Gateshead Health NHS Foundation Trust

Annual Report and Accounts 2022/23

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

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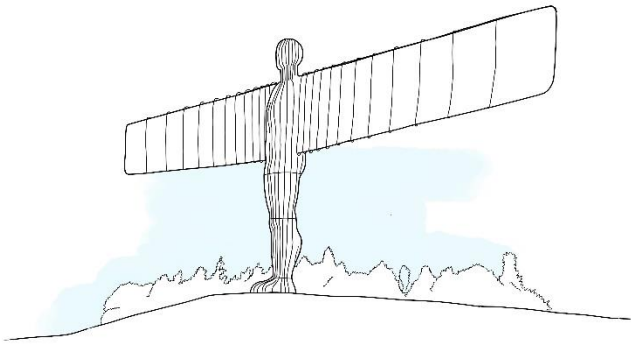
(for the period 1 April 2022 to 31 March 2023)

Contents

Performance Report

Overview of performance

Chair and Chief Executive's statement



We are delighted to introduce our Annual Report and Accounts for the year ended 31 March 2023.

It has been quite a year for the Trust, our people, patients and partners.

At the start of the year we launched our new Corporate Strategy 2022/23 to 2024/25. This followed an extensive period of consultation to ensure that we developed a meaningful strategy to help us to deliver the highest quality services for our patients in Gateshead and beyond. We cemented our commitment as an anchor institution, recognising the part we play in the Gateshead community and our contribution to ensuring it is a fantastic place to live, work and receive care.

We continued to face challenges posed by the Covid pandemic, particularly during the first part of the year when the Omicron variant remained dominant, whilst delivering our elective recovery programme and responding to increases in non-elective activity. The direct impact of the pandemic reduced during the year, although we know that the indirect impacts will be with us for some time. We have maintained a strong focus on addressing this impact and the risks during the year, with a real focus on the health and wellbeing of our people, as well as the recovery of our elective activity.

As we moved through the year, a further challenge emerged – keeping our patients and people safe and well cared for during industrial action from our nursing, junior doctors and ambulance colleagues. We understand how difficult this has been personally and professionally for all of our colleagues.

Our performance

As you will read in more detail later in the report, operational performance has been challenging, although we continued to benchmark well against our peers both nationally and locally. As an example we were placed 37th out of 139 type 1 (accident and emergency) providers in March 2023. Delivering timely and high quality care is an absolute priority for us and we strive to be the best we can be for our patients. There are lots of targets for us to achieve and this can risk us losing focus on what is important to patients and staff. We have taken the opportunity to identify 10 key indicators that out clinical teams have told us are important. These directly link to patient care and outcomes and which we can all own and contribute towards and this will help us to measure our performance in a much more transparent manner within the organisation, of course, this doesn't mean that we do less work on other targets – simply that we have a shared focus and effort on the things we feel make the most difference..

Some of our patients have experienced longer lengths of stay than needed during 2022/23. This extended stay in hospital is not good for patients or our staff so we will be focussing on

this in 2023/24 with an aim to reduce our overall length of stay and improve patient experience and outcomes.

Despite significant operational pressures our people have delivered some great initiatives over the last year. This has included the fantastic work of our Acute Tobacco Dependence Treatment Team in supporting our patients to stop smoking, the introduction of robotic-assisted operations, new innovations in breast cancer screening and the opening of a new theatre in maternity. Our colleagues in the Trust pharmacy and QE Facilities' patient transport services also received 'good' ratings in Care Quality Commission inspections, which evidences the high quality of services delivered in these areas.

In respect of our financial performance, the funding available to us was less than that received during the Covid years and we reported a small deficit for the Group of £0.296m. We acknowledge the importance of financial sustainability and this will be a significant focus for us in 2023/24 alongside the delivery of our new financial strategy.

Our people

Our people are our greatest asset and we are passionate about making Gateshead a great place to work, with opportunities for career progression and development.

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

During the year we continued to strengthen our health and wellbeing offering to colleagues. This included the launch of our Listening Space and a partnership with Gateshead College where students have provided free onsite health and beauty treatments to our staff to help them relax and unwind.

Workforce supply has continued to be a key risk across the NHS and as a Board we identified this as a top priority, both in terms of retention and recruitment. We were delighted to welcome fifty international nurses during our first year of international recruitment. We have also been working hard to reach out to local schools and colleges to provide young people with information about the range of careers available at the Trust and QE Facilities. Recruitment and retention continue to be key objectives and are reflected within our new People Strategy 2023-2025, which our Board approved in March 2023.

To support retention and make Gateshead Health the best place to work, we have launched a revised Agile working policy to encourage and support colleagues to stay working with us in Gateshead.

We were delighted to achieve our highest ever response rate to the staff survey. This provides a rich source of feedback and we have triangulated the results with other important sources of feedback from during the year to help us to formulate our workplan and priorities for 2023/24.

Partnership working

The North East and North Cumbria Integrated Care System became a statutory body in July 2022, formalising the importance and value of partnership working across the region. We have worked closely with partners during the year and are committed to working together to deliver services in the best and most efficient and effective way possible for the people living within our region.

Place-based working is of paramount importance and we have been engaged in Gateshead Cares at place-level as well as working closely with Gateshead Council colleagues to deliver on the important health inequalities agenda.

We were we delighted to partner with Newcastle-upon-Tyne Hospitals NHS Foundation Trust to secure £20m of funding to develop a Community Diagnostic Centre at the Metrocentre in Gateshead. We look forward to seeing this come to fruition over the next year.

Looking ahead

We have already agreed a number of core workstreams for 2023/24. They will help us to become a clinically-led and management supported organisation, putting our patients first and ensuring our greatest asset, our people, are listened to, supported and empowered to deliver a fantastic service.

We recognise that there are a number of risks and challenges to be navigated and mitigated where possible, but through effective planning, a focus on clinical engagement and leadership and collaboration with our partners we will strive to deliver the best quality of care to our patients.

We are extremely proud of the hard work of our Trust and QE Facilities' colleagues, alongside our valued volunteers. We would like to extend our sincere thanks to our Governors, partners and the public for their support and contributions. We are excited to see what we can deliver together in 2023/24.

Trudie Davies

Chief Executive

28 June 2023

Alison Marshall

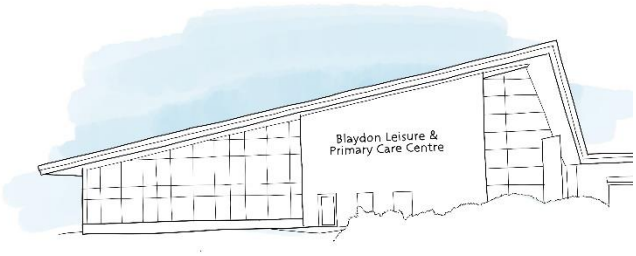
Chair

28 June 2023

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.



As a group we employ over 5,100 staff and are also supported by many valued volunteers from our local communities.

The Trust also wholly owns its subsidiary QE Facilities Limited (QEF), which was established in 2014. QEF 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'*.

We launched our new corporate strategy for 2022/23 to 2024/25 in May 2022 following extensive consultation and engagement with our people and partners. Our corporate strategy puts our patients, people and partners at the heart of everything we do and sets out our vision, which is:

#GateshеadHealth, proud to deliver outstanding and compassionate care to our patients and communities.

Our values are the golden thread that runs through everything we do. Following a Trust-wide consultation with our people, our values remained unchanged as they continue to resonate and remain relevant and important to all that we do.

About us – our strategic objectives and risks

The new corporate strategy retained the five strategic aims which were agreed by the Board of Directors in 2021/22, namely:

1) We will continuously improve the quality and safety of our services for our patients

2) We will be a great organisation with a highly engaged workforce

3) We will enhance our productivity and efficiency to make the best use of our resources

4) We will be an effective partner and be ambitious in our commitment to improving health outcomes

5) We will devleop and expand our services within and beyond Gateshead

These strategic aims were underpinned by eleven strategic objectives for 2022/23 to support the delivery of the aims during year one of the corporate strategy. The strategic objectives covered key areas such as:

- Continued improvement in our maternity services, including the implementation of the national Ockenden review recommendations;
- Utilisation of digital technologies where this can make a positive difference to our patients and patient outcomes;
- Growing and developing our workforce;
- Looking after our people through understanding and supporting their health and wellbeing needs;
- Improving the productivity and efficiency of our services through the delivery of our new operating model;
- Achieving financial sustainability; and
- Working collaboratively with partners in Gateshead to improve health and care outcomes for the local population.

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 strategic objectives.

We actively utilised our 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 strategic objectives.

The key risks over the last financial year included:

- The continued impact of the pandemic on elective recovery (particularly during the first half of the year);
- The risks associated with delayed transfers of care and increased hospital lengths of stay;
- Risks relating to retention and recruitment, as well as the health and wellbeing of our people;
- Risks relating to the age of the Trust's estate;
- Financial risks relating to the delivery of efficiencies and the capital cost of delivering the Trust's new operating model; and
- Risks to the quality of care we were able to deliver to our patients due to industrial action, which emerged as a new risk during the year.

Many of these risks are likely to remain live in 2023/24 as we continue to focus on elective recovery, reducing lengths of stay, recruitment and retention and our sustainability and efficiency, set against a backdrop of increased costs of living.

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 enabled 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 our strategic objectives. This included developing our relationships at place as part of Gateshead Cares, increasing our health and wellbeing offering for our people; and developing our work around health inequalities.

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 Department of Health and Social Care 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 North East and North Cumbria Integrated Care System (NENC ICS). The Integrated Care Strategy for the North East and North Cumbria was published in December 2022 as a joint plan between the region's local authorities, the NHS and other partners. No circumstances were identified within the strategy that would cause the Directors to doubt or question the continued provision of NHS services by the Trust.

This year the Trust excluding the charity returned a deficit of £73k as reported in the Trust's Statement of Comprehensive Income.

2023/24 sees a continuation of the previous year's financial framework. This is a blended tariff approach which consists of fixed and variable payments, with most services being on a fixed payment. For those services on a variable tariff income will be earned based on volume of activity at national tariff and is consistent with the historic PbR (payment by results) funding model. In addition, Elective Recovery Fund income (ERF) can also be earned on the achievement of nationally published activity trajectories. 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 24. 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.

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.

Performance analysis

Operational performance

We have in place a range of key performance indicators which we routinely report. This supports our ability to ensure our services are the best they possibly can be, and where needed develop plans for improvement. Alongside this, we aim to meet a series of standards set nationally.

Service line operational reports are provided to support operational teams to help them understand their own performance. These reports are then aggregated up and grouped and reported by business unit which they review as part of their business unit board meetings. Business units are invited to monthly or quarterly oversight meetings with our Executive Directors to review performance and facilitate wider feedback and engagement with the operational teams.

At a higher level we collate and report key performance measures through the 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. These include indicators taken from key frameworks such as the Care Quality Commission's (CQC) Key Lines of Enquiry (KLOEs), the NHS England System Oversight Framework (SOF) and the NHS Operational Planning Guidance 2022/23 to provide a holistic and balanced view of overall Trust performance.

Over the past year, as in 2021/22, 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 our people. Because of this, the usual monitoring against key targets has continued alongside the focus to recover 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 were developed in conjunction with business unit teams to return to national compliance as soon as possible, including to reduce the Referral To Treatment (RTT) waiting lists and the number of long waiters. While progress has been made in some areas, challenges in achieving the targets in some areas remain.

Elective activity

The operational planning expectation for 2022/23 was to continue to recover our elective backlogs by focusing on returning to, and in some case exceeding, pre-pandemic levels of activity.

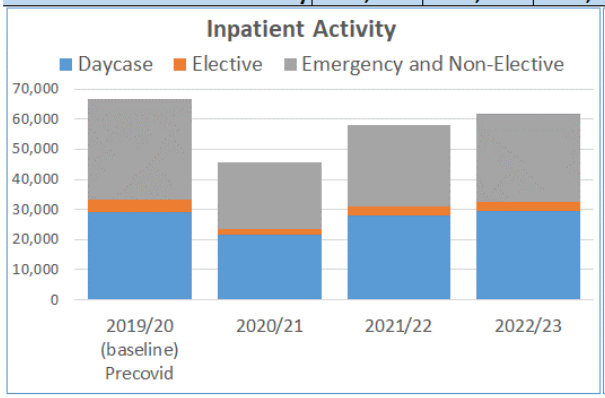
This expectation continued to be a challenge, having to balance this ask with the ongoing impact of Covid, workforce supply issues, high levels of sickness absence, substantial and unprecedented winter pressures, and latterly the impact of industrial action. This necessitated a highly flexible and reactive approach to capacity planning and staffing across the hospital site. As a result some 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.

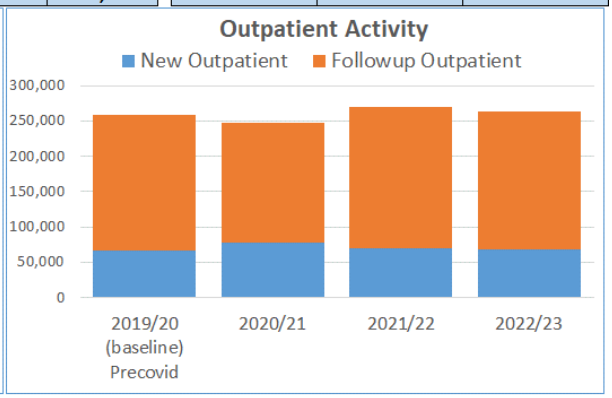
While remaining lower than pre-Covid levels, overall, in 2022/23 the number of patients admitted for hospital care continued to increase. Compared to the previous year, total inpatient activity stood at 93.0% of the 2019/20 activity, an increase from 87.3% in 2021/22 with 3,772 more attendances recorded. Day case activity increased to account for 100.7% of the 2019/20 baseline, up from 96.0% the previous year. Elective activity was 77.5% of 2019/20, an increase from 77.1% the previous year, and emergency and non-elective activity increased to account for 88.0% of the 2019/20 baseline, an increase from 80.9%.

Within the outpatient setting, overall activity fell slightly compared to the previous year standing at 101.9% of the 2019/20 baseline, a reduction from 104% in the previous year. New outpatient activity was slightly lower at 104% of the baseline year, compared to 106% in 2021/22 (this is equivalent to 1,330 fewer first outpatient appointments). Follow-up outpatient appointments also fell to 101.1% of the baseline, from 103.3% the previous year (this is equivalent to 4,256 fewer follow up outpatient appointments).

Work continues to embed Patient Initiated Follow up (PIFU), with the levels achieved being lower than planned at around 87% of the planned for levels, accounting for around 2.36% of appointments, against a target 5%. However, more positively around a quarter (24.1%) of outpatient contacts were undertaken via remote consultation.

	2019/20 (baseline) Precovid	2020/21	2021/22	2022/23	2020/21 as % of 19/20 baseline	2021/22 as % of 19/20 baseline	2022/23 as % of 19/20 baseline
Total Inpatient Activity	**66,652**	**45,794**	**58,184**	**61,956**	**68.7%**	**87.3%**	**93.0%**
Daycase	29,297	21,654	28,111	29,494	73.9%	96.0%	100.7%
Elective	3,900	1,973	3,008	3,021	50.6%	77.1%	77.5%
Emergency and Non-Elective	33,455	22,167	27,065	29,441	66.3%	80.9%	88.0%
Outpatient Activity	**259,444**	**246,972**	**269,875**	**264,289**	**95.2%**	**104.0%**	**101.9%**
New Outpatient	65,946	77,886	69,899	68,569	118.1%	106.0%	104.0%
Followup Outpatient	193,498	169,086	199,976	195,720	87.4%	103.3%	101.1%
Total Activity	**326,096**	**292,766**	**328,059**	**326,245**	**89.8%**	**100.6%**	**100.0%**

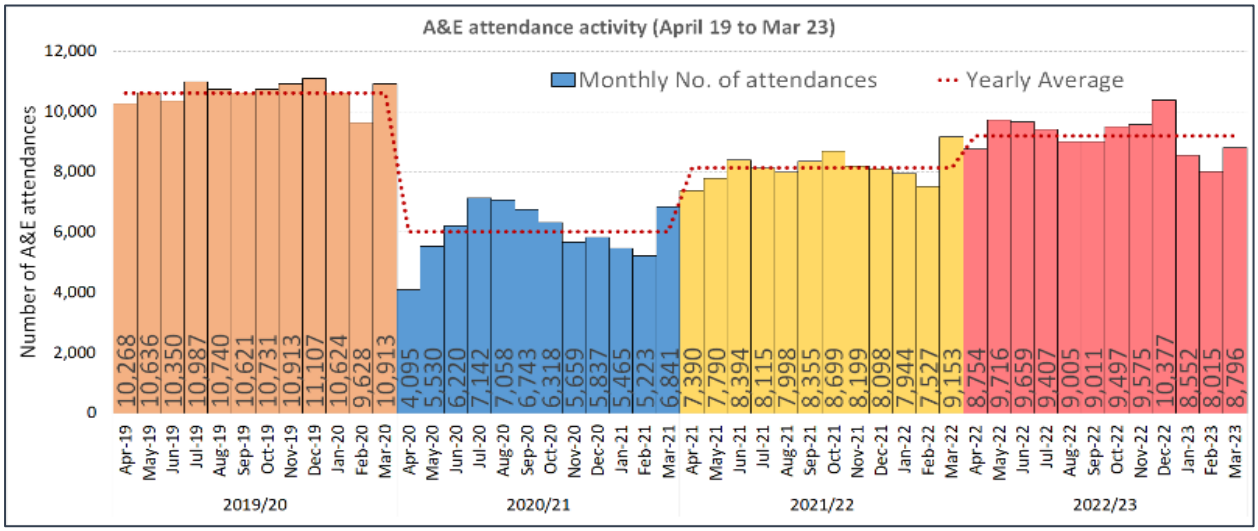




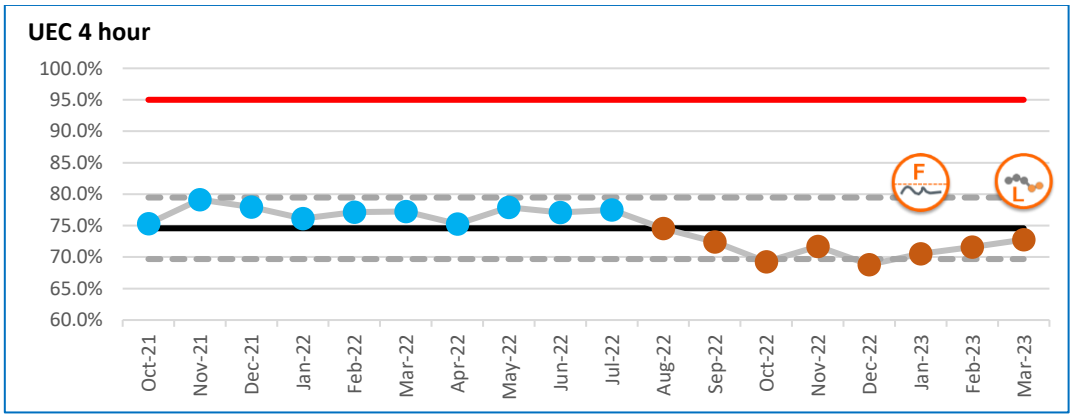
Accident and emergency (A&E) activity and performance

Overall A&E activity continues to be below pre-pandemic levels, however as we recover from the pandemic we are seeing more and more patients attending A&E. The chart below shows

that in 2022/23 there were 110,364 attendances at A&E, which is around 85% of the total attendances seen in 2019/20 but an increase of 13% from the previous year, 12,702 in actual attendances. For the first time since Covid, an individual month saw more than 10,000 attendances (December 2022), and this was at a time of significant winter pressures being noted locally and nationally.



As a result of pressures seen in A&E throughout the year (which were particularly acute in the winter months, linked to higher attendances, high bed occupancy, lower social care discharges, increased IPC bed closures and Covid causing additional challenges in the managing and placing of patients), performance against the A&E four hour standard in 2022/23 was 73.3% across the course of the year. Whilst the 95% target was not met in any of the months, in each month the Trust's performance was above the national average, and on average benchmarked in the top performing quartile of trusts nationally. The chart below shows since December 2022 performance began a steady trajectory of improvement towards the 2023/24 target of 76% or above.



The pressures noted above also resulted in increased waits in A&E and for ambulance handovers when the patient arrived at the hospital compared to the previous year. There were 1,582 patients who waited in A&E for longer than 12 hours for a hospital bed (of which 54% were in December and January), and overall 5.35% of patients waited more than 12 hours in the department. The volume of ambulance handover delays increased in the year to 859 waiting more than 30 minutes, and 1078 waiting longer than 60 minutes. However even

with these increases the Trust was typically one of the top performing trusts in the North-East against these metrics.

Changing our clinical model

We are currently eighteen months into a three year programme to reconfigure and update parts of the estate to ensure we provide the best possible clinical care and improve the experience for staff and patients. This is referred to as our 'New Operating Model'.

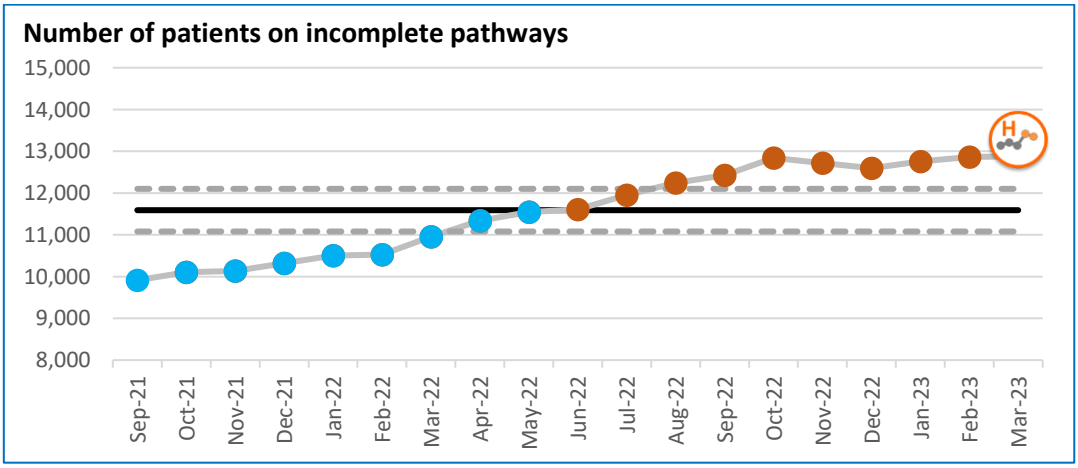
We have delivered on

- Increasing our Same Day Emergency Care (SDEC) capacity to support alternative models to admission;
- Completing estates work on two wards to create a temporary decant / winter ward to accommodate ward changes;
- Completion of a number of ward refurbishments, including the refurbishment of a ward to protect clinically extremely vulnerable patients and create six ensuite cubicles with mechanical airflow, alongside upgrading the bays and bathrooms;
- Completion of refurbishments to create a twenty-bedded stroke and rehab unit; and
- Work has started with an additional capital development to protect elective orthopaedic activity

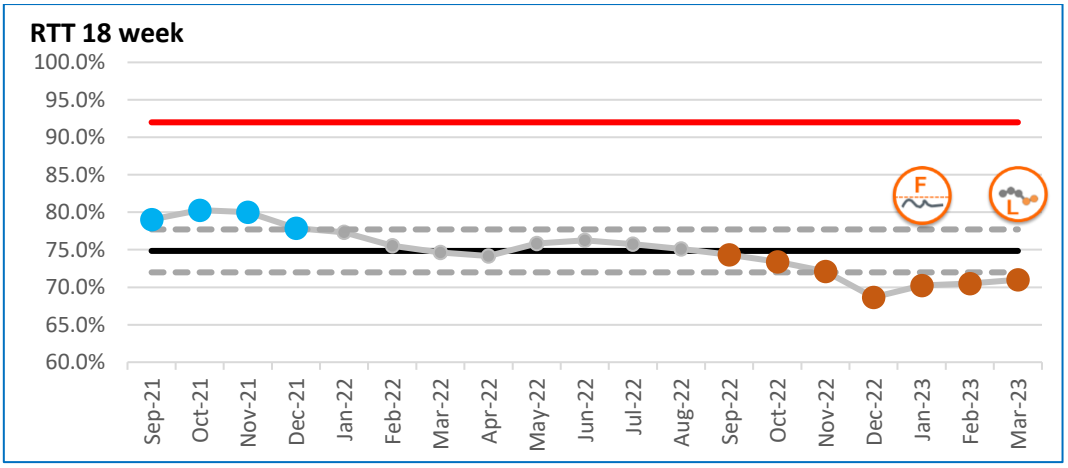
Further information on the New Operating Model can be found in the Accountability Report section.

Referral to Treatment (RRT) waiting times

The elective priority to clear backlog waits and reduce the number of RTT long waiters continued in 2022/23. Overall, in 2022/23 our waiting list increased by 13.6% over the year from 11,336 patients waiting in April 2022 to 12,880 patients waiting at the end of March 2023. A 13.6% increase in the waiting list is broadly consistent with the local Integrated Care Board (ICB) waiting list picture which increased by around 12.6% across the year.



Throughout the year no patients waited over 104 weeks for treatment, and by the end of January 2023 we had no patients waiting more than 78 weeks. However, the volume of over 52-week waiters increased across the course of the year from 52 at the start of the year to 86 in March 2023. As a proportion of the total waiting list, our long waiters accounted for 0.67% at the end of the year, which benchmarks favourably against the local ICB position of around 2.08% at the end of the year.

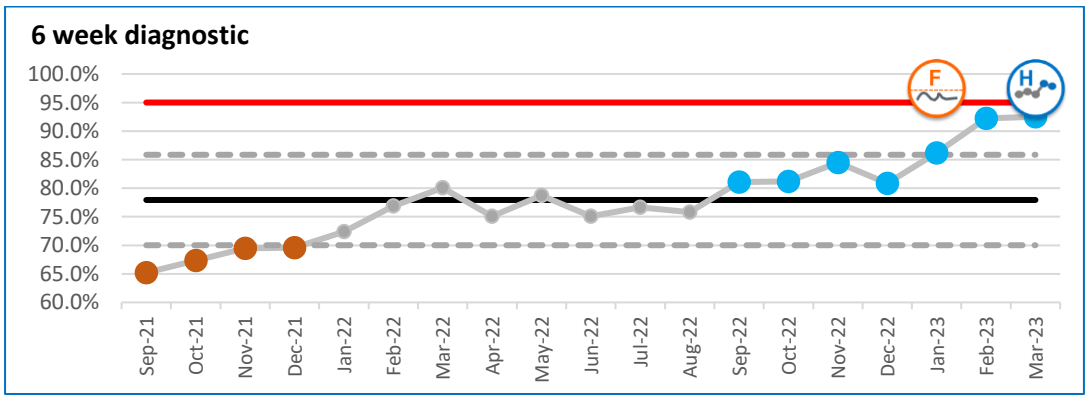


Compliance against the 18-week standard stood at 71.0% at the end of March 2023, a reduction from 74.0% in March 2022. However, we have consistently performed above the national average and the local ICB average throughout the year. Treating our longest waiters has remained a priority during significantly challenging times whilst we experienced non-elective pressures, delayed discharges, Covid waves and workforce-related pressures.

