Gateshead Health
NHS Foundation Trust

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Annual Report and Accounts 2025/26

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(for the period 1 April 2025 to 31 March 2026)

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Performance Report

Overview of performance

Chair and Chief Executive's statement

We are pleased to introduce our Annual Report and Accounts for the year ended 31 March 2026.

During 2025/26 we launched our new five-year corporate strategy, setting out a clear ambition to be recognised as a provider of safe, high-quality integrated health services, a leader in diagnostic services and a centre of excellence for women's health. This strategy, developed through extensive engagement with our people, patients, Governors and partners, has shaped our priorities and direction of travel throughout the year.

Our performance

The year has been characterised by sustained operational pressure across the NHS. Despite this, our teams have remained focused on recovering services, improving productivity and delivering high-quality care for our patients.

We have made progress against a number of key performance areas, including increasing our patient activity across elective, outpatient and diagnostic services.

In urgent and emergency care, we have improved patient flow and reduced delays for our patients through a range of initiatives, including enhanced front-door streaming and expanded Same Day Emergency Care capacity. Performance against the four-hour standard remains challenging, particularly during periods of high demand, and continues to be a key priority for the organisation.

In elective care, we have increased activity and reduced the overall size of the waiting list, although we strive to reduce our wait times further and this will continue to be a key focus for the year ahead.

Financially, we delivered a deficit position in line with our approved plan, maintaining strong financial control while continuing to invest in key clinical priorities and service developments.

Service developments and achievements

We have continued to make significant investment in our services and infrastructure to improve patient care and experience.

This includes the redevelopment of facilities for women and children, including a new paediatrics department and the Northern Gynaecological Oncology Centre, which provides a high-quality environment designed to enhance privacy, dignity and patient experience.

We marked one year since the opening of the Community Diagnostic Centre at the Metro Centre, which is improving access to tests, supporting earlier diagnosis and helping to reduce waiting times. Funding secured during the year will enable further expansion as part of phase two, increasing capacity and supporting system-wide recovery.

Our maternity services have again performed strongly, achieving high levels of patient satisfaction in national surveys, reflecting the commitment and professionalism of our teams.

In addition, we are proud to have seen national recognition for our clinical services, including an award-winning Secondary Prevention Service and innovations such as our breast care support resources for families.

Our people

Our people remain at the heart of everything we do, showing strong commitment, compassion and professionalism throughout the year.

We have strengthened our focus on staff wellbeing, inclusion and cultural development, recognising the importance of creating a positive and supportive working environment. Initiatives such as civility training, strengthened Freedom to Speak Up arrangements and enhanced wellbeing support demonstrate our ongoing commitment to our workforce.

Listening to our people is important to us and we have committed to learning from our staff survey results and working with colleagues to make improvements and enhancements throughout the coming year.

We continued to invest in leadership development and workforce pipelines to ensure we are well placed to meet future challenges.

Partnership working and collaboration

Collaboration remains central to our approach, particularly through the Great North Healthcare Alliance and our work at Place within Gateshead and across the Integrated Care System.

During 2025/26 we have seen increasing tangible benefits from partnership working, including improvements in clinical pathways, expanded diagnostic capacity and the development of shared workforce and service models.

The establishment of a shared Chair model and strengthened governance arrangements across partner organisations has further enhanced alignment and collective decision-making.

We have also continued to play a key role as an anchor institution, supporting local communities through employment, partnerships and targeted work to address health inequalities.

Looking ahead

As we move into 2026/27, the pressures facing the NHS remain significant. Financial sustainability, improving productivity and recovering performance against national standards will continue to be our key priorities.

We will focus on delivering the ambitions set out in our new corporate and clinical strategies, including further development of women's health services, expansion of diagnostic capacity and strengthening neighbourhood-based care.

Addressing our principal risks — including financial sustainability, estates and digital capability — will remain a central part of our work.

Collaboration across the Alliance and wider system will be critical, as we continue to deliver integrated, patient-centred care and respond collectively to the challenges facing the NHS.

Our thanks

On behalf of the Board, we would like to record our sincere thanks to all colleagues, volunteers and Governors for their continued dedication, resilience and commitment throughout the year.

Their efforts ensure that we continue to deliver safe, high-quality care and make a positive difference to the communities we serve.

Sean Fenwick
Chief Executive
24 June 2026

Sir Paul Ennals
Chair
24 June 2026

About us – our history, purpose and services

Established in 2005, Gateshead Health NHS Foundation Trust (the Trust) was among the first Foundation Trusts in the country. We have consistently delivered the highest standards of care for our patients over the past 20 years.

An integrated community provider, we provide a range of acute and community services to the population of Gateshead along with a number of specialist services to a wider population.

We deliver a wide range of screening services supported by our regional laboratory services.

Our main sites include Queen Elizabeth Hospital, Bensham Hospital, Metrocentre Community Diagnostic Centre (CDC) and Blaydon Primary Care Centre, alongside a number of smaller community sites across Gateshead.

Our wholly-owned subsidiary QE Facilities was formed in 2014. QE Facilities provides a diverse offering including estates and facilities services, financial advisory, pharmacy, and logistics services across the region and beyond.

We are one of four trusts which form the Great North Healthcare Alliance, a collaborative working arrangement which aims to leverage the best of each organisation to work together to deliver high quality, safe and reliable care for our population. Since January 2024 Gateshead Health, The Newcastle-upon-Tyne Hospitals NHS Foundation Trust, Northumbria Healthcare NHS Foundation Trust and North Cumbria Integrated Care NHS Foundation Trust have worked together in the Alliance.

In September 2025 we launched our new 5 year corporate strategy 2025 – 2030, which aligns with the NHS 10 Year Plan. The strategy was informed by extensive engagement with a broad range of stakeholders, including our people, Governors, patients and partners. The strategy sets out our purpose and vision for the future:

Our purpose is to deliver excellent healthcare and play our part in improving population health by being a good partner and a great employer

Our vision is to be recognised as a provider of safe, high-quality integrated health services, diagnostics, and a centre of excellence for women's health

Our values are the golden thread that runs through everything we do. Following a Trust-wide consultation with our people, they remain unchanged with feedback illustrating that our values continued to resonate across the organisation.

Our ICORE values:

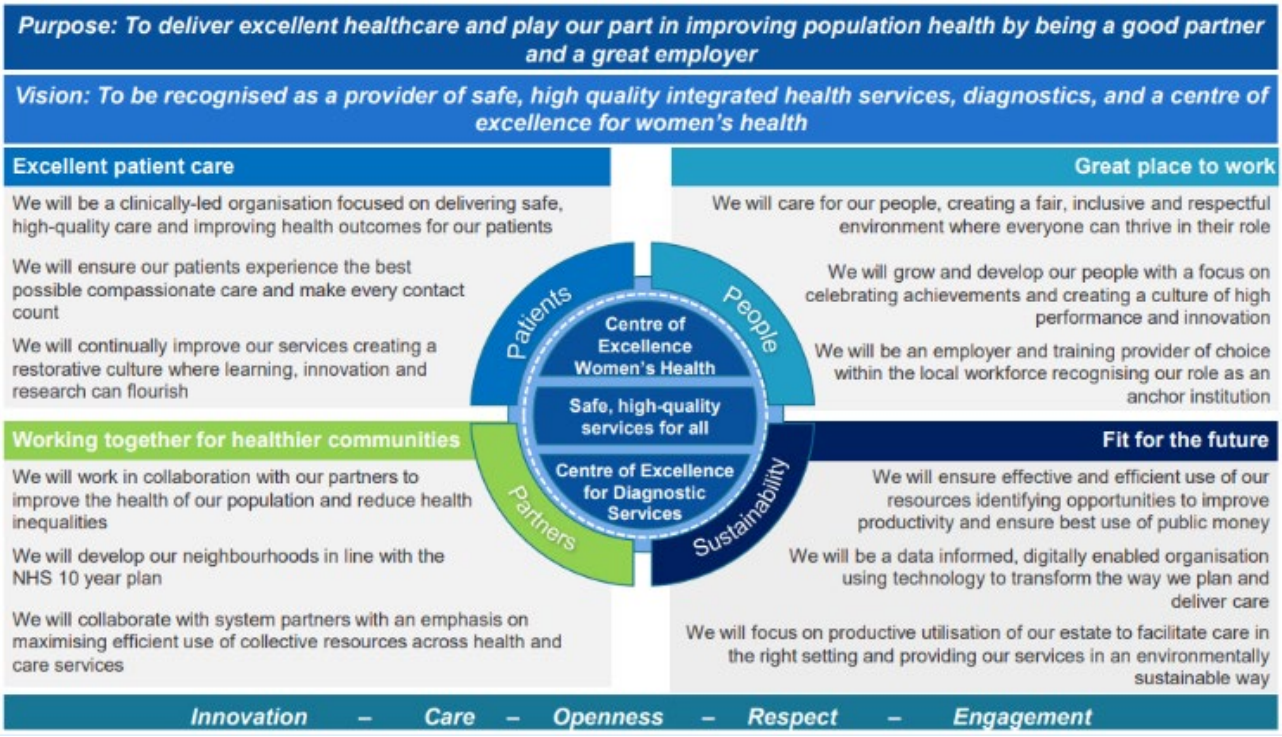
About us – our strategic objectives and risks

Our corporate strategy outlines four strategic priorities with underpinning five year objectives / goals to support delivery.

In addition there are three areas of strategic intent with which the priorities and objectives align:

To be a Centre of Excellence for Women's Health	Ensuring that women across Gateshead have access to personalised, evidence-based care throughout every stage of life. This reflects our ambition to close gaps in access, outcomes, and experience for women, with services designed to be inclusive, responsive, and delivered with compassion
To deliver safe, high-quality services for all	Delivering joined-up, patient-centred care. By working across teams and with our partners, we aim to provide seamless pathways that support people with complex needs, improve outcomes, and ensure care is delivered in the right place, at the right time
To be a Centre of Excellence for Diagnostic Services	•Providing safe, timely, and effective care across the organisation. By combining clinical expertise with the latest diagnostic technologies, we are improving accuracy, speeding up access to treatment, and providing a strong foundation for better patient outcomes

The strategy is summarised in the following diagram:



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 Executive Risk Management Group identified the top 3 / 4 organisational risks each month following review of the ORR. The top 3 / 4 risks were shared at each meeting of the Board, the Council of Governors and the Tier 1 Board committees to inform their work and strategic discussions. From Quarter 4 onwards the top risks were identified on a composite / thematic basis, recognising that there may be multiple risks with a linked subject matter recorded on the ORR.

At the year-end the top three risks were as follows:

- **Financial Sustainability** - risk of inability to invest in staff and clinical services, including supporting financial collaboration with partners.

- **Estates** - risk to sustainability of core infrastructure and to invest in clinical advances and the working environment for our staff.

- **Digital** - risk of an inability to sustain and advance our digital offer impacting on the delivery of optimal clinical care, staff engagement and experience and our ability to deliver transformation.

Whilst mitigating actions were taken over the year these risks are by their nature long term risks and will remain top risks for the Trust into 2026/27.

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 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 the identified risks, positive progress was made in delivering against the new 5 year objectives following the formal approval of the strategy in September 2025. Key achievements are outlined within this report, but include the opening of our new Northern Gynaecology and Oncology Centre and paediatrics department, as well as the establishment of the Northern Centre for Breast Research. We have worked with our partners at place and in the community to start to develop our approach to neighbourhood working, and this will continue into 2026/27.

Given that the new strategic objectives only commenced from September 2025, the following table demonstrates performance against the previous objectives using the metrics and indicators agreed by the Board:

Objective 1: We will continuously improve the quality & safety of our services for our patients:				
Key Indicators:	**Target**	**Start**	**End**	**Trend**
Achieve compliance with Ockenden recommendations	100%	100%	100%	Same
Achieve compliance with Maternity Incentive Scheme	100%	100%	100%	Same
Reduction in patient safety incidents linked to estate issues	<=4	9	4	Improved
Compliance with Quality Improvement Plans	100%	76%	84%	Improved
Breakthrough Objectives:	**Target**	**Start**	**End**	**Trend**
Risk score reduction linked to estates issues	-	244	205	Improved
Harm Rates from falls	<=3.20	3.5	4.6	Deteriorated
C.Difficile per 100k bed days	<=3.2	28.7	34.9	Deteriorated
Mental Health Act Training	90.0%	86.0%	91.0%	Improved
Learning Disability & Autism Training	85.0%	68.3%	87.2%	Improved

Objective 2: We will be a great organisation with a highly engaged workforce:				
Key Indicators:	**Target**	**Start**	**End**	**Trend**
Maintain the vacancy rate at <=2.5%	<=2.5%	3.2%	7.2%	Deteriorated
Improve staff engagement score	>=7.3	6.17	5.88	Deteriorated
Breakthrough Objectives:	**Target**	**Start**	**End**	**Trend**
Workforce Turnover	<=9.7%	11.8%	12.2%	Deteriorated
Sickness Absence Rates	4.9%	5.7%	5.5%	Improved
Temporary Staffing Spend as % of pay bill	<=2.3%	0.4%	0.6%	Deteriorated

Objective 3: We will enhance our productivity and efficiency to make the best use of our resources:				
Key Indicators:	**Target**	**Start**	**End**	**Trend**
Reduce the Average Length of Stay	<4 days	8.7	8.25	Improved
4-Hr ED	>=78%	72.5%	75.1%	Improved
Achieve Zero 52 week waiters at year end	0	16	17	Deteriorated
Achieve the 2024/25 Financial Plan	-	0.272	-0.057	Achieved
Out-turn deficit	-	8,381	5,048	Achieved
Breakthrough Objectives:	**Target**	**Start**	**End**	**Trend**
Reduce >12-hr in ED Dept.	2%	0.9%	5.1%	Deteriorated
Reduce the no.of patients with no criteria to reside	<10	43	54	Deteriorated
1-hour to a Bed for NEL Admissions	60%	6.4%	8.7%	Improved
Outpatients with Procedures	>=33%	67.5%	64.0%	Deteriorated
CRP	-	517	0	Achieved
Cash forecast	>£5m	£32m	£30m	Achieved

Objective 4: We will be an effective partner and be ambitious in our commitment to improving				
Key Indicators:	**Target**	**Start**	**End**	**Trend**
Breakthrough Objectives:	**Target**	**Start**	**End**	**Trend**
Reduction in Gynaecology Outpatient Waits	<26 wks	28.9	27	Improved
Reduction in paediatric autism assessment	<30 wks	61	40	Improved
Recording of smoking status	>=98%	90.6%	89.7%	Deteriorated
Repurposing of digital devices	>300	0	0	Same

Objective 5: We will develop and expand our services within and beyond Gateshead				
Key Indicators:	**Target**	**Start**	**End**	**Trend**
0.5% increase in QEF externally generated income	>=0.5%	0.00%	13%	Improved
Breakthrough Objectives:	**Target**	**Start**	**End**	**Trend**

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. 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 Department of Health and Social Care (DHSC) Group Accounting Manual (GAM) which outlines the interpretation of International Accounting Standard 1 (IAS1) 'Presentation of Financial Statements' as *"the anticipated continuation of the provision of a service in the future, as evidenced by the inclusion of financial provision for that service in published documents".*

The Directors have considered whether there are any local or national policy decisions that are likely to affect the continued funding and provision of services by the Trust. The Trust is a member of the 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 £12.999m as reported in the Trust's Statement of Comprehensive Income.

2025/26 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. The Trust has planned to achieve variable income based on a volume of activity aligned to published activity trajectories. We recognise achievement of activity trajectories and consequently planned income targets is potentially uncertain but as it amounts to 12% of total 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 2025-26 financial plan assumptions for funding during the going concern period to June 27. The cash forecast for the Trust confirms the Trust will require access to revenue cash support during this period.

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

Performance analysis

Operational Performance

In 2025/26 we placed emphasis on recovering core services, improving performance and productivity to provide the highest possible care for patients, whilst continuing with all elements of our People Promise to improve working lives of our people.

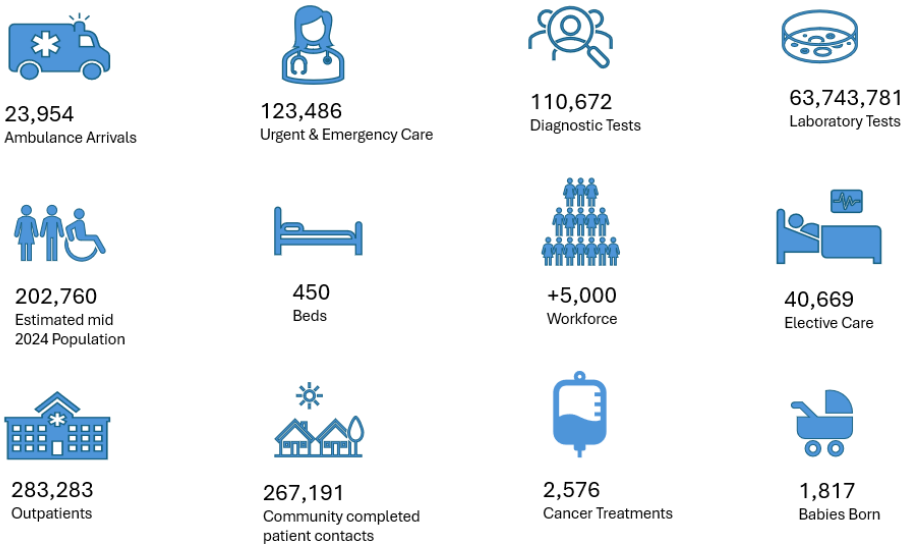
Performance Management – Structure and Tools

National priorities for NHS provider organisations were set out in the 2025/26 Operational Planning Guidance aligned to:

- Reducing the time people wait for elective care;
- Improving Accident and Emergency (A&E) waiting times and ambulance response times;
- Improving patients' access to general practice and improve access to urgent dental care;
- Improving patient flow through mental health crisis and acute pathways and improve access to children and young people's (CYP) mental health services;
- Driving the reform that will support delivery of our immediate priorities and ensure the NHS is fit for the future;
- Living within the budget allocated, reducing waste and improving productivity; maintaining our collective focus on the overall quality and safety of our services.

Progress against all objectives has been monitored by Tier 1 Board-level committees with weekly stringent performance monitoring and review processes in place to support our clinical and operational teams in recovery challenges, providing regular feedback through our governance structures to manage risk and uncertainty.

Some key statistics from the year are outlined below, which show both the context and the scale of the work our people during 2025/26:



Operational performance

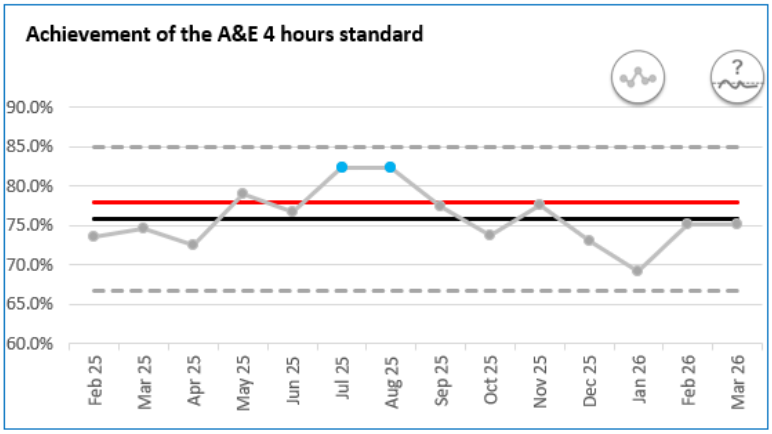
The table below details our key performance areas measured against the constitutional standards and our planning objectives as set out in the NHS planning guidance for 2025/26.

We have made positive strides against many of the key operational standards set out in the planning guidance although recognise that returning to constitutional standards remains challenging in some areas and is the focus for the coming year.

Performance summary for 2025/26: Measured against Constitutional standards and Planning objectives						
Urgent and emergency care indicator		**Constitutional standard**	**Planning objective 25/26**	**2024/25**	**2025/26**	**Position**
A&E – maximum waiting time of four hours from arrival to admission / transfer / discharge		95%	78.0%	71.70%	76.2%	Not achieved
12 hours in department (Type 1)		N/A	2.0%	N/A	2.5%	Not achieved
Ambulance handover & turnaround times within 15		N/A	<15 mins	13 min 54 s	14 min 13 s	Achieved
Ambulance handover within 45 minutes		N/A	Zero	N/A	91	Not achieved
Elective care indicator		**Constitutional standard**	**Planning objective 25/26**	**2024/25**	**2025/26**	**Position**
Maximum time of 18 weeks from point of referral to		92%	75%	69.9%	77.5%*	Achieved
RTT: Eliminate long waits > 52 weeks		Zero	Zero	Zero	17*	Not achieved
Cancer	Faster diagnosis standard (FDS): Maximum 28-day wait to communication of definitive cancer/not cancer diagnosis for patients referred urgently (including those with breast symptoms) and from NHS cancer screening	92%	80%	80%	60.4%*	Not achieved
	Maximum one-month (31-day) wait from decision to treat to any cancer treatment for all cancer patients	96%	96%	99.4%	99%**	Achieved
	Maximum two-month (62-day) wait to first treatment from urgent GP referral (including for breast symptoms) and NHS cancer screening	85%	75%	74.9%	63%**	Not achieved
Maximum 6-week wait for diagnostic procedures		99%	99%	85.2%	96.4%*	Improved
* March 2026 position						
** February 2026 position						

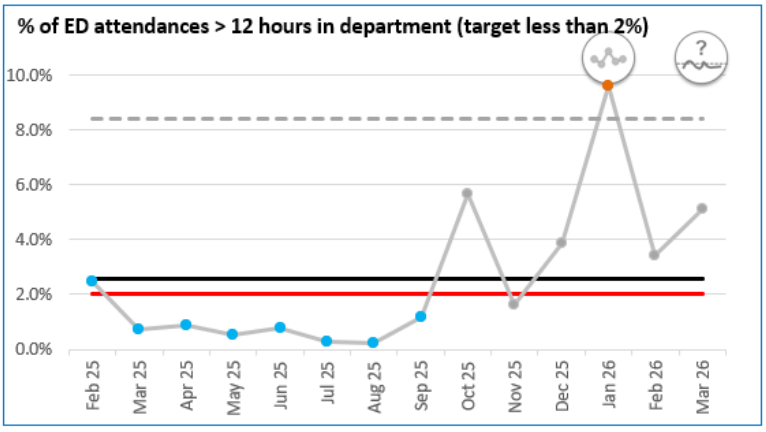
Urgent and emergency care

The ability to deliver a smooth flow of patients through our services facilitate timely access to a bed has impacted on the 4-hour A&E standard with performance reported at 76.2% across the year against the national standard of 78%. Performance levels were highest over the summer period and deteriorated going into winter, with some improvements made towards the end of the year.



Improvements were supported by a number of initiatives implemented to improve patient flow at the front house including streaming patients to alternative services, ringfencing Same Day Emergency Care (SDEC) capacity, as well as securing additional funding to support front of house resourcing. Improving A&E performance remains one of our top priorities and we identified the risk of not doing so as one of our top risks at the year-end.

In the first half of the year significant improvements were made in reducing the time patients spend within the department however this became more challenging during the winter months. The percentage of patients spending more than 12 hours in the A&E department across the year was 2.5%.



Ambulance arrivals decreased slightly over the previous year with a 1.5% reduction. During 2025/26 handover times continued to perform better than the national standard of less than 15 minutes - taking an average of 14 minutes and 13 seconds to handover / transfer patient care from ambulance staff to hospital staff. This is important in supporting ambulance crews to be freed up as quickly as possible to support more patients in the region in need of emergency assistance.

Our rapid response teams provide urgent care to people in their own homes to avoid hospital admissions and enable people to live independently for longer. Through these teams, older people and adults with complex health needs receive access to health care professionals within 2 hours. During 2025/26 our teams achieved the target response times in 73.4% of the calls, with 96% of the patients avoiding hospital attendances / admission.

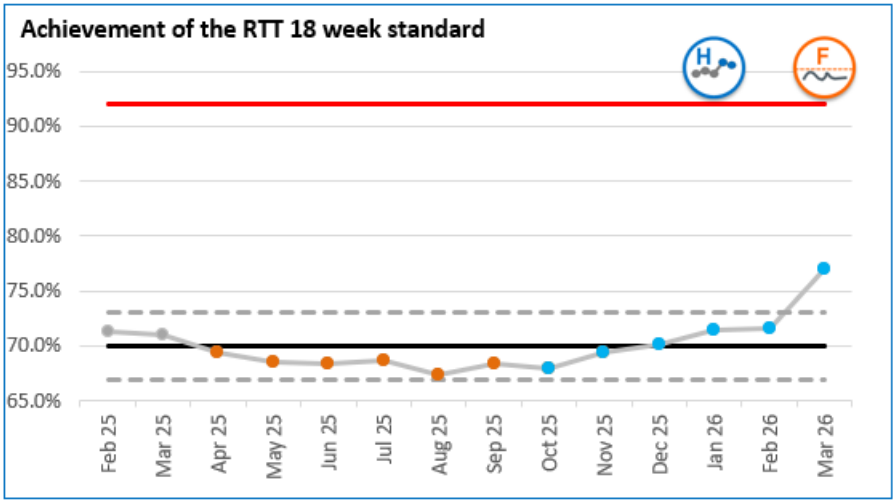
Elective care

As in the previous year, our annual operating activity plans were based on recovering core services and increasing elective activity, whilst maintaining a balanced financial plan.

All activity delivery in 2025/26 increased upon the previous year, i.e. our people treated more patients during the year.

	2024/25	2025/26	2025/26 Plan	2025/26 as % of plan
Total Inpatient Activity	**38,839**	**40,669**	**41,427**	**98.2%**
Daycase	35,714	37,751	38,143	99.0%
Elective	3,125	2,918	3,284	88.9%
Non-Elective	**21,300**	**21,626**	**21,292**	**101.6%**
Non-Elective 1+ LOS	17,732	18,649	17905	104.2%
Non-Elective zero LOS	3,568	2,977	3387	87.9%
Outpatient Activity	**269,623**	**283,283**	**245623**	**115.3%**
New Outpatient	76,574	83,109		
Follow up Outpatient	193,049	200,174		
Diagnostics	**105,761**	**110,672**	**113,722**	**97.3%**

Treatment often requires a combination of outpatient attendances, diagnostic tests and inpatient care. The focus in year was to reduce our backlog of long waiters and deploy transformational approaches to reducing both waiting times and the waiting list. Whilst our overall Referral to Treatment (RTT) waiting list has reduced by circa 11%, long waiters have slightly increased with 17 patients waiting longer than 52 weeks at year end. RTT performance dipped during the year but has steadily increased in the latter part of the year.



Our performance within cancer diagnosis and treatments declined in Quarter 3 and Quarter 4 primarily due to additional demand from breast services (due to challenges elsewhere within our region) and capacity challenges in urology. We are working with the Northern

Cancer Alliance and other regional providers to identify the most appropriate solution to regional challenges.

Productivity

We improved across a range of internal measures during 2025/26. Analysis using the Model Hospital national benchmarking tools identifies a number of areas to improve productivity. Our greatest area of opportunity and improvement are within our outpatient delivery.

Productivity measures:	Planning Objective	Performance 2024/25	Performance 2025/26	Position
Advice & guidance as % of new outpatient attendances	Improve	6.58%	8.39%	Improved
DNA rates in outpatients	Improve	7.50%	6.30%	Improved
Ratio of new to follow up	Decrease	2.5	2.4	Improved
Patients placed on Patient initiated follow up (PIFU) pathways	Increase	5%	6.60%	Improved
Theatre utilisation rates capped	Improve	87%	84%	Deteriorated

*DNA refers to Did Not Attend – i.e. where patients do not attend planned appointments.

A revised and realigned programme of elective care transformation will continue to oversee elective recovery, improving productivity whilst maintaining financial balance to provide excellent outcomes to patients.

Financial performance

The financial framework for 2025/26 was broadly the same as 2024/25 whereby the Trust received a block payment allocation for most services from the commissioners of NHS Services. The Group returned a deficit in 2025/26 inclusive of QEF, our subsidiary company, and our Charitable Funds.

Emphasis on the achievement of overall financial breakeven for the North East and North Cumbria Integrated Care System (NENC ICS) was a priority.

The Trust and NHS England focus on the non-GAAP (Generally Accepted Accounting Principles) measure of surplus / (deficit) for the year, excluding impairments, revaluations and movements in charitable funds, as being the primary financial Key Performance Indicator (KPI), and against this measure the Group reported a deficit of £5.048m. The returned deficit was in line with our approved 2025/26 planned deficit.

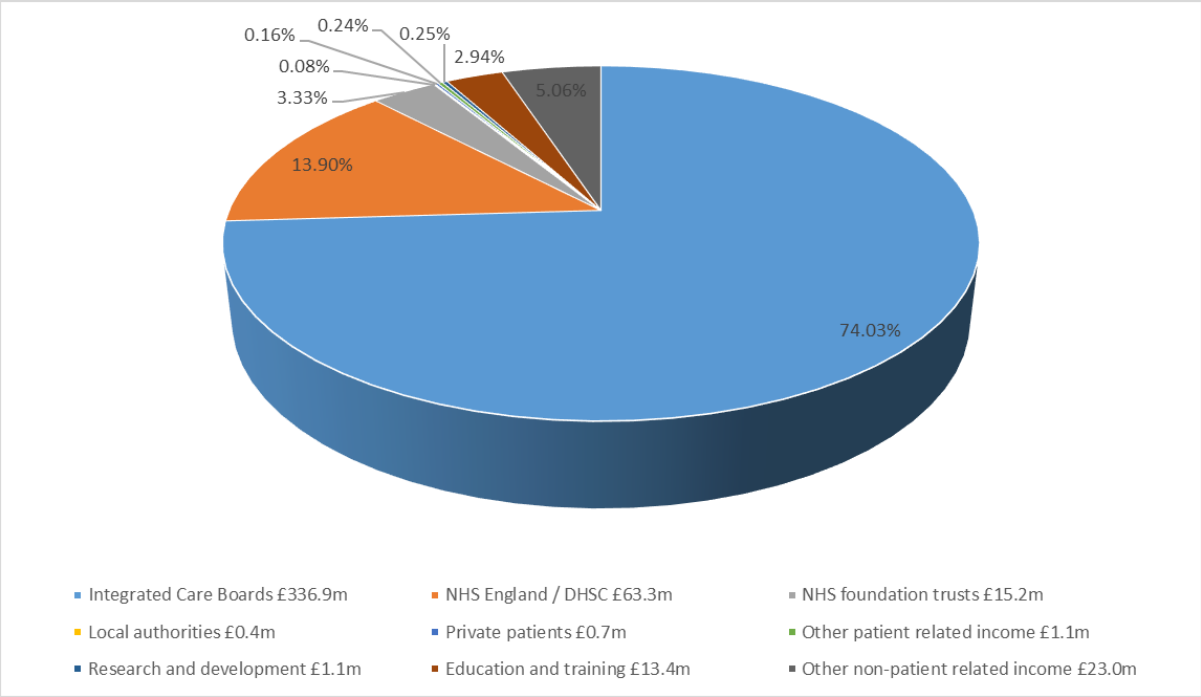
	Group £'000
Income	455,070
Expenditure	(461,276)
Operating Deficit	**(6,206)**
Net Finance Costs	(4,476)
Other gains/(losses)	(643)
Corporation tax expense	(1,674)
Deficit for the Financial Year	**(12,999)**
I&E impairments/(reversals)	7,646
Surplus/(deficit) before impairments and transfers	**(5,353)**
Capital donations/grants	305
Deficit for the year before impairments, revaluations and charitable funds	**(5,048)**

The Trust prepares the accounts under International Financial Reporting Standards (IFRS) and in line with the HM Treasury Financial Reporting Manual, Annual Reporting Manual and

approved accounting policies. The Group accounts include our wholly-owned subsidiary, QE Facilities, as well as the Trust's Charitable Funds.

Income

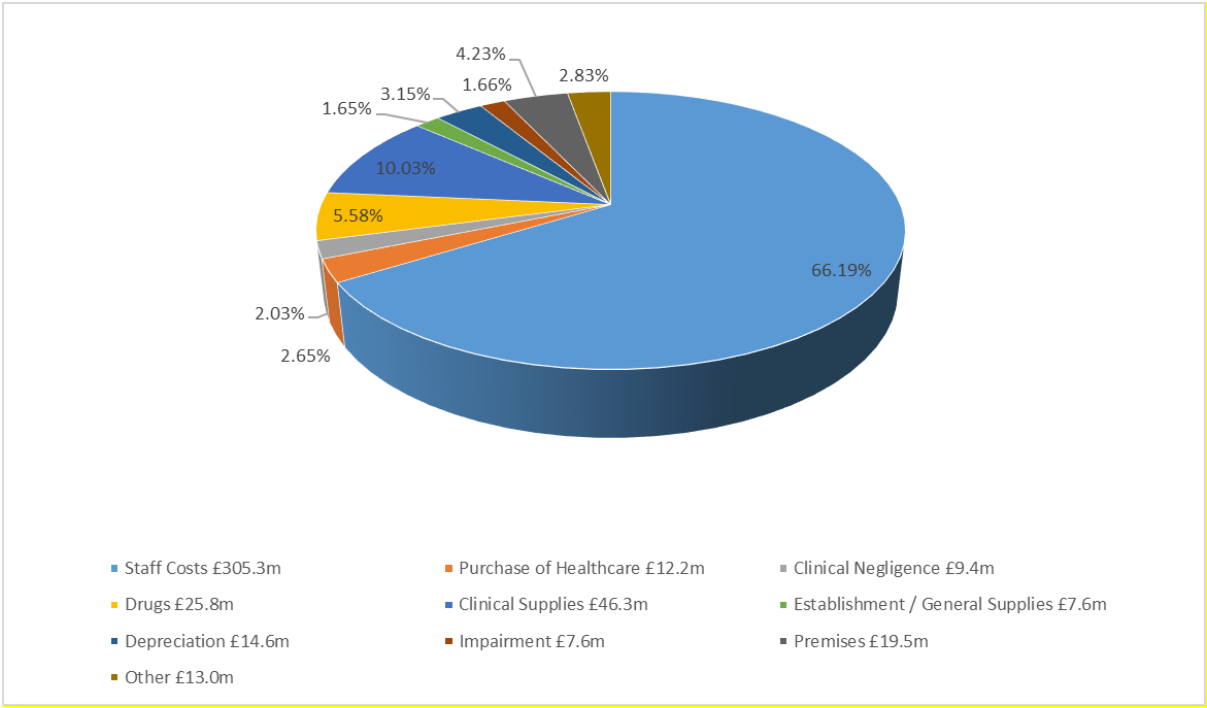
The Trust received £455.070m of total income for 2025/26, with income for patient care services amounting to £417.536m, of which £400.152m (95.8%) came directly from commissioners of NHS services including NHS England for specialised and public health screening contracts and the North East & North Cumbria Integrated Care Board (NENC ICB) for secondary and community care. An analysis of the total income received in 2025/26 is shown in the following chart.



For 2025/26 the Trust's private patient income was 0.16% 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

Total operating expenditure for the year was £461.613m. The largest proportion of operating expenditure is spending on pay and related expenses for our people which amounts to £304.412m (65.9%) of the total. Other material items of expenditure include medical and surgical consumables and drugs, amounting to £72.025m and premises costs of £19.508m. An analysis of total operating expenditure is shown in the following chart.



