans	**18,509**	17,604	**17,685**	16,755
Employers' contributions to NHS Pensions				
Pension cost - employer contributions paid by NHSE on provider's behalf (6.3%)	**8,099**	7,677	**7,733**	7,302
Pension costs - Other	**375**	84	**184**	84
External bank	**990**	898	**990**	898
Agency/contract staff	**5,980**	4,127	**4,497**	2,778
NHS Charitable Funds staff	**0**	0	**0**	0
Termination Benefits	**170**	1,535	**170**	1,535
Total Gross Staff Costs	**233,710**	217,835	**212,781**	197,364

4.2 Number of persons employed at 31st March

(The figures shown represent the Average Whole Time Equivalent as opposed to the number of employees)

	Group				Foundation Trust			
	2021/22 Total	**Permanently Employed**	**Other**	2020/21 Total	**2021/22 Total**	**Permanently Employed**	**Other**	2020/21 Total
	Number	**Number**	**Number**	Number	**Number**	**Number**	**Number**	Number
Medical and dental	**454**	**448**	**6**	426	**454**	**448**	**6**	426
Ambulance staff	**0**	**0**	**0**	0	**0**	**0**	**0**	0
Administration and estates	**964**	**941**	**23**	908	**809**	**786**	**23**	743
Healthcare assistants and other support staff	**950**	**937**	**13**	978	**497**	**497**	**0**	543
Nursing, midwifery and health visiting staff	**1,330**	**1,198**	**132**	1,294	**1,330**	**1,198**	**132**	1,293
Healthcare scientists	**399**	**394**	**5**	422	**388**	**383**	**5**	364
Scientific, therapeutic and technical staff	**427**	**419**	**8**	375	**427**	**419**	**8**	422
Other *	**11**	**11**	**0**	13	**4**	**4**	**0**	6
Total	**4,535**	**4,348**	**187**	4,416	**3,909**	**3,735**	**174**	3,797

* Other relates to Apprentices employed by the Trust

4.3 Staff Exit Packages

	2021/22 Group				2020/21 Group			
Exit package cost band	**Number of compulsory departures agreed**	**Cost of compulsory departures agreed £000s**	**Number of other departures agreed**	**Cost of other departures agreed £000s**	**Number of compulsory departures agreed**	**Cost of compulsory departures agreed £000s**	**Number of other departures agreed**	**Cost of other departures agreed £000s**
< £10,000	**0**	**0**	**0**	**0**	5	29	14	48
£10,001 - £25,000	**0**	**0**	**2**	**28**	0	0	3	47
£25,001 - £50,000	**1**	**35**	**0**	**0**	1	32	0	0
£50,001 - £100,000	**2**	**133**	**0**	**0**	2	131	0	0
£100,001 - £150,000	**0**	**0**	**0**	**0**	0	0	0	0
£150,001 - £200,000	**0**	**0**	**0**	**0**	0	0	0	0
> £200,001	**0**	**0**	**0**	**0**	0	0	0	0
Total	**3**	**168**	**2**	**28**	8	192	17	95
Redundancy	**3**	**168**	**2**	**28**	8	192	17	95
Voluntary Severance Scheme	**0**	**0**	**0**	**0**	0	0	0	0
Total	**3**	**168**	**2**	**28**	8	192	17	95

Notes to the Accounts

5. Corporation Tax

		Group		Group
		2021/22		2020/21
		£000		£000
UK corporation tax expense		**775**		744
Adjustments in respect of prior years		**0**		0
Current tax expense		**775**		744
Origination and reversal of temporary differences	**160**		160	
Change in tax rate	**(160)**		0	
Adjustment in respect of previous years	**0**		0	
Deferred tax charge/(credit)		**0**		160
Total corporation tax expense in Statement of Comprehensive Income		**775**		904

The Foundation Trust has no corporation tax expense (2020/21 £nil)

Reconciliation of effective tax rate	**2021/22**	2020/21
	£000	£000
Surplus for the year	**3,351**	3,853
Total tax expense	**775**	904
	4,126	4,757
Tax using the UK corporation tax rate of 19% (2020:19%)	**784**	904
Adjustments to current tax charge in respect of prior years	**0**	0
Tax exempt revenues	**0**	0
Recognition of previously unrecognised deferred tax asset	**0**	0
Change in tax rate	**0**	0
Other	**(9)**	0
Total tax (income)/expense	**775**	904

6. Finance Income

	Group	**Foundation Trust**	Group	Foundation Trust
	2021/22	**2021/22**	2020/21	2020/21
	£000	**£000**	£000	£000
Interest received on commercial bank accounts	**88**	**88**	54	54
NHS Charitable Funds Investment Income	**28**	**0**	27	0
Intragroup Loan Interest	**0**	**645**	0	616
	115	**733**	81	670

6.1 Finance Expense

	Group	**Foundation Trust**	Group	Foundation Trust
	2021/22	**2021/22**	2020/21	2020/21
	£000	**£000**	£000	£000
Finance Leases - external	**0**	**0**	0	0
Finance Leases - inter group	**0**	**1,529**	0	1,549
Loan Interest	**529**	**529**	587	587
	529	**2,058**	587	2,136

7. Impairment / Revaluation of Assets

Group & Foundation Trust

	2021/22	2020/21
	£000	£000
		(restated)
Gross Impairment	0	(5,303)
Gross Revaluation	**8,844**	0
(Reversal of Impairment)/Impairment SOCI Charge	**6,178**	2,892
Increase/(Decrease) in valuation of assets		0
Total (Impairment) / Revaluation in OCI	**4,093**	(2,411)

In 2021/22 £6.178m has been credited to operating expenses and £3.185m credited as a revaluation in other comprehensive income.

In 2020/21 £5.273m has been debited to operating expenses and £2.411m debited as an impairment in other comprehensive income.
The Foundation Trust had no recorded intangible assets at the Statement of Financial Position date nor in the prior period.

