



## **Northumberland, Tyne and Wear NHS Foundation Trust**

### **Annual Report and Accounts 2018 to 2019**



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## **Table of contents**

<b>1</b>	<b>Chair and Chief Executive's introduction</b>	<b>5</b>
<b>2</b>	<b>Performance Report</b>	
<b>2.1</b>	Overview of Performance	<b>6</b>
<b>2.2</b>	Performance Analysis	<b>14</b>
<b>3</b>	<b>Accountability Report</b>	
<b>3.1</b>	Directors' Report	<b>30</b>
<b>3.2</b>	Remuneration Report	<b>51</b>
<b>3.3</b>	Staff Report	<b>63</b>
<b>3.4</b>	NHS Foundation Trust Code of Governance	<b>77</b>
<b>3.5</b>	NHS Improvement's Single Oversight Framework	<b>96</b>
<b>3.6</b>	Modern Slavery Act Statement	<b>98</b>
<b>3.7</b>	Statement of Accounting Officer's Responsibilities	<b>100</b>
<b>3.8</b>	Annual Governance Statement	<b>102</b>
<b>4</b>	<b>Quality Report</b>	
<b>5</b>	<b>Annual Accounts</b>	
<b>6</b>	<b>Auditors Opinion on the accounts</b>	

## Schedule of Tables

<b>Table number</b>	<b>Title</b>
Figure 1:	Our Vision, Values, Quality Goals and Strategic Objectives
Figure 2:	Performance against NHSI Use of Resources Metric 2018/19
Figure 3:	Membership of the Board of Directors and Attendance
Figure 4:	Membership of NTW Solutions Board of Directors and Attendance
Figure 5:	Payment of Trade Invoices
Figure 6:	Private Patient Income
Figure 7:	Membership of the Remuneration Committee and Attendance
Figure 8:	Board of Directors Remuneration
Figure 9:	NTW Solutions Board of Directors Remuneration
Figure 10:	Median Remuneration
Figure 11:	Board of Director Pension Analysis
Figure 12:	NTW Solutions Board of Director Pension Analysis 2018/19
Figure 13:	Employee Expenses and Employee Numbers
Figure 14:	Sickness Absence Data 1 April 2018 to 31 March 2019
Figure 15:	Staff Survey 2018/19 Compared to Staff Survey 2017/18 & 2016/17
Figure 16:	High Paid Off Payroll Arrangements
Figure 17:	Exit Packages: Exit Packages 2018/19
Figure 18:	Exit Packages: Exit Packages 2017/18
Figure 19:	Audit Committee Attendance 2018/19
Figure 20:	Membership of the Council of Governors and Attendance
Figure 21:	Analysis of Attendance of Board Members at Formal Council of Governors' Meetings
Figure 22:	Nominations Committee Membership and Attendance
Figure 23:	Analysis of Membership as at 31 March 2019
Figure 24:	Single Oversight Framework: Finance and Use of Resources

## **1. Chair and Chief Executive's Introduction**

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Welcome to the 2018/19 Annual Report and Accounts for Northumberland Tyne and Wear NHS Foundation Trust (NTW).

It has been a challenging year, not only for NTW but for the NHS as a whole, both clinically and financially including continuing austerity, growing concern about workforce and recruitment, the changing landscape of the NHS and challenges in terms of governance and integration, and increased demand for care.

At a local level, we were delighted that as part of the Government announcement of additional funding for the NHS, NTW were allocated £54m which will be used to develop our secure inpatient facilities and inpatient services in Newcastle and Gateshead.

NTW has contributed to the wider work on the Integrated Care Systems across the North East and Cumbria and has ensured that mental health and disability services are firmly on the agenda. Having said that, there is still a long way to go to make sure that mental health receives the same parity of esteem as physical health and we will continue to champion this agenda.. A key area for us at NTW is to continually challenge the stigma associated with mental health and mental illness and help build our own, and others' understanding so that we are better able to listen, to accept, and to help in any way we can.

We are very proud to introduce this report which shows that once again, service users and carers, staff and volunteers have worked together to ensure that we have continued to deliver high quality and safe services to our patients. That is not to say that we're complacent and our teams across the Trust would never allow us to become so – and that is one of many things that makes NTW special.

We are in no doubt that the future will see even more challenging times for the NHS, but with the support of our service users, carers, staff, governors, partner organisations and commissioners we will continue to do everything we can to provide the best possible care for the people who need our services.

We would like to thank the Council of Governors, our Board colleagues and all of our staff and volunteers for everything they do.



**Ken Jarrold**  
**Chair**  
**22 May 2019**



**John Lawlor**  
**Chief Executive**  
**22 May 2019**

## **2. The Performance Report**

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### **2.1 Overview of Performance**

This report has been prepared on a ‘group’ basis and will refer to Northumberland, Tyne and Wear NHS Foundation Trust Group as ‘NTW’ or ‘the Group’. The NTW ‘group’ includes NTW Solutions our wholly owned subsidiary company.

Sections of this report that is relevant to the NHS services provided by Northumberland, Tyne and Wear NHS Foundation Trust will be referred to as ‘the Trust’.

This overview will provide an understanding of the NTW Group, including the services we provide, our organisational vision and values, strategic direction and potential risks as well as a summary of our performance during 2018/19.

### **Our Services**

NTW provides a wide range of mental health, learning disability and neuro-rehabilitation services to a population of 1.4 million people in the North East of England as well as providing specialist services nationally. We are one of the largest mental health and disability organisations in the country with an income of approximately £300 million. We employ over 6,000 staff, operate from over 60 sites and provide a range of services including many regional and national services.

We support people in the communities of Northumberland, Newcastle, North Tyneside, Gateshead, South Tyneside and Sunderland working with a range of partners to deliver care and support to people in their own homes and from community and hospital based premises. Our main hospital sites are:

- Walkergate Park, Newcastle upon Tyne;
- St. Nicholas Hospital, Newcastle upon Tyne;
- St. George’s Park, Morpeth;
- Northgate Hospital, Morpeth;
- Hopewood Park, Sunderland;
- Monkwearmouth Hospital, Sunderland; and
- Ferndene, Prudhoe.

### **Our History**

Northumberland, Tyne and Wear NHS Trust (NTW) was established on 1 April 2006 following the merger of three Trusts: Newcastle, North Tyneside and Northumberland Mental Health NHS Trust, South of Tyne and Wearside Mental Health NHS Trust and Northgate and Prudhoe NHS Trust. The Trust achieved authorisation as an NHS Foundation Trust on 1 December 2009.

As a Public Benefit Corporation NTW has members. We have four membership constituencies to represent stakeholder interests:

- Public constituency;
- Service users and carers constituency;
- Staff constituency; and
- Partner organisation constituency.

## **Chief Executive's Statement on the Performance of the Trust**

Throughout 2018/19 we have continued to work on the development of our enabling strategies which support the Trust's strategic ambitions into clear objectives and actions. These strategies include areas such as workforce, equality and diversity, service, user and carer involvement, psychological services and nursing. Our full Trust Strategy and enabling strategies are available on our website at <https://www.ntw.nhs.uk/about/publications/>. Alongside these areas of focus, each clinical business unit has set out its own objectives and priorities to enable the delivery of the Trust's strategy at local service level.

Our ambition is for every service, team and individual member of staff to be able to see and understand their own contribution towards the delivery of high quality, patient centred care, and the achievement of the Trust's strategy and objectives. The Trust has in place an appraisal process to ensure that appraisals across the Trust are aligned to the Trust's strategy and values, and that personal objectives reflect this.

During the year, the Trust has continued to move forward with the major change programmes of work which significantly underpin our strategic ambitions. These are:

- **Care Environment Development and Re-provision Programme (CEDAR)**  
This programme brings together and coordinates a significant capital development to provide state of the art secure in-patient facilities for adults and young people on one site and adult acute in-patient facilities for the population of Newcastle and Gateshead. The latter element of the scheme fulfils the preferred outcome of the 'Deciding Together' consultation undertaken in 2017 by Newcastle Gateshead CCG regarding the provision of in-patient facilities to meet the needs of their local population.
- **Transforming Services for people with a learning disability**  
This programme aims to work across the Trust and partners to improve and develop services for people with a learning disability and/or autism.
- **Mental Health Work Stream for the North East and Cumbria Integrated Care System (ICS)**  
NTW continues to play a major role in developing the North East and Cumbria ICS with our Chief Executive, John Lawlor, acting as joint Senior Responsible Officer for the mental health work programme. This brings together representatives from health and social care organisations across the area to develop standards, share best practice and spread innovative practice, which can enable organisations and communities across the patch to meet our shared aspirations for improving mental health care across the ICS footprint, in line with the aims of the NHS Long Term Plan. In particular, there is a strong focus on bringing together support for both the mental health and the physical health needs of individuals. The Mental Health Work Stream areas of focus are:

- Child Health
  - Zero Suicide Ambition
  - Employment
  - Optimising Acute Health Services
  - Long Term Conditions and Medically Unexplained Symptoms
  - Older People
  - Physical Health of People with Serious Mental Illness
- **New Care Models in Tertiary Mental Health Services**

During 2017, the Trust worked in partnership with Tees, Esk and Wear Valley NHS Foundation Trust, to submit an application to take part in the New Care Models pilot programmes for Adult Secure Pathways across the ICS footprint, and separately developed an application for the Children and Young Peoples Secure pathway across Northumberland Tyne and Wear and North Cumbria.

The NHS Planning Guidance 2016/17 – 2020/21 identified the opportunity for local areas to express an interest in ‘secondary mental health providers managing care budgets for tertiary mental health services’. This is part of a process aimed at admission avoidance, shorter length of stay, and repatriating patients from out of area placements and the savings made can be reinvested in new local services including crisis and home treatment teams; supported housing; other community services; and where needed, additional inpatient beds.

NTW is involved in two pathways: adult secure mental health services and tier 4 child and adolescent mental health services (CAMHS). Both applications were successful and now in full operation.
  - **Working with Cumbria Partnership NHS Foundation Trust (CPFT)**

In 2018 the two Clinical Commissioning Groups (CCG’s) with commissioning responsibility for Cumbria published their strategic commissioning intentions for mental health and learning disabilities services currently delivered by CPFT. Their intention was that all services currently delivered by CPFT were to be fully aligned to the Morecambe Bay Accountable Care System, and North Cumbria Integrated Health Care System, meaning that services would be delivered within the geographical footprint of the two systems, rather than a county-wide basis.

As a result, NTW was asked to work collaboratively with CPFT and Lancashire Care NHS Foundation Trust (LCFT) with a view to improving mental health and learning disabilities services across the region. Following a period of due diligence and the submission of a Full Business Case to all three organisations in February 2019, the NTW Board of Directors approved the decision to move forward with the formal transfer of North Cumbrian Mental Health and Disabilities Services from 1<sup>st</sup> October 2019.

NTW aims to provide increased and improved access to local services in North Cumbria and build on the commitment and enthusiasm shown by staff locally to raise the quality of mental health and disabilities services available in the locality. Through collaborative working with partner organisations service users, carers, local communities and staff, NTW will work to

continually improve, and where appropriate transform clinical pathways and service models across the locality.

## **Trust Business Model and Structure**

On 1 October 2017 the Trust introduced a new structure for operational services to develop a collective leadership approach, and to ensure a devolved decision making model where decisions are made as close to the patient as possible.

The Trust's operational services are arranged across three locality clinical groups:

North - Northumberland and North Tyneside  
Central – Newcastle and Gateshead  
South – South Tyneside and Sunderland

Each Clinical Group is led by a Group Director, Group Nurse Director and Group Medical Director who are jointly and severally responsible for the performance of local services, known as the 'triumvirate'.

Each locality consists of 4 clinical business units or CBU's (12 in total across the Trust). Each CBU is led by a collective leadership team including an Associate Director, Associate Nurse Director, Associate Medical Director, Associate Director for Allied Health Professionals and Associate Director for Psychological Services.

A full list of services, with descriptions and contact details can be found on our website <https://www.ntw.nhs.uk/services/>

## **Wholly Owned Subsidiary Company**

The Trust established NTW Solutions Limited as a wholly owned subsidiary company, which became operational in April 2017. Wholly owned subsidiary companies are an organisational and governance form that NHS Foundation Trusts can legally establish to manage part of their organisation. Wholly owned subsidiary companies are separate legal entities. NTW Solutions Limited is part of the "NTW Group", sharing the vision and values of the Trust in carrying out its activities, with the Trust holding 100% of the Company shares.

NTW Solutions provides our estates and facilities management services and a range of other services including workforce recruitment; staff records; procurement; materials management; financial transactions; car leasing and other staff benefit schemes; digital dictation; and outpatient pharmacy dispensing. It employs approximately 623 staff, the great majority of whom were transferred from the Trust to the company on its establishment under TUPE regulations, thereby protecting many of their terms and conditions. Company staff who have been appointed since April 2017 are employed on company terms and conditions.

## **AuditOne**

AuditOne, is a not-for-profit provider of internal audit, technology risk and counter fraud services which is hosted by NTW. AuditOne was originally formed from four NHS consortia and delivers independent assurance and advice to public sector clients on a wide range of topics including; financial management; governance, major IT programmes, data quality, cost reduction, integrated assurance and forensic investigations.

## **NTW Charity**

NTW established a charity on the 26 February 2016 in which the Trust is the sole Corporate Trustee. The charity holds funds to be used for any charitable purpose relating to the general or specific purposes of the Trust or purposes relating to the NHS. Typically funds are used to support current and former service users of the Trust by providing items of comfort or therapeutic activities beyond the normal levels expected for patient welfare and amenities. The Charity has one general fund which is called the Shine Fund and other specific funds which are relevant to individual wards and departments. In 2018 the Shine Fund granted £180k to support Recovery Colleges operating in the area served by the Trust.

## **Our Vision, Values, Quality Goals and Strategic Objectives**

The Trust implemented the ‘Caring, Discovering, Growing: Together’ strategy in April 2017 following an engagement process that sought the views of service users, carers, staff, Governors and other stakeholders on the Trust’s vision, values and strategy. The Trust’s values, that were originally established in 2013 were reaffirmed as part of this process and continue as the core values of the Trust.

NTW Solutions completed the development of its own strategic aims in 2018/19. These are “Supporting our partners to deliver better care by:

- providing and growing strong, sustainable services
- providing better value services every day
- being an exemplar provider of support services
- being innovative, and
- being a great place to work”

The NTW strategy sets out 6 strategic ambitions which underpin our work across the trust.

The diagram in figure 1 sets out the Trust vision, values, quality goals and strategic ambitions.

**Figure 1: Our Vision, Values, Quality Goals and Strategic Objectives**

Our vision	<p><b>"To be a leader in the delivery of high quality care and a champion for those we serve"</b></p>			
Our values	<p><b>Caring and compassionate      Respectful      Honest and transparent</b></p>			
Our quality goals	<ul style="list-style-type: none"> <li>• Put ourselves in other people's shoes</li> <li>• Listen and offer hope</li> <li>• Focus on recovery</li> <li>• Be approachable</li> <li>• Be sensitive and considerate</li> <li>• Be helpful</li> <li>• Go the extra mile</li> </ul>	<ul style="list-style-type: none"> <li>• Value the skill and contribution of others</li> <li>• Give respect to all people</li> <li>• Respect and embrace difference</li> <li>• Encourage innovation and be open to new ideas</li> <li>• Work together and value our partners</li> </ul>	<ul style="list-style-type: none"> <li>• Have no secrets</li> <li>• Be open and truthful</li> <li>• Accept what is wrong and strive to put it right</li> <li>• Share information</li> <li>• Be accountable for our actions</li> </ul>	
Our strategic ambitions	<p><b>Safe      Experience      Effective</b></p>	<p><b>Quality goal 1 Keeping you safe</b></p>	<p><b>Quality goal 2 Working with you, your carers and your family to support your journey</b></p>	<p><b>Quality goal 3 Ensuring the right services are in the right place at the right time to meet all your health and wellbeing needs</b></p>
Our strategic ambitions	<p><b>Caring      Discovering      Growing</b></p>	<p><b>Working together with service users and carers we will provide excellent care, supporting people on their personal journey to wellbeing</b></p>	<p><b>With people, communities and partners, together we will promote prevention, early intervention and resilience</b></p>	<p><b>The Trust will be a centre of excellence for mental health and disability</b></p>
Our strategic ambitions	<p><b>The Trust will be regarded as a great place to work</b></p>	<p><b>Working with partners there will be "no health without mental health" and services will be "joined up"</b></p>	<p><b>The Trust's mental health and disability services will be sustainable and deliver real value to the people who use them</b></p>	<p><b>Together</b></p>



Caring | Discovering | Growing | **Together**

## **The key issues and risks to the delivery of the Trust's Strategy**

The Group faces a number of risks to the delivery of its Strategy. A full analysis of the principal strategic risks, together with the controls and mitigation, are included in our Board Assurance Framework. The Group's principal risks are set out within the Annual Governance Statement (Section 3.8).

### **Going Concern Disclosure**

After making enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Group continues to adopt the going concern basis in preparing the accounts.

### **Summary of Performance 2018/19**

Over the past year, our colleagues have achieved so much in the face of many challenges and difficult financial times and the ever changing landscape of mental health, learning disability and neurological care.