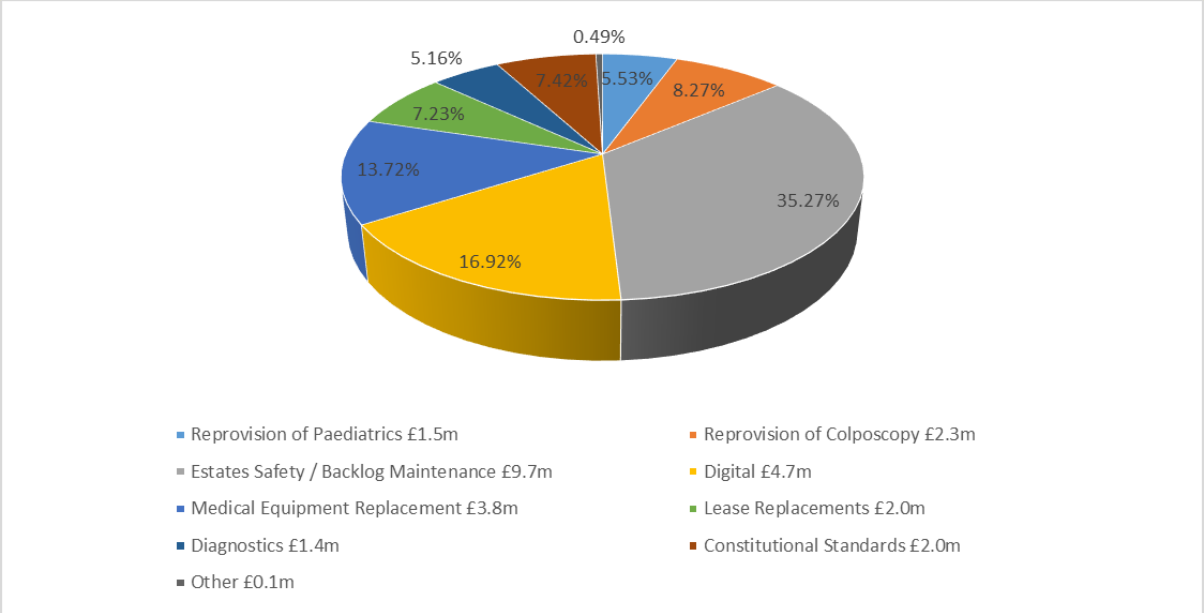
The Trust has complied with the cost allocation and charging requirements set out in HM Treasury and Office of Public Sector Information guidance. This is relevant to areas such as Elective Recovery Funding, (the mechanism by which the Trust receives its variable tariff income from NHS Commissioners including Integrated Care Boards and NHS England) and the production of the annual cost return.

Fees and charges levied by the Group did not exceed £1m and were not otherwise material to the accounts. The total amount of paid interest for failing to pay invoices within the 30-day period was nil.

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 2025/26 91.3% of invoices (93.2% of value) met this standard. Detailed performance against the Code can be found in note 3.3 to the Financial Statements.

Capital Expenditure

Capital expenditure for the year was £25.545m. Funding for the capital programme was made available from internal cash generated from depreciation, charitable funds, grant income and external funding of £20.522m. The main schemes being:



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 annual report.

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 2025/26 accounts.

QE Facilities

As outlined earlier in this report, our subsidiary company QE Facilities Ltd (QEF) 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.

QEF continued to deliver strong organisational, operational and financial performance throughout 2025/26, while further strengthening governance, leadership and commercial capability. As a wholly owned subsidiary of Gateshead Health NHS Foundation Trust, QEF remains focused on supporting the delivery of exceptional healthcare through high-quality estates, facilities, pharmacy, logistics and support services.

During the year, QEF launched its new Corporate Strategy, focused around three strategic priorities: Champion our People, Quality Focused and Fit for the Future. These priorities continue to shape organisational planning, workforce development, service improvement and commercial growth.

QEF ended 2025/26 in a strong financial position, delivering an operating surplus in excess of £5m and exceeding its Cost Reduction Programme target. Financial governance, liquidity and cash flow arrangements remained stable and effective throughout the year.

Operationally, QEF continued to deliver significant activity across its services, including estates repairs, pathology sample movements, outpatient prescriptions, and portering in support of frontline patient care.

QEF also continued to strengthen its regional and commercial presence through wider partnership working, logistics market engagement and new business development opportunities, including expansion within Pharmacy Homecare services and Consultancy services.

Governance and leadership arrangements continued to mature positively during the year, including approval of updated constitutional governance documents, adoption of QEF's first Governance Manual and establishment of the Corporate Services Directorate. Workforce engagement, leadership visibility and organisational development activity also continued to strengthen across the organisation.

QEF enters 2026/27 in a strong position, with clear strategic priorities, stable financial performance and continued focus on delivering high-quality, sustainable services that support excellent patient care across Gateshead and the wider NHS system.

Environmental matters

Our commitment

The Health and Care Act 2022 requires NHS bodies, including foundation trusts, to contribute to statutory emissions and environmental targets. We are aligned to the NHS ambition to reach Net Zero for emissions we control by 2040 and for emissions we influence by 2045, including through our supply chain.

- By 2040 the emissions we control will be Net Zero – these emissions form our 'Carbon Footprint'; and
- By 2045 the emissions we can influence will be Net Zero – these are emissions from all sources and can be referred to as our 'Carbon Footprint Plus'. This includes the requirement for our suppliers to have also reached Net Zero.

Our refreshed Green Plan 2025–2028, approved by the Trust Board in September 2025, builds on the previous plan and sets out actions and measures across ten focus areas, including waste and biodiversity, to support our journey to net zero.

The plan aligns with national NHS net zero guidance and covers ten areas: workforce and leadership, sustainable models of care, digital, travel and transport, estates and facilities, waste, medicines, procurement, food and nutrition, and climate adaptation.

Workforce System & Leadership

A revised governance structure now oversees delivery of the Green Plan through the monthly Net Zero Delivery Group, with six-monthly reporting to the Greener NHS Group, chaired by the Medical Director, and onward reporting to the Finance and Performance Committee.

Named leads are now in place across all ten focus areas. Priorities for 2026/27 include raising staff awareness through a new intranet page, increasing completion of the Building a Net Zero NHS module, and delivering a Board development session.

Sustainable Models of Care

Clinical pathways can significantly affect carbon emissions. Work in critical care, theatres and digital services has focused on reducing waste, limiting anaesthetic gases and expanding virtual consultations.

Next steps include further work with Emergency Care, wider clinical engagement and embedding sustainable quality improvement within existing improvement programmes.

Digital Transformation

Digital work has focused on reducing printing, digitising records and rolling out the Patient Engagement Portal to reduce paper use. Further work is underway to understand the carbon impact of digital services and the benefits of remote monitoring in reducing hospital visits.

Travel & Transport

We continue to decarbonise our fleet and secured funding through the NHS Charge Point Accelerator Scheme to install seven dual electric vehicle charge points at Spire House, Washington. Staff travel survey results show 27% of colleagues use sustainable travel. We have also signed a regional no-idling statement and continue to promote lower-carbon travel options for staff.

Estates and Facilities

Heat decarbonisation plans are in place for our main sites. A key opportunity is connecting Queen Elizabeth Hospital to the Gateshead Geothermal Heat Network, but the estimated £26m cost and the end of national decarbonisation funding present a significant challenge. We will continue to pursue funding opportunities, including for LED lighting and building management upgrades.

Waste and the Circular Economy

Waste segregation improvements delivered a 5% reduction in total waste and a 32% reduction in clinical waste in 2025/26, while achieving the national 60% offensive waste target. Reusable products are being introduced in theatres, and further work will focus on recycling, food waste and refurbishing equipment and furniture.

Medicines

Medicines waste remains very low, with only 0.1% sent for disposal and a 20% reduction in pharmaceutical waste in 2025/26. NHS England funding has supported work to decommission nitrous oxide, and emissions from volatile anaesthetic gases have fallen by 81% since 2019/20. Regional work is also encouraging patients to bring their own medicines to hospital.

Supply Chain and Procurement

Procurement processes continue to reflect national requirements on net zero and social value. This supports progress towards reducing supply chain emissions, although further work is needed to establish a robust scope 3 baseline using more detailed supplier data.

Food and Nutrition

The Nutritional Steering Group continues to embed sustainability in food and nutrition planning. Priorities include reducing patient food waste and introducing a digital meal ordering system.

Adaptation and Greening the Estate

A draft adaptation plan has been developed and circulated for consultation. Further work in 2026/27 will focus on establishing a working group, completing a maturity assessment

against the NHS Climate Change Adaptation Framework and carrying out climate risk assessments for key sites.

Climate risks are managed through established arrangements including the Adverse Weather Plan and business continuity plans, supported by EPRR and Estates teams. Biodiversity initiatives, including No Mow May, continue and the Pharmacy wellbeing garden has been recognised regionally as good practice.

Taskforce on Climate related Financial Disclosures (TCFD)

NHS England's NHS foundation trust reporting manual has adopted a phased approach to incorporating the TCFD recommended disclosures as part of sustainability reporting requirements for NHS bodies, stemming from HM Treasury's TCFD aligned disclosure guidance for public sector annual reports. TCFD recommended disclosures as interpreted and adapted for the public sector by the HM Treasury TCFD aligned disclosure application guidance, will be implemented in sustainability reporting requirements on a phased basis up to the 2025/26 financial year. Local NHS bodies are not required to disclose scope 1, 2 and 3 greenhouse gas emissions under TCFD requirements as these are computed nationally by NHS England.

The phased approach incorporates the disclosure requirements of the governance, strategy, risk management and metrics and targets pillars for 2025/26. These disclosures are provided below with appropriate cross referencing to relevant information elsewhere in the annual report and accounts and in other external publications.

Governance
Describe the Board's oversight of climate related issues.
Our Trust provides six monthly updates on the Green Plan, sustainability and net zero progress to the Executive lead for sustainability and net zero, Greener NHS Group, Finance and Performance Committee, and Trust Board of Directors. The Trust has in place an EPRR Risk Register, which allows for any Trust climate related issues/risks to be added. Risks at Gateshead Health are supported through a number of external documents such as the National Security Risk Assessment (NSRA), National Risk Register (NRR) and the Community Risk Register (CRR) which is produced by the Northumbria Local Resilience Forum (NLRF) of which the Trust is part of as a category 1 responder. All identified risks are recorded on the Inphase Risk Management system, with the EPRR Risk Register set to be featured as a distinct entity within the platform. Risk updates are provided monthly to Business Resilience Group by the Head of EPRR as well as the Trust Corporate and Clinical Risk Lead. These risks are then reported quarterly by the Chief Operating Officer to Executive Risk Management Group. Any findings, learning and progress are reported bi-annually to the Trust Board. To date, there has been no material impact on the organisation.
Describe management's role in assessing and managing climate-related issues.
The Chief Executive has assigned net zero leadership to the Group Medical Director with the main authority delegated to QE Facilities Ltd who provide many of the key services regarding sustainability. This is led by an Executive Director for QE Facilities with primary responsibility delegated down to the Head of Safety, Health, Environment & Quality (Head of SHEQ) to ensure the development and implementation of the Green Plan and report against targets. The Net Zero Delivery Group meet monthly and provides a forum of departmental leads to report on progress against each of the 10 key focus areas of the group green plan:

workforce system and leadership; sustainable models of care; digital transformation; travel and transport; estates and facilities; waste and the circular economy; medicines; supply chain and procurement; food and nutrition; and adaptation and greening the estate. The group shares learning, highlight risks and bring proposals that might require funding from the Trust to implement.

The most common climate risks have specific actions to take should they occur and are covered within departmental and estates business continuity plans, and adverse weather plans.

The Greener NHS Group reviews the bi-annual Net Zero Delivery Group report and recommendations contained and produces an alert, advise and assure report to the Trust Finance and Performance Committee.

Processes by which the relevant management structures are informed about climate related issues and how those structures monitor climate-related issues.

Data around climate-related issues can be collated from various sources, such as the Inphase incident reporting system, which should capture events related to extreme weather. This will require additional risk classifications and training to embed the process.

Operational matters are directed to estates and facilities leads and, if necessary, escalated to senior management and directors via regular directorate management team meetings.

Climate-related issues identified should be reported at the monthly Net Zero Delivery Group meetings and included in the six-monthly reports on green plan progress to the Greener NHS Group. Metrics and targets are to be developed.

Going forward, the number of heat and flood events will be reported via the Estates Return Information Collection (ERIC) return.

Strategy

Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.

A draft adaption plan has been developed and circulated for consultation with a working group to be established to formalise and review the plan. Once established the group will report into the Net Zero Delivery Group and the initial task will be to undertake a baseline maturity assessment against the NHS Climate Adaptation Framework which provides a consistent methodology for assessing climate risks and building organisational resilience. We will use this framework alongside the Climate Change Risk Assessment Tool to systematically identify climate related risks and identify adaptation responses.

Climate-related risks and opportunities have not yet been formally established but we plan to produce a Climate Change Risk Assessment by Q4 26/27 in line with our Green Plan.

The EPRR Team addresses the management of climate-related risks in collaboration with estates and other departments as this is very much a multi-disciplinary effort, ensuring all are onboard and aligned to provide assurance of preparedness and mitigation. This in return through incident response is supported through the use of the Incident Response Coordination Framework, Adverse Weather Plan and any applicable Business Continuity Plan.

Describe the impact of climate-related risks and opportunities on the organisation's operations, strategy and financial planning and how these may materialise over the short, medium and long term, when considered against a global warming pathway of 2°C or lower.

Climate-related risks and opportunities have not yet been formally established but we plan to produce a Climate Change Risk Assessment (CCRA) in 2026/27 in line with our Green Plan.

The findings of the CCRA will inform the further development of the Climate Adaptation Plan in line with our Green Plan.

Risk management

Describe the organisation's processes for identifying and assessing climate-related risks.

We are compliant with the NHS Core Standards Framework for EPRR.

Risks related to extreme weather will be incorporated within our emergency planning risk register; however, we recognise that a key step is to complete a climate change risk assessment (CCRA).

A CCRA would assess climate risks and impacts using a series of national and local tools, including the National Adaptation Programme (NAP) and Local Climate Adaptation Tool (LCAT).

The EPRR Manager attends the Health Resilience Sub-Group (HSRG) which also feeds into a Local Health Resilience Partnership (LHRP), where climate risks may be discussed and good practice shared. It is anticipated that information discussed at these forums and Integrated Care System Sustainability networks is shared at the Trust Net Zero Delivery Group.

Describe the organisation's processes for managing climate-related risks.

There has been no recorded material risk to the Trust to date.

Processes for recording climate events on our Inphase incident and risk reporting system will be embedded and included in the bi-annual update reports to the Greener NHS Group.

Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management approach.

The NSRA, NRR and the NLRF CRR are examples of some of the documents utilised to consider climate related risks in a local context. Above and beyond these documents, the use of lessons and learning from internal or external incidents is also used through the sharing of good practice to consider any potential Trust risks or weakness in planning and preparedness. Finally the use of horizon scanning is also a useful tool to use to assess potential risks by looking at any potential threats, gaps, weaknesses within the system.

Once a climate related risk is established, this then follows a process of:

- Localised conversations within the department
- Addition to the Risk Register or EPRR / Estates Risk Register depending on the risk
- Mitigation Plans put in place and monitored with updates provided at appropriate groups such as Business Resilience Group or an Estates Related Group (Electrical Safety Group)
- Updates provided depending on the score associated to the risk
- Significant risks are reported into Executive Risk Management Group

- Where needed, plans or action cards are created to support mitigation or response.

Preparedness, Resilience, Response and Planning options available are:

- Complete mitigation (often unlikely)
- Business Continuity Plan
- Action Cards
- Incident Response Coordination Framework
- Adverse Weather Plan.

The Trust is legally required under the Civil Contingencies Act 2004 to have provisions in place as part of the 6 Civil Protection duties as well as this being a requirement from NHS England as part of the Core Standards for EPRR.

The EPRR Team receives Weather Health Alerts from the Met Office and UK Health Security Agency as well as Flood Guidance Statements from the Environment Agency as part of a UK wide system to support preparedness and response to Adverse Weather Events.

Moving forward, the Trust plans to incorporate the following into the Adverse Weather Plan:

- Flood mapping metrics relevant to Trust sites
- Severe Space Weather
- Wildfires

Metrics and targets

Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.

We apply metrics and measurements as guided by NHS England, following a complete refresh of our Board-approved Green Plan to cover the period 2025 –2028. We report our performance against targets through the bi-annual Net Zero Delivery Report to the Greener NHS Group with escalations via an Advise, Alert and Assurance report to the Finance & Performance Committee (which in turn reports to the Trust Board of Directors) as well disclosing performance as part of our annual report.

Metrics and measurements are reported annually within the Estates Return Information Collection (ERIC) with kWh/m2 for energy, m2 / m3 for water, kg / m2 for waste, % of LED coverage and number of heat or flood events that triggered a risk assessment. ·

Green plan key performance indicators include the percentage reduction against our 2019/20 baseline carbon footprint, which we are working to establish and track through a new platform data base over 2026/27.

Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.

We have pledged to meet the NHS net zero target by 2040 for direct emissions (NHS carbon footprint) and 2045 for the wider NHS carbon footprint plus, in compliance with NHS requirements and the Health and Care Act 2022. We report our performance against targets and green plan actions through the bi-annual net zero delivery report to the Greener NHS Group and onwards through the governance structure as previously described.

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 Board of Directors.

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

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

There were no significant changes to the core standards assurance process nationally in 2025, however there were changes to the local submission and check and challenge process.

The NENC Integrated Care Board (ICB) implemented a revised local check and challenge timeline and submission governance process that included:

- All organisations submitted their core standards self-assessments to the North East and North Cumbria Integrated Care Board (NENC ICB) for 2025;
- The focus was on the core standards where an organisation had assessed that their compliance had increased from red (non-compliant) or amber (partially compliant) to green (compliant); and
- This was complemented with a robust internal check and challenge process with executive oversight from the Accountable Emergency Officer prior to the submission.

Following this robust check and challenge process, the self-assessment of the EPRR core standards resulted in a compliance rating of **97% - substantial compliance**, an increase from the 94% substantial compliance rating in the previous year.

Our priority areas in 2026 include:

- Continued testing and amending of our plans to ensure that teams are familiar with their content and that they actively reduce clinical and organisational risk;
- A focus on sustaining a substantial compliance rating;
- A clear Trust ambition to continue to develop and enhance EPRR capabilities, capacity and strengthening quality of evidence;
- A continued focus on training and exercising across all domains;
- Implementation of the business continuity software solution to allow us to provide consistency to alleviate and assist with the day-to-day management of issues;
- A continued review of plans, frameworks and protocols to strengthen Trust arrangements;
- An embedding of identified organisational learning;
- Use of the self-assessment as a benchmark for prioritisation of our EPRR work-plan for 2026; and
- A trajectory to continue to work collaboratively with the NENC ICB and other health providers to identify best practice and enhance threshold of evidence.

Our annual assurance report for 2025, including the NHSE Core Standards final submission, was presented to Gateshead Health Board of Directors in January 2026.

Addressing health inequalities

Health inequalities are avoidable, unfair and systematic differences in health between different groups of people. They are rooted deep within our society, and are widening, leading to disparate outcomes amongst our population.

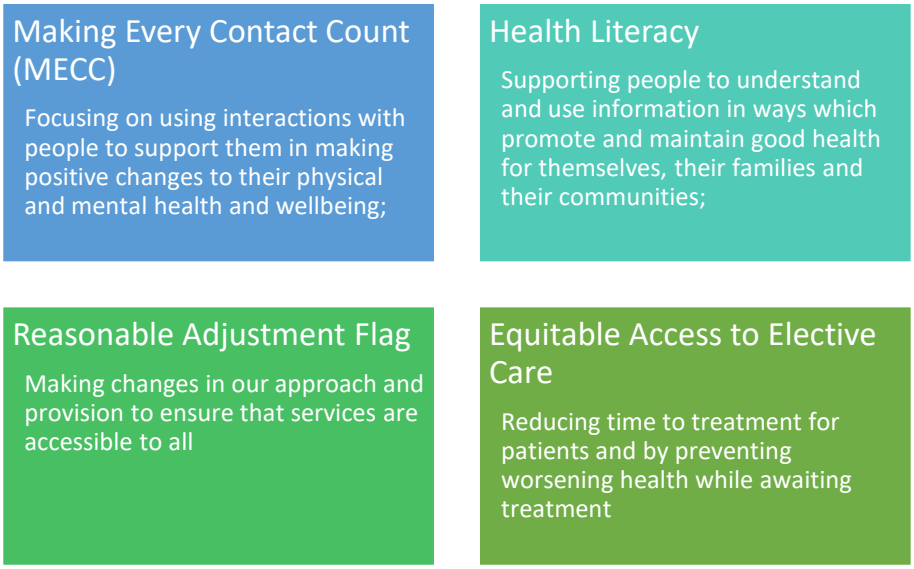
Within Gateshead we know:

- Premature mortality from cardiovascular disease is significantly worse in Gateshead than in England;
- Prevalence of cancer diagnoses are increasing; and
- The (age-standardised) rate of alcohol-related hospital admissions in Gateshead is 841 per 100,000 population, significantly above the regional and England average.

Our commitment to working with our partners to address health inequalities features strongly within the new 5 year corporate strategy. 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 March 2026 the Board of Directors approved the new Clinical Strategy. This supports delivery of the overall corporate strategy and includes a significant focus on health inequalities and working with our patients and partners to address inequalities at both service and strategic levels. Our organisational input to the Local Authority Health and Wellbeing Strategy was valued, shaping the final version of this, and there is ongoing senior leadership commitment into the Health and Wellbeing Board.

Our Health Inequalities' Group continues to report good progress against the original four workstreams, which are:



Over 80 staff members have been trained in MECC with a plan to roll this out further using a train-the-trainer model. Health Literacy is becoming embedded as business as usual with the patient information review process now ensuring that health literacy principles are adopted across all new and reviewed leaflets. We will go live with the Reasonable Adjustments Flag launch in early 26/27. In our Equitable Access to Elective Care work stream we have now secured information and public health support to analyse DNA (Did Not Attend) / WNB (Was Not Brought) rates in our Trauma and Orthopaedic service to understand underpinning factors and adaptations which can have a positive impact.

At the end of 25/26 we started to consider how Health Inequalities impact our colleagues, acknowledging that a high proportion of our workforce live in Gateshead and our responsibility as an anchor institution to improving health inequalities for our community. More work against this priority is planned for 2026/27.

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 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 updated during the year to reflect the new 'failure to prevent fraud' corporate criminal offence which was introduced in September 2025. The Group Audit Committee sought assurance regarding compliance with the new legislation through the review of a self-assessment completed by management. The Chief Executive signed a Counter Fraud, Bribery and Corruption Statement to confirm our commitment to the prevention of fraud. A copy can be found on our website.

In addition the Counter Fraud Specialist (a service provided to the Group by AuditOne) ensures that fraud awareness is communicated and promoted to our people 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). This is detailed further in the next section and in the Staff Report section of the Annual Report.

Equality of service delivery

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

We have continued to meet our obligations in respect of the Public Sector Equality Duty by:

- Gathering specific and relevant data as per the Equality, Diversity and Inclusion (EDI) metrics for both the Workforce Race Equality and Workforce Disability Equality Standards (WRES and WDES);
- A specific detailed EDI action plan in respect of these metrics has been produced and has measurable outcomes; and
- We have revised our approach to supporting and delivering against the EDI agenda, via a refreshed Staff Experience and Inclusion Oversight Group which encompasses a wide range of stakeholders collaboratively working together to progress the EDI agenda.

We have four staff networks within the Trust – Global Ethnic Majority (GEM) network, D-Ability network for disability equality, LGBT+ (Lesbian, Gay, Bisexual and Transgender) network and our Women's network. Our staff networks have played a strategic role in shaping the Group Equality Strategy through informed and meaningful contribution. The systematic use of WRES and WDES EDI indicators, aligned with the EDI Strategy, has enabled the development of EDI action plans, clearly articulating priorities across the short, medium and long term.

Our staff networks also offer invaluable peer support, networking and development opportunities, and provide a safe space for sharing knowledge and experience. Their work supports positive organisational culture and played a key role in promoting and celebrating key events, awareness activities and training during the year.

EDI is a key component of the Group induction programme for all new employees. A number of bespoke EDI training sessions have been delivered across services. We signed up to the Anti Racism Charter and on the back of this commissioned an external training company, who have delivered a number of sessions around Show Racism the Red Card, which have evaluated well.

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 the 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. As such we will be rolling out the Oliver McGowan training across the Group.

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

- The D-Ability network members have been instrumental in raising the Neurodiversity agenda at the Trust, resulting in a training session being provided to help colleagues understand neurodiversity, followed up by the Oliver McGowan training. For individuals who have sensory impairments, we have developed a sensory Garden;
- A number of drop-in sessions around disability awareness were held and more are planned for the coming year;
- Disability History Month and Black History Month were celebrated, including joining regional seminars around this agenda;
- The GEM network continue to proactively relay the message around zero tolerance and our 'it's not ok' campaign. Depending upon the service request specific advice around culture has been provided;
- LGBT History Month was celebrated with Members of the LGBTQ+ group continuing to be involved in the local Pride events;
- We have developed and delivered sessions around enabling managers and leaders across the Group to shape work environments and cultures where all staff feel safe and valued for their contributions;
- We continue to address and take proactive actions around incivility, zero tolerance and sexual safety; and
- All policies of interest to our networks are shared for discussion and each policy has an Equality Impact Assessment undertaken prior to being agreed.

Gateshead has a vibrant and 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. One of the local community leaders is an appointed Governor on our Council of Governors and helps us ensure we are considerate of cultural challenges and opportunities.

There has also been proactive engagement with the GEM groups in and around Gateshead / Newcastle pertaining to religion and faith. Further information on our commitment to EDI can be found in the Staff Report section.

Sean Fenwick
Chief Executive
25 June 2026

Accountability Report

Directors' report

The Trust's 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, Sir Paul Ennals, 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, Dr Gerry Morrow (from 1 October 2025, with Maggie Pavlou serving as Vice Chair prior to this date). Our Senior Independent Director is Martin Hedley. Our Chief Executive, Dr Sean Fenwick, leads the Executive Team and the organisation (Dr Fenwick was substantively appointed in May 2026, having been Acting Chief Executive since August 2025).

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 and conflicts of interest policy. 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).

Board composition

The Board of Directors has a range of skills and experience gained from the public, private and voluntary sectors that complement our 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 2025/26 there were some changes in the composition of the Trust Board.

The Trust's substantive Chief Executive, Trudie Davies, took on a secondment opportunity in August 2025 to become the Acting Chief Executive of our Alliance partner North Cumbria Integrated Care NHS Foundation Trust. She remained on secondment for the rest of the financial year. Dr Sean Fenwick joined the Board as Acting Chief Executive whilst Trudie Davies' was on secondment. His substantive post was Deputy Chief Executive and Director of Operations at South Tyneside and Sunderland NHS Foundation Trust. Sean has a wealth of experience both clinically and in senior leadership roles within the NHS. Post-year end it was confirmed that Trudie Davies has been appointed substantively as Chief Executive at North Cumbria Integrated Care. As outlined earlier Dr Fenwick was substantively appointed to the role in May 2026 (this will be covered fully in next year's report and is noted here for transparency given that Dr Fenwick signed the Annual Report in his capacity as substantive Chief Executive in June 2026).

Another key change during the year was the appointment of Sir Paul Ennals as Chair, following the completion of Alison Marshall's second term at the end of September 2025. Alison had served as Chair for 6 years, as well as being the first chair of the Great North Healthcare Alliance. Sir Paul was also appointed as Chair of Northumbria Healthcare NHS Foundation Trust and The Newcastle-upon-Tyne Hospitals NHS Foundation Trust (having previously held the role at Northumbria and been interim Chair at Newcastle). This introduced a new 'shared chair' model for the East Coast Alliance Trusts, with Sir Paul also chairing the Great North Healthcare Alliance meetings. The 'shared chair' model helps us to build on the strong existing collaboration and partnerships, and provides the opportunity to make a real impact within the communities served by the three Trusts. The Councils of Governors of the three Trusts were instrumental in delivering this important appointment.

Dr Gerry Morrow, one of our existing Non-Executive Directors, was appointed by the Council of Governors as the Vice Chair to support Sir Paul in his role at Gateshead.

Dr Gill Findley, Chief Nurse and Deputy Chief Executive left the Trust in October 2025 to take up the unique opportunity of a new joint role as Professor with the University of Cumbria and Chief Nurse at North Cumbria Integrated Care NHS Foundation Trust. Beth Swanson joined the Board as Interim Chief Nurse from North Tees and Hartlepool NHS Foundation Trust where her substantive role is Director of Nursing and Deputy Group Chief Nurse. Beth brings more than 30 years of nursing experience and a strong record in improving quality, safety and workforce resilience.

At the end of March 2026 we said a fond farewell to Dr Neil Halford, Medical Director of Strategic Relations, who retired from the Trust. Neil had been a consultant in the emergency department for 23 years as well as more recently taking up his Board role.

There were a number of changes amongst our Non-Executive Directors. In June 2025 Mike Robson left the Board following the end of his term. Mike had served on the Board for 7 years. In the same month Andrew Moffat left the Board following 5 years in post. In July we welcomed Rob Hughes as Chair of the Group Audit Committee. Rob is a chartered accountant with a background in internal and external audit, as well as extensive boardroom experience. We also welcomed Andrew Besford as Chair of the Digital Committee. Andrew has spent his entire career in the technology sector, with substantial digital and leadership experience.

In February 2026 the Council of Governors reappointed Adam Crampsie and Martin Hedley for a further term of 3 years, to commence on 1 July 2026.

In December 2025 Hilary Parker left Trust and QE Facilities' Boards, having been a Non-Executive Director with the Group for 5.5 years. A recruitment process was underway at the year end to seek a Non-Executive Director with legal experience and qualifications to replace Hilary.

With regards to the QE Facilities Board of Directors Maggie Pavlou was reappointed as Chair until 30 September 2027 (coterminous with her term as a Trust Non-Executive Director). In addition Simon Jefferson was appointed as a Non-Executive Director to replace Hilary Parker, with Simon due to take up post in early 2025/26. Simon brings significant commercial experience from the water industry.

Just prior to the year end, Gavin Evans, Managing Director of QE Facilities, tendered his resignation to take up a Board position at North Cumbria Integrated Care NHS Foundation

Trust. In March 2026 the Trust Board approved proposals to commence the search for his successor. Gavin will remain at QE Facilities until early 2026/27.

In March 2026 the Trust Board (as shareholder) approved the establishment of an Executive Director of Corporate Services role through the redesignation of the existing Director of Strategy, Planning and Performance post. The revised post will be effective from 1 April 2026 and Jane Taylor will join the Board in this role, bringing a wealth of experience in strategy, risk and governance.

We would like to formally record our sincere thanks to Alison Marshall, Trudie Davies, Gill Findley, Neil Halford, Mike Robson, Andrew Moffat and Hilary Parker for their significant commitment to the Board and Group during their years of service.

The Trust Board held 19 meetings in total in 2025/26 (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** **4 meetings in total**	**Group Remuneration Committee** **8 meetings in total**	**Council of Governors** **4 meetings in total**
Executive Directors					
Trudie Davies, Chief Executive (on secondment to North Cumbria Integrated Care NHS Foundation Trust from August 2025)	Trudie joined the Trust in March 2023 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.	6 of 6	N/a	2 out of 2	1 of 1
Dr Sean Fenwick, Acting Chief Executive (from 18 August 2025) and substantive Chief Executive from May 2026	Sean Fenwick joined Gateshead Health NHS Foundation Trust in August 2025 as Acting Chief Executive. He has worked in the NHS for over 30 years, spending most of his career in the North East, with earlier periods in London and Liverpool. He is a consultant nephrologist by background and was most recently	13 of 13	N/a	2 out of 3	2 of 3

Name and Position	Background	Board 19 meetings in total	Group Audit Committee 4 meetings in total	Group Remuneration Committee 8 meetings in total	Council of Governors 4 meetings in total
	Deputy Chief Executive and Director of Operations at South Tyneside and Sunderland NHS Foundation Trust.				
Dr Gillian Findley, Deputy Chief Executive / Chief Nurse and Professional Lead for Midwifery and AHPs (to 5 October 2025)	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, managerial and Board-level positions in both providers and commissioners.	8 of 8	0 of 2	N/a	2 of 2
Joanne Halliwell, Chief Operating Officer	Joanne Halliwell is a registered general nurse with a wealth of experience in various operational and leadership roles. She previously held the position of Director of Operations (Medicine) at the Trust from June to September 2023. Prior to this, she worked at Mid Yorkshire Hospitals NHS Trust, where she held several key positions including Deputy Chief Operating Officer and a number of Director level positions.	15 of 19	N/a	N/a	2 of 4
Kris Mackenzie, Group Director of Finance and Digital	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 2022.	18 of 18	4 of 4	N/a	4 of 4
Amanda Venner, Director of	Amanda Venner is a Chartered CIPD professional. Previously, she	17 of 19	N/a	7 out of 8	2 of 4

Name and Position	Background	Board 19 meetings in total	Group Audit Committee 4 meetings in total	Group Remuneration Committee 8 meetings in total	Council of Governors 4 meetings in total
People and Organisational Development	held the position of Deputy Director of People and Organisational Development at the Trust, where she was the senior operational lead for the function, overseeing the full range of services. Prior to this role, Amanda held senior workforce positions in the ICS and at Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust,				
Carmen Howey, Medical Director	Dr Carmen Howey, a Consultant Paediatrician, graduated from Newcastle University in 2001 and following completion of training was appointed as a Consultant at Gateshead NHS Foundation Trust in 2012. Positions held within the Paediatric Team included College Tutor, Named and Designated Doctor for Safeguarding Children, and Clinical Lead Paediatrician. In 2021 she became Clinical Head of Service for the medicine Business Unit and became Medical Director in July 2024.	14 of 19	N/a	N/a	4 of 4
Neil Halford, Medical Director for Strategic Relations (non-voting member, retired March 2026)	Neil Halford was appointed as the Medical Director for Strategic Relations in July 2024 as a non-voting member of the Board. He was previously the Medical Director of Operations at the Trust and Interim Medical Director.	16 of 17	N/a	N/a	3 of 4
Beth Swanson, Interim Chief	Beth served as Director of Nursing and Deputy Group Chief Nurse at North Tees and Hartlepool NHS	11 of 11	2 of 2	N/a	1 of 2

Name and Position	Background	Board 19 meetings in total	Group Audit Committee 4 meetings in total	Group Remuneration Committee 8 meetings in total	Council of Governors 4 meetings in total
Nurse (from 20 October 2025)	Foundation Trust, part of the University Hospitals Tees Group and has 30 years of nursing experience. She has served as Chair and Nurse Advisor for the National Audit of Dementia and was a member of the Chief Nursing Officer's Excellence Advisory Forum.				
Gavin Evans, Managing Director, QE Facilities (non-voting attendee)	Gavin was appointed as Managing Director of QE Facilities in February 2024. He has significant estates and facilities experience in the NHS and joined QE Facilities from Newcastle upon Tyne Hospitals NHS Foundation Trust where he was the Deputy Director of Estates.	18 of 19	N/a	N/a	2 of 4
	Non-Executive Directors				
Alison Marshall, Chair (second term ended 30 September 2025)	Alison Marshall was Chair from October 2019 to September 2025, 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.	8 of 8	N/a	5 out of 5	6 of 6
Sir Paul Ennals, Chair (first term commenced on 1 October 2025)	Sir Paul brings vast leadership experience from large, complex organisations at both a national and local level. His professional career has been spent largely within services for vulnerable children and adults and included playing a key role in	11 of 11	N/a	3 out of 3	5 of 5

Name and Position	Background	Board 19 meetings in total	Group Audit Committee 4 meetings in total	Group Remuneration Committee 8 meetings in total	Council of Governors 4 meetings in total
	steering the Government's Every Child Matters programme during the 2000s. He was awarded a CBE in 2002 for services to children with special educational needs and was knighted in 2009 for services to children. Sir Paul is also president of VONNE and on the board of Net Zero North East England.				
Mike Robson, Deputy Chair and Senior Independent Director (second term extension ended on 30 June 2025)	Mike is a public sector accountant. He worked in the NHS for over 34 years having been Director of Finance and Corporate Governance and Deputy Chief Executive at South Tyneside NHS Foundation Trust. He previously carried out a similar role at the Royal Victoria Infirmary, Newcastle.	4 of 4	N/a	1 out of 1	0 of 1
Hilary Parker (second term to 30 June 2026 – left the Board on 31 December 2025)	Hilary joined the Trust Board in July 2020. She joined the Board of 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.	10 of 11	2 of 3	4 out of 6	3 of 3
Andrew Moffat (second term to 30 June 2026 – left the Board on 30 June 2025)	During his executive career, Andrew has gained experience in the water, telecommunications and ports sectors, occupying senior financial, commercial and strategic roles both in the UK and internationally. He was Strategy Director at	4 of 4	1 of 1	1 out of 1	1 of 1

Name and Position	Background	Board 19 meetings in total	Group Audit Committee 4 meetings in total	Group Remuneration Committee 8 meetings in total	Council of Governors 4 meetings in total
	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.				
Maggie Pavlou (reappointed for a second term to 30 September 2027 and reappointed as Chair of the QE Facilities Board to the same date)	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 QE Facilities on 1 October 22 and became Chair on 1 October 2023.	13 of 19	3 of 5	6 out of 8	3 of 4
Martin Hedley (reappointed for a second term commencing on 1 July 2026)	Martin Hedley is the Managing Director of Vision Achievement Limited, a company which delivers specialised recruitment, learning and development services. He has extensive experience in transformation and change management, having delivered global change programmes for companies such as Citibank, Chase Manhattan Bank, and American Airlines. He is an	11 of 19	N/a	5 out of 8	3 of 5

Name and Position	Background	Board 19 meetings in total	Group Audit Committee 4 meetings in total	Group Remuneration Committee 8 meetings in total	Council of Governors 4 meetings in total
	experienced NHS Non-Executive Director in his final year at Royal Surrey NHS Foundation Trust and is also a Governor at Gateshead College.				
Adam Crampsie (reappointed for second term commencing on 1 July 2026)	Adam Crampsie is a clinician by background. He has spent 18 years working in healthcare, starting in the NHS before moving into corporate healthcare, then becoming the Commercial and Clinical Development Director of Nuffield Health and now serves as the Chief Executive of Everyturn Mental Health, a charity that delivers specialist mental health services across the North East and England. He is also a Trustee of The Terrence Higgins Trust.	11 of 19	N/a	4 out of 8	2 of 4
Dr Gerry Morrow (First term commenced 2 December 2024)	Dr Gerry Morrow is a GP by Background. He has served as a Non-Executive Director at North East Ambulance Service NHS Foundation Trust for seven years. In addition, he is a medical director and editor at a healthcare technology company. He also contributes to the National Institute for health and Care Excellence (NICE) as an editor for Clinical Knowledge Summaries.	18 of 19	3 of 4	7 out of 8	4 of 4
Andrew Besford (first term commenced on 1 July 2025)	Andrew has built a substantial body of digital expertise and leadership experience. He has been a Non-Executive Director at Northumbria Healthcare NHS Foundation Trust since 2019 and is Chair of the Digital Committee.	12 of 15	N/a	5 out of 7	2 of 3
Rob Hughes (first term	Rob has a background in both internal and external audit and is a	12 of 15	3 of 3	4 out of 7	1 of 3

Name and Position	Background	Board 19 meetings in total	Group Audit Committee 4 meetings in total	Group Remuneration Committee 8 meetings in total	Council of Governors 4 meetings in total
commenced on 1 July 2025)	PriceWaterhouse Coopers (PwC) qualified Chartered Accountant as well as an active member of the Institute of Chartered Accountants England and Wales (ICAEW). He has experience as Chief Executive and Accounting Officer at a Multi-Academy Trust in Newcastle.				