8.1 Property, plant and equipment 2021/22 - Group

2021/22	Total	Land	Buildings excluding dwellings	Dwellings	Assets under construction and payments on account	Plant and Machinery	Transport Equipment	Information Technology	Furniture & fittings
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2021	215,893	4,216	155,245	0	2,481	26,961	257	26,471	261
Additions purchased	12,883	0	6,643	0	0	5,040	93	1,107	0
Additions donated	214	0	0	0	0	214	0	0	0
Impairments	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0
Reclassifications	(1,428)	590	463	0	(2,481)	0	0	0	0
Revaluations	4,093	0	4,093	0	0	0	0	0	0
Disposals	(203)	0	0	0	0	(203)		0	0
Cost or valuation at 31 March 2022	**231,452**	**4,806**	**166,444**	**0**	**0**	**32,012**	**351**	**27,578**	**261**
Accumulated Depreciation at 1 April 2021	94,894	356	54,615	0	0	19,892	113	19,665	253
Provided during the year	7,642	0	2,832	0	0	1,869	31	2,903	7
Impairments	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Revaluation	(8,845)	(267)	(8,578)	0	0	0	0	0	0
Revaluation surpluses	0	0	0	0	0	0	0	0	0
Transferred to disposal group as asset held for sale	0	0	0	0	0	0	0	0	0
Disposals	(25)	0	0	0	0	(25)	0	0	0
Accumulated Depreciation at 31 March 2022	**93,666**	**89**	**48,869**	**0**	**0**	**21,736**	**144**	**22,568**	**260**
Net book value - 31st March 2021									
- Owned	119,619	3,930	100,630	0	2,481	5,780	143	6,717	8
- Finance lease	0	0	0	0	0	0	0	0	0
- Donated	1,380	0	0	0	0	1,290	0	90	0
Total NBV at 31 March 2021	**120,999**	**3,930**	**100,630**	**0**	**2,481**	**7,070**	**143**	**6,807**	**8**
Net book value at 31st March 2022									
- Owned	136,538	4,717	117,575	0	0	9,091	207	4,948	1
- Finance lease	0	0	0	0	0	0	0	0	0
- Donated	1,248	0	0	0	0	1,185	0	63	0
Total NBV at 31 March 2022	**137,786**	**4,717**	**117,575**	**0**	**0**	**10,276**	**207**	**5,010**	**1**

8.1 Analysis of tangible fixed assets

	Total	Land	Buildings excluding dwellings	Dwellings	Assets under construction and payments on account	Plant & Machinery	Transport Equipment	Information Technology	Furniture & fittings
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Net book value									
- Protected assets at 31 March 2022	122,293	4,717	117,575	0	0	0	0	0	1
- Unprotected assets at 31 March 2022	15,493	0	0	0	0	10,276	207	5,010	0
Total at 31 March 2022	**137,786**	**4,717**	**117,575**	**0**	**0**	**10,276**	**207**	**5,010**	**1**

Notes to the Accounts

Note 8. Property, plant and equipment

8.2 Property, plant and equipment 2021/22 - Foundation Trust

2021/22	Total	Land	Buildings excluding dwellings	Dwellings	Assets under construction and payments on account	Plant and Machinery	Transport Equipment	Information Technology	Furniture & fittings
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2021	214,433	4,216	154,916	0	1,877	26,777	64	26,322	261
Additions purchased	12,768	0	6,697	0	0	5,011	0	1,060	0
Additions donated	214	0	0	0	0	214	0	0	0
Additions -transfer of assets from QEF Limited	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0
Reclassifications	(1,428)	590	(141)	0	(1,877)	0	0	0	0
Revaluations	4,093	0	4,093	0	0	0	0	0	0
Disposals	(203)	0	0	0	0	(203)	0	0	0
Cost or valuation at 31 March 2022	**229,877**	**4,806**	**165,565**	**0**	**0**	**31,799**	**64**	**27,382**	**261**
Accumulated Depreciation at 1 April 2021	94,678	356	54,598	0	0	19,876	64	19,531	253
Provided during the year	7,543	0	2,816	0	0	1,836	0	2,884	7
Transfer of assests from QEF Limited	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0
Reversal of impairments	(8,844)	(267)	(8,577)	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0	0	0	0
Revaluation surpluses	0	0	0	0	0	0	0	0	0
Transferred to disposal group as asset held for sale	0	0	0	0	0	0	0	0	0
Disposals	(26)	0	0	0	0	(26)	0	0	0
Accumulated Depreciation at 31 March 2022	**93,351**	**89**	**48,837**	**0**	**0**	**21,686**	**64**	**22,415**	**260**
Net book value - 31 March 2021									
- Owned	118,377	3,860	100,318	0	1,877	5,612	0	6,702	8
- Finance lease	0	0	0	0	0	0	0	0	0
- Donated	1,378	0	0	0	0	1,289	0	89	0
Total NBV at 31 March 2021	**119,755**	**3,860**	**100,318**	**0**	**1,877**	**6,901**	**0**	**6,791**	**8**
Net book value - 31 March 2022									
- Owned	135,278	4,717	116,728	0	0	8,928	0	4,904	1
- Finance lease	0	0	0	0	0	0	0	0	0
- Donated	1,248	0	0	0	0	1,185	0	63	0
Total NBV at 31 March 2022	**136,526**	**4,717**	**116,728**	**0**	**0**	**10,113**	**0**	**4,967**	**1**

8.2 Analysis of tangible fixed assets

	Total	Land	Buildings excluding dwellings	Dwellings	Assets under construction and payments on account	Plant & Machinery	Transport Equipment	Information Technology	Furniture & fittings
	0	0	0	0	0	0	0	0	0
Net book value									
- Protected assets at 31 March 2022	121,446	4,717	116,728	0	0	0	0	0	0
- Unprotected assets at 31 March 2022	15,081	0	0	0	0	10,113	0	4,967	1
Total at 31 March 2022	**136,526**	**4,717**	**116,728**	**0**	**0**	**10,113**	**0**	**4,967**	**1**

Property is deemed “protected” if it is required for the purposes of providing either the mandatory goods and services or the mandatory education and training as defined in the Terms of Authorisation of the Trust.

8.3 Property, plant and equipment 2020/21 - Group

2020/21	Total	Land	Buildings excluding dwellings	Dwellings	Assets under construction and payments on account	Plant and Machinery	Transport Equipment	Information Technology	Furniture & fittings
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2020	201,102	4,216	150,023	0	0	22,814	172	23,626	251
Additions purchased	16,379	0	7,633	0	2,481	3,306	103	2,845	10
Additions donated	864	0	0	0	0	864	0	0	0
Impairments	(2,411)	0	(2,411)	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Revaluations	0	0	0	0	0	0	0	0	0
Disposals	(41)	0	0	0	0	(23)	(18)	0	0
Cost or valuation at 31 March 2021	**215,893**	**4,216**	**155,245**	**0**	**2,481**	**26,961**	**257**	**26,471**	**261**
Accumulated Depreciation at 1 April 2020	85,017	286	48,874	0	0	18,555	97	16,948	251
Provided during the year	7,026	0	2,919	0	0	1,360	29	2,716	2
Impairments	2,892	70	2,822	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0	0	0	0
Revaluation surpluses	0	0	0	0	0	0	0	0	0
Transferred to disposal group as asset held for sale	0	0	0	0	0	0	0	0	0
Disposals	(36)	0	0	0	0	(23)	(13)	0	0
Accumulated Depreciation at 31 March 2021	**94,894**	**356**	**54,615**	**0**	**0**	**19,892**	**113**	**19,664**	**253**
Net book value - 31 March 2020									
- Owned	115,347	3,930	101,149	0	0	3,638	69	6,561	0
- Finance lease	0	0	0	0	0	0	0	0	0
- Donated	738	0	0	0	0	621	0	117	0
Total NBV at 31 March 2020	**116,085**	**3,930**	**101,149**	**0**	**0**	**4,259**	**69**	**6,678**	**0**
Net book value at 31st March 2021									
- Owned	119,619	3,860	100,630	0	2,481	5,780	143	6,717	8
- Finance lease	0	0	0	0	0	0	0	0	0
- Donated	1,380	0	0	0	0	1,290	0	90	0
Total NBV at 31 March 2021	**120,999**	**3,860**	**100,630**	**0**	**2,481**	**7,070**	**143**	**6,807**	**8**