In April 2018, the Trust reaffirmed our commitment to STOMP, an initiative to stop the overmedication of people with a learning disability, autism or both. Our sixth annual nursing conference was held where 300 staff come together to look at learning from our past and shaping our future. We also welcomed Clare Murdoch, the national Mental Health Director who officially opened our newly expanded specialist perinatal community mental health services.

Also in April, the Mitford Unit, our new £10.5 million adult autism facility at Northgate Hospital was highly commended in the Design through Innovation Category at the 2018 Royal Institute of Chartered Surveyors Awards North East. These awards recognise exemplar building projects that have changed the face of care in the region.

In May, the Chief Executive along with other senior colleagues signed the NHS smokefree pledge where we committed to work actively with local authorities and our stakeholders to reduce the prevalence of smoking. June saw Ferndene celebrating being the first in the country to win a CAMHeleon award celebrating best practice.

July was a particularly busy month. We held our Annual Members Meeting as well as celebrating being rated as Outstanding in our well led inspection. A graduation ceremony was held for 24 students who had successfully completed their placements with Project Choice, a scheme which helps young people with a learning disability become work ready. We also worked with the Tyne and Wear Care Alliance to deliver communication and interaction training about dementia to 46 care homes as well as our own elderly wards.

On 23 July we welcomed the Rt Hon Matt Hancock where we demonstrated our use of digital solutions.

Also in July the newly opened Mitford unit at Northgate Hospital was highly commended again in the European Health Design Awards in two categories for 'mental health design' and 'design for health and wellbeing.'

In August the perinatal community mental health team expanded to cover Sunderland and South Tyneside and in September four of our self-help resources were recognised at the British Medical Associations Patient Information Awards.

November saw NTW being chosen by NHS Improvement to be a strategic partner for its 'Valued Care in mental health' national model. For the second year running NTW was also recognised by the prestigious HSJ Awards with our Personality Disorder Team winning the patient safety category.

In November the positive and safe care conference took place – the first of its kind in the region – to look at the work taking place across NTW and TEWV to reduce, and where possible eliminate the use of physical restraint.

Also in November, Malcolm Aiston, Managing Director of NTW Solutions Ltd, received the NHS Skills for Health Lifetime Achievement bronze award. Starting as an NHS apprentice electrician in 1978, Malcolm has championed apprenticeship training in the NHS and under his leadership our capital projects have won numerous awards, with innovative designs resulting in some remarkable improvements in health outcomes.

As Christmas approached the Group took part in a foodbank campaign. Together we collected thousands of items which were distributed to foodbanks throughout our region and made a difference to hundreds of families.

## **2.2 Performance Analysis**

### **Performance relating to the quality of NHS services provided**

The NTW Quality Report in Section 4 of this report provides comprehensive information on performance in terms of the provision of quality services, including performance against mandated Core Indicators, Quality Indicators and the Trust's Quality Goals.

### **Registration with the Care Quality Commission (CQC)**

The Trust is required to register with the CQC and its current registration status is registered without conditions and therefore licensed to provide services. The CQC has not taken enforcement action against the Trust during 2018/2019.

In April 2018, as part of the inspection of core services which took place, NTW participated in a thematic review to examine the underlying issues in NHS Trusts that contribute to the occurrence of Never Events and the learning that we can apply to wider safety issues, this focussed on the Adult Acute In-patient wards across the Trust.

In December 2018 the Trust participated in a thematic review of the use of restraint, prolonged seclusion and segregation. This part of the review focussed on wards across the Trust who provide the following core services:-

- Acute wards for adults of working age and psychiatric intensive care units
- Wards for people with a learning disability or autism
- Child and adolescent mental health wards

The Care Quality Commission conducted a well led review and inspection of core services during 2018 at NTW in which the Care Quality Commission visited the following core services:-

- Acute wards for adults of working age and psychiatric intensive care units
- Child and adolescent mental health wards
- Wards for older people with mental health problems
- Specialist community mental health services for children and young people

The CQC rated the Trust as “Outstanding” overall and for the Caring, Effective, Responsive and Well Led domains, with the Safe domain being rated as ‘Good’.

## **Financial Performance**

2018/19 was a challenging year from a financial perspective but the Trust continued to perform well meeting its financial targets. The Trust was behind plan in the first two months of the year but managed to improve its financial position and be ahead of plan for the rest of the year and to slightly exceed its control total at the year-end. This means the Trust received all core Provider Sustainability Funding (PSF) and became eligible to receive incentive and bonus PSF funding.

During the year the Trust managed another significant reduction in bed numbers within its learning disabilities services as a result of the national Learning Disability Transforming Care programme. This has been challenging as the programme involves co-operation across a wide range of CCGs, NHS England and Local Authorities. The Learning Disability Transforming Care programme resulted in 25 beds closing during the year with a £2.3m loss of income. The programme to date has resulted in a reduction of income to the Trust of £13m, and a reduction in associated costs of £8m, leaving a financial gap of £5m, which the Trust is looking to mitigate in the medium term. In addition the Trust was required to deliver further savings/reductions in service of £2.3m to contribute to the Northumberland CCG Recovery Programme.

Elsewhere during the year, the Trust largely looked to consolidate its existing transformational work. Demand pressures have been experienced across community and in-patient services, and the Trust put in place a range of initiatives to manage risk to service delivery throughout the year. While this was managed without impact on the Trust's delivery of its control total, it means that a range of financial pressures have been recognised in planning for 2019/20.

The Trust undertakes a revaluation of its estate each year and this year this resulted in impairments of £1.9m due to a net reduction in the value of land and buildings. There was also the reversal of impairments of £1.1m which arose as part of the general end of year valuations. The net impairment of £0.8m was recognised as a loss in-year in the Statement of Comprehensive Income resulting in a surplus of £7.0m being recorded for the year.

Any losses through revaluations or impairments are not taken into account when assessing the financial risk ratings used by the Trust's regulator, NHS Improvement.

Excluding revaluations and impairments, the Trust generated a surplus of £7.8m. This consisted of £2.6m Trust generated surplus and as a result of the Trust meeting its performance targets and exceeding its control total, £2.0m core PSF funding and £3.2m incentive and bonus PSF funding. The Trust reported a Use of Resources risk rating of 1, the highest rating. Our performance against the monitoring metrics from the Single Oversight Framework used by NHS Improvement is shown in the table below.

**Figure 2: Performance against NHSI Use of Resources Metric 2018/19**

Financial Sustainability Risk Ratings	Plan	Achieved	Risk Rating	Weight	YTD Risk
Capital Service Capacity	4	1.32x	3	20%	Green
Liquidity Ratio	1	16.7 days	1	20%	Green
I&E Margin	1	2.40%	1	20%	Green
I&E Distance from Plan	1	1.30%	1	20%	Green
Agency Ceiling	1	(4.14%)	1	20%	Green
<b>Overall Rating</b>	<b>1</b>		<b>1</b>		<b>Green</b>

In 2016/17 NHS Improvement introduced agency spend ceilings. The Trust's agency ceiling for 2018/19 was £8.0m. The Trust continued to make progress on reducing its agency costs and spend on agency staff was £7.6m in 2018/19, a reduction of £0.1m from 2017/18 and £0.4m below the agency ceiling. The Trust's agency spend in 2015/16 was £13.6m giving a reduction of £6.0m over the last 3 years. Work continues on reducing the levels of agency spend, without compromising safety and quality of care, and the Trust is confident that it will not exceed its agency ceiling of £7.9m in 2019/20.

Capital spend in the year was £7.9m, which was £5.3m less than plan. This was mainly due to the Trust slowing down its work programme due to the national constraints on capital spending. The Trust was planning for £4.7m of loans, which were supported in principle by the Foundation Trust Financing Facility, but as part of the national reallocation of capital funding to manage revenue pressures across the NHS, these loans were not available. However, the Trust made a successful bid to the STP Wave 4 capital allocation exercise for Public Dividend Capital (PDC) funding to support the CEDAR project. The project aims to develop a single integrated secure centre of excellence and the re-provision of adult acute admission facilities serving the Newcastle and Gateshead areas. The business case is now being developed to get Department of Health and Treasury approval for this project. With regard to asset sales, the Trust sold two community properties during the year for £0.3m and an office building on the St Nicholas Hospital site was sold for £3.3m which generated a profit on disposal of £2.5m.

The Trust delivered its planned in-year savings of £12.6m and managed to mitigate the £2.3m contract reduction to support Northumberland CCG's Recovery Programme. The Trust only delivered £4.4m (35%) of its savings on a recurring basis which has increased the savings requirement in 2019/20.

The Trust's subsidiary company NTW Solutions Ltd performed well against its targets and plans for 2018/19 in its second year of trading, delivering a net profit of £1.2m which is incorporated into the Group Accounts presented in this report. Growth in 2018/19 came from taking on new areas of service during the year including a lease car service, patients finance and cashiering services, an outpatient pharmacy dispensary service and a transcription service.

Looking forward to 2019/20, the Trust needs to make savings of £10.4m to achieve its control total. The Trust has agreed savings plans totalling £6.4m with a further £4.0m to be achieved from in-year non-recurrent savings. As well as the on-going delivery of our transformation approach, there are financial risks around managing any national re-structuring of specialist services and managing the wider financial risks across health and social care. This will require continuing effective working across multiple stakeholders. The Trust continues to invest in change, in order to ensure that we have the capacity to manage while maintaining our focus on on-going quality.

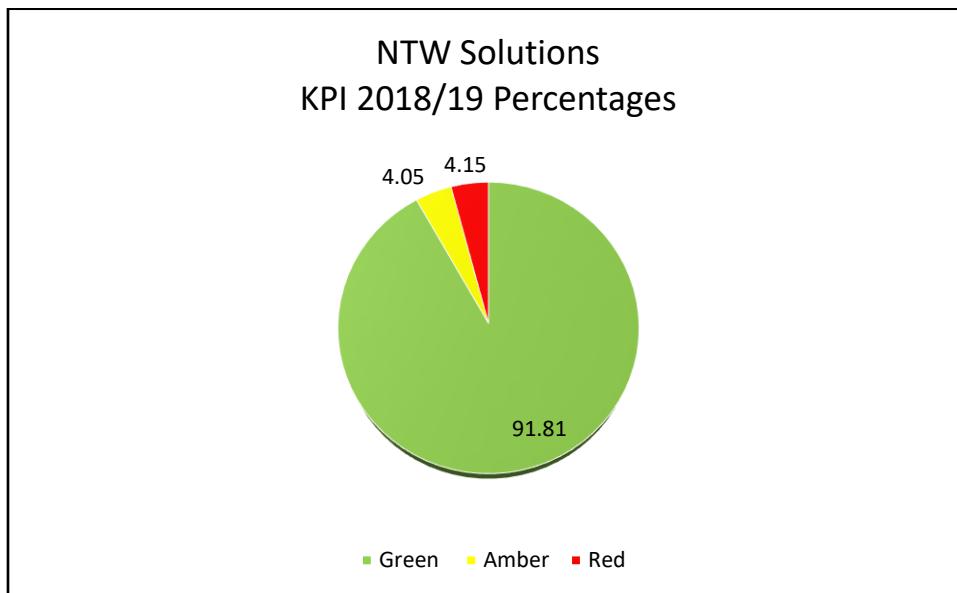
The Trust Board has supported a full business case that will see mental health and disability services for the people of North Cumbria provided by the Trust from 1<sup>st</sup> October 2019. This provides opportunities for mutual learning and engagement, and opportunities to improve services to the populations we service, but will also represent a significant management and organisational effort that will need to be managed effectively through 2019/20, through strong partnership working and collaboration.

The Trust is a partner in the development of the Integrated Care System across the North East and North Cumbria, both in promoting its wider development and agenda and particularly in promoting a system wide approach to mental health and disability through the mental health work stream. The Trust is also actively involved in partnering arrangements across health and social care in each local authority area that we serve, and recognises the interdependency of services in supporting people and communities to live well and maintain health. While recognising the significant opportunities to improve care, particularly for those people who cross the boundaries of mental and physical health care and social care, there remains significant risk to the system, as plans for future service delivery models are worked through in the light of ongoing financial challenges. The Trust is in a good position to influence these discussions and is working to be an effective partner in continuing to design more effective, safe and high quality care around the needs of the people we support.

## **NTW Solutions Performance**

Within the Group we monitor with NTW Solutions Ltd on a monthly basis, the performance of the services that they provide, through a range of Service Level Agreements (SLAs) paying particular attention to agreed Key Performance Indicators (KPIs). At the end of 2018/19 we had 95 KPIs in place (an increase of 16 from last year), and any items reported as “amber” or “red” i.e. not meeting agreed target levels, require an explanation or action plan to demonstrate how these are being addressed by NTW Solutions Ltd to enable the Trust as shareholders of the Company to hold the organisation to account.

Across the full year NTW Solutions reported on 1,013 KPI measurements, with 92% of these meeting the agreed targets. This is an increase of over 3% on last year when fewer (794) KPI measures were monitored.



NTW Solutions also report on two additional KPIs which we jointly manage. These relate to food waste on wards and shortlisting by managers for vacancies. In both cases actions to improve performance has been recognised and developed.

The Group also has a set of “reverse” SLAs and KPIs in place for services which the Trust provides to NTW Solutions, for which the Trust receives payment. These include services from IT, HR, training, risk management, communications and others. These are also monitored on a monthly basis.

In summary, NTW Solutions Ltd performed well against its targets and plans for 2018/19 in its second year of trading, delivering a net profit of £1.2m which is incorporated into the Group Accounts presented in this report.

## **Sustainability Report**

### Introduction

As an NHS organisation, and as a spender of public funds, we have an obligation to work in a way that has a positive effect on the communities we serve. Sustainability means spending public money well, the smart and efficient use of natural resources and building healthy, resilient communities. By making the most of social, environmental and economic assets we can improve health both in the immediate and long term even in the context of rising cost of natural resources.

As a part of the NHS, public health and social care system, it is our duty to contribute towards the level of ambition set in 2014 of reducing the carbon footprint of the NHS, public health and social care system by 34% (from a 1990 baseline) equivalent to a 28% reduction from a 2013 baseline by 2020.

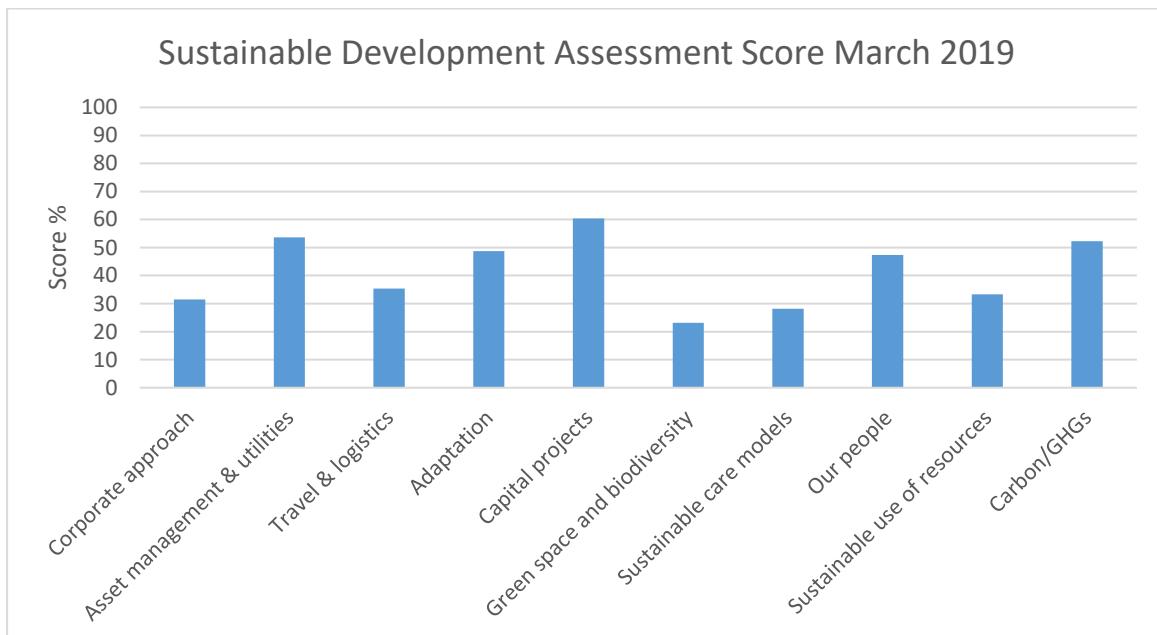
## Policies

In order to embed sustainability within our business it is important to explain where in our process and procedures sustainability features. One of the ways in which an organisation can embed sustainability is through the use of a Sustainable Development Management Plan (SDMP). The board approved our SDMP in the last 12 months so our plans for a sustainable future are clearly laid out.

Climate change brings new challenges to our business both in direct effects to the healthcare estates, but also to patient health. Examples of recent years include the effects of heat waves, extreme temperatures and prolonged periods of cold, floods, droughts etc.

Our board approved plans address the potential need to adapt the delivery of the organisation's activities and infrastructure to climate change and adverse weather events and we now have a process for monitoring weather related incidents.