2022/23 has seen further development in relation to the reporting of our waiting list data to include various metrics relating to health inequalities (including outpatient data), which aims to highlight differences in particular cohorts linked to gender, ethnicity, clinical priority and levels of deprivation, for example. The data is updated monthly and viewable to services and waiting list officers. These additional metrics will help the business units to plan to meet strategic objectives, including to reduce health inequalities. In addition to this, a monthly Health Inequalities Board is now in operation to oversee the wider strategic aims and strategic goals relating to health inequalities.

Diagnostics

At end of March 2023, we were only slightly below the 95% 6-week diagnostic test target at 92.5%, having improved from 75.1% at the start of the year. We have seen sustained significant improvement across the course of the year, as shown in the chart. The overall number of diagnostic waiters reduced by -7.6% to 5,469, and those waiting more than 6 weeks by -67% to 410 from 1,260. The previous pressure area of echocardiography improved from achieving only 32.6% of waiters under 6 weeks at the start of the year, to 93.9% at the end with the actual number of waiters reducing by -58% from 1,405 to 589, and those waiting more than 6 weeks by 96% to 36 from 947. Audiology remains a challenge, however a recovery plan is in place which aims to achieve the performance standards by the end of summer 2023.



Overall diagnostic activity continued to exceed planned for levels, and exceed those levels provided in 2019/20. Across the course of the year 114% of the 2019/20 baseline of diagnostic activity was achieved, with some tests such as CT and MRI even higher (around 137% and 147% respectively) as a result of the additional capacity provided at our Blaydon site. 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. We hosted the early adopter and year 1 scheme at Blaydon offering MRI and CT scanning to patients in Gateshead and Newcastle, and this continued in 2022/23 with further capacity planned with the opening of the Community Diagnostic Centre at the Metro Centre next year.

Cancer

We continue to ensure that the review and treatment of patients on cancer pathways remains a priority, in particular the backlog of waiters over 62 days and the 28 days to faster diagnosis. The following table summarises performance across the cancer standards for 2022/23. Where the standard has been met this is shown in green, and where the standard has not been achieved it is shown in red.

Cancer Measures	Standard	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23
All cancers 2 week waits	93%	84.80%	89.40%	88.80%	89.10%	84.70%	79.90%	85.10%	86.60%	83.30%	79.80%	82.30%	82.70%
Exhibited non cancer Breast 2 week waits	93%	96.80%	97.80%	93.60%	94.40%	95.00%	90.30%	100%	89.70%	95.70%	100%	100%	97.20%
28 days faster diagnosis (2ww)	75%	73.20%	69.00%	75.50%	75.70%	78.50%	74.90%	80.10%	79.00%	78.60%	75.70%	78.10%	78.50%
28 days faster diagnosis (Exhibited non cancer breast)	75%	100%	100%	100%	100%	97.50%	100%	96.60%	100%	95.50%	100%	96.00%	97.20%
28 days faster diagnosis (screening)	75%	58.90%	63.60%	71.10%	63.80%	64.50%	66.70%	65.20%	52.80%	51.60%	65.80%	67.50%	53.00%
31 day diagnosis to first treatment	98%	98.20%	96.00%	92.60%	98.60%	97.20%	97.50%	99.20%	100.00%	96.40%	98.30%	95.10%	97.20%
31 day subsequent treatments (drugs)	96%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
31 day subsequent treatments (surgery)	94%	100%	100%	100%	93.80%	100%	96.30%	97.10%	100%	100%	95.00%	100%	100%
62 days referral to treatment (2ww)	85%	67.20%	34.50%	53.60%	63.20%	56.70%	70.50%	58.20%	67.10%	60.40%	53.50%	62.60%	65.20%
62 days referral to treatment (screening)	90%	95.70%	96.70%	92.70%	89.60%	87.30%	91.20%	87.90%	86.60%	91.40%	88.50%	91.80%	93.90%
62 days referral to treatment (upgrade)	90%	100.00%	50.00%	-	50.00%	0.00%	50.00%	66.70%	0.00%	0.00%	0.00%	57.10%	0.00%
62 day backlog waiting list	March 23 - 55	63	57	57	68	32	63	57	43	58	64	62	41

It has been a challenge to work towards the standard of 93% of patients being seen within 2 weeks from urgent referral to a specialist appointment primarily due to capacity issues and increases in referral rates.

The expectation for the faster diagnosis standard is that 75% of patients will have a confirmation of a cancer diagnosis or cancer being ruled out within 28 days of referral. The faster diagnosis standard for those patients on a 2 week wait pathway has been achieved for 9 months of the year, every month for the exhibited non-cancer breast patients and unfortunately for those patients on screening pathways the standard has not been met across the year.

The standard of 96% of patients waiting 31 days or less from the decision to treat to receiving first definitive treatment was achieved in ten months during the year. The 31 day subsequent treatments for drugs was met for every month in 2022/23 and for surgery for eleven of the twelve months of the year.

The 62-day standard aims to achieve 85% of patients waiting 62 days or less from referral to initial treatment for cancer. Challenges continue along these pathways, particularly where services are provided by multiple trusts and treatments are delivered at other hospital sites, lung and urology in particular. We have continued to support the provision of gynaecological oncology across the ICB.

Cancer screening programmes continued during 2022/23 delivering breast screening services for Gateshead and bowel screening services across the North East.

The patients waiting on a 2 week wait, 62 day pathway are regularly monitored and we had a target to achieve no more than 55 patients waiting at the end of March 23. Although the monthly plan was not always met, the year end position of 41 was below the 55.

Financial performance

The financial framework for 2022/23 was broadly the same as 2021/22 whereby we received a block payment allocation for the vast majority of services from the commissioners of NHS services. Whilst the financial framework remained relatively stable the funding available to us was less than that received during the Covid years with the Group returning a small deficit in 2022/23 inclusive of QE Facilities, our subsidiary company, and Charitable Funds.

This year also seen demise of Clinical Commissioning Groups and the creation of Integrated Care Boards as the primary commissioner of NHS services. A greater emphasis on the achievement of overall financial breakeven for the NENC ICS was also introduced.

The Trust and NHS England focus on the non-Generally Accepted Accounting Principles (GAAP) 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 reported a deficit of £0.296m.

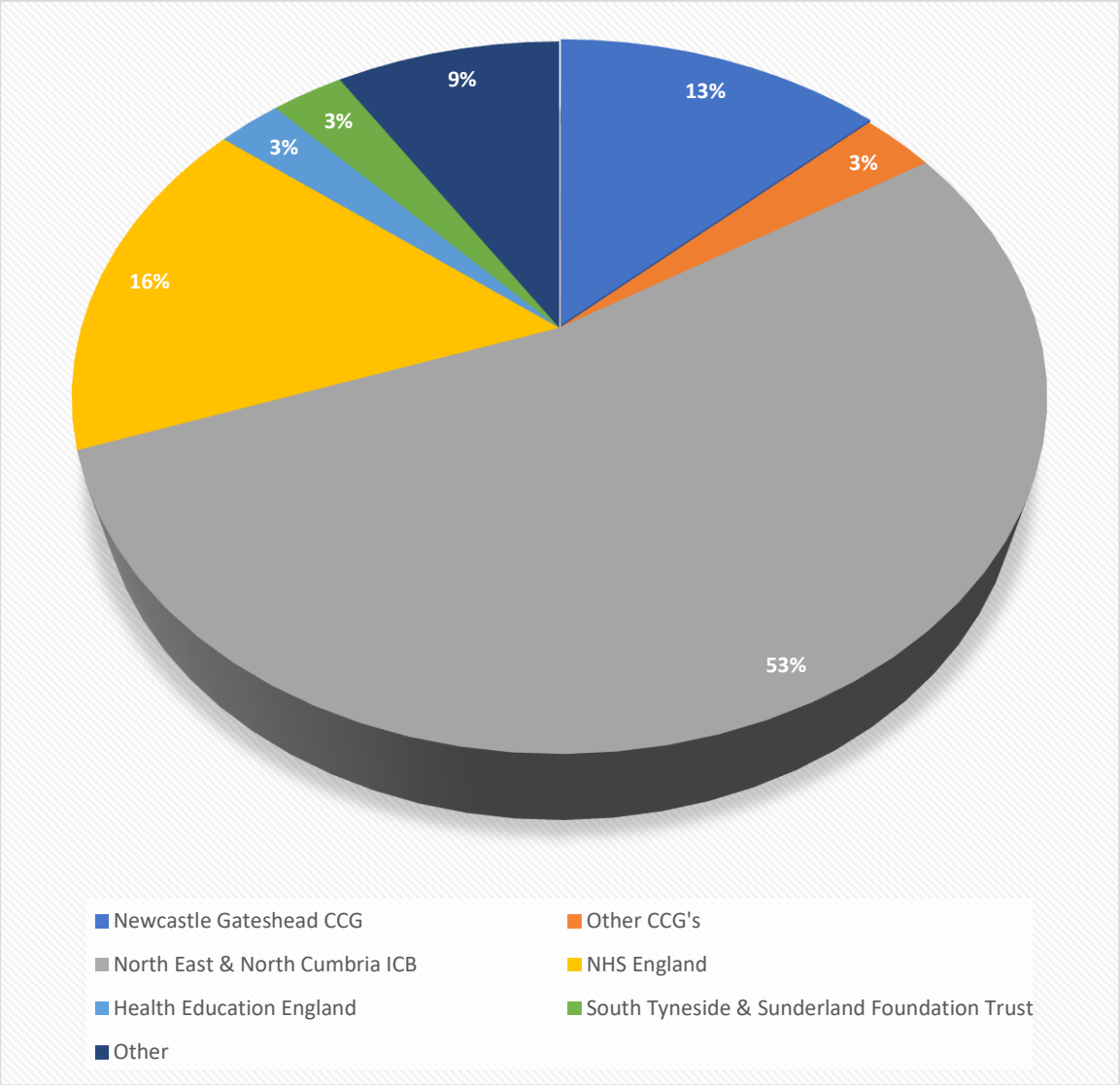
	Group £'000
Income	392,020
Expenditure	(388,671)
Operating surplus	**3,349**
Net finance costs	(2,712)
Other gains and losses	(12)
Corporation tax	(698)
Surplus / (deficit) for the financial year	**(73)**
Income and expenditure (reversals) / impairments	(64)
Surplus / (deficit) before impairments and transfers	**(137)**
Impact of departmental expenditure limits income and expenditure reversals / (impairments)	0
Capital donations / grants	(200)
Consumables donated from other Department of Health and Social Care bodies	41
Surplus / (deficit) for the year before impairments / revaluations and charitable funds	**(296)**

We prepare the accounts under International Financial Reporting Standards (IFRS) and in line with the HM Treasury Financial Reporting Manual, NHS England's Annual Reporting Manual

and approved accounting policies. The Group accounts include QE Facilities as well as the Trust's Charitable Funds.

Income

We received £392.020m total income for 2022/23, with income for patient care services amounting to £356.974m, of which £332.734m (93.2%) came directly from commissioners of NHS services including NHS England for specialised and public health screening contracts and the NENC ICB for secondary and community care. An analysis of the total income received in 2022/23 is shown in the below chart and reflects the cessation of Clinical Commissioning Groups from 1st July 2022, which were replaced by Integrated Care Boards.

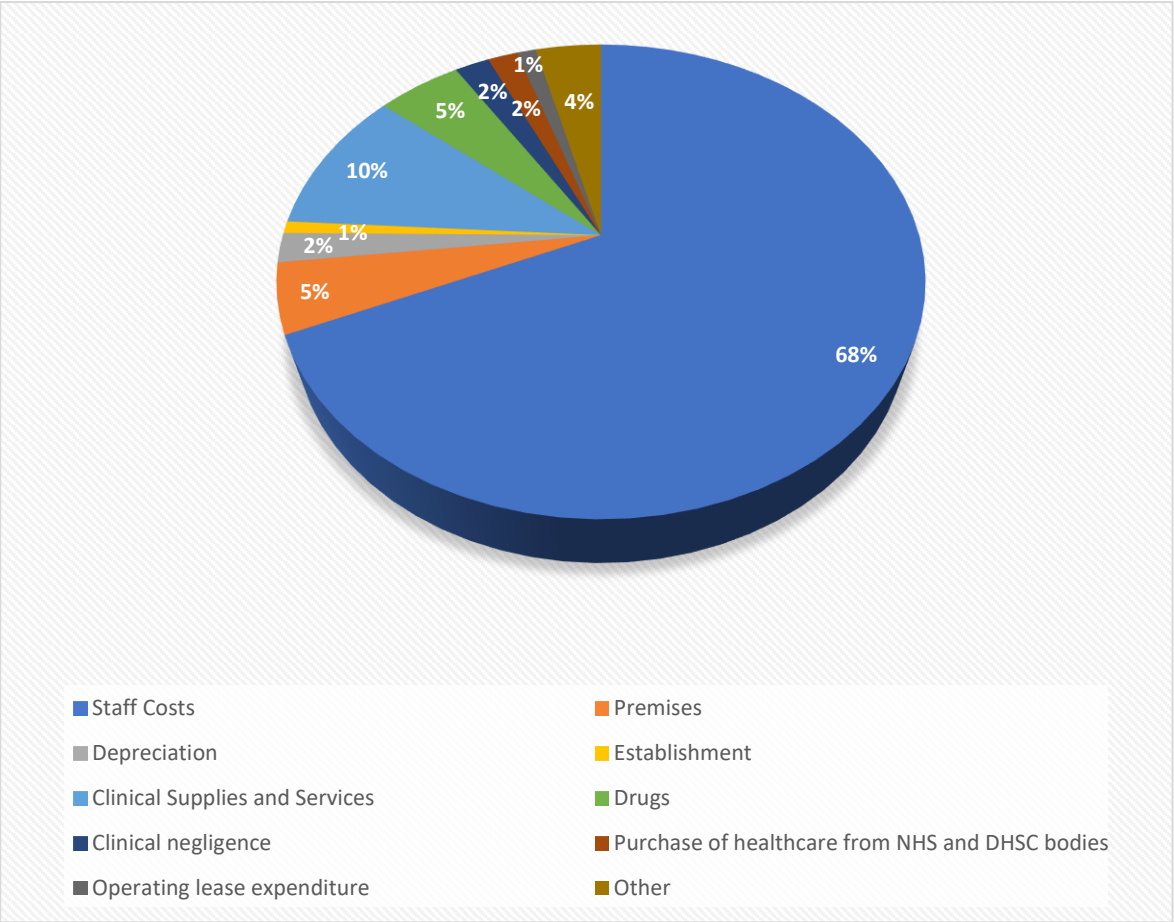


For 2022/2023 our income from private sources stood at 0.18% of total income, marginally lower than previous years. Section 43(2A) of the NHS Act 2006 (as amended by the Health and Social Care Act 2012) requires that the income from the provision of goods and services for the purposes of the health service 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.

Expenditure

Our total expenditure for the year was £388.671m. By far the largest proportion is spent on pay and related expenses for our people - this amounts to £259.605m (67%) of the total. Other

material items of expenditure include medical and surgical consumables and drugs, amounting to £63.118m and premises costs of £18.034m.



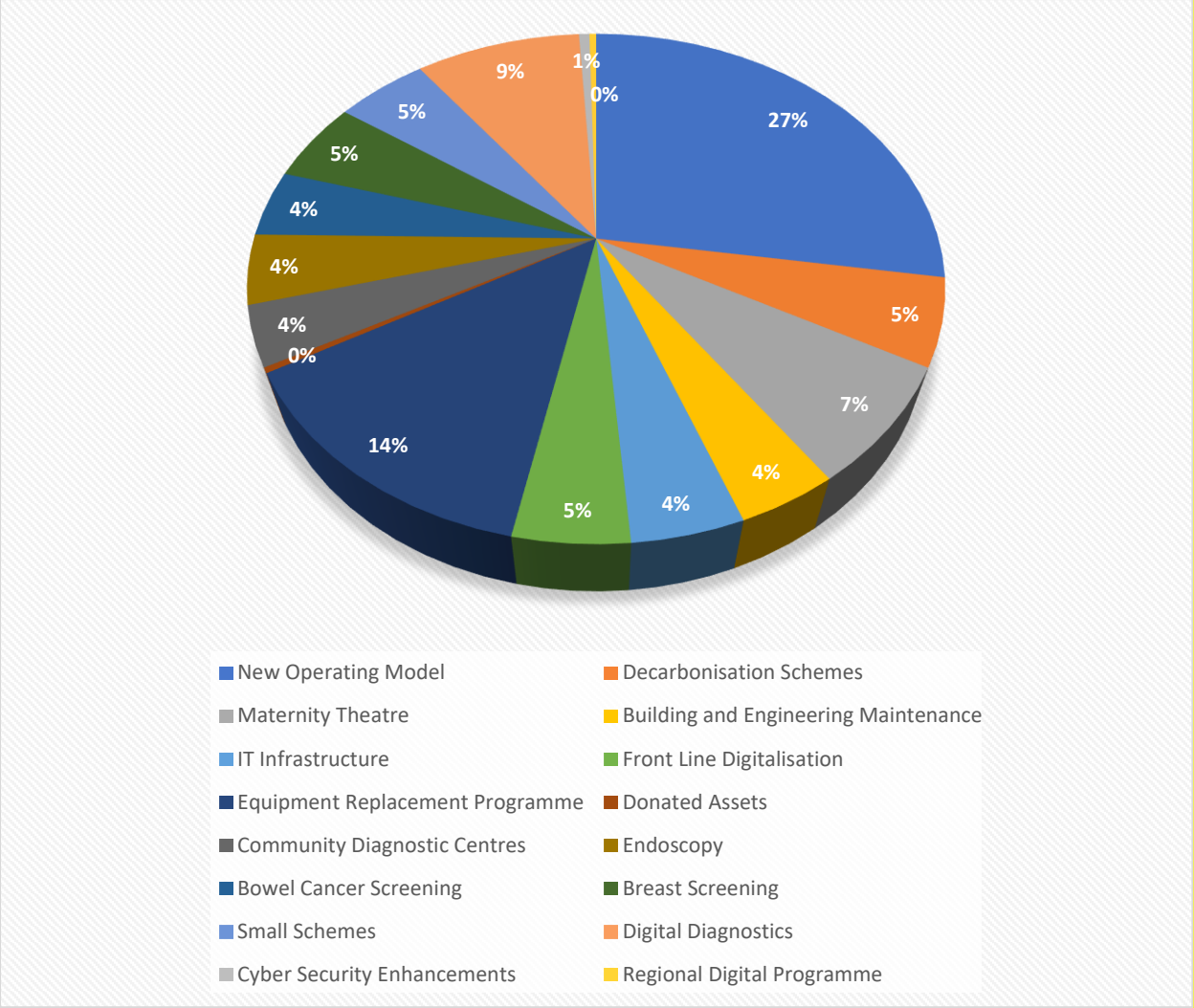
We complied with the cost allocation and charging requirements set out in HM Treasury and Office of Public Sector Information guidance. This is relevant to areas such as Payment by Results, the mechanism by which we receive some of our income, and the production of the annual Reference Cost Return.

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. In 2022/23 86.5% of invoices (96.1% of value) met this standard. Detailed performance against the Code can be found in note 3.4 to the Financial Statements.

Fees and charges levied by the Group did not exceed £1m and were not otherwise material to the accounts. 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 £60k, although the total amount of interest actually paid in discharge of any such liability was nil.

Capital expenditure

Capital expenditure for the year was £13.275m. Funding for the capital programme was made available from internal depreciation, cash, charitable funds, grant income and external funding of £4.297m.



Looking ahead – our financial plan

The national financial framework has been revised for 2023/24 to reflect the changing environment, pressures and the move away from Covid arrangements. The funding broadly consists of a block contract with variable elements or Elective Recovery Fund (ERF) to facilitate the recovery of elective waiting times and list size, with a significant reduction in Covid funding.

Based on this and a continuation of levels of expenditure seen in 2022/23 the Group has planned for a deficit of £12.588m. 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 a number of recognised risks to the planned position:

- The assumed level of income from the ERF, dependent on delivery at both a local and system level;
- The assumed level of income from variable activity, dependent on delivery at a local level;
- The delivery of capital schemes to enable recovery;
- The delivery of our efficiency requirement; and
- The impact of delivery of efficiencies and funding flows on the liquidity position.

We will monitor and seek to mitigate the elements of these risks which are within our control.

Audit of the accounts

The full accounts are included at the end of this report. They have been prepared under the Direction issued by NHS England under the National Health Service Act 2006.

The accounts have been fully audited, and the appropriate certificate is included within the body of the accounts.

The Board of Directors acknowledge their responsibilities for the financial statements included in this report. All of the accounting records have been made available to the auditors for the purpose of their audit and all transactions undertaken by the Trust have been properly reflected and recorded in the accounting records. All other relevant records and related information has been made available to the auditors.

The Board is also satisfied that there are no issues arising since the balance sheet date that would materially affect the 2022/23 accounts.

QE Facilities

As outlined earlier in this report, QE Facilities provides non-clinical services to the Trust and other clients, with the aim of generating financial contributions to aid our overall sustainability, as well as supporting innovation and improvement.

Our QE Facilities **Transport** business continued to deliver a high quality service, both to the group and external partners. The service was inspected by CQC in August 2022 for the first time since its launch in March 2021. The patient transport services were awarded a 'good' rating, with 'good' ratings achieved across all five domains.

Our **medical engineering** team rolled out an innovative asset tracking system across the whole of the hospital site meaning we can now track the location of medical equipment devices in real time, optimising equipment and staff utilisation. We were shortlisted for a Global RFID (Radio Frequency Identification) Journal Award in the category of Best RFID or IoT (Internet of Things) Health Care Implementation and were awarded as runner ups.

We implemented our first departmental ISO (Internal Organisation for Standardisation) 14001 accreditation (Environmental Management) within the Medical Engineering Department, supporting our commitment to the group's sustainability plan. The next steps are to extend the accreditation across other departments with QE Facilities.

Our **estates** team have worked closely with the Trust to support key workstreams, such as our New Operating Model implementation, and to enhance our buildings to deliver patient care.

Our **Central Sterile Services Department (CSSD)** expanded its ISO accredited service to incorporate a new sterilisation technology within the department to support the implementation of robotic surgery within the Trust. The equipment used during robotic surgery has very specific cleaning requirement due to the complexity of the instrumentation and the fragility of the scopes. This necessitated the implementation of a low temperature sterilisation technology, which greatly differs from the existing sterilisation process within SSD - the low temperature steriliser uses chemical to sterilise as opposed to steam used within the rest of the department.

As referred to in last year's report, QE Facilities had entered into a project to design and manufacture **masks** with a unique anti-viral layer in collaboration with an external company. The project continued into 2022/23, but despite best endeavours it was ultimately not deemed to be viable and the project was ceased towards the end of the year.

Environmental matters

The Trust is committed to ensuring that the care it provides our patients has minimal impact on the environment to ensure a healthy future for current and future generations.

The Group Sustainability Committee is comprised of leaders and experts from across the Trust, bringing together our ambitions and plans to meet our sustainability and net zero objectives.

The Trust Green Plan 2022 - 2025 was launched in April 2022 detailing our vision, which is to be a leader in sustainable healthcare within the NHS, to the benefit of our local community.

Our objectives to support this vision are:

- To have an educated and engaged workforce who embed sustainability in their everyday actions;
- To improve local air quality through reducing and eliminating (where possible) emissions from vehicles;
- To achieve net zero of our NHS Carbon Footprint by 2040 and NHS Carbon Footprint Plus by 2045 (this is aligned to NHS "Delivering a 'Net Zero' Health Service" Report); and
- To ensure that our activities and care benefit the wider local community.

The Green Plan identifies actions to be taken to deliver our vision and objectives across nine key areas:

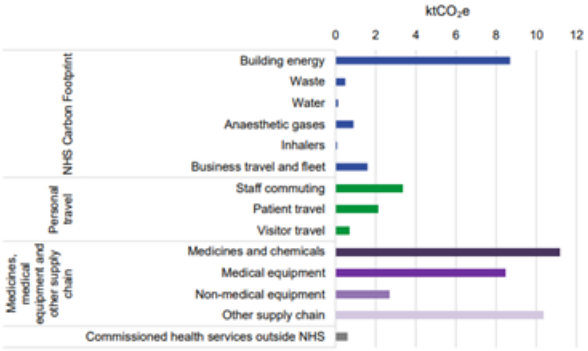
1. Workforce System & Leadership
2. Sustainable Models of Care
3. Digital Transformation
4. Travel & Transport
5. Estates & Facilities
6. Medicines
7. Supply Chain & Procurement
8. Food & Nutrition
9. Adaptation

In late 2022 NHS England and Greener NHS published each trust's NHS Carbon Footprint and NHS Carbon Footprint Plus for the year 2019/20 as a baseline year using data from ERIC and other sources.

Trust contributions to the NHS Carbon Footprint Plus

Region	NORTH EAST AND YORKSHIRE
ICS	NHS NORTH EAST AND NORTH CUMBRIA ICB
ICS code	QHM
Trust	GATESHEAD HEALTH NHS FOUNDATION TRUST
Trust code	RR7

NHS Carbon Footprint	**11,894**	**tCO_2e**
Building energy	*8,695*	tCO_2e
Waste	*491*	tCO_2e
Water	*134*	tCO_2e
Anaesthetic gases	*896*	tCO_2e
Inhalers	*78*	tCO_2e
Business travel and fleet	*1,600*	tCO_2e
Personal travel	**6,091**	**tCO_2e**
Staff commuting	*3,328*	tCO_2e
Patient travel	*2,096*	tCO_2e
Visitor travel	*667*	tCO_2e
Medicines, medical equipment and other supply chain	**32,703**	**tCO_2e**
Medicines and chemicals	*11,175*	tCO_2e
Medical equipment	*8,480*	tCO_2e
Non-medical equipment	*2,675*	tCO_2e
Other supply chain	*10,373*	tCO_2e
Commissioned health services outside NHS	**575**	**tCO_2e**
NHS Carbon Footprint Plus	**51,262**	**tCO_2e**



The table and graph above show our total NHS Carbon Footprint Plus is an estimated 51,000 tonnes of CO2e in the 12-month period. The highest areas include medicines and chemicals, other supply chain and building energy. This helps us to understand our highest carbon intensity areas and therefore where we should focus our time to achieve the best carbon savings per pound spent.