8.1 Analysis of tangible fixed assets

	Total	Land	Buildings excluding dwellings	Dwellings	Assets under construction and payments on account	Plant & Machinery	Transport Equipment	Information Technology	Furniture & fittings
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Net book value									
- Protected assets at 31 March 2021	104,598	3,860	98,249	0	2,481	0	0	0	8
- Unprotected assets at 31 March 2021	14,020	0	0	0	0	7,070	143	6,807	0
Total at 31 March 2021	**118,618**	**3,860**	**98,249**	**0**	**2,481**	**7,070**	**143**	**6,807**	**8**

Notes to the Accounts

Note 8. Property, plant and equipment

8.4 Property, plant and equipment 2020/21 - Foundation Trust (restated)

2020/21	Total	Land	Buildings excluding dwellings	Dwellings	Assets under construction and payments on account	Plant and Machinery	Transport Equipment	Information Technology	Furniture & fittings
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2020	200,549	4,216	149,747	0	0	22,794	64	23,477	251
Additions purchased	15,454	0	7,580	0	1,877	3,142	0	2,845	10
Additions donated	864	0	0	0	0	864	0	0	0
Additions -transfer of assets from QEF Limited	0	0	0	0	0	0	0	0	0
Impairments	(2,411)	0	(2,411)	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Revaluations	0	0	0	0	0	0	0	0	0
Disposals	(23)	0	0	0	0	(23)	0	0	0
Cost or valuation at 31 March 2021	**214,433**	**4,216**	**154,916**	**0**	**1,877**	**26,777**	**64**	**26,322**	**261**
Accumulated Depreciation at 1 April 2020	84,851	286	48,862	0	0	18,547	62	16,843	251
Provided during the year	6,959	0	2,915	0	0	1,352	2	2,688	2
Transfer of assests from QEF Limited	0	0	0	0	0	0	0	0	0
Impairments	2,891	70	2,821	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0	0	0	0
Revaluation surpluses	0	0	0	0	0	0	0	0	0
Transferred to disposal group as asset held for sale	0	0	0	0	0	0	0	0	0
Disposals	(23)	0	0	0	0	(23)	0	0	0
Accumulated Depreciation at 31 March 2021	**94,678**	**356**	**54,598**	**0**	**0**	**19,876**	**64**	**19,531**	**253**
Net book value - 31 March 2020									
- Owned	114,960	3,930	100,886	0	0	3,625	2	6,517	0
- Finance lease	0	0	0	0	0	0	0	0	0
- Donated	738	0	0	0	0	621	0	117	0
Total NBV at 31 March 2020	**115,698**	**3,930**	**100,886**	**0**	**0**	**4,246**	**2**	**6,634**	**0**
Net book value - 31 March 2021									
- Owned	118,377	3,860	100,318	0	1,877	5,612	0	6,702	8
- Finance lease	0	0	0	0	0	0	0	0	0
- Donated	1,378	0	0	0	0	1,289	0	89	0
Total NBV at 31 March 2021	**119,755**	**3,860**	**100,318**	**0**	**1,877**	**6,901**	**0**	**6,791**	**8**

8.2 Analysis of tangible fixed assets

	Total	Land	Buildings excluding dwellings	Dwellings	Assets under construction and payments on account	Plant & Machinery	Transport Equipment	Information Technology	Furniture & fittings
	0	0	0	0	0	0	0	0	0
Net book value									
- Protected assets at 31 March 2021	103,682	3,860	97,937	0	1,877	0	0	0	8
- Unprotected assets at 31 March 2021	13,692	0	0	0	0	6,902	0	6,790	0
Total at 31 March 2021	**117,374**	**3,860**	**97,937**	**0**	**1,877**	**6,902**	**0**	**6,790**	**8**

Property is deemed “protected” if it is required for the purposes of providing either the mandatory goods and services or the mandatory education and training as defined in the Terms of Authorisation of the Trust.

8.5 Investment property

Valuation	£000
At 1 April 2021	80
At 31 March 2022	80
Net Book Value	
at 31 March 2022	80

	Group	
	2021/22	2020/21
	£000	£000
Carrying value at 1 April 2021	**80**	80
Carrying value at 31 March 2022	**80**	80

8.6 Economic life of property, plant and equipment

Group & Foundation Trust	Min Life Years	Max Life Years
Buildings excluding dwellings	2	87
Plant & Machinery	4	15
Transport Equipment	5	7
Information Technology	5	5
Furniture & Fittings	5	6

8.7 Profit /loss on disposal of fixed assets

	Group & Foundation Trust	
	2021/22	2020/21
	£000	£000
Profit / Loss on the disposal of fixed assets is made up as follows:		
Profit / Loss on disposal of Property, Plant & Equipment	**0**	**(3)**
	0	**(3)**

8.8 Revaluation reserve - property, plant and equipment

Group & Foundation Trust	Total
	£000
Revaluation reserve at 1 April 2021	**6,611**
Impairments	**0**
Revaluations	**4,093**
Other reserve movements	**0**
Revaluation reserve at 31 March 2022	**10,704**

Revaluation reserve at 1 April 2020	9,022
Impairments	(2,411)
Revaluations	0
Other reserve movements	0
Revaluation reserve at 31 March 2021	6,611

8.9 Investments in subsidiary undertakings

	Foundation Trust	Foundation Trust
	2021/22	2020/21
	£000	£000
Shares in subsidiary undertakings	**16,824**	16,824
Loans to subsidiary undertakings > 1 Year	**11,668**	15,789
	28,492	32,613
Loans to subsidiary undertakings < 1 Year	**4,121**	3,982
	32,613	36,595

The shares in the subsidiary company QE Facilities Limited comprises a 100% holding in the share capital consisting of 16,824,382 ordinary £1 shares.

The principal activity of QE Facilities Limited is to provide estate management and facilities services.