One of the ways in which we measure our impact as an organisation on corporate social responsibility is through the use of the [Sustainable Development Assessment Tool](#) (SDAT) tool. The last time we used the SDAT self-assessment was in March 2019 scoring 41%. The breakdown of scores across the 10 modules is shown in the chart below:



As an organisation that acknowledges its responsibility towards creating a sustainable future, we are working towards that goal by starting awareness campaigns that promote the benefits of sustainability to our staff.

Our organisation is *starting* to contribute to the following Sustainable Development Goals (SDGs).



Our organisation is *clearly* contributing to the following Sustainable Development Goals (SDGs).



## Partnerships

The NHS policy framework already sets the scene for commissioners and providers to operate in a sustainable manner. Crucially for us as a provider, evidence of this commitment will need to be provided in part through contracting mechanisms.

We have not currently established any strategic partnerships on sustainability.

For commissioned services here is the sustainability comparator for our CCGs; *please note this is published a year in arrears*:

Organisation Name	SDMP	GCC	SD Reporting score
NHS Durham Dales, Easington and Sedgefield CCG	No	No	Good
NHS North Durham CCG	No	No	Minimum
NHS Darlington CCG	No	No	Good
NHS Hartlepool and Stockton-On-Tees CCG	No	No	Excellent
NHS Newcastle Gateshead CCG	No	No	Good
NHS North Tyneside CCG	No	No	Good
NHS Northumberland CCG	No	No	Minimum

NHS South Tees CCG	Yes	No	Minimum
NHS South Tyneside CCG	No	No	Good
NHS Sunderland CCG	Yes	No	Excellent

## Performance

Since the 2007 baseline year, the NHS has undergone a significant restructuring process and one which is still on-going. Therefore in order to provide some organisational context, the following table may help explain how both the organisation and its performance on sustainability has changed over time.

Context info	2015/16	2016/17	2017/18	2018/19
Floor Space (m <sup>2</sup> )	178,046	167,854,598	158,255	158,542
Number of Staff (WTE)	5,655	5,866	5,766	5,754

The 2014-2020 Sustainable Development Strategy outlined an ambition to reduce the carbon footprint of the NHS by 28% (from a 2013 baseline) by 2020. It is our aim to supersede this target by reducing our carbon emissions 34% by using 2007 as the baseline year and we have supported this ambition as follows:

## Energy

NTW has spent £2.1million on energy in 2018-19, which is a 5% increase to energy spend from the previous year.

Resource		2015/16	2016/17	2017/18	2018/19
Gas	Use (kWh)	32,139,031	35,318,989	35,405,231	32,101,906
	tCO <sub>2</sub> e	5,917	6,499	6,508	5,895
Oil	Use (kWh)	88,685	22,243	5,130	57,285
	tCO <sub>2</sub> e	28	7	1.4	15.8
Coal	Use (kWh)	0	0	0	0
	tCO <sub>2</sub> e	0	0	0	0
Electricity	Use (kWh)	14,049,715	13,580,045	13,411,075	12,880,340
	tCO <sub>2</sub> e	6,974	6,102	5,116	3,926

Green Electricity	Use (kWh)	268,762	187,919	286,152	297,094
tCO <sub>2</sub> e	0	0	0	0	0
Total Energy CO <sub>2</sub> e	12,919	12,608	11,626	9,837	

Renewable and low carbon technologies are specified in all our major capital projects and a combination of energy reduction measures, estates rationalisation and decarbonisation of grid electricity has resulted in a 44% reduction in total carbon emissions for building energy use between 2007 and 2019. This exceeds the 34% by 2020 target for this area of the carbon footprint but work will continue towards the longer term target of a 50% reduction by 2030.

## Travel

We recognise that a Healthy Transport Plan is a foundational part of our Travel Policy and we will be putting that in place as soon as possible.

We can improve local air quality and improve the health of our community by promoting active travel to our staff and to the patients and public that use our services. The Trust operates an annual travel pass scheme which allows staff to buy discounted annual travel passes for public transport under a salary sacrifice arrangement and a cycle to work scheme which allows staff to spread the cost of a bicycle and accessories used for travelling to work.

Every action counts and we are a lean organisation trying to realise efficiencies across the board for cost and carbon (CO<sub>2</sub>e) reductions. We support a culture for active travel to improve staff wellbeing and reduce sickness. Air pollution, accidents and noise all cause health problems for our local population, patients, staff and visitors and are caused by cars, as well as other forms of transport. The table below shows our progress on carbon emissions from travel:

Category	Mode	2015/16	2016/17	2017/18	2018/19
Business miles - Road	miles	-	-	4,929,626	5,137,685
	tCO <sub>2</sub> e	-	-	1,136	1,159
Business miles - Rail	miles	-	-	149,208	212,541
	tCO <sub>2</sub> e	-	-	13	16
Business miles - Air	miles	-	-	161,763	141,662
	tCO <sub>2</sub> e	-	-	64	60
Total	miles	-	-	5,240,597	5,491,888
	tCO <sub>2</sub> e	-	-	1,213	1,235

For 2018/19, total carbon emissions from transport were 1,235 tonnes CO<sub>2</sub> with the greatest carbon impact arising from grey fleet travel (where staff use their own car for business purposes) and lease vehicles. We've started to look at our business use only fleet of pool cars and vans to see where we can make improvements – either by selecting lower emission vehicles or reducing mileage by optimising journeys and we're particularly interested in the use of electric vehicles where practical. We currently have 17 electric vehicle charging points across 5 main hospital sites for staff to use. We do not currently calculate carbon emissions from our staff commute or patient and visitor travel.

### Waste management

The Waste (England and Wales) Regulations 2011 require that the waste hierarchy is implemented throughout the waste stream when disposing of waste products.



The Trust takes reasonable measures to apply the waste hierarchy to waste disposal and operates a dry mixed recycling scheme on main hospital sites and a furniture and equipment re-use scheme. Performance on waste is shown below:

Waste (tonnes)	2015/16	2016/17	2017/18	2018/19
Recycled	-	-	297	157
Other recovery	-	-	370	1,079
Incineration	-	-	21	19
Landfill	-	-	730	185
Total Waste (tonnes)	-	-	1,418	1,440

The way we calculate and report on waste quantities has changed significantly in recent years and waste definitions have been clarified for 2018/19. This makes it difficult to compare data from previous years but the categories are not expected to change significantly for future years.

### Re-use

The re-use of goods and surplus equipment in the NHS has several key co-benefits; reducing cost to the NHS and reducing emissions from the procurement and delivery of new goods. The Trust operates a furniture and surplus equipment re-use system called Warp it which is designed to make it easy for staff in NTW to give surplus items to other staff. Furthermore, we're looking to link up with local charities to donate items that can't be used within the Trust. Since 2016, our staff members have saved over £100,000 in avoided purchasing and waste disposal costs, 21 tonnes of waste and 43 tonnes of CO<sub>2</sub>.

Category		2015/16	2016/17	2017/18	2018/19
Internal reuse of durable goods	£	0	18,637	33,500	55,985
External reuse of durable goods	£	0	0	0	0

### Finite resource use - Water

Water use is showing a decreasing trend with performance over time as shown below:

Water		2015/16	2016/17	2017/18	2018/19
Mains Water	m <sup>3</sup>	153,623	151,221	144,675	142,386
	tCO <sub>2</sub> e	140	138	132	130
Water & Sewage Spend	£	384,083	384,120	366,000	363,476

## Procurement

In 2018/19 the Trust spent over £42 million on procurement of goods and services (excluding energy and transport) with an associated carbon impact of 15,467 tonnes CO<sub>2</sub>e. Work will continue to look in more detail at the categories of spend with the highest carbon impact and identify opportunities for reducing carbon.

<b>Procurement category</b>	<b>£ 000</b>	<b>tonnes CO<sub>2</sub></b>
Business services	15,990	4,447
Construction	0	0
Food and catering	2,293	2,211
Freight transport	0	0
Information and communication technology	4,266	1,273
Manufactured fuels, chemicals and gases	2	923
Medical instruments/equipment	2,208	662
Other manufactured products	1,264	573
Other procurement	1,446	495
Paper products	933	538
Pharmaceuticals	6,208	2,669
Business travel and fleet	0	0
Commissioned health and social care services	7,630	2,594
<b>Total</b>	<b>42,244</b>	<b>15,467</b>

## Carbon emissions progress

### **Overall Trust Carbon Footprint**

Progress towards the targets in each area is detailed below:

<b>Area of footprint</b>	<b>2007/08</b>	<b>2017/18</b>	<b>2018/19</b>	<b>% change</b>
Building energy use	17,609	11,626	9,837	-44
Travel	1,809	1,213	1,235	-32
Procurement	21,849	14,964	15,467	-29
<b>Total (tonnes CO<sub>2</sub>)</b>	<b>41,267</b>	<b>27,803</b>	<b>26,539</b>	<b>-36</b>

Total carbon reduction across all areas is currently at 36% but work will continue to ensure we meet NHS carbon reduction targets and we are already working towards the next target of a 50% reduction by 2030.

### Social Value

Collectively as an organisation we recognise the contribution that commissioning, procurement and commercial can have in delivering sustainability and social value, and our duty under the Public Services Value Act.

We have not currently issued a statement on meeting the requirements of the Public Services (Social Value) Act.

### Adaptation

Climate change brings new challenges to our business both in direct effects to the healthcare estates, but also to patient health. Examples of recent years include the effects of heat waves, extreme temperatures and prolonged periods of cold, floods, etc. Our board approved plans address the potential need to adapt the delivery of the organisation's activities and infrastructure to climate change and adverse weather events. Formal emergency planning procedures are in place to deal with any adverse circumstances which would include current and future climate change risks.

### Biodiversity

Currently the organisation does not have a formal approach to unlock the opportunity and benefits of natural capital within a healthcare environment in supporting the health and wellbeing of patient, staff and the community and to protect biodiversity but in the coming year we will be developing a Biodiversity Strategy encompassing the main hospital sites with the aim of protecting and enhancing our green space for the use of patients, staff and the community.

## **Social, Community, anti-bribery and Human Rights issues**

Mental health problems are common but nine out of ten people who experience them say they face stigma and discrimination as a result. People with learning disabilities and other impairments also experience unfairness in many areas of life. NTW aims to be a campaigning organisation which challenges discrimination of all types and which has an important role to play in improving outcomes for people with mental health issues, learning disabilities and other disabilities in the region.

During 2018/19, NTW has continued its commitment to support local Recovery Colleges. The Trust's Charity granted £180k from its Shine Fund to support Recovery Colleges operating in the areas served by the Trust. Each of the colleges has different governance arrangements which have been agreed in relation to the local circumstances with the Trust offering support in kind.

The Trust has continued to assess our services against the standards set out in the 'Greenlight toolkit'. This outlines the standards people with a learning disability and/or autism should receive from mainstream adult mental health services. A review during 2016/17 found this resulted in positive changes and areas of good practice. It has also identified some development areas that have been progressed over the last two years.

During 2018 the Trust transitioned from the Two Ticks scheme to accreditation as a Disability Confident Employer currently working towards level 3 accreditation. The Trust is committed to encouraging applications from people with disabilities and had developed an action plan to make this happen.

The Trust has a Declarations of Interest policy, aligned to NHS England requirements that all NTW Staff must comply with to ensure the Trust is transparent in all business conduct. To support compliance with the policy, the Trust developed an online reporting system to enable all staff to easily declare any interests or potential interests they may have. The policy has been successful in providing clarity that it is the responsibility of all staff to declare interests to ensure they are impartial and honest in the conduct of their official duties. To ensure the Trust is transparent in all business conduct the declarations can be viewed on the Trust website. [www.ntw.nhs.uk/about/team/registers/gifts-hospitality-sponsorship/](http://www.ntw.nhs.uk/about/team/registers/gifts-hospitality-sponsorship/), or can be accessed on request by contacting Jennifer Cribbes, Corporate Affairs Manager, Chief Executive's Office, St. Nicholas Hospital, Jubilee Road, Gosforth, Newcastle upon Tyne, NE3 3XT. ([Jennifer.Cribbes@NTW.nhs.uk](mailto:Jennifer.Cribbes@NTW.nhs.uk)).

## **Important Post Year End Events**

The directors have confirmed that there are no expected post balance sheet events which will materially affect the disclosures made within the Accounts 2018/19.

## **Overseas Operations**

The Trust does not engage in any commercial overseas operations.

*John Lawlor*

**John Lawlor**  
**Chief Executive**  
**22 May 2019**

### **3. Accountability Report**

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#### **3.1 Directors report 2018/19**

##### **The Board of Directors**

The Trust's Board of Directors keeps its performance and effectiveness under constant review and undertakes an annual self-assessment of effectiveness. The Board also have 'away day' meetings, a development programme and regularly review governance arrangements. A review of the terms of reference and an annual self-assessment exercise is also conducted on all committees'. The Board also uses the outcome of the annual Care Quality Commission Well Led Review as a means to measure Board effectiveness, and identify areas for further development.

The Board of Directors maintains continuous oversight of the Trust's risk management and internal control systems with regular reviews covering all material controls, including financial, operational and compliance controls. The Board of Directors reports on internal control through the Annual Governance Statement.

NTW Solutions has its own Board of Directors. In accordance with the company's Articles of Association, all proposed director appointments require the approval of the Trust Chief Executive or his nominated representative, on behalf of the Trust's Board of Directors as shareholder of the Company.

##### **Chair and Non-Executive Director (NED) appointments**

A term of office for the Trust Chair and NED is three years. The Trust takes into account the need for progressive refreshing of the Board of Directors. Therefore, the re-appointment of the Chair or a NED after their first term is subject to a strengthened appraisal of their performance. Any term beyond six years (i.e. two terms) is only made in exceptional circumstances and is subject to an annual re-appointment process which includes a rigorous interview of performance and satisfactory appraisal. The Chair and all NEDs also undertake an annual appraisal of their performance and report the outcomes to the Governors' Nomination Committee.

The Council of Governors Nominations Committee is responsible for managing the process for the appointment and removal of a Trust Chair or NED. Circumstances that may lead to the removal of a Chair or NED include, but are not limited to, gross misconduct, a request from the Board for the removal of a particular NED, the Chair losing the confidence of the Board or Council of Governors and the severe failure of the Chair to fulfil the role.

##### **The Trust Chair**

The role of Chair of the Board of Directors and Council of Governors is held by Ken Jarrold, who commenced his role with the Trust on 1 February 2018. The Chair is responsible for providing leadership to the Board of Directors and the Council of Governors, ensuring governance principles and processes of the Board and Council are maintained whilst encouraging debate and discussion. The Chair is also responsible for ensuring the integrity and effectiveness of the relationships between

Governors and Directors. The Chair leads the performance appraisals of the Council of Governors, NEDs and the Chief Executive.

### **The Trust Vice Chair**

Alexis Cleveland was appointed as Vice Chair from 1 February 2017.

### **The Trust Senior Independent Non-Executive Director**

Martin Cocker was Senior Independent Director until the end of his term of office on 31 December 2018.

Alexis Cleveland was appointed as the Senior Independent Director from 1 January 2019 and continues in this role. The Senior Independent Director leads the performance appraisal of the Chair.

### **The Chief Executive**

The role of Chief Executive has been held by John Lawlor since 23 June 2014. The Chief Executive's principal responsibility is the effective running and operation of the Foundation Trust's business. The Chief Executive is also responsible for proposing and developing the Trust's strategy and business plan objectives in close consultation with the Chair of the Board of Directors. The Chief Executive is responsible for preparing forward planning information, which forms part of the Annual Plan, taking into consideration the views expressed by the Board of Directors and Council of Governors. The Chief Executive is responsible, with the executive team, for implementing the decisions of the Board of Directors and its committees.

The Chief Executive leads the performance appraisals of the Executive Directors.

### **Directors' skills, expertise and experience – NTW Group**

The Board of Directors believes the Trust is led by an effective Board. The Board of Directors keeps the size, composition and succession of directors under review, in line with the Trust's business objectives, and makes recommendations as appropriate to the Council of Governors via the Nominations Committee. As a result of the work of the Nominations Committee in 2016/17 (and subsequently the Council of Governors) relating to the Chair and NED appointment/ reappointment process. The Trust formally acknowledged and accepted the recommendation that future appointments to the Board should seek to, if possible, to redress the gender and ethnic minority imbalance with the Board of Directors. The Trust is committed to this recommendation and during the Non-Executive Director advertising process in November 2018 a statement was added to the advert to encourage applications from women, people from black and minority ethnic communities, and disabled people who we know are under-represented in non-executive roles.

In advance of the NED appointments in January 2019, the Board of Directors reviewed the balance of the Board, the desired qualifications, skills and experience for the NED vacancies. The Board of Directors believes that there is a balance of

Executive and NEDs and that no individual group or individuals dominate the Board meetings, and thereby functions as a unitary Board.

The qualifications, skills, expertise and experience of the Trust's directors as at 31 March 2019 are shown below.