The Group is committed to reducing our emissions further and throughout 2022/2023 continued a proactive approach to sustainability undertaking the following actions which resulted in some of the positive reductions seen in the data:

- Installation of air source heat pumps and solar panels to generate net zero energy;
- The majority of the Trust Board & QE Facilities' Board Members are certified as carbon literate ensuing that our Boards are educated and committed to our targets and what they mean for the health of the local community;
- Habitat creation and management plans for all sites to improve biodiversity of native species and participation in the "30 Days Wild" campaign with Durham Wildlife. We also undertook a beach clean;
- The ESR 'Building a Net Zero NHS' module is now available for all staff to complete;
- Relaunched the Green Champions role to formally engage and promote sustainability within each business unit;
- A travel survey was undertaken in January 2023 to identify areas of improvement in reducing emissions from staff commuting;
- A Heat Decarbonisation Plan for the Queen Elizabeth Hospital site is near finalisation;
- Improved access to recycling across all areas of the Trust, along with the addition of glass and food waste going forwards;
- We increased the use of offensive waste following the pandemic, reducing clinical waste in line with NHS England targets. Looking at the data more closely the volume of hazardous waste decreased 24%, whilst the volume of non-hazardous waste increased 33% compared to the previous year through the work undertaken to revert back to pre-pandemic practice and increase the overall use of the non-infectious waste stream. Overall waste volumes decreased by 27% this year compared to 2021/22; and
- We implemented procurement regulations PPN06/20 and PPN06/21 to ensure our suppliers our committed to social value and carbon reduction in line with our targets.

These highlights are just a small snapshot of the work undertaken over the last 12 months and the Sustainability Committee will continue to progress the remaining actions across the Green Plan over the coming 12 months to ensure we meet our 2025 objectives.

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

For 2022/23, NHS England added a number of standards to self-assess against (increasing from 46 in the previous year to 64) as well as some additional evidence requirements for the submission.

A deep dive review was also conducted to gain additional assurance into a specific area, with the subject for this year's submission being 'Evacuation and Shelter'.

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 been 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 recurring waves of operational pressures and preparation for industrial action.

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

With the introduction of the Health and Care Act 2022, this year's assurance process reflected the establishment of ICBs as Category 1 responders and their local NHS leadership role. This includes the requirement to undertake a self-assessment against the core standards and lead the NHS locally to agree the process to gain confidence of organisational ratings in a peer review approach. This took place with our Trust, North Tees and Hartlepool NHS Foundation Trust and the NENC ICB in October 2022.

In addition, an internal audit was also undertaken on a sample of the Trust's self-assessment that received a substantial assurance rating in October 2022. This was based on an assessment of the processes and controls used to formulate our self-assessment.

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

Domain	Total Applicable Standards	Fully Compliant	Partially Compliant	Not Compliant	Not Applicable
Governance	6	6	0	0	0
Duty to risk assess	2	2	0	0	0
Duty to maintain plans	11	8	3	0	0
Command and control	2	1	1	0	0
Training and exercising	4	2	2	0	0
Response	7	7	0	0	0
Warning and informing	4	4	0	0	0
Cooperation	4	3	1	0	0
Business continuity	10	6	4	0	0
CBRN	14	11	3	0	0
Total	64	50	14	0	0

Deep Dive	Total Applicable Standards	Fully Compliant	Partially Compliant	Non Compliant	Not Applicable
Evacuation and Shelter	13	10	3	0	0
Total	13	10	3	0	0

This assessment shows that the Trust's current compliance is **78%** which provides a rating of **partial compliance** (as of 20 September 2022).

An action plan has been produced which outlines mitigating actions for those areas of partial compliance and a timeline to enhance Trust resilience. The priorities include:

- Review of the Mass Casualty and Major Incident Plan;
- Review of the Adverse Weather Plan (as part of the Winter Planning for 2023-24);
- Implementation of a new Business Continuity Management System;
- Continued training and exercising across a number of domains; and
- Review of evacuation and shelter.

Our aim is to place ourselves in the best possible position for the 2023 NHSE Core Standards programme.

Addressing health inequalities

We developed a Health Inequalities strategy which aligns to the Gateshead Health and Wellbeing Strategy. Our aim is that the people of Gateshead will live more years in good health, closing the gap in healthy life expectancy between people living in the most and least disadvantaged communities in Gateshead. We are seeking to ensure that people's experience of using services will be better. Our staff will be working in a way that embraces our organisation's core values and beliefs, ensuring our planned care reflects what is affordable and sustainable to meet the health needs for the community of Gateshead.

We are using the framework for action across the NHS: Core20plus5 is NHS England's new approach to tackling health inequalities for both adults and children to identify the key actions to address Health Inequalities and an improvement plan has been developed. Progress against these plans is presented to the Health Inequalities Board which has representatives from across the Trust as well as our partners in public health.

We have continued to develop our Acute Tobacco Service, alcohol navigators, and have appointed a homelessness nurse. Service developments have also included areas such as, learning disabilities, translation services, admiral nurses, working with local foodbanks as well as carrying out health inequalities and clinical research.

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 2022/23 we continued to work closely with Citizens' Advice Gateshead (CAG) to support the social welfare needs of both our patients and our people. We work alongside CAG to ensure our cancer service patients receive easy, direct access to social welfare advice, information and advocacy services

The CAG team work closely with our health and wellbeing team to ensure we promote and support our colleagues to access this service. This has been particularly important given the cost of living increases that we have experienced in 2022/23. 62 of our people were supported by CAG and through this support over a third were better off, either through financial gain, a reimbursement, referral for charitable support or the rescheduling of payments. On average these individuals saw an annual increase in income of £3,500.

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. The policy was revised and launched in April 2022 and now includes a new counter-fraud champion role, whose role is to support and promote the fight against fraud at both strategic and operational levels, working alongside the Local Counter Fraud Specialist. 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). Our Human Rights and EDI programme board continued to oversee several workstreams and help us 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.

The Trust has continued to meet its obligations in respect of the Public Sector Equality Duty by:

- Gathering specific and relevant data as per the EDI metrics for both the Workforce Race and Disability Standards (WRES /WDES);
- A specific detailed EDI action plan in respect of theses metrics has been produced and has measurable outcomes; and
- A Human Rights Equality Diversity and Inclusion Programme Board meets on a six weekly basis. This is chaired by the Deputy Director of Corporate Services and Transformation.

The Trust has launched a three day training programme aimed at managers. There have been 26 cohorts since it was launched and 307 managers have attended. One of the programme sessions is focussed on EDI. The sessions are also interactive and the programme (including the EDI session) has evaluated well with 100% of participants stating

that the programme fully met their expectations. EDI is also part of the induction programme for all new employees to the Trust. A bespoke EDI session is also offered to all of the international nurses.

The Trust has signed up to work with Stonewall - a charity dedicated to ensuring that every single lesbian, gay, bi and trans person is accepted without exception. We believe that partnering with Stonewall will help us drive real change.

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.

Following the Health and Care Act 2022, the Government introduced a requirement for CQC registered service providers to ensure their employees receive learning disability and autism training appropriate to their role. This is to ensure health and social care workforce have the right skills and knowledge to provide safe, compassionate, and informed care to autistic people and people with a learning disability. We have taken steps to address this and an initial session around neurodiversity has been delivered. Further sessions are being planned for rollout during 2023/24.

Some of our achievements in relation to EDI are as follows:

- Drop-in sessions pertinent to disability have been hosted by the D-Ability Network members;
- The BAME group contributed significantly in ensuring the Trust celebrated Black and South Asian History month; and
- Members of the LGBTQ+ group were involved in the local Pride events.

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.

Trudie Davies
Chief Executive
28 June 2023

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, Trudie Davies, leads the Executive Team and the organisation.

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 2022/23 there were several changes in Board composition.

Yvonne Ormston MBE, Chief Executive, retired in February 2023 after nearly 38 years of service to the NHS. She had served as an Executive Director on the Board from 2005 to 2014, returning to Gateshead Health in 2019 to become the Chief Executive. Yvonne led the organisation through the pandemic, as well as playing a leading role in coordinating the pathology services across the North East and North Cumbria.

In March 2023 we welcomed Trudie Davies as the new Chief Executive. Trudie brings with her a wealth of experience and knowledge, having worked in the NHS for over 30 years, most recently as Deputy Chief Executive and Chief Operating Officer at Mid Yorkshire Hospitals NHS Trust.

In September 2022, Jackie Bilcliff, Group Director of Finance and Digital and Deputy Chief Executive, left the Trust to join the Board of Newcastle-upon-Tyne Hospitals NHS Foundation Trust. The Board welcomed Kris Mackenzie to the role of Group Director of Finance and Digital. Kris had worked at the Trust since 2018 in a number of senior finance roles and has worked in NHS finance for over 20 years.

Dr Mojgan Sani, Associate Non-Executive Director, left the Board in May 2022 following the completion of her placement with the Trust as part of the NHS England NExT Director development scheme. The scheme is aimed at taking positive action to increase the diversity of the NHS talent pool of people who aspire to be NHS non-executive directors.

In May 2022 the Council of Governors approved the re-appointment of Alison Marshall, Chair, for a second term of three years, which commenced on 1 October 2022. In February 2023 the Council of Governors approved the re-appointment of Hilary Parker and Andrew Moffat, Non-Executive Directors, for a second term of three years commencing on 1 July 2023.

As at the year-end the process for the recruitment of two new Non-Executive Directors had commenced in anticipation of Dr Ruth Bonnington and Councillor Martin Gannon completing their second terms at the end of June 2023.

In respect of our wholly-owned subsidiary, QE Facilities, there have also been a number of changes in Board composition. John Robinson, QE Facilities Non-Executive Director, reached the end of his tenure on 30 September 2022. On the recommendation of the QE Facilities' Board, the Trust Board approved the appointment of Maggie Pavlou to the position of QE Facilities' Non-Executive Director from 1 October 2022 to 30 September 2024 (coterminous with her first term as a Non-Executive Director on the Trust Board).

Ben Walker, QE Facilities Finance Director, left the company in October 2022, with the role being undertaken by Philip Glasgow initially on an interim basis, with his substantive appointment confirmed post-year end.

Anthony Robson, QE Facilities Managing Director, left the company at the end of March 2023 to pursue new opportunities. Anthony had worked for Gateshead for nearly 40 years, where he had started his career. Steven Harrison was appointed as Interim Managing Director, commencing in post in early April 2023.

The Trust Board of Directors would like to formally record its sincere thanks to all Board colleagues who left the Trust and QE Facilities during 2022/23.

The Trust Board held 19 meetings in total in 2022/23 (counting public and private Board meetings separately). 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 19 meetings in total	Group Audit Committee 7 meetings in total	Board Remuneration Committee 7 meetings in total	Council of Governors 8 meetings in total
Executive Directors					
Trudie Davies, Chief Executive (from March 23)	Trudie joined the Trust from Mid Yorkshire Hospitals NHS Trust where she had held the role of Deputy Chief Executive and Chief Operating Officer. Originally training as a nurse, Trudie has significant operational management experience and system leadership experience.	3 of 3	N/a	0 of 0	0 of 0
Yvonne Ormston, Chief Executive (to February 23)	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.	15 of 16	N/a	2 of 2	7 of 8
Kris Mackenzie, Group Director of Finance and Digital (from September 22)	Kris joined the Trust in 2018 as Assistant Director of Finance, having previously held the position of Senior Finance Lead at NHS Improvement. Kris became Deputy Director of Finance in 2019, was Acting Group Director of Finance during the 2021/22 financial year and substantively appointed to the role in September 22.	13 of 13	5 of 5 (since joining the Board)	N/a	3 of 8
Jaqueline Bilcliff, Group Director of Finance and Digital and Deputy Chief Executive (to September 22)	Jackie Bilcliff was our Group Director of Finance and Digital and had worked for the Trust since 2014. Jackie qualified in 1996 with CIPFA and has held several positions within the private, health, and criminal justice sectors. Jackie was also Deputy Chief Executive from January 2022.	4 of 7	2 out of 2	N/a	2 of 2
Joanne Baxter, Chief	Joanne joined the Trust in June 2020 as the Chief	15 of 19	N/a	N/a	3 of 8

Name and Position	Background	Board 19 meetings in total	Group Audit Committee 7 meetings in total	Board Remuneration Committee 7 meetings in total	Council of Governors 8 meetings in total
Operating Officer	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.				
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 Maternity and Neonatal System.	13 of 19	N/a	N/a	3 of 8
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	16 of 19	N/a	6 of 7	3 of 8

Name and Position	Background	Board 19 meetings in total	Group Audit Committee 7 meetings in total	Board Remuneration Committee 7 meetings in total	Council of Governors 8 meetings in total
	is a Governor at Gateshead College.				
Dr Gillian Findley, Chief Nurse	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.	16 of 19	5 of 7	N/a	6 of 8
	Non-Executive Directors				
Alison Marshall, Chair (reappointed for a second term commencing 1 October 22)	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.	19 of 19	N/a	7 of 7	8 of 8
Mike Robson, Vice Chair and Senior Independent Director (second term ends 30 June 24)	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	16 of 19	N/a	6 of 7	8 of 8

Name and Position	Background	Board 19 meetings in total	Group Audit Committee 7 meetings in total	Board Remuneration Committee 7 meetings in total	Council of Governors 8 meetings in total
	out a similar role at the Royal Victoria Infirmary, Newcastle.				
Dr Ruth Bonnington (second term ends 30 June 23)	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 and is now Chair of the People and OD Committee as well as being health and wellbeing guardian.	15 of 19	N/a	4 of 7	3 of 8
Councillor Martin Gannon (second term ends 30 June 23)	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.	15 of 19	N/a	1 of 7	8 of 8
Hilary Parker (reappointed for a second term commencing 1 July 23)	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.	15 of 19	5 of 7	6 of 7	3 of 8
Andrew Moffat (reappointed for a second term	During his executive career, Andrew has gained experience in the water, telecommunications and ports sectors, occupying	19 of 19	7 of 7	7 of 7	8 of 8

Name and Position	Background	Board 19 meetings in total	Group Audit Committee 7 meetings in total	Board Remuneration Committee 7 meetings in total	Council of Governors 8 meetings in total
commencing 1 July 23)	senior financial, commercial and strategic roles both in the UK and internationally. He was Strategy Director at Orange, 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 (first term commenced 1 July 21)	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.	17 of 19	6 of 7	6 of 7	6 of 8
Maggie Pavlou (first term commenced 1 October 21)	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 North East Chamber of Commerce. Maggie joined the Board of	15 of 19	3 of 7	6 of 7	6 of 8

Name and Position	Background	Board 19 meetings in total	Group Audit Committee 7 meetings in total	Board Remuneration Committee 7 meetings in total	Council of Governors 8 meetings in total
	QE Facilities on 1 October 22.				
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.	0 of 3	N/a	0 of 1	0 of 2

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 2022/23, 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 receiving updates on the work of the Group's Executive Risk Management Group.

In 2022/23 the Committee:

- Reviewed the annual report, financial statements and other year-end submissions for the Trust and the Charitable Fund before making recommendations to the respective Boards on the approval of these key documents;
- Reviewed the year-end accounts for QE Facilities, which had been submitted following the approval of the QE Facilities Board;
- Sought assurance over the robustness of risk management processes including the Board Assurance Framework (BAF), with regular update reports from the Executive Risk Management Group. This also helped to provide assurance over the work of the Board committees;
- Reviewed and commented upon the draft Risk Management Strategy as part of its consultation;
- 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 2021/22 year-end, as well as the external audit plan for 2022/23;
- Approved the losses and special payment reports;
- Reviewed the clinical audit annual report, seeking assurance over the processes and controls in place to develop and deliver the plan; and
- Reviewed the effectiveness of internal audit, external audit, counter-fraud and the effectiveness of the Committee itself. This was undertaken in a multi-disciplinary way with the aim of identifying good practice and any areas for consideration going forwards.

Mazars LLP are the Trust's external auditor, as appointed by the Council of Governors. The audit of the 2022/23 accounts is the second year of an initial three year contract. Mazars LLP's fee for the core audit work for 2022/23 was £95k.

Mazars LLP also undertake the audit of QE Facilities and a fee of £16k is proposed for 2022/23.

Mazars LLP had been contracted to complete the independent examination of the Charitable Fund for 2021/22, but due to capacity this was not possible and Robson Laidler were appointed as an interim measure to complete the audit before the statutory deadline of 31

January 2023. The fee for this work was £5,400. Robson Laidler will undertake the 2022/23 audit for the same fee.

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;
- Six public Governors representing the Western Gateshead constituency;
- One public Governor representing the Eastern Gateshead constituency (and two vacant positions at the year-end);
- One public Governor representing the Patient / Out-of-Area constituency;
- Six staff Governors representing the views and interests of the colleagues; and
- Four appointed Governors representing the Trust's key stakeholders and partners (and 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 and annual plans 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 four times in public and four times in private during the year. The Council received weekly email bulletins to inform Governor colleagues of the latest updates and developments throughout the year.

In addition Governor workshops were held in May 20022, November 2022 and January 2023. This included opportunities to engage in the development of the corporate strategy, Quality Account for 2022/23 and the annual plan for 2023/24.

The November workshop was a full day training event, which was delivered by NHS Providers. This included topics such as the role of the Governor, the role of Governors in system working and holding to account. An action plan was developed following the training and the Governance and Development Committee has monitored the implementation of the agreed actions.

The Governance and Development Committee met for the first time in June 2022. This is a new Governor committee, which is chaired by the Lead Governor, and seeks to review a range of governance-related items on behalf of the Council. The Committee then makes recommendations to the Council where appropriate. During the year the Committee reviewed draft versions of key NHS England governance documents to inform the Trust's consultation response. This includes the new Code of Governance and the Addendum to the Guide for Governors. The Committee also undertook the first review of a proposed constitutional change, as well as the results of the Council of Governors' effectiveness survey.

The Governor Remuneration Committee is chaired by Chris Toon, Appointed Governor for Gateshead College. The Committee met 3 times during the year to consider items within its remit, including Non-Executive Director remuneration, the re-appointment of the Chair and Non-Executive Directors and to commence the recruitment to two Non-Executive Director posts. The Committee made recommendations to the Council of Governors on these items.

Information on the Membership Strategy Group is included in the *Foundation Trust membership* section.

During 2022/23 the Council of Governors considered a range of items, which included:

- Ratifying the re-appointment of the Chair and two Non-Executive Directors – Hilary Parker and Andrew Moffat;
- Approving the appointment of the Chief Executive;
- Approving the appointment of the Lead Governor;
- Providing valuable input into the Quality Account for 2022/23;
- An overview of the engagement work being undertaken with schools and colleges in the local area to encourage young people in the community to consider a career with the Trust;
- Approving several constitutional amendments to modernise our membership categories and ensure that they are fit for purpose;
- Receiving Board committee presentations from each Non-Executive Director chair, supporting the Council in its role of holding Non-Executive Directors to account;
- Engaging in the annual planning process and providing feedback on the draft plans;
- Reviewing the outcome of the Council of Governors' effectiveness survey to shape future ways of working; and
- 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.

Governor elections 2022/23

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 were held for nine public Governor positions and two staff Governor positions. Contested elections were held for our Central Gateshead and staff constituencies, with Eastern and Western Gateshead seats unopposed. Two vacancies remained in Eastern

Gateshead, but all other seats were filled. The terms for our elected Governors commenced on 5 January 2023.

We welcomed five new Governors:

- Ray Dennis, Public Governor for Western Gateshead;
- Gordon Main, Public Governor for Western Gateshead;
- Mark Learmouth, Public Governor for Central Gateshead;
- Kiran Singisetti, Staff Governor; and
- Lynsey Curry, Staff Governor.

We welcomed back public Governors Des Costello, Les Brown, Abe Rabin, Steve Connolly and Helen Jones for a further term.

The table below shows the composition of the Council during the 2022/23 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	Third term: 5 January 2020 – 4 January 2023 *Left the Council 14 October 2022*	0 of 3
	John Bedlington	First term: 5 January 2019 – 4 January 2022 Second term: 5 January 2022 – 4 January 2025	5 of 8
	Helen Jones	First term: 5 January 2017 – 4 January 2020 Second term: 5 January 2020 – 4 January 2023 Third term: 5 January 2023 – 4 January 2026	5 of 8
	Abe Rabinowitz	First term: 5 January 2017 – 4 January 2020 Second term: 5 January 2020 – 4 January 2023 Third term: 5 January 2023 – 4 January 2026	6 of 8
	Karen Tanriverdi	First term: 5 January 2018 – 4 January 2021 Second term: 5 January – 4 January 2024	8 of 8
	Brenda Webb	First term: 5 January 2022 – 4 January 2025	0 of 8
	Steve Connolly	First term was served as a staff Governor prior to a constitutional change. Third term: 5 January 2023 – 4 January 2026	2 of 2
	Mark Learmouth	First term: 5 January 2023 – 4 January 2024	2 of 2
Western			

Constituency	Governor	Term	Council of Governors meetings attended (maximum of 8)
	Les Brown	First term: 5 January 2020 – 4 January 2023 Second term: 5 January 2023 – 4 January 2026	6 of 8
	Chris Hulley	First term: 5 January 2020 – 4 January 2023 *Left the Council on 4 January 2023*	0 of 6
	Michael Lamport	First term: 5 January 2018 – 4 January 2021 Second term: 5 January 2021 – 4 January 2024	1 of 8
	Ged Quinn	First term: 5 January 2022 – 4 January 2025	1 of 8
	Geoffrey Riddell	First term: 5 January 2021 – 4 January 2024	3 of 8
	Gordon Main	First term: 5 January 2023 – 4 January 2025	2 of 2
	Ray Dennis	First term: 5 January 2023 – 4 January 2026	2 of 2
Eastern			
	Des Costello	First term: 5 January 2020 – 4 January 2023 Second term: 5 January 2023 – 4 January 2026	0 of 8
	Alan Dougall	First term: 5 January 2020 – 4 January 2022 Second term: 5 January 2022 – 4 January 2025 *Left the Council 24 October 2022*	0 of 3
	Barry Turnbull	First term: 5 January 2022 – 4 January 2025 *Left the Council 10 May 2022*	0 of 0
	2 vacancies remain		
Patient / Out of Area			
	Agatha Kanyangu	First term: 5 January 2022 – 4 January 2024	1 of 8
Staff			
	Helen Adams	First term: 5 January 2022 – 4 January 2024	7 of 8
	Steve Connolly	First term: 5 January 2021 – 4 January 2024 *Resigned 30 September 2022 due to constitutional change*	2 of 2
	Claire Ellison	First term: 5 January 2017 – 4 January 2020 Second term: 5 January 2020 – 4 January 2023 *Left the Council on 4 January 2023*	0 of 6
	Andrew Lowes	First term: 5 January 2022 – 4 January 2025	5 of 8
	Richard Morrell	First term: 5 January 2022 – 4 January 2025	3 of 8
	Marceline Ndam	First term: 5 January 2021 – 4 January 2024	2 of 8

Constituency	Governor	Term	Council of Governors meetings attended (maximum of 8)
	Kiran Singisetti	First term: 5 January 2023 – 4 January 2026	2 of 2
	Lynsey Curry	*First term:* 5 January 2023 – 4 January 2024	2 of 2
Appointed			
Northumbria University	Professor Debbie Porteous		3 of 8
Newcastle University	Dr Laura Ternent		1 of 8
Gateshead College	Chris Toon		6 of 8
Gateshead Jewish Community	Aron Sandler		3 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 2022/23 we provided our Governors with a number of training and development opportunities. This included a comprehensive induction, opportunities to attend external courses and a full day of external training delivered by NHS Providers' Governwell team. Quarterly Governor workshops are diarised throughout 2023/24 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 and a Deputy Lead Governor on an annual basis. In 2022/23 the Council appointed Abe Rabin as the Lead Governor, having previously served as Deputy Lead Governor and Acting Lead Governor. There were no expressions of interest for the Deputy Lead Governor role in 2022/23 and the post therefore remained vacant.

The process for appointing the Lead and Deputy Lead Governors for 2023/24 commenced in February 2023 and prior to the year-end it was confirmed that Abe Rabin would continue in his role of Lead Governor for a further period of one year, commencing on 19 May 2023. The nomination and voting period for the Deputy Lead Governor was underway at the year-end, with subsequent confirmation that Steve Connolly, Public Governor for Gateshead Central would take up post on 19 May 2023.

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. We also have an Out-of-Area constituency, which was broadened this year to be coterminous with the geographical boundaries of the North East and North Cumbria Integrated Care System (NENC ICS). Previously this had included County Durham, Newcastle, North Tyneside, Northumberland, South Tyneside and Sunderland. Broadening the constituency to align with the NENC ICS boundaries fits with the role of the Board and Council to now consider the public at large across the entire ICS when decisions are made and operate for the greatest benefit of people living within the ICS.

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 constituency areas but 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 2023, the total number of public members was 12,958, compared to 13,344 at 31st March 2022. Our public membership profile as at 31st March 2023 was as follows:

Population/Public Membership Ratio at 31st March 2023				
	Western	**Central**	**Eastern**	**Out of Area**
Population	77,471	92,828	41,615	Unknown
Membership	3,416	6,792	2,225	525
%	**4.4**	**7.3**	**5.3**	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%	34.9%
Female	51.6%	64.9%
Unknown		0.2%
Age		
Under 16*	19.3%	n/a
16 – 19	4.9%	0.3%
20 – 29	11.4%	4.8%
30 – 59	41.6%	37.0%
60 – 74	15.2%	27.1%
75 and over	7.6%	29.8%
Age unknown		1.4%
Ethnic Breakdown		
White	98.4%	90.2%
Other	1.6%	2.5%
Unspecified		7.3%

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 2023 was 5,179 (compared to 4,891 members as at 31st March 2022).

Governor engagement with members began to recommence in 2022/23. The Membership Strategy Group met for the first time since the start of the pandemic and have begun to discuss plans to re-engage with the Trust's membership and recruit new members. Governor colleagues helped to promote membership to the local community at the Open Day which was held in October 2022.

Mandatory declarations

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.

Well-led arrangements

The Board has demonstrated due regard to well-led principles and the well-led framework throughout the year. This included commissioning an independent review of compliance with the well-led aspect of the CQC framework. This work was undertaken by the Good Governance Institute (GGI) and involved a desktop review of documentation, interviews, focus groups and observations of the Board and Board committees.

The review concluded in March 2023 with GGI concluding that *'overwhelmingly, we found that the Trust was safe, caring, effective, responsive and well-led'*. The review identified some areas for further development and improvement, as well as areas of good practice. At the year-end a comprehensive thematic review was being undertaken to collate and analyse feedback from a number of sources and identify any additional workstreams needed to support the implementation of improvements. This demonstrates a commitment to continuous improvement and a focus on the importance of ensuring effective governance.

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

Patient care

Continuously improving the quality and safety of our services for patients is one of our strategic aims under the new corporate strategy, which was launched in May 2022. Providing high quality and compassionate care is at the heart of everything we do.

2022/23 saw the reintroduction of the Commissioning for Quality and Innovation (CQUIN) financial incentive scheme, which had been suspended during the first two years of the pandemic. A notional monetary total of £2.781m of the Trust's income in 2022/23 was conditional upon achieving quality improvement and innovation during the year.

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.

Quality is measured through three key domains – patient safety, clinical effectiveness and patient experience. Trust performance is measured against a mixture of nationally mandated indicators and locally determined measures.