QE Facilities Board of Directors

The QE Facilities Board of Directors is chaired by Maggie Pavlou, Darren Warneford also serving as Non-Executive Director on the Board, to be joined by Simon Jefferson in early 2026/27.

Gavin Evans, Managing Director leads the Senior Leadership Team within QE Facilities and is a Board Member. Philip Glasgow is QE Facilities' Director of Finance and also forms part of the QE Facilities' Board of Directors. From 1 April 2026 Jane Taylor will join the Board as Executive Director of Corporate Services, as previously outlined.

Trust Board appointments and performance

The appointment, re-appointment and, if appropriate, removal 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 Group Remuneration Committee. The Committee is chaired by the Senior Independent Director, with Non-Executive Director membership. 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 their own remuneration). Further information about the Group 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 Vice Chair undertakes the performance review of Non-Executive Directors on behalf of the Chair (given Sir Paul Ennals' role as Chair of the three Trusts), and the outcomes of these appraisals are reported to the Council of Governors. Under these new arrangements the Vice Chair continues to be appraised by the Chair.

The performance review of the Chair is led by the Senior Independent Director in accordance with a process agreed by the Council of Governors. The process aligned to the Code of Governance, NHS Leadership Competency Framework and NHS Fit and Proper Person Framework. In addition, it was ensured that the process for 2025/26 was broadly consistent across all three Trusts to support a unified approach to the Chair's appraisals. The outcome is 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 2025/26 the Committee:

- Reviewed the annual report, Annual Governance Statement, 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, and recommended them for approval at the QE Facilities Board;
- Reviewed the Charitable Funds Accounts.
- 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 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;
- Sought assurance over the controls in place to support compliance with the new failure to prevent fraud corporate offence;
- Reviewed the external audit reports in respect of the 2024/25 year-end and reviewed progress made in implementing external audit recommendations throughout the year;
- Approved the losses and special payment reports;
- Received the Managing Conflicts of Interest policy compliance report;
- Received an update on compliance with the Non-Audit Services Policy;
- Received a report providing assurances on the process in place for the management of clinical audit across the organisation and the clinical audit annual report, seeking assurance over the processes and controls in place to develop and deliver the plan;
- Reviewed and approved the proposed approach to providing the Committee with assurance over litigation register, with full reporting to commence in 2026/27;

- Reviewed updates made to the Corporate Governance Manual (the Standing Orders, Standing Financial Instructions and Scheme of Delegation) and recommended the document to the Board for approval;
- Reviewed the Freedom to Speak Up processes and controls; 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. This also included the alignment of the terms of reference for the Committee with the latest Healthcare Financial Management Association (HFMA) Audit Committee Handbook.

Forvis Mazars LLP are the Trust's external auditor, as appointed by the Council of Governors. The audit of the 2025/26 accounts is the fifth year of external audit contract (an initial three year contract which was extended by the Council of Governors for a further two years). Forvis Mazars LLP's fee for the core audit work for 2025/26 is proposed to be £115k.

Forvis Mazars LLP also undertake the audit of QE Facilities and a fee of £50k is proposed for 2025/26.

A procurement process to appoint external auditors for 2026/27 was commenced prior to the year-end (given that 2025/26 is the last year of Forvis Mazars LLP's contract), noting that this appointment will be made by the Council of Governors.

In line with the previous year Robson Laidler will complete the 2025/26 audit of the Charitable Fund before the statutory deadline of 31 January 2027. The fee for this work is proposed to be £6k.

During the year no non-audit services were provided, with the exception of the audit of the subsidiary company, QE Facilities. The audit of the subsidiary company is 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 is the accountability forum between the Board of Directors and the Trust's stakeholders. It represents local interests and holds Non-Executive Directors to account as well as exercising its statutory powers.

The Council is comprised of elected Governors and appointed Governors, who are all volunteers. Elected Governors (public and staff constituencies) may hold office for a period of up to three years and may stand for re-election twice. After nine years in the role, elected Governors must leave the Council of Governors.

There are 32 members of the Council of Governors, plus the Chair. The composition of the Council is as follows:

- Ten public governors representing the Central and Eastern Gateshead constituency (one vacancy at the year-end);
- Six public Governors representing the Western Gateshead constituency (one vacancy at the year-end);

- One public Governor representing the Patient / Out-of-Area constituency (one vacancy at the year-end);
- Six staff Governors representing the views and interests of the colleagues (one vacancy at the year-end); and
- Eight appointed Governors representing the Trust's key stakeholders and partners (one vacancy 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 seven times in private during the year. The Council received regular email communications to inform Governor colleagues of the latest updates and developments throughout the year. Governor committees are in place to support and advise the Council.

The Membership, Governance and Development Committee is chaired by the Lead Governor. The Committee meets quarterly and all Governors are considered to be members and therefore receive invitations to attend. The Committee seeks to review a range of governance-related items and leads on membership engagement and recruitment on behalf of the Council, making recommendations to the Council where appropriate. It is also responsible for working with the Company Secretary to develop a training / development programme for Governors. During the year the Committee reviewed the Governor Handbook to ensure that the information for Governors is current and up to date and participated in the development of the Governor dashboard prior to adoption at the Council of Governors. The Committee also reviewed the results of the Council of Governors' effectiveness survey and continues to review the attendance rates for the Council of Governors meeting. The Committee received an update on progress against the objectives within the Membership Strategy and received membership profile information following the database cleanse exercises undertaken for all constituencies.

The Governor Remuneration Committee is responsible for making recommendations to the Council of Governors on the appointment of the Chair and Non-Executive Directors, having satisfied itself that its recommendations fulfil the Trust's needs in terms of skills and experience. It also sets the remuneration, allowances and terms of appointments of the Chair and Non-Executive Directors. The Committee works with the Senior Independent Director and the Chair to agree the process for the evaluation of the Chair and Non-Executive Directors and then subsequently reviews the outcomes of the performance appraisals, which inform remuneration and benefits decisions. The Committee took a lead role in the recruitment process of the shared Chair which included meeting with counterparts

at Newcastle and Northumbria as part of a Joint Nominations Committee (with members drawn from the Governor Remuneration Committee and equivalent bodies in the other two Trusts). The Committee met five times during the year to consider items within its remit, including Chair and Non-Executive Director remuneration, the recruitment of the Vice Chair and Non-Executive Directors, Non-Executive Director succession planning, and the Chair and Non-Executive Director appraisal process. The Committee made recommendations to the Council of Governors on these items.

During 2025/26 the Council of Governors considered a range of items, which included:

- Ratifying the appointment of the new Shared Chair – Sir Paul Ennals (the recruitment process itself commenced in the previous financial year);

- Approving the appointment of the new Vice Chair – Dr Gerry Morrow;
- Approving the appointment of two new Non-Executive Directors – Andrew Besford and Robert Hughes;
- Ratifying the recruitment process for a legal Non-Executive Director to replace Hilary Parker;
- Approving the appointment of the Lead Governor and Deputy Lead Governor;
- Approving the proposed timetable for the External Audit Tender Process; and planned appointment panel composition.
- Engaging and providing views on future models for engagement and representation following the proposals within the NHS 10 Year Plan to remove the requirement for Foundation Trusts to have Governors.
- Engaging and providing feedback on the consultation on the Gateshead Council Joint Health and Wellbeing Strategy
- Providing valuable input into the Quality Account priorities for 2026/27;
- 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 medium term planning process and providing feedback on the draft plans;

- Receiving updates on the progress of the Great North Healthcare Alliance vision and work plan;
- 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 and Deputy Lead Governor.

Governor elections 2025/26

Elections in both public and staff constituencies were 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.

A by-election process took place during the year following Board and Council approval to merge the separate public constituencies of Central Gateshead and Eastern Gateshead to become Central and Eastern Gateshead which resulted in filling the three vacant seats. The results were as follows:

Constituency	Available Seats	Outcome
Central & Eastern Gateshead	3	4 nominations received and therefore a contested election was held. The following candidates received the most votes and were therefore elected: • John Bedlington – elected to third term of office (1 June 2025 – 4 January 2027) • Paul Johnson – elected to first term of office (1 June 2025 – 4 January 2028) • Sheena Sykes – elected to first term of office (1 June 2025 – 4 January 2028)

During the by-election process, Abe Rabin resigned from his Public Governor role therefore an additional seat became available and under the election rules, Brenda Webb was offered the remaining terms of office (up to 4th January 2026) as only candidate who had not been elected through the by-election process.

Abe Rabin had been a Public Governor since 2017 and served as Lead Governor during this time. He dedicated a lot of time to the role and to the wider Trust and his contribution to the Council was greatly appreciated by all.

Elections for the terms commencing on 5 January 2026 were held for nine public Governor positions and one staff Governor position. Following the resignation of Mark Learmouth, an additional seat within the Central and Eastern Gateshead Constituency became available for the remaining terms of office (2 years).

The results are as follows:

Constituency	Available Seats	Outcome
Staff	1	3 nominations received and therefore a contested election was held. The following candidate received the most votes and was therefore elected: • Dr Kiran Singisetti – re-elected to second term of office (5 January 2026 – 4 January 2029)
Central & Eastern Gateshead	4	4 nominations received and 3 candidates elected unopposed: • Steve Connolly – re-elected to third term of office (5 January 2026 – 4 January 2029) • Susan McKenna – elected to first term of office

		(5 January 2026 – 4 January 2029) • Brenda Webb – re-elected to third term of office (5 January 2026 – 4 January 2029) *A further candidate for Central & Eastern Gateshead was successfully elected but did not complete the induction and on-boarding process and therefore did not progress to become a Public Governor.*
Western Gateshead	5	4 nominations received and therefore 4 candidates elected unopposed, with one vacancy remaining: • Ray Dennis – re-elected to second term of office (5 January 2026 – 4 January 2028) • Sarah Craig – elected to first term of office (5 January 2026 – 4 January 2029) • Moira Ledger – elected to first term of office (5 January 2026 – 4 January 2028) • Jon Twelves – elected to first term of office (5 January 2026 – 4 January 2029)
Patient / Out of Area	1	No valid nominations were received therefore one vacancy remains

Some Governors left the Council in January 2026 at the end of their terms including Les Brown, Public Governor for Western Gateshead, who served as a Governor since January 2020 and Helen Jones, Public Governor for Central and Eastern Gateshead, who served as a Governor since January 2017. In addition Janet Thompson, Staff Governor, stood down from her role in February 2026.

During the year we also welcomed one new appointed Governor to the Council – Professor Barry Hill representing Northumbria University – replacing Professor Joanne Atkinson, who retired from her role at the University.

We would like to record our sincere thanks and appreciation to all those Governors who left during the year for their commitment and contributions to the Council and Trust.

Given the proposed legislation to remove Councils of Governors under the forthcoming NHS Modernisation Bill, we have taken the decision to pause forthcoming election for 2026/27 (i.e. for terms due to commence in January 2027). Continuing with an election cycle for a role that is intended to be phased out would create unnecessary confusion for members, candidates and the wider public. The decision to pause the elections was discussed at the February 2026 Council of Governors and Governors expressed support for the decision. The election process can be reinstated should the Modernisation Bill not be passed by Parliament. We are committed to working with our Council of Governors to identify ways in which the valuable input of the public, our people and partners can be best harnessed to continue to help us to shape our services. A workshop was held with Governors in March 2026 to begin to explore ideas.

The table below shows the composition of the Council during the 2025/26 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). Those Governors shown in italics were no longer part of the Council of Governors on 31 March 2026.

Constituency	Governor	Term	Council of Governors meetings attended (maximum of 11)
Central & Eastern			
	John Bedlington	First term: 5 January 2019 – 4 January 2022 Second term: 5 January 2022 – 4 January 2025 Third term: 1 June 2025 – 4 January 2027	4 of 8
	Steve Connolly	First term was served as a staff Governor prior to a constitutional change. Second term: 5 January 2023 – 4 January 2026 Third term: 5 January 2026 – 4 January 2029	11 of 11
	Carol Hindhaugh	First Term: 5 January 2025 – 4 January 2028	11 of 11
	Paul Johnson	First Term: 1 June 2025 – 4 January 2028	7 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*	*6 of 9*
	Mark Learmouth	*First term: 5 January 2025 – 4 January 2028 – resigned as of 25 September 2025*	*3 of 6*
	Michael Loome	First term: 5 January 2024 – 4 January 2027	11 of 11
	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 – resigned as of 29 April 2025*	*n/a*
	Susan McKenna	First term: 5 January 2026 – 4 January 2029	2 of 2
	Sheena Sykes	First term: 1 June 2025 – 4 January 2028	7 of 8
	Karen Tanriverdi	First term: 5 January 2018 – 4 January 2021	11 of 11

Constituency	Governor	Term	Council of Governors meetings attended (maximum of 11)
		Second term: 5 January 2021 – 4 January 2024 Third term: 5 January 2024 – 5 January 2027	
	Brenda Webb	First term: 5 January 2022 – 4 January 2025 Second term: 1 June 2025 – 4 January 2026 Third term: 5 January 2026 – 4 January 2029	2 of 8
	1 vacancy as at year-end		
Western			
	Les Brown	*First term: 5 January 2020 – 4 January 2023* *Second term: 5 January 2023 – 4 January 2026 (did not stand for third term)*	*7 of 9*
	Sarah Craig	First term: 5 January 2026 – 4 January 2029	0 of 2
	Ray Dennis	First term: 5 January 2023 – 4 January 2026 Second term: 5 January 2026 – 4 January 2028	9 of 11
	Moira Ledger	First term: 5 January 2026 – 4 January 2028	2 of 2
	Dr Lakkur Murthy	First term: 5 January 2024 – 4 January 2027	5 of 11
	Jon Twelves	First term: 5 January 2026 – 4 January 2029	2 of 2
	1 vacancy as at year-end		
Patient / Out of Area			
	1 vacancy as at year-end		
Staff			
	Helen Adams	First term: 5 January 2022 – 4 January 2024 Second term: 5 January 2024 – 4 January 2027	8 of 11
	Lynsey Curry	First term: 5 January 2023 – 4 January 2024 Second term: 5 January 2024 – 4 January 2027	9 of 11
	Andrew Lowes	First term: 5 January 2022 – 4 January 2025 Second term: 5 January 2025 – 4 January 2028	2 of 11
	Adaeze Obiayo	First term: 5 January 2024 – 4 January 2027	6 of 11

Constituency	Governor	Term	Council of Governors meetings attended (maximum of 11)
	Kiran Singisetti	First term: 5 January 2023 – 4 January 2026 Second term: 5 January 2026 – 4 January 2029	0 of 11
	Janet Thompson	*First term: 5 January 2025 – 4 January 2028 – resigned as of 11 February 2026*	*6 of 9*
	1 vacancy as at year end		
Appointed			
Northumbria University	*Joanne Atkinson*	*From September 2024 to August 2025*	*1 of 4*
Northumbria University	Professor Barry Hill	From August 2025	4 of 7
Newcastle University	Dr Gemma Frances Speirs	From September 2023	8 of 11
Gateshead College	Chris Toon		6 of 11
Gateshead Jewish Community	Aron Sandler		9 of 11
Gateshead Council	Cllr Dorothy Burnett	From July 2024	3 of 11
Gateshead Voluntary Sector – Connected Voice	Julia Perry	From September 2024 *(note that a temporary pause in the position was enacted during the year in agreement with the Trust)*	4 of 4
Healthwatch Gateshead	Michael Brown	From January 2025	0 of 11
Gateshead Youth Assembly	*Vacancy*		

Governor training and development

During 2025/26 we provided our Governors with a number of training and development opportunities. Governor workshops were held in June 2025, October 2025, January 2026 and March 2026. This included opportunities to engage in the development of the Quality Account priorities for 2026/27; the medium term planning process and cost reduction plans; and engaging and providing views on future models for engagement and representation following the proposals within the NHS 10 Year Plan to remove the requirement for Foundation Trusts to have Governors.

Quarterly Governor workshops are diarised throughout 2026/27 to protect time for further training, development and engagement outside 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. The process for 2026/27 commenced in February 2026 and due to the upcoming legislative changes, that may remove Councils of Governors by April 2027, an alternative option to the usual appointment process was considered and approved by the Council of Governors. It was agreed to extend the current appointments of Steve Connolly as Lead Governor and Michael Loome as Deputy Lead Governor to provide stability and continuity until the Council ceases to exist, until 18th May 2027 or until their Governor terms of office expire.

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 detail the procedure through which the Council of Governors can raise concerns about the Board of Directors, as required by the Code of Governance for NHS Provider Trusts.

Foundation Trust membership

Foundation Trust membership seeks to give local people and staff a greater influence on how our services are provided and developed. As part of the development of the annual plan, our Governors are invited to share the views of their communities and members through a series of workshops with the Board.

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 two constituencies: Western; and Central and Eastern Gateshead. We also have an Out-of-Area constituency, which is coterminous with the geographical boundaries of the North East and North Cumbria Integrated Care System (NENC 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.

Membership profile

All constituencies have undergone a database cleanse over the last two years to ensure that our membership database is accurate and up to date. The benefit of the exercise is that we

have an up-to-date membership database, and we can be assured that it accurately reflects those who wish to be current members and want to receive communications and opportunities to engage with the Trust. The outcome of the exercise has resulted in a reduced membership base and is outlined below.

As of 31st March 2026, the total number of public members was 2,780 compared to 5,524 at 31st March 2025 and equates to a 50% decrease. Our public membership profile is as follows:

Population/Public Membership Ratio at 31 March 2026			
	Western	**Central & Eastern**	**Out of Area**
Population	77,471	134,443	Unknown
Membership	744	1,844	192
%	**1.0**	**1.4**	Unknown

The decrease in the membership base is highlighted below:

Membership base for all constituencies				
	Western	**Out of Area**	**Central & Eastern**	**Total**
Membership prior to cleanse	3,184	499	8,635	12,318
Membership following cleanse	744	192	1,844	2,780
Decrease %	**77%**	**62%**	**79%**	**77%**

Following the cleanse, we now have 2,466 members who will receive email correspondence and 314 members who wish to remain postal members.

Whilst this is a significant decline in the overall number of members it means that we have assurance that those individuals who remain as members actively wish to receive information about the Trust and retain involvement and engagement.

Colleagues 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.

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

The number of staff Foundation Trust members as at 31st March 2026 was 5,168 (compared to 5,347 members as at 31st March 2025). The reduction in numbers is purely due to changes in overall headcount between these dates.

The Council of Governors represents the views of members and helps to shape the way our services are delivered therefore are keen to hear from members. Our Governors have held some recent engagement events which has provided members with the opportunity to meet some of our Governors representing our constituencies.

Get in touch

To contact a Governor, please send your enquiry to: ghnt.governors@nhs.net, alternatively you can submit your query to: Corporate Services Office, FREEPOST NAT14353, Gateshead Health NHS Foundation Trust, Queen Elizabeth Hospital, Sheriff Hill, Gateshead NE9 5BR

You can also visit https://www.gatesheadhealth.nhs.uk/about/governors/

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 a number of different workstreams / projects which align with well-led principles / key lines of enquiry, including:

- The review of the governance structure supporting the work of the Board and its committees. This included the establishment of an Executive Committee, adjustments to delegated decision-making and a revised group structure;
- Focussed work on organisational culture, including inclusivity and communications;
- Extensive engagement and involvement in the development of the corporate strategy and the clinical strategy;
- Reflective reviews against key external reports such as the Aubrey report into governance within breast services at a neighbouring trust;

- Completion of the Provider Capability Self-Assessment as defined by the NHS Oversight Framework; and
- Developing our partnership and collaborative working at place, neighbourhood and particularly through the Great North Healthcare Alliance.

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.

There are no material inconsistencies between the annual governance statement, other parts of the annual report and reports arising from CQC inspections.

Patient care

Delivering excellent patient care is one of our four key priorities, underpinned by three key objectives:

- We will be a clinically-led organisation focused on delivering safe, high-quality care and improving health outcomes for our patients
- We will ensure our patients experience the best possible compassionate care and make every contact count
- We will continually improve our services creating a restorative culture where learning, innovation and research can flourish

The delivery of excellent, safe, high-quality and innovative services is at the heart of everything we do.

Overview of performance against key quality targets

The Quality Governance Committee and the Board of Directors monitor performance against several key quality targets through the *Strategic Objectives: Leading Indicators and Breakthrough Objectives* report. Trust performance is measured against a mixture of nationally mandated indicators and locally determined measures.

The Quality Governance Committee and Board of Directors also receive a dedicated maternity integrated oversight report, which includes detailed quality and performance information on our maternity services. This report is presented by the Associate Director of Midwifery / Special Care Baby Unit.

In addition, the Quality Governance Committee receives a suite of other reports providing assurance against key quality targets, including patient safety reports, patient experience reports, safeguarding reports, health inequalities reports and learning from deaths reports.

Our performance against a range of quality metrics is outlined in this section, although our Quality Account for 2025/26 provides more detail on our performance against a wider range of key quality targets across the three domains of patient safety, clinical effectiveness and patient experience.

With regards to key safety metrics:

- 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. Since October 2011 the mortality of the Trust in

respect of the SHMI has been banded predominantly as ‘as expected’ and has never been banded as ‘higher than expected’. The latest SHMI for December 2024 to November 2025 is 1.07. (The England average is 1.00);

- The Trust reported 47 cases of **clostridium difficile infections (CDIs)** against the threshold of 36 (compared to 48 cases against a threshold of 37 cases the previous year). The threshold is calculated by Public Health England (PHE). Internal reviews of all healthcare associated cases are undertaken in accordance with the Patient Safety Incident Response Framework (PSIRF) to identify learnings and required actions;
- There was 1 **Methicillin-Resistant Staphylococcus Aureus** (**MRSA) bacteraemia** apportioned to the Trust post-48 hours of admission compared to 1 in the previous year;
- Our overall **rate of falls per 1000 bed days** increased from 8.38 in 2024/25 to 9.46 in 2025-26, above the threshold of 8.5;
- The **rate of harm falls per 1,000 bed days** was 4.35, above the threshold of 2.25, and the ratio of harm to no harm falls decreased from 46.1% in 2024/25 to 45.9% in 2025/26. We recognise the importance of reducing the rate of harm falls and this is priority area for 2026/27;
- We reported one **never event** in 2025/26, with one never event reported in 2024/25;
- Our **patient incidents per 1,000 bed days** increased to 46.9 compared to 39.5 in the previous year;
- The proportion of patients who are **readmitted within 28 days** across the Trust reduced from 7.70% to 7.52%, sustaining year-on-year improvement (note that these figures are taken from Healthcare Evaluation data (HED) and provide full financial years for 2023/24, 2024/25 and April to December 2025/26); and
- The percentage of patients who returned to theatre within 30 days increased slightly from 4.17% in 2024/25 to 4.35% in 2025-26.

Monitoring quality compliance

Gateshead Health NHS Foundation Trust are appropriately registered with the Care Quality Commission (CQC) and our current registration status is ‘registered without conditions’.

The CQC has not taken enforcement action against Gateshead Health NHS Foundation Trust during 2025/26.

We have not participated in any special reviews or investigations by the CQC during the reporting period. There were no announced or unannounced inspections by the CQC during 2025/26.

The Trust received a Mental Health Act (1983) Monitoring visit during 2025/26 on Cragside ward in January 2026. Positive feedback was received both verbally and by way of a formal report to the Chief Executive noting areas of good practice and stating that improvements were noted in response to past concerns identified.

In the report CQC shared that patients were very complimentary about the care and support being provided to them, stating that they were treated with dignity and respect by staff. They

felt that they could always access support from staff if they needed help and reassurance. One patient who was to be discharged imminently told CQC he did not want to leave the ward and said that the nurses were like his family.

Feedback from carers was consistently positive, with carers expressing high levels of satisfaction with care, communication, staff attitudes, and the ward environment.

All carers reported that their relatives had either shown significant improvement or had stabilised since their admission, particularly in relation to aggression, distress, or hallucinations. They described staff as skilled, patient, and compassionate, particularly in challenging situations such as managing aggression and complex physical health needs. Carers felt confident that their relatives' mental and physical health needs were well managed, including conditions such as diabetes, epilepsy, heart failure, mobility issues, and personal care needs. One carer described the ward as having "saved [their] mam's life."

Carers described staff as friendly, welcoming, and caring, with strong relationships developed between staff and both patients and families. They told CQC that the ward doctor gave good explanations to carers and had a good understanding of the individual needs of patients. A carer noted that all staff "went the extra mile."

The carers CQC spoke with told them that they felt well informed and involved in care planning and decision-making. They said that staff regularly updated them, invited them to meetings, and that they were able to express their views, which they felt were listened to and respected. Carers described communication as timely and reliable.

Carers spoken with on Cragside praised the quality of care being provided to their loved one, stating that all staff were very good and genuinely caring. One carer added that communication with the ward was consistently good and regular updates were always provided and described the area as welcoming and comfortable for their relative and there was always flexibility with visiting times, with protected mealtimes for patients being clearly explained to the carer and their family.

Discharge planning was a key theme raised by carers. Carers told CQC that they appreciated being involved in discussions, though several noted delays in social work input and difficulties securing suitable placements. In some cases, ward staff took proactive steps to support families by identifying potential care homes and chasing referrals. One carer expressed sadness about their relative having to move on from the ward. They said that the ward staff knew their relative well, understood their care needs and provided highly individualised care.

Carers described the ward environment as clean, calm, and thoughtfully designed, with comfortable communal areas and personalised touches to support patients with dementia. Activities were viewed positively, including outings, visits from school children, access to books and music, and flexibility around family visits (including children and pets). These were felt to enhance patients' wellbeing.

Service developments and achievements

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

Continuous improvement work within the **Emergency Department and Same Day Emergency Care** (SDEC) has significantly improved our Emergency Department performance, allowing us to streamline delivery in line with current patient expectations.

Our **frailty services** continued to expand during the year, delivering measurable improvements in patient care, operational flow, and overall system efficiency.

The **Acute Frailty Service**, delivered by a highly skilled multidisciplinary team within A&E, is led by a Consultant Geriatrician and Specialist Frailty Practitioner. The team brings together expertise from medicine, therapy, and pharmacy to provide rapid Comprehensive Geriatric Assessments for patients aged 65 and over. Operating daily from 8:30am to 4:30pm, with consultant-led input each morning, the service ensures patients receive timely, holistic assessment and ongoing support through the Emergency Assessment Unit (EAU) and SDEC. This proactive approach is helping to avoid unnecessary admissions while maintaining patient safety and flow through the department.

In February 2026 alone, 173 patients were assessed, and through early intervention, 25 hospital admissions were avoided. This equates to approximately 250 bed days saved, demonstrating how early specialist input can significantly reduce the need for inpatient care while improving patient flow and experience.

Complementing this, the expansion of the **Frailty Virtual Ward** represents a major step forward in delivering care closer to home – a key principle of the NHS 10 Year Plan. Led by a Consultant Geriatrician and supported by a multidisciplinary team, the service provides hospital-at-home care for patients aged 65 and over across Gateshead. Managing both “step-up” (admission avoidance) and “step-down” (early discharge) patients, the service ensures continuity of care while reducing reliance on acute hospital beds. The team delivers a wide range of clinical interventions at home, including IV antibiotics, oxygen therapy, fluids, and regular clinical reviews.

Operating weekdays from 9am to 5pm, with rapid response support outside of these hours, the service is well integrated with partners including North East Ambulance Service, GP practices and community teams. Early data highlights strong and sustained utilisation, with the Frailty Virtual Ward maintaining an average daily caseload of 9.5 patients in January 2026. This demonstrates its vital role in supporting patients safely outside of hospital while easing pressure on acute services.

Together, our frailty services demonstrate a modern, integrated approach to frailty care—delivering the right care, in the right place, at the right time. By preventing avoidable admissions, reducing length of stay, and shifting care into the community, they are improving outcomes for patients while supporting more efficient use of hospital capacity.

Our **gastroenterology** service implemented a new advice and guidance model which has reduced waiting times for new patients. This allows an experienced Gastroenterologist to ring patients on receipt of referral, address any queries immediately, assess and prescribe appropriately and refer direct to test for those patients who require this. It has also resulted in a reduction over 450 patients on the waiting list.

Led by the gastroenterology team, all clinical teams within Medicine have reviewed their **18 week referral to treatment pathways** and developed models for enhanced triage which has allowed the teams to reduce the waiting times for first appointments and ensure that those patients who require tests before they can be diagnosed are referred promptly.

We were delighted to open **redeveloped facilities for women and children** in February 2026, following a £7.4 million investment to modernise our estate. The Northern Gynaecological Oncology Centre (NGOC) provides a modern, high quality, calm environment with enhanced privacy and dignity for patients.

The Children and Young People's Department has been designed to provide a calm, soothing environment to reduce anxiety. It includes age-appropriate play areas as well as wooden trees funded by a generous £18,000 donation from the legacy of Gwen Sells via our charity.

Colleagues in QE Facilities and Robertson Construction were integral in refurbishing two former wards in our 1930s building into modern, high-quality estate.

The project supported the local economy with 94% of spend with small and medium-sized businesses and 90% of the spend kept within 30 miles, ensuring local people who will benefit from these facilities also benefited throughout delivery.

Our **maternity services** have been ranked in the top five of all trusts nationally in the Care Quality Commission's (CQC) 2025 National Maternity Survey, receiving an overall positive score of 92.5%. Pregnant people and families consistently praised staff for their compassion, respect, and individualised care. This is fantastic news for our patients and local community and testament to our colleagues' commitment to the delivery of high-quality compassionate care.

Our **Breast Service** has launched a unique set of children's books, written by specialist breast care nurses Emily Turnbull and Rachel Lockerbie with illustrations from Kirsty Reilly. The books are designed to help explain cancer treatment to children whose parents have been diagnosed with breast cancer. The project was funded by the Women's Cancer Detection Society (WCDS) led by Kathryn Jobes, fundraising manager. The books are provided free of charge to patients at the hospital and have received excellent feedback from patients, their families and healthcare professionals. The books are available in Birtley, Gateshead and Whickham libraries and presentations have been delivered to local schools. The books have attracted interest nationally and we are incredibly proud of our team.

Our **Secondary Prevention Service** won the prestigious Health Service Journal (HSJ) Award for Medicine, Pharmacy and Prescribing Initiative of the Year. The service is the first team in the UK dedicated to looking after patients who have had a whole range of serious heart and circulation problems in a comprehensive manner. This specialist team works to manage all related heart, kidney and metabolic risk factors (like diabetes and obesity), to reduce chances of a repeat event, after people have experienced a heart attack, angina, a stroke, a mini-stroke (TIA), or poor circulation in the limbs. The service brings together a team of different consultants including a diabetes and cholesterol specialist, cardiologist, kidney specialist and stroke specialist, along with a specialist pharmacist and specialist nurses.

This collaborative and streamlined approach, which we implemented in 2023, has been shown to deliver better clinical results while providing value for money within the local health system, as patients receive a bespoke treatment plan addressing multiple risk factors, built on advice from a team of specialists while only needing to attend a single clinic.

In October 2025 we celebrated the first anniversary of the **Community Diagnostic Centre** (CDC) in partnership with The Newcastle-upon-Tyne Hospitals NHS Foundation Trust. Since opening in October 2024, the Centre has already supported more than 75,000 patients to access scans and diagnostic checks in a convenient community location. That not only improves outcomes but also reduces demand on hospital sites. The CDC is an example of the NHS 10-Year Plan in action, by improving access to care, supporting earlier diagnosis and delivering services closer to home.

Towards the end of the year we were able to secure funds in excess of £10 million to enable us confirm the expansion into phase 2 of the CDC. The development will continue to:

- Help to meet rising demand for diagnostic tests;
- Support reduction of waiting times for diagnostic tests supporting diagnostic, cancer and referral to treatment targets; and
- Increase local system resilience and improve access to services whilst supporting the move towards neighbourhood healthcare provision.

The second phase of the CDC will be operated by Gateshead and will provide access to diagnostics to the wider region supporting the move to constitutional standards for a number of trusts in the NENC ICB region. Locating them in a community setting builds resilience into local service provision. Investment in NHS facilities in a retail setting supports the ‘Health on the High Street’ agenda, recognising that the NHS can support local communities to generate economic, social and health benefits.

Phase 2 will provide capacity for an additional 38,000 diagnostic procedures. The additional services will include an additional MRI scanner, an additional Non-Obstetric Ultrasound, an additional X-ray, outpatient hysteroscopy facilities and Outpatient and procedure rooms to support neighbourhood health and diagnostic / treatment pathways

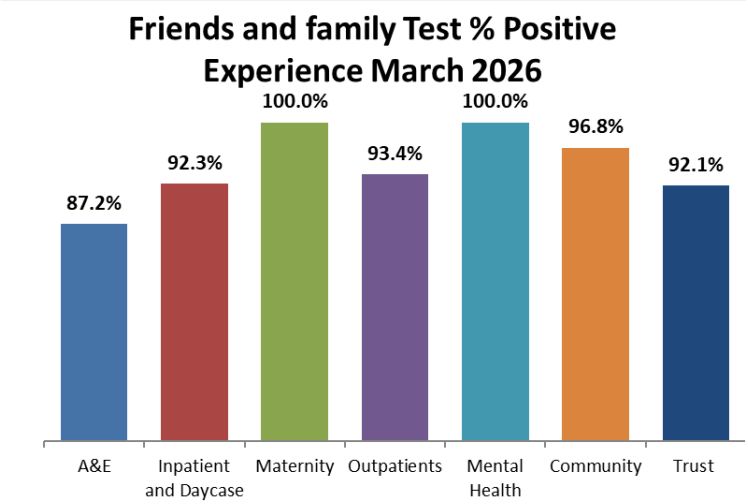
In September 2025 we were delighted to launch our **Northern Centre of Breast Research**. This marked a significant step in our ambition to become the Northern Centre of Excellence for Women's Health. The Centre brings together clinicians, researchers and academic partners to deliver world-class breast care research. Its work will focus on improving diagnosis, treatments, and broadening access to clinical trials, helping to embed research as part of standard patient care. The Centre forms part of our commitment to expanding research and innovation capacity across women's health.