**Ken Jarrold CBE, Chair  
Northumberland Tyne and Wear NHS Foundation Trust**

Qualifications include BA [Hons] in History from Cambridge University, Diploma of the Institute of Health Services Management and an Honorary Doctorate from the Open University. Experience and skills/expertise:

- 36 years as an NHS Manager including 20 years as a Chief Executive and 3 years at national level as Director of Human Resources and Deputy to the Chief Executive of the NHS in England
- Chair of the North Staffordshire Combined Healthcare NHS Trust
- Chair of Brighter Futures Housing Association of Stoke on Trent
- Patron of the NHS Retirement Fellowship and of the Cavell Nurses' Trust
- President of the Institute of Health Services Management
- Chair of the County Durham Economic Partnership
- Board member of the Serious Organised Crime Agency [SOCA] and of the Child Exploitation on line Protection Centre [CEOP]
- Co-Chair of the National Institute of Mental Health Development Board for the North East and Yorkshire
- Chair of the Pharmacy Regulation Oversight Group [PRLOG] and of the Rebalancing Board for Medicines Legislation and Pharmacy Regulation
- Honorary Professor of the Universities of Durham, Salford and York
- President of the Cambridge Union Society

**John Lawlor OBE, Chief Executive  
Northumberland Tyne and Wear NHS Foundation Trust**

Qualifications include BSc (Hons) Mathematics (first class); Post Graduate Certificate of Education, Maths and Physics, secondary level; and Post Graduate Diploma in Leading Innovation and Change. Experience and skills/expertise:

- NHS Top Leaders' Programme participant;
- Area Director in NHS England, responsible for the Cumbria, Northumberland, Tyne and Wear part of the north of England;
- Chief Executive of Leeds Primary Care Trust (PCT) and then of the Airedale, Bradford and Leeds PCT;
- Chief Executive of Harrogate and District NHS Foundation Trust;
- Executive Director/Deputy Chief Executive of Calderdale and Huddersfield NHS Trust;
- Civil Servant, in the Department of Health and in the Department of Employment; and
- Secondary School Mathematics Teacher in South Yorkshire.

**James Duncan, Executive Director of Finance and Deputy Chief Executive  
Northumberland Tyne and Wear NHS Foundation Trust**

Qualifications include BA Politics and History and member of the Chartered Institute of Public Finance and Accountancy. Experience and skills/expertise:

- Extensive financial experience in the NHS;
- Experience in managing mergers, FT application process, PFI and significant capital investment, transformation leadership and development of shared system solutions;
- Director of Finance, Newcastle, North Tyneside and Northumberland Mental Health NHS Trust;
- Director of Finance, Northgate and Prudhoe NHS Trust (including 6 months as Acting Chief Executive);
- Member of National Payment Systems Steering Group;
- Chair of National Business Systems Group for Mental Health Payment Systems and Member of National Steering Group for same project; and
- Vice Chair of HFMA (Healthcare Financial Management Association) Mental Health Faculty.

**Dr Rajesh Nadkarni, Executive Medical Director  
Northumberland Tyne and Wear NHS Foundation Trust**

Qualifications include FRCPsych, MMedSc in Psychiatry (University of Leeds), Doctorate of Medicine (MD) and Diplomate of the National Board in Psychiatry from India and Bachelor of Medicine and Bachelor of Surgery (MBBS). Experience and skills/expertise:

- 18 years' experience as a Consultant Forensic Psychiatrist;
- Extensive expertise in the clinical assessment and management of mentally disordered offenders and (provide clinical expertise to the Newcastle Crown Court Mental Health Team, one of only two services commissioned nationally). Significant experience of service development in the area of offender health, including being an invited member of the National Health and Justice Clinical Reference Group
- Specialist expertise in management of offenders presenting with stalking behaviour having contributed to national and international conferences and influenced training policy within this field;
- Significant experience in medical education and training having previously held the position of Training Programme Director for Forensic Psychiatry within the North East region;
- Served as an elected member of the Forensic Executive Faculty and the Joint Chair of the Community Diversion and Prison Psychiatry Group of the Royal College of Psychiatrists; and
- Invited member of CASS Business School Advisory Group involved in the development of Masters in Medical Leadership, City University of London.

**Gary O'Hare, Executive Director of Nursing and Chief Operating Officer  
Northumberland Tyne and Wear NHS Foundation Trust**

Qualifications include Enrolled Nurse; Registered Mental Nurse and Diploma in the Care and Management of the Mentally Disordered Offender (ENB A71). Experience and skills/expertise:

- Extensive clinical experience in Psychiatric Intensive Care and Forensic Mental Health nursing;
- Extensive nursing and operational delivery experience, both clinical and managerial, at local and national level;
- Director of Nursing at Newcastle, North Tyneside and Northumberland Mental Health NHS Trust;
- Led a number of national initiatives on the management of violence and aggression for the Department of Health and the National Patient Safety Agency;
- Member of the National Mental Health Nurse Directors Forum
- Strong academic links with local universities.
- Executive Reviewer for CQC Well Led Inspections.
- Member of the NHSI Clinical Forum

**Lisa Quinn, Executive Director of Commissioning and Quality Assurance  
Northumberland Tyne and Wear NHS Foundation Trust**

Qualifications include; Member of the Chartered Institute of Management Accountants (CIMA). Experience and skills/expertise:

- Executive Director since 2009.
- Worked in the NHS for over 30 years gaining extensive NHS quality assurance, governance and financial experience;
- Extensive experience of contract negotiation and management
- Partnership working and Trust Executive lead for Sunderland, South Tyneside and Cumbria
- Executive lead for the Development of New Care Models
- Nominated CQC Executive Lead for the Trust
- Trust SIRO and Data and Cyber Security Executive Lead
- Executive Reviewer for the Care Quality Commission

**Lisa Crichton-Jones, Executive Director of Workforce and Organisational Development  
Northumberland Tyne and Wear NHS Foundation Trust**

Qualifications include Fellow of Chartered Institute of Personnel and Development (CIPD); MA (Human Resource Management); Postgraduate Certificate in Strategic Workforce Planning; Postgraduate Diploma in Leadership through Effective Human Resource Management and BA (Hons) Italian and French. Experience and skills/expertise:

- Significant workforce, organisational development and transformation experience across mental health and disability services;
- Executive Sponsor of North East regional Streamlining Programme
- Management Chair for Social Partnership Forums; across both the Northern region and the North East
- Board Governor East Durham College.
- Deputy Director of Workforce and Organisational Development, Northumberland, Tyne and Wear NHS Foundation Trust;
- Associate Director of both People Management and Workforce Development, Northumberland, Tyne and Wear NHS Trust;

**Lynne Shaw, Acting Executive Director of Workforce and Organisational Development  
Northumberland Tyne and Wear NHS Foundation Trust**

Qualifications include; MA in Human Resource Management, Post Graduate Certificate in Strategic Workforce Planning, and BA (Hons) in Business Management. Experience and skills/expertise:

- Member of Chartered Institute of Personnel and Development (CIPD);
- 30 years' experience in the field of HR, including nearly 20 years in the NHS;
- Extensive experience of generalist HR, change management, transformational leadership, workforce development, training, transactional HR processes;
- Executive Sponsor for the Regional Streamlining Programme;
- National NHS Aspirant HR Director's Programme;
- Governor of local college.

**David Arthur, Non-Executive Director  
Northumberland Tyne and Wear NHS Foundation Trust**

Qualifications include Chartered Accountant (1977), Fellow of the Institute of Chartered Accountants in England and Wales (1982). Experience and skills/expertise:

- 40 years as a partner in Tait Walker LLP, Chartered Accountants.
- National head of Forensic Services of MHA, Chartered Accountants network.
- Vice Chair of Percy Hedley Foundation, Chair of Finance Committee and previously Chair of Audit Committee.
- Trustee of Mental Health Concern, Chair of Finance Committee and Member of Governance Committee.
- Governor of Dame Allan's Schools.
- Director and founder member of North East Fraud Forum.
- ICAEW representative on National Business Crime Forum.
- Member of North East Bank of England Panel.
- Chair of Bulman Property Limited.
- President of Northern Society of Chartered Accountants.
- Member of Business Engagement & Advisory Board Newcastle University.

**Dr Les Boobis, Non-Executive Director  
Northumberland Tyne and Wear NHS Foundation Trust**

Qualifications include MB ChB (University of Glasgow), FRCS (England and Edinburgh) and MD (University of Leicester). Also level 3 UKCHIP Member and Member of BCS. Expertise and skills/expertise:

- Extensive NHS senior management experience latterly as Medical Director of large NHS Acute Trust;
- More than 45 years' experience of working in the NHS, 27 of which have been as a Consultant Surgeon;
- Eight years' experience as Medical Director;
- Eight years' experience as the Director of Infection Prevention and Control;
- Ten years' experience as Trust's Caldicott Guardian;
- Four years' experience as the GMC Responsible Officer;
- Ten years' experience as the Trust's lead for Health Informatics, the latter two years as the Chief Clinical Information Officer;
- Four years' experience as the Clinical Safety Officer;
- 15 years' experience as an academic surgeon with the University of Newcastle;
- Ten years' experience as visiting Professor at University of Loughborough during which time acted as an external examiner for two other universities; and
- Three years' experience working as a Physician Consultant for US company Meditech, providers of integrated electronic patient record system.

**Alexis Cleveland, Non-Executive Director  
Northumberland Tyne and Wear NHS Foundation Trust**

Qualifications include BSc in Statistics and Geography. Experience and skills/expertise:

- Director General for Transformational Government and Cabinet Office Management at the Cabinet Office;
- Chief Executive The Pension Service;
- Chief Executive Benefits Agency, Department of Work and Pensions;
- Head of Analytical Services Division DSS;
- Experience at Board level in both executive and non-executive roles with major government departments, agencies, non-departmental public bodies and in the voluntary sector; and
- Currently serves as Trustee of Barnardos, Deputy Chair and Trustee of Durham University Council and Chair of University College Durham University.

**Michael Robinson, Non-Executive Director  
Northumberland Tyne and Wear NHS Foundation Trust**

Qualifications include BA [Hons] in Law from Oxford University. Qualified Solicitor (now retired). Experience and skills / expertise:

- Experienced non-executive director and board member
- Former partner in the corporate department of a large UK-based law firm
- Company Secretary and Group Legal Director at the Sage Group plc for 14 years

**Peter Studd, Non-Executive Director,  
Northumberland Tyne and Wear NHS Foundation Trust and;  
Chair, NTW Solutions**

Qualifications include BSc (Econ) Hons in Business Administration (University of Wales Institute of Science and Technology UWIST, Cardiff). Experience and skills/expertise:

- Governor at Middlesbrough College;
- Independent Board Member at Dale and Valley Homes;
- Member Group Audit and Risk Committee, County Durham Housing Group;
- Director UK Skills Education – A4e;
- Group Board Director at Newcastle College Group (NCG);
- Divisional Board Director at Mouchel Group plc;
- Board Director at HBS - £124m turnover limited Business Services Co;
- Operating Board Director at Capita plc;
- Director on the Board of Cumbria Inward Investment Agency (CIIA);
- Worked in partnership with both central and local government overseeing change programmes delivering service improvement and efficiencies on a variety of £multi-million public private partnerships; and
- Project Management Consultant at IBM.

**Martin Cocker, Non-Executive Director  
Northumberland Tyne and Wear NHS Foundation Trust**

Qualifications include BSC Joint Honours Mathematics and Economics and Member of the Institute of Chartered Accountants of England and Wales. Experience and skills/expertise:

- Independent non-executive director and chairman of the Audit Committee, Etalon Group PLC, TCS Group Holdings PLC, Zemenik Trading Limited and the Beverley Building Society;
- Independent non-executive director and member of the Audit Committee Nostrum Oil and Gas PLC;
- Lay member of the Audit Committee, Durham University; and
- Significant previous business-advisory experience, including Managing Partner North Russia Region and Managing Partner Central Asia Audit Group, Deloitte and Partner and Leader of Ernst & Young's Energy Group in Moscow, Russia.

**Miriam Harte, Non-Executive Director  
Northumberland Tyne and Wear NHS Foundation Trust**

Qualifications include Chartered Accountant (1985) FCA (1995) (Institute of Chartered Accountants in Ireland), BA (mod) Law – Trinity College, Dublin 1981. Experience and skills/expertise:

- Experienced non – executive director and board member mainly in the public/not for profit sector;
- Business Experience – Finance Manager, Procter and Gamble;
- Director, Beamish Museum, Co. Durham;
- Director, Bede's World, Jarrow;
- Consultant in the Heritage and Arts sector - project management, project development, governance and fundraising;
- Business advisor at Creative United (Arts Council);
- Interim Finance Manager – Museums Galleries Scotland;
- Non - Exec Director and Board Member roles;
  - City Hospitals Sunderland NHS Foundation Trust;
  - Tees Valley Housing and Thirteen Group;
  - Myslexia ( Women's Magazine); and
- Deputy Lieutenant, Co. Durham.

**Ruth Thompson, OBE DL. Non-Executive Director  
Northumberland Tyne and Wear NHS Foundation Trust**

Qualifications include BA (Hons) Law, Durham University; LLM (Distinction) Commercial Law; Diploma in Accountancy and Finance; Fellow of Energy Institute (FEI); and Fellow of the Royal Society of Arts (FRSA). Experience and skills/expertise:

- Experienced portfolio non-executive director;
- Solicitor in local government and energy industry;
- Director, Transco PLC;
- Group Corporate Affairs Director, National Grid Plc dealing with public policy and communications across UK, EU and USA;
- Significant change management experience across operational, emergency and support services, in private, public, charity and voluntary sectors;
- High Sheriff of the County of Tyne and Wear 2014/15; and
- Awarded OBE for services to New Deal in 2002.

**Number of meetings and attendance**

The Trust's Board of Directors met in public ten times during 2018/19. The table below (Figure 3) shows the members of the Board of Directors including their titles, attendance at Board meetings, the date of appointment and the expiry date of the current tenure of the Chair and each NED.

**Figure 3: Membership of the Board of Directors and Attendance**

Name Title	Date of:		Current expiry of term	Meetings	
	Appointment	Cessation		Total	Attended
<b>David Arthur</b> Non-Executive Director Audit Committee Chair (from 14.01.19)	14.01.19	-	13.01.22	3	2
<b>Dr Les Boobis</b> Non-Executive Director	01.07.15	-	30.06.21	10	10
<b>Alexis Cleveland</b> Non-Executive Director Vice Chair (from 01.02.17) Quality Committee Chair (from 01.01.19) Senior Independent Director (from 01.01.19)	01.07.15	-	30.06.21	10	8
<b>Martin Cocker</b> Non-Executive Director Audit Committee Chair and Senior Independent Director (from 01.03.16 to 31.12.18)	01.01.12	31.12.18		7	6
<b>Lisa Crichton-Jones</b> Executive Director of Workforce and Organisational Development	04.08.14	-	N/A	2	2
<b>James Duncan</b> Deputy Chief Executive/ Executive Director of Finance	01.12.09	-	N/A	10	10
<b>Miriam Harte</b> Non-Executive Director Charity Committee Chair (from 01.01.19)	01.01.17	31.03.19		10	10
<b>Ken Jarrold</b> Chair	01.02.18	-	31.01.21	10	10
<b>John Lawlor</b> Chief Executive	23.06.14	-	N/A	10	10
<b>Dr Rajesh Nadkarni</b> Executive Medical Director	16.01.16	-	N/A	10	10
<b>Gary O'Hare</b> Executive Director of Nursing and Chief Operating Officer	01.12.09	-	N/A	10	7
<b>Lisa Quinn</b> Executive Director of Commissioning and Quality Assurance	01.12.09	-	N/A	10	9
<b>Michael Robinson</b> Non-Executive Director Mental Health Legislation Committee Chair (from 16.01.19)	16.01.19		15.01.22	3	3
<b>Lynne Shaw</b> Acting Executive Director of Workforce and Organisational Development	01.06.18		N/A	8	8

<b>Peter Studd</b> Non-Executive Director Resource and Business Assurance Committee Chair	01.01.16	-	31.12.21	10	10
<b>Ruth Thompson</b> Non-Executive Director Mental Health Legislation Chair (till 31.12.18)	01.04.14	31.12.18		7	6

### **Independent Non-Executive Directors**

The Board of Directors is satisfied that the NEDs, who served on the Board of Directors for the period under review, 1 April 2018 to 31 March 2019, were independent. The Board of Directors is satisfied that there were no relationships or circumstances likely to affect independence, and the criteria at B1.1 of the Code of Governance was taken into account in arriving at their view. This was reinforced through the appointments/re-appointments process applied by the Nominations Committee.

The qualifications, skills, expertise and experience of NTW Solutions Ltd's directors as at 31 March 2019 are shown below

#### **Malcolm Aiston, Managing Director NTW Solutions**

Qualifications include Chartered Engineer with an Honours Degree in Engineering. Experience and skills/expertise:

- 40 years' experience in NHS estates and facilities services
- Over 19 years as professional lead for these services in NTW and its predecessor organisations
- Developing and leading implementation of strategic change, including overseeing major award winning capital projects
- Experience in leading organisational change
- Membership of national estates forums
- Chair of Northern and Yorkshire NHS Apprenticeship Training Scheme for over 10 years

#### **Tracey Sopp, Director of Finance and Deputy Managing Director NTW Solutions**

Qualifications include membership of the Chartered Institute of Public Finance Accountants (CIPFA). Experience and skills/expertise:

- 25 years' experience in NHS financial management including extensive senior services experience in production of annual accounts, taxation, cash management, forecasting and financial governance and systems;
- Leading business transformation projects and delivering efficiency and process improvements;

- Experience of managing procurement, car leasing and salary sacrifice schemes and workforce transactional services.