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. The SHMI has improved during the year (December 2021 to November 2022) and is now lower than expected. The Trust reviews its SHMI monthly at the Mortality and Morbidity Steering group.

The Hospital Standardised Mortality Ratio (HSMR) shows a reduction compared to the previous year, with a figure of 100.1 for the period February 2022 to January 2023, which is just slightly higher than the threshold of 100. During the year 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 heart failure cases, identifying aspects of good practice and opportunities for learning.

Measure	2020/21	2021/22	2022/23	Target
HSMR	107.0	114.4	100.1*	<100
SHMI Period	Apr 20 to Mar 21	April 21 to March 22	Dec 21 to Nov 22	
SHMI	1.00	1.01	0.87	<=1
SHMI Banding	As expected	As expected	Lower than expected	As expected or lower than expected

*HMSR figures cover February 2022 to January 2023.

With regards to key safety metrics:

- The rate of harm falls per 1,000 bed days was 2.17, below the threshold of 2.25, although the ratio of harm to no harm falls did increase from 22% in 2021/22 to 24% in 2022/23. We have a falls prevention group in place and strengthening the work of this group is one of our quality priorities for 2023/24;
- There were no never events during 2022/23;
- Our patient incidents per 1,000 bed days reduced to 38.3 compared to 38.92 in the previous year;
- There were no MRSA bacteraemia apportioned to the Trust post-48 hours of admission; and
- There was an increase in clostridium difficile infections post 72 hours of admission from 32 to 40, breaching the threshold of 32. A deep dive exercise was being undertaken at year-end to understand themes and trends and identify learnings.

With regards to patient experience, our Friends and Family test scores continued to be high, with 92% of responses being positive as at March 2023.

Monitoring quality compliance

A robust monitoring plan has been enacted to ensure CQC compliance and quality of care. Two assessment tools were in place during 2022/23 and were 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); and
- 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 Senior Management Team Meeting and escalated to the Executive Compliance Group as appropriate.

In September 2022 our medicine optimisation service received a 'good' rating from the CQC. The service was inspected as part of a pilot. The service was rated as 'outstanding' in the effective and responsive domains, 'good' in the well-led and caring domains and 'requires improvement' in the safe domain. A number of areas of good practice were highlighted and for the areas highlighted for improvement, plans were put in place swiftly to address the issues identified.

The patient transport aspect of QE Facilities was inspected by CQC in August 2022 for the first time since its launch in March 2021. The patient transport services were awarded a 'good' rating, with 'good' ratings achieved across all five domains.

Service developments

We continued to develop and enhance our services during the year to ensure we provide the best possible care to our patients.

We have continued to implement our **new operating model** transformational programme with the overall aim of reducing admissions, reducing length of stay and supporting the recovery of elective waiting lists. This work commenced in July 2021 and has continued throughout 2022/23, as this is a three year project. The project has involved a number of estates reconfigurations, the launch of Same Day Emergency Care (SDEC) and the development of direct pathways. Good progress has been made against the original objectives of the programme, although the full benefits have not yet been realised due to a number of factors including winter pressures, operational activity surges and ward moves. Benefits which have been realised to-date include:

- Improved utilisation of our discharge lounge, which frees up inpatient beds quicker;
- SDEC has had a positive impact on reducing admissions, although this had not translated into a reduction in the bed base during the year due to an increase in average length of stay. This is a key workstream and Trust priority for 2023/24;
- Development of clinical pathways directly into SDEC, including the falls car service, referrals directly from North East Ambulance Service NHS Foundation Trust (NEAS), chest pain, gynaecology and orthopaedics; and
- Positive patient feedback on the impact of SDEC which demonstrates that 89.4% of patient surveyed rated their overall experience in the unit as 'good'.

In March 23 we became the first NHS organisation in Europe to start using the **Pristina pod for breast cancer screening**. The pod uses a 3D mammography system for screening. It is also designed to be more comfortable for patient positioning, easing anxiety and discomfort. The positioning of the pod on our estate allows easier access to appointments for our patients and helps to increase the capacity of our clinics.

In response to the NHS priority of addressing tobacco dependence within acute trusts, and as an evidenced based strategy for reducing readmissions, creating bed capacity and reducing costs as well as contributing to longer term health prevention – we established an **Acute Tobacco Dependence Treatment Team**.

Led by a Specialist Public Health Midwife and supported by one of our Clinical Leads the team are proactively reaching out to all expectant mothers who have elevated carbon monoxide readings at booking, offering immediate stop smoking support and advice along with products and ecigarettes to support them staying tobacco free throughout their pregnancy. The aim is to reduce the number of mothers on 'high risk' antenatal care pathways, reducing demand on ultrasound capacity, risks of miscarriage and stillbirth and requirements for Special Care Baby Unit stays. Smoking at time of delivery rates have reduced from 21% near the beginning of the pandemic to 13%.

Similarly our adult inpatients who smoke are all being offered bedside support and products to remain tobacco free whilst in hospital and supported beyond discharge to embark on a quit attempt. This reduces readmissions by 15% and improves long term management and outcomes of many conditions, such as COPD, cardiovascular disease, diabetes and wound healing following surgery.

The team have received regional and national recognition for being early implementers, featuring on BBC Breakfast news, presenting to All-Party Parliamentary Groups in Westminster and contributing to NHSE national planning groups.

We also continued to explore the use of **artificial intelligence** (AI), working with Kheiron Medical Technologies as part of the NHS Artificial Intelligence in Health and Care Award. In 2022/23 Kheiron's AI platform, Mia, was used as an audit tool on recently reported breast screening mammograms. This helps our clinical teams understand and provide feedback on how AI might support the national breast screening programme in the future.

We opened a **new state of the art maternity theatre** in August 2022, increasing the capacity for planned and emergency operations to take place. The new theatre is the second theatre room in our maternity unit and allows the unit to safely manage the increasing number of operations required, as well as reduce delays for mothers waiting for planned caesarean sections.

In 2022/23 we partnered with Newcastle-upon-Tyne Hospitals NHS Foundation Trust to secure £20m of funding to develop a **Community Diagnostic Centre** (CDC) at the Metrocentre in Gateshead. The CDC is due to open next year and will offer 145,000 appointments per year, creating 134 jobs. It will provide imaging, respiratory investigations and cardiac investigations, improving access to screening and diagnostic services outside of a hospital setting across Gateshead and Newcastle.

We launched a new pilot **recovery navigator service** in our emergency department. Our recovery navigator supports people with substance misuse issues towards a safer, healthier and more productive lifestyle by delivering bespoke interventions, both in person and through a wide range of partner agencies. The role aims to reduce the impact on emergency services and local communities, recognising that these patients are often frequent attenders at the emergency department. The recovery navigator develops links between GP practices, primary care, local authority and voluntary organisations to improve outcomes and life chances for these patients.

In 2022/23 we performed our first **robotic-assisted operations**. The benefits of robotic surgery include increased precision during the operation which leads to less pain, smaller scars and less time in hospital for recovering patients.

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.

Each weekday our Patient Experience Volunteers visit the wards and spend time talking to patients with the aim of enhancing the experience of our patients during their time in hospital. If a patient raises any concerns, the volunteers feed this back to the ward managers and / or the patient experience team with any issues logged for early resolution.

One of our quality priorities for 2022/23 was to work with our patients as partners in improvement. During the year we held a number of co-design improvement workshops where our people and our patients have worked together to help enhance our services. A

number of notable improvements have been made as a result of these initiatives, including changes made in maternity in respect of our gestational diabetes pathway.

During the year six patients volunteered to take part in ward visits called 'Your Time to Shine' which were designed to help us to identify outstanding practice and test out our systems and processes around quality and safety in a supportive and collaborative way.

We have also worked collaboratively with the NENC ICB in the establishment of a jointly facilitated Patient Forum, with a focus on long term conditions.

Some valuable service user feedback is collated through external sources, such as CQC surveys. An example of this is the CQC maternity survey which invited people aged 16 or above that had given birth at an NHS trust between 1 February and 28 February 2022 to take part. The survey included responses relating to 121 trusts across England, with 139 responses relating to our Trust. The survey results were released in January 2023 and we were ranked eighth in England for our maternity services.

CQC also undertook an adult inpatient survey, with patients who were aged 16 or over and stayed at least one night in hospital in November 2021 able to take part. The results were released in September 2022 and we were ranked in the top 20 trusts in England.

Improvements in patient and carer information

We are continually seeking to improve the information that we provide to our patients and their carers.

During the year we have worked with an external design company to develop our information leaflets into easy read formats. This work remained ongoing at the year-end.

A patient complaint highlighted a communication accessibility issue requirement to us in relation to how we communicate with our patients regarding appointments. It was recognised that not all of our patients would be able to respond to an appointment letter in writing or by telephone (for example patients with certain disabilities). As a result of the patient feedback improvements were tested within our AAA screening and we were able to influence a change in the national letter template to enable us to add an email address for patients to contact. This learning has been taken forward across our Central Booking Team. The patient who had raised the issue was invited to attend a Board meeting and share his story and the impact of the change made, which provided valuable learning.

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.

For the year 2022/23 we received a total of 299 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 as a result 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, our

colleagues 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.

Complaints Performance Indicators	2022/23	2021/22
Complaints received	299	280
Acknowledged within three working days	299	280
Complaints closed	311	279
Closed within agreed timescale (eight weeks)	117	89
Number of complaints upheld	238 (80%)	217 (78%)
Concerns received by PALS	782	598
Number of closed complaints re-opened	34	40
Number of closed complaints referred to the Parliamentary and Health Service Ombudsman	13	8

This demonstrates that there has been a 7% increase in complaints received and an increase of 31% in respect of PALS concerns. All complaints were acknowledged within three days and 37% of complaints were closed within the agreed timescales. Whilst this is an improvement from 31% in the previous year, we still want to deliver much more timely responses for our patients and this is an area of focus in 2023/24.

We note that there has been a 2% increase in the number of complaints upheld in 2022/23. The top five main reasons for a formal complaint were in relation to:

- Communications;
- Clinical treatment – general medical group;
- Clinical treatment – surgical group;
- Clinical treatment – accident and emergency; and
- Values and behaviour (staff).

We are committed to learning from complaints and concerns raised and several initiatives have been implemented during the year including:

- The wearing of red tabards by our clinical colleagues when giving out medication to patients, which informs other colleagues not to interrupt them;
- Improved signage to help patients locate our ultrasound department in the Tranwell Unit building; and
- Improved information for male breast patients, including an information folder, a podcast and male breast cancer posters on display in the department to make male patients feel more at ease.

Stakeholder relationships

During the year we have worked closely with our partners and stakeholders to deliver core services for our patients and our colleagues. We have already outlined our partnership work with Citizens Advice Gateshead and our partnership with Newcastle-upon-Tyne Hospitals NHS Foundation Trust to develop the CDC at the MetroCentre.

The **NENC ICS** became a statutory body in July 2022. We have worked closely with partners to support the ongoing development of the ICS and the principles of place-based working. 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 standard. We have engaged in key projects commenced by the Provider Collaborative, such as the development of an aseptic manufacturing hub and proposals to work together to reduce agency costs and undertake the shared purchase of goods.

We have worked closely with ICS partners throughout the year to coordinate plans and communications around key risks such as industrial action and winter pressures.

We form part of the **North Integrated Care Partnership (ICP)**. The first North ICP Area meeting was held in March 2023 and we are committed to engaging with the ICP and supporting its goal to improve health and care outcomes as well as working together to influence the wider determinants of health within the northern patch of the NENC ICS.

During the year the Trust has continued to be an active partner of **Gateshead Cares**, the Gateshead Health and Care System Board. This is a core way in which place-based working is delivered in our area within the NENC ICS. Partners have worked to ensure increased focus on ensuring Gateshead residents are supported to thrive through collaborative working across health, social care and education.

Our community service business unit works closely in the Gateshead Care Partnership with colleagues from primary care and the local authority to seize on joint initiatives which can prevent people from requiring a hospital admission and keep them better for longer in their home.

As outlined earlier in this report a key focus has been on reducing health inequalities. We have worked with **Age UK** to introduce **Admiral Nurses** who work across physical and mental health to support individuals with dementia. We also work with **Age Concern** in facilitating supported discharge as part of our Home First approach.

We now deliver a service for people who are homeless in conjunction with voluntary sector provider **Oasis**. We host the system post for **People @ the Heart** designed to ensure that we support those with multiple and complex needs who need to access services including health, housing and social support.

We have worked with colleagues at place through the **Gateshead Health and Wellbeing Board** to effectively participate in joint initiatives to lessen health inequalities and promote effective preventative strategies with the voluntary sector such as the Strength and Balance service for those older people who are at risk of falling.

Consultation with local groups, our patients and the local community

We are regular attendees of Gateshead's Care, Health and Wellbeing Overview and Scrutiny Committee. Throughout the year we have collaborated with partners to provide updates with a particular focus on health inequalities.

As outlined earlier, we have sought feedback and input from our patients in a number of ways throughout the year. This has included co-design workshops and patient input into particular services, such as maternity.

As one of the largest employers in the area, we recognise and appreciate the part we play in the community and the corporate social responsibilities that we have. Our impact and influence goes beyond our role as a provider of healthcare services and we want to enact our role as an anchor institution to ensure that Gateshead is a fantastic place to live, work and receive care.

During the year we have engaged with our local community in a number of different ways. We welcomed local students into the hospital for a careers day to showcase the wide range of career opportunities available at the Trust. Our learning and development team have also worked closely with a wide range of local schools and colleges to educate the students about the job roles available in both the Trust and QE Facilities, which total over 1,200 different positions.

Trudie Davies
Chief Executive
28 June 2023

Remuneration Report

The Trust has in place two remuneration committees:

- In accordance with legislation, the Board has 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.

Our subsidiary company, QE Facilities, also has its own Remuneration Committee. This makes recommendations to the Trust Board's Remuneration Committee on appointment, remuneration and terms and conditions of QE Facilities' Board Members.

Within this report the term 'senior manager' is used. Guidance issued by NHS England 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 2022/23 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 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 three times during 2022/23. The Committee considered the remuneration for the Chair and Non-Executive Directors, with reference to the NHS England guidance document on remuneration alignment from 2019, as well as local benchmarking information. The Committee approved the recommendation to be prudent and retain current remuneration rates. It was agreed to review this further in 2023/24 when updated NHS England guidance on the matter may be available, following the end of the realignment period. The Committee reviewed remuneration rates again in February 2023

prior to commencing Non-Executive Director recruitment. There had been no updated guidance from NHS England and benchmarking information continued to show broad consistency with partners in the NENC ICS. In the context of the economic climate and the industrial action undertaken locally and nationally over remuneration, the Committee agreed to maintain current remuneration rates, keeping this under future review.

As outlined in the Accountability Report, the Committee supported the Senior Independent Director's recommendation to re-appoint the Chair of the Trust for a further three year term commencing on 1 October 2022. The Committee considered the Chair's annual performance appraisal outcomes, time commitment, the turnover of the Board, the length of tenure, independence and fit and proper person compliance as part of the decision-making. The Committee recommended the re-appointment to the Council of Governors and this was approved.

The Committee undertook a similar process when considering the proposed re-appointment of Hilary Parker and Andrew Moffat for a second term of three years, commencing on 1 July 2023. The Committee recommended their reappointment to the Council and this was approved.

Finally, the Committee played an integral role in the Non-Executive Director recruitment process to replace two Non-Executive Directors who would be reaching the end of their second terms on 30 June 2023. The Committee reviewed the outcome of a skills audit of the Board and supported the proposal to seek one Non-Executive Director with clinical skills and one Non-Executive Directors with transformation / change experience as a desirable criteria. The Committee also reaffirmed its commitment to actively encouraging applications from a diverse range of candidates, recognising the need for the Board to be more representative. The Council of Governors approved the proposals on the recommendation of the Committee and the recruitment process had commenced at the year-end.

Executive Directors

The Board's Remuneration Committee met seven times during 2022/23. At the beginning of the year the Committee was focussed on the recruitment of a new Group Director of Finance and Digital, following the resignation of Jackie Bilcliff to take up the Director of Finance position at Newcastle-upon-Tyne Hospitals NHS Foundation Trust. Remuneration was set in accordance with the Trust's agreed pay scale for this role.

The Committee considered the recommended Very Senior Manager (VSM) cost of living recommendations outlined in NHS England's letter to all trusts on the 2022/23 pay award. The Committee approved the recommended 3% uplift to all Executive Director positions and the QE Facilities Managing Director (on the recommendation of the QE Facilities Remuneration Committee). It is noted that this excluded the Medical Director, whose pay award would be covered separately by the medical and dental pay award.

Following the announcement of the retirement of the Chief Executive, Yvonne Ormston MBE, the Committee met to agree the process for the recruitment of a new Chief Executive. The Committee reviewed and agreed the remuneration for the incoming postholder, Trudie Davies, with reference to NHS England published scales for trusts.

Continuing discussions held in the previous year, the Committee commissioned an external review of executive pay, with Korn Ferry commissioned to provide the independent review. The report had not been considered by the Committee prior to the year-end and was due for consideration in Quarter 1 of 2023/24.

QE Facilities' Remuneration Committee

The QE Facilities' Remuneration Committee met once during the year to consider the application of the NHS England recommended 3% cost of living increase to the QE Facilities' Managing Director post for 22/23. The recommendation to mirror the pay award made to VSMs in the Trust was subsequently approved by the Trust's Remuneration Committee, as previously outlined.

Alison Marshall
Chair of the Trust Board
28 June 2023

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 Agenda for Change / Medical and Dental 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.

Component	Specific to:	Strategic Link	Maximum Possible	Description
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 the Board's remuneration committee	Additional payment for Company Directorship for Non-Executive Directors. Salary is determined by the QEF Remuneration Committee.
Expenses	All staff	Reimbursement of necessary business expenses	No limit	Reimbursed in line with the Trust's travel and subsistence policy and national terms and conditions.
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, as outlined in the Chair's statement on remuneration. 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 local benchmarking. Non-Executive Directors do not participate in any

Component	Specific to:	Strategic Link	Maximum Possible	Description
				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.
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. Pay scales 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 2022/23 we appointed 2 Board Members, both of whom are female. As a result, the voting Board is made up of 71% female directors and 29% male directors. We re-engaged with the NHS England NExT Director scheme to seek another placement following the completion of Mojgan Sani's placement in May 2022, but there were no individuals within our area. We recognise the need to continue to strive to increase the diversity of our Board and this features prominently in our recruitment campaign for two new Non-Executive Directors, which was ongoing at the year-end.

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 three times during 2022/23 and the Governor membership and attendance can be seen in the below table:

Member	Number of meetings attended (out of a maximum of 3)
Chris Toon – Appointed Governor and Committee Chair	3
Abe Rabin – Lead Governor and Public Governor for Central Gateshead	1
Les Brown – Public Governor for Western Gateshead	2
Agatha Kanyangu – Public Governor for Out of Area	3
Lynsey Curry – Staff Governor (joined the Committee in March 2023)	1 out of 1

The QE Facilities' Remuneration Committee met once during the year and was attended by both of its members – Hilary Parker, Chair of the Committee, and Maggie Pavlou, QE Facilities' Non-Executive Director.

Director and Governor expenses

There were 25 Governors in post at 31 March 2023 (the same number as at 31 March 2022) and no Governors claimed expenses during the year (compared to 1 Governor claiming expenses totalling £78.70 in 2021/22).

As at 31 March 2023 there were 16 Board Members on the Trust and QE Facilities' Boards (noting that 2 individuals sit on both Boards and are only counted here once). This compares to 18 Directors as at 31 March 2022. 11 Directors claimed expenses totalling £2,535.15 compared to no expense claims being received in the previous year.

Remuneration tables (subject to audit)

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

2021/22						Name and Title	2022/23					
Salary and fees	Expense payments & benefit in kind	Performance Bonus	Long Term Performance Bonus	Pension-related Benefits	Total		Salary and fees	Expense payments & benefit in kind	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
N/A	N/A	N/A	N/A	N/A	N/A	Mrs T Davies Chief Executive (from 1st March 2023) *	15 - 20	100	0	0	0	15 - 20
205 - 210	0	0	0	72.5 - 75	280 - 285	Mrs YA Ormston Chief Executive (left 31st March 2023)	210 - 215	0	0	0	55 - 60	270 - 275
135 - 140	0	0	0	95 - 97.5	230 - 235	Mrs J Baxter Chief Operating Officer	145 - 150	0	0	0	70 - 75	215 - 220
180 - 185	300	0	0	2670 - 2672.5	2855 - 2860	Mrs J Bilcliff Group Director of Finance (left 4th Sept 2022)	65 - 70	300	0	0	0	0
100 - 105	500	0	0	145 - 147.5	245 - 250	Mrs K Mackenzie Group Director of Finance (from 5th Sept 2022)	125 - 130	1000	0	0	50 - 55	175 - 180
125 - 130	1900	0	0	42.5 - 45	170 - 175	Mrs L Crichton-Jones Director of People & OD	140 - 145	-100	0	0	90 - 95	230 - 235
80 - 85	0	0	0	55 - 57.5	135 - 140	Dr G Findley Chief Nurse (from August 2021)	130 - 135	700	0	0	165 - 165	295 - 300
145 - 150	5,300	0	0	0	150 - 155	Mr AJ Robson Managing Director QE Facilities (left 31st March 2023)	215 - 220	1,000	0	0	0	215 - 220
85 - 90	0	0	0	0	85 - 90	Mr B Walker, Finance Director QE Facilities Ltd (left 31st October 2022)	110 - 115	300	0	0	0	110 - 115
5 - 10	0	0	0	0	5 - 10	Mr HJE Robinson Non Executive Director QE Facilities (left 30 September 2022)	0 - 5	0	0	0	0	0 - 5
0 - 5	0	0	0	0	0 - 5	Mr JP Hopkinson Non Executive Director (left June 2021)	N/A	N/A	N/A	N/A	N/A	N/A
5 - 10	0	0	0	0	5 - 10	Mr DH Shilton Non Executive Director (left September 2021)	N/A	N/A	N/A	N/A	N/A	N/A
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
15 - 20	0	0	0	0	15 - 20	Mr A Moffat Non Executive Director	15 - 20	0	0	0	0	15 - 20

2021/22						Name and Title	2022/23					
Salary and fees	Expense payments & benefit in kind	Performance Bonus	Long Term Performance Bonus	Pension-related Benefits	Total		Salary and fees	Expense payments & benefit in kind	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
15 - 20	0	0	0	0	15 - 20	Mrs H Parker Non Executive Director	15 - 20	0	0	0	0	15 - 20
5 - 10	0	0	0	0	5 - 10	Dr M Sani Non Executive Director (left 31 May 2022)	0 - 5	0	0	0	0	0 - 5
10 - 15	0	0	0	0	10 - 15	Ms M Stabler Non Executive Director (from July 2021)	10 - 15	0	0	0	0	10 - 15
5 - 10	0	0	0	0	5 - 10	Mrs M Pavlou Non Executive Director – Trust and QE Facilities (joined Trust Board on 1 October 2021 and QE Facilities on 1 October 2022)	10 - 15	0	0	0	0	10 - 15
120 - 125 **	0	0	0	0	120 - 125	Mr AR Beeby Medical Director	115 - 120 **	0	0	0	0	115-120

* Mrs T Davies commenced in the role of Chief Executive on 1st March 2023. Following a change to the discount rate used for public service pension schemes that HM Treasury announced on 30 March 2023, the factors used to calculate transfer values (including Greenbury) will change. Until such time as the new factors are available we have been asked to suspend cash equivalent transfer value (CETV) calculations.

** £20k - £25k relates to role as a consultant (2022 = £55k - £60k). The reduction is due to Mr Beeby undertaking less consultant duties.

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 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.

Pension entitlements (subject to audit)

Name and title	Real increase in pension at pension age (bands of £2500) £000	Real increase in lump sum at pension age (bands of £2500) £000	Total accrued pension at pension age at 31 March 2023 (bands of £5000) £000	Lump sum at pension age related to accrued pension at 31 March 2023 (bands of £5000) £000	Cash Equivalent Transfer Value at 1 April 2022 £000	Real Increase in Cash Equivalent Transfer Value £000	Cash Equivalent Transfer Value at 31 March 2023 £000	Employers Contribution to Stakeholder Pension £000
Mrs Y Ormston, Chief Executive (to March 2023)	2.5 - 5.0	0.0 - 2.5	90.0 - 95.0	260.0 - 265.0	2,096	0	91	0
Mrs T Davies, Chief Executive (from March 2023)	Nil	Nil	Nil	Nil	607	0	0	0
Mrs J Baxter, Chief Operating Officer	2.5 - 5.0	2.5 - 5.0	55.0 - 60.0	135.0 - 140.0	1,009	76	1,137	0
Mrs J Bilcliff, Group Director of Finance (to September 2022)	Nil	Nil	30.0 - 35.0	30.0 - 35.0	2,921	0	551	0
Mrs K Mackenzie, Group Director of Finance (from September 2022)	0.0 - 2.5	0.0 - 2.5	30.0 - 35.0	55.0 - 60.0	391	12	451	0
Mrs L Crichton-Jones, Director of People & OD	5.0 - 7.5	5.0 - 7.5	45.0 - 50.0	80.0 - 85.0	671	82	793	0
Dr G Findley, Chief Nurse	7.5 - 10.0	10.0 - 12.5	65.0 - 70.0	100.0 - 105.0	956	144	1,148	0

* Mrs T Davies commenced in the role of Chief Executive on 1st March 2023. Following a change to the discount rate used for public service pension schemes that HM Treasury announced on 30 March 2023, the factors used to calculate transfer values (including Greenbury) will change. Until such time as the new factors are available we have been asked to suspend cash equivalent transfer value (CETV) calculations.
Mr B Walker is not included as he participated in a defined contribution scheme not a defined benefit scheme.
Mr AR Beeby left the NHS pension scheme prior to 22/23 and started participating into a defined contribution scheme, details of which are not disclosed above as it is not a defined benefit scheme.
Mr AJ 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 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, Group Director of Finance / Acting Chief Executive	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 (from May 2021 to February 2022)	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
Dr 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 participated in a defined contribution scheme not a defined benefit scheme.
Mr AR Beeby left the NHS pension scheme during 2021/22 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.

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 2022/23 was £210k -£215k (2020/21: £205k - £210k). This is a change between years of 3.53%.

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 2022/23 was from £15k - £20k to £245k - £250k (in 2021/22: £15k - £20k to £255 - £260k). 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 5%, due to pay awards and additional enhancements being paid. Four employees received remuneration in excess of the highest-paid director in 2022/23, which is consistent with the prior year.

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

2022/23	25th Percentile	Median	75th Percentile
Salary component of pay	£24,027	£32,197	£42,287
Total pay and benefits excluding pension benefits **	£24,027	£32,197	£42,287
Pay and benefits excluding pension: pay ratio for highest paid director	8.9:1	6.6:1	5.1:1

* 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 are no material difference between salary component of pay and total pay and benefits excluding pension benefits as there is no significant BIK and no performance pay.