Our Children's Bladder and Bowel department have been awarded the '**Gold Standard for Autism Acceptance**' from the North East Autism Society. Over the past year, the team has worked closely with NE Autism Society to enhance their environment, communication approaches, and care pathways to better support neurodivergent children and their families.

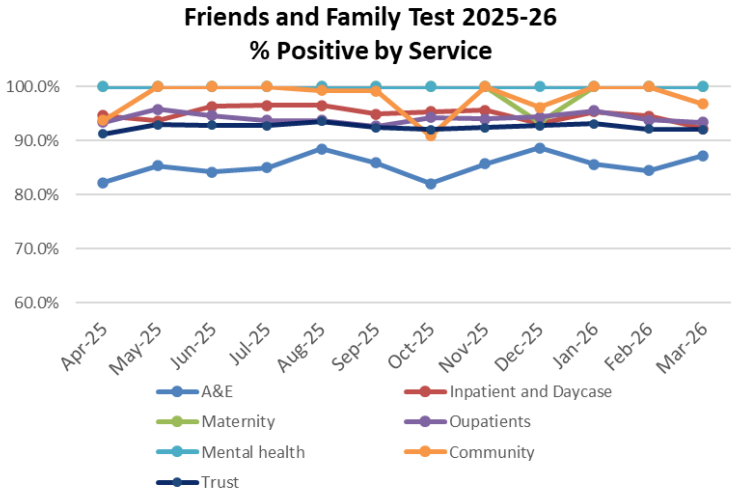
Two of our dedicated **Specialist Nutrition Nurses**, Amy Molloy and Louise Dudey, were recognised on the national stage for their outstanding work in community care. Amy and Louise are part of the Dietetic Home Enteral Feeding (HEF) team and were shortlisted for the prestigious 'Community Nutrition Professional of the Year' award at the 2025 Complete Nutrition (CN) Awards. They were nominated for their pioneering work on the Enteral Feeding Alert project, an innovative system designed to ensure that any patient with a feeding tube is quickly identified and supported upon arrival at the hospital. The HEF team's mission is simple yet powerful: to help people in Gateshead manage their enteral feeding needs safely at home with confidence and the proper support, thereby reducing avoidable hospital stays.

Service user feedback

Listening to our patients and service users remains central to how we evaluate and improve the care we provide. The Friends and Family Test (FFT) continues to be one of the key tools we use to understand how patients feel about their experiences. It offers valuable, real-time feedback from those who use our services, helping us to celebrate what we're doing well and identify areas where we can improve.



Over the past 12 months, we are proud to report a strong and consistent level of positive feedback across the Trust. Our overall Trustwide average for the year was 92.6%, reflecting the high quality of care and compassion our teams deliver every day. In particular, our Maternity services received exceptional praise, with a rate of 98.9%, a testament to the dedication of our Midwifery teams and their focus on personalised and safe care for women and families. Similarly, our Mental Health services scored an impressive 100%, and our Community Services were close behind at 98.6%, both of which highlight the importance of continuity, accessibility and compassionate engagement in these areas.



Inpatient and day case services also performed very strongly, with a positive score of 95%, showing that patients consistently feel well cared for and supported throughout their hospital stays. Our Emergency Department, while operating under the pressure of increasing demand, achieved a solid 85.5% rate. We recognise that A&E can be a challenging environment for patients and staff alike, and we are continuing to explore improvements in communication, waiting times and care pathways to further enhance the patient experience.

We remain committed to acting on the feedback we receive through FFT and ensuring that every voice contributes to shaping our services. Whether the response is one of gratitude or highlights an opportunity to do better, each comment matters and drives our ambition to deliver the highest possible standard of care.

During the year we also received the results of a number of external surveys. Our cancer care was highly praised by patients in the National Cancer Patient Experience Survey. Patients gave the Trust a rating of 9.2 out of 10, above the national average of 8.9. We achieved above average scores across all areas, reflecting our commitment to delivering exceptional and compassionate care to our patients.

We also performed well in the Adult Inpatient Survey, which is conducted by Picker on behalf of 61 trusts. The survey captures feedback from patients who stayed overnight in our hospitals between January and April 2025. Overall we were ranked 12th out of 61

organisations. 98% of patients felt treated with respect and dignity and 98% had confidence and trust in our doctors. We improved our scores in areas such as helping patients eat meals and identified some areas for further focus, such as ensuring that colleagues explain the reasons for ward changes at night to our patients.

Our excellent outcomes in the CQC maternity survey were highlighted in the previous section.

In addition to gathering patient feedback through FFT and external surveys we have also undertaken the following public and patient involvement activities:

- Ward-based engagement supported by Patient Experience Volunteers;
- Involvement of volunteers and Governors in initiatives such as the 15 Steps Challenge, helping teams view services through a patient's perspective; and
- Targeted engagement activity supporting service development, including women's health, community services and screening services.

As outlined earlier in this report we also continued to work with Governors to support their engagement with members and local communities, ensuring public and patient views inform planning, quality improvement and strategy development.
Feedback gathered through these routes has been used to identify areas for improvement, shape service changes and recognise good practice. We remain committed to ensuring that patient and public voices continue to influence decision-making across the organisation.

Improvements in patient and carer information

During 2025/26, we have continued to strengthen our approach to accessible patient and carer communication through the development of a comprehensive Health Literacy workstream. This work has focused on ensuring that information provided to patients, carers and families is easier to understand, more accessible, and supports people to make informed decisions about their care and treatment.

A significant area of progress has been the development of internal workforce capability. Three members of the Patient Experience Team successfully completed regional Health Literacy Awareness, How to Write Simply and Train the Trainer programmes. This has enabled us to establish internal expertise and create sustainable in-house training capacity, reducing reliance on external support and supporting the long-term embedding of health literacy principles across services.

During the year, we also developed and finalised a suite of Health Literacy resources designed to support our people in producing clear, consistent and accessible patient information. These resources were reviewed following feedback from the Health Inequalities Group and prepared for formal ratification through the Trust's governance processes. This work supports a more standardised approach to patient communication and strengthens the quality and consistency of patient-facing materials.

Further work has been undertaken to improve the development and review of Patient Information Leaflets. A new health literacy-informed leaflet development and approval process has been progressed to ensure that patient information is written in plain language, follows best practice guidance, and is accessible to a wider range of patients and carers. This work aligns with our wider ambitions around inclusion, reducing health inequalities and improving patient experience.

We have also continued to strengthen governance and organisational oversight for this work. Regular Health Literacy Strategic Meetings have taken place throughout the year, bringing together colleagues from clinical, operational and corporate services to support cross-Trust collaboration and alignment with wider organisational priorities.

To support sustainability and staff engagement, development work has also been completed on a dedicated Health Literacy intranet page. Once launched, this will provide colleagues with access to guidance, approved templates, training resources and examples of best practice, supporting the consistent application of health literacy principles.

Alongside this work, we have continued to provide interpreting and translation services through an external provider. These services include face-to-face interpretation, telephone and video interpreting, translation of written materials and British Sign Language (BSL) support. Wards and departments continue to have access to devices enabling rapid access to BSL interpretation where required.

Collectively, these improvements will help patients and carers to better understand their care, appointments, treatment options and discharge information. Improving the clarity and accessibility of communication supports patients to feel more informed, involved and confident in managing their health and wellbeing. This is particularly important for patients who may experience additional barriers to understanding healthcare information, including people with learning disabilities, cognitive impairment, sensory impairment, language barriers or lower levels of health literacy. By improving the accessibility of information and communication, we aim to reduce inequalities in access and experience, improve patient engagement and ultimately support safer, more person-centred care.

Over the coming year, we will focus on embedding health literacy principles into routine practice, including the wider roll-out of training, implementation of updated patient information processes, and continued evaluation of patient understanding and experience. This will support our commitment to improving accessibility, reducing communication barriers and ensuring patients and carers are better supported throughout their care journey.

Complaints handling

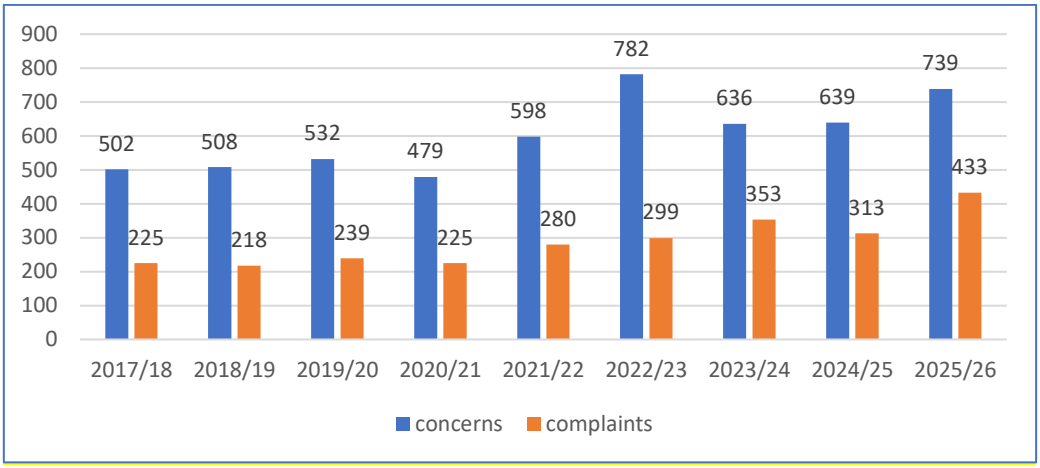
We acknowledge the value of feedback from patients and visitors and continue to encourage the sharing of personal experiences. This type of feedback is invaluable in helping us ensure that the service provided meets the expectations and needs of our patients through a constructive review.

For the year 2025/26 we received a total of 433 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 in our care. 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, 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	**Total 2025/26**
Complaints received	433

Acknowledged within three working days	432
Complaints closed	393
Closed within agreed timescale	246
Number of complaints upheld	181
Number of complaints partially upheld	128
Concerns received by PALS	739

Outcome of complaints referred to Parliamentary & Health Service Ombudsman (PHSO)	**Total 2025/26**
Considering whether to investigate	5
Currently investigating	1
Complaints upheld	0
Part upheld	0
Declined to be investigated	6
Agreed actions with Trust (incl as a result of learning)	0



In the year 2025/26 34 closed complaints were reopened. This compares to 40 in 2024/25. Reasons for reopening cases include where the complainant has additional questions/concerns following receipt of the complaint response letter.

During 2025/26 the top four main reasons to raise a formal complaint were in relation to:

- Implementation of care
- Communication, confidentiality and consent
- Access, admission and discharge
- Clinical Assessment

During 2025/26 the top four main reasons to raise a concern were in relation to:

- Communication, confidentiality and consent
- Implementation of care
- Access, admission & discharge
- Car parking

As a result of complaints and concerns raised over the past year a number of initiatives have been implemented, of which a small number of examples are shared below.

- A new vascular access pathway was introduced;

- Our MRI protocol was revised to support clearer explanations between the MRI team and the requesting clinician;

- Learnings in relation to the use of language and terminology when explaining provisional or uncertain diagnoses to patients and relatives, particularly when the word ‘cancer’ may be involved;

- Delivery of refresher training to colleagues about the administration of numbing spray for endoscopy procedures.

- Updated guidelines for our Pregnancy Assessment Unit (PAU) with clear escalation processes for midwives if a patient attends the PAU with the same symptoms on 2 or more occasions, to ensure timely review, management and ongoing care planning.

Further examples of learnings and improvements made as a result of patient feedback can be found in our Quality Account 2025/26.

Stakeholder relationships

We know that partnership and collaborative working are crucial to support the delivery of services to the communities that we serve along with delivery of our strategy and the national priorities.

Partnership and collaborative working remain key strategic priorities for us and are crucial to support the delivery of services to the communities that we serve along with delivery of our strategy and the national priorities. Front and centre to this work is integrated neighbourhood health, the national framework and policy for which was published in March 2026.

Representatives from across the Trust play a significant role in a number of partnerships and alliances both in leading discussions and also horizon scanning to identify opportunities to further develop levels of integration. These include opportunities outlined within the NHS 10 Year Plan to deliver the three national shifts around hospital to community; treatment to prevention; and analogue to digital.

Through our membership of the North East and North Cumbria Health and Life Sciences Pledge and strong links to the North East and Health Innovation North East and North Cumbria we have opportunities to collaborate beyond statutory organisations to benefit patients and deliver our strategy.

At provider collaborative level, we contributed to discussions and pieces of work around ensuring a strategic approach to clinical services (SACS). We also worked to develop a consistent approach to waiting list patient experience surveys, with preparatory work completed to support implementation of a Trust-wide survey model in partnership with Patient Perspective.

We recognise the role we play as an anchor institute with the ability to go beyond our role as a healthcare provider and large employer of the local population. This includes our broader responsibility for creating wider societal benefits, promoting health careers, creating jobs, tackling the climate emergency and reducing inequalities. Through our Great North Healthcare Alliance and the single Community Promise framework we contributed to developing a plan of work aligned to the five pillars:

Drawing out education and employment, and recognising the crucial role schools, colleges and universities play in our workforce pipeline, we actively partnered with local education institutions to develop our future workforce. By raising awareness of health careers, expanding apprenticeships and supporting alternative entry routes, we aim to create accessible pathways into employment and growing a diverse, skilled pipeline for the future.

Through our flagship Community Diagnostic Centre (CDC) at the Metrocentre we have strengthened ties with leaders of local businesses and recognise the role our services make to the local economy. We actively contributed to plans around the development of Gateshead via the Area Action Plan.

Gateshead Place

We are an active member of the Gateshead Health and Wellbeing Board which oversees the delivery of the Gateshead Health and Wellbeing Strategy. We contributed to the refresh of the strategy which included additional objectives aligned to the Marmot principles with an emphasis on tackling racism and discrimination along with addressing environmental sustainability and health equity.

Our Chief Executive, Sean Fenwick along with the Chief Executive of Gateshead Council co-chairs the Integrated Neighbourhood Health Committee. Set up as a sub committee of the Gateshead Health and Wellbeing Board this group brings together leaders from across Gateshead Place with the aim of setting strategic priorities at Place and strengthening the role and impact of neighbourhood health.

Our Director of Strategy and Partnerships, Nicola Bruce, continued to work closely with partners across health and social care including voluntary community and social enterprise

organisations (VCSE) and faith leaders and groups to maximise access and health outcomes for the populations that we serve. We also strengthened our engagement with Healthwatch Gateshead to support improved patient insight and two-way dialogue with communities. We joined Gateshead Strategic Partnership which brings together leads from a wide range of industry and organisations to connect, regenerate and grow Gateshead.

Recognising the impact of the wider determinants of health and levels of deprivation in Gateshead, we signed the Tackling Poverty Partnership Statement of Intent that aims to address inequality and disadvantage.

Our clinicians continued to work closely with colleagues in primary care supported by a monthly interface group that brings together representatives from the Trust and primary care including Primary Care Networks (PCNs), the GP Federation, the Local Medical Committee (LMC) and the ICB to discuss and address issues of strategic importance with the objective of improving access and outcomes for patients.

Our Palliative Care team played a significant part in Compassionate Gateshead events that brought together individuals, families schools, workplaces, faith and community groups to develop a civic-wide compassionate community model, embedding end-of-life care within the fabric of community life.

We aim to continue to grow our presence and role as an anchor institute at Place as the role of neighbourhood health services increases.

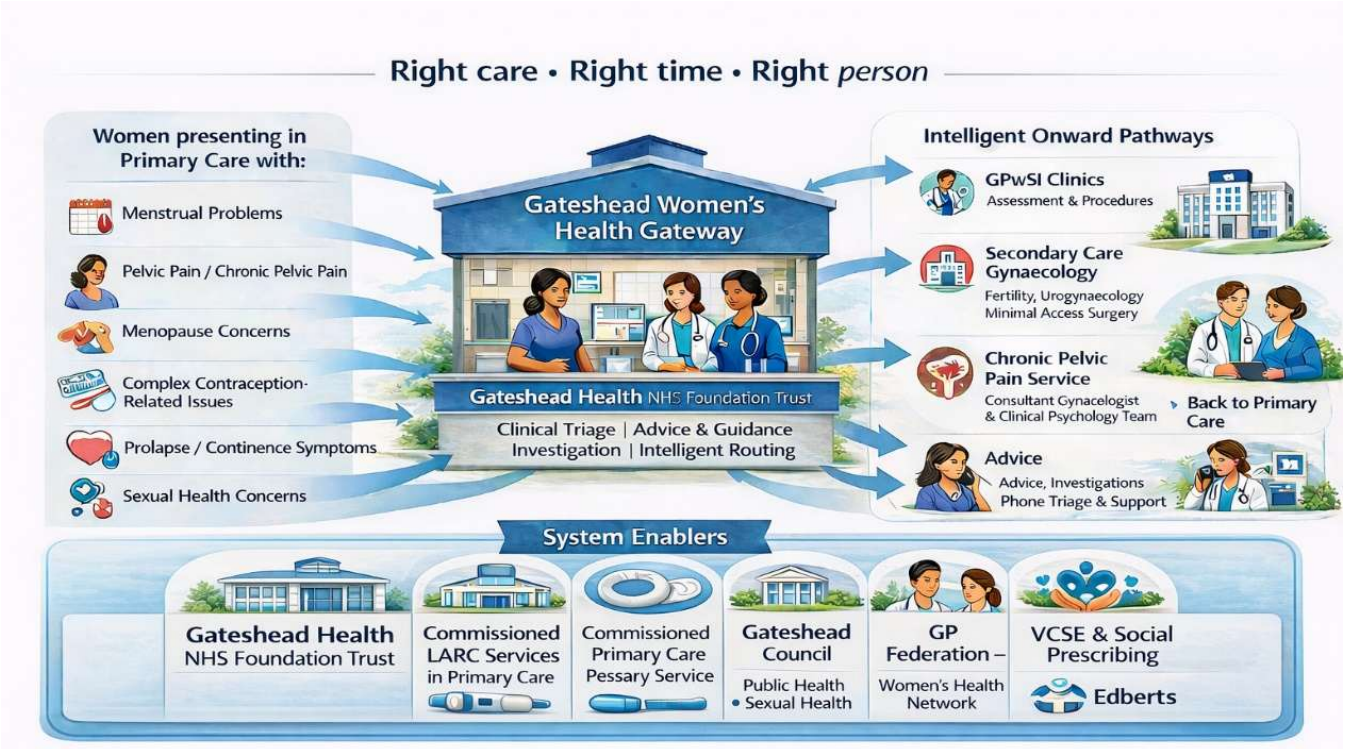
Women's Health

In line with our corporate strategy, our women's health work continued through 2025/26 as we looked to improve access to services with a particular focus on closing the gap on health inequalities and providing an alternative offer for individuals who tend not to access services in traditional healthcare settings. This included a programme of pop-up services in community settings.

We were delighted to welcome Professor Dame Lesley Regan, Women's Health Ambassador for England to Gateshead to see first hand the work our clinical teams are doing in partnership with Change Grow Live – a health and social care charity supporting people affected by drugs and alcohol.

Change Grow Live

Working in partnership with primary care we developed the women's health gateway that looks to streamline pathways of care for women affected by a wide range of clinical conditions.



Aligned to our strategic intent of becoming a centre of excellence for women's health, we once again participated in the Accelerating FemTech programme (2025/26), providing clinical insights and assessments of emerging technologies with the potential to improve women's health outcomes both within the Trust and across the wider community. Our people have contributed as expert panellists at programme events, supporting the national conversation around innovation in women's health and helping shape the future of FemTech within the NHS.

Great North Healthcare Alliance (GNHA)

During 2025/26, the Great North Healthcare Alliance has continued to strengthen, focussing on delivery within our collaboration with Newcastle Hospitals, North Cumbria Integrated Care and Northumbria Healthcare NHS Foundation Trusts. Building on the foundations established in the two previous years, the Alliance has increasingly translated its strategic

intent into improved relationships between organisations and tangible improvements for patients, such as improved waiting times and easier access.

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

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

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

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

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

There has also been progress in exploring shared approaches to corporate services and productivity. Within estates and facilities teams have been collaborating on electronics and medical engineering, plans to reduce carbon and coordination of capital planning. Trusts have also played an important part in designing an Alliance Construction Programme seeking to develop a long term programme of projects to improve our estate for our teams and the communities they serve. In the last year this has involved significant market engagement and work with regional and national colleagues to shape the approach.

The year has also seen important developments in leadership and governance. In particular, the appointment of a shared Chair across Gateshead, Newcastle and Northumbria FTs and the move to a single Alliance Steering Group meeting across all four FTs, including the chief

executives, chairs and vice chairs have enhanced alignment and supported strategic oversight while maintaining the accountability to individual Trust Boards. These leadership arrangements have enabled a more consistent approach to decision-making and prioritisation across the Alliance. Changes in Chief Executive appointments with two acting appointments to Newcastle and North Cumbria from within the existing Alliance family, and the appointment to Gateshead from a neighbouring trust, have been managed collaboratively, ensuring continuity and stability across the Alliance.

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

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

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

QE Facilities – partnership working

Colleagues within QE Facilities have a number of important relationships and partnerships with key stakeholders which support the safety and sustainability of our estate and facilities for patients and colleagues. These include but are not limited to:

- Regular engagement with the **Environment Agency** encompassing annual environmental audits, inspections and compliance reporting. This helps to ensures safe and compliant waste handling, minimises environmental risks to healthcare environments and supports infection prevention and public health;
- Engagement with the **Tyne and Wear Fire and Rescue Service** including monthly inspections, fire safety liaison meetings and exception call-outs. This enhances patient safety through effective fire prevention, emergency preparedness and assurance of safe evacuation arrangements;
- Participation in the **Regional NHS Health and Safety Group**, where incidents, lessons learned and escalation of local issues occurs. This improves organisational learning, supports consistent safety standards and enhances patient and staff safety across healthcare settings;
- Participation in a range of range of **regional groups linked to the sustainability agenda**, as outlined earlier in the report. This includes the North East and North Cumbria Provider Collaborative Sustainability Leads Group, NHS Integrated Care System Biodiversity Subgroup and NHS Alliance Sustainability Leads; and
- Engagement in the **NHS North West and North East Yorkshire Estates Delivery Group** which includes collaboration on regional priorities and escalation of issues/opportunities locally. This supports safe, modern and resilient healthcare infrastructure, improving patient experience and continuity of care.

Consultation with local groups, our patients and the local community

During 2025/26 we continued to engage regularly with local groups, partner organisations and local authorities across the communities we serve.

We maintained an active relationship with Gateshead Council, including ongoing engagement with the Care, Health and Wellbeing Overview and Scrutiny Committee and the Gateshead Health and Wellbeing Board. These forums provided regular opportunities to share updates on our performance, service developments and priorities, and to receive feedback from elected members and partners.

Over the year, we provided briefings and updates on areas including:

- Women's health services and the development of women's health hubs;
- Health inequalities and data-led approaches to improving access and outcomes;
- Winter update;
- Trust performance and quality priorities, including Quality Accounts;
- Securing the sustainable future for Gateshead; and
- Wider system and partnership developments through Gateshead Place and the Integrated Care System.

We also continued to work closely with Healthwatch Gateshead, Connected Voice, and voluntary and community organisations to support engagement with local residents and seldom-heard groups. This included sharing information, supporting targeted engagement activity and using feedback to inform service improvement and planning.

Engagement with local authorities and partners played an important role in shaping our priorities and ensuring our plans reflect local need, system objectives and patient experience.

Sean Fenwick
Chief Executive
24 June 2026

Remuneration Report

The Trust has in place two remuneration committees:

- In accordance with legislation, the Board has a Group Remuneration Committee which is responsible for approving Executive Director appointments and determining their remuneration, allowances and other terms and conditions of office. It is also responsible for approving recommendations on the composition and remuneration of particular roles on the QE Facilities' Board of Directors; and
- The Governor Remuneration Committee approves the remuneration, allowances and other terms and conditions for the Chair and Non-Executive Directors. The Committee formulates recommendations 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 Group Remuneration Committee on appointment, remuneration and terms and conditions of certain 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. As this report is prepared on a group basis, this also includes members of the QE Facilities' Board of Directors. 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 2025/26 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

Our remuneration committees aim to ensure that both Non-Executive and Executive Directors' remuneration is set appropriately, taking into account relevant market conditions. As Senior Independent Director, I chair the Group Remuneration Committee.

I attend the Governor Remuneration Committee and make recommendations in relation to the remuneration and appointment of the Chair, whilst the Chair routinely attends and makes recommendations in relation to the Non-Executive Directors. The Governor Remuneration Committee is chaired by Chris Toon, Appointed Governor from Gateshead College.

Governor Remuneration Committee

The Governor Remuneration Committee met five times during 2025/26. During the year the Committee:

- Led the recruitment process to identify Non-Executive Directors from financial / audit digital backgrounds resulting in the appointment of Rob Hughes and Andrew Besford;
- Received assurance that due process had been followed in relation to the Chair and Non-Executive Director appraisal process and outcomes;
- Led the appointment to the expanded Vice Chair role, which included expanded responsibilities on behalf of the Chair (given the Chair's role in chairing three trusts and the Alliance);
- Reviewing succession plans for Non-Executive Directors and using this to guide the recruitment decisions regarding the desired skills and experience of the Non-Executive Director vacancy which arose in December 2025;
- Led the recruitment process to identify a legal Non-Executive Director to replace Hilary Parker, who left the Board in December 2025. This involved several rounds of recruitment and the Committee made strategic recommendations to the Council to ultimately secure a successful candidate;
- Recommending to the Council the reappointment of Adam Crampsie and myself for a second term of three years, commencing on 1 July 2026;
- Considering the annual remuneration of the current Chair and Non-Executive Directors and endorsing the recommendation to maintain current rates pending a fuller review once NHS England guidance is published; and
- Reviewing the effectiveness of the meetings to ensure that the duties and responsibilities had been discharged in accordance with the terms of reference.

QE Facilities' Remuneration Committee

The QE Facilities' Remuneration Committee met twice time during 2025/26.

During 2025/26, the QE Facilities Remuneration Committee continued to oversee executive remuneration arrangements and senior leadership appointments, ensuring alignment with organisational performance, leadership accountability and wider NHS Very Senior Manager (VSM) guidance.

Recommendations included application of the national VSM cost of living uplift and consideration of performance and contribution during the year. The Committee noted the importance of maintaining alignment with wider Group remuneration arrangements, whilst recognising the additional statutory and fiduciary responsibilities associated with leadership of a wholly owned subsidiary company.

At its meeting in September 2025, the QE Facilities Remuneration Committee considered and supported recommendations relating to the pay awards for the Managing Director and Finance Director. In doing so, the QE Facilities Remuneration Committee recognised continued strong leadership performance, delivery against organisational objectives and significant contribution to the ongoing development and financial sustainability of QEF.

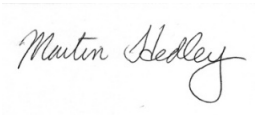
At its meeting in March 2025, the Committee reviewed two separate proposals. The first regarding the establishment of an Executive Director of Corporate Services Role and the second, a proposal for Managing Director Recruitment following the resignation of the existing Managing Director.

The recommendations were subsequently forwarded to the Group Remuneration Committee and Trust Board for approval and ratification.

Group Remuneration Committee

The Group Remuneration Committee met eight times during 2025/26. During the year the Committee:

- Approved the proposal to extend the appointment of the Deputy Chief Executive for one year from 1 July 2025;
- Reviewed the NHS England Very Senior Manager (VSM) Pay Framework and considered the implications of this on the Group's Remuneration Policy;
- Approved the revised appraisal process for Executive Directors for 2024/25, which had been adjusted to align with the new NHS England guidance on board member appraisals;
- Approval of the secondment of the substantive Chief Executive to North Cumbria Integrated Care NHS Foundation Trust (NCIC) and the extension of the secondment through to 30 May 2026;
- Recruitment to the position of Acting Chief Executive and extension of this secondment to be coterminous with the secondment of the substantive Chief Executive;
- Approval of the proposals and plans for the recruitment to the substantive Chief Executive position in order to be in a position to act quickly should this be required (noting that this was required post-year end and will be covered in next year's report);
- Sought assurance regarding the outcome of the Chief Executive and Executive Director appraisal process;
- Approval of the extension of Maggie Pavlou at Chair of QE Facilities to 30th September 2027 (to be conterminous with her term as a Trust Non-Executive Director);
- Extension of the appointment of Hilary Parker as a Non-Executive Director on the QE Facilities Board for a period of 3 months to 31 December 2025;
- Approval of the recruitment of a Non-Executive Director for the QE Facilities Board to replace Hilary Parker;
- Recruitment to the position of Interim Chief Nurse to replace the Chief Nurse;
- On the recommendation of the QE Facilities Remuneration Committee approval of the recruitment proposals for the QE Facilities Managing Director position; and
- On the recommendation of the QE Facilities Remuneration Committee approval of the re-designation of the Director of Strategy, Planning and Performance role to become the Executive Director of Corporate Services.



Martin Hedley
Chair of the Group Remuneration Committee
24 June 2026

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 senior managers	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. All QEF employees employed in QE Facilities Ltd terms and conditions are covered by the company pay and grading structure. Executive Directors are subject to a pay range for each post, which includes three pay zones dependent on experience. QEF Executive Directors' remuneration will be determined through market analysis and comparison with similar posts in terms of job size and responsibility within the region.
Performance bonus	All senior managers	To attract and retain suitably qualified individuals to lead and direct the company's activities.	Not defined	There is no bonus scheme in place although the Committee reserves the right to award a bonus for exceptional performance as recommended by the Chief Executive or Chair.

Component	Specific to:	Strategic Link	Maximum Possible	Description
				This is subject to an exceptional appraisal and all core skills training being up to date. This is in line with the NHS England VSM Pay framework (2025) There is no Performance bonus scheme in place for QEF.
Lease car scheme	All staff	To attract and retain suitably qualified individuals to lead and direct the company's activities.	Not defined	We operate a salary sacrifice / salary deduction lease car scheme. There is no longer a car allowance payment for postholders.
Pension	All staff	To attract and retain suitably qualified individuals to lead and direct the Trust / company's activities.	In line with NHS pensions In line with Nest scheme for QEF staff	NHS pension scheme and set contribution rates QEF provides its employees with the Nest pension scheme.
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. For QEF expenses are reimbursed in line with applicable policy.
Relocation expenses	Newly appointed staff	To attract and retain suitably qualified individuals to lead and direct the company's activities.	Reasonable vouched and receipted expenses associated with relocation up to an overall	Paid, at the Trust's discretion, to newly appointed permanent staff who need to change their main residence to take

Component	Specific to:	Strategic Link	Maximum Possible	Description
			maximum of £8,000.	up their post. There is no automatic entitlement, and support is normally limited to consultant, senior management or specialist roles, or where recruitment and retention challenges exist.
On call allowance	Senior managers	To attract and retain suitably qualified individuals to lead and direct the Trust / company's activities.	None	Reimbursed in line with the Local On Call Agreement.
Additional duties enhancement	Senior managers	To attract and retain suitably qualified individuals to lead and direct the Trust's activities.	Discretionary – non-consolidated, non-pensionable pay premium of up to 10% of base pay.	Where a VSM assumes temporary responsibility for a role usually undertaken by a separate VSM or a significant increase in portfolio responsibilities (such as taking on a deputy chief executive role or significant work at a national level, as agreed with NHS England). QEF provides acting up payments for time limited periods and subject to Managing Director approval.

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 Group

Remuneration Committee 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 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 - £13,000 per annum from 1 October 2025 (i.e. under the new expanded scope of the role) and £1,583 per annum prior to this date Senior Independent Director - £1,583 per annum Group Audit Committee Chair – nil from July 2025 (previously £3,165 per annum)	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	Salary levels determined by independent benchmarking	Payment reflects the company Non-Executive Director role.

Component	Specific to:	Strategic Link	Maximum Possible	Description
		Director positions		

As outlined in the table we have complied with the requirements of the NHS VSM Framework during the year.

All posts are permanent (whilst recognising that there are some interim / acting appointments in place at year-end), and may be terminated by mutual agreement, resignation or dismissal. The notice period for Executive Directors is three 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 and no payments were made in respect of loss of office.

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 (VSM Pay Framework).

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. We recognise as part of our WRES that there are no Board Members from the Global Ethnic Majority (GEM) community (although other protected characteristics are represented at Board), and this remains an area of focus. 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. Directly and through the support of recruitment consultants have actively encouraged applications from a wide range of candidates, including those with protected characteristics. We will continue to do this as part of any forthcoming recruitment to seek to ensure that the Board is representative of the population served.

Annual report on remuneration

The attendance statistics for those Board Members who are members / regular attendees at the Group Remuneration Committee are shown in the table within the Directors' Report section of the Accountability Report.

The Governor Remuneration Committee met five times during 2025/26 and the Governor membership and attendance can be seen in the below table:

Member	Number of meetings attended (out of a maximum of 5)
Chris Toon – Appointed Governor and Committee Chair	5
Steve Connolly, Lead Governor and Public Governor for Central and Eastern Gateshead	5
Michael Loome, Deputy Lead Governor and Public Governor for Central and Eastern Gateshead	5
Les Brown – Public Governor for Western Gateshead (to 4 January 2026)	1 out of 4
Helen Jones – Public Governor for Central and Eastern Gateshead (to 4 January 2026)	2 out of 4
Lynsey Curry – Staff Governor	4
Adaeze Okereke, Staff Governor	0

The QE Facilities' Remuneration Committee met twice times during the year and was attended by all eligible members / attendees on each occasion.

Member	Number of meetings attended (out of a maximum of 2)
Maggie Pavlou, Chair	2
Hilary Parker, Non-Executive Director (to 31 December 2025)	1 of 1
Darren Warneford, Non-Executive Director	2
Trudie Davies, Shareholder representative (to August 2025)	1 of 1
Sean Fenwick, Shareholder representative (from August 2025)	1 of 1
Gavin Evans, Managing Director (in attendance)	2

Director and governor expenses

There were 26 Governors in post at 31 March 2026 (compared to 23 as at 31 March 2025) and 1 Governor claimed expenses totalling £70.70 during the year (compared to 1 Governor claiming expenses totalling £137.30 during 2024/25).

As at 31 March 2026 there were 16 voting Board Members on the Trust and QE Facilities' Boards (noting that individuals who sit on both Boards are only counted here once), compared to 18 as at 31 March 2025. 4 Directors claimed expenses totalling £5,070.24, compared to 7 Directors claiming expenses totalling £3,761.74 in the previous year.