Note 9. Finance leases

Note 9.1 Finance lease receivables

Foundation Trust	31 March 2022 £000	31 March 2021 £000
Gross lease receivables	**957**	1,045
of which those receivable		
- not later than one year	**87**	89
- later than one year and not later than five years	**327**	336
- later than five years	**543**	620
Unearned interest income	**(188)**	(217)
Net lease receivables	**769**	828
of which those receivable		
- not later than one year	**60**	60
- later than one year and not later than five years	**240**	240
- later than five years	**469**	528
	769	828

Note 9.2 Finance lease details

Group & Foundation Trust	31 March 2022 £000	31 March 2021 £000
The unguaranteed residual value accruing to the FT	**1,500**	1,500
The accumulated allowance for uncollectable minimum lease payments receivable	**769**	828
Contingent rents recognised as income in the period	**60**	60

Notes to the Accounts

Note 10. Receivables

10.1 Trade and other receivables

	31st March 2022	Financial assets	Non-financial assets	31st March 2021
	£000	£000	£000	£000
Current - Group				
NHS Contract Receivables *	**8,877**	**8,877**	**0**	9,070
Other receivables with related parties	**2,570**	**0**	**2,570**	2,392
Provision for impaired receivables	**(1,668)**	**(1,483)**	**(185)**	(911)
Prepayments	**4,347**	**0**	**4,347**	4,454
Accrued Income	**1,927**	**0**	**1,927**	1,667
Other receivables	**5,997**	**5,309**	**688**	4,297
Total Current Trade and Other Receivables	**22,050**	**12,703**	**9,347**	20,969
Current - Foundation Trust				
NHS Contract Receivables *	**8,537**	**8,537**	**0**	8,591
Other receivables with related parties	**2,570**	**0**	**2,570**	2,553
Provision for impaired receivables	**(1,659)**	**(1,481)**	**(178)**	(873)
Prepayments	**3,793**	**0**	**3,793**	3,912
Accrued Income	**1,257**	**0**	**1,257**	221
Loan repayments from QEF Limited (note 8.9)	**4,121**	**0**	**4,121**	3,982
Other receivables	**4,182**	**2,944**	**1,238**	3,626
Total Current Trade and Other Receivables	**22,801**	**10,000**	**12,801**	22,012

* The majority of NHS receivables are with Clinical Commissioning Groups and NHS England, as commissioners for NHS patient care services. NHS receivables that are neither past due date nor impaired are expected to be paid within their agreed terms.

Non-Current Group				
NHS Contract Receivables *	**748**	**748**	**0**	768
Provision for impaired receivables	**(229)**	**(43)**	**(186)**	(228)
Deferred tax	**729**	**0**	**729**	729
Other receivables	**709**	**0**	**709**	824
Total Non Current Trade and Other Receivables	**1,957**	**705**	**1,252**	2,093
Non-Current Foundation Trust				
NHS Receivables *	**708**	**708**	**0**	768
Provision for impaired receivables	**(229)**	**(52)**	**(177)**	(228)
Other receivables	**748**	**39**	**709**	824
Non current trade and other receivables (excluding loans)	**1,227**	**695**	**532**	1,363
Loan repayments from QEF Limited (note 8.9)	**11,668**	**11,668**	**0**	15,789
Total Non Current Trade and Other Receivables	**12,895**	**12,363**	**532**	**17,153**

Notes to the Accounts

Note 10.2 Allowances for Credit Losses - 2021/2022

Group & Foundation Trust	**Group** Receivables and contract assets	All other
	£000's	£000's
At 1 April 2021 brought forward	**1,139**	0
Transfers by absorption	**0**	0
New allowances arising	**730**	0
Changes in existing allowances	**200**	0
Reversals of allowances	**(130)**	0
Utilisation of allowances (write offs)	**(42)**	0
Changes arising following modification of contractual cash flows	**0**	0
Foreign exchange and other changes	**0**	0
At 31 March 2022	**1,897**	0
Loss/(gain) recognised in expenditure	**801**	

Note 10.3 Allowances for credit losses - 2020/2021

	£000's
At 1 April 2020 brought forward	1,061
Transfers by absorption	0
New allowances arising	862
Changes in existing allowances	(414)
Reversals of allowances	(282)
Utilisation of allowances (write offs)	(88)
Changes arising following modification of contractual cash flows	0
Foreign exchange and other changes	0
At 31 March 2021	1,139

Note 10.4 Deferred Tax Asset

Recognised deferred tax assets

Deferred tax assets are attributable to the following:	**Group**	Group
	2021/2022	2020/2021
	£000	£000
Property, plant and equipment	**709**	713
Temporary tax differences	**20**	16
Total deferred tax asset	**729**	729

Movement in deferred tax during the year

	2021/2022	2020/2021
	£000	£000
Recognised in income	**(5)**	0
Property, plant and equipment	**(155)**	160
Prior year adjustment	160	0
	0	**160**

Note 11. Inventory

Note 11.1 Inventory Balances

	Group		Foundation Trust	
	31 March 2022	31 March 2021	**31 March 2022**	31 March 2021
	£000	£000	**£000**	£000
Drugs	**1,713**	1,537	**1,062**	872
Consumables	**2,764**	3,387	**951**	1,726
Energy	**100**	93	**0**	0
Work in Progress	**0**	0	**0**	0
Total Inventories	**4,577**	5,017	**2,013**	2,598

Note 11.2 Inventories Recognised as an Expense

	Group		Foundation Trust	
	2021/2022	**2020/2021**	**2021/2022**	**2020/2021**
	£000	£000	**£000**	£000
Inventories recognised in expenses	**31,362**	26,546	**12,421**	14,002
	31,362	26,546	**12,421**	14,002

Note 12. Cash and cash equivalents

	Group		Foundation Trust	
	31 March 2022	31 March 2021	**31 March 2022**	31 March 2021
	£000	£000	**£000**	£000
At 1 April	**44,223**	14,551	**35,022**	8,897
Net change in year	**12,580**	29,672	**15,497**	26,125
At 31 March	**56,803**	44,223	**50,519**	35,022
Broken down into:				
Cash at commercial banks and in hand	**6,284**	9,200	**0**	0
Cash with Government Banking Service	**50,519**	35,022	**50,519**	35,022
Other current investments	**0**	0	**0**	0
Cash and cash equivalents as in Statement of Financial Position	**56,803**	44,223	**50,519**	35,022
Bank overdraft	**0**	0	**0**	0
Cash and cash equivalents as in Statement of Cashflows	**56,803**	44,223	**50,519**	35,022

Notes to the Accounts

Note 13. Payables and other Liabilities

13.1 Trade and other payables

Group Current	Total 31st March 2022 £000	Total 31st March 2021 £000
NHS payables and accruals	**4,751**	5,095
Trade Payables-Capital	**463**	891
Other payables	**15,733**	20,463
Corporation Tax	**322**	395
Accruals	**31,564**	31,307
Total current trade and other payables	**52,833**	58,151

Trust Current	Total 31st March 2022 £000	Total 31st March 2021 £000
NHS payables and accruals	**4,752**	5,095
Trade Payables-Capital	**463**	891
Other payables	**24,629**	25,380
Accruals	**21,206**	22,504
Total current trade and other payables	**51,050**	53,870

13.2 Other Liabilities

	Group 31st March 2022 £000	 31st March 2021 £000
Current		
Deferred Income	**8,113**	4,228
Total other current liabilities	**8,113**	4,228
Non-current		
Deferred Income	**2,044**	2,007
Total other non current liabilities	**2,044**	2,007

Note 14. Borrowings

	Group		Foundation Trust	
14.1 Borrowings	**31 March 2022 £000**	31 March 2021 £000	**31 March 2022 £000**	31 March 2021 £000
Current				
Loans from Independent Trust Financing Facility	**1,022**	1,204	**1,022**	1,204
Revenue Support Working Capital Loans	**0**	0	**0**	0
Obligations under finance leases	**0**	0	**697**	673
Total current borrowing	**1,022**	1,204	**1,719**	1,877
Non-current				
Loans from Independent Trust Financing Facility	**13,011**	14,010	**13,011**	14,010
Revenue Support Working Capital Loans	**0**	0	**0**	0
Obligations under finance leases	**0**	0	**42,047**	42,743
Total other non current liabilities	**13,011**	14,010	**55,058**	56,753

The Trust Finance Leases have been accounted for in accordance with the GAM.