The median pay in 2022/23 is £32,670 (2021/22: £34,534). This is a change between years of -6.8% and is a result of a fixed rate pay award offset by a reduction in premium rates that had previously been paid for critical shifts during the Covid pandemic. The median is 6.6 times the remuneration of the highest director, an increase from 6.0 times in 2021/22.

Trudie Davies
Chief Executive
28 June 2023

Staff Report

Under our new corporate strategy one of our strategic aims is *'We will be a great organisation with a highly engaged workforce'.* We recognise the importance of looking after our people and making our Trust a great place to work. It has been proven that a supportive and positive working environment for NHS colleagues has a direct impact on patient care and experience. We have placed significant focus on health and wellbeing, growing and developing our workforce and developing our culture programme.

We recognise that 2022/23 continued to be a challenging year for our people. The pandemic continued to have a direct impact earlier in the year and there was a significant focus on recovery, both in terms of elective recovery and key areas where re-prioritisation of tasks and resource to focus on the pandemic response resulted in a backlog of work.

This was then followed later in the year by periods of industrial action from our nursing, junior doctors and ambulance colleagues. We understand how challenging this has been personally and professionally for our colleagues - for those colleagues who took part in the strike, the colleagues helping to keep services running and keep patients safe during these periods and for those involved in the complex and dynamic planning and risk assessments for every strike period. We recognise that the dispute has not been directly with the Trust and we remain supportive of all of our people who have exercised their legal right to strike.

We have placed significant emphasis on health and wellbeing this year under our Balance initiative, which brings together the different strands of mental wellbeing, physical wellbeing, financial wellbeing, self-care, social wellbeing and environmental wellbeing. The dedicated webpages signpost our people to how they can access support both within and out-with the Trust.

In 2022/23 we launched our Listening Space, a dedicated health and wellbeing area, aimed at offering our colleagues a space to decompress and reflect. Our people can use this space for a range of things, including meeting mental health first aiders, to find out where to access targeted support from a member of the health and wellbeing team or to discuss work-related issues with a member of our People and Organisational Development team. The space is also used to host health and wellbeing events and activities, such as staff network meetings, our Carers Circle meetings and Citizens Advice drop-ins. Students from Gateshead College provide our people with free beauty treatments every Friday during term time, including mini manicures, mini pedicures and Indian head massages.

Key headlines – recruitment, retention and absences

Recruitment and retention are significant risks throughout the NHS nationally and have been identified as top priorities by our Board of Directors. We have focussed our efforts on domestic recruitment, international recruitment and retention.

2022/23 was the first year in which we undertook international recruitment. At the year-end we had 50 international nurses, of which 42 had become UK registered staff nurses, with the remaining nurses going through the final part of the training programme. Our international

nurses are supported by a dedicated International Nursing Team. The nurses have a broad on boarding and pastoral programme before attending wards with the team supporting access to the hospital computer systems. The team help them with many of the practical things for settling into a new country, such as opening bank accounts and finding accommodation. There is an extensive comprehensive teaching programme, delivered by the practice development team.

As part of our domestic recruitment we are engaging with local schools and colleges to educate young people about the different career opportunities available to them in the Trust, as outlined earlier in the report. We have also supported 153 colleagues through apprenticeship programmes, with around 36 different types of apprenticeship available across the Trust and QE Facilities.

During 2022/23 we have been working with our partners at place on the development of Gateshead Health and Care Academy, which has been developed in collaboration with Gateshead Cares Workforce Partnership. The Academy aims to provide a sustainable workforce within the Gateshead area alongside high quality learning and development opportunities. This involves collaborative working with Gateshead Council, CBC Health, local colleges and other partners. There are a number of different opportunities in the pipeline, which will be further developed and launched in 2023/24 and beyond.

Our vacancy rate reduced from 8% at the start of the year to 5.5% at year-end, which demonstrates that progress is being made.

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 our Leading Well and Managing Well programmes for staff which were launched in the previous year. Both programmes have received positive feedback from our people.

Recruitment and retention continues to be a priority and is reflected within our new People Strategy 2023-2025, which was formally approved in March 2023. The People Strategy was developed collaboratively with our people and partners, which helped us to create a strategy that means something to all of us at Gateshead.

Consistent with national trends we saw our sickness absence rates increase during the pandemic. Our continued focus on health and wellbeing is an important part of supporting our colleagues to be well enough to remain at work. We undertook some focussed work between People and OD colleagues and our business units to support colleagues in appropriately managing absences. Our sickness absences rates are starting to decrease, starting the year at 6.3% on a group basis, and ending at 5.3%.

Information on sickness absence is collated nationally by NHS Digital and can be found at the following link https://digital.nhs.uk/data-and-information/publications/statistical/nhs-sickness-absence-rates.

The latest information about our staff turnover can also be found on the NHS Digital website: 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			
	2022/23 total number	**Permanently employed number**	**Other number**	***Total 2021/22 number***	**2022/23 total number**	**Permanently employed number**	**Other number**	***2021/22 number***
Medical and dental	466	460	6	*454*	466	460	6	*454*
Ambulance staff	0	0	0	*0*	0	0	0	*0*
Administration and estates	996	977	19	*964*	831	812	19	*809*
Healthcare assistants and other support staff	1,033	1,029	4	*950*	545	544	0	*497*
Nursing, midwifery and health visiting staff	1,349	1,242	107	*1,330*	1,349	1,242	107	*1,330*
Healthcare scientists	391	381	10	*399*	450	441	9	*388*
Scientific, therapeutic and technical staff	450	441	9	*427*	381	371	10	*427*
Other	19	19	0	*11*	7	7	0	*4*
Total	**4,705**	**4,551**	**154**	**4,535**	**4,029**	**3,879**	**150**	**3,909**

*Note that the table does not cast due to minor rounding differences

As at 31 March 2023 the gender split of the workforce was as follows (this table is not subject to audit):

	Male	**Female**
Directors	4	10
Other senior managers	57	157
Employees	1099	3849

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

	Group				Foundation Trust			
	2022/23 total £000	**Permanently employed £000**	**Other £000**	***Total 2021/22 £000***	**2022/23 total £000**	**Permanently employed £000**	**Other £000**	***2021/22 £000***
Salaries and wages	199,431	188,960	10,471	*181,015*	180,083	169,728	10,355	*164,563*
Capitalised salaries and wages	606	606	0	*498*	606	606	0	*498*
Social security costs	18,902	17,984	918	*17,080*	17,148	16,237	911	*15,555*
Apprenticeship levy	934	886	48	*994*	846	798	48	*906*
Pension costs - defined contribution plans. Employers' contributions to NHS Pensions	19,873	18,888	985	*18,509*	19,088	18,066	1,022	*17,685*

	Group				Foundation Trust			
	2022/23 total £000	**Permanently employed £000**	**Other £000**	***Total 2021/22 £000***	**2022/23 total £000**	**Permanently employed £000**	**Other £000**	***2021/22 £000***
Pension cost – employer contributions paid by NHSE on provider's behalf (6.3%)	8,711	8,260	451	*8,099*	8,363	7,888	475	*7,733*
Pension costs – other	393	393	0	*375*	151	151	0	*184*
External bank	1,728	0	1,728	*990*	1,728	0	1,728	*990*
Agency / contract staff	8,933	0	8,933	*5,980*	7,619	0	7,619	*4,497*
NHS Charitable Funds staff	0	0	0	*0*	0	0	0	*0*
Termination benefits	93	93	0	*170*	93	93	0	*170*
Total	**259,605**	**236,071**	**23,535**	***233,710***	**235,725**	**213,567**	**22,158**	***212,781***

*Note that the table does not cast due to minor rounding differences

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.

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;
- 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 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 with events, celebrations and training. Our D-Ability network supported a number of different national awareness weeks with stalls in our canteen, for example Eating Disorders Awareness Week and Neurodiversity Celebration Week. Our LGBT+ network supported the Transgender Day of Remembrance and Non-Binary Peoples' Day. The LGBT+ network has also been undertaking work with our clinical teams to develop transgender and non-binary policies.

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 shows that three out of five questions that have a year-on-year comparison have improved in respect of the WDES, with work still to do in relation to bullying and harassment at work, and feeling pressure from managers to come to work. This will form part of our cultural development work with our people to ensure that we provide a supportive and inclusive workplace for all our colleagues.

Our D-Ability Group and the Trust's Human Rights and EDI Programme Board 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 respect of the four WRES indicators in the NHS staff survey 2022 we saw a reduction in the percentage of BAME staff experiencing bullying and harassment from other staff, which reduced from 29.1% in 2021 to 19.1% in 2022. We also saw a reduction in the percentage of BAME staff experiencing discrimination at work from a colleague, moving from 17.1% to 11.4%. There was an increase in the percentage of our BAME staff who believe the Trust provides equal opportunities for career progression, increasing form 44.8% to 48.8%. There was a slight reduction in the percentage of BAME staff experiencing bullying, harassment or abuse from patients, relatives or the public, moving from 21% to 20.3%. Whilst these results show an improvement we note that that white colleagues still responded more positively to these questions, and we will therefore be ensuring that we continue to undertake further work in these areas. This includes assessing the best way to incorporate our Cultural Ambassadors into the disciplinary and grievance processes.

Due to the pandemic, a virtual session around encouraging BAME communities to apply for jobs within the NHS was organised in conjunction with other trusts within the region. Sessions included supporting people to locate employment opportunities within the NHS, tailoring an application form and interviewing skills. We are now assessing the viability of running this session on a face to face basis and we routinely capture information around who has been successful in applying and being recruited within the Trust.

We have started to look at our own recruitment practices from initial contact to actual appointments and assess where the pitfalls are for anyone in respect of their protected characteristics. We have added in components around tackling conscious and unconscious bias in the recruitment process. This element is covered within the recruitment and selection training that is offered to our managers.

In terms of gender pay gap reporting, in 2022/23 77.6% of our workforce was female. Women occupied 73.8% of the highest paid jobs and 73.8% of the lowest paid jobs. The gender pay median was 12.7% which is consistent with the previous year. Further information on gender pay gap reporting can be found on the Cabinet Office website: https://gender-pay-gap.service.gov.uk/

Further information on our approach to EDI can be found on our website via the following link:

https://www.gatesheadhealth.nhs.uk/about/trust/equality-diversity

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 for example the Medical Workforce Group). In addition, there are forums such as Junior Doctor Forum. Staff side colleagues are involved in our staff network groups.

There has been further development and progression of the transformation programme and portfolio during the year which was referenced in last year's report following its relaunch. 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 a wide range of improvement and support activity including:

- Improvement and transformation advice and support;
- Training and development (project, programme management, Lean leaders);
- Kaizen events; and
- Rapid Process Improvement Workshops (RPIWs).

Recent RPIWs have included recruitment processes, endoscopy and occupational health. In addition to leading RPIWs the team have trained a further eight colleagues as Lean leaders to further enhance our capacity to increase our improvement activity across the organisation.

The transformation portfolio has predominately focused on the delivery of the New Operating Model, which has been referenced earlier in this report.

Further RPIWs are planned for 2023/24 and we aim to train more colleagues to be certified leaders, further increasing our capacity to facilitate these important engagement and improvement events as well as increasing the capability and resilience of the organisation, supporting an improvement culture.

We have developed through staff engagement an outline Transformation and Quality Improvement Strategy which will be built upon in 2023/24 to develop an improvement culture for the organisation, including a training and development offer to staff to develop improvement skills for teams.

In 2022/23 we also devised our Communications and Involvement Strategy 2023/24 to 2025/26. This was developed following engagement with our people and sets out our key priorities for communications and involvement and how this will support our achievement of our overall corporate strategy. Our key communications priorities are:

- Maintain positive and effective communication with Trust colleagues;
- Raise the profile of the Trust and proactively promote its work, performance and reputation;
- Demonstrate the Trust's development as an organisation in regard to equality, diversity and inclusion;
- Share proactive and positive stories about patient care that highlight the quality and safety of our services;
- Support and empower senior leaders across the organisation to communicate and engage effectively; and
- Work in partnership with communication professionals to support our patients across Gateshead and wider within the North East and North Cumbria area and beyond.

We communicate with our colleagues using several different channels. The key tools that we use to ensure information is cascaded is through Gateshead Health 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. Our new Chief Executive, Trudie Davies, also sends out a personalised weekly update to all colleagues and we have recently introduced Facebook Live events, where colleagues can ask questions of our Executive Directors and Senior Management Team.

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 for our patients and people. 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's 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.

In 2022/23 we commenced a campaign to recruit some FTSU champions to support our Guardian and enhance the profile and visibility of FTSU across the Trust.

Health and safety performance

We are totally committed to ensuring the health, safety and wellbeing of our people, patients, contractors and members of the public who are in any way affected by the activities of the Trust or QE Facilities across all locations. We ensure the provision of appropriate resources, including staff, finance and equipment in a timely manner so as to conduct our activities in accordance with all statutory and regulatory requirements, seeking to exceed such requirements wherever reasonably practicable. Our key objectives are to:

- prevent accidents and cases of work-related ill health;
- manage health and safety risks in our workplace;
- provide clear instructions and information, and adequate training, to ensure our people are competent to do their work;
- provide personal protective equipment;
- consult with our people on matters affecting their health and safety;
- provide and maintain safe plant and equipment;
- ensure safe handling and use of substances;
- maintain safe and healthy working conditions;
- implement emergency procedures, including evacuation in case of fire or other significant incident;
- review and revise the Health & Safety Policy on a regular basis;
- maintain a culture of co-operation, communication, competency and control for health and safety; and
- protect patients and people other than those at work against risks to their health and safety arising out of work activities.

The Board has identified and assigned roles and responsibilities to management, specialist support subject matter experts and individual staff members including bank and volunteering colleagues across the Group's organisational structure, to ensure the aims and objects of our Group Health & Safety Policy are achieved and maintained.

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 drive for continued improvement we continue to run our Safer Working Practices Groups which provide additional assurance and governance into the Group Health & Safety Committee. They include the Water Safety, Medical Gas, Violence Reduction, Medical Devices Steering Group, Infection Prevention Control, CERA, Internal Compliance Auditing, PLACE Auditing & Radiation Protect groups.

The Group Health & Safety Committee is well attended across the year, with members representing staff from across the Group, our union colleagues across all locations and all levels of management including our Trust Board accountable Health & Safety lead.

We continue to promote and drive a safe working culture by providing additional education and awareness of shared learnings via internal communications, newsletters and staff social media forums.

Occupational health

The Occupational Health and Wellbeing team delivered both flu and Covid 19 booster vaccinations as part of the annual campaign for health care workers, both in the Occupational Health and Wellbeing department and on wards and departments.

Physiotherapy services for staff were launched in January 2023, with rapid access of physiotherapy treatment, and the delivery of a 'Back Class' for staff with longstanding back pain.

The in-house counselling service was expanded, with the employment of an additional counsellor. Access to external support is available for staff requiring more complex interventions.

The Health and Wellbeing team have successfully integrated with the Occupational Health team. The Health and Wellbeing strategy has been launched and the Health and Wellbeing team are driving this forward. We have achieved the Silver Better Health at Work Award and have received a special recognition award in relation to this.

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. 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 2022/23.

Relevant union official:

Number of employees who were relevant union officials during the relevant period	Full Time Equivalent (FTE)
12	11.2

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	£259,605,000
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, 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

The Trust spent £1.021m on consultancy during 2022/23 (2021/22: £548k).

Exit packages (subject to audit)

Exit packages during 2022/23 are detailed in the following table. All payments made were due to contractual or legal obligations.

Exit package cost band	2022/23 Group				2021/22 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	2	14	0	0	0	0	0	0
£10,001 - £25,000	0	0	0	0	0	0	2	28
£25,001 - £50,000	0	0	0	0	1	35	0	0
£50,001 - £100,000	0	0	1	79	2	133	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	**2**	**14**	**1**	**79**	**3**	**168**	**2**	**28**
Redundancy	2	14	1	79	3	168	2	28
Voluntary Severance Scheme	0	0	0	0	0	0	0	0
Total	**2**	**14**	**1**	**79**	**3**	**168**	**2**	**28**

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 requirements to ensure proper protocols are followed and disclosures made.

The following table shows all off-payroll engagements as of 31 March 2023, for more than £245 per day:

Number of existing arrangements as of 31 March 2023	0
Of which:	
Number that have existed for less than one year at time of reporting	0
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 2022 and 31 March 2023, 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 2022 and 31 March 2023	

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 2022 and 31 March 2023, 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.	19

Staff survey report

Statement of approach

Increasing staff engagement remains a priority for the Trust and several steps were taken to increase engagement and participation in the 2022 staff survey, including:

- A series of local area roadshows were booked in to allow teams with limited computer access to complete on tablets;
- On-site Staff Survey Hubs where colleagues could either post their paper survey or complete their electronic survey; and
- Trust-wide promotional campaign including use of social media, and weekly emails to line managers with completion rates.

The impact of this was a completion rate of 51%, compared with 47% in 2021. 51% also exceeded the median response rate for our benchmarking group, acute and acute community trusts, which was 44% across 124 organisations.

NHS staff survey

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

2022/23 and 2021/22

Indicators	2022/23		2021/22	
	Trust score	Benchmarking group score	Trust score	Benchmarking group score
People Promise:				
We are compassionate and inclusive	7.5	7.2	7.4	7.2
We are recognised and rewarded	5.9	5.7	5.9	5.8
We each have a voice that counts	6.8	6.6	6.9	6.7
We are safe and healthy	6.0	5.9	6.0	5.9
We are always learning	5.5	5.4	5.1	5.2
We work flexibly	6.1	6.0	6.0	5.9
We are a team	6.8	6.6	6.6	6.6
Staff engagement	6.9	6.8	6.9	6.8
Morale	5.8	5.7	5.9	5.7

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	
	Trust	Benchmarking group score
Equality, diversity and inclusion	9.3	9.1
Health and wellbeing	6.2	6.1
Immediate managers	6.9	6.8
Morale	6.3	6.2
Quality of care	7.5	7.5
Safe environment – bullying and harassment	8.4	8.1
Safe environment – violence	9.5	9.5
Safety culture	7.0	6.8
Staff engagement	7.1	7.0
Team working	6.5	6.5

Staff survey results commentary

Following the publication of the 2021/22 annual staff survey results several key priorities were identified and were overseen by the Staff Survey Steering Group. The priorities were to:

- Increase engagement and completion of the annual staff survey;
- Enhance opportunities for colleagues to develop their careers and access a good quality appraisal;

- Support those who experience discrimination from patients/service users and physical violence from colleagues; and
- Reduce the work-related stress colleagues experience, and monitor staff coming to work when not feeling well enough to do so.

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 2022 staff survey, including as outlined in the *statement of approach* section of this report. The impact of this was a completion rate of 51%, compared with 47% in 2021.

Enhance opportunities for colleagues to develop their careers and access a good quality appraisal;

A full review of the Trust's annual appraisal form to ensure it was fit for purpose took place in 2021/22. As a result, the 2022 survey demonstrated these changes are improving colleagues' appraisal experience with all of the questions relating to appraisal observing a year-on-year improvement.

In relation to career development, further investment in learning and development opportunities such as continued professional development, the introduction of the learning and development newsletter and investment and promotion of new apprenticeship pathways have led to the People Promise theme *we are always learning* improving from 5.1 to 5.5, which demonstrates the opportunities for career enhancement and learning are improving.

Support those who experience discrimination from patients/service users and physical violence from colleagues

There was a continued focus on Freedom to Speak up throughout 2021/2022. As such the Trust improved one percentage point in the question relating to not experiencing discrimination from patients/service users. This is a positive sign, but there is still further work to do, and the introduction of Freedom to Speak up Champions will continue to support this work moving forward.

Reduce the work-related stress colleagues experience, and monitor staff coming to work when not feeling well enough to do so

There was a three-percentage point increase in 2022 in relation to work related stress. A robust support offer is available via occupational health, and signposting support through the Health and Wellbeing Team to support colleagues experiencing work-related stress.
Staff coming to work when not feeling well enough to do so has declined significantly in 2022 and continues to be an area of focus for the Trust. It is observed that staffing pressures may be having an impact, alongside more focus on managing absence through changes to the absence management policy. We score highly in People Promise theme *we are a team*, and this may also be impacting on the scores as coupled with staffing pressures colleagues may come to work to support their team.

2022/23 staff survey analysis

We are either in line with or have exceeded the average scores of our benchmarking group in all of the People Promise & Theme results.

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 our colleagues' experiences and perceptions of the organisation.

When considering our results at a question level we can see that we have scored significantly better than 2021/22 in 24% of our questions. There are two question subsections with which saw a significant year on year improvement, the first of which is *your personal development and appraisal*, which saw eight out of ten questions significantly improve from 2021/22. The second question subsection with improvement is *your managers*, which saw all nine questions significantly improve compared to 2021/22. This demonstrates the investment in leadership and management development, and as mentioned previously, improvements to appraisal have had the desired impact.

We can also see that we scored significantly worse than 2021/22 in 8% of questions. When we look at the top five questions showing the largest variance the themes suggest concerns regarding the organisation acting on concerns from colleagues, patients and services users, working unpaid additional hours, satisfaction with pay and coming to work when not feeling well enough. 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. FTSU guardians and champions are a focus for the Trust in 2023/24, alongside a continued focused on managing absence, which will support improvements in these areas.

Our WRES and WDES results have been referenced in the EDI section of the Staff Report. These results will be explored as a key metric through our culture programme. One of the workstreams is focused on creating a psychologically safe environment and bullying and harassment will feature within this. Another route to address this is also the introduction of Freedom to Speak up Champions across the Trust.

Staff Survey – next steps

We continue to engage colleagues with their local results, working in partnership with operational Business Units to understand those factors, at a team level, that have informed this data and support teams to develop their People Action Plans. The 2022/23 staff survey results have contributed to a Trust-wide, thematic analysis of colleague feedback and the development of a people-focused delivery plan. This will be overseen by the People & OD Committee and focuses on engagement, ongoing development and creating a psychological safe working environment.

NHS Foundation Trust Code of Governance

Gateshead Health NHS Foundation Trust has applied the principles of the NHS Foundation Trust Code of Governance on a comply or explain basis. The NHS Foundation Trust Code of Governance, most recently revised in July 2014, is based on the principles of the UK Corporate Governance Code issued in 2012.

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 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.	Council of Governors
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

Code ref	Summary of requirement	Section reference
		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
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	Not applicable – these powers were not exercised

Code ref	Summary of requirement	Section reference
	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)	
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 and should set out reasons why the Council of Governors has taken a different position.	Not applicable
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;	Directors' Report – Group Audit Committee

Code ref	Summary of requirement	Section reference
	• 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.	
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 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.	Foundation Trust membership
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,	Council of Governors

Code ref	Summary of requirement	Section reference
	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.	

Comply or explain

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 England 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 England (alongside publicly available benchmarking information), rather than consulting external professional advisers.

NHS Oversight Framework

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

A segmentation decision indicates the scale and general nature of support needs, from no specific support needs (segment 1) to a requirement for mandated intensive support (segment 4). A segment does not determine specific support requirements. By default, all NHS organisations are allocated to segment 2 unless the criteria for moving into another segment are met. These criteria have two components:

a. objective and measurable eligibility criteria based on performance against the six oversight themes using the relevant oversight metrics (the themes are: quality of care, access and outcomes; people; preventing ill-health and reducing inequalities; leadership and capability; finance and use of resources; local strategic priorities)
b. additional considerations focused on the assessment of system leadership and behaviours, and improvement capability and capacity.

An NHS foundation trust will be in segment 3 or 4 only where it has been found to be in breach or suspected breach of its licence conditions.

Segmentation

As at 25 May 2023 the Trust was placed in segment 2, which was consistent with the position throughout 2022/23. Segment 2 is described in the NHS 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 website: **https://www.england.nhs.uk/publication/nhs-system-oversight-framework-segmentation/**

Modern Slavery and Human Trafficking Act 2015 Annual Statement 2022/23

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 £391m and we have a workforce of around 5,100 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.

Trudie Davies
Chief Executive
28 June 2023

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 England.

NHS England, 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 England, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards 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.

Trudie Davies
Chief Executive
28 June 2023

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 2023 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 had specific responsibility for operational risk, performance, planning and Emergency Preparedness, Resilience and Response (EPRR)-related risks in 2022/23.

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 Executive Risk Management Group is a dedicated group within our governance structure which seeks assurance over the 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 Nurse, with the chair role transferring to the new Chief Executive from April 2023, which demonstrates the importance placed on risk management by the senior leadership team.

The Group met 6 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 Senior Management 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 four times per year.

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, although note that compliance improved during the year.

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. The Trust's intranet includes 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 as well as holding bespoke risk review sessions with risk owners.

The Board has received a number of sessions on risk management during the year. In April 2022 a Board development session was held to debate and discuss different models for the Board Assurance Framework, and share a proposed new template with the Board for approval. The Company Secretary provided training for Board Members on the new BAF and developed a comprehensive guide to aid the effectiveness and utilisation of the BAF at Board and committees.

In April 2022 the Board also held a development session to consider the risk appetite and risk management maturity of the Trust. A further session is planned for early 2023/24.

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. The risk management strategy was under consultation at the year-end with a draft presented to the Group Audit Committee in March 2023 for comment as part of this process.

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 strategic objectives. The format of the BAF was strengthened in 2022/23, providing a greater focus on the controls following feedback from Board Members and internal audit in the previous year. 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 strategic 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 strategic objectives.

The detailed reviews of the committees informed the Board's review of the full BAF document four times each year. As outlined previously the BAF was fully redesigned in 2022/23 with training sessions provided and a guide to the BAF produced for reference. Positive feedback on the format of the BAF was received as part of the independent well-led assessment conducted by the Good Governance Institute during 2022/23.

Our internal auditors undertake an annual review of risk management and the BAF. The 2022/23 review of Trust arrangements 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 2022/23.

It is noted that internal audit also conducted a review of risk management arrangements in QE Facilities and provided a conclusion of reasonable assurance for 2022/23, noting some inconsistencies in compliance with the control framework and the requirement for some moderate remedial action to take place. All recommendations have been assigned an implementation date of July 2023 to ensure that the controls and processes are strengthened as a priority.

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.

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.

As referred to earlier within the annual report, the Board has demonstrated due regard to well-led principles and the well-led framework throughout the year. This included commissioning an independent review of compliance with the well-led aspect of the CQC framework. This work was undertaken by the Good Governance Institute (GGI) and involved a desktop review of documentation, interviews, focus groups and observations of the Board and Board committees.

The review concluded in March 2023 with GGI concluding that *'overwhelmingly, we found that the Trust was safe, caring, effective, responsive and well-led'*. The review identified some areas for further development and improvement, as well as areas of good practice. At the year-end a comprehensive thematic review was being undertaken to collate and analyse feedback from a number of sources and identify any additional workstreams needed to support the implementation of improvements. This demonstrates a commitment to continuous improvement and a focus on the importance of ensuring effective governance.