Remuneration tables (subject to audit)

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

2024/25						Name and Title	2025/26					
Salary and fees	Expense payments & BiK	Performance Bonus	Long Term Performance Bonus	Pension-related Benefits	Total		Salary and fees	Expense payments & BiK	Performance Bonus	Long Term Performance Bonus	Pension-related Benefits	Total
(bands of £5,000) £000	Rounded to the nearest £100	(bands of £5,000) £000	(bands of £5,000) £000	(bands of £2,500) £000	(bands of £5,000) £000		(bands of £5,000) £000	Rounded to the nearest £100	(bands of £5,000) £000	(bands of £5,000) £000	(bands of £2,500) £000	(bands of £5,000) £000
50 - 55	0	0	0	0	50 - 55	Mrs AR Marshall Chairman (left 30th September 2025)	25 - 30	0	0	0	0	25 - 30
N/A	N/A	N/A	N/A	N/A	N/A	Sir P Ennals Chairman (from 1st October 2025)	10 - 15****	0	0	0	0	10 - 15
210 - 215	1,200	0	0	7.5 - 10.0	220 - 225	Mrs T Davies Chief Executive (outwards secondment from 28th July 2025)	65 - 70	100	0	0	302.5 - 305.0	370 - 375
N/A	N/A	N/A	N/A	N/A	N/A	Mr S Fenwick Acting Chief Executive (from 18th August 2025)	120 - 125	0	0	0	87.5 - 90.0	210 - 215
150 - 155	2600	0	0	90.0 - 92.5	240 - 245	Mrs J Halliwell, Chief Operating Officer	155 - 160	0	0	0	55.0 - 57.5	210 - 215
155 - 160	400	0	0	32.5- 35.0	190 - 195	Mrs K Mackenzie Group Director of Finance	160 - 165	0	0	0	70.0 - 72.5	230 - 235
145 - 150	0	0	0	90.0 - 92.5	235 - 240	Mrs A Venner Director of People & OD	150 - 155	0	0	0	45.0 - 47.5	195 - 200
160 - 165	0	0	0	67.5 - 70.0	225 - 230	Dr G Findley, Chief Nurse and Deputy Chief Executive (outwards secondment from 6th October 2025)	85 - 90	0	0	0	140 – 142.5	225 - 230
N/A	N/A	N/A	N/A	N/A	N/A	Mrs E Swanson Interim Chief Nurse (from 20th October 2025)	60 - 65	0	0	0	250.0 - 252.5	310 - 315
120- 125*	1,500	0	0	137.50 - 140.0	260 - 265	Mrs C Howey Medical Director (from 1st July 2024)	205 - 210*	0	0	0	165 - 167.5	370 - 375
200 - 205**	300	0	0	90.0 - 92.5	290 - 295	Mr N Halford, Interim Medical Director (from 1st April 2024 to 30th June 2024)	N/A	N/A	N/A	N/A	N/A	N/A
110 - 115	700	0	0	0	110 - 115	Mr P Glasgow, Finance Director QE Facilities Ltd	115 - 120	400	0	0	0	115 - 120
155 - 160	2300	0	0	0	155 - 160	Mr G Evans, Managing Director QE Facilities Ltd	160 - 165	0	0	0	0	160 - 165
0 - 5	0	0	0	0	0 - 5	Mr D Warneford Non Executive Director QEF (started 17th June 2024)	0 - 5	0	0	0	0	0 - 5
0 - 5	0	0	0	0	0 - 5	Mr G Morrow, Non Executive Director (started 2nd December 2024) and Trust Vice Chair (from 1st October 2025)	20 - 25	700	0	0	0	20 - 25
10 - 15	0	0	0	0	10 - 15	Mr M Robson, Non Executive Director (left 30th June 2025)	0 - 5	0	0	0	0	0 - 5
N/A	N/A	N/A	N/A	N/A	N/A	Mr A Besford, Non Executive Director (started 1st July 2025)	10 - 15	0	0	0	0	10 - 15
10 - 15	0	0	0	0	10 - 15	Mr M Hedley, Non Executive Director and Senior Independent Director	15 - 20	0	0	0	0	15 - 20
15 - 20	0	0	0	0	15 - 20	Mr A Moffat, Non Executive Director (left 30th June 2025)	0 - 5	0	0	0	0	0 - 5
N/A	N/A	N/A	N/A	N/A	N/A	Mr R Hughes, Non Executive Director (started 1st July 2025)	10 - 15	0	0	0	0	10 - 15
15 - 20	0	0	0	0	15 - 20	Mrs H Parker, Non Executive Director for the Trust and QE Facilities (left 31st December 2025) - no replacement for the remainder of 2025/26	10 - 15	0	0	0	0	10 - 15
110 - 115***	400	0	0	82.5 - 85.0	195 - 200	Mrs J Fay, Acting Group Director of Finance (from 27th January 2025 until 4th May 2025)	10 - 15	0	0	0	50.0 - 52.5	60 - 65

2024/25						Name and Title	2025/26					
Salary and fees	Expense payments & BiK	Performance Bonus	Long Term Performance Bonus	Pension-related Benefits	Total		Salary and fees	Expense payments & BiK	Performance Bonus	Long Term Performance Bonus	Pension-related Benefits	Total
(bands of £5,000) £000	Rounded to the nearest £100	(bands of £5,000) £000	(bands of £5,000) £000	(bands of £2,500) £000	(bands of £5,000) £000		(bands of £5,000) £000	Rounded to the nearest £100	(bands of £5,000) £000	(bands of £5,000) £000	(bands of £2,500) £000	(bands of £5,000) £000
10 - 15	0	0	0	0	10 - 15	Mr A Crampsie, Non Executive Director	10 - 15	0	0	0	0	10 - 15
5 - 10	0	0	0	0	5 - 10	Ms M Stabler, Non Executive Director (left 18th October 2024)	0	0	0	0	0	0
15 - 20	0	0	0	0	10 - 15	Ms M Pavlou, Trust Non Executive Director and Chair of QE Facilities	20 - 25	0	0	0	0	20 - 25

* In 2025/26 £25k - £30k (2024/25 £65k - £70k) relates to Ms C Howey role as a medical consultant.

** In 2024/25 £160k - £165k relates to Mr N Halford's role as a consultant. Mr Halford in the role of Medical Director role from 1st April 2024 to 30th June 2024 so there is no equivalent disclosure for 2025/26

*** In 2024/25 £85k - £90k relates to Mrs J Fay's non Executive Director role. Mrs Fay commenced in the role of Acting Group Director of Finance from 27th January 2025 and ended the role on 4th May 2025.

**** Sir P Ennals is shared Chair across 3 organisations from 1st October 2025. The costs relate to a 1/3rd shared contribution.

Pension entitlements (subject to audit)

Name and title	Real increase in pension at pension age	Real increase in lump sum at pension age	Total accrued pension at pension age at 31 March 2026	Lump sum at pension age related to accrued pension at 31 March 2026	Cash Equivalent Transfer Value at 1 April 2025	Real Increase in Cash Equivalent Transfer Value	Cash Equivalent Transfer Value at 31 March 2026	Employers Contribution to Stakeholder Pension
	(bands of £2,500) £000	(bands of £2,500) £000	(bands of £5,000) £000	(bands of £5,000) £000	£000	£000	£000	£000
Mrs T Davies, Chief Executive until commencement of her secondment on 28th July 2025	2.5 - 5.0	7.5 - 10.0	85.0 - 90.0	215.0 - 220.0	1,553	96	1,894	0
Mr S Fenwick, Acting Chief Executive from 18th August	2.5 - 5.0	2.5 - 5.0	65.0 - 70.0	170.0 - 175.0	1,442	55	1,588	0
Mrs J Halliwell, Chief Operating Officer	2.5 - 5.0	0.0 - 2.5	60.0 - 65.0	155.0 - 160.0	1,373	67	1,482	0
Mrs K Mackenzie, Group Director of Finance	2.5 - 5.0	2.5 - 5.0	45.0 - 50.0	110.0 - 115.0	841	62	936	0
Mrs Jane Fay, Acting Director of Finance until 4th May 2025	0.0 - 2.5	0.0 - 2.5	50.0 - 55.0	125.0 - 130.0	1,079	0	1,171	0

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 2026	Lump sum at pension age related to accrued pension at 31 March 2026	Cash Equivalent Transfer Value at 1 April 2025	Real Increase in Cash Equivalent Transfer Value	Cash Equivalent Transfer Value at 31 March 2026	Employers Contribution to Stakeholder Pension
	(bands of £2,500) £000	(bands of £2,500) £000	(bands of £5,000) £000	(bands of £5,000) £000	£000	£000	£000	£000
Ms Carmen Howey, Medical Director from 1st July 2025	5.0 - 7.5	10.0 - 12.5	50.0 - 55.0	130.0 - 135.0	900	108	1,088	0
Mrs A Venner, Director of People & OD	2.5 - 5.0	0.0 - 2.5	30.0 - 35.0	65.0 - 70.0	590	40	659	0
Dr G Findley, Chief Nurse and Deputy Chief Executive until 6th October 2025	2.5 - 5.0	0.0 - 2.5	100.0 - 105.0	125.0 - 130.0	1,744	69	1,929	0
Ms E Swanson, Interim Chief Nurse from 20th October 2025	5.0 - 7.5	10.0 - 12.5	45.0 - 50.0	110.0 - 115.0	730	103	1,012	0

Mr G Evans is not included as he participates in a defined contribution scheme not a defined benefit scheme.
Mr P Glasgow is not included as he participates in a defined contribution scheme not a defined benefit scheme.

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 2025	Lump sum at pension age related to accrued pension at 31 March 2025	Cash Equivalent Transfer Value at 1 April 2024	Real Increase in Cash Equivalent Transfer Value	Cash Equivalent Transfer Value at 31 March 2025	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 T Davies, Chief Executive	0.0 - 2.5	Nil	70.0 - 75.0	180.0 - 185.0	1,243	0	1,258	0
Mrs J Halliwell, Chief Operating Officer	5.0 - 7.5	5.0 - 7.5	55.0 - 60.0	155.0 - 160.0	1,033	17	1,137	0
Mrs K Mackenzie, Director of Finance	2.5 - 5.0	Nil	40.0 - 45.0	105.0 - 110.0	626	0	642	0
Mrs J Fay, Acting Director of Finance from 27th Jan 25 to 31st Mar 25	0.0 - 2.5	0.0 - 2.5	45.0 - 50.0	120.0 - 125.0	796	0	888	0
Ms C Howey, Medical Director from 1st Jul 2025	5.0 - 7.5	7.5 - 10.0	45.0 - 50.0	110.0 - 115.0	591	29	696	0
Mr N Halford, Interim Medical Director from 1st Apr 24 to 30th Jun 24	0.0 - 2.5	0.0 - 2.5	95.0 - 100.0	255.0 - 260.0	1,887	0	2,042	0
Mrs A Venner, Director of People & OD	5.0 - 7.5	7.5 - 10.0	25.0 - 30.0	65.0 - 70.0	352	8	401	0
Mrs G Findley, Chief Nurse and Deputy Chief Executive	2.5 - 5.0	0.0 - 2.5	90.0 - 95.0	120.0 - 125.0	1,366	0	1,457	0

Mr G Evans is not included as he participates in a defined contribution scheme not a defined benefit scheme.
Mr P Glasgow is not included as he participates in a defined contribution scheme not a defined benefit scheme.

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 our organisation in the financial year 2025/26 was £205k - £210k (in 2024/25 it was £210k - £215k). This is a decrease between years of -2%.

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 2025/26 was from £20k- £25k to £335k - £340k (in 2024/25 the range was £20k - £25k to £270k - £275k). The percentage change in average employee remuneration (based on total for all employees on an annualised basis divided by full time equivalent number of employees) between years is 6.5%, due to pay awards and additional enhancements being paid. 6 employees received remuneration in excess of the highest-paid director in 2025/26, this compares with 19 in 2024/25.

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

2025/26	25th Percentile	Median	75th Percentile
Salary component of pay	£28,071	£37,796	£49,173
Total pay and benefits excluding pension benefits *	£28,071	£37,796	£49,173
Pay and benefits excluding pension: pay ratio for highest paid director	7.4:1	5.5:1	4.2:1

*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 2025/26 is £37,796 (for 2024/25 it was £36,483). This is a change between years of +3.6% and is a result of pay awards. The median is 5.5 times the remuneration of the highest director, which remains static year-on-year with 2024/25 also being 5.8 times the remuneration of the highest director.

Sean Fenwick
Chief Executive
24 June 2026

Staff Report

During 2025/26, we continued to focus on strengthening how we support, develop and value our people. People & Organisational Development (OD) priorities were aligned to our strategic goal of being a great place to work, recognising that the delivery of high-quality, compassionate care is dependent on a supported, engaged and skilled workforce.

Throughout the year, emphasis was placed on establishing strong foundations for our workforce, ensuring core employment practices are effective, consistent and fair. Building on these foundations, we continue to strive to create an inclusive culture where colleagues feel valued, respected and heard.

Continued investment in training, leadership and development, supports staff to maintain and enhance the skills required to meet current and future service delivery needs, alongside leadership and management capabilities.

A range of initiatives were progressed during the year to improve the experience of working at the Trust, strengthen future workforce pipelines, and ensure that People and OD services remain responsive, sustainable and fit for the future.

Transforming how we support our workforce
A key focus during the year has been the development of a revised People & OD target operating model, which sets out how People and OD services are structured and delivered to best meet the needs of the organisation. This has focussed on value-adding, proactive, data-led approaches to workforce challenges.

We continue to work collaboratively at a regional level, and this is particularly relevant through our active participation in regional programmes to support scaling up of Recruitment and Occupational Health services. This approach supports shared learning across organisations, ensuring we can deliver services fit for the future. In addition, our Executive Director of People and OD is active at both a regional and national level, acting as Chair of the Managed Approach to Bank Services regional scaling up programme, as Vice Chair of the North East and North Yorkshire Chief People Officers' group and a member of the national Strategic CPO (Chief People Officer) Reference Group.

During 2025/26, a review of statutory and mandatory training was undertaken to ensure provision remains proportionate, risk based and aligned to national and local requirements. This work has helped to improve clarity for our people and managers, while supporting compliance and improving the efficiency of training delivery.

An increased focus on digital enablement and productivity took place within Library and Knowledge Services. Automation, data and digital solutions are now regularly used to enhance access to evidence, research and learning resources, supporting staff from day one of employment through role-based onboarding at corporate induction. Improved use of data has also enabled better insight into resource use and research activity, supporting more targeted, self service access to knowledge across the organisation.

Supporting wellbeing, inclusion and engagement
The wellbeing of our workforce has remained a priority throughout 2025/26. A Supporting Attendance at Work Task Force was established to ensure a proactive, data-led approach to understanding and anticipating patterns in absence from work. This has enabled early,

preventative wellbeing interventions during operationally challenging periods and is now embedded as part of our approach to support staff to remain healthy at work.

We have continued to strengthen our focus on inclusion, ensuring all staff feel safe, supported and able to speak up. The Freedom to Speak Up arrangements remain a key component of this, providing confidential, independent routes for staff to raise concerns and contribute to a culture of openness and learning.

During the year, we launched a Route Map, a tool for staff and managers to use when raising concerns and providing staff with clear, accessible information and signposting on how to raise a concern either about their role, working environment, health, patient safety or the behaviours of others, with the aim of facilitating appropriate and timely resolution.

We also launched the Oliver McGowan Mandatory Training, to ensure staff have the knowledge and skills to provide safe, compassionate and informed care to people with a learning disability and autistic people. Delivery commenced in January 2026. The phased rollout prioritises staff working in higher risk roles, ensuring we continue to improve understanding, reasonable adjustments and care for patients with learning disabilities and autistic people.

Developing leaders and future workforce pipelines

Developing strong leadership capability and future workforce pipelines has continued to be a key People & OD priority. We relaunched the Leading Forward leadership programme, refreshed to reflect our future priorities and to support leaders at various stages of their development, building upon leadership and management capabilities in recognition of the important role a line manager undertakes within the organisation. We have also engaged in a Strategic Leadership Development Programme, hosted by Northumbria Healthcare, aimed at strengthening strategic leadership capability across the Alliance and enhancing system-wide collaboration.

The Practice Education team has a pivotal role in supporting the development of the future Nursing and Allied Health Professional workforce. Through strong pastoral support for students and educators, the team has contributed to improved wellbeing, confidence and retention of students, while promoting high-quality placement experiences in partnership with key stakeholders. This work supports longer term workforce sustainability through the creation of a pipeline of work ready graduates.

Celebrating our people and culture

Celebrating achievement and recognising the contribution of our people remains central to our culture. The annual Star Awards event welcomed approximately 290 attendees from a wide range of roles and services. Our approach to the awards was refreshed during the year to align closely with the strategic priorities, providing an opportunity to celebrate excellence, innovation and compassion across the organisation. Huge thanks to our partners and contacts for fully funding the event again.

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			
	2025/26 total number	Permanently employed number	Other number	2024/25 total number	2025/26 total number	Permanently employed number	Other number	2024/25 total number
Medical and dental	555	537	18	544	555	537	18	544
Ambulance staff	0	0	0	0	0	0	0	0
Administration and estates	968	953	15	1029	808	785	23	856
Healthcare assistants and other support staff	985	965	20	1,008	454	448	6	511
Nursing, midwifery and health visiting staff	1,475	1,367	108	1,533	1,475	1,367	108	1,533
Healthcare scientists	391	386	5	396	379	374	5	384
Scientific, therapeutic and technical staff	498	496	2	509	497	495	2	508
Other	8	8	0	12	3	3	0	5
Total	**4,880**	**4,712**	**168**	**5,031**	**4,171**	**4,009**	**162**	**4,341**

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

As at 31 March 2026 the gender split of the workforce was as follows (this table is not subject to audit):

	Male	Female
Directors (voting Trust and QE Facilities' Board Members)	10	6
Other senior managers	76	131
Employees	1,119	3,829

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.

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

	Group				Foundation Trust			
	2025/26 total	Permanently employed	Other	Total 2024/25	2025/26 total	Permanently employed	Other	Total 2024/25
	£000	£000	£000	£000	£000	£000	£000	£000
Salaries and wages	234,005	226,155	7,850	227,546	210,164	202,667	7,497	205,476
Capitalised salaries and wages	987	987	0	90	48	48	0	0
Social security costs	27,980	26,909	1,071	21,983	25,071	24,045	1,026	20,006
Apprenticeship levy	1,134	1,095	39	1,112	1,016	979	37	1,004
Pension costs -defined contribution plans. Employers' contributions to NHS Pensions	24,161	23,221	940	23,916	23,513	22,549	964	23,210
Pension cost – employer contributions paid by NHSE on provider's behalf (9.4%)	15,785	15,243	542	15,687	15,356	14,793	563	15,217
Pension costs – other	407	407	0	362	35	35	0	42
External bank	1,150	0	1,150	1,200	1,150	0	1,150	1,200
Agency / contract staff	1,212	0	1,212	1,779	996	0	996	1,563
NHS Charitable Funds staff	0	0	0	0	0	0	0	0
Termination benefits	528	528	0	97	526	526	0	97
Total	**307,349**	**294,545**	**12,804**	**293,772**	**277,875**	**265,642**	**12,233**	**267,815**

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

Staff equality, diversity and inclusion (EDI)

We have continued to take steps to ensure that EDI considerations are part of everything that we do. Our Board Members are committed to creating a culture of 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.

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 within the Group. 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 Group'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 staff with a protected characteristic.

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 and informs 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 has been developed, and this will enable us to measure our progress in this area.

Our latest staff survey results show disappointing increases in the following areas:

- Percentage of staff experiencing harassment, bullying or abuse from patients/ service users their relatives or other members of the public;
- Staff experiencing harassment, bullying or abuse from managers; and
- Staff experiencing harassment, bullying or abuse from colleagues.

The metric around disabled and non-disabled colleagues reporting experiences of harassment, bullying or abuse from the following groups of people is outlined in more detail below:

- Patients / service users, their relatives or other members of the public has decreased by 0.05% (24.9%) for Disabled staff, while for Non-Disabled staff this has decreased by 2.2% (17.3%);
- Managers – shows an increase by 0.4% for Disabled staff and increase of 0.1% for Non-Disabled staff;

The percentage of staff who indicated that they or a colleague reported an incident of harassment, bullying or abuse experienced at work was similar for Disabled staff, 49.4%, and for Non-Disabled staff, 50.7%. For both groups there has been a slight drop in this metric compared to the prior year.

In nearly all of these metrics, the decreases are minimal apart from the first bullet point. This is not a positive measure as individuals should feel safe to report incidents for appropriate actions to be undertaken.

The metric around equal opportunities for career progression or promotion has also shown a substantial drop for disabled staff by 9.7% and non-disabled staff 8.5%.

In respect of the WDES, there is still work to be done 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 Staff Experience and Inclusion Group continues 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.

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 the Global Ethnic Majority (GEM).

In respect of the WRES indicators the NHS staff survey data shows that:

- For GEM staff - the percentage of staff experiencing harassment, bullying or abuse from patient's relatives or public in the last 12 months decreased from 26.5% to 24.4% and for White staff this figure has dropped from 20.2% to 18.8%;
- For GEM staff - the percentage of staff experiencing harassment, bullying or abuse from staff in the last 12 months decreased from 26.4% to 26.2% and for White staff has decreased from 19.3%to 18.8%;
- For both GEM and White staff - the percentage of staff experiencing discrimination at work from a manager / team leader or other colleagues rose from 17.1% to 17.3%, but for white staff remained at 5.8%; and
- For both GEM and White staff the figure for our staff believing that the Trust provides equal opportunities for career progression, decreased by 6.2% and 9.7% (respectively).

Detailed analysis is being undertaken to understand why there has been an increase in the percentage of our GEM colleagues experiencing these unacceptable behaviours compared to the previous year. Trained Cultural Ambassadors are available for any member of staff if and when a disciplinary and grievance processes is to be undertaken.

We routinely capture information around who has been successful in applying and being recruited within the Trust and are using this information to address and understand how we are reflective of the diverse communities we serve. This information is captured in our EDI KPI metrics which is reviewed as part of our Staff Experience and Inclusion Group meetings.

We have implemented practices to assess where the pitfalls are for candidates in respect of their protected characteristics using the data available. Within the recruitment and selection

training elements pertaining to conscious and unconscious bias in the recruitment process have been built in.

Gender Pay Gap

In terms of gender pay gap reporting we are committed to creating an inclusive environment where all staff are rewarded fairly for their contribution. Our latest report shows a mean gender pay gap of 23.64% and a median gap of 13.57%, which we accept is not good enough. These figures are not a result of men and women being paid differently for the same work, but rather they reflect the current distribution of our workforce across different pay bands – with more highly paid men in our senior medical workforce and proportionately less men in our lowest paid roles.

We recognise that progress will take sustained effort over time, and that closing the gender pay gap requires continued focus on career pathways, access to opportunity and representation at senior levels. We remain committed to being transparent about our position and to taking meaningful action to improve outcomes for our people. For example, the EDI manager and the Communications Team are assessing how the imagery is reflective in terms of inclusivity when we promote / advertise roles and careers. Recognising that in the majority of cases women tend to have a caring role, we continue to encourage and role model flexible working arrangements and support senior medical workforce in applying for clinical impact awards on an equitable basis.

Further information on gender pay gap reporting can be found on the Cabinet Office website: Find and compare gender pay gap data - GOV.UK (www.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 continued to encourage the involvement of our people in shaping performance, improving services and identifying opportunities for improvement during 2025/26.

This included:

- Engagement with colleagues through discussions at team, service and divisional level;
- Use of feedback from the NHS Staff Survey, local pulse surveys and listening events to inform priorities and actions;
- Active promotion of Freedom to Speak Up arrangements, encouraging staff to raise concerns and contribute to organisational learning (which are outlined further in the following section); and
- Ongoing support for staff networks, enabling colleagues to influence culture, inclusion and workforce priorities

Colleagues' feedback and involvement continued to inform decision-making at senior level, with issues escalated through governance structures where appropriate. Involving staff in performance improvement remains a key part of our approach to improving patient care, experience and outcomes.

We have several consultative forums in place. 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 various forums such as Junior Doctor Forum. Staff side colleagues are involved in our staff network groups.

Where specific consultation was needed on changes to individual terms and conditions this was carried out in line with the Group Organisational Change Policy, in collaboration with staff side colleagues.

Freedom to Speak Up

All NHS providers are required to have a Freedom to Speak Up Guardian (FTSUG). We remain committed to achieving the highest possible standards for patients and staff, and to fostering an open, transparent culture where all colleagues feel psychologically safe and confident to raise concerns.

National Developments

Following the 2025 review led by Penny Dash, responsibility for Freedom to Speak Up is transitioning from the National Guardian's Office (NGO) to local organisations, with national coordination provided by NHS England. This transition will take effect from July 2026.

The FTSUG is employed by the Trust but operates independently while working in partnership with the leadership team. The Guardian reports twice yearly to the Board, the People and Organisational Development Committee and the Quality Governance Committee.

Raising Concerns

In addition to speaking up via the FTSUG, staff can raise concerns through trade unions, professional bodies, or other internal routes, as outlined in the our Freedom to Speak Up Policy and Raising Concerns Roadmap.

When concerns are raised with the FTSUG, the Guardian commissions an investigation where appropriate and ensures feedback, outcomes, and learning are shared with the individual who raised the concern.

The FTSUG reports directly to the Chief Nurse and meets regularly with the Executive Director of People and Organisational Development and the Non-Executive Director responsible for Freedom to Speak Up. The Guardian also has direct access to the Chief Executive when required.

It's not okay - I want to raise a concern about...

NHS
Gateshead Health
NHS Foundation Trust

My role, my working environment/equipment, my health, or patient safety

Everyone's different. Adapt these steps to your situation (you don't need to go through them all), and remember to complete the InPhase reporting where it is indicated.

My job

Have a conversation with your line manager/clinical supervisor or lead as soon as possible

If not resolved:

If flexibility is required, refer to the Flexible Working Policy or use a Passport document to assist conversations with your manager, who will review the request in line with service requirements.

If you have concerns about policies or procedures, refer to the Grievance Policy or consult a staff-side representative.

Raise Development Needs or discuss elements of your role with your line manager/clinical supervisor or lead

My working environment/equipment

Inform your line manager/clinical supervisor or lead

Report on In Phase

If not resolved:

Inform your Health & Safety representative

Review Risk Management Policies

If required, escalate to appropriate lead for action

Feedback learning to individual and update In Phase to inform organisational learning

My health

Discuss with your line manager/clinical supervisor or lead if you feel comfortable

If required, refer to Occupational Health Services (Management referrals, Counselling, Health and Wellbeing team, Physiotherapy, Ergonomics)

If not resolved:

Speak to a Health and Wellbeing Ambassador or a Mental Health First Aider

Review your Wellbeing Plan and the Signposting Toolkit

Discuss a Health passport and the resources and support available on the Wellbeing Website

Patient safety (e.g. patient falls/unsafe staffing/safeguarding)

Speak to your line manager or matron/clinical lead or manager's manager if appropriate

Report on In Phase

If not resolved:

Speak to Freedom to Speak up Guardian and/or Patient Safety Team and/or safeguarding team

Review and investigate the incidents on In Phase in line with relevant policies

If required, escalate to appropriate lead for action

Feedback learning to individual and update In Phase to inform organisational learning

The behaviour of others

Incivility from a colleague or manager

Speak with the person directly to resolve if you feel able to do so. If not, raise with your line manager/clinical supervisor/their manager. You may also wish to consider Mediation as an option to find resolution

If not resolved:

Review Zero Tolerance Hub for guidance and support, you may prefer to report the incident to the Freedom to Speak Up Guardian, the EDI Manager, a People & OD colleague, a Staffside representative, or a professional lead

Attempt to resolve informally in line with Harassment and Bullying Policy

Contact POD Advisory if unable to resolve informally to progress to formal stage. Ensure to feedback to the individual who raised concerns as appropriate

Violence/discrimination/ harassment from a colleague or manager

Report the incident(s) to your line manager, clinical supervisor/lead or senior manager

If not resolved:

Review Zero Tolerance Hub for guidance and support, you may prefer to report the incident to the Freedom to Speak Up Guardian, the EDI Manager, a People & OD colleague, a Staffside representative, or a professional lead

Seek advice from POD Advisory (**ghnt.podservicesadvice@nhs.net**) regarding appropriate next steps

Review immediate support for individual raising concern, refer to OH if required

Proceed in accordance with Harassment and Bullying Policy. If applicable, review in line with Group Sexual Safety Policy. Keep individuals informed of progress

Violence/discrimination/ harassment from a patient or visitor

Report the incident(s) to your line manager or senior manager. You may also wish to contact Security on Vocera or **0191 445 2039** if required

Report on In Phase

If not resolved:

Investigate In Phase Incident, if required, escalate to appropriate lead for action

Review immediate support for individual raising concern, refer to OH if required

Feedback to individual. Learning to inform Trust's Violence Prevention and Reduction (VPR) Action Plan

Fraud

Make a record of the concerns and review the Fraud Intranet page

If not resolved:

Contact the Trust's Counter Fraud specialist: Fraud Hotline: 0191 441 5936 Email: **counterfraud@audit-one.co.uk**

You can also report suspicions of fraud to the Executive Director of Finance Kris.Mackenzie@nhs.net

Alternatively, you can phone the National Fraud and Corruption reporting line: **0800 028 40 60** You can also report allegations of fraud online directly to the NHS Counter Fraud Authority at **https://cfa.nhs.uk/reportfraud**

Key policies:

- Flexible Working Policy.docx
- Freedom To Speak Up Policy.docx
- Group Grievance Policy.docx
- Group Harassment and Bullying Policy.docx
- Group Investigation and Disciplinary Policy.docx
- Group Sexual Safety Policy.docx

Remember:

- FTSU Guardian: Tracy.Healy@nhs.net
- HR Advice: ghnt.PODServicesAdvice@nhs.net
- Trade Union Members: ghnt.staffside@nhs.net
- Staff Networks and EDI Manager: Kuldip.Sohanpal2@nhs.net
- Other Support: Cultural Ambassadors, Professional Nurse Advocates, Staff Governors, Professional Leads

Action to be taken by:

- Employee
- Manager

Route map for raising concerns #GatesheadHealth

Promoting a Speaking Up Culture

During 2025/26, the FTSU service has continued to strengthen its visibility and impact. This has included:

- Delivering promotional events, education, and training sessions;
- Participating in Team Briefs to raise awareness of key issues; and
- Supporting initiatives addressing discrimination, racial abuse, hate crime, and sexual safety.

This work has been undertaken in collaboration with the People and OD teams and governance groups. We have also reinforced our zero-tolerance approach through campaigns such as *"It's Not OK"*, while ensuring Freedom to Speak Up remains central to organisational culture.

Data from multiple sources is triangulated through the Culture, Insight and Triangulation Group. This approach supports:

- Amplifying staff voices;
- Informing service improvement;
- Promoting civility and psychological safety; and
- Ensuring concerns lead to meaningful action and feedback

We have continued to expand its network of Freedom to Speak Up Champions. Due to strong engagement from our people, there is now broad and diverse representation across services and departments.

Champions meet regularly to:

- Stay informed of current developments
- Share concerns and insights
- Disseminate information and feedback within their areas

This network plays a vital role in embedding a culture where speaking up is encouraged and becomes part of everyday practice.

We have also increased ways of reporting concerns with the introduction of an electronic system, the InPhase FTSU App, where staff can raise their concerns anytime.

We have a consistent number of concerns reported, building since 2024 through to 2026. Most concerns relate to people rather than patient safety / quality, which is consistent with regional and national trends, however we must be mindful that if people do not feel psychologically safe to speak up this will have consequences for patient safety - *"civility saves lives"* research demonstrates this. We are continuing to develop our services and act on what our people are sharing with us to improve both colleague and patient safety and wellbeing.

Health and safety performance

We are 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 suitable 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 continued to be achieved through the Group Health & Safety Group meetings and team structure. The terms of reference of the Group Health and Safety Group were reviewed and refreshed during the year. The Chief Executive currently chairs the Group, which provides visible leadership and reiterates the importance the Group places on effective health and safety.

The work of the Group Health and Safety Group is supported by a number of sub-groups within the governance structure. This sub-structure was under review at the year-end to ensure that it provides effective support and assurance flows to the Group Health and Safety Group.

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 & wellbeing

Our Occupational Health and Wellbeing team has continued to prioritise reducing waiting times for management referral nursing appointments, supported by the recruitment of an Occupational Health Nurse Specialist to increase clinical capacity and improve service responsiveness.

To further enhance appointment efficiency, a text message reminder system has been introduced for all Occupational Health bookings. This aims to reduce “Did Not Attend” rates and ensure that cancelled appointments can be reallocated more effectively.

The Physiotherapy service continues to meet KPIs for colleagues referred into treatment. Alongside this, the Physiotherapist has undertaken targeted work with teams experiencing high levels of musculoskeletal related sickness absence. This proactive, preventative approach—delivered across both hospital and community settings—has demonstrated measurable impact, with evaluation showing a reduction in musculoskeletal sickness absence following intervention.

In summer 2025, the team successfully achieved SEQOHS (Safe, Effective, Quality Occupational Health Service) revalidation. This accreditation assesses performance across six key domains: Governance & Finance; Resources and Processes; Outputs and Outcomes; Information and Communication; Quality Assurance and Improvement; and Sector Specific Standards, confirming the service’s commitment to high quality, safe, and effective practice.

We have strengthened our health and wellbeing offer through the relaunch of the *Guidance Around Tackling Stress at Work*, which now includes an updated individual stress risk assessment and the introduction of a team level stress risk assessment. Additional guidance has also been developed to support managers and colleagues in responding to mental health needs and in supporting colleagues with Attention Deficit Hyperactivity Disorder (ADHD). Colleagues have access to an in-house counselling service, for any work-related issues, and are also able to access psychological support from the North East and North Cumbria Staff Wellbeing Hub, via self-referral, where appointments are available within one week.

To improve early intervention, a Supporting Attendance at Work Task Force was established to analyse data trends, anticipate periods of increased absence, and deliver proactive wellbeing initiatives ahead of high-risk times. This predictive, preventative approach has now been embedded into business-as-usual activity within the Health and Wellbeing Manager role.

The overall Health and Wellbeing approach has been redesigned to focus on prevention, with expanded outreach activities such as workshops, health needs analyses, and targeted engagement. This work has culminated in the launch of the 2026 Wellbeing Action Plan, marking a shift toward a new strategic direction and moving away from the previous three year strategy model.

Countering fraud and corruption

Counter Fraud Specialist Services (CFS) 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 Counter Fraud Specialist ensures that fraud awareness is regularly communicated and promoted to colleagues through regular articles in the staff newsletter.

Expenditure on consultancy

The Group spent £0.272m on consultancy during 2025/26 (2024/25: £0.815m).

Exit packages (subject to audit)

Exit packages during 2025/26 are detailed in the following table. All payments made were due to contractual or legal obligations.

Exit package cost band	2025/26 Group				2024/25 Group			
	Number of compulsory departures agreed	Cost of compulsory departures agreed £000	Number of other departures agreed	Cost of other departures agreed £000	Number of compulsory departures agreed	Cost of compulsory departures agreed £000	Number of other departures agreed	Cost of other departures agreed £000
<£10,000	0	0	18	111	2	10	0	0
£10,001 - £25,000	0	0	22	379	1	11	0	0
£25,001 - £50,000	0	0	6	194	1	49	0	0
£50,001 - £100,000	0	0	0	0	1	73	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	**0**	**0**	**46**	**684**	**5**	**143**	**0**	**0**
Redundancy	0	0	0	0	5	143	0	0
Voluntary Severance Scheme	0	0	46	684	0	0	0	0
Total	**1**	**0**	**46**	**684**	**5**	**143**	**0**	**0**

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 protocols are followed and disclosures made.

The following table shows all off-payroll engagements as of 31 March 2026:

Number of existing arrangements as of 31 March 2026	**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 of reporting	0
Number that have existed for between two and three years at time of reporting	0
Number that have existed for between three and four years at time of reporting	0
Number that have existed for four or more years at time of reporting	0

The following table shows all new off-payroll engagements, or those that reached six months in duration, in between 1 April 2025 and 31 March 2026, for more than £245 per day that last longer than six months.

Number of existing arrangements as of 31 March 2026	**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 of reporting	0
Number that have existed for between two and three years at time of reporting	0
Number that have existed for between three and four years at time of reporting	0
Number that have existed for four or more years at time of reporting	0

There were no off-payroll engagements of Board Members and / or senior officials with significant financial responsibility between 1 April 2025 and 31 March 2026, 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' (defined as voting rights to approve significant financial decisions) during the financial year. This figure must include both off-payroll and on-payroll engagements.	25

Staff survey report

Statement of approach

The annual NHS Staff Survey is the primary way in which we understand the experience of our colleagues. This is supported by a range of additional listening channels, including quarterly National Quarterly Pulse Surveys (NQPS), Freedom to Speak Up (FTSU), staff networks, local team and divisional engagement activity, and workforce intelligence such as turnover, sickness absence and appraisal compliance.

Progress against agreed actions is monitored through established People and Organisational Development governance arrangements, with assurance provided to the Board.

Summary of performance – NHS Staff Survey results

Our most recent NHS Staff Survey (2025) achieved a 42% response rate (2,155 responses), compared to an average response rate of 48% for comparable organisations. While lower than the previous year, this provides sufficient data to assess trends and themes.