The £43m obligation under finance leases in the Foundation Trust arises from the arrangements between the Foundation Trust and its subsidiary undertaking, QEF Ltd, for the supply of operational healthcare facilities. This liability and the associated property have both been recognised in the balance sheet of the Foundation Trust following a detailed consideration of the lease terms and the risks and rewards of the arrangement.

14.2 Finance lease obligations - Foundation Trust	**31 March 2022 £000**	31 March 2021 £000
Gross Lease Liabilities	**42,744**	43,416
Of which liabilities are due:-		
- Not later than one year	**2,173**	2,173
- Later than one year and not later than five years	**8,690**	8,690
- Later than five years	**91,384**	93,556
Finance charges allocated to future periods	**(59,503)**	(61,003)
Net Lease Liabilities	**42,744**	43,416
- Not later than one year	**697**	673
- Later than one year and not later than five years	**3,039**	2,928
- Later than five years	**39,008**	39,815
	42,744	43,416

The Group does not have any Finance Lease Obligations.

Note 15. Provisions for liabilities and charges - Group

	Current		Non Current	
	31 March 2022 £000	31 March 2021 £000 (restated)	**31 March 2022 £000**	31 March 2021 £000 (restated)
Pensions early departure costs	**144**	148	**1,326**	967
Pensions injury benefits	**106**	109	**1,796**	1,598
Restructuring	**0**	0	**0**	0
Equal pay	**0**	0	**0**	0
Redundancy	**37**	183	**0**	0
Legal claims	**91**	92	**0**	0
Other	**3,457**	4,786	**0**	0
	3,835	5,318	**3,122**	2,565

	Pensions early departure costs £000	Pensions injury benefits £000	Legal claims £000	Restructuring	Equal Pay £000	Redundancy £000	Other £000	**Total £000**
At 1 April 2021	**1,115**	**1,706**	**93**	**0**	**0**	**183**	**4,786**	**7,883**
Change in the discount rate	**368**	**146**	**0**	**0**	**0**	**0**	**0**	**514**
Arising during the year	**172**	**171**	**35**	**0**	**0**	**0**	**1,335**	**1,713**
Utilised during the year	**(144)**	**(105)**	**(37)**	**0**	**0**	**(146)**	**(365)**	**(797)**
Reclassified	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Reversed unused	**(30)**	**0**	**0**	**0**	**0**	**0**	**(2,299)**	**(2,329)**
Unwinding of discount	**(11)**	**(16)**	**0**	**0**	**0**	**0**	**0**	**(27)**
At 31 March 2022	**1,470**	**1,902**	**91**	**0**	**0**	**37**	**3,457**	**6,957**

Expected timing of cash flows:

-not later than one year;	**144**	**106**	**91**	**0**	**0**	**37**	**3,457**	**3,835**
-later than one year and not later than five years;	**596**	**437**	**0**	**0**	**0**	**0**	**0**	**1,033**
-later than five years;	**730**	**1,359**	**0**	**0**	**0**	**0**	**0**	**2,089**
	1,470	**1,902**	**91**	**0**	**0**	**37**	**3,457**	**6,957**

	Pensions early departure costs £000	Pensions injury benefits £000	Legal claims £000		Equal Pay £000	Redundancy £000	Other £000	Total £000
At 1 April 2020 (restated)	1,235	1,734	133	0	0	396	0	3,498
Change in the discount rate	22	61	0	0	0	0	0	83
Arising during the year	24	25	57	0	0	0	4,786	4,892
Utilised during the year	(149)	(105)	(11)	0	0	(213)	0	(478)
Reversed unused	(11)	0	(86)	0	0	0	0	(97)
Unwinding of discount	(6)	(9)	0	0	0	0	0	(15)
At 31 March 2021	1,115	1,706	93	0	0	183	5,810	7,883

Expected timing of cash flows:

-not later than one year;	148	109	93	0	183	4,786	5,319
-later than one year and not later than five years;	586	445	0	0	0	0	1,031
-later than five years;	381	1,152	(0)	0	0	0	1,533
	1,115	1,706	93	0	183	4,786	7,883

£109,220k is included in the provisions of the NHS Resolution at 31/3/2022 in respect of clinical negligence liabilities of the trust which are managed through the NHS risk pooling scheme on behalf of the Foundation Trust (31/3/2021 £71,747k).

i) Pensions relating to directors and other staff represents the present value of quarterly payments to the NHS Pensions Agency in respect of the unfunded element of the pensions of staff and directors who have taken early retirement. The provisions are uncertain to the extent that the period over which payments will be made is an estimate.

ii) Other Legal claims £91k relates to a provision for Employer Liability claims which are covered under the terms of the Trust's commercial insurance. The Trust is liable for excess payments against each claim under the terms of the commercial insurance.

iii) Pensions Injury Provisions £1,903k relate to Service Injury Benefit payments reimbursed to the NHS Pensions Agency in respect of former staff with service related injuries. The provision represents the present value of quarterly payments to the NHS Pensions Agency. The provisions are uncertain with regard to the value of the cash reimbursements and the period of time over which the contribution will be made.

Note 15. Provisions for liabilities and charges - Trust

	Current		Non Current	
	31 March 2022	31 March 2021 (restated)	**31 March 2022**	31 March 2021 (restated)
	£000	£000	**£000**	£000
Pensions early departure costs	**144**	148	**1,326**	967
Pensions injury benefits	**106**	109	**1,796**	1,598
Restructuring	**0**	0	**0**	0
Redundancy	**37**	183	**0**	0
Legal claims	**91**	92	**0**	(0)
Other	**3,138**	3,932	**0**	0
	3,516	4,464	**3,122**	2,565

	Pensions early departure costs	Pensions injury benefits	Legal claims	Equal Pay	Redundancy	Other	**Total**
	£000	£000	£000	£000	£000	£000	**£000**
At 1 April 2021	**1,115**	**1,706**	**93**	**0**	**183**	**4,786**	**7,883**
Change in the discount rate	**368**	**146**	**0**	**0**	**0**	**0**	**514**
Arising during the year	**172**	**171**	**35**	**0**	**0**	**1,335**	**1,713**
Utilised during the year	**(144)**	**(105)**	**(37)**	**0**	**(146)**	**(365)**	**(797)**
Reclassified	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Reversed unused	**(30)**	**0**	**0**	**0**	**0**	**(2,618)**	**(2,648)**
Unwinding of discount	**(11)**	**(16)**	**0**	**0**	**0**	**0**	**(27)**
At 31 March 2022	**1,470**	**1,902**	**91**	**0**	**37**	**3,138**	**6,638**

Expected timing of cash flows:

-not later than one year;	**144**	**106**	**91**	**0**	**37**	**3,138**	**3,516**
-later than one year and not later than five years;	**596**	**437**	**0**	**0**	**0**	**0**	**1,033**
-later than five years;	**730**	**1,359**	**0**	**0**	**0**		**2,089**
	1,470	**1,902**	**91**	**0**	**37**	**3,138**	**6,638**

	Pensions early departure costs	Pensions injury benefits	Legal claims	Equal Pay	Redundancy	Other	Total
	£000	£000	£000	£000	£000	£000	£000
At 1 April 2020 (restated)	1,235	1,734	133	0	396	0	3,498
Change in the discount rate	22	61	0	0	0	0	83
Arising during the year	24	25	57	0	0	3,932	4,038
Utilised during the year	(149)	(105)	(11)	0	(213)	0	(478)
Reversed unused	(11)	0	(86)	0	0	0	(97)
Unwinding of discount	(6)	(9)	0	0	0	0	(15)
At 31 March 2021	1,115	1,706	93	0	183	3,932	7,029

Expected timing of cash flows (restated):

-not later than one year;	148	109	93	0	183	3,932	4,465
-later than one year and not later than five years;	586	445	0	0	0	0	1,031
-later than five years;	381	1,152	(0)	0	0	0	1,533
	1,115	1,706	93	0	183	3,932	7,029

£109,220k is included in the provisions of the NHS Resolution at 31/3/2022 in respect of clinical negligence liabilities of the trust which are managed through the NHS risk pooling scheme on behalf of the Foundation Trust (31/3/2021 £71,747k).

i) Pensions relating to directors and other staff represents the present value of quarterly payments to the NHS Pensions Agency in respect of the unfunded element of the pensions of staff and directors who have taken early retirement. The provisions are uncertain to the extent that the period over which payments will be made is an estimate.

ii) Other Legal claims £92k relates to a provision for Employer Liability claims which are covered under the terms of the Trust's commercial insurance. The Trust is liable for excess payments against each claim under the terms of the commercial insurance.

iii) Pensions Injury Provisions £1,902k relate to Service Injury Benefit payments reimbursed to the NHS Pensions Agency in respect of former staff with service related injuries. The provision represents the present value of quarterly payments to the NHS Pensions Agency. The provisions are uncertain with regard to the value of the cash reimbursements and the period of time over which the contribution will be made.

16.1 Contractual capital commitments - Group and Foundation Trust

Contractual capital commitments at 31 March 2022 not otherwise included in these financial statements:

	31 March 2022 £000	31 March 2021 £000
Property, plant and equipment	**1,379**	0
Total	**1,379**	0

16.2 Events after the reporting period - Group and Foundation Trust

There have been no events after the reporting period.

16.3 Contingent liabilities - Group and Foundation Trust

	31 March 2022 £000	31 March 2021 £000
Gross estimated value of Non-Clinical Liabilities	0	0
Expected recoverable amount	0	0
Net value contingent liabilities	**0**	0

16.4 Related Party Transactions - Group and Foundation Trust

The Department of Health and Social Care is regarded as a related party. During the year the Group has had a significant number of material transactions with the Department and with other entities for which the Department is regarded as the parent Department in addition to those in the public sector. These entities are listed below:-

NHS England
Newcastle Gateshead CCG
North Durham CCG
Northumberland CCG
South Tyneside CCG
Sunderland CCG
Durham Dales, Easington and Sedgefield CCG
Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust
Health Education England
South Tyneside and Sunderland NHS Foundation Trust
The Newcastle upon Tyne Hospitals NHS Foundation Trust
HMRC
NHS Pension Scheme
Gateshead Council

16.5 Related Party Transactions - Group and Foundation Trust

Gateshead Health NHS Foundation Trust is required under IAS 24 to disclose material transactions undertaken with a related party.
During the year none of the Board Members or members of the key management staff or parties related to them has undertaken any material transactions with the Trust.

The Foundation Trust has received revenue and capital payments from the Gateshead Health NHS Foundation Trust Charitable Fund. The Foundation Trust acts as the Corporate Trustee for the Charitable Fund.

The total value of Funds Held on Trust at 31st March 2022 was £2,345k. The Foundation Trust owed the Charity £0k and the Charity owed the Trust £135.4k.

On 1st February 2017, North East Transformation System Limited (Company Number 10178726) commenced trading. The controlling parents are Gateshead Health NHS Foundation Trust and Tees, Esk and Wear Valleys NHS Foundation Trust, with each party holding 50% of the £50,000 share capital. 2 directors of Gateshead Health NHS Foundation Trust were also directors of the joint venture whose purpose is to deliver training and coaching on organisational change. The North East Transformation System Limited received income of £Nil (2021: £35k) and spent £13k (2021: £35k) inclusive of £Nil staff costs (2021: £Nil), loss of £13k (2021: £64 loss). The Trust has not incorporated these figures into the main accounts on the grounds of materiality as per the guidance within the group accounting manual.

On 18th January 2018, Gateshead Health NHS Foundation Trust were allocated 50 shares in Healthcall Solutions Limited (Company Number 10218146), with a further 100 shares allocated in March 2019 (total equity 150 shares; 25% shareholding). The controlling parents are County Durham and Darlington NHS Foundation Trust (25%), Gateshead Health NHS Foundation Trust (25%), The Newcastle Upon Tyne Hospitals NHS Foundation Trust (25%), North Tees and Hartlepool NHS Foundation Trust (8.33%), Northumbria Healthcare NHS Foundation Trust (8.33%) and South Tees Hospitals NHS Foundation Trust (8.33%). Unaudited results for Healthcall Solutions Limited year ended 31 December 2021 show income of £1.34m (2020: £829k), expenses of £1.3m (2020: £821k) and profit of £6k (2020:£6k). The Trust has not incorporated these figures into the main accounts on the grounds of materiality as per the guidance within the group accounting manual.

Note 17. Financial assets/liabilities - Group and Foundation Trust

Note 17.1 Carrying Value of Financial Assets

	Group		Foundation Trust	
Assets as per Statement of Financial Position	**Total £000**	**Loans and receivables £000**	**Total £000**	**Loans and receivables £000**
Trade and other receivables excluding non financial assets - Note 10	**13,408**	**13,408**	**22,362**	**22,362**
Cash and cash equivalents at bank and in hand - Note 12	**56,803**	**56,803**	**50,519**	**50,519**
Charitable Fund Financial Assets - Note 22	**1,250**	**1,250**	**0**	**0**
Total at 31 March 2022	**71,461**	**71,461**	**72,881**	**72,881**
Trade and other receivables excluding non financial assets - Note 10	12,542	12,542	30,116	30,116
Cash and cash equivalents at bank and in hand - Note 12	44,223	44,223	35,022	35,022
Charitable Fund investments - Note 22	1,146	1,146	0	0
Total at 31 March 2021	57,911	57,911	65,138	65,138