**Peter Studd, Non-Executive Director, Chair  
NTW Solutions**

Qualifications include BSc (Econ) Hons in Business Administration (University of Wales Institute of Science and Technology UWIST, Cardiff). Experience and skills/expertise:

- Governor at Middlesbrough College;
- Independent Board Member at Dale and Valley Homes;
- Member Group Audit and Risk Committee, County Durham Housing Group;
- Director UK Skills Education – A4e;
- Group Board Director at Newcastle College Group (NCG);
- Divisional Board Director at Mouchel Group plc;
- Board Director at HBS - £124m turnover limited Business Services Co;
- Operating Board Director at Capita plc;
- Director on the Board of Cumbria Inward Investment Agency (CIIA);
- Worked in partnership with both central and local government overseeing change programmes delivering service improvement and efficiencies on a variety of £multi-million public private partnerships; and
- Project Management Consultant at IBM.

**James Duncan, Non-Executive Director  
NTW Solutions**

Qualifications include BA Politics and History and member of the Chartered Institute of Public Finance and Accountancy. Experience and skills/expertise:

- Extensive financial experience in the NHS;
- Experience in managing mergers, FT application process, PFI and significant capital investment, transformation leadership and development of shared system solutions;
- Director of Finance, Newcastle, North Tyneside and Northumberland Mental Health NHS Trust;
- Director of Finance, Northgate and Prudhoe NHS Trust (including 6 months as Acting Chief Executive);
- Member of National Payment Systems Steering Group;
- Chair of National Business Systems Group for Mental Health Payment Systems and Member of National Steering Group for same project; and
- Vice Chair of HFMA (Healthcare Financial Management Association) Mental Health Faculty.

**Andrew Buckley, Non-Executive Director  
NTW Solutions**

Qualifications include B.A in Modern Languages, Masters in Business Administration and Graduate Member of the Institute of Export  
Experience and skills/expertise:

- 30 years commercial experience in marketing, sales, communications, business development and customer services
- Held senior level posts with Stanley Tools, Britvic, Seagram, The Sage Group, FTSE and Make UK
- Formerly Chief Executive with RTC North, a consultancy company helping businesses to innovate, compete and grow.
- Experience in leading organisational change

The NTW Solutions Board of Directors met ten times in the year. The table below (Figure 4) shows the members of the Board during 2018/19, date of appointment and attendance at Board meetings.

<b>Name and Title</b>	<b>Date of Appointment</b>	<b>Meetings 2018/19</b>	
		<b>Total</b>	<b>Attendance</b>
Malcolm Aiston Managing Director	01.04.2017	10	6
Andrew Buckley Non-Executive Director	01.03.2019	1	1
James Duncan Non-Executive Director	01.04.2017	10	9
Tracey Sopp Director of Finance	01.04.2017	10	9
Peter Studd Chair	01.04.2017	10	10

## **Board Committees**

The Trust's Constitution requires the Board to convene a Remuneration Committee and an Audit Committee and any other committees as it sees fit to discharge its duties.

The Board of Directors annually reviews and approve changes to the Terms of Reference for the Board and its committees and the Corporate Decisions Team.

The Trust undertook an external review of its governance arrangements, using the Well Led Framework, during 2015/16, supported by Deloitte, in line with NHS Improvements recommendations to all foundation Trusts. No material governance concerns were identified. As part of the comprehensive inspection from the CQC the Trust governance was reviewed through the Well Led Domain, gaining an 'Outstanding' outcome in this area, as well as being rated as 'Outstanding' overall in both 2016 and 2018 following the CQC Well Led review and comprehensive review of services.

In addition to the Remuneration Committee and Audit Committee reporting to the Board, there are also four other standing committees delivering a statutory and assurance function. These are, the Mental Health Legislation Committee, the Resource and Business Assurance Committee, the Quality and Performance Committee and the CEDAR Board.

Each committee is chaired by a Non-Executive Director and has robust Non-Executive Director input along with Executive Director Membership (attendance in the case of the Audit Committee). While reporting to the Board of Directors, the work of the committees in relation to risk management is reviewed by the Audit Committee. Each committee self-assesses its effectiveness annually.

In relation to NTW Solutions Board Committees, a Scheme of Reservation and Delegation between the Trust and NTW Solutions reserves the company's audit and director remuneration functions to be overseen by the Trust's Audit Committee and Remuneration Committee. This includes the reporting of the company's risk management arrangements to the Trust's Audit Committee.

NTW Solutions has established one Board committee, the Health, Safety and Security Committee, which is chaired by the Managing Director. The committee self-assesses its effectiveness annually and the NTW Solutions board of directors reviews and approves any changes to its terms of reference.

## **Register of Directors' Interests**

The Trust maintains a formal Register of Directors' Interests. The Register is available for inspection on the internet at [www.ntw.nhs.uk](http://www.ntw.nhs.uk) or on request, from Jennifer Cribbes, Corporate Affairs Manager, Chief Executive's Office, St. Nicholas Hospital, Jubilee Road, Gosforth, Newcastle upon Tyne, NE3 3XT.  
[\(Jennifer.Cribbes@NTW.nhs.uk\)](mailto:(Jennifer.Cribbes@NTW.nhs.uk))

The Board of Directors do not consider any of the interests declared to conflict with their management responsibilities and therefore they do not compromise the directors' independence.

NTW Solutions Ltd maintains a formal Register of Directors' Interests. The Register is available on request to Grahame Ellis, Company Board Secretary, Arran House, St Nicholas Hospital, Jubilee Road, Gosforth, Newcastle Upon Tyne, NE3 3XT.

### **HM Treasury, cost allocation and charging guidance**

The Trust has complied with cost allocation and charging guidance issues by HM treasury.

### **Political Donations**

The Trust has made no political donations during 2018/19.

### **Better payment practice code and interest payments under the late payment of commercial debt act**

We continue to monitor our performance in terms of paying our trade suppliers in line with our target of paying 95% within 30 days of receiving a valid invoice or within term, whichever is the shorter. An analysis of our performance is shown in figure 5 below.

**Figure 5: Payment of Trade Invoices (Group)**

<b>Better Payment Practice Code</b>	<b>2018/19 Number of invoices paid within target</b>	<b>2018/19 Value of invoices paid within target</b>	<b>2017/18 Number of invoices paid within target</b>	<b>2017/18 Value of invoices paid within target</b>
Non-NHS Trade Invoices	94.6%	97.0%	94.1%	97.3%
NHS Trade Invoices	97.1%	99.9%	90.1%	99.4%

The Group and Trust had no interest on late payment of commercial debts or compensation paid to cover debt recovery costs as at 31st March 2019 (31st March 2018 : £nil).

The Directors have confirmed that there are no expected post balance sheet events which will materially affect the disclosures made within these accounts.

### **NHS Improvement's well-led framework**

The Trust's Annual Governance Statement 2018/19 (section 3.8), outlines how the Trust has regard to NHS Improvements Developmental Review of Leadership and Governance using the well-led framework, in arriving at its overall evaluation of the organisation's performance, internal control and Board assurance.

The CQC undertook a well led review and inspection of core services in April 2018, and found the Trust to be 'Outstanding' overall, and in the Well Led, Responsive, Caring and Effective domains and 'Good' in the Safe domain.

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

The Trust confirms that there are no material inconsistencies between:

- The Annual Governance Statement;
- The Corporate Governance Statement, the Quality Report, and Annual Report; and
- Reports from the Care Quality Commission planned and responsive reviews of the Trust and any consequent action plans developed by the Trust.

Information relating to the Trust's patient care activities is outlined throughout this Annual Report, including in the Quality Report, Performance Report and Annual Governance Statement.

### **Service User and Carer Involvement**

The Trust actively engages service users, carers and other stakeholders in seeking their views on what they require of the Trust's services and how the Trust's services should transform and develop. This engagement includes regular surveys, service user/carer feedback work and specific engagement/involvement in initiatives together with formal consultation on the Trust's plans, including formal public consultation on specific proposals where appropriate.

During 2018/19 service users and carers were involved in the following:

- Shaping our quality priorities for 2019/20 - In December 2018 the Trust held a 2019 – 2020 Quality Priorities Stakeholder event. This included Governors, Healthwatch members, service user and carer representatives as well as non-executive directors of the Trust. The Trust publicised an on-line survey in relation to a proposed new quality priority linked to the Equality, Diversity and Inclusion Strategy, the survey asked two questions:-
  - How can we understand the communities we serve? The results showed the main themes were by listening to people, communication,

- accessibility, using links to existing groups and by running more events
- How will we know if we are meeting their needs? The results showed that overwhelmingly, people felt that communication and analysis or study would be the best way to understand if we were meeting people's needs
- Ongoing involvement via the service user and carer Reference Groups, and Carers Forums;
- Deciding together, Delivering Together Programme;
- Development of Recovery Colleges; and
- Involvement in recruitment and selection process.

## **Service user Feedback**

Service user feedback is actively sought and reviewed through a number of initiatives which are supported through the Trust's dedicated Service user and Carer Engagement Team and Quality Assurance functions including:

- 'Points of You';
- Friends and Family Test;
- Service User and Carer Network;
- Essence of Care;
- Complaints, Incidents and Service user Advice and Liaison Service (PALS) Reports;
- Service visits by Directors;
- Peer review visits;
- Service user and carer groups for particular wards and services;
- Review of feedback to the CQC regarding the Trust's services;
- Royal College of Psychiatry Quality Network peer reviews;
- Consultation and involvement regarding proposed service changes/developments;
- The Short Warwick and Edinburgh Mental Wellbeing Scale (SWEMWEBS); and
- Local and national surveys.

The Council of Governors has in place an established Quality Sub Group which looks specifically at enhancing the quality of Trust services. This group also reviews progress toward the Quality Goals and Quality priorities throughout the year.

The Trust committed to a Quality Priority for 2018/19 to:

- Continue to embed the Triangle of Care, ensuring that we work in partnership with service users and carers;
- Roll out the use of the Triangle of Care to services for Children and Young People; and
- Closely monitor feedback from carers to measure the impact of this initiative.

Significant work has been undertaken with regard to this and a more detailed update can be found in the section 4 Quality Report.

During 2018/19, 6,973 responses to the Friends and Family Test question were received which was a 6% increase in responses compared to 2017/18. Of respondents, 88% said they would recommend the service they received (rating of extremely likely or likely), this score has increased slightly compared to 2017/18. Six percent of respondents indicated they would not recommend the service they received (ratings of extremely unlikely or unlikely) which is also a small decrease compared to 2017/18.

During 2018/19 feedback through Points of You Survey was received from approximately 5,000 service users and 1,600 carers. The responses showed that during 2018/19 there had been an increase in positive scores in 8 out of 9 of the questions asked with the other score remaining the same.

Short Warwick-Edinburgh Mental Wellbeing Scale (SWEMWBS): through the Trust's involvement in the Care Pathways and Packages Project, a short wellbeing scale has been nationally recommended as the Service user Reported Outcome Measure (PROM) for the treatment packages we deliver. The ratings for scales allow clinical outcomes to be measured at the end of a service user's episode of care compared to the start of the episode. SWEMWBS is now being given to service users at these same time points.

A quarterly report on service user and carer experience is presented to the Board. This includes an analysis of the feedback received through 'Points of You' and other experience measures, recurrent themes and actions to be taken to address these themes.

## Patient Information

The Trust's Patient Information Centre aims to ensure that everyone has access to a range of useful health and wellbeing information resources. The service is free and completely confidential. The staff at the Centre can provide access to information resources about: medical conditions, procedures and treatments and using the NHS complaints process and NHS services within the Trust.

The services offered by the centre are available to everyone. The Centre has established good working relationships with other statutory and voluntary organisations so that they can make referrals with confidence.

23 mental health self-help guides are available online in a range of formats, including British Sign Language (BSL), Easy Read, Large print and audio [www.ntw.nhs.uk/selfhelp](http://www.ntw.nhs.uk/selfhelp)

## Complaints and Compliments

The Trust acknowledges that it is not only important that we offer service users the right care at the right time, but that their experience of care whilst with us is as positive as it possibly can be. Comments, compliments and complaints are valuable learning tools and provide information that enables services to improve. The Trust's Complaints Policy and accompanying Practice Guidance Notes provides the framework in which they can be managed effectively in line with the Local Authority,

Social Services and National Health Service Complaints (England) Regulations 2009 (2009 Complaints Regulations) and the Ombudsman's principles.

We are confident that service users, carers and family know how to raise a complaint.

Complaints have decreased during 2018/19 with a total of 483 received during the year. This is an overall decrease of 61 (11%) from 2017/18. Complaint categories where a significant reduction is noted in comparison to 2017/18 are:

- Complaints related to prescribing categories have reduced by 52%.
- Complaints related to appointment categories have reduced by 44%
- Complaints related to values and behaviours categories have reduced by 19%
- Complaints related to waiting times categories have reduced by 59%.

Complaint relating to communication have increased by 28% in comparison to 2017/18. At the time of writing, 41% of complaints categorised as communication were upheld or partially upheld.

The Patient Advice and Liaison Service (PALS) gives service users and carers an alternative to making a formal complaint. The service provides advice and support to service users, their families, carers and staff, providing information, signposting to appropriate agencies, listening to concerns and following up concerns with the aim of helping to resolve issues quickly.

The Quality and Performance Committee regularly reviews the complaints received and identified trends which are outlined in the monthly and quarterly Safer Care reports. The Learning and Improvement group, chaired by an Executive Director, has looked at ways of embedding learning across the organisation incorporating learning from complaints, claims and incidents. Lessons learnt are disseminated across services with the aim of improving the quality of care.

### **Service improvements following staff or service user surveys or CQC reports**

During 2018/19 there has been a significant amount of work undertaken to continue to deliver the Quality Priorities identified;

- Safety – Improving the Patient Experience
- Clinical Effectiveness – Embedding the Trust Values
- Service User and Carer Experience – improving waiting times
- Service User and Carer Experience – Embedding the Principles of Triangle of Care

A detailed update on progress is provided in Section 4 Quality Report.

## **Stakeholder Relations**

The Trust is a significant partner in the North East and Cumbria Integrated Care System, taking the lead role in the Mental Health Work Stream which has been established. This aims to integrate the prevention and support of mental ill health across the whole health economy.

We have also continued to work in each locality to support the implementation of the five year forward view including through Health and Wellbeing Boards and Vanguard Programme Boards. The Trust's Chief Executive, John Lawlor, acts as joint senior responsible office for the ICS Mental Health Work Stream, a named Executive Director leads this work in each locality, supported by operational managers and clinicians. Key partnership service developments in 2018/19 have included;

- Working in partnership with Changing Lives on a social impact bond to enable us to support entrenched rough sleepers (commenced November 2017)
- Providing addictions services within HMP Haverigg from 2018
- Delivering 24/7 psychiatric liaison services in acute hospitals across the area.
- Worked in partnership with Tees, Esk and Wear Valley NHS Foundation Trust, to submit an application to take part in the New Care Models pilot programmes for Adult Secure Pathways across the ICS footprint, and separately developed an application for the Children and Young Peoples Secure pathway across Northumberland Tyne and Wear and North Cumbria. Both applications were successful and now in full operation

We have a positive relationship with the main health scrutiny committees in each locality. Directors and senior clinical managers attend the Overview and Scrutiny Committee (OSC) meetings to present updates on the Trust's plans and make specific presentations on any proposed changes to services.

For service changes, the relevant Clinical Commissioning Group leads the formal consultation process and NTW work in partnership with those officers to ensure appropriate engagement and involvement.

## **Statement as to disclosure to auditors (s418)**

Each director has stated that as far as they are aware, there is no relevant audit information of which the Trust's auditors are unaware. Also, each director has taken all steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that Mazars LLP are aware of that information.

## **Income disclosures as required by section 43(2A) of the NHS Act 2006 (as amended by the Health and Social Care Act 2012).**

The statutory limitation on private patient income in Section 44 of the 2006 Act was repealed with effect from 1 October 2012 by the Health and Social Care Act 2012.

The Health and Social Care Act 2012 requires Foundation Trusts to make sure that the income they receive from providing goods and services for the NHS (their principle purpose) is greater than their income from other sources. This income has had no impact on the provision of goods and services for the purposes of the health service in England. The Private Patient Income for 2018/19 is shown in table below (Figure 6).

**Figure 6: Private Patient Income**

<b>Private Patient Income</b>	<b>Group</b>	<b>Trust</b>	<b>Group</b>	<b>Trust</b>
	<b>2018/19</b>	<b>2018/19</b>	<b>2017/18</b>	<b>2017/18</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Private patient income	0	0	0	0
Total patient related income	296,227	296,227	289,873	289,873
Proportion (as percentage)	0.00%	0.00%	0.00%	0.00%



John Lawlor  
Chief Executive  
**22 May 2019**

### **3.2 Remuneration Report**

#### **Annual statement on remuneration**

Members of the Board of Directors are the individuals who have responsibility for controlling the major activities of the Group including the Trusts' subsidiary companies, and their remuneration is included in this report. This is in line with the requirement to include those who influence the decisions of the Group as a whole rather than decisions of individual directorates or business units within the organisation.