Headline results show a decline in several areas compared to 2024. In 2025:

- 54% of respondents recommended the Trust as a place to work.
- 64% were happy with the standard of care provided to friends or relatives.
- 68% agreed that patient care is the Trust's top priority.

Across the NHS People Promise framework, results present a mixed picture when compared with the prior years. Scores relating to compassionate and inclusive culture, safety, and protection from harassment and discrimination remained relatively stable. However, scores have declined in areas relating to staff engagement, morale, recognition and reward, learning and career development, and organisational advocacy.

Indicators People Promise elements and themes	**2025/26**		**2024/25**		**2023/24**		**2022/23**	
	Trust	**Average score**	**Trust**	**Average score**	**Trust**	**Average score**	**Trust**	**Average score**
We are compassionate and inclusive	**7.2**	**7.3**	7.4	7.2	7.5	7.3	7.5	7.2
We are recognised and rewarded	**5.8**	**5.9**	5.9	5.9	6.1	6.0	5.9	5.7
We each have a voice that counts	**6.4**	**6.6**	6.7	6.7	6.9	6.7	6.8	6.6
We are safe and healthy	**6.0**	**6.1**	6.1	6.1	6.2	6.1	6.0	5.9
We are always learning	**5.4**	**5.6**	5.8	5.6	5.9	5.6	5.5	5.4
We work flexibly	**6.0**	**6.2**	6.4	6.2	6.4	6.3	6.1	6.0
We are a team	**6.5**	**6.7**	6.8	6.7	6.8	6.8	6.8	6.6
Staff Engagement	**6.5**	**6.7**	6.8	6.8	7.0	6.9	6.9	6.8
Morale	**5.6**	**5.8**	5.9	5.9	6.0	5.9	5.8	5.7

The most significant areas of concern identified through the 2025 survey included:

- Perceptions of limited career development opportunities;
- Reduced confidence that the organisation acts on feedback and concerns; and
- Low scores relating to feeling valued, particularly through appraisal.

Action plans to address areas of concern

In response to these findings, we have agreed priority actions focused on improving staff engagement, reinforcing confidence that patient care remains the Trust's top priority, and addressing the areas of greatest dissatisfaction. These are underpinned by three core actions:

1. We will improve opportunities for career development.
2. We will continue to support opportunities for colleagues to speak up and ensure we close the loop on concerns raised.
3. We will support teams to build cohesion through civility and respect.

Our future priorities are to improve staff engagement and confidence, enhance development opportunities, and strengthen local leadership behaviours. Progress will be monitored through pulse surveys, workforce metrics, and FTSU reporting, with regular review through People and OD governance arrangements and assurance provided to the Board.

Progress since 2024 survey:

Following the 2024 survey, we prioritised:

Promoting a culture of speaking up:

- ✓ Developing the 'We Are a Team' People Promise through civility and respect; and
- ✓ Tackling bullying, harassment, discrimination and abuse via the Zero-Tolerance Working Group.

Key actions included:

- **Civility and Respect**
  - Standardised 'Civility' training piloted and delivered to nearly 300 staff;
  - Launch of the Civility Gateshead guide;
  - Integration of civility training into corporate induction;
  - Development of local civility questions now included in the National Quarterly Pulse Survey;
  - Zero-Tolerance Approach to bullying, harassment, discriminatory or uncivil behaviours;
  - Bullying and Harassment policy revised to include a behavioral framework;
  - Sexual Safety Charter signed and new policy introduced; and
  - Culture & experience day included as a compulsory part of Leading Forward (leadership) programme.

- **Health & Wellbeing (HWB)**
  - Retention and staff experience workshops delivered to teams;
  - A Health Needs Assessment completed to inform a new HWB Strategy;
  - Absence Taskforce launched to ensure data-led, prevention focused and accessible support;
  - Commendation received for wellbeing integration in SEQOHS accreditation and "Better Health at Work Award" Continuing Excellence accreditation attained;
  - Bespoke wellbeing support offered to address local absence and wellbeing issues; and
  - Raising Concerns route map launched for all staff to ensure concerns are escalated quickly and effectively.

Looking ahead: priorities for 2026

Building on this progress, our upcoming priorities include:

- ✓ Continued action on speaking up, with particular attention to the experiences of under-represented groups;
- ✓ Enhanced visibility and accessibility of career development;
    - ✓ Ongoing promotion of civility, to encourage respectful behaviour, kindness, and appreciation across all teams; and
    - ✓ Improved communication and opportunities for leadership interactions.

In response to the 2025 NHS Staff Survey findings, we have identified a focused set of priorities for 2026 aimed at addressing areas of greatest staff dissatisfaction while sustaining progress in safety, inclusion and respectful workplace behaviours.

Our priorities for 2026 are to rebuild staff engagement and confidence, improve experiences of career development and feeling valued, and strengthen voices and involvement at all levels. This includes continued action to support staff to speak up, with particular attention to the experiences of under-represented groups.

Improving the visibility and consistency of career development opportunities, including the quality and impact of appraisal and development conversations, will be a key focus during 2026.

Code of Governance for NHS Provider Trusts

Gateshead Health NHS Foundation Trust has applied the principles of the Code of Governance for NHS Provider Trusts on a comply or explain basis.

The Code sets out a common over-arching framework for the corporate governance of NHS providers.

Mandatory disclosures

Code Section Ref	Code of Governance – Mandatory Disclosure Requirements – Schedule A	Annual Report Section Reference
A 2.1	The board of directors should assess the basis on which the trust ensures its effectiveness, efficiency and economy, as well as the quality of its healthcare delivery over the long term, and contribution to the objectives of the ICP and ICB, and place-based partnerships. The board of directors should ensure the trust actively addresses opportunities to work with other providers to tackle shared challenges through entering into partnership arrangements such as provider collaboratives. The trust should describe in its annual report how opportunities and risks to future sustainability have been considered and addressed, and how its governance is contributing to the delivery of its strategy.	This is referred to in the Performance Report and also within the Stakeholder Relationships section
A 2.3	The board of directors should assess and monitor culture. Where it is not satisfied that policy, practices or behaviour throughout the business are aligned with the trust's vision, values and strategy, it should seek assurance that management has taken corrective action. The annual report should explain the board's activities and any action taken, and the trust's approach to investing in, rewarding and promoting the wellbeing of its workforce.	This is referred to within the Staff Report section – specifically in the Staff Survey and Freedom to Speak Up sections.
A 2.8	The board of directors should describe in the annual report how the interests of stakeholders, including system and place-based partners, have been considered in their discussions and decision-making, and set out the key partnerships for collaboration with other providers into which the trust has entered. The board of directors should keep engagement mechanisms under review so that they remain effective. The board should set out how the organisation's governance processes oversee its collaboration with other	This is referred to within the Stakeholder Relationship section.

Code Section Ref	Code of Governance – Mandatory Disclosure Requirements – Schedule A	Annual Report Section Reference
	organisations and any associated risk management arrangements.	
B 2.6	The board of directors should identify in the annual report each non-executive director it considers to be independent. Circumstances which are likely to impair, or could appear to impair, a non-executive director's independence include, but are not limited to, whether a director: • has been an employee of the trust within the last two years • has, or has had within the last two years, a material business relationship with the trust either directly or as a partner, shareholder, director or senior employee of a body that has such a relationship with the trust • has received or receives remuneration from the trust apart from a director's fee, participates in the trust's performance-related pay scheme or is a member of the trust's pension scheme • has close family ties with any of the trust's advisers, directors or senior employees • holds cross-directorships or has significant links with other directors through involvement with other companies or bodies • has served on the trust board for more than six years from the date of their first appointment • is an appointed representative of the trust's university medical or dental school. Where any of these or other relevant circumstances apply, and the board of directors nonetheless considers that the non-executive director is independent, it needs to be clearly explained why.	This is referred to in the Board composition section
B 2.13	The annual report should give the number of times the board and its committees met, and individual director attendance.	This is referred to in the Board composition and Directors' report section. Individual attendance statistics are provided for

Code Section Ref	Code of Governance – Mandatory Disclosure Requirements – Schedule A	Annual Report Section Reference
		those committees which the Code mandates must exist.
B 2.17	For foundation trusts, this schedule should include a clear statement detailing the roles and responsibilities of the council of governors. This statement should also describe how any disagreements between the council of governors and the board of directors will be resolved. The annual report should include this schedule of matters or a summary statement of how the board of directors and the council of governors operate, including a summary of the types of decisions to be taken by the board, the council of governors, board committees and the types of decisions which are delegated to the executive management of the board of directors.	This is included in the Board's Relationship with the Council of Governors section
C 2.5	If an external consultancy is engaged, it should be identified in the annual report alongside a statement about any other connection it has with the trust or individual directors	This is included in the Annual Statement on Remuneration
C 2.8	The annual report should describe the process followed by the council of governors to appoint the chair and non-executive directors. The main role and responsibilities of the nominations committee should be set out in publicly available written terms of reference.	This is included in the Council of Governors section of the Directors' Report, as well as in the Annual Statement on Remuneration. The terms of reference for the Governor Remuneration Committee are available on the Trust's website as part of the Council of Governors' papers.
C 4.2	The board of directors should include in the annual report a description of each director's skills, expertise and experience	This is referred to in the Board composition table in the Directors' report section.
C 4.7	All trusts are strongly encouraged to carry out externally facilitated developmental reviews of their leadership and governance using the Well-led framework every three to five years, according to their circumstances. The external reviewer should be identified in the annual report and a statement made about any connection it has with the trust or individual directors	This is referred to in the Well-led Arrangements section of the Directors' Report
C 4.13	The annual report should describe the work of the nominations committee(s), including: • the process used in relation to appointments, its approach to succession planning and how both	This is included in the Annual Statement on Remuneration and Senior Managers' Remuneration Policy sections.

Code Section Ref	Code of Governance – Mandatory Disclosure Requirements – Schedule A	Annual Report Section Reference
	support the development of a diverse pipeline • how the board has been evaluated, the nature and extent of an external evaluator's contact with the board of directors and individual directors, the outcomes and actions taken, and how these have or will influence board composition • the policy on diversity and inclusion including in relation to disability, its objectives and linkage to trust vision, how it has been implemented and progress on achieving the objectives • the ethnic diversity of the board and senior managers, with reference to indicator nine of the NHS Workforce Race Equality Standard and how far the board reflects the ethnic diversity of the trust's workforce and communities served • the gender balance of senior management and their direct reports.	
C 5.15	Foundation trust governors should canvass the opinion of the trust's members and the public, and for appointed governors the body they represent, on the NHS foundation trust's forward plan, including its objectives, priorities and strategy, and their views should be communicated to the board of directors. The annual report should contain a statement as to how this requirement has been undertaken and satisfied.	This is included in the Foundation Trust Membership section.
D 2.4	The annual report should include: • the significant issues relating to the financial statements that the audit committee considered, and how these issues were addressed • an explanation of how the audit committee (and/or auditor panel for an NHS trust) has assessed the independence and effectiveness of the external audit process and its approach to the appointment or reappointment of the external auditor; length of tenure of the current audit firm, when a tender was last conducted and advance notice of any retendering plans • where there is no internal audit function, an explanation for the	This is included in the Group Audit Committee section within the Directors' Report.

Code Section Ref	Code of Governance – Mandatory Disclosure Requirements – Schedule A	Annual Report Section Reference
	absence, how internal assurance is achieved and how this affects the external audit • an explanation of how auditor independence and objectivity are safeguarded if the external auditor provides non-audit services	
D 2.6	The directors should explain in the annual report their responsibility for preparing the annual report and accounts, and state that they consider the annual report and accounts, taken as a whole, is fair, balanced and understandable, and provides the information necessary for stakeholders to assess the trust's performance, business model and strategy	This is included in the Audit of the Accounts section of the Performance Report
D 2.7	The board of directors should carry out a robust assessment of the trust's emerging and principal risks. The relevant reporting manuals will prescribe associated disclosure requirements for the annual report.	This is included in the About Us – Our Strategic Objectives and Risks section of the Performance Report, as well as being covered in the Annual Governance Statement.
D 2.8	The board of directors should monitor the trust's risk management and internal control systems and, at least annually, review their effectiveness and report on that review in the annual report. The monitoring and review should cover all material controls, including financial, operational and compliance controls. The board should report on internal control through the annual governance statement in the annual report.	This is included in the About Us – Our Strategic Objectives and Risks section of the Performance Report, as well as being covered in the Annual Governance Statement.
D 2.9	In the annual accounts, the board of directors should state whether it considered it appropriate to adopt the going concern basis of accounting when preparing them and identify any material uncertainties regarding going concern. Trusts should refer to the DHSC group accounting manual and NHS foundation trust annual reporting manual which explain that this assessment should be based on whether a trust anticipates it will continue to provide its services in the public sector. As a result, material uncertainties over going concern are expected to be rare.	This is included in the Going Concern section of the Performance Report.
E 2.3	Where a trust releases an executive director, e.g. to serve as a non-executive director elsewhere, the remuneration disclosures in the annual report should include a statement as to	No Executive Directors have been released to serve as a Non-Executive Director elsewhere.

Code Section Ref	Code of Governance – Mandatory Disclosure Requirements – Schedule A	Annual Report Section Reference
	whether or not the director will retain such earnings.	
Appendix B 2.14	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.	This is included in the Council of Governors section of the Directors' Report
Appendix B 2.14	The board of directors should ensure that the NHS foundation trust provides effective mechanisms for communication between governors and members from its constituencies. Contact procedures for members who wish to communicate with governors and/or directors should be clear and made available to members on the NHS foundation trust's website and in the annual report.	This is included in the Foundation Trust Membership section of the Directors' Report
Appendix B 2.15	The board of directors should state in the annual report the steps it has taken to ensure that the members of the board, and in particular the non-executive directors, develop an understanding of the views of governors and members about the NHS foundation trust, e.g. through attendance at meetings of the council of governors, direct face-to-face contact, surveys of members' opinions and consultations.	This is included in the Board's Relationship with the Council of Governors section of the Directors' Report
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	Governors have not exercised this power and therefore no disclosure is required.

Comply or explain

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

NHS Oversight Framework

NHS England's NHS Oversight Framework 2025/26 is the framework for assessing health systems including providers. It promotes transparency, improvement, and helps identify potential support or intervention needs. NHS organisations are allocated to 1 of 5 'segments'.

Segmentation indicates performance and whether improvement is required, from high-performing across all domains (segment 1) to low performance across a range of domains (segment 4). An organisation assessed as segment 4 combined with a low capability to improve is allocated to segment 5.

NHS England's oversight response to an organisation is based on:

- Its segment derived from scored metrics under 5 performance domains (being access to services, effectiveness and experience of care, patient safety, people and workforce, and finance and productivity)
- considering financial override which may limit a segment to be no better than 3
- contextual metrics which are not scored (for example those under sixth domain of improving health and reducing inequality)
- capability assessments which consider the organisation's leadership and governance.

Segmentation

Gateshead Health NHS Foundation Trust is currently placed in segment 3. Due to our planned deficit position the segment is capped at 3. As our medium term plan reflects an anticipated breakeven position across the three years we are striving to improve our segmentation position in 2026/27.

This segmentation information is the Trust's position as at Quarter 3 2025/26 (published by NHS England on 18 March 2026 and still the most current position available as at 21 May 2026). Current segmentation information for NHS trusts and foundation trusts is published on the NHS England website. The Trust is included on the acute trust dashboard.

Modern Slavery and Human Trafficking Act 2015 Annual Statement 2025/26

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 a range of acute and community services to the population of Gateshead along with a number of specialist services to a wider population. We deliver a wide range of screening services supported by our regional laboratory services. We operate a wholly-owned subsidiary - QE Facilities Limited. QE Facilities provides a diverse offering including estates and facilities services, financial advisory, pharmacy, and logistics services across the region and beyond. Our group annual turnover is around £455m and we have a workforce of around 4,900 people.

Our Commitment

We consider the potential social impact and effect of its supply chain prior to the commencement of a procurement. We are committed to ensuring our suppliers adhere to the highest standards of ethics and undertake due diligence when considering new suppliers as well as regularly reviewing existing suppliers.

We recognise that we have a responsibility to take a robust approach preventing and addressing any concerns to slavery and human trafficking.

We are committed to preventing slavery and human trafficking in our corporate activities and to ensuring that our 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 colleagues through our safeguarding children and adults training programmes, our safeguarding policies and procedures and our safeguarding lead.

Although specific training has not been undertaken, our colleagues undertake safeguarding training as part of core training which references Modern Day Slavery and informs them 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.

Our Policy Framework

We have 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; and
- Provide adequate protection for whistle blowers.

As a result, we undertake a process of due diligence to provide assurance to all relevant interested parties (i.e. our people 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 a platform for our employees to raise concerns about poor working practices or behaviours not in line with those expected.

Risk and Compliance

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

Sean Fenwick
Chief Executive
24 June 2026

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 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.

Sean Fenwick
Chief Executive
24 June 2026

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 2026 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 Interim Chief Nurse, as outlined within our risk management framework. The Interim 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 Interim 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 and Emergency Preparedness, Resilience and Response (EPRR)-related risks in 2025/26.

Professional support in respect of the implementation of the risk management strategy and risk systems is provided by the Corporate and Clinical Risk Lead (who reports to the Interim 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). The Group is chaired by the Chief Executive, which demonstrates the importance placed on risk management by the senior leadership team.

The Group met 12 times during the year and reviewed the Organisational Risk Register (ORR) at each meeting, as well as the risk registers for each division (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 relevant extracts of the ORR being presented to the Tier 1 Board Committees throughout the year (alongside the BAF extracts). The ORR was presented in full to the Board of Directors at every Board meeting held in public throughout the year, with the BAF presented four times.

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.

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 and Clinical Risk Lead 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 undertook a risk management development session in August 2025. The session was focussed on the alignment of the BAF to the new five year corporate strategy, including the agreement of summary risks and their respective target scores (for delivery by 31 March 2027) and current scores mapped to each objective.

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 for the Group was reviewed and approved by the Board of Directors in May 2023. At the year end this strategy was in the process of being reviewed with the aim of launching a revised strategy by September 2026.

The risk management policy was updated in October 2024 (and is due for a full review again by October 2027, in line with our timescales for policy reviews). It 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. Risks scored at 12 or above on divisional or corporate risk registers are also shared with the Group for completeness and information as part of the cyclical presentation of risk registers, alongside the risks of 15 or above. This enables assurance to be sought regarding the consistency of the application of risk scores across the Group.

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 BAF identifies key controls and assurances, as well as any gaps and corresponding action plans. Each of the Board's committees has responsibility for seeking assurance over the delivery of specific Board-priority strategic objectives and consequently reviews the related BAF extracts at every committee meeting. As outlined earlier the BAF was fully refreshed during the year to align with the Trust's new five year corporate strategy.

During the year committees have 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. Trend analysis graphs track the current summary risk score against the target set at the beginning of the year. This shows the movement in the current risk score throughout the year and supports the review.

The detailed reviews of the committees informed the Board's review of the full BAF document during year. A summary narrative against each BAF risk is presented to the Board as part of the BAF reporting – this provides an overview of the discussions at each Board committee, including the rationale for maintaining or changing the summary risk score.

Our internal auditors undertake an annual review of risk management and the BAF. The 2025/26 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'*. This provides good external assurance around the risk and control framework in place during 2025/26.

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 core Board committees (also referred to as Tier 1 committees):

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

In addition the Great North Healthcare Alliance Committee in Common and Joint Committee are both constituted as committees of the Board. Both are chaired by Sir Paul Ennals, Chair of Gateshead Health NHS Foundation Trust and Chair of the Great North Healthcare Alliance.

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. Each committee chair presents a report to the next Board meeting outlining key items for alerting, advising or assuring the Board. The '3A' report is a risk-based approach to reporting into the next tier within the governance structure.

The Trust's subsidiary, QE Facilities, reports into the Finance and Performance Committee in respect of its financial performance (which is consolidated to form the group position). The Chair of QE Facilities presents an assurance report to every Trust Board meeting in the 3A format, reporting on the key items emerging from each QE Facilities Board meeting. In addition QE Facilities also provides six monthly reports on performance to the Board of Directors to provide a more in-depth overview of strategic developments and performance. Where the Trust is required to report its performance on a group basis, specific assurance reports are presented to the Trust's committees by QE Facilities, for example with respect to some of the People and Organisational Development metrics.

Some revisions were made to the supporting governance and decision-making structures in 2025/26. This included the establishment of a weekly decision-making Executive Committee into which the Tier 2 governance groups report. The Executive Committee is accountable to the Board of Directors and ensures timely and transparent decision-making to support the delivery of the strategic objectives. Gateshead Health Leadership Group (GHLG), which had previously held decision-making responsibilities, was reformulated into Gateshead Health Leadership Forum, an information sharing forum to enable timely communication, discussion and support for key emerging issues. At the year end work continues to finalise the adjustments to the sub-structure to support the work of the Executive Committee and Tier 2 groups.

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 role to play in respect of the governance structure.

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 a number of different workstreams / projects which align with well-led principles / key lines of enquiry, including:

- The review of the governance structure supporting the work of the Board and its committees. This included the establishment of an Executive Committee, adjustments to delegated decision-making and a revised group structure;
- Focussed work on organisational culture, including inclusivity and communications;
- Extensive engagement and involvement in the development of the corporate strategy and the clinical strategy;
- Reflective reviews against key external reports such as the Aubrey report into governance within breast services at a neighbouring trust;
- Completion of the Provider Capability Self-Assessment as defined by the NHS Oversight Framework; and
- Developing our partnership and collaborative working at place, neighbourhood and particularly through the Great North Healthcare Alliance.

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 provider licence section 4 (FT governance). Where we have identified potential control weaknesses or opportunities for improvement during the year, we have proactively undertaken reviews and project work to strengthen governance.

The reviews undertaken and the actions implemented as a result support our compliance with this licence condition. The following actions taken during the year are examples of the actions we have taken to mitigate risks to compliance:

- Implementing revisions to our governance structure to ensure effective and clear assurance, risk management, escalation and decision-making processes are in place;
- Strengthening our contracting functions to enable greater monitoring, accountability and reporting; and
- Strengthening the focus on speaking up and raising concerns, providing earlier insight into emerging issues enabling timely action to be taken to mitigate risk.

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 and the Patient Safety Incident Response Framework (PSIRF).

Control measures are in place to ensure that all the organisation's obligations under equality, diversity and human rights legislation are complied with. 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. Equality and Quality Impact Assessments (EQIAs) are completed for service changes and policy reviews, which demonstrates 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.

The Quality Governance Committee is supported by the Tier 2 sub-group SafeCare Steering Group which is chaired by the Interim Chief Nurse.

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 Trust is fully compliant with the registration requirement of the Care Quality Commission (CQC). The CQC last fully inspected the Trust in April 2019, when the Trust received an overall rating of 'good'. During 2023/24 our maternity service received a 'good' rating from the CQC. There were no announced or unannounced inspections by the CQC during 2025/26.

The Trust received a Mental Health Act (1983) Monitoring visit during 2025/26 on Cragside ward in January 2026. Positive feedback was received both verbally and by way of a formal report to the Chief Executive noting areas of good practice and stating that improvements were noted in response to past concerns identified.

Key risks during 2025/26

Based on a review of the Organisational Risk Register and the identification of key themes the Executive Risk Management Group agrees the top composite risks for the organisation each month. These are thematic risks which are then reported to the Board and its committees at every meeting.

As at 31 March 2026 the top composite risks were:

Theme	Key risk	Mitigating actions
Financial sustainability	Risk of inability to invest in staff and clinical services, including supporting financial collaboration with partners	• Comprehensive sustainability and transformation programmes developed to support the delivery of the medium term plan and the return to financial balance. • Equality and Quality Impact Assessment (EQIA) process in place to safeguard quality. • Collaborative working with Great North Healthcare Alliance partners to support sustainable delivery of services.
Estates	Risk to sustainability of core infrastructure and to invest in clinical advances and working environment for our staff	• Additional external capital funding secured to invest in estates improvement / risk mitigation, including maternity, maintenance and aged equipment replacements. • Business continuity plans in place and under further review. • Theatre ventilation risks reducing as phased capital works progress. • Progression of key capital works to address the highest risk estate – fully refurbished paediatrics and Northern Gynaecology and Oncology Centre opened during the year. • Collaborative working with Great North Healthcare Alliance partners to explore estates opportunities. • Estates development plan under preparation at year-end.
Digital	Risk of an inability to sustain and advance our digital offer impacting on our staff and ability to deliver transformation	• Chief Digital Officer in place in a shared leadership role across the three east coast Alliance trusts to support identification of synergies and opportunities for collaborative approaches. • Digital plan in place to support delivery of the corporate strategy. • Picture Archiving and Communications (PACS) upgrades completed to provide stability and reduce clinical risk. • Records Management Optimisation Programme developed. • Acute Clinical Electronic Patient Record outline business case approved.

A number the contributory risks (which come together to form the composite risks) will remain live into 2025/26 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. At the end of 2025/27 the reporting line was adjusted to the People of Organisation Development Committee, with Board oversight remaining in place.

The People and Organisational Development Committee oversees our wider workforce planning, metrics and talent management. The Committee has received regular updates on workforce including sickness absence, turnover, vacancy rates and strategic updates / contributions in relation to the regional workforce programme.

Data security

The Digital Committee receives assurance on data security as part of key reports presented throughout the year. The Digital Data and Technology Steering Group supported the work of the Committee. The Committee receives a key performance indicator (KPI) report at every meeting which provides assurance over several indicators. This includes KPIs relating to cyber security, health records management, IT service effectiveness, Information Governance, clinical coding, systems adoption and data coding.

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 on the effects of climate change and severe weather and has developed a Green Plan following the guidance of 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 ensuring that resources are used economically, efficiently and effectively. In 2025/26 these included:

- Approval of annual budgets by the Board;
- Approval of the medium term plan by the Board;
- Approval of the five year corporate strategy and the monitoring of risks to its achievement through the Board Assurance Framework;
- Reporting to Board committees and the Board of Directors on key aspects of performance via the *Strategic Objectives: Leading Indicators and Breakthrough Objectives* report. 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;
- Delivery of Executive-led Tier 2 Groups in the governance structure to strengthen governance, scrutiny, oversight and accountability at the sub-Board committee level;
- Implementation of a new Executive Committee to strengthen decision-making and accountability;
- Implementation of a robust financial sustainability programme and delivery as part of future planning; and
- Effective use of external reviews and internal audit to seek independent assessments of control environments, enabling actions to be taken to strengthen controls and streamline our governance and processes.

Information governance

The Trust reported three incidents to the Information Commissioner's Office (ICO) during 2025/26, primarily as a result of administrative and procedural issues with actions taken to reduce the risk of reoccurrence through process evaluations, comprehensive staff training, and enhanced awareness practices.

Data quality and governance

We recognise that all our decisions – whether clinical, managerial or financial – should be based on information which is of the highest quality.

The Digital Committee seeks assurance over data quality, with data quality KPIs routinely reported to the Committee as part of the KPI report. Significant work has also been undertaken around the accuracy of counting and coding of data, alongside waiting list validation.

Processes are in place to validate our performance data and external monitoring returns. Divisions and the information team work closely to review exceptions and validate data. The Trust scored above the national average on the Data Quality Maturity Index (DQMI).

Internal audit also undertake a number of audits each year which provide an independent assessment of data quality processes and controls.

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, Executive Directors, clinical and non-clinical 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 Tier 1 Board committees review the BAF extract at every meeting and the Board reviews the BAF four times a year;
- The Board, Tier 1 Board committees and the Executive Committee 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. 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, Committee Chairs 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 are implemented (which ultimately should strengthen the control environment); and
- Two internal audits were issued with a ‘limited assurance’ rating. The first related to a follow-up audit on Do Not Attempt Cardiopulmonary Resuscitation. The Quality Governance Committee raised concerns on this matter as an ‘alert’ on its assurance report to Board. The Committee then received a detailed deep dive report into the reasons for the limited assurance follow-up report, with the report also describing the actions and monitoring proposed to ensure the new actions are tracked to deliver change. I am assured that learnings have been recognised and that this will lead to governance improvements to strengthen the controls around the implementation of audit recommendations.
- The second ‘limited assurance’ audit related to a follow-up audit on patient monies and property, which was received just prior to the formal signing of this statement. I am assured that actions are being taken to implement the recommendations contained within the report to improve the controls in this key area.

Whilst recognising that there are areas for us to improve on, the Head of Internal Audit Opinion for the period 1 April 2025 to 31 March 2026 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.

Sean Fenwick
Chief Executive
24 June 2026

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 2026 which comprise the Group and Trust Statements of Comprehensive Income for the year ended 31 March 2026, the Group and Trust Statements of Financial Position as at 31 March 2026, the Group and Trust Statements of Changes in Taxpayers' Equity, the Group and Trust Statements of Cashflows for the year ended 31 March 2026, and notes to the financial statements, including material accounting policy information.

The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards as interpreted and adapted by HM Treasury's Financial Reporting Manual 2025/26 as contained in the Department of Health and Social Care Group Accounting Manual 2025/26, and the Accounts Direction issued under the National Health Service Act 2006.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Trust and Group as at 31 March 2026 and of the Trust's and the Group's income and expenditure for the year then ended;
- have been properly prepared in accordance with the Department of Health and Social Care Group Accounting Manual 2025/26; and
- have been properly prepared in accordance with the requirements of the National Health Service Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in these regards.

Responsibilities of the Accounting Officer for the financial statements

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

The Accounting Officer is required to comply with the Department of Health and Social Care Group Accounting Manual 2025/26 and prepare the financial statements on a going concern basis, unless the Trust is informed of the intention for dissolution without transfer of services or function to another public sector entity. The Accounting Officer is responsible for assessing each year whether or not it is appropriate for the Trust and Group to prepare financial statements on the going concern basis and disclosing, as applicable, matters related to going concern.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

In addition, we evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to accruals and provisions; revenue recognition (which we pinpointed to the cut off assertion); expenditure recognition (which we pinpointed to the cut-off assertion); and significant one-off or unusual transactions.

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

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

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

We are also required to conclude on whether the Accounting Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. We performed our work in accordance with Practice Note 10: Audit of financial statements and regularity of public sector bodies in the United Kingdom, (Revised 2024) and Supplementary Guidance Note 01, issued by the Comptroller and Auditor General in November 2024.

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

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

Matter on which we are required to report by exception

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

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

In June 2025 we identified a significant weakness in relation to financial sustainability for the year ended 31 March 2025. In our view this significant weakness remains for the year ended 31 March 2026:

Significant weakness in arrangements – issued in a previous year	Recommendation
In our view the Trust's increasing underlying deficit, underperformance in recurrent savings and continuous reliance on receipt of deficit support funding is evidence of a significant weakness in arrangements in the financial sustainability criteria - how the body plans to bridge its funding gaps and identifies achievable savings. Without an improvement in arrangements the Trust risks being unable to deliver services in an affordable way.	The Trust should continue to work with local ICS partners to develop a medium-term plan to address the underlying deficit position.

Responsibilities of the Accounting Officer

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

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

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

We have undertaken our work in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in March 2026.

Report on other legal and regulatory requirements

Opinion on other matters prescribed by the Code of Audit Practice

In our opinion:

- the parts of the Remuneration and Staff Report subject to audit have been properly prepared in accordance with the requirements of the NHS Foundation Trust Annual Reporting Manual 2025/26; and
- the other information published together with the audited financial statements in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

We are required to report to you if:

- in our opinion the Annual Governance Statement does not comply with the NHS Foundation Trust Annual Reporting Manual 2025/26; or
- we refer a matter to the regulator under Schedule 10(6) of the National Health Service Act 2006; or
- we issue a report in the public interest under Schedule 10(3) of the National Health Service Act 2006.

We have nothing to report in respect of these matters.

Use of the audit report

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

Certificate

We cannot formally conclude the audit and issue an audit certificate until we have received confirmation from the NAO that the group audit of the Department of Health and Social Care has been completed and that no further work is required to be completed by us.

James Collins (Jun 25, 2026 11:21:44 GMT+1)

James Collins, Key Audit Partner
For and on behalf of Forvis Mazars LLP (Local Auditor)

The Corner
Bank Chambers
26 Mosley Street
Newcastle-upon-Tyne
NE1 1DF

25 June 2026

FOREWORD TO THE ACCOUNTS

Gateshead Health NHS Foundation Trust

These accounts for the year ended 31 March 2026 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.

Sean Fenwick
Chief Executive

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 March 2026

`	Note	Group 2025/26	Foundation Trust 2025/26	Group 2024/25	Foundation Trust 2024/25
		£000	£000	£000	£000
Revenue					
Operating Income from patient care activities	2	**417,536**	**417,107**	403,037	402,567
Other operating income	2	**37,739**	**22,542**	40,750	27,500
Operating expenses	3	**(461,613)**	**(451,244)**	(441,338)	(432,752)
Operating (deficit)/surplus from continuing operations		**(6,338)**	**(11,596)**	2,449	(2,685)
Finance Costs					
Finance income	6	**1,445**	**1,123**	1,881	1,567
Finance expense - financial liabilities	6.1	**(1,294)**	**(2,342)**	(714)	(1,882)
PDC Dividends payable		**(4,542)**	**(4,542)**	(4,336)	(4,336)
Net Finance Costs		**(4,391)**	**(5,761)**	(3,169)	(4,651)
Other Gains/ (Losses)		**(643)**	**(528)**	0	0
Share of profit/(loss) of associates joint ventures		**0**	**0**	0	0
Gains/(losses) from transfers by absorption		**0**	**0**	0	0
Corporation tax (expense)/income	5	**(1,674)**	**0**	(1,849)	0
(Deficit)/Surplus from continuing operations		**(13,046)**	**(17,885)**	(2,569)	(7,336)
Surplus / (Deficit) of discontinued operations		**0**	**0**	0	0
Surplus/(Deficit)for the financial year		**(13,046)**	**(17,885)**	(2,569)	(7,336)
Other comprehensive income					
Impairments	7	**(1,697)**	**(1,697)**	(509)	(509)
Revaluations	7	**571**	**1,226**	0	0
Other recognised gains and losses		**0**	**0**	0	0
Actuarial gains/(losses) on defined benefit pension schemes		**0**	**0**	0	0
Other reserve movements		**(88)**	**0**	(43)	0
Total Comprehensive (Expense)/Income for the year		**(14,260)**	**(18,356)**	(3,121)	(7,845)

The notes on pages 140 to 183 form part of these accounts.