During the year the Board has demonstrated a commitment to continuous improvement and reviewing governance structures and processes. This included:

- Commissioning of the independent well-led assessment from the Good Governance Institute;
- Fully reviewing the terms of reference for Board committees, the Senior Management Team and the Executive Management Team to improve assurance flows;
- Embedding the new format BAF and using this to seek assurance over actions taken to address controls or assurance gaps;
- Implementing a revised policy on the development of policies and procedures and embedding the key role that the Policy Review Group places in seeking assurance over compliance with this policy on policies;
- Introducing a new Compliance Group in Quarter 4 with Executive Director membership. This provides a clear place for the escalation and resolution of cross-cutting portfolio issues; and

- A review of governance structures within operational business units resulting in a suite of model templates to support the consistency of approach.

We are committed to continuous improvements in respect of these processes and structures – ensuring that we have effective 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 people.

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).

Where we have identified potential control weaknesses or opportunities for improvement during the year, we have proactively commissioned reviews. Additional internal audit work was commissioned in specific areas, for example in relation to procurement and the governance of capital and pay expenditure in QE Facilities. A further example is that QE Facilities had entered into a project to design and manufacture **masks** with a unique anti-viral layer in collaboration with an external company. The project continued into 2022/23, but despite best endeavours it was ultimately not deemed to be viable and the project was ceased towards the end of the year.

The Board wanted to proactively undertake learnings from this. As such Deloitte LLP were commissioned to undertake a review of governance arrangements, with a view to identifying any learnings from how these have been structured and operated in practice in order to strengthen and clarify governance and oversight in future. This review was being undertaken at the time of writing.

We are committed to listening and learning from feedback from a variety of sources. At the year-end we were in the process of reviewing recent feedback to identify key themes, trends and actions required. The feedback under review included: the GGI review report; a consultant survey conducted by one of our Staff Governors; the NHS staff survey; anonymous letters received into the Trust; verbal narrative obtained from key meetings; and feedback and observations from the incoming Chief Executive as part of her induction.

In early 2023/24 this analysis of feedback sources culminated in the production of a comprehensive thematic review structured around the following themes:

- Strategy, planning and performance;
- Clinical engagement;
- Board visibility;
- Unitary functions and governance;
- Freedom to Speak Up and organisational culture;
- Communication and engagement;
- Equality, diversity and inclusion;
- Understanding our sustainable and vulnerable services; and
- QE Facilities – its role, vision and governance.

The thematic review is supported by a clear delivery plan with owners and timescales. The delivery plan forms our work plan for the next year and its impact will be measured through identified key indicators. The thematic review has been widely shared with our people (including our Clinical Strategy Group) and stakeholders, including the Integrated Care Board, Council of Governors, Care Quality Commission and NHS England.

The Board has reflected on the thematic review to inform the content of the Annual Governance Statement, Corporate Governance Statement and the assessment of compliance with licence condition 4. The Board confirms compliance, whilst acknowledging that some improvements in our governance and control environment are required, with our Corporate Governance Statement reflecting agreed actions for 2023/24.

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 have continued our work to embed the principles of just and restorative culture.

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. During 2022/23 our medicine optimisation service received a ‘good’ rating from the CQC. The service was inspected as part of a pilot. The patient transport aspect of QE Facilities was inspected by CQC in August 2022. The patient transport services were awarded a ‘good’ rating.

Corporate and service-level self assessments of CQC compliance were undertaken during the year, alongside the independent well-led review conducted by GGI, as referenced earlier. A CQC action plan which incorporates key actions and learnings is monitored by our CQC Compliance Group and also reported to our Senior Management Team for assurance.

Key risks during 2022/23

Our key risks during 2022/23 as recorded on our Organisational Risk Register as at 31 March 2023 and where relevant referred to in our BAF were:

Theme	Key risk	Score at year-end	Mitigating actions
Quality outcomes	A risk that our new operating model is	12	• New Operating Model progress is formally monitored via the New

Theme	Key risk	Score at year-end	Mitigating actions
	unable to be delivered, resulting in a negative impact on our performance and recovery plans		Operating Model Board meeting to track progress and identify any emerging issues • Alignment of staffing requirements to activity and service plans. • Bed modelling in place and workforce management plans in place, which are regularly monitored.
Quality outcomes	Delayed transfers of care result in increased lengths of stay, which can have a negative impact on patient health	16	• Close daily working with the local authority to examine and manage out of hospital capacity. • Collaborative working with the local authority on discharge capacity and requirements longer term. • Escalation process in place for patients requiring social services and community support.
Quality outcomes	Multiple sources of clinical records stored in a variety of formats, leading to a risk of patient harm if decisions are made on incomplete data	16	• Systems management audit programme in place. • Structured change control procedures in place. • Standard operating procedures are in place for each system. • A clinical system business case is in development. • Work is being undertaken to develop a pathway to a digital health record creation.
Quality outcomes	A risk that emergency treatment is delayed for maternity patients due to the location of maternity in a separate building to critical care.	15	• Pre-assessment process at place with elective patients who are likely to require critical care following their procedure are operated on in the main theatres. • Estates assessment under way to understand the best locations for all clinical services.
Quality outcomes	Risk of quality failures in patient care due to external causes such as delayed discharges and other external pressures	12	• Daily reports in place for all delayed discharges. • Regular meetings in place with social care. • Discharge liaison staff available to support wards and facilitate earlier discharge.
Quality outcomes	Risk of significant and unprecedented service disruption due to industrial action	20	• Industrial action working group in place with detailed plans focussing on planning, response and recovery.

Theme	Key risk	Score at year-end	Mitigating actions
			• Business continuity planning command and control structure in place. • Partnership working with staff-side and trade unions. • Lessons learned captured after each period of industrial action and used to inform future planning.
Regulation and compliance	Risk of potential non-compliance with current legislation and guidance as a result of policies not being up to date	16	• Policy Review Group established as a dedicated forum for policy approvals. • Overdue policy list reviewed at Policy Review Group, Senior Management Team and the Compliance Group. • Revised policy on policies in place to provide clear guidance on the process for reviewing and updating policies.
Reputation	A risk that there is a disconnect between our own plans and those at place / Integrated Care System (ICS) level, resulting in an inability to address health inequalities	9	• Health Inequalities Board established with close working with the Director of Public Health for Gateshead and her team. • Board and senior management engagement in place-based meetings and key ICS meetings to develop strong links and collaborative working.
People and resources	Risk of not having the right people in the right place at the right time, resulting in an inability to deliver our strategic aims	16	• Staffing task and finish group in place. • International and domestic recruitment plans in place. • A focus on retention through enhanced training and development offering and a focus on organisational culture.
People and resources	Risk of adverse impact on the health and wellbeing of colleagues due to internal and external pressures	12	• Increased health and wellbeing service provision through our Balance brand. • Schwartz rounds have recommenced.
Finance and efficiency	Risk of failure to manage information assets by Information Asset Owners, resulting in inappropriate use of data or data breaches	15	• Compliance with Information Asset requirements reported to the Senior Management Team and Digital Committee with escalation to the Compliance Group • Systems specific security policy in place for all systems. • Audit programme underway with a focus on critical systems.
Finance and efficiency	Risk posed by malware compromising our systems	10	• Patching process in place. • The Trust network is fully supported and maintained.

Theme	Key risk	Score at year-end	Mitigating actions
			• Review of end of life hardware and software is underway.
Finance and efficiency	Risk to ongoing business continuity of service provision due to the ageing estate	12	• Work has been undertaken to develop a draft clinically-led estates strategy for the QE site. • Wider work is being undertaken to assess the full estate with the aim of prioritising the best estate for clinical service provision.
Finance and efficiency	Risk of ineffective and inefficient management of services due to the availability and access to appropriate and timely business intelligence	12	• Programme of work established to improve access to business intelligence from ward to Board. • A review of the Integrated Oversight Report content is being undertaken to ensure this is strategic and exception-based.
Finance and efficiency	Operational pressures result in the non-achievement of cost reduction plans	20	• Delivery closely monitored as part of month end reporting. • Efficiency planning and workshops in place to address underlying financial sustainability. • Regular discussions held with the ICB on financial efficiency and sustainability.
Finance and efficiency	Risk that the capital cost of delivery of the new operating model continues to increase, resulting in additional revenue implications	12	• Detailed scrutiny of wider capital programme undertaken to ensure robust forecasting. • New Operating Model progress formally monitored via New Operating Model Board meeting to track progress and identify any emerging issues.

A number of these risks will remain live into 2023/24 with the implementation of mitigating actions to reduce the risks down to their target scores, in line with our risk appetite. 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 2022/23 and this will continue to be a priority area for the Committee in 2023/24.

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 has 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. These included:

- Approval of annual budgets by the Board;
- Approval of the annual plan by the Board, including the financial plan;
- Finance-related strategic 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;
- Quarterly oversight meetings were held to enable a holistic review of all aspects of business unit performance, including financial performance;
- Relaunch of the financial accountability framework with reporting on exceptions to the Finance and Performance Committee;
- The Trust's transformation programme was in place, including a strong focus on demonstrating efficiencies and value for money, with reporting on progress to the Transformation Board; and
- A business case review process was in place with a Business Case Review Group held to support the prioritisation of business cases in accordance with their linkages to strategy and outputs.

A scheme of delegation and standing financial instructions are in place. We recognise that both will require a review to ensure that they appropriately reflect any recommendations arising from the ongoing governance review.

Information governance

One data incident occurred during 2022/23 which was deemed to meet the threshold of risk and required reporting to the Information Commissioner's Office (ICO). We were informed by the ICO that no further action would be taken as a result of the incident.

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.

Information and performance data published at Board level is provided with a star rating to indicate whether the data has been fully validated or represents a snapshot, real-time position which may be subject to change.

Processes are in place to validate our performance data and external monitoring returns. Business units and the information team work closely to review exceptions and validate data. A detailed assurance report was presented to the Board in January 2023 to provide an overview of the data quality arrangements for a range of measures, including areas for further focus and development in 2023/24.

With regards to our waiting list, waiting list managers are responsible for validating the waiting list data. They receive twice weekly updates on their waiting lists and the information team review reports on waiting list manager activity to seek assurance over the active management and update on lists. An independent audit conducted in 2021 provided good assurance over the waiting list data for referral to treatment (RTT) waiting lists, although identified that there is no dedicated RTT tracking team. This is currently under review to determine how the control environment can be strengthened and will require a change to the way that RTT is managed.

Internal audit also undertake a number of audits each year which provide an independent assessment of data quality processes and controls. In 2022/23 this included an audit of the A&E four hour waiting time and the 62 day cancer target. The audit received a substantial assurance rating, the highest level of assurance.

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 strategic 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 strengthened 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);
- Four internal audits undertaken in 2022/23 were given limited assurance – IT Change Management; IT Asset Management; Recruitment and Patient Monies. Implementation of the recommendations arising from these audits is progressing as a priority in line with the timescales agreed with internal audit.

Whilst recognising that there are areas for us to improve on, the Head of Internal Audit Opinion for the period 1 April 2022 to 31 March 2023 provides ‘good assurance’ in respect of the systems of internal control.

Conclusion

Taking into account the above, my review confirms no significant control issues have been identified.

Trudie Davies
Chief Executive
28 June 2023

Independent Auditor's Report

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 2023 which comprise the Trust and Group Statement of Comprehensive Income, the Trust and Group Statement of Financial Position, the Trust and Group Statement of Changes in Taxpayers' Equity , the Trust and Group Statement of Cash Flows, and notes to the financial statements, including the summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards as interpreted and adapted by HM Treasury's Financial Reporting Manual 2022/23 as contained in the Department of Health and Social Care Group Accounting Manual 2022/23, and the Accounts Direction issued under the National Health Service Act 2006.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Trust and Group as at 31 March 2023 and of the Trust's and the Group's income and expenditure for the year then ended;
- have been properly prepared in accordance with the Department of Health and Social Care Group Accounting Manual 2022/23; and
- have been properly prepared in accordance with the requirements of the National Health Service Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in these regards.

Responsibilities of the Accounting Officer for the financial statements

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

The Accounting Officer is required to comply with the Department of Health and Social Care Group Accounting Manual 2022/23 and prepare the financial statements on a going concern basis, unless the Trust is informed of the intention for dissolution without transfer of services or function to another public sector entity. The Accounting Officer is responsible for assessing each year whether or not it is appropriate for the Trust and Group to prepare financial statements on the going concern basis and disclosing, as applicable, matters related to going concern.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

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

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

Matter on which we are required to report by exception

We are required to report to you if, in our opinion, we are not satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2023.

We have not completed our work on the Trust's arrangements. On the basis of our work to date, having regard to the guidance issued by the Comptroller and Auditor General in January 2023, we have not identified any significant weaknesses in arrangements for the year ended 31 March 2023.

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

Responsibilities of the Accounting Officer

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

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

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

We have undertaken our work in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in January 2023.

Report on other legal and regulatory requirements

Opinion on other matters prescribed by the Code of Audit Practice

In our opinion:

- the parts of the Remuneration and Staff Report subject to audit have been properly prepared in accordance with the requirements of the NHS Foundation Trust Annual Reporting Manual 2022/23; and
- the other information published together with the audited financial statements in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

We are required to report to you if:

- in our opinion the Annual Governance Statement does not comply with the NHS Foundation Trust Annual Reporting Manual 2022/23; or
- the Annual Governance Statement is misleading or is not consistent with our knowledge of the Trust and Group and other information of which we are aware from our audit of the financial statements; or
- we refer a matter to the regulator under Schedule 10(6) of the National Health Service Act 2006; or
- we issue a report in the public interest under Schedule 10(3) of the National Health Service Act 2006.

We have nothing to report in respect of these matters.

Use of the audit report

This report is made solely to the Council of Governors of 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.

Key Audit Partner
For and on behalf of Mazars LLP

Mazars LLP
The Corner

Bank Chambers

26 Mosley Street

Newcastle upon Tyne

NE1 1DF

29 June 2023

FOREWORD TO THE ACCOUNTS

Gateshead Health NHS Foundation Trust

These accounts for the year ended 31 March 2023 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.

Trudie Davies
Chief Executive

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 March 2023

`	Note	Group 2022/23	Foundation Trust 2022/23	Group 2021/22	Foundation Trust 2021/22
		£000	£000	£000	£000
Revenue					
Operating Income from patient care activities	2	**356,974**	**356,626**	341,649	341,283
Other operating income	2	**35,323**	**23,757**	28,829	18,709
Operating expenses	3	**(388,942)**	**(379,734)**	(343,506)	(336,976)
Operating (deficit)/surplus from continuing operations		**3,355**	**649**	26,972	23,016
Finance Costs					
Finance income	6	**1,024**	**989**	115	733
Finance expense - financial liabilities	6.1	**(551)**	**(1,549)**	(529)	(2,058)
PDC Dividends payable		**(3,150)**	**(3,150)**	(2,497)	(2,497)
Net Finance Costs		**(2,677)**	**(3,710)**	(2,911)	(3,822)
Other Gains/ (Losses)		**(12)**	**0**	(132)	(178)
Corporation tax (expense)/income	5.0	**(698)**	**0**	(775)	0
(Deficit)/Surplus from continuing operations		**(32)**	**(3,061)**	23,154	19,016
Surplus / (Deficit) of discontinued operations		**0**	**0**	0	0
Surplus/(Deficit)for the financial year		**(32)**	**(3,061)**	23,154	19,016
Other comprehensive income					
Impairments	7.0	**0**	**0**	0	0
Revaluations	7.0	**0**	**0**	4,093	4,093
Other recognised gains and losses		**0**	**0**	0	0
Actuarial gains/(losses) on defined benefit pension schemes		**0**	**0**	0	0
Other reserve movements		**(47)**	**0**	76	0
Total Comprehensive (Expense)/Income for the year		**(79)**	**(3,061)**	27,323	23,109

The notes on pages 117 to 160 form part of these accounts.

STATEMENT OF FINANCIAL POSITION AS AT 31 March 2023

	Note	Group 31 March 2023	Foundation Trust 31 March 2023	Group 31 March 2022	Foundation Trust 31 March 2022
		£000	£000	£000	£000
Non-current assets					
Property, plant and equipment	8.1-8.4	**142,854**	**141,597**	137,786	136,526
Right of Use Assets	9	**11,296**	**3,712**		
Investment Property	8.5	**80**	**0**	80	0
Investments in Subsidiaries	8.9	**0**	**16,824**	0	16,824
Loans to Subsidiaries	8.9	**0**	**7,403**	0	11,668
Other Investments (Charitable)	22	**1,233**	**0**	1,250	0
Trade and other receivables	10.1	**1,960**	**1,146**	1,957	1,227
Total non-current assets		**157,423**	**170,682**	141,073	166,245
Current assets					
Inventories	11.1	**4,756**	**2,277**	4,577	2,013
Trade and other receivables	10.1	**26,507**	**27,025**	22,050	22,801
Non-Current assets for Sale and Assets in disposal Groups		**0**	**0**	0	0
Cash and cash equivalents	12	**50,565**	**46,704**	56,803	50,519
Total current assets		**81,828**	**76,006**	83,430	75,333
Current liabilities					
Trade and other payables	13.1	**(54,601)**	**(54,657)**	(52,833)	(51,050)
Borrowings	14.1	**(4,652)**	**(2,981)**	(1,022)	(1,719)
Provisions	15	**(3,509)**	**(2,931)**	(3,835)	(3,516)
Other liabilities	13.2	**(7,673)**	**(7,323)**	(8,113)	(7,890)
Total current liabilities		**(70,435)**	**(67,892)**	(65,803)	(64,175)
Total assets less current liabilities		**168,816**	**178,796**	158,700	177,403
Non-current liabilities					
Trade and other payables		**0**	**0**	0	0
Borrowings	14.1	**(19,947)**	**(56,080)**	(13,011)	(55,058)
Provisions	15	**(2,279)**	**(2,279)**	(3,122)	(3,122)
Other Liabilities	13.2	**(1,849)**	**(304)**	(2,044)	(325)
Total non-current liabilities		**(24,075)**	**(58,663)**	(18,177)	(58,505)
Total assets employed		**144,741**	**120,133**	140,523	118,898
Financed by taxpayers' equity					
Public Dividend Capital		**149,768**	**149,768**	145,471	145,471
Revaluation reserve		**9,795**	**9,795**	9,795	9,795
Charitable Fund Reserve		**2,338**	**0**	2,344	0
Other Reserves		**99**	**99**	99	99
Income and expenditure reserve		**(17,259)**	**(39,529)**	(17,186)	(36,467)
Total taxpayers' equity		**144,741**	**120,133**	140,523	118,898

The financial statements on pages 111 to 160 were approved by the Board on: and signed on its behalf by:

Trudie Davies
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 2022	**140,523**	**145,471**	**9,795**	**2,344**	**99**	**(17,186)**	**118,898**	**145,471**	**9,795**	**99**	**(36,467)**
Changes in taxpayers' equity for 2022/23											
Impact of implementing IFRS 16 on 1 April 2022	0			0		0	0				0
Retained surplus/(deficit) for the year	(32)	0	0	41	0	(73)	(3,061)	0	0	0	(3,061)
Impairments	0	0	0	0	0	0	0	0	0	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	(47)	0	0	(47)	0	0	0	0	0	0	0
	140,444	145,471	9,795	2,338	99	(17,259)	115,837	145,471	9,795	99	(39,528)
Public Dividend Capital received	4,297	4,297	0	0	0	0	4,297	4,297	0	0	0
Public Dividend Capital repaid	0	0	0	0	0	0	0	0	0	0	0
Taxpayers' Equity at 31 March 2023	**144,741**	**149,768**	**9,795**	**2,338**	**99**	**(17,259)**	**120,134**	**149,768**	**9,795**	**99**	**(39,528)**

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 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 2021	**140,523**	**145,471**	**9,795**	**2,344**	**99**	**(17,186)**	**118,898**	**145,471**	**9,795**	**99**	**(36,467)**

STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31 March 2023

	Note	Group 2022/23	Group 2021/22	Foundation Trust 2022/23	Foundation Trust 2021/22
		£000	£000	£000	£000
Cash flows from operating activities					
Operating surplus /(deficit) from continuing operations		**3,355**	26,973	**649**	23,015
Operating surplus /(deficit) of discontinued operations		**0**	0	**0**	0
		3,355	26,973	**649**	23,015
Non-cash or non-operating income and expense:					
Depreciation and amortisation		**11,376**	7,640	**11,282**	7,542
Impairments and Reversals		**(64)**	(8,844)	**(64)**	(8,844)
Non Cash Donations credited to Income		**(504)**	(1,314)	**(504)**	(1,314)
Change in Trade and Other Receivables		**(4,987)**	(724)	**(860)**	3,661
Change in Inventories		**(178)**	440	**(264)**	585
Change in Trade and other Payables		**2,212**	(4,863)	**4,070**	(2,393)
Change in Other Liabilities		**(635)**	3,921	**(588)**	4,010
Change in Provisions		**(1,126)**	(898)	**(1,428)**	(364)
Corporation Tax (paid)/received		**(694)**	(848)	**0**	0
Other movements in operating cash flows		**(3)**	73	**(482)**	(21)
NHS Charitable Funds - working capital adjustments	22	**8**	(36)	**0**	0
Net cash (outflows)/inflows from operating activities		**8,760**	21,520	**11,811**	25,877
Cash flows from investing activities					
Interest received		**989**	88	**989**	733
Purchase of Property, Plant and Equipment		**(13,738)**	(13,311)	**(13,577)**	(13,195)
Proceeds From the Sale of Property, Plant and Equipment		**64**	504	**0**	504
Initial direct costs or up front payments in respect of right of use assets (lessee)		**0**		**0**	
Receipt of cash lease incentives (lessee)		**0**		**0**	
Lease termination fees paid (lessee)		**0**		**0**	
Receipt of cash grants/donations to purchase capital assets		**504**	1,100	**504**	1,100
Finance lease receipts (principal and interest)		**61**		**61**	
NHS Charitable Funds - net cash flow from investing activities	22	**0**	0	**0**	0
Net cash outflow from investing activities		**(12,120)**	(11,619)	**(12,023)**	(10,858)
Net cash (outflow) / inflow before financing		**(3,360)**	9,901	**(212)**	15,019
Cash flows from financing activities					
Public dividend capital received		**4,297**	6,156	**4,297**	6,156
Public dividend capital repaid		**0**	0	**0**	0
Movement in Loans from the DHSC		**(999)**	(1,178)	**(999)**	(1,178)
Capital element of lease liability payments		**(2,911)**		**(1,507)**	
Interest element of lease liability		**(78)**		**(35)**	
Movement in Finance Lease		**0**	0	**(697)**	(672)
Loan Interest paid		**(518)**	(559)	**(518)**	(559)
Finance Lease Interest		**0**	0	**(1,476)**	(1,529)
PDC Dividend paid		**(2,668)**	(1,740)	**(2,668)**	(1,740)
Net cash inflow / (outflow) from financing activities		**(2,877)**	2,679	**(3,603)**	478
(Decrease)/Increase in cash and cash equivalents		**(6,237)**	12,580	**(3,815)**	15,497
Opening Cash and Cash equivalents at 1 April		**56,802**	44,223	**50,519**	35,022
Closing Cash and Cash equivalents at 31 March		**50,565**	56,802	**46,704**	50,519

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 2022/23 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. The financial reporting framework applicable to NHS bodies, derived from the HM Treasury Financial Reporting Manual, defines that the anticipated continued provision of the entity's services in the public sector is normally sufficient evidence of going concern. The directors have a reasonable expectation that this will continue to be the case.

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 North East and North Cumbria Integrated Care System (NENC ICS). The Integrated Care Strategy for the North East and North Cumbria was published in December 2022 as a joint plan between the region's local authorities, the NHS and other partners. No circumstances were identified within the strategy that would cause the Directors to doubt or question the continued provision of NHS services by the Trust.

This year the Trust excluding the charity returned a deficit of £73k as reported in the Trusts Statement of Comprehensive Income.

2023/24 sees a continuation of the previous year's financial framework. This is blended tariff approach which consists of fixed and variable payments, with most services being on a fixed payment. For those services on a variable tariff income will be earned based on volume of activity at national tariff and is consistent with the historic PbR (payment by results) funding model. In addition, Elective Recovery Fund income (ERF) can also be earned on the achievement of nationally published activity trajectories. 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 2024. 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 separate Group and Trust columns.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Trust's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts 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 reviewed. 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 significant 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's view in accounting for leases is that when a lease is in place and no definition of term is in place, it is reasonable to assume that the Trust will occupy the property for the next five years as it needs to deliver its services in a local area and there is no intention for these services to be withdrawn. The Trust will review this each year with a view to immediately altering this approach where adjustments are known.

Under IFRS 16 and per the GAM, subsequent measurement of the ROU asset should be consistent with the principles for subsequent measurement of property, plant and equipment set out in IAS 16 as adapted by the FReM. Accordingly, the right of use assets should be measured at either fair value or current value in existing use. Where market data is not readily available a regular valuation is expected to be required to estimate the current value in existing use, although noted that there is a practical expedient in place for the cost model to be used where it results in a reliable proxy for current value. The Trust has made the judgement that the cost model is appropriate to use as the basis for representing the right of use assets current value

The Trust has made critical judgements in relation to the Modern Equivalent Asset (MEA) revaluation as at 31st March 2023. 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 2023.

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.

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.
The scheme is subject to a full actuarial valuation every four years and an accounting valuation every year.

Other Pension Schemes
The group also operates a defined contribution workplace pension scheme which is the National Employment 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 seven ill health retirements in 2022/2023 at a cost of £209,332

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)

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'.

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.

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.
Donated non-current assets are capitalised at current value in existing use., if they will be held for their service potential, or otherwise at fair value on receipt.

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 any 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.

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.
Financial assets or financial liabilities in respect of assets acquired or disposed of through leasing arrangements are recognised and measured in accordance with the accounting policy for leases described below.
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

A lease is a contract or part of a contract that conveys the right to use an asset for a period of time in exchange for consideration. An adaptation of the relevant accounting standard by HM Treasury for the public sector means that for NHS bodies, this includes lease-like arrangements with other public sector entities that do not take the legal form of a contract. It also includes peppercorn leases where consideration paid is nil or nominal (significantly below market value) but in all other respects meet the definition of a lease. The trust does not apply lease accounting to new contracts for the use of intangible assets.
The Trust determines the term of the lease term with reference to the non-cancellable period and any options to extend or terminate the lease which the Trust is reasonably certain to exercise.

The Trust as lessee
Recognition and initial measurement

At the commencement date of the lease, being when the asset is made available for use, the Trust recognises a right of use asset and a lease liability.

The right of use asset is recognised at cost comprising the lease liability, any lease payments made before or at commencement, any direct costs incurred by the lessee, less any cash lease incentives received. It also includes any estimate of costs to be incurred restoring the site or underlying asset on completion of the lease term.

The lease liability is initially measured at the present value of future lease payments discounted at the interest rate implicit in the lease. Lease payments includes fixed lease payments, variable lease payments dependent on an index or rate and amounts payable under residual value guarantees. It also includes amounts payable for purchase options and termination penalties where these options are reasonably certain to be exercised.