Note 17.2 Financial liabilities by category

	Group		Foundation Trust	
Liabilities as per Statement of Financial Position	**Total £000**	**Other financial liabilities £000**	**Total £000**	**Other financial liabilities £000**
Borrowings excluding Finance lease liabilities - Note 14	**14,033**	**14,033**	**14,033**	**14,033**
Obligations under finance leases - Note 14	**0**	**0**	**42,744**	**42,744**
NHS Trade and other payables excluding non financial liabilities - Note 13	**46,105**	**46,105**	**46,191**	**46,191**
Provisions under contract - Note 15	**0**	**0**	**0**	**0**
Charitable Fund Financial Liabilities	**135**	**135**	**0**	**0**
Total at 31 March 2022	**60,273**	**60,273**	**102,968**	**102,968**
Borrowings excluding Finance lease liabilities - Note 14	15,214	15,214	15,214	15,214
Obligations under finance leases - Note 14	0	0	43,416	43,416
NHS Trade and other payables excluding non financial liabilities - Note 13	52,916	52,916	50,065	50,065
Provisions under contract - Note 15	0	0	0	0
Charitable Fund Financial Liabilities	163	163	0	0
Total at 31 March 2021	68,293	68,293	108,695	108,695

17.3 Liquidity Risk

The Foundation Trust's net operating costs are incurred for the provision of services commissioned under the NHS standard contract with local Clinical Commissioning Groups and other sources, which are financed from resources voted annually by Parliament. The Foundation Trust also finances its Capital expenditure from retained depreciation and accumulated surpluses. The Foundation Trust has a loan financed by the Independent Trust Financing Facility for £22m which partly funded the construction of the Emergency Care Centre. A further £2.5m loan was approved from the ITFF to fund Radiology Equipment. Deficit support loans totalling £12.235m were drawn in 2018/2019, these loans were converted to PDC in 2020/2021.

17.4 Interest rate risk

69% of the Foundation Trust's current financial assets consist of cash which carries a floating rate of interest.
Finance Lease arrangements are subject to a fixed rate of interest.
The current ITFF loan of £22m is subject to a fixed interest repayment rate of 3.78%
The current ITFF loan of £2.5m is subject to a fixed interest repayment rate of 1.15%

17.5 Foreign currency risk

The Trust has no foreign currency income or expenditure.

17.6 Credit Risk

Due to the continuing service provider relationship that the Trust has with local commissioning bodies and the way those bodies are financed, the NHS Foundation Trust is not exposed to the degree of financial risk faced by other business entities. No collateral is held as security and there are no other credit enhancements.

The carrying value of financial instruments held by the Trust is equal to their fair value and as such this represents the maximum exposure to risk as at the operating date.

Financial assets held by the Trust are made up of cash and other cash equivalents and trade recievables. As the majority of these trade receivables are due from related parties (mainly commissioning bodies) the Trust expects that all non-impaired financial instruments are fully recoverable.

Note 18. Carrying Values - Group and Foundation Trust

The Trust considers book value (carrying value) to be a reasonable approximation of fair value

Note 18.1 Carrying values of financial assets

Group

		31 March 2022 Book Value £000	31 March 2022 Fair value £000	31 March 2021 Book Value £000	31 March 2021 Fair value £000
Cash & cash equivalents		**56,803**	**56,803**	44,223	44,223
Current Receivables		**12,703**	**12,703**	11,818	11,818
Non Current Receivables	**a**	**705**	**705**	725	725
Charitable Fund Financial Assets		**1,250**	**1,250**	1,146	1,146
Total		**71,461**	**71,461**	57,913	57,913

Foundation Trust

		31 March 2022 Book Value £000	31 March 2022 Fair value £000	31 March 2021 Book Value £000	31 March 2021 Fair value £000
Cash & cash equivalents		**50,519**	**50,519**	35,022	35,022
Current Receivables		**10,000**	**10,000**	13,602	13,602
Non Current Receivables	**a**	**695**	**695**	725	725
Loan to Subsidiary		**11,668**	**11,668**	15,789	15,789
Total		**72,882**	**72,882**	65,138	65,138

Note 18.2 Carrying values of financial liabilities

Group

	31 March 2022 Book Value £000	31 March 2022 Fair value £000	31 March 2021 Book Value £000	31 March 2021 Fair value £000
Provisions under Contract	**0**	**0**	0	0
Trade & Other Payables	**46,105**	**46,105**	52,916	52,916
Loans	**14,033**	**14,033**	15,214	15,214
Charitable Fund Financial Liabilities	**135**	**135**	163	163
Total	**60,272**	**60,272**	68,292	68,292

Foundation Trust

	31 March 2022 Book Value £000	31 March 2022 Fair value £000	31 March 2021 Book Value £000	31 March 2021 Fair value £000
Provisions under Contract	**0**	**0**	0	0
Obligations under finance leases - Note 14	**42,744**	**42,744**	43,416	43,416
Trade & Other Payables	**46,191**	**46,191**	50,065	50,065
Loans	**14,033**	**14,033**	15,214	15,214
Total	**102,968**	**102,968**	108,695	108,695

a This relates to a long term finance lease of a property to another NHS body.

Note 18.3 Maturity of financial liabilities

	Group 31 March 2022 £000	**Trust 31 March 2022 £000**	Group 31 March 2021 £000	Trust 31 March 2021 £000
In one year or less	**47,781**	**33,937**	54,817	53,977
In more than one year but not more than five	**5,700**	**8,739**	5,852	14,542
In more than five years	**10,641**	**49,649**	12,008	44,561
Total financial liabilities	**64,122**	**92,325**	72,677	113,080

Note 19. Third party assets

The Trust held £3,319.02 cash at bank and in hand at 31/03/22 (£2,559 at 31/03/21) which relates to monies held on behalf of patients. This has been excluded from the cash at bank and in hand figure reported in the accounts as the Trust holds no beneficial interest.

Note 20. Public dividend capital dividend

The Foundation Trust is required to absorb the cost of capital at a rate of 3.5% of average relevant net assets. The resulting calculation of PDC (Public Dividend Capital) dividend, totalling £2,497,000 was calculated on the average relevant net assets of £71,357,000.

Note 21. Losses and special payments - Group and Foundation Trust

NHS Foundation Trusts are required to follow the guidance issued by the Department of Health and Social Care in accounting for losses and special payments:

- These 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 divided into different categories, which govern the way each individual case is handled.

The number and value of losses and special payment cases:

		1 April 2021 - 31 March 2022		1 April 2020 - 31 March 2021	
		Number of cases	**Value of cases**	Number of cases	Value of cases
Ref.	**Category of loss / special payment**		**£000**		£000
Losses					
1a	Losses of cash due to theft, fraud etc.	0	0	1	1
1b	Losses of cash due to overpayment of salaries etc.	6	4	11	15
1c	Losses of cash due to other causes	0	0	0	0
2	Fruitless payments	0	0	0	0
3a	Bad debts and claims abandoned – private patients	21	10	48	15
3b	Bad debts and claims abandoned – overseas visitors	4	18	12	43
3c	Bad debts and claims abandoned – other	15	3	20	8
4a	Damage to buildings, loss of equipment and property due to theft, fraud etc.	0	0	0	0
4b	Damage to buildings, loss of equipment and property due to other causes	2	13	0	0
4c	Other	0	0	2	38
Total Losses		**48**	**48**	94	119
Special Payments					
5	Compensation under legal obligation	0	0	0	0
7a	Ex-gratia payments for loss of personal effects	22	15	4	1
7b	Clinical Negligence with advice	0	0	0	0
7c	Ex-gratia payments for personal injury with advice	0	0	0	0
7d	Other negligence and injury	0	0	0	0
7e	Ex-gratia payments - other	0	0	0	0
7f	Overtime Corrective payments	1	381	0	0
Total Special Payments		**23**	**396**	4	1
Total Losses and Special Payments		**71**	**444**	98	119

The above values have been calculated on an accruals basis whereby expenditure is recognised in the period in which the associated liability was incurred.