STATEMENT OF FINANCIAL POSITION AS AT 31 March 2026

	Note	Group 31 March 2026	Foundation Trust 31 March 2026	Group 31 March 2025	Foundation Trust 31 March 2025
		£000	£000	£000	£000
Non-current assets					
Property, plant and equipment	8.1-8.4	**174,775**	**174,072**	169,678	168,601
Right of Use Assets	9	**12,826**	**6,845**	13,825	6,846
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**	**0**	0	0
Other Investments (Charitable)	22	**1,315**	**0**	1,362	0
Trade and other receivables	10.1	**769**	**314**	2,273	1,568
Total non-current assets		**189,766**	**198,056**	187,218	193,839
Current assets					
Inventories	11.1	**4,286**	**1,521**	4,308	1,515
Trade and other receivables	10.1	**22,688**	**18,543**	29,339	26,251
Other financial Assets		**0**	**0**	0	0
Non-Current assets for Sale and Assets in disposal Groups		**0**	**0**	0	0
Cash and cash equivalents	12	**31,933**	**29,631**	26,960	17,367
Total current assets		**58,907**	**49,695**	60,607	45,133
Current liabilities					
Trade and other payables	13.1	**(61,934)**	**(51,892)**	(54,231)	(48,086)
Borrowings	14.1	**(4,273)**	**(18,798)**	(3,958)	(4,167)
Provisions	15	**(2,109)**	**(2,109)**	(2,573)	(2,503)
Other liabilities	13.2	**(1,489)**	**(1,414)**	(2,777)	(2,199)
Total current liabilities		**(69,805)**	**(74,212)**	(63,539)	(56,955)
Total assets less current liabilities		**178,868**	**173,539**	184,286	182,017
Non-current liabilities					
Trade and other payables	13.1	**0**	**0**	(146)	(146)
Borrowings	14.1	**(19,328)**	**(53,546)**	(21,760)	(54,713)
Provisions	15	**(1,777)**	**(1,778)**	(2,105)	(2,105)
Other Liabilities	13.2	**(1,647)**	**(272)**	(1,421)	(276)
Total non-current liabilities		**(22,752)**	**(55,596)**	(25,432)	(57,240)
Total assets employed		**156,117**	**117,943**	158,854	124,777
Financed by taxpayers' equity					
Public Dividend Capital		**183,839**	**183,839**	172,317	172,317
Revaluation reserve		**11,545**	**12,200**	12,671	12,671
Charitable Fund Reserve		**2,222**	**0**	2,357	0
Other Reserves		**99**	**99**	99	99
Income and expenditure reserve		**(41,588)**	**(78,195)**	(28,590)	(60,310)
Total taxpayers' equity		**156,117**	**117,943**	158,854	124,777

The financial statements on pages 134 to 183 were approved by the Board on 24 June 2026 and signed on its behalf by:

Sean Fenwick
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 2025	158,855	172,317	12,671	2,357	99	(28,589)	124,777	172,317	12,671	99	(60,310)
Changes in taxpayers' equity for 2025/26											
Retained surplus/(deficit) for the year	(13,046)	0	0	(47)	0	(12,999)	(17,885)	0	0	0	(17,885)
Impairments	(1,697)	0	(1,697)	0	0	0	(1,697)	0	(1,697)	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	571	0	571	0	0	0	1,226	0	1,226	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	(88)	0	0	(88)	0	0	0	0	0	0	0
	144,595	172,317	11,545	2,222	99	(41,588)	106,421	172,317	12,200	99	(78,195)
Public Dividend Capital received	20,522	20,522	0	0	0	0	20,522	20,522	0	0	0
Public Dividend Capital repaid	(9,000)	(9,000)	0	0	0	0	(9,000)	(9,000)	0	0	0
Taxpayers' Equity at 31 March 2026	156,117	183,839	11,545	2,222	99	(41,588)	117,943	183,839	12,200	99	(78,195)

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 2024	**154,194**	**164,536**	**13,180**	**2,499**	**99**	**(26,120)**	**124,841**	**164,536**	**13,180**	**99**	**(52,974)**
Changes in taxpayers' equity for 2024/25											
Retained surplus/(deficit) for the year	(2,569)	0	0	(99)	0	(2,470)	(7,336)	0	0	0	(7,336)
Impairments	(509)	0	(509)	0	0	0	(509)	0	(509)	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	(43)	0	0	(43)	0	0	0	0	0	0	0
	151,073	164,536	12,671	2,357	99	(28,590)	116,996	164,536	12,671	99	(60,310)
Public Dividend Capital received	7,781	7,781	0	0	0	0	7,781	7,781	0	0	0
Public Dividend Capital repaid	0	0	0	0	0	0	0	0	0	0	0
Taxpayers' Equity at 31 March 2025	**158,854**	**172,317**	**12,671**	**2,357**	**99**	**(28,590)**	**124,777**	**172,317**	**12,671**	**99**	**(60,310)**

STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31 March 2026

	Note	Group 2025/26	Foundation Trust 2025/26	Group 2024/25	Foundation Trust 2024/25
		£000	£000	£000	£000
Cash flows from operating activities					
Operating surplus /(deficit) from continuing operations		(6,338)	(11,596)	2,449	(2,685)
Operating surplus /(deficit) of discontinued operations		0	0	0	0
		(6,338)	(11,596)	2,449	(2,685)
Non-cash or non-operating income and expense:					
Depreciation and amortisation		14,550	12,319	12,839	12,586
Impairments and Reversals		7,646	7,646	255	255
Non Cash Donations credited to Income		(92)	(92)	(248)	(248)
Change in Trade and Other Receivables		7,557	8,572	(8,092)	(1,409)
(Increase/decrease in Other assets		0	0	(139)	0
Change in Inventories		22	(6)	1,102	837
Change in Trade and other Payables		5,533	1,282	4,773	(106)
Change in Other Liabilities		(1,062)	(789)	(4,733)	(4,576)
Change in Provisions		(839)	(769)	(3,069)	(2,505)
Corporation Tax (paid)/received		(1,851)	0	(931)	0
Other movements in operating cash flows		0	18	(1)	(127)
NHS Charitable Funds - working capital adjustments	22	8	0	200	0
Net cash (outflows)/inflows from operating activities		25,133	16,585	4,405	2,022
Cash flows from investing activities					
Interest received		1,231	1,020	1,780	1,567
Purchase of Property, Plant and Equipment		(23,147)	(22,654)	(19,209)	(19,394)
Proceeds From the Sale of Property, Plant and Equipment		0	0	0	0
Initial direct costs or up front payments in respect of right of use assets (lessee)		0	0	0	0
Receipt of cash lease incentives (lessee)		0	0	0	0
Lease termination fees paid (lessee)		0	0	0	0
Receipt of cash grants/donations to purchase capital assets		0	0	65	65
Finance lease receipts (principal and interest)		60	61	60	60
NHS Charitable Funds - net cash flow from investing activities	22	0	0	0	0
Net cash outflow from investing activities		(21,856)	(21,573)	(17,304)	(17,702)
Net cash (outflow) / inflow before financing		3,277	(4,988)	(12,899)	(15,680)
Cash flows from financing activities					
Public dividend capital received		20,522	20,522	7,781	7,781
Public dividend capital repaid		(9,000)	(9,000)	0	0
Movement in Loans from the DHSC		(999)	(999)	(999)	(999)
Working capital loan - intra group		0	15,607	0	0
Capital element of lease liability payments		(3,229)	(2,114)	(3,013)	(1,594)
Interest element of lease liability		(637)	0	(215)	(31)
Movement in Finance Lease		96	0	0	(746)
Loan Interest paid		(404)	(404)	(447)	(447)
Finance Lease Interest		0	(1,707)	0	(1,882)
PDC Dividend paid		(4,653)	(4,653)	(4,012)	(4,012)
Net cash inflow / (outflow) from financing activities		1,696	17,252	(905)	(1,930)
(Decrease)/Increase in cash and cash equivalents		4,973	12,264	(13,804)	(17,610)
Opening Cash and Cash equivalents at 1 April 2025		26,960	17,367	40,764	34,977
Closing Cash and Cash equivalents at 31 March 2026		31,933	29,631	26,960	17,367

Notes to the Accounts

1 Accounting policies and other information

Basis of preparation

NHS England has directed that the financial statements of NHS foundation trusts shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (GAM), which shall be agreed with HM Treasury.

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 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 £12.999m as reported in the Trusts Statement of Comprehensive Income.

2025/26 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. The Trust has planned to achieve variable income based on a volume of activity aligned to published activity trajectories. We recognise achievement of activity trajectories and consequently planned income targets 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 2025-26 financial plan assumptions for funding during the going concern period to June 27. The cash forecast for the Trust confirms the Trust will require access to cash support during this period.

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 2026. 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 2026.

1 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. Funding envelopes are set at an Integrated Care System (ICS) level. The majority of the Trust's NHS income is earned from NHS commissioners under the NHS Payment Scheme (NHSPS) which replaced the National Tariff Payment System on 1 April 2023. The NHSPS sets out rules to establish the amount payable to trusts for NHS-funded secondary healthcare.

Aligned payment and incentive contracts form the main payment mechanism under the NHSPS. In 2025/26 API contracts contain both a fixed and variable element. Under the variable element, providers earn income for elective activity (both ordinary and day case), out-patient procedures, out-patient first attendances, diagnostic imaging and nuclear medicine, and chemotherapy delivery activity. The precise definition of these activities is given in the NHSPS. Income is earned at NHSPS prices based on actual activity. The fixed element includes income for all other services covered by the NHSPS assuming an agreed level of activity with 'fixed' in this context meaning not varying based on units of activity. Elements within this are accounted for as variable consideration under IFRS 15 as explained below.

In 2025/26 fixed payments were set at a level assuming the achievement of elective activity targets within aligned payment and incentive contracts. The Trust also receives income from commissioners under Best Practice Tariff (BPT) schemes. Delivery under these schemes is part of how care is provided to patients. As such CQUIN and BPT payments are not considered distinct performance obligations in their own right; instead they form part of the transaction price for performance obligations under the overall contract with the commissioner and accounted for as variable consideration under IFRS 15. Payment for BPT on non-elective services is included in the fixed element of API contracts with adjustments for actual achievement being made at the end of the year. BPT earned on elective activity is included in the variable element of API contracts and paid in line with actual activity performed.

Where the relationship with a particular integrated care board is expected to be a low volume of activity (annual value below £0.5m), an annual fixed payment is received by the provider as determined in the NHSPS documentation. Such income is classified as 'other clinical income' in these accounts. Elective recovery funding provides additional funding to integrated care boards to fund the commissioning of elective services within their systems. Trusts do not directly earn elective recovery funding, instead earning income for actual activity performed under API contract arrangements as explained above. The level of activity delivered by the trust contributes to system performance and therefore the availability of funding to the trust's commissioners.

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 three ill health retirements in 2025/2026 at a cost of £192,414

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 and 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.

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 are 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.

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 4.72% applied to new leases commencing in 2024 and 4.81% to new leases commencing in 2025.

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.

Accounting policies and other information (continued)

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.

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. 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.

The Trust assesses each of its leases and classifies them as either a finance lease or an operating lease. Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases. Where the Trust is an intermediate lessor, classification of the sublease is determined with reference to the right of use asset arising from the headlease.

Accounting policies and other information (continued)

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 obligation. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using HM Treasury's discount rates effective from 31 March 2026:

HM Treasury's discount rates effective for 31 March 2026
Up to 5 years nominal rate 3.64% (2025: 4.03%)
After 5 years up to 10 years nominal rate 4.22% (2025: 4.07%)
After 10 years up to 40 years nominal rate 5.32% (2025: 4.81%)
Exceeding 40 years nominal rate 5.07% (2025: 4.55%)

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 they become due.

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 in which the Trust has no beneficial interest (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 FReM.

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 continues to be 25%.

Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2025/26.

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

The DHSC GAM does not require the following IFRS Standards to be applied in 2025/26:

IFRS 18 Presentation and Disclosure in Financial Statements: The Standard has been adopted by the UK Endorsement Board to be effective for accounting periods beginning on or after 1 January 2027. The Standard has not yet been adopted by the FReM and early adoption is not permitted. The expected impact of applying the standard in future periods has not yet been assessed.

IFRS 19 Subsidiaries without Public Accountability: Disclosures - The Standard is effective for accounting periods beginning on or after 1 January 2027. The Standard is not yet UK endorsed and not yet adopted by the FReM. Early adoption is not permitted. The expected impact of applying the standard in future periods has not yet been assessed.

The following future changes to adaptations and interpretations of IAS 16 for the public sector are also not yet adopted:

Changes to valuation of property, plant and equipment (PPE) assets: The DHSC GAM for 2026/27 and associated consultation response document confirms future changes which will impact on the financial statements.

From 2026/27 NHS bodies' valuation methodology will be a mandated quinquennial revaluation frequency (or rolling programme) supplemented by annual indexation in the intervening years. The requirement in IAS 16 to revalue an asset when its fair value differs materially from its carrying value is being withdrawn for the public sector. Given the variation in PPE valuations in any given year, and future changes in indices, it is not possible to quantify the impact of applying these changes in future periods. PPE and right of use assets currently subject to revaluation have a total book value of £174.8m as at 31 March 2026.

The current accounting policy for property assets measures the cost of replacing the service potential using a 'modern equivalent asset'. This policy is not changing. In deriving the modern equivalent asset, the Trust and its valuers currently adopt an 'alternative site' assumption for [some / all] of its specialised buildings, meaning the replaced service potential may be in a different location. The option of using this assumption is being withdrawn for NHS bodies from 1 April 2028. Therefore the hypothetical modern equivalent asset will change to be located on current sites in asset valuations from 2028/29. Assets valued on an alternative site basis have a total book value of £174.8m at 31 March 2026.

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**	
	2025/26 Total £000	**2025/26 Healthcare £000**	**2025/26 Total £000**	**2025/26 Healthcare £000**
Income				
Income from activities	**417,536**	**417,536**	**417,107**	**417,107**
Other operating income	**37,739**	**37,739**	**22,542**	**22,542**
Total Operating Income	**455,275**	**455,275**	**439,649**	**439,649**

The majority of the Trust's total income from activities is received/derived from Integrated Care Boards and NHS England. Of the £417,536k reported in 2025/26 (2024/25: £402,567k), an amount of £400,152k i.e. 95.84% was attributable to Integrated Care Boards and NHS England (2024/25: £386,600k i.e. 96.03%)

	Group		Foundation Trust	
	2024/25 Total £000	2024/25 Healthcare £000	2024/25 Total £000	2024/25 Healthcare £000
Income				
Income from activities	403,037	403,037	402,567	402,567
Other operating income	40,750	40,750	27,500	27,500
Total Operating Income	443,787	443,787	430,067	430,067

Note 2. Income

2.1 Operating Income from activities by classification	Group	Foundation Trust	Group	Foundation Trust
	2025/26	**2025/26**	2024/25	2024/25
	£000	**£000**	£000	£000
Aligned payment & incentive (API) income - Fixed (not variable based on activity)	**288,059**	**288,059**	264,829	264,829
Aligned payment & incentive (API) income - Variable (based on activity)	**50,041**	**50,041**	49,407	49,407
High Cost Drug Income from Commissioners	**13,322**	**13,322**	21,236	21,236
Other NHS Clinical income	**15,166**	**15,166**	14,868	14,868
Community Income	**26,156**	**26,156**	26,688	26,688
Additional Income for the delivery of healthcare services	**380**	**380**	310	310
Private patient income	**722**	**722**	722	722
Elective Recovery Fund	**6,790**	**6,790**	7,962	7,962
Pay award central funding	**0**	**0**	807	807
Additional pension contribution central funding	**15,785**	**15,356**	15,687	15,217
Other clinical income	**1,115**	**1,115**	521	521
Total Income from Activities	**417,536**	**417,107**	403,037	402,567
Research and Development	**1,137**	**1,137**	1,135	1,135
Education and training	**12,401**	**12,401**	12,229	12,182
Non-patient care services to other bodies	**14,350**	**3,251**	14,609	5,236
Other income	**7,199**	**3,718**	9,973	6,623
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	**1,010**	**1,048**	924	982
Notional Income from Apprentice Fund	**964**	**964**	1,071	1,071
Charitable and other contributions to expenditure - received from NHS charities	**0**	**0**	183	183
Cash donations for the purchase of capital assets - received from other bodies (including independent charities)	**92**	**0**	65	65
Donation/Grant of Physical Assets	**0**	**0**	0	0
Cash Grants for the Purchase of Physical Assets	**0**	**0**	0	0
Rental revenue from operating leases	**381**	**23**	276	23
NHS Charitable Funds Incoming resources excluding investment income	**205**	**0**	285	0
	37,739	**22,542**	**40,750**	**27,500**
Total Operating Income	**455,275**	**439,649**	443,787	430,067

All services are commissioner requested except private patients

2.1.1 Private patient income

	Group	
	2025/26	2024/25
	£000	£000
Private patient income	**722**	722
Total patient related income	**417,536**	403,037
Proportion (as percentage)	**0.17%**	0.18%

	Foundation Trust	
	2025/26	2024/25
	£000	£000
Private patient income	**722**	722
Total patient related income	**417,107**	402,567
Proportion (as percentage)	**0.17%**	0.18%

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	
	2025/26	2024/25
	£000	£000
Rents recognised as income in the period	**381**	276
Total	**381**	276
Future minimum lease payments due		
- not later than one year	**360**	373
- later than one year and not later than two years	**77**	77
- later than two years and not later than three years	**77**	77
- later than three years and not later than four years	**77**	77
- later than four years and not later than five years	**77**	77
- later than five years	**1,306**	1,388
Total	**1,975**	2,069

2.3 Income from activities by source

	Group	Foundation Trust	Group	Foundation Trust
	2025/26	**2025/26**	2024/25	2024/25
	£000	**£000**	£000	£000
NHS Foundation Trusts	**15,166**	**15,166**	14,868	14,868
NHS Trusts	**0**	**0**	0	0
Integrated Care Boards and NHS England	**400,152**	**399,723**	386,600	386,130
Local Authorities	**380**	**380**	310	310
Department of Health - grants	**0**	**0**	0	0
Department of Health - other	**0**	**0**	0	0
Department of Health - social care	**10**	**10**	7	7
NHS Other	**0**	**0**	0	0
Non-NHS Private patients	**722**	**722**	722	722
Non-NHS Overseas patients (non-reciprocal)	**268**	**268**	169	169
NHS injury scheme	**643**	**643**	340	340
Non NHS other	**195**	**195**	21	21
Additional Income for the delivery of healthcare services	**0**	**0**	0	0
Total Income from continuing Activities	**417,536**	**417,107**	403,037	402,567

Injury cost recovery income is subject to a provision for impairment of receivables of 24.62% to reflect expected rates of collection

2.4 Other Operating Income

	Group	Foundation Trust	Group	Foundation Trust
	2025/26	**2025/26**	2024/25	2024/25
	£000	**£000**	£000	£000
Research and development	**1,137**	**1,137**	1,135	1,135
Education and Training	**12,401**	**12,401**	12,229	12,182
Charitable and other contributions to expenditure	**0**	**0**	0	0
Non-patient care services to other bodies	**14,350**	**3,251**	14,609	5,236
Re-imbursement and Top-Up funding	**0**	**0**	0	0
Rental revenue from operating leases	**381**	**23**	276	23
Income in respect of staff costs	**1,010**	**1,048**	924	982
Notional Income from Apprentice Fund	**964**	**964**	1,071	1,071
Charitable Funds NHS income excluding investing	**205**	**0**	285	0
Donated Equipment from DHSC for Covid response non cash	**0**	**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	**0**	**0**	0	0
Charitable and other contributions to expenditure - received from NHS charities	**0**	**0**	183	183
Cash donations for the purchase of capital assets - received from other bodies (including independent charities)	**92**	**0**	65	65
Cash Grants for the Purchase of Physical Assets	**0**	**0**	0	0
Car Parking	**1,185**	**1,185**	1,297	1,297
Pharmacy Sales	**205**	**4**	201	5
Creche Services	**33**	**33**	24	24
Clinical Test Services	**0**	**0**	313	313
Catering	**847**	**0**	842	0
Other (note 2.4.1)	**4,929**	**2,496**	7,296	4,984
Total Other Operating income	**37,739**	**22,542**	40,750	27,500

2.4.1 Other Operating Income - Other

	Group	Foundation Trust	Group	Foundation Trust
	2025/26	**2025/26**	2024/25	2024/25
	£000	**£000**	£000	£000
Sponsorship	**0**	**310**	0	0
Salary sacrifice	**659**	**638**	682	682
Other	**4,270**	**1,548**	6,614	4,302
Total Other Operating Income - other	**4,929**	**2,496**	7,296	4,984

Note 3. Expenses

3.1 Operating expenses comprise:

	Group 2025/26 £000	Foundation Trust 2025/26 £000	Group 2024/25 £000	Foundation Trust 2024/25 £000
Purchase of healthcare from NHS and DHSC Bodies	**10,152**	**10,152**	10,654	10,653
Purchase of healthcare from non NHS Bodies	**2,066**	**2,062**	3,632	3,632
Purchase of Social Care	**0**	**0**	0	0
Staff and Executive Director Costs	**304,232**	**275,808**	292,120	266,253
Employee Expenses - Non-executive directors	**180**	**169**	181	171
Supplies and services - clinical (excluding drugs costs)	**46,265**	**49,196**	45,779	48,159
Supplies and services - consumables donated from DHSC group bodies for Covid response	**0**	**0**	0	0
Supplies and services - general	**3,054**	**8**	3,107	11
Establishment	**4,546**	**2,956**	4,047	2,582
Research and development - (not included in employee expenses)	**35**	**35**	3	0
Research and development - (included in employee expenses)	**1,115**	**1,115**	1,162	1,160
Change in Provisions discount rates	**(49)**	**(49)**	6	6
Provisions arising / released in year	**407**	**407**	0	0
Transport (Business travel only)	**657**	**608**	724	677
Transport (Other)	**717**	**3,964**	890	3,920
Premises	**19,508**	**42,547**	19,338	42,045
Increase/(decrease) in bad debt provision	**(528)**	**(536)**	234	237
Drugs Inventories consumed	**25,760**	**24,993**	24,890	24,010
Inventories written down (consumables donated from DHSC group bodies for Covid response	**0**	**0**	46	46
Inventories written down (net including drugs)	**0**	**0**	640	0
Operating Lease Expenditure Net	**0**	**0**	0	0
Depreciation on property, plant and equipment	**14,550**	**14,067**	12,839	12,586
Net Impairments/(Revaluations) of Property, Plant & Equipment	**7,646**	**7,646**	255	255
Audit fees				
* audit services- statutory audit	**188**	**138**	165	115
Other auditors' remuneration				
Other services	**0**	**0**	0	0
Audit Fees payable to external auditor of charitable funds accounts	**6**	**0**	7	0
Clinical negligence	**9,362**	**9,362**	8,794	8,794
Legal Fees	**50**	**(3)**	318	239
Consultancy Costs	**300**	**117**	815	224
Internal Audit costs - (not included in employee expenses)	**273**	**201**	288	218
Training, courses and conferences	**2,003**	**1,864**	2,067	1,881
Lease expenditure - short term leases <= 12 months	**1,152**	**(1,270)**	1,510	(615)
Car parking & Security	**16**	**16**	168	20
Voluntary Severance Payments	**684**	**527**	0	0
Redundancy	**0**	**0**	97	97
Insurance	**666**	**187**	605	323
Other Services	**4,004**	**4,009**	4,357	4,355
NHS Charitable funds other resources expended	**331**	**0**	478	0
Losses, ex-gratia and special payments	**184**	**184**	0	0
Protective Clothing	**0**	**0**	0	0
Professional Fees	**0**	**0**	0	0
Other	**2,081**	**764**	1,122	698
	461,613	**451,244**	441,338	432,752

* Forvis Mazars LLP There is no limitation on auditor's liability for external audit work carried out for the financial years 2025/26 and 2024/25

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

	2025/26	2024/25
	£000	£000
Total liability accruing in the year under this legislation as a result of late payments	0	11

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

	2025/26		2024/25	
	Number	**£000**	Number	£000
Total bills paid in the year	**35,165**	**250,587**	34,583	**239,821**
Total bills paid within target	**32,111**	**233,589**	32,427	**235,150**
Percentage of bills paid within target	**91.3%**	**93.2%**	93.8%	**98.1%**

The Better Payment Practice Code recommends the Trust to aim to pay all valid invoices by the due date or within 30 days of receipt of goods or a valid invoice, with the exception of small to medium sized businesses which, under the recommendation of central government, are paid within 10 days of receipt of goods and services wherever possible.
The Group has not met the required standard by paying 93.2% of value of invoices (standard 95%) within 30 days.

Note 4. Employee expenses, numbers and benefits

4.1 Employee expenses (Including Executive Directors' Costs)

	Group		Foundation Trust	
	2025/26	2024/25	**2025/26**	2024/25
	£000	£000	**£000**	£000
Salaries and wages	**233,849**	227,546	**210,163**	205,477
Capitalised Salaries and wages	**987**	90	**48**	0
Social Security Costs	**27,980**	21,983	**25,071**	20,006
Apprenticeship levy	**1,134**	1,112	**1,016**	1,004
Pension costs - defined contribution plans				
Employers' contributions to NHS Pensions	**24,161**	23,916	**23,513**	23,209
Pension cost - employer contributions paid by NHSE on provider's behalf (6.3% in 2023/2024; 9.4% in 2024/2025)	**15,785**	15,687	**15,356**	15,217
Pension costs - Other	**407**	362	**35**	42
External bank	**1,150**	1,200	**1,150**	1,200
Agency/contract staff	**1,212**	1,779	**996**	1,563
NHS Charitable Funds staff	**0**	0	**0**	0
Termination Benefits	**684**	97	**527**	97
Total Gross Staff Costs	**307,349**	293,772	**277,875**	267,815

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			
	2025/26 Total	**Permanently Employed**	**Other**	2024/25 Total	**2025/26 Total**	**Permanently Employed**	**Other**	2024/25 Total
	Number	**Number**	**Number**	Number	**Number**	**Number**	**Number**	Number
Medical and dental	**555**	**537**	**18**	544	**555**	**537**	**18**	544
Ambulance staff	**0**	**0**	**0**	0	**0**	**0**	**0**	0
Administration and estates	**968**	**953**	**15**	1,029	**800**	**785**	**15**	856
Healthcare assistants and other support staff	**985**	**965**	**20**	1,008	**454**	**448**	**6**	510
Nursing, midwifery and health visiting staff	**1,475**	**1,367**	**108**	1,533	**1,475**	**1,367**	**108**	1,533
Healthcare scientists	**391**	**386**	**5**	396	**379**	**374**	**5**	384
Scientific, therapeutic and technical staff	**498**	**496**	**2**	509	**497**	**495**	**2**	509
Other *	**8**	**8**	**0**	12	**3**	**3**	**0**	5
Total	**4,880**	**4,712**	**168**	5,031	**4,163**	**4,009**	**154**	4,341

* Other relates to Apprentices employed by the Trust

4.3 Staff Exit Packages

	2025/26 Group				2024/25 Group			
Exit package cost band	**Number of compulsory departures agreed**	**Cost of compulsory departures agreed £000s**	**Number of other departures agreed**	**Cost of other departures agreed £000s**	**Number of compulsory departures agreed**	**Cost of compulsory departures agreed £000s**	**Number of other departures agreed**	**Cost of other departures agreed £000s**
< £10,000	**0**	**0**	**18**	**111**	2	10	0	0
£10,001 - £25,000	**0**	**0**	**22**	**379**	1	11	0	0
£25,001 - £50,000	**0**	**0**	**6**	**194**	1	49	0	0
£50,001 - £100,000	**0**	**0**	**0**	**0**	1	73	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	**0**	**0**	**46**	**684**	5	143	0	0
Redundancy	**0**	**0**	**0**	**0**	5	143	0	0
Voluntary Severance Scheme	**0**	**0**	**46**	**684**	0	0	0	0
Total	**0**	**0**	**46**	**684**	5	143	0	0

	2025/26 Trust				2024/25 Trust			
Exit package cost band	**Number of compulsory departures agreed**	**Cost of compulsory departures agreed £000s**	**Number of other departures agreed**	**Cost of other departures agreed £000s**	**Number of compulsory departures agreed**	**Cost of compulsory departures agreed £000s**	**Number of other departures agreed**	**Cost of other departures agreed £000s**
< £10,000	**0**	**0**	**11**	**67**	2	10	0	0
£10,001 - £25,000	**0**	**0**	**17**	**293**	1	11	0	0
£25,001 - £50,000	**0**	**0**	**5**	**167**	1	49	0	0
£50,001 - £100,000	**0**	**0**	**0**	**0**	1	73	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	**0**	**0**	**33**	**527**	5	143	0	0
Redundancy	**0**	**0**	**0**	**0**	5	143	0	0
Voluntary Severance Scheme	**0**	**0**	**33**	**527**	0	0	0	0
Total	**0**	**0**	**33**	**527**	5	143	0	0

Notes to the Accounts

5. Corporation Tax

		Group		Group
		2025/26		2024/25
		£000		£000
UK corporation tax expense		**1,510**		1,849
Adjustments in respect of prior years		**0**		0
Current tax expense		**1,510**		1,849
Origination and reversal of temporary differences	**164**		0	
Change in tax rate	**0**		0	
Adjustment in respect of previous years	**0**		0	
Deferred tax charge/(credit)		**164**		**0**
Total corporation tax expense in Statement of Comprehensive Income		**1,674**		1,849

The Foundation Trust has no corporation tax expense (2024/25 £nil)

Reconciliation of effective tax rate	**2025/26**	2024/25
	£000	£000
Surplus for the year	**5,010**	4,765
Total tax expense	**1,674**	1,849
	6,684	6,614
Tax using the UK corporation tax rate of 25% (2024:25%)	**1,671**	1,654
Adjustments to current tax charge in respect of prior years	**3**	195
Tax exempt revenues	**0**	0
Recognition of previously unrecognised deferred tax asset	**0**	0
Change in tax rate	**0**	0
Other	**0**	0
Total tax (income)/expense	**1,674**	1,849

6. Finance Income

	Group	**Foundation Trust**	Group	Foundation Trust
	2025/26	**2025/26**	2024/25	2024/25
	£000	**£000**	£000	£000
Interest received on commercial bank accounts	**1,360**	**1,085**	1,780	1,567
NHS Charitable Funds Investment Income	**85**	**0**	101	0
Intragroup Loan Interest	**0**	**38**	0	0
	1,445	**1,123**	1,881	1,567

6.1 Finance Expense

	Group	**Foundation Trust**	Group	Foundation Trust
	2025/26	**2025/26**	2024/25	2024/25
	£000	**£000**	£000	£000
Finance Leases - external	**659**	**307**	0	143
Finance Leases - inter group	**0**	**1,400**	0	1,241
Loan Interest	**405**	**404**	714	498
Other interest - external	**230**	**231**		
	1,294	**2,342**	714	1,882

7. Impairment / Revaluation of Assets

	Group & Foundation Trust	
	2025/26	2024/25
	£000	£000
Gross Impairment	9,393	0
Gross Revaluation	**(50)**	0
(Reversal of Impairment)/Impairment SOCI Charge	**9,343**	(255)
Increase/(Decrease) in valuation of assets	**(1,697)**	(509)
Total (Impairment) / Revaluation in OCI	**7,646**	(764)

In 2025/26 £7.646m has been charged to operating expenses and £1.697m debited 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 2025/26 - Group

2025/26	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 2025	217,817	5,305	139,677	0	2,429	41,921	406	27,818	261
Additions purchased	25,453	0	9,931	0	4,711	5,898	111	4,802	0
Additions donated	92	0	92	0	0	0	0	0	0
Impairments	(9,393)	0	(9,393)	0	0	0	0	0	0
Reversal of impairments	50	0	50	0	0	0	0	0	0
Reclassifications	0	0	2,371	0	(2,371)	0	0	0	0
Revaluations	(4,700)	38	(4,738)	0	0	0	0	0	0
Disposals	(1,299)	0	(83)	0	0	(749)	(30)	(437)	0
Cost or valuation at 31 March 2026	**228,020**	**5,343**	**137,907**	**0**	**4,769**	**47,070**	**487**	**32,183**	**261**
Accumulated Depreciation at 1 April 2025	48,134	0	75	0	0	26,874	251	20,673	261
Provided during the year	11,558	0	5,271	0	0	3,628	35	2,624	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
Revaluation	(5,271)	0	(5,271)	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	(1,179)	0	(7)	0	0	(707)	(28)	(437)	0
Accumulated Depreciation at 31 March 2026	**53,242**	**0**	**68**	**0**	**0**	**29,795**	**258**	**22,860**	**261**
Net book value - 31 March 2025									
- Owned	168,594	5,305	139,157	0	2,429	14,407	154	7,142	0
- Finance lease	0	0	0	0	0	0	0	0	0
- Donated	1,084	0	445	0	0	639	0	0	0
Total NBV at 31 March 2025	**169,678**	**5,305**	**139,602**	**0**	**2,429**	**15,046**	**154**	**7,142**	**0**
Net book value at 31st March 2026									
- Owned	173,997	5,341	137,434	0	4,769	16,899	229	9,323	0
- Finance lease	0	0	0	0	0	0	0	0	0
- Donated	779	0	402	0	0	377	0	0	0
Total NBV at 31 March 2026	**174,776**	**5,341**	**137,836**	**0**	**4,769**	**17,276**	**229**	**9,323**	**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 2026	147,948	5,341	137,836	0	4,769	0	0	0	0
- Unprotected assets at 31 March 2026	26,828	0	0	0	0	17,276	229	9,323	0
Total at 31 March 2026	**174,776**	**5,341**	**137,836**	**0**	**4,769**	**17,276**	**229**	**9,323**	**0**

Included within property, plant and equipment are fully depreciated assets that remain in use within the Group. These assets have a gross carrying amount and accumulated depreciation of £2,555k and a net book value of £nil at 31 March 2026.

Notes to the Accounts

Note 8. Property, plant and equipment

8.2 Property, plant and equipment 2025/26 - Foundation Trust

2025/26	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 2025	216,152	5,305	138,875	0	2,429	41,597	64	27,621	261
Additions purchased	24,960	0	9,896	0	4,711	5,550	0	4,803	0
Additions donated	92	0	92	0	0	0	0	0	0
Additions -transfer of assets from QEF Limited	0	0	0	0	0	0	0	0	0
Impairments	(9,393)	0	(9,393)	0	0	0	0	0	0
Reversal of impairments	50	0	50	0	0	0	0	0	0
Reclassifications	0	0	2,371	0	(2,371)	0	0	0	0
Revaluations	(4,047)	38	(4,084)	0	0	0	0	0	0
Disposals	(1,077)	0	0	0	0	(640)	0	(437)	0
Cost or valuation at 31 March 2026	**226,736**	**5,343**	**137,806**	**0**	**4,770**	**46,507**	**64**	**31,986**	**261**
Accumulated Depreciation at 1 April 2025	47,551	0	0	0	0	26,729	64	20,497	261
Provided during the year	11,445	0	5,255	0	0	3,573	0	2,617	0
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	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Revaluation	(5,255)	0	(5,255)	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	(1,077)	0	0	0	0	0	0	(1,077)	0
Net book value - 31 March 2026	**52,663**	**0**	**0**	**0**	**0**	**30,302**	**64**	**22,037**	**261**
Net book value - 31 March 2025									
- Owned	167,517	5,305	138,300	0	2,429	14,359	0	7,124	0
- Finance lease	0	0	0	0	0	0	0	0	0
- Donated	1,084	0	575	0	0	509	0	0	0
Total NBV at 31 March 2025	**168,601**	**5,305**	**138,875**	**0**	**2,429**	**14,868**	**0**	**7,124**	**0**
Net book value - 31 March 2026									
- Owned	173,294	5,343	137,404	0	4,770	16,468	0	9,310	0
- Finance lease	0	0	0	0	0	0	0	0	0
- Donated	779	0	402	0	0	377	0	0	0
Total NBV at 31 March 2026	**174,072**	**5,343**	**137,806**	**0**	**4,770**	**16,845**	**0**	**9,310**	**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
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Net book value									
- Protected assets at 31 March 2026	147,918	5,343	137,806	0	4,770	0	0	0	0
- Unprotected assets at 31 March 2026	26,154	0	0	0	0	16,845	0	9,310	0
Total at 31 March 2026	**174,072**	**5,343**	**137,806**	**0**	**4,770**	**16,845**	**0**	**9,310**	**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.

Included within property, plant and equipment are fully depreciated assets that remain in use by the Trust. These assets have a gross carrying amount and accumulated depreciation of £2,555k and a net book value of £nil at 31 March 2026.