Where an implicit rate cannot be readily determined, the Trust's incremental borrowing rate is applied. This rate is determined by HM Treasury annually for each calendar year. A nominal rate of 0.95% applied to new leases commencing in 2022 and 3.51% to new leases commencing in 2023.

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 does not apply the above recognition requirements to leases with a term of 12 months or less or to leases where the value of the underlying asset is below £5,000, excluding any irrecoverable VAT. Lease payments associated with these leases are expensed on a straight-line basis over the lease term or other systematic basis [explain if relevant]. Irrecoverable VAT on lease payments is expensed as it falls due.

Subsequent measurement

As required by a HM Treasury interpretation of the accounting standard for the public sector, the Trust employs a revaluation model for subsequent measurement of right of use assets, unless the cost model is considered to be an appropriate proxy for current value in existing use or fair value, in line with the accounting policy for owned assets. Where consideration exchanged is identified as significantly below market value, the cost model is not considered to be an appropriate proxy for the value of the right of use asset.

The Trust subsequently measures the lease liability by increasing the carrying amount for interest arising which is also charged to expenditure as a finance cost and reducing the carrying amount for lease payments made. The liability is also remeasured for changes in assessments impacting the lease term, lease modifications or to reflect actual changes in lease payments. Such remeasurements are also reflected in the cost of the right of use asset. Where there is a change in the lease term or option to purchase the underlying asset, an updated discount rate is applied to the remaining lease payments.

The Trust as lessor

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.

Initial application of IFRS 16

IFRS 16 Leases as adapted and interpreted for the public sector by HM Treasury has been applied to these financial statements with an initial application date of 1 April 2022. IFRS 16 replaces IAS 17 Leases, IFRIC 4 Determining whether an arrangement contains a lease and other interpretations.

The standard has been applied using a modified retrospective approach with the cumulative impact recognised in the income and expenditure reserve on 1 April 2022. Upon initial application, the provisions of IFRS 16 have only been applied to existing contracts where they were previously deemed to be a lease or contain a lease under IAS 17 and IFRIC 4. Where existing contracts were previously assessed not to be or contain a lease, these assessments have not been revisited.

The Trust as lessee

For continuing leases previously classified as operating leases, a lease liability was established on 1 April 2022 equal to the present value of future lease payments discounted at the Trust's incremental borrowing rate of 0.95%. A right of use asset was created equal to the lease liability and adjusted for prepaid and accrued lease payments and deferred lease incentives recognised in the statement of financial position immediately prior to initial application. Hindsight has been used in determining the lease term where lease arrangements contain options for extension or earlier termination.

No adjustments have been made on initial application in respect of leases with a remaining term of 12 months or less from 1 April 2022 or for leases where the underlying assets has a value below £5,000. No adjustments have been made in respect of leases previously classified as finance leases.

The Trust as lessor

Leases of owned assets where the Trust is lessor were unaffected by initial application of IFRS 16. For existing arrangements where the Trust is an intermediate lessor, classification of all continuing sublease arrangements has been reassessed with reference to the right of use asset.

Accounting policies and other information (continued)

2021/22 comparatives

Comparatives for leasing transactions in these accounts have not been restated on an IFRS 16 basis. Under IAS 17 the classification of leases as operating or finance leases still applicable to lessors under IFRS 16 also applied to lessees. In 2021/22 lease payments made by the Trust in respect of leases previously classified as operating leases were charged to expenditure on a straight line basis.

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 resources; 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 2023
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.

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.

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.

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 and 31st March 2023 have been measured at this increased cost.

Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2022/23.

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**	
	2022/23 Total £000	**2022/23 Healthcare £000**	**2022/23 Total £000**	**2022/23 Healthcare £000**
Income				
Income from activities	**356,974**	**356,974**	**356,626**	**356,626**
Other operating income	**35,323**	**35,323**	**23,757**	**23,757**
Total Operating Income	**392,297**	**392,297**	**380,383**	**380,383**

The majority of the Trust's total income from activities is received/derived from Integrated Care Boards and NHS England. Of the £356,974k reported in 2022/23 (2021/22: £341,649k), an amount of £341.445k i.e. 95.65% was attributable to Integrated Care Boards and NHS England (2020/21: £326,806k i.e. 95.76%)

	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

Note 2. Income

2.1 Operating Income from activities by classification	**Group**	**Foundation Trust**	Group	Foundation Trust
	2022/23	**2022/23**	2021/22	2021/22
	£000	**£000**	£000	£000
Block contract/system envelope income*	**279,118**	**279,118**	276,554	276,554
High Cost Drug Income from Commissioners	**17,097**	**17,097**	15,129	15,129
Other NHS Clinical income*	**13,461**	**13,461**	16,248	16,248
Community Income	**22,153**	**22,153**	20,917	20,917
Additional Income for the delivery of healthcare services	**124**	**124**	101	101
Private patient income	**630**	**630**	743	743
Elective Recovery Fund	**6,315**	**6,315**	2,666	2,666
Agenda for change pay offer central funding	**8,049**	**8,049**	0	0
Additional pension contribution central funding	**8,711**	**8,363**	8,099	7,733
Other clinical income	**1,316**	**1,316**	1,192	1,192
Total Income from Activities	**356,974**	**356,626**	341,649	341,283
Research and Development	**961**	**961**	640	640
Education and training	**10,758**	**10,664**	9,373	9,292
Charitable and other contributions to expenditure	**0**	**0**	0	0
Non-patient care services to other bodies	**10,286**	**2,838**	8,281	2,071
Re-imbursement & Top Up Funding	**2,798**	**2,798**	3,277	3,277
Other income	**7,303**	**3,723**	2,510	66
Profit on disposal of other tangible fixed assets	**0**	**0**	0	0
Profit on disposal of land and buildings	**0**	**0**	0	0
Rental revenue from finance leases	**0**	**0**	0	0
Income in respect of staff costs	**854**	**854**	1,017	1,018
Notional Income from Apprentice Fund	**746**	**746**	417	417
Donated Equipment from DHSC for Covid response non cash	**0**	**0**	0	0
Contributions to expenditure - inventory donated by DHSC for Covid response	**0**	**0**	0	0
Contributions to expenditure - inventory donated by NHSE for Covid response	**481**	**481**	585	585
Donation/Grant of Physical Assets	**34**	**34**	214	214
Cash Grants for the Purchase of Physical Assets	**470**	**470**	1,100	1,100
Rental revenue from operating leases	**355**	**188**	350	29
NHS Charitable Funds Incoming resources excluding investment income	**277**	**0**	1,063	0
	35,323	**23,757**	**28,829**	**18,709**
Total Operating Income	**392,297**	**380,383**	370,477	359,992

All services are commissioner requested except private patients

2.1.1 Private patient income

	Group	
	2022/23	2021/22
	£000	£000
Private patient income	**630**	743
Total patient related income	**356,974**	341,649
Proportion (as percentage)	**0.18%**	0.22%

	Foundation Trust	
	2022/23	2021/22
	£000	£000
Private patient income	**630**	743
Total patient related income	**356,626**	341,283
Proportion (as percentage)	**0.18%**	0.22%

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	
	2022/23	2021/22
	£000	£000
Rents recognised as income in the period	**355**	350
Total	**355**	350
Future minimum lease payments due		
- not later than one year	**355**	350
- later than one year and not later than five years	**310**	310
- later than five years	**1,539**	1,628
Total	**2,204**	2,288

2.3 Income from activities by source

	Group	Foundation Trust	Group	Foundation Trust
	2022/23	**2022/23**	2021/22	2021/22
	£000	**£000**	£000	£000
NHS Foundation Trusts	**13,458**	**13,458**	12,733	12,733
NHS Trusts	**0**	**0**	0	0
Integrated Care Boards and NHS England	**341,445**	**341,097**	326,807	326,440
Local Authorities	**124**	**124**	101	101
Department of Health - grants	**0**	**0**	0	0
Department of Health - other	**0**	**0**	0	0
Department of Health - social care	**3**	**3**	4	4
NHS Other	**0**	**0**	85	85
Non-NHS Private patients	**630**	**630**	743	743
Non-NHS Overseas patients (non-reciprocal)	**74**	**74**	30	30
NHS injury scheme	**557**	**557**	377	377
Non NHS other	**683**	**683**	770	770
Additional Income for the delivery of healthcare services	**0**	**0**	0	0
Total Income from continuing Activities	**356,974**	**356,626**	341,649	341,283

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
	2022/23	**2022/23**	2021/22	2021/22
	£000	**£000**	£000	£000
Research and development	**961**	**961**	640	640
Education and Training	**10,758**	**10,664**	9,373	9,292
Charitable and other contributions to expenditure	**0**	**0**	0	0
Non-patient care services to other bodies	**10,286**	**2,838**	8,281	2,071
Re-imbursement and Top-Up funding	**2,798**	**2,798**	3,277	3,277
Rental revenue from operating leases	**355**	**188**	350	29
Income in respect of staff costs	**854**	**854**	1,017	1,018
Notional Income from Apprentice Fund	**746**	**746**	417	417
Charitable Funds NHS income excluding investing	**277**	**0**	1,063	0
Donated Equipment from DHSC for Covid response non cash	**0**	**0**	0	0
Contributions to expenditure - inventory donated by DHSC for Covid response	**0**	**0**	0	0
Contributions to expenditure - inventory donated by NHSE for Covid response	**481**	**481**	585	585
Cash donations for the purchase of capital assets received from NHS Charities	**34**	**34**	214	214
Cash Grants for the Purchase of Physical Assets	**470**	**469**	1,100	1,100
Car Parking	**774**	**774**	169	169
Pharmacy Sales	**187**	**6**	172	3
Creche Services	**45**	**45**	96	96
Clinical Test Services	**400**	**400**	553	553
Catering	**730**	**0**	587	0
Other (note 2.4.1)	**5,167**	**2,499**	932	(755)
Total Other Operating income	**35,323**	**23,757**	28,829	18,709

2.4.1 Other Operating Income - Other

	Group	Foundation Trust	Group	Foundation Trust
	2022/23	**2022/23**	2021/22	2021/22
	£000	**£000**	£000	£000
Central Sterile Supplies Dept.	**7**	**0**	2	0
Salary sacrifice	**589**	**585**	597	590
Other	**4,571**	**1,914**	336	(1,345)
Total Other Operating Income - other	**5,167**	**2,499**	935	(755)

Note 3. Expenses

Notes to the Accounts

3.1 Operating expenses comprise:

	Group 2022/23 £000	**Foundation Trust 2022/23 £000**	Group 2021/22 £000	Foundation Trust 2021/22 £000
Purchase of healthcare from NHS and DHSC Bodies	**7,154**	**7,201**	6,709	6,703
Purchase of healthcare from non NHS Bodies	**3,590**	**3,564**	2,959	2,755
Purchase of Social Care	**0**	**0**	540	540
Staff and Executive Director Costs	**257,733**	**233,853**	232,135	211,204
Employee Expenses - Non-executive directors	**172**	**164**	184	179
Supplies and services - clinical (excluding drugs costs)	**37,734**	**41,364**	34,230	38,570
Supplies and services - consumables donated from DHSC group bodies for Covid response	**521**	**521**	1,509	1,509
Supplies and services - general	**3,145**	**27**	2,439	0
Supplies and services - general: notional cost of equipment donated from DHSC for Covid response below capital threshold	**0**	**0**	0	0
Supplies and services - general notional cost of equipment donated from NHSE for Covid response below capital threshold	**0**	**0**	0	0
Establishment	**4,037**	**2,699**	3,118	2,248
Research and development - (not included in employee expenses)	**19**	**19**	40	21
Research and development - (included in employee expenses)	**932**	**932**	691	691
Change in Provisions discount rates	**(561)**	**(561)**	514	514
Transport (Business travel only)	**753**	**691**	549	514
Transport (Other)	**895**	**3,786**	754	3,304
Premises	**18,034**	**36,696**	16,408	33,511
Increase/(decrease) in bad debt provision	**28**	**(29)**	801	829
Drugs Inventories consumed	**21,718**	**21,446**	19,117	19,040
Inventories written down (consumables donated from DHSC group bodies for Covid response	**0**	**0**	0	0
Operating Lease Expenditure Net	**0**	**0**	4,404	1,734
Depreciation on property, plant and equipment	**11,376**	**11,282**	7,641	7,542
Net Impairments/(Revaluations) of Property, Plant & Equipment	**(64)**	**(64)**	(8,844)	(8,844)
Audit fees				
* audit services- statutory audit	**147**	**117**	97	81
Other auditors' remuneration				
Other services	**0**	**0**	0	0
Audit Fees payable to external auditor of charitable funds accounts	**5**	**0**	2	0
Clinical negligence	**7,923**	**7,923**	7,871	7,871
Legal Fees	**231**	**157**	113	73
Consultancy Costs	**1,021**	**511**	548	436
Internal Audit costs - (not included in employee expenses)	**240**	**170**	213	157
Training, courses and conferences	**2,704**	**2,531**	1,331	1,175
Lease expenditure - short term leases <= 12 months	**1,720**	**(742)**		
Car parking & Security	**141**	**0**	175	0
Voluntary Severance Payments	**0**	**0**	0	0
Redundancy	**93**	**93**	170	170
Insurance	**503**	**249**	423	187
Other Services	**4,616**	**4,563**	4,059	4,059
NHS Charitable funds other resources expended	**267**	**0**	171	0
Protective Clothing	**0**	**0**	0	0
Professional Fees	**0**	**0**	0	0
Other	**2,115**	**571**	2,436	204
	388,942	**379,734**	343,506	336,976

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

	2022/23	2021/22
	£000	£000
Total liability accruing in the year under this legislation as a result of late payments	60	2

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.

3.3 Better Payment Policy

	2022/23		2021/22	
	Number	**£000**	Number	£000
Total bills paid in the year	**35,395**	**178,608**	28,138	**157,147**
Total bills paid within target	**30,617**	**171,572**	24,153	**149,307**
Percentage of bills paid within target	**86.5%**	**96.1%**	85.8%	**95.0%**

The Better Payment Practice Code recommends the Trust to aim to pay all valid invoices by the due date or within 30

Note 4. Employee expenses, numbers and benefits

4.1 Employee expenses (Including Executive Directors' Costs)

	Group		Foundation Trust	
	2022/23	2021/22	**2022/23**	2021/22
	£000	£000	**£000**	£000
Salaries and wages	**199,431**	181,015	**180,083**	164,563
Capitalised Salaries and wages	**606**	498	**606**	498
Social Security Costs	**18,902**	17,080	**17,148**	15,555
Apprenticeship levy	**934**	994	**846**	906
Pension costs - defined contribution plans				
Employers' contributions to NHS Pensions	**19,873**	18,509	**19,088**	17,685
Pension cost - employer contributions paid by				
NHSE on provider's behalf (6.3%)	**8,711**	8,099	**8,363**	7,733
Pension costs - Other	**393**	375	**151**	184
External bank	**1,728**	990	**1,728**	990
Agency/contract staff	**8,933**	5,980	**7,619**	4,497
NHS Charitable Funds staff	**0**	0	**0**	0
Termination Benefits	**93**	170	**93**	170
Total Gross Staff Costs	**259,604**	233,710	**235,725**	212,781

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			
	2022/23 Total	**Permanently Employed**	**Other**	2021/22 Total	**2022/23 Total**	**Permanently Employed**	**Other**	2021/22 Total
	Number	**Number**	**Number**	Number	**Number**	**Number**	**Number**	Number
Medical and dental	**466**	**460**	**6**	454	**466**	**460**	**6**	454
Ambulance staff	**0**	**0**	**0**	0	**0**	**0**	**0**	0
Administration and estates	**996**	**977**	**19**	964	**831**	**812**	**19**	809
Healthcare assistants and other support staff	**1,033**	**1,029**	**4**	950	**544**	**544**	**0**	497
Nursing, midwifery and health visiting staff	**1,349**	**1,242**	**107**	1,330	**1,349**	**1,242**	**107**	1,330
Healthcare scientists	**391**	**381**	**10**	399	**450**	**441**	**9**	388
Scientific, therapeutic and technical staff	**450**	**441**	**9**	427	**381**	**371**	**10**	427
Other *	**19**	**19**	**0**	11	**7**	**7**	**0**	4
Total	**4,704**	**4,549**	**155**	4,535	**4,028**	**3,877**	**151**	3,909

* Other relates to Apprentices employed by the Trust

4.3 Staff Exit Packages

	2022/23 Group				2021/22 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	**2**	**14**	**0**	**0**	0	0	0	0
£10,001 - £25,000	**0**	**0**	**0**	**0**	0	0	2	28
£25,001 - £50,000	**0**	**0**	**0**	**0**	1	35	0	0
£50,001 - £100,000	**0**	**0**	**1**	**79**	2	133	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	**2**	**14**	**1**	**79**	3	168	2	28
Redundancy	**2**	**14**	**1**	**79**	3	168	2	28
Voluntary Severance Scheme	**0**	**0**	**0**	**0**	0	0	0	0
Total	**2**	**14**	**1**	**79**	3	168	2	28

Notes to the Accounts

5. Corporation Tax

	Group	Group
	2022/23	2021/22
	£000	£000
UK corporation tax expense	**698**	775
Adjustments in respect of prior years	**0**	0
Current tax expense	**698**	775
Origination and reversal of temporary differences	**0**	160
Change in tax rate	**0**	(160)
Adjustment in respect of previous years	**0**	0
Deferred tax charge/(credit)	**0**	**0**
Total corporation tax expense in Statement of Comprehensive Income	**698**	775

The Foundation Trust has no corporation tax expense (2021/22 £nil)

Reconciliation of effective tax rate	**2022/23**	2021/22
	£000	£000
Surplus for the year	**2,989**	3,351
Total tax expense	**698**	775
	3,687	4,126
Tax using the UK corporation tax rate of 19% (2020:19%)	**701**	784
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	**(3)**	(9)
Total tax (income)/expense	**698**	775

6. Finance Income

	Group	**Foundation Trust**	Group	Foundation Trust
	2022/23	**2022/23**	2021/22	2021/22
	£000	**£000**	£000	£000
Interest received on commercial bank accounts	**989**	**989**	88	88
NHS Charitable Funds Investment Income	**35**	**0**	28	0
Intragroup Loan Interest	**0**	**0**	0	645
	1,024	**989**	115	733

6.1 Finance Expense

	Group	**Foundation Trust**	Group	Foundation Trust
	2022/23	**2022/23**	2021/22	2021/22
	£000	**£000**	£000	£000
Finance Leases - external	**0**	**0**	**0**	**0**
Finance Leases - inter group	**0**	**998**	**0**	**1,529**
Loan Interest	**551**	**551**	**529**	**529**
	551	**1,549**	**529**	**2,058**

7. Impairment / Revaluation of Assets

	Group & Foundation Trust	
	2022/23	2021/22
	£000	£000
Gross Impairment	0	0
Gross Revaluation	**(64)**	8,844
(Reversal of Impairment)/Impairment SOCI Charge	**0**	6,178
Increase/(Decrease) in valuation of assets		
Total (Impairment) / Revaluation in OCI	**0**	4,093

In 2022/23 £0.064m has been credited as a revaluation in other comprehensive income

In 2021/22 £6.178m has been credited to operating expenses and £3.185m credited as a revaluation 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 2022/23 - Group

2022/23	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 2022	223,283	4,806	166,444	0	0	32,012	351	19,409	261
Additions purchased	12,771	0	4,313	0	2,325	3,666	55	2,412	0
Additions donated	504	0	414	0	0	90	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	0	0	0	0	0	0	0	0	0
Revaluations	0	0	0	0	0	0	0	0	0
Disposals	(2,470)	0	(76)	0	0	(2,394)	0	0	0
Cost or valuation at 31 March 2023	**234,088**	**4,806**	**171,095**	**0**	**2,325**	**33,374**	**406**	**21,821**	**261**
Accumulated Depreciation at 1 April 2022	85,497	89	48,869	0	0	21,736	144	14,399	260
Provided during the year	8,195	0	3,292	0	0	2,398	37	2,467	1
Impairments	0	0	0	0	0	0	0	0	0
Reversal of impairments	(64)	0	(64)	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	(2,394)	0	0	0	0	(2,394)	0	0	0
Accumulated Depreciation at 31 March 2023	**91,234**	**89**	**52,097**	**0**	**0**	**21,740**	**181**	**16,866**	**261**
Net book value - 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**
Net book value at 31st March 2023									
- Owned	141,353	4,717	118,472	0	2,325	10,659	225	4,955	0
- Finance lease	0	0	0	0	0	0	0	0	0
- Donated	1,501	0	526	0	0	975	0	0	0
Total NBV at 31 March 2023	**142,854**	**4,717**	**118,998**	**0**	**2,325**	**11,634**	**225**	**4,955**	**0**

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 2023	126,040	4,717	118,998	0	2,325	0	0	0	0
- Unprotected assets at 31 March 2023	16,814	0	0	0	0	11,634	225	4,955	0
Total at 31 March 2023	**142,854**	**4,717**	**118,998**	**0**	**2,325**	**11,634**	**225**	**4,955**	**0**

Notes to the Accounts

Note 8. Property, plant and equipment

8.2 Property, plant and equipment 2022/23 - Foundation Trust

2022/23	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 2022	221,708	4,806	165,565	0	0	31,799	64	19,213	261
Additions purchased	12,609	0	4,318	0	2,325	3,555	0	2,411	0
Additions donated	504	0	414	0	0	90	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	0	0	0	0	0	0	0	0	0
Revaluations	0	0	0	0	0	0	0	0	0
Disposals	(2,394)	0	0	0	0	(2,394)	0	0	0
Cost or valuation at 31 March 2023	**232,427**	**4,806**	**170,297**	**0**	**2,325**	**33,050**	**64**	**21,624**	**261**
Accumulated Depreciation at 1 April 2022	85,182	89	48,837	0	0	21,686	64	14,246	260
Provided during the year	8,106	0	3,282	0	0	2,366	0	2,457	1
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	(64)	0	(64)	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	(2,394)	0	0	0	0	(2,394)	0	0	0
Accumulated Depreciation at 31 March 2023	**90,830**	**89**	**52,055**	**0**	**0**	**21,658**	**64**	**16,703**	**261**
Net book value - 31 March 2022									
- Owned	135,278	4,717	116,728	0	0	8,928	0	4,904	0
- 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**	**0**
Net book value - 31 March 2023									
- Owned	140,096	4,717	117,716	0	2,325	10,417	0	4,921	0
- Finance lease	0	0	0	0	0	0	0	0	0
- Donated	1,501	0	526	0	0	975	0	0	0
Total NBV at 31 March 2023	**141,597**	**4,717**	**118,242**	**0**	**2,325**	**11,392**	**0**	**4,921**	**0**

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 2023	125,284	4,717	118,242	0	2,325	0	0	0	0
- Unprotected assets at 31 March 2023	16,313	0	0	0	0	11,392	0	4,921	0
Total at 31 March 2023	**141,597**	**4,717**	**118,242**	**0**	**2,325**	**11,392**	**0**	**4,921**	**0**

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.

8.1 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	207,724	4,216	155,245	0	2,481	26,961	257	18,302	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	**223,283**	**4,806**	**166,444**	**0**	**0**	**32,012**	**351**	**19,409**	**261**
Accumulated Depreciation at 1 April 2021	86,725	356	54,615	0	0	19,892	113	11,496	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	**85,497**	**89**	**48,869**	**0**	**0**	**21,736**	**144**	**14,399**	**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	206,264	4,216	154,916	0	1,877	26,777	64	18,153	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	**221,708**	**4,806**	**165,565**	**0**	**0** 0	**31,799**	**64**	**19,213**	**261**
Accumulated Depreciation at 1 April 2021	86,509	356	54,598	0	0	19,876	64	11,362	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	**85,182**	**89**	**48,837**	**0**	**0**	**21,686**	**64**	**14,246**	**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	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.

8.5 Investment property

Valuation	£000
At 1 April 2022	80
At 31 March 2023	80
Net Book Value	
at 31 March 2023	80

	Group	
	2022/23	2021/22
	£000	£000
Carrying value at 1 April	**80**	80
Carrying value at 31 March	**80**	80

8.6 Economic life of property, plant and equipment

Group & Foundation Trust	Min Life Years	Max Life Years
Buildings excluding dwellings	1	88
Plant & Machinery	5	6
Transport Equipment	5	7
Information Technology	5	5
Furniture & Fittings	5	5

8.7 Profit /loss on disposal of fixed assets

	Group & Foundation Trust	
	2022/23	2021/22
	£000	£000
Profit / Loss on the disposal of fixed assets is made up as follows:		
Profit / Loss on disposal of Property, Plant & Equipment	**(12)**	**0**
	(12)	**0**

8.8 Revaluation reserve - property, plant and equipment

Group & Foundation Trust	Total £000
Revaluation reserve at 1 April 2022	**9,795**
Impairments	**0**
Revaluations	**0**
Other reserve movements	**0**
Revaluation reserve at 31 March 2023	**9,795**
Revaluation reserve at 1 April 2021	6,611
Impairments	0
Revaluations	4,093
Other reserve movements	(909)
Revaluation reserve at 31 March 2022	9,795

8.9 Investments in subsidiary undertakings

	Foundation Trust	Foundation Trust
	2022/23	2021/22
	£000	£000
Shares in subsidiary undertakings	**16,824**	16,824
Loans to subsidiary undertakings > 1 Year	**7,403**	11,668
	24,227	28,492
Loans to subsidiary undertakings < 1 Year	**4,265**	4,121
	28,492	32,613

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 9.1 Right of use assets Group - 2022/23

Group	Property (land and buildings) £000	Plant & machinery £000	Transport equipment £000	Total £000	Of which: leased from DHSC group bodies £000
Valuation/gross cost at 1 April 2022 - brought forward	**-**	**-**	**-**	**-**	**-**
Recognition of Right of use assets for existing operating leases on initial application of IFRS 16 on 1 April 2022	2,825	6,824	387	**10,036**	2,250
Transfers by absorption	-	-	-	**-**	-
Additions	3,573	989	315	**4,877**	-
Remeasurements of the lease liability	-	-	-	**-**	-
Movements in provisions for restoration / removal costs	-	-	-	**-**	-
Impairments	-	-	-	**-**	-
Reversal of impairments	-	-	-	**-**	-
Revaluations	-	-	-	**-**	-
Reclassifications	-	-	-	**-**	-
Disposals / derecognition	-	(570)	-	**(570)**	-
Valuation /gross cost 31 March 2023	**6,398**	**7,243**	**702**	**14,343**	**2,250**
Accumulated depreciation at 1 April 2022 - brought forward	-	-	-	**-**	-
IFRS 16 implementation - reclassification of existing leased assets from PPE or intangible assets	-	-	-	**-**	-
IFRS 16 implementation - adjustments for existing subleases	-	-	-	**-**	-
Transfers by absorption	-	-	-	**-**	-
Provided during the year	565	2,338	278	**3,181**	450
Impairments	-	-	-	-	-
Reversal of impairments	-	-	-	-	-
Revaluations	-	-	-	-	-
Reclassifications	-	-	-	-	-
Disposals / derecognition	-	(134)	-	(134)	-
Accumulated depreciation at 31 March 2023	**565**	**2,204**	**278**	**3,047**	**450**
Net book value at 31 March 2023	**5,833**	**5,039**	**424**	**11,296**	**1,800**

Net book value of right of use assets leased from other NHS providers

Net book value of right of use assets leased from other DHSC group bodies

Note 9.2 Right of use assets Trust - 2022/23

Trust	Property (land and buildings)	Plant & machinery	Transport equipment	Total	Of which: leased from DHSC group bodies
	£000	£000	£000	£000	£000
Valuation/gross cost at 1 April 2022 - brought forward	**-**	**-**	**-**	**-**	**-**
Recognition of Right of use assets for existing operating leases on initial application of IFRS 16 on 1 April 2022	624	4,259	-	**4,883**	624
Transfers by absorption	-	-	-	**-**	-
Additions	-	364	-	**364**	-
Remeasurements of the lease liability	-	-	-	**-**	-
Movements in provisions for restoration / removal costs	-	-	-	**-**	-
Impairments	-	-	-	**-**	-
Reversal of impairments	-	-	-	**-**	-
Revaluations	-	-	-	**-**	-
Reclassifications	-	-	-	**-**	-
Disposals / derecognition	-	-	-	**-**	-
Valuation /gross cost 31 March 2023	**624**	**4,623**	**-**	**5,247**	**624**
Accumulated depreciation at 1 April 2022 - brought forward	-	-	-	**-**	-
IFRS 16 implementation - reclassification of existing leased assets from PPE or intangible assets	-	-	-	**-**	-
IFRS 16 implementation - adjustments for existing subleases	-	-	-	**-**	-
Transfers by absorption	-	-	-	**-**	-
Provided during the year	125	1,410	-	**1,535**	125
Impairments	-	-	-	-	-
Reversal of impairments	-	-	-	-	-
Revaluations	-	-	-	-	-
Reclassifications	-	-	-	-	-
Disposals / derecognition	-	-	-	-	-
Accumulated depreciation at 31 March 2023	**125**	**1,410**	**-**	**1,535**	**125**
Net book value at 31 March 2023	**499**	**3,213**	**-**	**3,712**	**499**

Net book value of right of use assets leased from other NHS providers

Net book value of right of use assets leased from other DHSC group bodies

Note 9.3 Reconciliation of the carrying value of lease liabilities

Lease liabilities are included within borrowings in the statement of financial position.