NTW has a Remuneration Committee, whose role is to determine and review all aspects of the remuneration and terms and conditions of the Chief Executive and other Executive Directors and to agree associated processes and arrangements including appointments and Terms of Conditions. The Remuneration Committee is chaired by the Trust Chair and its membership is comprised of all Non-Executive Directors (NEDs).

The Chair of the Board of Directors makes this annual statement as Chair of the Remuneration Committee, whose remit covers Executive Directors, and as Chair of the Council of Governors (Nominations Committee), whose remit covers NEDs.

During 2017-18, the Remuneration Committee conducted an exercise to review the Executive Directors salaries against information provided by NHS Improvement and the NHS Providers survey of NHS Trusts' executive directors' salaries. This exercise showed that, with the exception of the Chief Executive, Executive Directors salaries were benchmarked well below the upper quartile in all cases. This exercise also aligned with a benchmarking exercise that had previously been undertaken by external consultants, which demonstrated that the salaries are considerably below those in the private sector.

The Remuneration Committee therefore agreed to a three year process to align the salaries of Executive Directors to the salaries of individuals in comparable positions working in Trusts of a similar size and complexity.

Acknowledging that the Trust is a £300 million business employing over 6,000 staff with the added complications of the mental health legislation environment and issues of deprivation of liberty, it was agreed in principle that the Trust's Executive Directors salaries should be benchmarked against the upper quartile of medium sized mental health trusts, based on the information from NHS Improvement. As a second factor, the upper quartile figures for medium sized acute trusts were also considered.

Therefore, the Remuneration Committee awarded pay increases to Executive Directors as shown in the table below (Figure 8). These salary changes reflect the excellent standards of performance of the Trust, including in particular the outstanding assessment of the trusts services by the CQC

The Remuneration Committee also conducted a process to revise the Board Structure of NTW Solutions, formalise senior positions and agree the remuneration

packages of the subsidiaries Executive Directors. During 2018/19, the job descriptions of the Managing Director, Finance Director and Deputy Managing Director and Director of Estates and Facilities were subject to an independent evaluation that was conducted by Inbucon. The role of Finance Director and Deputy Managing Director was also subjected to an independent evaluation by Korn Ferry. As a result of the reviews and the success of NTW Solutions, the Remuneration Committee agreed the Remuneration packages proposed for the Managing Director, Finance Director and Deputy Managing Director and Director of Estates and Facilities.

A handwritten signature in black ink, appearing to read "Ken Jarrold".

**Ken Jarrold**  
**Chair**  
**22<sup>nd</sup> May 2019**

## **Senior Managers' Remuneration Policy**

The Trust complies with all aspects of the Code of Governance. This includes the main principle that:

'Levels of remuneration should be sufficient to attract, retain and motivate directors of quality, and with skills and experience required to lead the NHS Foundation Trust successfully, but an NHS Foundation Trust should avoid paying more than is necessary for this purpose and should consider all relevant and current directions relating to contractual benefits such as pay and redundancy entitlements'.

The term 'senior manager' includes all individuals who have held office as a member of the Board of Directors. Senior managers remuneration comprises basic pay and NHS pension contribution only (variations are salary sacrifice benefits as set out in the table). This applies to all senior managers. No performance related pay applies to senior managers.

There are no provisions for the recovery of sums paid to senior managers or for withholding the payments of sums to senior managers.

During 2018/19, the Trust has had two substantive Executive Directors paid more than £150,000, namely the Chief Executive Officer and the Executive Medical Director. The Trust is satisfied that both pay packages are reasonable.

The Trust's previous Chief Executive was remunerated more than the current Chief Executive Officer. The Executive Medical Director's package includes a sum for clinical duties as set out in figure 8. Remuneration reflects the complexity of the role and its responsibility.

All substantive Executive Directors' contracts are permanent with three months' notice (except the Director of Finance whose notice period is four months and the Chief Executive whose notice period is 6 months) and all Executive Directors' termination payments (including redundancy and early retirement) were as per the general NHS terms and conditions applicable to other staff.

Performance related pay did not apply for 2018/19 and benefits in kind relate to lease cars and salary sacrifice schemes.

The Trust reimburses the Chief Executive, Executive Directors and Non-Executive Directors any reasonable travelling, hotel, hospitality and other expenses wholly, exclusively and necessarily incurred in the proper performance of their duties. This is subject to the production of relevant invoices or other appropriate proof of expenditure in respect of claims submitted.

## **Service Contracts obligations**

The date of service contracts, unexpired term and details of the notice period of Executive Directors who have served during the year are disclosed in figure 3.

## **Policy on payment for loss of office**

In accordance with the Senior Managers' Remuneration Policy, all Executive Directors' termination payments (including redundancy and early retirement) are aligned to the general NHS terms and conditions applicable to other staff.

## **Statement of consideration of employment conditions elsewhere in the Foundation Trust**

In establishing the Trust's wholly owned subsidiary company, NTW Solutions, the remuneration committee commissioned an external job evaluation and comparison to determine the salaries for these posts shown in Figure 9.

Pay for other directors, senior managers and all other non-medical and dental staff is in accordance with the national Agenda for Change terms and conditions, (with the exception of a small number of senior staff who have been appointed onto a single point within a local pay range, using the flexibilities within Agenda for Change for bands 8C and above). Pay for medical staff is in accordance with the national terms and conditions of service for hospital, medical and dental staff, and may include clinical excellence awards.

## **Remuneration Committee**

The purpose of the Remuneration Committee is to decide and review the terms and conditions of office of the Chief Executive and Executive Directors in the NTW Group, comply with the requirements of the Code of Governance and any other statutory requirements. The Remuneration Committee's terms of reference are included on the Trust website, and its role includes agreeing processes and arrangements (and receiving and considering the outcome and recommendations from such processes) for approval, e.g. interview processes. Ensuring compliance with the requirements of "NHS Employers: Guidance for employers within the NHS on the process for making severance payments" was added to the committee's remit during 2013/14 following instruction from NHS Improvement.

All Group Executive Director's appointments and terms of office are considered by the Remuneration Committee. This includes the Chief Executive, whose appointment must be agreed by the Council of Governors.

The Council of Governors is responsible for the appointment/reappointment of the Chairman and NEDs with the associated work carried out by its Nominations Committee, which provides the Council of Governors with recommendations. The work of the Nominations Committee is described later in this report.

The Remuneration Committee is chaired by the Trust Chair and its membership is made up of all NEDs. The Remuneration Committee met four times during 2018/19. Figure 7 below shows the membership of the Remuneration Committee during 2018/19 along with their attendance.

**Figure 7: Membership of the Remuneration Committee and Attendance**

Name	Meetings	
	Total	Attended
Ken Jarrold (Chair)	4	4
David Arthur	1	0
Dr Les Boobis	4	4
Alexis Cleveland	4	3
Martin Cocker	3	3
Miriam Harte	4	3
Michael Robinson	1	1
Peter Studd	4	4
Ruth Thompson	3	2

The Remuneration Committee has received advice from John Lawlor, Chief Executive, James Duncan, Deputy Chief Executive and Executive Director of Finance and Lynne Shaw, Acting Director of Workforce and Organisational Development to assist their considerations. Members of the Trust in attendance at meetings in an advisory capacity only are not in attendance during discussions of their own remuneration and/or Terms and Conditions.

In 2017, the Remuneration Committee agreed an approach to increasing the salaries for Executive Directors as part of a three year strategy to benchmark salaries against the upper quartile of directors of medium-sized NHS Mental Health providers and the upper quartile salaries of medium-sized acute NHS providers. In 2018/19, the Remuneration Committee continued to review the salaries of Executive Directors in line with the 3-year strategy. During 2018/19, the Trust has had two substantive Executive Directors paid more than £150,000, namely the Chief Executive Officer and the Executive Medical Director. The Remuneration Committee was satisfied that both pay packages were reasonable and commensurate with the role.

The Council of Governors has established a Nominations Committee to provide it with recommendations relating to the appointment of the Chair and NEDs and the associated remuneration and allowances and other terms and conditions. Details of the work of the Nominations Committee is included in the section on “Disclosures set out in the NHS Foundation Trust Code of Governance”.

During 2018/19, there were 16 individuals fulfilling the role as director in the Trust, 10 of them receiving expenses in the reporting period totalling £6,342. The equivalent for 2017/18 for the Trust was 15 individuals, with 8 receiving expenses totalling £7,428.

During 2018/19, there were five individuals fulfilling the role as director in the Trust subsidiary company NTW Solutions, Two of them receiving expenses in the period totalling £202. The equivalent for 2017/18 for the Trust subsidiary company NTW Solutions was four individuals, with two receiving expenses totalling £760.

During 2018/19, there were 41 individuals in Governors' roles, but at any one time there was a minimum of 29 Governors in post. Nine Governors received expenses during the year which totalled £817.96. The equivalent for 2017/18 was 45 individuals in Governor roles with a minimum of 30 Governors in post at any one time. Governors during 2017-18 received expenses totalling £1,439.

## Board of Directors remuneration

**Figure 8: NTW Board of Directors Remuneration - Remuneration for each board member who served during 2018/19 along with prior year comparatives.**

Name and Title	Trust - Board of Directors Remuneration							
	Salary Bands of £5,000		Taxable Benefits rounded to the nearest £100		Pension Related Benefits Annual Increase in Pension Entitlement Bands of £2,500		Total Bands of £5,000	
	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18
Ken Jarrold - Chair	50 - 55	5 - 10	0	0	0	0	50 - 55	5 - 10
Alexis Cleveland - Acting Chair and Non-Executive Director	15 - 20	35 - 40	0	0	0	0	15 - 20	35 - 40
Paul McEldon - Non-Executive Director	0 - 0	0 - 5	0	0	0	0	0 - 0	0 - 5
Martin Cocker - Non-Executive Director	10 - 15	15 - 20	0	0	0	0	10 - 15	15 - 20
Ruth Thompson - Non-Executive Director	10 - 15	15 - 20	0	0	0	0	10 - 15	15 - 20
Dr Leslie Boobis - Non-Executive Director	10 - 15	10 - 15	0	0	0	0	10 - 15	10 - 15
Peter Studd - Non-Executive Director *	10 - 15	15 - 20	26	0	0	0	15 - 20	15 - 20
Miriam Harte - Non-Executive Director	10 - 15	10 - 15	0	0	0	0	10 - 15	10 - 15
David Arthur - Non-Executive Director	0 - 5	0 - 0	0	0	0	0	0 - 5	0 - 0
Michael Robinson - Non-Executive Director	0 - 5	0 - 0	0	0	0	0	0 - 5	0 - 0
John Lawlor - Chief Executive	190 - 195	185 - 190	0	0	0.0 - 0.0	25.0 - 27.5	190 - 195	215 - 220
James Duncan - Executive Director of Finance and Deputy Chief Executive *	125 - 130	115 - 120	92	74	15.0 - 17.5	57.5 - 60.0	150 - 155	180 - 185
Dr Rajesh Nadkarni - Executive Medical Director *	165 - 170	150 - 155	102	64	62.5 - 65.0	45.0 - 47.5	240 - 245	200 - 205
***Gary O'Hare - Executive Director of Nursing and Operations	130 - 135	110 - 115	0	32	475.0 - 477.5	0.0 - 0.0	605 - 610	115 - 120
Lisa Quinn - Executive Director of Commissioning and Quality Assurance *	115 - 120	100 - 105	47	67	137.5 - 140.0	97.5 - 100.0	260 - 265	205 - 210
**Lisa Crichton-Jones - Executive Director of Workforce and Organisational Development *	15 - 20	100 - 105	16	77	50.0 - 52.5	50.0 - 52.5	65 - 70	160 - 165
**Lynne Shaw - Acting Executive Director of Workforce and Organisational Development *	90 - 95	0 - 0	38	0	150.0 - 152.5	0.0 - 0.0	250 - 255	0 - 0

For Dr Rajesh Nadkarni, £51,000 of the remuneration relates to clinical duties (2017/18 £45,000). The remuneration of all other Executive Directors relates to management posts.

Dr Rajesh Nadkarni opted out of the NHS Pension Scheme on 1st September 2018.

\*\*For Directors highlighted with \*\* the salaries and taxable benefits have been adjusted to reflect any part-year terms in office and secondment arrangements. Pension related benefits have not been adjusted to reflect part-year terms in office. Lisa Crichton Jones was seconded to Gateshead Health NHS Foundation Trust from 1st June 2018 and Lynne Shaw is acting into the role of Director of Workforce and Organisational Development from that date.

\*\*\* Gary O'Hare's salary has been adjusted to include the salary paid by Cumbria for a secondment arrangement, but the pension related benefits other than salary have not been adjusted to reflect this secondment for the period July 2018 to March 2019 as a full term in office applies. The full salary including salary costs met by Cumbria would be in the salary band £160,000 - 165,000 bracket.

\*The Directors highlighted with \* have salary sacrifice schemes during the year, which can result in increases/decreases in both salary and pension related benefits as salary sacrifice schemes are entered into and withdrawn from. All taxable benefit costs are met by the employee as part of the salary sacrifice scheme arrangements. The Board does not consider membership of the salary sacrifice scheme relating to Peter Studd to have had an adverse impact on his independence in his role as Non-Executive Director. Policies and procedures relating to salary sacrifice schemes and NED Terms and Conditions are continually subject to review.

**Figure 9: NTW Solutions Board of Directors Remuneration - Remuneration for each NTW Solutions board member who served during 2018/19 along with prior year comparatives.**

NTW Solutions - Board of Directors Remuneration								
Name and Title	Salary Bands of £5,000		Taxable Benefits rounded to the nearest £100		Pension Related Benefits Annual Increase in Pension Entitlement Bands of £2,500		Total Bands of £5,000	
	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18
Peter Studd - Chair NTW Solutions	5 - 10	5 - 10	0	0	0	0	5 - 10	5 - 10
James Duncan - Non-Executive Director NTW Solutions	5 - 10	5 - 10	0	0	0	0	5 - 10	5 - 10
Andrew Buckley - Non-Executive Director NTW Solutions	0 - 5	0 - 0	0	0	0	0	0 - 5	0 - 0
Malcolm Aiston - Managing Director NTW Solutions	110 - 115	105 - 110	18	36	0.0 - 0.0	177.5 180.0	-	110 - 115 285 - 290
Tracey Sopp - Director of Finance NTW Solutions	75 - 80	70 - 75	56	49	22.5 - 25.0	82.5 - 85.0	105 - 110	160 - 165

The Directors highlighted with \* have salary sacrifice schemes during the year which can result in increases/decreases in both salary and pension related benefits as salary sacrifice schemes are entered into and withdrawn from.

Malcolm Aiston retired from the NHS Pension Scheme on 30th March 2019.

## **Median remuneration**

The median remuneration of all Trust staff and the ratio between this and the mid-point of the banded remuneration of the highest paid director are shown below. The calculation is based on full time equivalent staff of the Trust at 31 March 2019 on an annualised basis.

**Figure 10: Median remuneration**

<b>Fair pay multiple</b>	<b>2018/19</b>	<b>2017/18</b>
Median total remuneration	<b>25,442</b>	<b>25,190</b>
Ratio to mid-point of the banded remuneration of highest paid director	<b>7.57</b>	<b>7.49</b>
<b>Range of Remuneration in bands of £5,000</b>	<b>£000</b>	<b>£000</b>
Remuneration ranged from	5 - 10	5 - 10
Remuneration ranged to	190 - 195	185 - 190

## Total pension entitlement

**Figure 11: Board of Director Pension Analysis 2018/19**

Trust - Board of Directors	Real Increase (decrease) in pension at pension age	Real Increase (decrease) in lump sum at pension age	Total accrued pension at pension age at 31-03-19	Lump sum at pension age related to accrued pension at 31-03-19	Cash Equivalent Transfer Value at 31-03-19	Cash Equivalent Transfer Value at 31-03-18	Real Increase in Cash Equivalent Transfer Value
	Bands of £2.5k £000	Bands of £2.5k £000	Bands of £5k £000	Bands of £5k £000	£000	£000	£000
John Lawlor Chief Executive	0.0 - 2.5	2.5 - 5.0	80 - 85	240 - 245	1,887	1,655	182
James Duncan *	0.0 - 2.5	(0.0) - (2.5)	40 - 45	105 - 110	829	697	111
Dr Rajesh Nadkarni * Executive Medical Director	2.5 - 5.0	(0.0) - (2.5)	55 - 60	125 - 130	1,041	869	145
Gary O'Hare *** Executive Director of Nursing and Operations	20.0 - 22.5	65.0 - 67.5	80 - 85	240 - 245	1,805	1,160	610
Lisa Quinn * Executive Director of Commissioning & Quality Assurance	5.0 - 7.5	12.5 - 15.0	45 - 50	115 - 120	856	629	207
Lisa Crichton-Jones * Executive Director of Workforce & Organisational Development **	0.0 - 2.5	0.0 - 2.5	30 - 35	65 - 70	511	399	17
Lynne Shaw * Acting Executive Director of Workforce & Organisational Development **	5.0 - 7.5	12.5 - 15.0	20 - 25	55 - 60	431	258	138

The Directors highlighted with; \* have salary sacrifice schemes during the year which can result in increases and decreases in pension benefits as schemes are entered into and withdrawn from.

\*\* For Directors highlighted with \*\* the increases/(decreases) in pension relate to the term in office only, but the total accrued pension, lump sum and cash equivalent transfer values have not been adjusted for periods in post and are disclosed in full.