22 Charitable fund reserve

The Trust is the corporate trustee to Gateshead Health NHS Foundation Trust Charitable Fund. The Trust has assessed its relationship to the charitable fund and determined it to be a subsidiary in accordance with IFRS 10, because the Trust has the power to govern the financial and operating policies of the charitable fund so as to obtain benefits from its activities for itself, its patients or its staff. Prior to 2013/14 the Treasury had directed that IFRS 10 should not be applied to NHS Charities, and therefore the FT ARM did not require the Trust to consolidate the charitable fund.

The main financial statements disclose the Foundation Trust's financial position alongside that of the group (which comprises the Foundation Trust, subsidiary and charitable fund).

Gateshead Health NHS Foundation Trust Charity - Summary Statement of financial activities;

	Year ended 31 March 2022 £000	Year ended 31 March 2021 £000
Donated income	**385**	148
Income from legacies	**668**	14
Investment income	**28**	27
Grant Income	**9**	280
Total incoming resources	**1,090**	469
Patients' welfare and amenities	**158**	123
Staff welfare and amenities	**7**	180
Medical research	**0**	0
Contributions to the Foundation Trust	**0**	23
Governance costs	**7**	6
Total outgoing resources	**172**	332
Unrealised gain/(loss) on investments	**76**	147
Net incoming/(outgoing) resources	**994**	284

Gateshead Health NHS Foundation Trust Charity - Summary Statement of financial position;

	Year ended 31 March 2022	**Year ended 31 March 2021**
Investments	**1,250**	1,146
Receivables	**14**	6
Cash	**1,216**	361
Payables	**(135)**	(163)
Total net assets	**2,345**	1,350
Represented by:		
Unrestricted funds	**1,996**	1,016
Restricted funds	**284**	274
Endowment funds	**65**	60
	2,344	1,350

The total funds are represented in the Group accounts as Charitable Funds Reserve.

Restricted funds are funds donated for a specific purpose. Unrestricted funds may be designated for a particular area but are not restricted on the purpose of expenditure. Endowment funds relate to capital funds where the charity does not hold the power to convert capital into income. The capital must generally be held indefinitely; the income generated by the investment of the funds can be used for charitable purposes at the discretion of the Trustee.

Audit Completion Certificate issued to the Council of Governors of Gateshead Health NHS Foundation Trust for the year ended 31 March 2022

In our auditor's report dated 7 July 2022 we explained that the audit could not be formally concluded until we had completed the work necessary to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness is its use of resources. In addition, we were not able to conclude our audit as we had not completed work required to report to the National Audit Office as group auditor of the Consolidated Provider Account.

This work has now been completed.

No matters have come to our attention since 7 July 2022 that would have a material impact on the financial statements on which we gave our unqualified opinion.

The Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

We are required to report to you if, in our opinion, we are not satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2022.

On the basis of our work, having regard to the guidance issued by the Comptroller and Auditor General in December 2021, we have nothing to report in this respect.

Certificate

We certify that we have completed the audit of Gateshead Health NHS Foundation Trust in accordance with the requirements of chapter 5 of part 2 of the National Health Service Act 2006 and the Code of Audit Practice.

Cameron Waddell

Key Audit Partner
For and on behalf of Mazars LLP

The Corner
Bank Chambers
26 Mosley Street
Newcastle
NE1 1DF
United Kingdom

23 August 2022

Glossary of Terms

A&E	Accident and Emergency
AI	Artificial Intelligence
ARM	Annual Reporting Manual
ART	Response Team
BAF	Board Assurance Framework
BAME	Black, Asian and Minority Ethnic
CCG	Clinical Commissioning Group
CHP	Combined Heat and Power
CIPS	Chartered Institute of Purchasing and Supply
CNTW	Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust
CQC	Care Quality Commission
CT	Computerised Tomography Scan
DHSC	Department of Health and Social Care
EDI	Equality, Diversity and Inclusion
EDS	Equality Delivery System 2
EPRR	Emergency Preparedness, Resilience and Response
EQiA	Equality and Quality Impact Assessment
ERF	Elective Recovery Fund
FFT	Friends and Family Test
FTE	Full Time Equivalent
FTSU	Freedom to Speak Up
FTSUG	Freedom to Speak Up Guardian
GAAP	Generally Accepted Accounting Principles
GAM	Government Accounting Manual
HSMR	Hospital Standardised Mortality Ratio
IAS	International Accounting Standards
ICB	Integrated Care Board
ICORE	Innovation, Caring, Openness, Respect, Engagement (Trust values)
ICP	Integrated Care Partnership
ICS	Integrated Care System
IFRS	International Financial Reporting Standards
IOR	Integrated Oversight Report
KLOE	Key Lines of Enquiry
KPI	Key Performance Indicator
LCFS	Local Counter Fraud Specialist
LGBT	Lesbian, Gay, Bisexual and Transgender
MRI	Magnetic Resonance Imaging Scan
MRSA	Methicillin-Resistant Staphylococcus Aureus
NEAS	North East Ambulance Service NHS Foundation Trust
NENC	North East and North Cumbria
NEQOS	North East Quality Observatory Service
NHSEI	NHS England and Improvement

NPSA	National Patient Safety Agency
OD	Organisational Development
PALs	Patient Advice and Liaison Service
PbR	Payment by Results
PCN	Primary Care Network
PDC	Public Dividend Capital
POD	People and Organisational Development
PSED	Public Sector Equality Duty
QEF	QE Facilities
RPIW	Rapid Process Improvement Workshop
RTT	Referral to Treatment
SDEC	Same Day Emergency Care
SHMI	Summary Hospital-level Mortality Indicator
SI	Serious Incident
SOF	System Oversight Framework
SRT	Site Resilience Team
STP	Sustainability and Transformation Plan
VCOD	Vaccination as a Condition of Deployment
WRES	Workforce Race Equality Standard
WDES	Workforce Disability Equality Standard

Contact Information

If you have any queries regarding this report, or wish to contact our Board of Directors or Council of Governors, please contact the Company Secretary using the contact details below:

Email: ghnt.foundation.enquiries@nhs.net

Tel: 0191 445 3712

Post: Company Secretary
Trust Headquarters
Queen Elizabeth Hospital
Queen Elizabeth Avenue
Sheriff Hill
Gateshead
NE9 6SX