A breakdown of borrowings is disclosed in note 14.1

	Group 2022/23 £000s	Trust 2022/23 £000s
Carrying Value at 31 March 2022		
IFRS 16 implementation - adjustments for existing operating leases	10,036	5,154
At start of period for new FTs		
Transfers by absorption	-	-
Lease additions	4,513	-
Lease liability remeasurements	364	364
Interest charge arising in year	78	35
Early terminations	(436)	-
Lease payments (cash outflows)	(2,989)	(1,571)
Other changes	-	-
Carrying Value at 31 March 2023	**11,566**	**3,982**

Note 9.4 Maturity analysis of future lease payments at 31 March 2023

	Group		Trust	
	Total 31-Mar-23 £000s	Of which leased from DHSC group bodies: 31-Mar-23 £000s	Total ######## £000s	Of which leased from DHSC group bodies: 31-Mar-23 £000s
Undiscounted future lease payments payable in:				
- not later than one year;	3,466	458	1,750	127
- later than one year and not later than five years;	6,644	1,375	2,300	388
- later than five years.	2,619	0	0	0
Total gross future lease payments	**12,729**	**1,833**	**4,050**	**515**
Finance charges allocated to future periods	(1,163)	(69)	(68)	(17)
Net lease liabilities at 31 March 2016	**11,566**	**1,764**	**3,982**	**498**
Of which:				
- Current	3,466	458	1,750	127
- Non-Current	8,100	1,306	2,232	371

Note 9.5 Initial Application of IFRS 16 on 1 April 2022

IFRS 16 as adapted and interpreted for the public sector by HM Treasury has been applied to leases in these financial statements with an initial application date of 1 April 2022.

Reconciliation of operating lease commitments as at to lease liabilities under IFRS 16 as at 31 March 2022 to lease liabilities under IFRS 16 as at 1 April 2023

	Group 1 April 2022 £000s	Trust 1 April 2022 £000s
Operating Lease commitments under IAS 17 at 31 March 2022	**7,744**	**2,450**
Impact of discounting at the incremental borrowing rate	**(118)**	**(37)**
	7,626	**2,413**
IAS 17 operating lease commitment discounted at incremental borrowing rate		
Less:	-	-
Commitments for short term leases	(2,763)	-
Commitments for leases of low value assets	-	-
Commitments for leases that had not commenced as at 31 March 2015	-	-
Irrecoverable VAT previously included in IAS 17 commitment	-	-
Services included in IAS 17 commitment not included in the IFRS 16 liability	-	-
Other adjustments:	-	-
Differences in the assessment of the lease term	4,954	2,292
Public sector leases without full documentation previously excluded from operating lease commitments	-	-
Variable lease payments based on an index or rate	-	-
Rent increases/(decreases) reflected in the lease liability, not previously reflected in the IAS 17 commitment	219	178
Amounts payable under residual value guarantees	-	-
Termination penalties not previously included in commitment	-	-
Finance lease liabilities under IAS 17 as at 31 March 2015	-	-
Other adjustments	-	-
Total lease liabilities under IFRS 16 as at 1 April 2015	**10,036**	**4,883**

Notes to the Accounts

Note 10. Receivables

10.1 Trade and other receivables

	31st March 2023	Financial assets	Non-financial assets	31st March 2022
	£000	£000	£000	£000
Current - Group				
NHS Contract Receivables *	**14,319**	**14,319**	**0**	8,877
Other receivables with related parties	**2,832**	**2,289**	**543**	2,570
Provision for impaired receivables	**(1,598)**	**(1,398)**	**(200)**	(1,668)
Prepayments	**4,456**	**0**	**4,456**	4,347
Accrued Income	**1,378**	**0**	**1,378**	1,927
Other receivables	**5,120**	**4,310**	**810**	5,997
Total Current Trade and Other Receivables	**26,507**	**19,520**	**6,986**	22,050
Current - Foundation Trust				
NHS Contract Receivables *	**12,786**	**12,786**	**0**	8,537
Other receivables with related parties	**2,832**	**0**	**2,832**	2,570
Provision for impaired receivables	**(1,534)**	**(1,334)**	**(200)**	(1,659)
Prepayments	**3,533**	**0**	**3,533**	3,793
Accrued Income	**345**	**0**	**345**	1,257
Loan repayments from QEF Limited (note 8.9)	**4,265**	**0**	**4,265**	4,121
Other receivables	**4,798**	**3,987**	**811**	4,182
Total Current Trade and Other Receivables	**27,025**	**15,439**	**11,586**	22,801

* The majority of NHS receivables are with Integrated Care Board 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 *	**0**	**0**	**0**	748
Provision for impaired receivables	**(306)**	**(106)**	**(200)**	(229)
Deferred tax	**814**	**0**	**814**	729
Other receivables	**1,452**	**0**	**1,452**	709
Total Non Current Trade and Other Receivables	**1,960**	**(106)**	**2,066**	1,957
Non-Current Foundation Trust				
NHS Receivables *	0	0	0	708
Provision for impaired receivables	(306)	(106)	(200)	(229)
Other receivables	1,452	648	804	748
Non current trade and other receivables (excluding loans)	**1,146**	**542**	**604**	**1,227**
Loan repayments from QEF Limited (note 8.9)	7,403	7,403	0	11,668
Total Non Current Trade and Other Receivables	**8,549**	**7,945**	**604**	**12,895**

Notes to the Accounts

Note 10.2 Allowances for Credit Losses - 2022/2023

Group & Foundation Trust

	Receivables and contract assets	All other
	£000's	£000's
At 1 April 2022 brought forward	**1,897**	0
Transfers by absorption	**0**	0
New allowances arising	**829**	0
Changes in existing allowances	**(643)**	0
Reversals of allowances	**(157)**	0
Utilisation of allowances (write offs)	**(22)**	0
Changes arising following modification of contractual cash flows	**0**	0
Foreign exchange and other changes	**0**	0
At 31 March 2023	**1,904**	0
Loss/(gain) recognised in expenditure	**28**	

Note 10.2 Allowances for Credit Losses - 2021/2022

At 1 April 2021 brought forward	1,139
Transfers by absorption	0
New allowances arising	730
Changes in existing allowances	200
Reversals of allowances	(130)
Utilisation of allowances (write offs)	(42)
Changes arising following modification of contractual cash flows	0
Foreign exchange and other changes	0
At 31 March 2022	1,897

Note 10.4 Deferred Tax Asset

Recognised deferred tax assets

Deferred tax assets are attributable to the following:	**Group 2022/2023**	Group 2021/2022
	£000	£000
Property, plant and equipment	**794**	709
Temporary tax differences	**20**	20
Total deferred tax asset	**814**	729

Movement in deferred tax during the year

	2022/2023	2021/2022
	£000	£000
Recognised in income	**86**	(5)
Property, plant and equipment	**0**	(155)
Prior year adjustment	(1)	160
	85	**0**

Note 11. Inventory

Note 11.1 Inventory Balances

	Group		Foundation Trust	
	31 March 2023	31 March 2022	**31 March 2023**	31 March 2022
	£000	£000	**£000**	£000
Drugs	**1,914**	1,713	**1,323**	1,062
Consumables	**2,736**	2,764	**954**	951
Energy	**105**	100	**0**	0
Work in Progress	**0**	0	**0**	0
Total Inventories	**4,756**	4,577	**2,277**	2,013

Note 11.2 Inventories Recognised as an Expense

	Group		Foundation Trust	
	2022/2023	**2021/2022**	**2022/2023**	**2021/2022**
	£000	£000	**£000**	£000
Inventories recognised in expenses	**34,849**	31,362	**12,943**	12,421
	34,849	31,362	**12,943**	12,421

Note 12. Cash and cash equivalents

	Group		Foundation Trust	
	31 March 2023	31 March 2022	**31 March 2023**	31 March 2022
	£000	£000	**£000**	£000
At 1 April	**56,803**	44,223	**50,519**	35,022
Net change in year	**(6,238)**	12,580	**(3,815)**	15,497
At 31 March	**50,565**	56,803	**46,704**	50,519
Broken down into:				
Cash at commercial banks and in hand	**3,861**	6,284	**0**	0
Cash with Government Banking Service	**46,704**	50,519	**46,704**	50,519
Other current investments	**0**	0	**0**	0
Cash and cash equivalents as in Statement of Financial Position	**50,565**	56,803	**46,704**	50,519
Bank overdraft	**0**	0	**0**	0
Cash and cash equivalents as in Statement of Cashflows	**50,565**	56,803	**46,704**	50,519

Notes to the Accounts

Note 13. Payables and other Liabilities

13.1 Trade and other payables

Group Current	Total 31st March 2023 £000	Financial liabilities £000	Non-financial liabilities £000	Total 31st March 2022 £000
NHS payables and accruals	**2,807**	**2,807**	**0**	4,751
Trade Payables-Capital	**0**	**0**	**0**	463
Other payables	**19,998**	**8,502**	**11,496**	15,733
Corporation Tax	**411**	**0**	**411**	322
Accruals	**31,385**	**31,385**	**0**	31,564
Total current trade and other payables	**54,601**	**42,694**	**11,907**	52,833

Trust Current	Total 31st March 2023 £000	Financial liabilities £000	Non-financial liabilities £000	Total 31st March 2022 £000
NHS payables and accruals	2,807	2,807	0	4,752
Trade Payables-Capital	(175)	(175)	0	463
Other payables	24,061	16,939	7,122	24,629
Accruals	27,964	27,964	0	21,206
Total current trade and other payables	54,657	47,535	7,122	51,050

13.2 Other Liabilities

	Group		Foundation Trust	
	31st March 2023	31st March 2022	**31st March 2023**	31st March 2022
	£000	£000	**£000**	£000
Current				
Deferred Income	**7,673**	8,113	**7,323**	7,890
Total other current liabilities	**7,673**	8,113	**7,323**	7,890
Non-current				
Deferred Income	**1,849**	2,044	**304**	325
Total other non current liabilities	**1,849**	2,044	**304**	325

Note 14. Borrowings

	Group		Foundation Trust	
14.1 Borrowings	**31 March 2023 £000**	31 March 2022 £000	**31 March 2023 £000**	31 March 2022 £000
Current				
Loans from Independent Trust Financing Facility	**1,021**	1,022	**1,021**	1,022
Revenue Support Working Capital Loans	**0**	0	**0**	0
Lease liabilities*	**3,631**		**1,239**	
Obligations under finance leases	**0**	0	**721**	697
Total current borrowing	**4,652**	1,022	**2,981**	1,719
Non-current				
Loans from Independent Trust Financing Facility	**12,012**	13,011	**12,012**	13,011
Revenue Support Working Capital Loans	**0**	0	**0**	0
Lease liabilities*	**7,935**		**2,743**	
Obligations under finance leases	**0**	0	**41,325**	42,047
Total other non current liabilities	**19,947**	13,011	**56,080**	55,058

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.

*The Trust has applied IFRS 16 to lease arrangements within these accounts from 1 April 2022 without restatement of comparatives. More information about leases and the impact of this change in accounting policy can be found in note 9

14.2 Finance lease obligations - Foundation Trust	**31 March 2023 £000**	31 March 2022 £000
Gross Lease Liabilities	**42,046**	42,744
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	**89,213**	91,384
Finance charges allocated to future periods	**(58,030)**	(59,503)
Net Lease Liabilities	**42,046**	42,744
- Not later than one year	**721**	697
- Later than one year and not later than five years	**3,146**	3,039
- Later than five years	**38,179**	39,008
	42,046	42,744

The Group does not have any Finance Lease Obligations.

Note 15. Provisions for liabilities and charges - Group

	Current		Non Current	
	31 March 2023 £000	31 March 2022 £000	**31 March 2023 £000**	31 March 2022 £000
Pensions early departure costs	**136**	144	**972**	1,326
Pensions injury benefits	**107**	106	**1,306**	1,796
Restructuring	**0**	0	**0**	0
Equal pay	**0**	0	**0**	0
Redundancy	**0**	37	**0**	0
Legal claims	**73**	91	**0**	0
Other	**3,194**	3,457	**0**	0
	3,509	3,835	**2,279**	3,122

	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 2022	**1,470**	**1,902**	**91**	**0**	**0**	**37**	**3,457**	**6,957**
Change in the discount rate	**(162)**	**(399)**	**0**	**0**	**0**	**0**	**0**	**(561)**
Arising during the year	**38**	**45**	**42**	**0**	**0**	**0**	**1,776**	**1,901**
Utilised during the year	**(140)**	**(109)**	**(12)**	**0**	**0**	**(37)**	**(265)**	**(563)**
Reclassified	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Reversed unused	**(80)**	**0**	**(49)**	**0**	**0**	**0**	**(1,773)**	**(1,902)**
Unwinding of discount	**(19)**	**(25)**	**0**	**0**	**0**	**0**	**0**	**(44)**
At 31 March 2023	**1,107**	**1,414**	**72**	**0**	**0**	**0**	**3,195**	**5,788**

Expected timing of cash flows:

-not later than one year;	**136**	**107**	**72**	**0**	**0**	**0**	**3,195**	**3,510**
-later than one year and not later than five years;	**520**	**410**	**0**	**0**	**0**	**0**	**0**	**930**
-later than five years;	**451**	**897**	**0**	**0**	**0**	**0**	**0**	**1,348**
	1,107	**1,414**	**72**	**0**	**0**	**0**	**3,195**	**5,788**

	Pensions early departure costs £000	Pensions injury benefits £000	Legal claims £000	Restructuring £000	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

£69,745k is included in the provisions of the NHS Resolution at 31/3/2023 in respect of clinical negligence liabilities of the trust which are managed through the NHS risk pooling scheme on behalf of the Foundation Trust (31/3/2022 £109,220k).

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 £73k 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 £1,415k 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 2023	31 March 2022	**31 March 2023**	31 March 2022
	£000	£000	**£000**	£000
Pensions early departure costs	**136**	144	**972**	1,326
Pensions injury benefits	**107**	106	**1,307**	1,796
Restructuring	**0**	0	**0**	0
Redundancy	**0**	37	**0**	0
Legal claims	**73**	91	**0**	0
Other	**2,615**	3,138	**0**	0
	2,931	3,516	**2,279**	3,122

	Pensions early departure costs	Pensions injury benefits	Legal claims	Equal Pay	Redundancy	Other	**Total**
	£000	£000	£000	£000	£000	£000	**£000**
At 1 April 2022	**1,470**	**1,902**	**91**	**0**	**37**	**3,137**	**6,637**
Change in the discount rate	**(162)**	**(399)**	**0**	**0**	**0**	**0**	**(561)**
Arising during the year	**38**	**47**	**42**	**0**	**0**	**1,517**	**1,644**
Utilised during the year	**(140)**	**(109)**	**(12)**	**0**	**(37)**	**(265)**	**(563)**
Reclassified	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Reversed unused	**(80)**	**0**	**(49)**	**0**	**0**	**(1,774)**	**(1,903)**
Unwinding of discount	**(19)**	**(25)**	**0**	**0**	**0**	**0**	**(44)**
At 31 March 2023	**1,107**	**1,416**	**72**	**0**	**0**	**2,615**	**5,210**

Expected timing of cash flows:

-not later than one year;	**136**	**107**	**72**	**0**	**0**	**2,615**	**2,930**
-later than one year and not later than five years;	**520**	**410**	**0**	**0**	**0**	**0**	**930**
-later than five years;	**451**	**899**	**0**	**0**	**0**		**1,350**
	1,107	**1,416**	**72**	**0**	**0**	**2,615**	**5,210**

	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 (restated):							
-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

£69,745k is included in the provisions of the NHS Resolution at 31/3/2023 in respect of clinical negligence liabilities of the trust which are managed through the NHS risk pooling scheme on behalf of the Foundation Trust (31/3/2022 £109,220k).

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 £73k 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 £1,415k 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 2023 not otherwise included in these financial statements:

	31 March 2023 £000	31 March 2022 £000
Property, plant and equipment	**3,150**	1,379
Total	**3,150**	1,379

16.2 Events after the reporting period - Group and Foundation Trust

In May 2023 the government announced an additional pay offer for 2022/23, in addition to the pay award earlier in the year. Additional funding was made available by NHS England for implementing this pay offer for 2022/23 and the income and expenditure has been included in these accounts as guided by the Department of Health and Social Care and NHS England. In May 2023 the government confirmed this offer will be implemented as a further pay award in respect of 2022/23 based upon individuals in employment at 31 March 2023.

16.3 Contingent liabilities - Group and Foundation Trust

	31 March 2023 £000	31 March 2022 £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
North East and North Cumbria ICB
Newcastle Gateshead CCG
South Tyneside CCG
Sunderland and County Durham 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 2023 was £2,217k. The Foundation Trust owed the Charity £0k and the Charity owed the Trust £254.2k.

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 (2022: Nil) and spent £Nil (2022: £13) inclusive of £Nil staff costs (2022: £Nil), loss of £Nil(2022: £13 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; 20% shareholding). The controlling parents are County Durham and Darlington NHS Foundation Trust (20%), Gateshead Health NHS Foundation Trust (20%), The Newcastle Upon Tyne Hospitals NHS Foundation Trust (20%), North Tees and Hartlepool NHS Foundation Trust (20%), Northumbria Healthcare NHS Foundation Trust (6.67%), Cumbria, Northumberland, Tyne & Wear NHS Foundation Trust (6.67%) and South Tees Hospitals NHS Foundation Trust (6.66%). Unaudited results for Healthcall Solutions Limited year ended 31 December 2022 show income of £2.23m (2021: £1.34m), expenses of £2.22m (2021: £1.3m) and profit of £11k (2021:£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	**19,413**	**19,413**	**23,383**	**23,383**
Cash and cash equivalents at bank and in hand - Note 12	**50,565**	**50,565**	**46,704**	**46,704**
Charitable Fund Financial Assets - Note 22	**1,262**	**1,262**	**0**	**0**
Total at 31 March 2023	**71,240**	**71,240**	**70,087**	**70,087**
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 investments - Note 23	1,250	1,250	0	0
Total at 31 March 2022	71,461	71,461	72,881	72,881

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	**13,033**	**13,033**	**13,033**	**13,033**
Obligations under leases - Note 14	**11,566**	**11,566**	**46,028**	**46,028**
NHS Trade and other payables excluding non financial liabilities - Note 13	**42,694**	**42,694**	**47,535**	**47,535**
Provisions under contract - Note 15	**0**	**0**	**0**	**0**
Charitable Fund Financial Liabilities	**154**	**154**	**0**	**0**
Total at 31 March 2023	**67,447**	**67,447**	**106,596**	**106,596**
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

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 Integrated Care Boards and NHS England, 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. 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

67% 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%

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 receivables. 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 2023 Book Value £000	31 March 2023 Fair value £000	31 March 2022 Book Value £000	31 March 2022 Fair value £000
Cash & cash equivalents		**50,565**	**50,565**	56,803	56,803
Current Receivables		**19,520**	**19,520**	12,703	12,703
Non Current Receivables	a	**(106)**	**(106)**	705	705
Charitable Fund Financial Assets		**1,233**	**1,233**	1,250	1,250
Total		**71,212**	**71,212**	71,461	71,461

Foundation Trust

		31 March 2023 Book Value £000	31 March 2023 Fair value £000	31 March 2022 Book Value £000	31 March 2022 Fair value £000
Cash & cash equivalents		**46,704**	**46,704**	50,519	50,519
Current Receivables		**15,439**	**15,439**	10,000	10,000
Non Current Receivables	a	**542**	**542**	695	695
Loan to Subsidiary		**7,403**	**7,403**	11,668	11,668
Total		**70,088**	**70,088**	72,882	72,882

Note 18.2 Carrying values of financial liabilities

Group

	31 March 2023 Book Value £000	31 March 2023 Fair value £000	31 March 2022 Book Value £000	31 March 2022 Fair value £000
Provisions under Contract	**0**	**0**	0	0
Obligations under finance leases - Note 14	**11,566**	**11,566**		
Trade & Other Payables	**42,694**	**42,694**	46,105	46,105
Loans	**13,033**	**13,033**	14,033	14,033
Charitable Fund Financial Liabilities	**154**	**154**	135	135
Total	**67,447**	**67,447**	60,272	60,272

Foundation Trust

	31 March 2023 Book Value £000	31 March 2023 Fair value £000	31 March 2022 Book Value £000	31 March 2022 Fair value £000
Provisions under Contract	**0**	**0**	0	0
Obligations under finance leases - Note 14	**46,028**	**46,028**	42,744	42,744
Trade & Other Payables	**47,535**	**47,535**	46,191	46,191
Loans	**13,033**	**13,033**	14,033	14,033
Total	**106,596**	**106,596**	102,968	102,968

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 2023 £000	**Trust 31 March 2023 £000**	Group 31 March 2022 £000	Trust 31 March 2022 £000
In one year or less	**47,962**	**50,176**	47,781	33,937
In more than one year but not more than five	**12,798**	**15,943**	5,700	8,739
In more than five years	**12,252**	**50,432**	10,641	49,649
Total financial liabilities	**73,012**	**116,551**	64,122	92,325

Note 19. Third party assets

The Trust held £5,545.96 cash at bank and in hand at 31/03/23 (£3,319.02 at 31/03/22) 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 £3,150,000 was calculated on the average relevant net assets of £90,017,000.

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 2023		1 April 2020 - 31 March 2022	
Ref.	**Category of loss / special payment**	**Number of cases**	**Value of cases £000**	Number of cases	Value of cases £000
Losses					
1a	Losses of cash due to theft, fraud etc.	0	0	0	0
1b	Losses of cash due to overpayment of salaries etc.	9	9	6	4
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	15	4	21	10
3b	Bad debts and claims abandoned – overseas visitors	4	3	4	18
3c	Bad debts and claims abandoned – other	29	5	15	3
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	0	0	2	13
4c	Other	3	256	0	0
Total Losses		**60**	**277**	48	48
Special Payments					
5	Compensation under legal obligation	0	0	0	0
7a	Ex-gratia payments for loss of personal effects	19	8	22	15
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	Other employment payments	0	0	1	381
7f	Patient Referrals outside the UK and EEA Guidelines	0	0	0	0
7g	Other	364	236		
Total Special Payments		**383**	**244**	23	396
Total Losses and Special Payments		**443**	**521**	71	444

Payments made under category 7g relate the reimbursement of lease car VAT refunds to individual employees.

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 2023	Year ended 31 March 2022
	£000	£000
Donated income	**174**	385
Income from legacies	**73**	668
Investment income	**35**	28
Grant Income	**30**	9
Total incoming resources	**312**	1,090
Patients' welfare and amenities	**177**	158
Staff welfare and amenities	**4**	7
Medical research	**51**	0
Contributions to the Foundation Trust	**34**	0
Governance costs	**5**	7
Total outgoing resources	**271**	172
Unrealised gain/(loss) on investments	**(48)**	76
Net incoming/(outgoing) resources	**(7)**	994

Gateshead Health NHS Foundation Trust Charity - Summary Statement of financial position;

	Year ended 31 March 2023	**Year ended 31 March 2022**
Investments	**1,233**	1,250
Receivables	**29**	14
Cash	**1,230**	1,216
Payables	**(154)**	(135)
Total net assets	**2,338**	2,345
Represented by:		
Unrestricted funds	**2,005**	1,996
Restricted funds	**271**	284
Endowment funds	**62**	65
	2,338	2,345

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.

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
CAG	Clinical Advisory Group
CCG	Clinical Commissioning Group
CDC	Community Diagnostic Centre
CERA	Clinical Environmental Risk Assessment
CIPFA	Chartered Institute of Public Finance and Accountancy
CIPS	Chartered Institute of Purchasing and Supply
CNTW	Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust
COPD	Chronic Obstructive Pulmonary Disease
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
ESR	Electronic Staff Record
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
GGI	Good Governance Institute
HSMR	Hospital Standardised Mortality Ratio
IAS	International Accounting Standards
ICB	Integrated Care Board
ICO	Information Commissioner's Office
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
NHSE	NHS England
NOM	New Operating Model
NPSA	National Patient Safety Agency
OD	Organisational Development
ORR	Organisational Risk Register
PALs	Patient Advice and Liaison Service
PbR	Payment by Results
PCN	Primary Care Network
PDC	Public Dividend Capital
PIFU	Patient-Initiated Follow-Up
PLACE	Patient-Led Assessments of the Care Environment
POD	People and Organisational Development
PSED	Public Sector Equality Duty
QEF	QE Facilities
RDC	Rapid Diagnostic Centre
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