\*\*\* The pension disclosures for Gary O'Hare include the full real increases in pension fund values and full total accrued pension, lump sum and cash equivalent transfer values. The amounts have not been adjusted to reflect the one day per week secondment to Cumbria from July 2018 as a full term in office applies .

Dr Rajesh Nadkarni opted out of the NHS Pension Scheme on 1st September 2018.

**Figure 12: NTW Solutions Board of Director Pension Analysis 2018/19**

NTW Solutions - Board of Directors	Real Increase (decrease) in pension at pension age	Real Increase (decrease) in lump sum at pension age	Total accrued pension at pension age at 31-03-19	Lump sum at pension age related to accrued pension at 31-03-19	Cash Equivalent Transfer Value at 31-03-19	Cash Equivalent Transfer Value at 31-03-18	Real Increase in Cash Equivalent Transfer Value
	Bands of £2.5k £000	Bands of £2.5k £000	Bands of £5k £000	Bands of £5k £000	£000	£000	£000
Malcolm Aiston Managing Director NTW Solutions	0.0 - 0.0	0.0 - 0.0	0 - 0	0 - 0	-	1,075	0
Tracey Sopp * Director of Finance NTW Solutions	0.0 - 2.5	0.0 - 2.5	15 - 20	35 - 40	306	241	58

The Directors highlighted with \* have salary sacrifice schemes during the year which can result in increases and decreases in pension benefit are entered into and withdrawn from.

Malcolm Aiston retired from the NHS Pension Scheme on 30th March 2019.

The remuneration and pension benefits tables disclosed have been subject to audit and an unqualified opinion has been given.

Cash equivalent transfer values are not applicable where individuals are over 60 years old.

The 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 accumulated benefits and any contingent spouse's pension payable from the scheme. CETV's are calculated within the guidelines and framework prescribed by the Institute and Faculties of Actuaries. 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 from 2004-05 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.

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.



**John Lawlor**  
**Chief Executive**  
**22 May 2019**

### **3.3 Staff Report**

#### **Employee Numbers**

At the 31 March 2019, the Board of Directors for Northumberland, Tyne and Wear Foundation Trust comprised of six Executive Directors (two female and four male) and seven Non-Executive Directors (two female and five male).

At the 31 March 2019, the Board of Directors of NTW Solutions Ltd. comprised of two Executive Directors (one female and one male) and three Non - Executive Directors (three male).

For the purposes of this Annual Report only Board members are considered to be senior managers.

The NTW Group has 6,274 employees including Non-Executive Directors (4,598 female and 1,676 male) of whom 24% work part-time.

2,512 employees (1,879 female and 633 male) are also registered with one or more of the Trust's staff banks. In addition, there are currently 521 (368 female and 153 male) 'bank only' workers who do not hold substantive posts elsewhere in the Trust.

A total of 378 bank only staff worked shifts during 2018/19.

**Figure 13: Employee Expenses and Employee Numbers**

Employee Expenses				Group						Trust					
	Total 2018/19 £000	Permanently Employed 2018/19 £000	Other 2018/19 £000	Total 2017/18 £000	Permanently Employed 2017/18 £000	Other 2017/18 £000	Total 2018/19 £000	Permanently Employed 2018/19 £000	Other 2018/19 £000	Total 2017/18 £000	Permanently Employed 2017/18 £000	Other 2017/18 £000			
Salaries and wages	203,137	201,365	1,772	197,439	196,641	798	190,427	188,877	1,750	185,208	184,410	798			
Social security costs	18,982	18,982	0	18,290	18,290	0	17,982	17,982	0	17,456	17,456	0			
Apprenticeship levy	936	936	0	919	919	0	897	897	0	876	876	0			
Pension cost - defined contribution plans:															
Employer's contributions to NHS Pensions	24,259	24,259	0	24,808	24,808	0	22,888	22,888	0	23,743	23,743	0			
Pension cost - other contributions	83	83	0	0	0	0	29	29	0	0	0	0			
Temporary staff - agency/contract staff	7,642	0	7,642	7,663	0	7,663	7,395	0	7,395	7,323	0	7,323			
<b>Total staff costs</b>	<b>255,039</b>	<b>245,625</b>	<b>9,414</b>	<b>249,119</b>	<b>240,858</b>	<b>8,461</b>	<b>239,618</b>	<b>230,473</b>	<b>9,145</b>	<b>234,606</b>	<b>226,485</b>	<b>8,121</b>			
included within:															
Costs capitalised as part of assets	524	524	0	329	329	0	137	137	0	8	8	0			
Analysed into operating expenditure															
Employee expenses - staff & executive directors	252,902	243,488	9,414	247,319	238,858	8,461	237,868	228,723	9,145	233,137	225,016	8,121			
Research & Development	1,356	1,356	0	1,312	1,312	0	1,356	1,356	0	1,312	1,312	0			
Internal audit costs	257	257	0	159	159	0	257	257	0	149	149	0			
<b>Total employee benefits excluding capitalised costs</b>	<b>254,515</b>	<b>245,101</b>	<b>9,414</b>	<b>248,790</b>	<b>240,329</b>	<b>8,461</b>	<b>239,481</b>	<b>230,336</b>	<b>9,145</b>	<b>234,598</b>	<b>226,477</b>	<b>8,121</b>			
<b>Average Number of Employees (whole time equivalent basis)</b>															
	Group				Trust						Restated				
	Total 2018/19 Number	Permanently Employed 2018/19 Number	Other 2018/19 Number	Total 2017/18 Number	Permanently Employed 2017/18 Number	Other 2017/18 Number	Total 2018/19 Number	Permanently Employed 2018/19 Number	Other 2018/19 Number	Total 2017/18 Number	Permanently Employed 2017/18 Number	Other 2017/18 Number	Restated	Restated	
Medical and dental	361	341	20	336	315	21	361	341	20	336	315	21			
Administration and estates	1,633	1,598	35	1,670	1,616	54	1,092	1,087	25	1,144	1,104	40			
Healthcare assistants and other support staff	1,720	1,660	60	1,776	1,731	45	1,720	1,660	60	1,776	1,731	45			
Nursing, midwifery and health visiting staff	1,897	1,878	19	1,860	1,839	21	1,909	1,890	19	1,860	1,839	21			
Scientific, therapeutic and technical staff	279	273	6	379	369	10	279	273	6	379	369	10			
Healthcare science staff	378	378	0	265	265	0	378	378	0	265	265	0			
<b>Total average numbers</b>	<b>6,268</b>	<b>6,128</b>	<b>140</b>	<b>6,286</b>	<b>6,135</b>	<b>151</b>	<b>5,739</b>	<b>5,609</b>	<b>130</b>	<b>5,760</b>	<b>5,623</b>	<b>137</b>			
of which:															
Number of employees (WTE) engaged on capital projects	10	10	0	10	10	0	10	10	0	10	10	0			

The 2017/18 comparators have been restated due to the reclassification of unqualified nursing staff.

\*Note: The employee figures exclude any staff who have not received a salary during the period (i.e. staff on unpaid maternity leave or unpaid career breaks). There is also a difference between the final accounts and the annual account figures is due to one using FTE and the other using Headcount.

## Sickness Absence

The Trust's Workforce Strategy sets out the corporate approach to the management of absence. The Trust is committed to promoting wellbeing and supporting staff to achieve good levels of attendance; however we recognise that some absence due to personal sickness is inevitable within any large organisation. The Trust's Policy, Managing Sickness Absence aims to ensure that where absence does occur it is managed through a fair, consistent and supportive approach. The policy is due for review and as part of this review the Trust's approach to sickness management will be revisited. Managers are responsible for the management of absence within their own areas, providing support and assistance wherever possible to employees. Allocated cases are supported by the HR Advisory service with general advice and support provided from the Locality HR teams. A management skills development programme has been in place for the past two years which has a focus on managing absence and the importance of doing this well and reflects the principles set out in the managing absence policy.

A substantial amount of work has been undertaken to reduce levels of absence including the introduction of locality action plans. The current policy came into operation in February 2015 and was reviewed in January 2018 and is due for review in 2019. Absence management training for managers has been made mandatory and the continued support for managers, sickness clinics and publicising and monitoring timescales for referral to Occupational Health have all seen positive results. In addition specific training to carry out a stress risk assessment has been introduced.

Unfortunately despite all of the focused work the absence rate has increased over the last 12 months. Management of sickness absence remains a key priority for the Trust. The table below shows the Trust's sickness absence data for the period 1 April 2018 to 31 March 2019 provided by the Trust's Electronic Staff Record (ESR) – Business Intelligence.

**Figure 14: Sickness Absence Data 1 April 2018 to 31 March 2019**

Average of 12 months	Average Full Time Equivalent	Full Time Equivalent-Days available		Average days recorded sickness absence	Average Sick Days per Full Time Equivalent
5.82%	5,748	2,097,846		122,063	21

In late 2015, the Trust introduced a five-year Health and Wellbeing Strategy which was refreshed in 2017 in line with the Trust's Workforce and OD Strategy. This not only enables the Trust to support staff but allows us to understand better their health needs as well as to encourage staff to take responsibility for their own health. A second organisational health needs assessment has been undertaken which allows for a more focused approach to health related activities.

The Trust has also signed the Time to Change Employer Pledge to demonstrate our commitment to removing the stigma associated with mental health and actively encourage staff to come forward to talk about their mental health issues.

We continue to hold the Better Health at Work Award at Maintaining Excellence Level for our work in this area and we continue to work in accordance with the Investors in People standards all of which was reflected in the Trust's success in the Investors in People and Health and Wellbeing Good Practice Awards.

## **Staff Policies and Actions – Applied during the financial year**

### **Equality and Diversity**

The Trust has a robust approach to policy making to ensure that all new policies, procedures and functions due for review are subject to equality analysis (equality impact assessment under previous legislative terminology), to ensure that they do not discriminate against people who share a protected characteristic under the Equality Act 2010. Equality analysis ensures that recruitment, career development and promotion within the organisation is a transparent process based on merit and without protected characteristic defined barriers.

In addition to these measures we have the following:

- A new Equality Diversity and Inclusion Strategy was approved by Trust Board in November 2018, the actions in this are mapped against the overall Trust Strategy and EDS2 (Equality Delivery System). The Strategy is a live document, managed by the reconfigured Equality, Diversity and Inclusion Group and will inform the Trust's approach on Equality, Diversity and Inclusion through to 2022.
- The Equality Diversity and Inclusion Group, meets monthly and reports through the operational reporting route of the Business Development Group. The purpose of the group is to ensure the implementation of the Equality Diversity and Inclusion Strategy across the Trust.
- The EDS2 and Workforce Race Equality Standard (WRES) benchmarking and action plans which ensures that the Trust remains compliant with the Equality Act 2010, but also sets out our key equality objectives and the measures that we will use to gauge our performance against them. For the forthcoming year we will also be required to make submissions for the new Workforce Disability Equality Standard (WDES), similar in approach and purpose to the WRES, this will form part of the NHS Standard Contract.
- Staff Network groups for BAME staff, disabled staff, LGBT+ staff, and for staff who have mental health issues.
- Mediation Service established – nine staff trained as mediators.
- Mandatory Equality and Diversity Training, which includes as part of its purpose to provide information on matters of concern to them as employees. In the past year we have also offered training on LGBT+ issues through training developed by that

Staff Network and masterclasses for managers on reasonable adjustments developed by Capsticks Law Firm.

The Trust has also transitioned from the 'Two Ticks' scheme to accreditation as a Disability Confident Employer currently working towards Level 3 accreditation.

## **Equality Delivery System 2 (EDS2) 2018 Submission**

### **Actions arising out of 2017/18 WRES reporting**

Recruitment:

- We need to set an expectation with senior managers that appointments at interview should, on average, over time be the same for white and BAME Staff. It is recommended that unconscious bias training be part of the expected training for membership of a recruitment panel. Unconscious bias training will form part of the forthcoming E&D Masterclasses.
- Audit and review decision making from a sample of recent recruitment processes. Potential for the audit to be publicised to recruiting managers to improve the rigour of decision making and the quality of appointments made.
- More needs to be done to attract applications from BAME backgrounds. We are taking part in a regional recruitment event in partnership with other Providers in the region, for the BAME population in April 2019.

Discipline and Grievance:

- Cultural Ambassadors are being trained as part of a region-wide initiative in July 2019. Capsticks to provide a quarterly report on this so that the trend may be better monitored but also the impact of initiatives such as the Cultural Ambassadors' programme be assessed.

Disclosure of Information:

- Aligned to the Trust-wide Equality Strategy action plan a campaign around improving the reporting of protected characteristic information needs to focus on trying to change the hearts and minds of those staff who have chosen not to state their ethnicity. The campaign will need to focus on the benefits of disclosure.

Training:

- We will continue to ensure that the recording of non-mandatory training and Continuous Professional Development (CPD) is as accurate as possible, followed by an analysis of appraisal outcomes to assess whether there is disparity between the outcomes of requests to access non-mandatory training.

## Staff Survey:

- Analysis undertaken to match ‘hotspots’ from the analysis of the key findings to the staff demographic to develop a picture of where the disparity between BAME and white members of staff is likely to problematic.

## Staff Survey

### Commentary

Since 2010, the Trust has adopted a census approach to the Staff Survey. Whilst the results listed here are relating to the National Survey, our action planning also takes into account the findings from our census report as well as themes identified from the free text comments. The Trust, in the past five years and as a direct consequence of staff survey findings, has been working on improving its approach to staff engagement. We have developed a schedule of listening events called ‘Speak Easy’ where Senior Managers listen to the views of staff across the Trust, with a focus on empowering people to be able to take action to improve matters at a local level. Staff Survey results are disseminated widely throughout the Trust with presentation of key findings at meetings with Trust Board, Corporate Decisions Team, Business Development Group, Council of Governors, Staff Side and Corporate and Operational Directorates throughout the Trust. At each of these meetings views are sought on our intentions to take action on issues highlighted in the survey results. The Trust wide Staff Survey Action Plan is agreed by Trust Board and is monitored through the Trust’s Corporate Decisions Team (Workforce) Group. In addition localities also develop their own specific action plans which are monitored through local assurance groups.

From 2018 onwards, the results from questions are grouped to give scores in ten indicators. The indicator scores are based on a score out of 10 for certain questions with the indicator score being the average of those. The response rate to the 2018 survey among trust staff was 67% (2017: 64%). Scores for each indicator together with that of the survey benchmarking group Mental Health /Learning Disability Trusts are presented in figure 15.

**Figure 15: Staff Survey 2018/19 Compared to Staff Survey 2017/18 & 2016/17**

Theme	2018/19		2017/18		2016/17	
	Trust	Benchmarking Group	Trust	Benchmarking Group	Trust	Benchmarking Group
Equality, diversity and inclusion	9.3	8.8	9.3	9.0	9.4	9.0
Health and wellbeing	6.5	6.1	6.6	6.2	6.6	6.2
Immediate managers	7.5	7.2	7.5	7.2	7.3	7.1
Morale	6.6	6.2				
Quality of appraisals	5.9	5.7	5.9	5.5	5.9	5.5

Quality of care	7.5	7.3	7.5	7.3	7.7	7.4
Safe environment – bullying and harassment	8.2	7.9	8.3	8.0	8.3	8.0
Safe environment – violence	9.1	9.3	8.9	9.2	9.0	9.2
Safety culture	7.0	6.7	7.0	6.7	7.0	6.6
Staff engagement	7.1	7.0	7.1	7.0	7.2	6.9

### Actions, Future Priorities and Targets

We are continuing our actions around Safe Environment Violence – which whilst still slightly below the benchmarking average, we have in the past year made significant improvements across this theme. We continue to identify through the survey areas where this is a key concern to help maximise the impact of our ‘Talk First’ initiative.

Our analysis of our results by protected characteristics point to work that needs to address gaps in experience of our BAME Staff when compared with white members of staff and our disabled staff when compared with non-disabled staff.

We are training BAME staff who have expressed an interest in becoming Cultural Ambassadors within the Trust. This is a Royal College of Nursing initiative that aims to reduce discipline and grievance issues for BAME members of staff. This training will take place in summer 2019 and the Ambassadors will be available to support staff from late summer. This work addressed issues within our safe environment, bullying and harassment field.

Analysis of our results for disabled staff has suggested that we need to examine the results for equality, diversity and inclusion, health and wellbeing and safe environment bullying and harassment in greater detail. Results and discussions with our network group of disabled staff suggest that we need to develop more training around the issues of disability awareness and that we need to look at the impact that the Trust’s Sickness Absence Policy has among disabled staff. A working group to address this met for the first time in April 2019 and will continue to meet to contribute to the revised policy that will be developed in conjunction and consultation with disabled colleagues.

### **Staff Engagement**

The Trust remains truly committed and passionate about engaging effectively with our staff and listening and learning from feedback. The size of the Trust, both in terms of geography and staff numbers, presents us with a challenge in achieving meaningful engagement with our whole staff group. However, engagement with our workforce continues to be a priority and a key objective contained in both the Trust Workforce and Organisational Development strategies.

The Trust supports a number of regular communications:

- Weekly Bulletin; and
- Social media.