Notes to the Accounts

8.1 Property, plant and equipment 2024/25 - Group

2024/25	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 2024	205,446	4,494	126,636	0	14,370	34,615	406	24,664	261
Additions purchased	17,183	0	10,734	0	2,429	1,843	0	2,177	0
Additions donated	248	0	76	0	0	172	0	0	0
Impairments	(255)	245	(500)	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	8,102	0	(14,370)	5,291	0	977	0
Revaluations	(4,805)	566	(5,371)	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0	0	0
Cost or valuation at 31 March 2025	**217,817**	**5,305**	**139,677**	**0**	**2,429**	**41,921**	**406**	**27,818**	**261**
Accumulated Depreciation at 1 April 2024	43,050	89	60	0	0	23,920	216	18,504	261
Provided during the year	9,385	0	4,222	0	0	2,955	36	2,172	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
Revaluation	(4,296)	(89)	(4,207)	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	0	0	0	0	0	0	0	0	0
Accumulated Depreciation at 31 March 2025	**48,139**	**0**	**75**	**0**	**0**	**26,875**	**252**	**20,676**	**261**
Net book value - 31 March 2024									
- Owned	161,275	4,405	126,194	0	14,370	9,955	190	6,161	0
- Finance lease	0	0	0	0	0	0	0	0	0
- Donated	1,121	0	382	0	0	739	0	0	0
Total NBV at 31 March 2024	**162,396**	**4,405**	**126,576**	**0**	**14,370**	**10,694**	**190**	**6,161**	**0**
Net book value at 31st March 2025									
- Owned	168,594	5,305	139,157	0	2,429	14,407	154	7,142	0
- Finance lease	0	0	0	0	0	0	0	0	0
- Donated	1,084	0	445	0	0	639	0	0	0
Total NBV at 31 March 2025	**169,678**	**5,305**	**139,602**	**0**	**2,429**	**15,046**	**154**	**7,142**	**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 2025	147,336	5,305	139,602	0	2,429	0	0	0	0
- Unprotected assets at 31 March 2025	22,342	0	0	0	0	15,046	154	7,142	0
Total at 31 March 2025	**169,678**	**5,305**	**139,602**	**0**	**2,429**	**15,046**	**154**	**7,142**	**0**

Notes to the Accounts

Note 8. Property, plant and equipment

8.2 Property, plant and equipment 2024/25 - Foundation Trust

2024/25	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 2024	203,781	4,494	125,834	0	14,370	34,291	64	24,467	261
Additions purchased	17,183	0	10,734	0	2,429	1,843	0	2,177	0
Additions donated	248	0	76	0	0	172	0	0	0
Additions -transfer of assets from QEF Limited	0	0	0	0	0	0	0	0	0
Impairments	(255)	245	(500)	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	8,102	0	(14,370)	5,291	0	977	0
Revaluations	(4,805)	566	(5,371)	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0	0	0
Cost or valuation at 31 March 2025	**216,152**	**5,305**	**138,875**	**0**	**2,429**	**41,597**	**64**	**27,621**	**261**
Accumulated Depreciation at 1 April 2024	42,554	89	0	0	0	23,806	64	18,334	261
Provided during the year	9,293	0	4,207	0	0	2,923	0	2,163	0
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	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Revaluation	(4,296)	(89)	(4,207)	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	0	0	0	0	0	0	0	0	0
Net book value - 31 March 2025	**47,551**	**0**	**0**	**0**	**0**	**26,729**	**64**	**20,497**	**261**
Net book value - 31 March 2024									
- Owned	160,106	4,405	125,322	0	14,370	9,876	0	6,133	0
- Finance lease	0	0	0	0	0	0	0	0	0
- Donated	1,121	0	512	0	0	609	0	0	0
Total NBV at 31 March 2024	**161,227**	**4,405**	**125,834**	**0**	**14,370**	**10,485**	**0**	**6,133**	**0**
Net book value - 31 March 2025									
- Owned	167,517	5,305	138,300	0	2,429	14,359	0	7,124	0
- Finance lease	0	0	0	0	0	0	0	0	0
- Donated	1,084	0	575	0	0	509	0	0	0
Total NBV at 31 March 2025	**168,601**	**5,305**	**138,875**	**0**	**2,429**	**14,868**	**0**	**7,124**	**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
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Net book value									
- Protected assets at 31 March 2025	146,609	5,305	138,875	0	2,429	0	0	0	0
- Unprotected assets at 31 March 2025	21,992	0	0	0	0	14,868	0	7,124	0
Total at 31 March 2025	**168,601**	**5,305**	**138,875**	**0**	**2,429**	**14,868**	**0**	**7,124**	**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.

8.5 Investment property

Valuation	£000
At 1 April 2025	80
At 31 March 2026	80
Net Book Value	
at 31 March 2026	80

	Group	
	2025/26	2024/25
	£000	£000
Carrying value at 1 April	**80**	80
Transfer from Property, Plant & Equipment	**0**	0
Fair value gains taken to I&E	**0**	0
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	
	2025/26	2024/25
	£000	£000
Profit / Loss on the disposal of fixed assets is made up as follows:		
Profit / Loss on disposal of Property, Plant & Equipment	**(116)**	**0**
Profit / Loss on disposal of Right to Use Asset (lease termination)	**(528)**	**0**
	(643)	**0**

8.8 Revaluation reserve - property, plant and equipment

	Group	Foundation Trust
	£000	£000
Revaluation reserve at 1 April 2025	**12,671**	**12,671**
Impairments	**(1,697)**	**(1,697)**
Revaluations	**571**	**1,226**
Other reserve movements	**0**	**0**
Revaluation reserve at 31 March 2026	**11,545**	**12,200**
Revaluation reserve at 1 April 2024	13,180	13,180
Impairments	**(509)**	**(509)**
Revaluations	0	0
Other reserve movements	0	0
Revaluation reserve at 31 March 2025	12,671	12,671

8.9 Investments in subsidiary undertakings

	Foundation Trust	Foundation Trust
	2025/26	2024/25
	£000	£000
Shares in subsidiary undertakings	**16,824**	16,824
Loans to subsidiary undertakings > 1 Year	**0**	0
	16,824	16,824
Loans to subsidiary undertakings < 1 Year	**0**	2,988
	16,824	19,812

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 - 2025/26

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 2025 - brought forward	**6,960**	**15,045**	**1,664**	**23,669**	**2,697**
Transfers by absorption	-	-	-	-	-
Additions	797	608	639	**2,044**	737
Remeasurements of the lease liability	-	-	-	-	-
Movements in provisions for restoration / removal costs				-	
Impairments	-	-	-	-	-
Reversal of impairments	-	-	-	-	-
Revaluations	-	-	-	-	-
Reclassifications	-	-	-	-	-
Disposals / derecognition	(51)	-	-	**(51)**	-
Valuation /gross cost 31 March 2026	**7,706**	**15,653**	**2,303**	**25,662**	**3,434**
Accumulated depreciation at 1 April 2025 - brought forward	**1,689**	**7,146**	**1,009**	**9,844**	**981**
Transfers by absorption	-	-	-	-	-
Provided during the year	**858**	**1,572**	**562**	**2,992**	**371**
Impairments	-	-	-	-	-
Reversal of impairments	-	-	-	-	-
Revaluations	-	-	-	-	-
Reclassifications	-	-	-	-	-
Disposals / derecognition	-	-	-	-	-
Accumulated depreciation at 31 March 2026	**2,547**	**8,718**	**1,571**	**12,836**	**1,352**
Net book value at 31 March 2026	**5,158**	**6,935**	**732**	**12,826**	**2,082**

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 2024 - brought forward	**6,398**	**7,586**	**1,164**	**15,148**	**2,250**
Transfers by absorption	-	-	-	-	-
Additions	562	**7,459**	**500**	**8,521**	447
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 2025	**6,960**	**15,045**	**1,664**	**23,669**	**2,697**
Accumulated depreciation at 1 April 2024 - brought forward	**1,096**	**4,657**	**635**	**6,388**	**981**
Transfers by absorption	-	-	-	-	-
Provided during the year	**593**	**2,489**	**374**	**3,456**	**344**
Impairments	-	-	-	-	-
Reversal of impairments	-	-	-	-	-
Revaluations	-	-	-	-	-
Reclassifications	-	-	-	-	-
Disposals / derecognition	-	-	-	-	-
Accumulated depreciation at 31 March 2025	**1,689**	**7,146**	**1,009**	**9,844**	**1,325**
Net book value at 31 March 2025	**5,270**	**7,899**	**655**	**13,825**	**1,372**

Note 9.2 Right of use assets Trust - 2025/26

Trust	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 2025 - brought forward	**732**	**11,006**	**-**	**11,738**	**732**
Transfers by absorption	-	-	-	-	-
Additions	**664**	**160**	**49**	**873**	**664**
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 2026	**1,396**	**11,166**	**49**	**12,611**	**1,396**
Accumulated depreciation at 1 April 2025 - brought forward	**208**	**4,684**	**-**	**4,892**	**208**
Transfers by absorption	-	-	-	-	-
Provided during the year	**104**	**757**	**12**	**874**	**104**
Impairments	-	-	-	-	-
Reversal of impairments	-	-	-	-	-
Revaluations	-	-	-	-	-
Reclassifications	-	-	-	-	-
Disposals / derecognition	-	-	-	-	-
Accumulated depreciation at 31 March 2026	**312**	**5,441**	**12**	**5,766**	**312**
Net book value at 31 March 2026	**1,084**	**5,724**	**37**	**6,845**	**1,084**

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 2025/26 £000s	Trust 2025/26 £000s
Carrying Value at 31 March 2025	**14,689**	**7,060**
Transfers by absorption	**-**	**-**
Lease additions	**2,045**	**664**
Lease liability remeasurements	**-**	**-**
Interest charge arising in year	**659**	**307**
Early terminations	**(50)**	**-**
Lease payments (cash outflows)	**(3,869)**	**(1,228)**
Other changes	**-**	**-**
Carrying Value at 31 March 2026	**13,474**	**6,803**

Note 9.4 Maturity analysis of future lease payments at 31 March 2026

	Group		Trust	
	Total	Of which leased from DHSC group bodies:	Total	Of which leased from DHSC group bodies:
	31-Mar-26 £000s	31-Mar-26 £000s	31-Mar-26 £000s	31-Mar-26 £000s
Undiscounted future lease payments payable in:				
- not later than one year;	**3,246**	**683**	**1,365**	**361**
- later than one year and not later than five years;	**9,237**	**1,365**	**4,561**	**722**
- later than five years.	**3,805**	**0**	**2,092**	**0**
Total gross future lease payments	**16,288**	**2,048**	**8,018**	**1,082**
Finance charges allocated to future periods	**(2,814)**	**(288)**	**(1,215)**	**(106)**
Net lease liabilities at 31 March 2026	**13,474**	**1,760**	**6,803**	**977**
Of which:				
- Current	3,245	361	1,365	361
- Non-Current	10,229	1,399	5,438	616

Notes to the Accounts

Note 10. Receivables

10.1 Trade and other receivables

	31st March 2026	Financial assets	Non-financial assets	31st March 2025
	£000	£000	£000	£000
Current - Group				
NHS Contract Receivables *	**4,374**	**4,374**	**0**	4,257
Other receivables with related parties	**1,405**	**0**	**1,405**	4,461
Provision for impaired receivables	**(1,417)**	**(1,417)**	**0**	(1,744)
Prepayments	**5,170**	**0**	**5,170**	7,358
Accrued Income	**6,155**	**6,155**	**0**	10,030
Other receivables	**7,001**	**7,001**	**0**	4,977
Total Current Trade and Other Receivables	**22,688**	**16,113**	**6,575**	29,339
Current - Foundation Trust				
NHS Contract Receivables *	**4,075**	**4,075**	**0**	3,549
Other receivables with related parties	**1,405**	**1,405**	**0**	1,817
Provision for impaired receivables	**(1,403)**	**(1,403)**	**0**	(1,738)
Prepayments	**4,525**	**0**	**4,525**	6,508
Accrued Income	**5,278**	**5,278**	**0**	8,995
Loan repayments from QEF Limited (note 8.9)	**0**	**0**	**0**	2,988
Other receivables	**4,663**	**4,663**	**0**	4,132
Total Current Trade and Other Receivables	**18,543**	**14,018**	**4,525**	26,251

* 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**	528
Provision for impaired receivables	**0**	**0**	**0**	(201)
Deferred tax	**455**	**0**	**455**	644
Other receivables	**314**	**314**	**0**	1,302
Total Non Current Trade and Other Receivables	**769**	**314**	**455**	2,273
Non-Current Foundation Trust				
NHS Receivables *	**0**	**0**	**0**	528
Provision for impaired receivables	**0**	**0**	**0**	(201)
Other receivables	**314**	**314**	**0**	1,241
Non current trade and other receivables (excluding loans)	**314**	**314**	**0**	**1,568**
Loan repayments from QEF Limited (note 8.9)	0	0	0	0
Total Non Current Trade and Other Receivables	**314**	**314**	**0**	**1,568**

Notes to the Accounts

Note 10.2 Allowances for Credit Losses - 2025/2026

Group & Foundation Trust

	Receivables and contract assets	All other
	£000's	£000's
At 1 April 2025 brought forward	**1,945**	0
Transfers by absorption	**0**	0
New allowances arising	**937**	937
Changes in existing allowances	**(1,132)**	(1,132)
Reversals of allowances	**(333)**	(333)
Utilisation of allowances (write offs)	**0**	0
Changes arising following modification of contractual cash flows	**0**	0
Foreign exchange and other changes	**0**	0
At 31 March 2026	**1,417**	(528)
Loss/(gain) recognised in expenditure	**(528)**	

Note 10.2 Allowances for Credit Losses - 2024/2025

At 1 April 2024 brought forward	1,786
Transfers by absorption	0
Transfers by absorption	0
New allowances arising	407
Changes in existing allowances	329
Reversals of allowances	(502)
Utilisation of allowances (write offs)	(76)
Changes arising following modification of contractual cash flows	0
Foreign exchange and other changes	0
At 31 March 2025	1,944
Loss/(gain) recognised in expenditure	**234**

Note 10.4 Deferred Tax Asset

Recognised deferred tax assets

Deferred tax assets are attributable to the following:	**Group**	*Group*
	2025/2026	*2024/2025*
	£000	*£000*
Property, plant and equipment	**434**	*598*
Temporary tax differences	**20**	*20*
Total deferred tax asset	**454**	*618*

Movement in deferred tax during the year

	2025/2026	*2024/2025*
	£000	*£000*
Recognised in income	**(164)**	*25*
Property, plant and equipment	**0**	*0*
Prior Year Adjustment	**0**	*0*
	(164)	*25*

Note 11. Inventory

Note 11.1 Inventory Balances

	Group		Foundation Trust	
	31 March 2026	31 March 2025	**31 March 2026**	31 March 2025
	£000	£000	**£000**	£000
Drugs	**1,964**	2,068	**1,348**	1,335
Consumables	**2,223**	2,141	**173**	180
Energy	**99**	99	**0**	0
Work in Progress	**0**	0	**0**	0
Total Inventories	**4,286**	4,308	**1,521**	1,515

Note 11.2 Inventories Recognised as an Expense

	Group		Foundation Trust	
	2025/2026	**2024/2025**	**2025/2026**	**2024/2025**
	£000	£000	**£000**	£000
Inventories recognised in expenses	**31,299**	36,741	**11,544**	15,191
	31,299	36,741	**11,544**	15,191

Note 12. Cash and cash equivalents

	Group		Foundation Trust	
	31 March 2026	31 March 2025	**31 March 2026**	31 March 2025
	£000	£000	**£000**	£000
At 1 April	**26,960**	40,764	**17,367**	34,977
Net change in year	**4,973**	(13,804)	**12,264**	(17,610)
At 31 March	**31,933**	26,960	**29,631**	17,367
Broken down into:				
Cash at commercial banks and in hand	**2,358**	9,593	**56**	0
Cash with Government Banking Service	**29,575**	17,367	**29,575**	17,367
Other current investments	**0**	0	**0**	0
Cash and cash equivalents as in Statement of Financial Position	**31,933**	26,960	**29,631**	17,367
Bank overdraft	**0**	0	**0**	0
Cash and cash equivalents as in Statement of Cashflows	**31,933**	26,960	**29,631**	17,367

Notes to the Accounts

Note 13. Payables and other Liabilities

13.1 Trade and other payables

Group Current	Total 31st March 2026 £000	Financial liabilities £000	Non-financial liabilities £000	Total 31st March 2025 £000
NHS payables and accruals	**6,933**	**6,933**	**0**	8,567
Trade Payables-Capital	**4,684**	**4,684**	**0**	2,286
Other payables	**22,299**	**11,596**	**10,703**	15,173
Corporation Tax	**776**	**0**	**776**	1,146
Accruals	**27,242**	**27,242**	**0**	27,059
Total current trade and other payables	**61,934**	**50,455**	**11,479**	54,231
Non-Current				
Other payables	**0**	**0**	0	146
Total current trade and other payables	**0**	**0**	0	146

Trust Current	Total 31st March 2026 £000	Financial liabilities £000	Non-financial liabilities £000	Total 31st March 2025 £000
NHS payables and accruals	**6,932**	**6,932**	**0**	7,579
Trade Payables-Capital	**4,684**	**4,684**	**0**	2,286
Other payables	**23,421**	**14,786**	**8,635**	19,914
Accruals	**16,855**	**16,855**	**0**	18,307
Total current trade and other payables	**51,892**	**43,257**	**8,635**	48,086
Non-Current				
Other payables	**0**	**0**	0	146
Total current trade and other payables	**0**	**0**	0	146

13.2 Other Liabilities

	Group		Foundation Trust	
	31st March 2026	31st March 2025	**31st March 2026**	31st March 2025
	£000	£000	**£000**	£000
Current				
Deferred Income	**1,489**	2,777	**1,414**	2,199
Total other current liabilities	**1,489**	2,777	**1,414**	2,199
Non-current				
Deferred Income	**1,647**	1,421	**272**	276
Total other non current liabilities	**1,647**	1,421	**272**	276

Note 14. Borrowings

	Group		Foundation Trust	
14.1 Borrowings				
	31 March 2026 £000	31 March 2025 £000	**31 March 2026 £000**	31 March 2025 £000
Current				
Loans from Independent Trust Financing Facility	**1,015**	1,015	**1,015**	1,015
Intra Group Working Capital Facility	**0**	0	**15,607**	0
Other loans	**12**	0	**12**	0
Revenue Support Working Capital Loans	**0**	0	**0**	0
Lease liabilities	**3,246**	2,943	**1,365**	2,380
Obligations under finance leases	**0**	0	**799**	772
Total current borrowing	**4,273**	3,958	**18,798**	4,167
Non-current				
Loans from Independent Trust Financing Facility	**9,016**	10,014	**9,016**	10,014
Other loans	**84**	0	**84**	0
Revenue Support Working Capital Loans	**0**	0	**0**	0
Lease liabilities	**10,228**	11,746	**5,438**	4,892
Obligations under finance leases	**0**	0	**39,008**	39,807
Total other non current liabilities	**19,328**	21,760	**53,546**	54,713

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

The £39.008m obligation under finance leases in the Foundation Trust arises from the arrangements between the Foundation Trust and its subsidiary undertaking, QEF Ltd, for the supply of operational healthcare facilities. This liability and the associated property have both been recognised in the balance sheet of the Foundation Trust following a detailed consideration of the lease terms and the risks and rewards of the arrangement.

14.2 Finance lease obligations - Foundation Trust

	31 March 2026 £000	31 March 2025 £000
Gross Lease Liabilities	**39,807**	40,579
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	**82,693**	84,868
Finance charges allocated to future periods	**(53,749)**	(55,152)
Net Lease Liabilities	**39,807**	40,579
- Not later than one year	**799**	772
- Later than one year and not later than five years	**3,488**	3,370
- Later than five years	**35,519**	36,437
	39,807	40,579

Note 15. Provisions for liabilities and charges - Group

	Current		Non Current	
	31 March 2026	31 March 2025	**31 March 2026**	31 March 2025
	£000	£000	**£000**	£000
Pensions early departure costs	**133**	134	**452**	567
Pensions injury benefits	**126**	124	**1,011**	1,118
Restructuring	**0**	0	**0**	0
Equal pay	**0**	0	**0**	0
Redundancy	**0**	0	**0**	0
2019/20 clinicians' pension reimbursement	**19**	18	**314**	420
Legal claims	**128**	60	**0**	0
Other	**1,703**	2,237	**0**	0
	2,109	2,573	**1,777**	2,105

	Pensions early departure costs £000	Pensions injury benefits £000	Legal claims £000	Restructuring	Equal Pay £000	Redundancy £000	Clinician's Pension £000	Other £000	**Total £000**
At 1 April 2025	**701**	**1,242**	**60**	**0**	**0**	**0**	**438**	**2,237**	**4,678**
Change in the discount rate	**(10)**	**(39)**	**0**	**0**	**0**	**0**	**(26)**	**0**	**(75)**
Arising during the year	**12**	**33**	**92**	**0**	**0**	**0**	**0**	**1,048**	**1,185**
Utilised during the year	**(135)**	**(129)**	**(10)**	**0**	**0**	**0**	**(19)**	**(818)**	**(1,111)**
Reclassified	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Reversed unused	**0**	**0**	**(14)**	**0**	**0**	**0**	**(81)**	**(764)**	**(859)**
Unwinding of discount	**17**	**30**	**0**	**0**	**0**	**0**	**21**	**0**	**68**
At 31 March 2026	**585**	**1,137**	**128**	**0**	**0**	**0**	**333**	**1,703**	**3,886**

Expected timing of cash flows:

-not later than one year;	**133**	**126**	**128**	**0**	**0**	**0**	**19**	**1,703**	**2,109**
-later than one year and not later than five years;	**373**	**444**	**0**	**0**	**0**	**0**	**51**	**0**	**868**
-later than five years;	**79**	**567**	**0**	**0**	**0**	**0**	**263**	**0**	**909**
	585	**1,137**	**128**	**0**	**0**	**0**	**333**	**1,703**	**3,886**

	Pensions early departure costs £000	Pensions injury benefits £000	Legal claims £000	Restructuring	Equal Pay £000	Redundancy £000	Clinician's Pension £000	Other £000	Total £000
At 1 April 2024	980	1,255	62	0	0	0	413	4,983	7,693
Change in the discount rate	2	4	0	0	0	0	(4)	0	2
Arising during the year	60	80	41	0	0	0	14	454	649
Utilised during the year	(139)	(128)	(28)	0	0	0	(6)	(901)	(1,202)
Reclassified	0	0	0	0	0	0	0	0	0
Reversed unused	(225)	0	(15)	0	0	0	0	(2,299)	(2,539)
Unwinding of discount	23	31	0	0	0	0	21	0	75
At 31 March 2025	701	1,242	60	0	0	0	438	2,237	4,678

Expected timing of cash flows:

-not later than one year;	134	124	60	0	0	0	18	2,237	2,573
-later than one year and not later than five years;	441	469	0	0	0	0	53	0	963
-later than five years;	126	649	0	0	0	0	367	0	1,142
	701	1,242	60	0	0	0	438	2,237	4,678

£70,113k is included in the provisions of the NHS Resolution at 31/03/2026 in respect of clinical negligence liabilities of the trust which are managed through the NHS risk pooling scheme on behalf of the Foundation Trust (31/03/2025 £72,768k).

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 £128k 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 £1,137k 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 - Foundation Trust

	Current		Non Current	
	31 March 2026	31 March 2025	**31 March 2026**	31 March 2025
	£000	£000	**£000**	£000
Pensions early departure costs	**133**	134	**452**	567
Pensions injury benefits	**126**	124	**1,011**	1,118
Restructuring	**0**	0	**0**	0
Redundancy	**0**	0	**0**	0
2019/20 clinicians' pension reimbursement	**19**	18	**314**	420
Legal claims	**128**	60	**0**	0
Other	**1,703**	2,167	**0**	0
	2,109	2,503	**1,777**	2,105

	Pensions early departure costs £000	Pensions injury benefits £000	Legal claims £000	Equal Pay £000	Redundancy £000	Clinician's Pension £000	Other £000	**Total £000**
At 1 April 2025	**701**	**1,242**	**60**	**0**	**0**	**438**	**2,237**	**4,678**
Change in the discount rate	(10)	(39)	0	0	0	(26)	0	**(75)**
Arising during the year	12	33	92	0	0	0	1,048	**1,185**
Utilised during the year	(135)	(129)	(10)	0	0	(19)	(818)	**(1,111)**
Reclassified	0	0	0	0	0	0	0	**0**
Reversed unused	0	0	(14)	0	0	(81)	(764)	**(859)**
Unwinding of discount	17	30	0	0	0	21	0	**68**
At 31 March 2026	**585**	**1,137**	**128**	**0**	**0**	**333**	**1,703**	**3,886**

Expected timing of cash flows:

-not later than one year;	**133**	**126**	**128**	**0**	**0**	**19**	**1,703**	**2,109**
-later than one year and not later than five years;	**373**	**444**	**0**	**0**	**0**	**51**	**0**	**868**
-later than five years;	**79**	**567**	**0**	**0**	**0**	**263**	**0**	**909**
	585	**1,137**	**128**	**0**	**0**	**333**	**1,703**	**3,886**

	Pensions early departure costs £000	Pensions injury benefits £000	Legal claims £000	Equal Pay £000	Redundancy £000	Clinician's Pension £000	Other £000	Total £000
At 1 April 2024	980	1,256	62	0	0	413	4,348	7,059
Change in the discount rate	2	4	0	0	0	(4)	0	2
Arising during the year	60	80	41	0	0	14	454	649
Utilised during the year	(140)	(128)	(28)	0	0	(6)	(880)	(1,182)
Reclassified	0	0	0	0	0	0	0	0
Reversed unused	(225)	0	(15)	0	0	0	(1,755)	(1,995)
Unwinding of discount	23	31	0	0	0	21	0	75
At 31 March 2025	700	1,243	60	0	0	438	2,167	4,608

Expected timing of cash flows:

-not later than one year;	134	124	60	0	0	18	2,167	2,503
-later than one year and not later than five years;	441	469	0	0	0	53	0	963
-later than five years;	125	650	0	0	0	367	0	1,142
	700	1,243	60	0	0	438	2,167	4,608

£70,113k is included in the provisions of the NHS Resolution at 31/03/2026 in respect of clinical negligence liabilities of the trust which are managed through the NHS risk pooling scheme on behalf of the Foundation Trust (31/03/2025 £72,768k).

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 £128k 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 £1,137k 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 2026 not otherwise included in these financial statements:

	31 March 2026 £000	31 March 2025 £000
Property, plant and equipment	**482**	4,929
Total	**482**	4,929

16.2 Events after the reporting period - Group and Foundation Trust

There were no events after the reporting period.

16.3 Contingent liabilities - Group and Foundation Trust

There were no contingent liabilities at 31 March 2026 (31 March 2025: nil).

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
Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust
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 2026 was £2,252k. The Foundation Trust owed the Charity £0k and the Charity owed the Trust £92k.

16.6 Related Parties Transactions Subsidiaries

Gateshead Health NHS Foundation Trust operates within Group structure and has one active wholly owned subsidiary company, QE Facilities Limited (QEF), established in 2014. The subsidiary is registered in the United Kingdom and their reporting period runs 1st April to 31st March.

QE Facilities Limited deliver a wide range of services including estates and facilities management, outpatient pharmacy, pharmacy distribution and transport, specialist cold-chain logistics, pathology sample collection and tracking, and a broad range of business consultancy services such as VAT, procurement, property management and business governance.

On 1 February 2026, the Group implemented an arrangement under which QE Facilities Limited may transfer surplus cash balances to the Trust for investment purposes. The Trust invests the funds on behalf of the Group in accordance with the Trust's treasury management and risk policies with the aim of generating enhanced interest returns. At 31st March 2026 the amounts transferred and held by the Trust were £15,607,000 which are repayable on demand.

The financial statements of QE Facilities Limited have been consolidated into the Group financial statements

16.7 Related Parties Transactions Subsidiaries - Summary of Transactions

The significant transactions that are included in the Foundation Trust Accounts are as follows:

	31 March 2026	
	Income	Expenditure
	£000	£000
Fully Operational Healthcare Facility Unitary Charge	667	71,832

	Receivables	Payables	Borrowings	Cash borrowings
	£000	£000	£000	£000
QE Facilities Limited	(8,653)	62	(39,807)	(15,607)

QE Facilities Limited closing transcations at 31st March 2026 - *draft subject to QEF independent audit*

	Gross Profit	Gross Assets	Gross Liabilities
	£000	£000	£000
QE Facilities Limited	5,010	76,993	(23,404)

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	**16,427**	**16,427**	**14,332**	**14,332**
Cash and cash equivalents at bank and in hand - Note 12	**31,933**	**31,933**	**29,631**	**29,631**
Charitable Fund Financial Assets - Note 22	**1,331**	**1,331**	**0**	**0**
Total at 31 March 2026	**49,691**	**49,691**	**43,963**	**43,963**
Trade and other receivables excluding non financial assets - Note 10	18,721	18,721	20,890	20,890
Cash and cash equivalents at bank and in hand - Note 12	26,960	26,960	17,367	17,367
Charitable Fund Financial Assets - Note 22	1,371	1,371	0	0
Total at 31 March 2025	47,052	47,052	38,257	38,257

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	**10,127**	**10,127**	**25,734**	**25,734**
Obligations under leases - Note 14	**13,474**	**13,474**	**46,610**	**46,610**
NHS Trade and other payables excluding non financial liabilities - Note 13	**50,455**	**50,455**	**43,257**	**43,257**
Provisions under contract - Note 15	**0**	**0**	**0**	**0**
Charitable Fund Financial Liabilities	**113**	**113**	**0**	**0**
Total at 31 March 2026	**74,169**	**74,169**	**115,601**	**115,601**
Borrowings excluding Finance lease liabilities - Note 14	11,029	11,029	11,029	11,029
Obligations under finance leases - Note 14	14,689	14,689	47,851	47,851
NHS Trade and other payables excluding non financial liabilities - Note 13	44,438	44,438	40,014	40,014
Provisions under contract - Note 15	0	0	0	0
Charitable Fund Financial Liabilities	142	142	0	0
Total at 31 March 2025	70,298	70,298	98,894	98,894

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 2026 Book Value £000	**31 March 2026 Fair value £000**	31 March 2025 Book Value £000	31 March 2025 Fair value £000
Cash & cash equivalents	**31,933**	**31,933**	26,960	26,960
Current Receivables	**16,113**	**16,113**	17,713	17,713
Non Current Receivables	**314**	**314**	1,008	1,008
Charitable Fund Financial Assets	**1,331**	**1,331**	1,371	1,371
Total	**49,691**	**49,691**	47,052	47,052

Foundation Trust

	31 March 2026 Book Value £000	**31 March 2026 Fair value £000**	31 March 2025 Book Value £000	31 March 2025 Fair value £000
Cash & cash equivalents	**29,631**	**29,631**	17,367	17,367
Current Receivables	**14,018**	**14,018**	16,956	16,956
Non Current Receivables	**314**	**314**	947	947
Loan to Subsidiary	**0**	**0**	2,988	2,988
Total	**43,963**	**43,963**	38,258	38,258

Note 18.2 Carrying values of financial liabilities

Group

	31 March 2026 Book Value £000	**31 March 2026 Fair value £000**	31 March 2025 Book Value £000	31 March 2025 Fair value £000
Provisions under Contract	**0**	**0**	0	0
Obligations under finance leases - Note 14	**13,474**	**13,474**	14,689	14,689
Trade & Other Payables	**50,455**	**50,455**	44,438	44,438
Loans	**10,127**	**10,127**	11,029	11,029
Charitable Fund Financial Liabilities	**113**	**113**	142	142
Total	**74,169**	**74,169**	70,298	70,298

Foundation Trust

	31 March 2026 Book Value £000	**31 March 2026 Fair value £000**	31 March 2025 Book Value £000	31 March 2025 Fair value £000
Provisions under Contract	**0**	**0**	0	0
Obligations under finance leases - Note 14	**46,610**	**46,610**	47,851	47,851
Trade & Other Payables	**43,257**	**43,257**	40,014	40,014
Loans	**25,734**	**25,734**	11,029	11,029
Total	**115,601**	**115,601**	98,894	98,894

Note 18.3 Maturity of financial liabilities

	Group 31 March 2026 £000	**Trust 31 March 2026 £000**	Group 31 March 2025 £000	Trust 31 March 2025 £000
In one year or less	**54,841**	**62,055**	41,051	43,274
In more than one year but not more than five	**11,287**	**11,259**	13,795	12,820
In more than five years	**8,041**	**42,287**	12,270	46,299
Total financial liabilities	**74,169**	**115,601**	67,116	102,393

Note 19. Third party assets

The Trust held £14,809.31 cash at bank and in hand at 31/03/26 (£9,077.70 at 31/03/25) 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 £4,542,000 was calculated on the average relevant net assets of £129,778,000.

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 2025 - 31 March 2026		1 April 2024 - 31 March 2025	
		Number of cases	**Value of cases**	Number of cases	Value of cases
Ref.	**Category of loss / special payment**		**£000**		£000
Losses					
1a	Losses of cash due to theft, fraud etc.	**0**	**0**	0	0
1b	Losses of cash due to overpayment of salaries etc.	**0**	**0**	11	11
1c	Losses of cash due to other causes	**1**	**0**	0	0
2	Fruitless payments	**1**	**173**	0	0
3a	Bad debts and claims abandoned – private patients	**0**	**0**	19	5
3b	Bad debts and claims abandoned – overseas visitors	**0**	**0**	8	19
3c	Bad debts and claims abandoned – other	**0**	**0**	45	49
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	**1**	**7**	1	6
4c	Other	**0**	**0**	0	0
Total Losses		**3**	**180**	84	90
Special Payments					
5	Compensation under legal obligation	**0**	**0**	0	0
7a	Ex-gratia payments for loss of personal effects	**8**	**3**	16	4
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	**1**	**1**	0	0
7e	Other employment payments	**0**	**0**	0	0
7f	Patient Referrals outside the UK and EEA Guidelines	**0**	**0**	0	0
7g	Other	**0**	**0**	0	0
Total Special Payments		**9**	**4**	16	4
Total Losses and Special Payments		**12**	**184**	**100**	**94**

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 2026 £000	Year ended 31 March 2025 £000
Donated income	**182**	181
Income from legacies	**23**	104
Investment income	**85**	101
Grant Income	**0**	0
Total incoming resources	**290**	386
Patients' welfare and amenities	**118**	192
Staff welfare and amenities	**121**	103
Medical research	**0**	0
Contributions to the Foundation Trust	**92**	183
Governance costs	**6**	7
Total outgoing resources	**337**	485
Unrealised gain/(loss) on investments	**(88)**	(43)
Net incoming/(outgoing) resources	**(135)**	(142)

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

	Year ended 31 March 2026	**Year ended 31 March 2025**
Investments	**1,315**	**1,362**
Receivables	**16**	**9**
Cash	**1,004**	**1,128**
Payables	**(113)**	**(142)**
Total net assets	**2,222**	**2,357**
Represented by:		
Unrestricted funds	**2,076**	**2,189**
Restricted funds	**87**	**103**
Endowment funds	**59**	**65**
	2,222	**2,357**

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

Abbreviation	Meaning
A&E	Accident and Emergency
AHPs	Allied Health Professionals
BAF	Board Assurance Framework
CCRA	Climate Change Risk Assessment
CDC	Community Diagnostic Centre
CDIs	Clostridium difficile infections
CIPD	Chartered Institute of Personnel and Development
CN	Complete Nutrition
CQC	Care Quality Commission
CRR	Community Risk Register
CYP	Children and Young People
DHSC	Department of Health and Social Care
DNA	Did Not Attend
EDI	Equality, Diversity and Inclusion
EAU	Emergency Assessment Unit
EPRR	Emergency Preparedness, Resilience and Response
ERIC	Estates Return Information Collection
FFT	Friends and Family Test
GAM	Group Accounting Manual
GEM	Global Ethnic Majority
GP	General Practitioner
HEF	Home Enteral Feeding
HFMA	Healthcare Financial Management Association
HM Treasury	His Majesty's Treasury
HSJ	Health Service Journal
HSRG	Health Resilience Sub-Group
IAS1	International Accounting Standard 1
ICAEW	Institute of Chartered Accountants in England and Wales
ICB	Integrated Care Board
ICS	Integrated Care System
IFRS	International Financial Reporting Standards
IV	Intravenous
KPI	Key Performance Indicator
LCAT	Local Climate Adaptation Tool
LGBT+	Lesbian, Gay, Bisexual and Transgender
LHRP	Local Health Resilience Partnership
MECC	Making Every Contact Count
MRI	Magnetic Resonance Imaging
MRSA	Methicillin-Resistant Staphylococcus Aureus
N/a	Not applicable
NAP	National Adaptation Programme
NENC	North East and North Cumbria
NGOC	Northern Gynaecological Oncology Centre
NHS	National Health Service
NICE	National Institute for Health and Care Excellence
NLRF	Northumbria Local Resilience Forum
NRR	National Risk Register
NSRA	National Security Risk Assessment
ORR	Organisational Risk Register
PbR	Payment by Results
PHE	Public Health England
PSIRF	Patient Safety Incident Response Framework
PwC	PricewaterhouseCoopers
QEF	QE Facilities Ltd
RTT	Referral to Treatment
SDEC	Same Day Emergency Care
SHEQ	Safety, Health, Environment and Quality
SHMI	Summary Hospital-level Mortality Indicator
TCFD	Taskforce on Climate-related Financial Disclosures
TIA	Transient Ischaemic Attack
VONNE	Voluntary Organisations' Network North East
WCDS	Women's Cancer Detection Society

WDES	Workforce Disability Equality Standard
WNB	Was Not Brought
WRES	Workforce Race Equality Standard