Staff are encouraged to participate through the following structures:

- The Council of Governors, which includes staff Governors;
- The promotion of Appraisals/Personal Development Plans and inclusion of targets in the Trust's Performance Targets;
- Continued investment in leadership programmes;
- Staff and staff side representatives are consulted, where appropriate, on proposed service developments and/or policy changes;
- Meeting members of the Board of Directors and Corporate Decisions Team through an on-going programme of visits to services and departments where staff get the opportunity to discuss and debate issues of operational and strategic importance; and
- The Speak Easy programme, which is now devolved into our localities;
- Local staff engagement sessions to discuss the staff survey results and agree actions going forward.
- The Annual Staff Excellence Awards
- Schwartz Rounds

We continue to facilitate engagement events as a means of influencing and shaping policy or strategy. Recently, we have ran engagement events for both service users, carers and staff to develop a new Service User and Carer Engagement Strategy.

We continue to develop innovative ways of involving staff, on the basis that engaged staff: those who feel listened to and heard, attended to, valued, respected and cared for feel more able to do their jobs more effectively, which consequently impacts positively on the quality of care that we are able to deliver. Engagement needs to be constantly attended to, given the changing and challenging times that we live and work in. Consequently, we have devolved the responsibility for staff engagement to our clinical and corporate teams, we believe that this is the right thing to do, in response to the challenges and opportunities of our time and in keeping with our desire to devolve problem solving and decision making to teams at a local level. In this way, teams can reflect and build on their strengths, resolve issues at a local level, problem solve, make decisions and initiate developments. Increasingly, teams are undertaking at least annual development events, to identify and celebrate their strengths and to work on identifying and developing action plans to address their needs.

The collective leadership programme is continuing to develop and will be cascaded in the coming year to include programmes for Aspiring Associate Directors, and system and team leaders and managers.

We have developed an Organisational Development Associates network, which is seeking to encourage, nurture and support development activity throughout the organisation.

We have an obligation to make sure that we care for and support each other through good or not so good times and to ensure that we communicate in a way that is in keeping with

our values: to be caring and compassionate, respectful and honest and transparent. It is this principle that continues to underpin our approach to staff engagement.

Staff engagement has been identified as one of our organisations six key organisational development priorities for the coming year together, given that it is the ‘bedrock’ of our ongoing move to developing a more devolved organisational culture, one that makes the most of a collective approach to the way we lead.

NTW Solutions staff can access various means of staff communication and engagement used by the Trust. In addition, NTW Solutions:

- issued its own staff newsletter;
- held monthly meetings with its staff on our main hospital sites to provide updates on developments in the company and to engage with staff on issues raised by them;
- engaged with its staff to get their views on what would make the company “a great place to work” which is one of the company’s strategic aims; and
- engaged staff in local team meetings on the results of the NHS Staff Survey and actions on the main themes which emerged from the survey.
- Takes part in the Trust’s Annual Staff Excellence Awards

## **Employee Consultation**

We continue to value the strong working relationships we have developed with our staff side representatives. We have reviewed our consultative mechanisms and agreed with staff side representatives to have all of our consultative forums on the same day which will streamline and strengthen the previous process. Trade Union Management Forum remains the forum to discuss key Trustwide and strategic issues with trade union representatives.

All consultative forums have met on a regular basis and are supported by regular informal meetings where staff side and management representatives discuss issues and ensure they are addressed at an appropriate level.

Staff side representatives play a crucial role in promoting good employee relations and supporting effective change management, as well as assisting in the training and development of staff, conducting work relating to health and safety and involvement in other key pieces of work such as assisting in the areas of work relating to the Equality Act.

Staff side and senior managers from the Trust have agreed to develop a new working partnership agreement, an update to the one that was first introduced in 2012. The goal is to develop an agreed way of operating together, to continue to improve our working relationships, in order to achieve our common purpose

We also have a number of policies which allow staff to raise any matters of concern and we run a series of HR training events which relate to these areas. These include:

- Grievance NTW(HR)05;
- Raising Concerns NTW(HR)06;
- Handling Concerns about Doctors NTW(HR)02; and
- Dignity and Respect at Work NTW (HR)08.

The Trust has developed a HR framework agreed with Staff Side which focusses on how we will engage and consult with staff during organisational change. Whilst we are not legally required to undertake formal consultation for the majority of the organisational change the Trust has agreed it will still utilise a consultation process approach.

During 2018/2019 specific consultations with staff have included the following:

#### North Locality

- Autism Services – change to shift Pattern
- Easterfield Court – closure of service
- Intensive Community Treatment Service – shift pattern and working hours
- Riding ward – closure of the ward linked to New Care Models
- Ferndene – change in shifts – band 6 senior night cover

#### Central Locality

- Gateshead and Newcastle Crisis team – harmonising roles and change in location
- Night Coordinators – Reduction of one post
- Psychosis and non-psychosis team – changing to mixed caseloads
- Bede ward – Change of location to Northgate Hospital
- Collingwood ward – Change of location to St Nicholas Hospital
- Tranwell – Change of location to Campus for Aging and vitality
- Oswin ward Occupational Therapies – Change or working pattern

#### South Locality

- South Tyneside Crisis team – Change to shift patterns
- Inpatients physiotherapy – change to roles
- Early Intervention in Psychosis – Change of location to Hopewood Park
- Occupational Therapy, Neuro – Change to Structure
- Complex Acquired Brain Injury Service – Change to structure and location
- South Tyneside liaison – reduction of two posts

#### Corporate

- Quality and Performance – Change location for 2 members of staff
- Safer Care – Service reconfiguration

### **Involve ment of staff in our Foundation Trust's performance**

The Trust is committed to fully involving all of our staff in taking an active role and interest in the quality and performance of our services.

A detailed Performance Report is prepared on a monthly basis for the Board of Directors, Corporate Decisions Team, senior managers and clinical leaders.

The continued development of the performance dashboards has enabled managers to easily access a wide range of performance information relating to their teams, and staff can access their own personal information in 'my dashboard' relating to, for example, training records and absence history.

## **Raising Concerns Policy**

The Trust's Whistleblowing Policy was reviewed in 2016 to include the principles outlined in the National NHS Whistleblowing Policy. It includes the recommendations from the Francis Review and also reflects the appointment of the Trust's Freedom to Speak Up Guardian and network of Champions recruited.

The Raising Concerns Policy is accessible from the Trust intranet. The Trust has promoted the behaviours and standards of conduct expected from staff together with the Trust's Raising Concerns Policy with the aim of ensuring staff raise any concerns.

The Raising Concerns policy has been communicated to all staff and in addition the Role of the Trust Freedom to Speak Up Guardian and the 31 champions we have across the Trust is also widely promoted. The FTSUG has been given two days protected time in order to fulfil the FTUG role. This includes raising the profile of the role as well as working with individual cases.

During the past year 39 cases have been reported to the FTSUG. All concerns are always encouraged to be resolved through the utilisation of local policies and procedures. However where the FTSUG feels there is a wider concern this may be escalated to Director level. Concerns are dealt with to look for a resolution to the problem as well as identifying and learning and disseminating the learning as appropriate. Feedback is always provided to individuals who have been involved in raising the concern and in some cases the FTUG will monitor the implementation of any recommendations.

Information from both the FTSUG and concerns raised through centrally recorded routes are combined on a six monthly basis and presented to the Board in conjunction with the named Executive Director and named Non-Executive Director for Freedom the speak up. The report contains the numbers, areas of concerns and any specific cases for discussion with the Board.

## **Occupational Health, Counselling and Health Promotion**

Team Prevent, the UK division of one of Europe's leading occupational health and safety companies continues provide to the Trust a full employee health and wellbeing service to the Trust. The service is provided locally by occupational health nurse advisors and physicians and also includes the promotion of positive health and wellbeing. Counselling services are provided by Care First and staff can self-refer or a referral can be made through an individual's line manager or via Team Prevent.

These arrangements have been in place since 1 December 2010. We meet regularly with both organisations to make continuous improvements to the services provided to our staff. We receive a range of comprehensive data regarding performance against the contract, and this is shared with managers within the Groups and Directorates as they continue to manage absence, stress and promote health and wellbeing within the workforce. A brochure to promote and highlight the services provided by Team prevent and Care First was launched at the beginning of 2017 to raise awareness of service provision.

The occupational health contract is in place for an agreed level of business but since its commencement has been continuously over agreed activity. Additional occupational health resource has been provided to meet the increased demand.

This continued effort in promoting absence management in partnership with the Trust has seen some excellent improvements in referral times for employees accessing occupational health services. Team Prevent also assisted the Trust in undertaking a health surveillance programme for staff which was carried out in 2015.

## **Counter Fraud Activities**

The Trust receives a dedicated local counter fraud specialist service from AuditOne. The AuditOne counter fraud team have developed a comprehensive counter fraud work plan and risk register for the Trust in accordance with the NHS Counter Fraud Authority guidance. The Trust also has a Fraud and Corruption Policy and Response Plan approved by the Audit Committee.

Anyone suspecting fraudulent activities within the Trust's services should report their suspicions to the Executive Director of Finance or to the Trust's Local Counter Fraud Specialists on 0191 203 1406 or 07876 594661. Alternatively fraud can be reported through the confidential freephone reporting line on 0800 028 40 60 between 8am and 6pm, Monday to Friday or online at [www.reportnhsfraud.nhs.uk](http://www.reportnhsfraud.nhs.uk)

## **Trade Union Facility Time**

The Trade Union (Facility Time Publication Requirements) Regulations 2017 were introduced on 1 April 2017 and require Public Sector Employers to publish the total costs of paid facility time taken by employees who are trade union officials. The period runs from 1 April – 31 March each year.

The published information is also meant to differentiate between statutory facility time (where representatives have the right to paid time off) and non-statutory facility time.

Information that must be published is:

- The total number of employees who were relevant union officials during the period.
- The percentage of each of these employees' working time spent on facility time.
- The percentage of the employer's total pay bill spent on facility time.
- Time spent on paid trade union activities as a percentage of the total paid facility time hours.

Our outcomes were as follows:

- 27 relevant union officials during the period.
- 26 employees spent between 1-50% of their working time on facility time and one between 51-99%.
- 0.05% of NTW's total pay bill spent on Facility time.
- 19.1% time spent on trade union activities as a percentage of the total paid facility time hours.

## **Expenditure on Consultancy**

The Trust expenditure on consultancy during 2018/19 is provided within the Annual Accounts in note 4 (section 5).

## **Off-Payroll Engagements – NTW Group**

**Figure 16: Off-Payroll Engagements – NTW Group**

**Number of Off-Payroll Engagements as of 31st March 2019, for more than £245 per day and that have lasted for longer than six months**

<b>Number of existing engagements as of 31st March 2019</b>	<b>0</b>
Of which.....	
No. that have existed for less than one year at time of reporting	0
No. that have existed for between one and two years at time of reporting	0
No. that have existed for between two and three years at time of reporting	0
No. that have existed for between three and four years at time of reporting	0
No. that have existed for four or more years at time of reporting	0

All of the off-payroll arrangements relating to Medics operating on a self-employment basis through Personal Services Companies (PSCs) and through Staff flow in 2016/17 are now on-payroll arrangements following the implementation of IR35.

**Number of New Off-Payroll Engagements, or those that reached six months in duration between 1st April 2018 and 31st March 2019, for more than £245 per day and that have lasted for longer than six months**

<b>Number of new engagements, or those that reached six months in duration between 1st April 2018 and 31st March 2019</b>	<b>0</b>
Of which.....	
Number assessed as within the scope of IR35	0
Number assessed as not within the scope of IR35	0
Number engaged directly (via PSC contracted to Trust) and are on the Trust's payroll	0
Number of engagements reassessed for consistency/assurance purposes during the year	0
Number of engagements that saw a change to IR35 status following the consistency review	0

**Number of New Off-Payroll Engagements of Board Members or Senior Officials with significant financial responsibility between 1st April 2018 and 31st March 2019.**

<b>Number of off-payroll engagements of Board members or senior officials with significant financial responsibility during the year</b>	<b>0</b>
<b>Number of individuals that have been deemed 'board members and/or senior officials with significant financial responsibility' during the financial year. This figure includes both off-payroll arrangements and on-payroll engagements.</b>	<b>0</b>

## Exit Packages

The table below (Figure 17 and 18) shows the total exit packages from the NTW Group in 2018/19 and 2017/18.

**Figure 17: Exit Packages 2018/19**

Exit Packages 2018/19								
	Compulsory Redundancies Number	Compulsory Redundancies £000	Other Departures Agreed Number	Group Other Departures Agreed £000	Total Exit Packages Number	Total Exit Packages £000	Special Payments Number	Special Payments £000
<b>Exit package costband:</b>								
< £10,000	0	0	30	122	30	122	0	0
£10,001 to £25,000	0	0	2	26	2	26	0	0
£25,001 to £50,000	0	0	1	31	1	31	0	0
£50,001 to £100,000	0	0	0	0	0	0	0	0
£100,001 to £150,000	0	0	0	0	0	0	0	0
£150,001 to £200,000	0	0	0	0	0	0	0	0
> £200,001	0	0	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>33</b>	<b>179</b>	<b>33</b>	<b>179</b>	<b>0</b>	<b>0</b>

**Redundancy and other departure costs have been paid within the provisions of Agenda for Change terms and conditions.**

**The termination benefits included in exit packages relate to redundancy and early retirement contractual costs.**

**Figure 18: Exit Packages 2017/18**

Exit Packages 2017/18								
	Compulsory Redundancies Number	Compulsory Redundancies £000	Other Departures Agreed Number	Group Other Departures Agreed £000	Total Exit Packages Number	Total Exit Packages £000	Special Payments Number	Special Payments £000
<b>Exit package costband:</b>								
< £10,000	0	0	36	171	36	171	0	0
£10,001 to £25,000	0	0	3	46	3	46	0	0
£25,001 to £50,000	0	0	7	303	7	303	0	0
£50,001 to £100,000	0	0	0	0	0	0	0	0
£100,001 to £150,000	0	0	0	0	0	0	0	0
£150,001 to £200,000	0	0	0	0	0	0	0	0
> £200,001	0	0	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>46</b>	<b>520</b>	<b>46</b>	<b>520</b>	<b>0</b>	<b>0</b>

**John Lawlor  
Chief Executive  
22 May 2019**

### **3.4 Disclosures set out in the NHS Foundation Trust code of governance (The Governance Report)**

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

#### **Accountability - types of decision taken by the Board and Council of Governors**

The Board of Directors is collectively responsible for the exercise of the powers and the performance of the Trust. As a unitary Board all directors have joint responsibility for every decision of the Board of Directors and share the same liability. This does not impact upon the particular responsibilities of the Chief Executive as the accounting officer.

The Board has a Scheme of Decisions Reserved to the Board and Standing Financial Instructions, and delegates as appropriate to committees or senior management, e.g. the delegation to officers to certify payments up to pre-determined levels. However, the Board remains responsible for all of its functions, including those delegated.

The general duty of the Board and of each director individually, is to act with a view to promoting the success of the organisation so as to maximise the benefits for the members of the Trust as a whole and for the public.

Its role is to provide leadership of the Trust within a framework of prudent and effective controls, which enables risk to be assessed and managed. It is responsible for:

- Ensuring the quality and safety of healthcare services, education, training and research delivered by the Trust and applying the principles and standards of clinical governance set out by the Department of Health, NHS England, NHS Improvement, the Care Quality Commission, and other relevant NHS bodies;
- Setting the Trust's vision, values and standards of conduct and ensuring that its obligations to its members are understood clearly communicated and met. In developing and articulating a clear vision for the Trust, it should be a formally agreed statement of the Trust's purpose and intended outcomes which can be used as a basis for the Trust's overall strategy, planning and other decisions;
- Ensuring compliance by the Trust with its licence, its constitution, mandatory guidance issued by NHS Improvement, relevant statutory requirements and contractual obligations;
- Setting the Trust's strategic aims at least annually, taking into consideration the views of the Council of Governors, ensuring that the necessary financial and human resources are in place for the Trust to meet its priorities and objectives and then periodically reviewing progress and management performance; and
- Ensuring that the Trust exercises its functions effectively, efficiently and economically.

The general duties of the Council of Governors are:

- To hold the non-executive directors individually and collectively to account for the performance of the Board of Directors, which includes ensuring the Board of Directors acts so that the Trust does not breach the terms of its licence; and
- To represent the interests of the members of the NHS Foundation Trust as a whole and the interests of the public.

In addition, the statutory roles and responsibilities of the Council of Governors are to:

- Appoint and, if appropriate, remove the Chair;
- Appoint and, if appropriate, remove the other NEDs;
- Decide the remuneration and allowances, and other terms and conditions of office, of the Chair and the other NEDs;
- Approve (or not) any new appointment of a Chief Executive;
- Appoint and, if appropriate, remove the Trust's auditor;
- Receive the Trust's annual accounts, and the annual report at a general meeting of the Council of Governors;
- Provide views to the Board when the Board is preparing the document containing information about the Trust's forward planning, noting that the Board must have regard to the views of the Council of Governors;
- Approve significant transactions;
- Approve an application by the Trust to enter into a merger, acquisition, separation or dissolution;
- Decide whether the Trust's non-NHS work would significantly interfere with its principal purpose, which is to provide goods and services in England;
- Approve amendments to the Trust's constitution; and
- Require, if necessary, one or more directors to attend a Council of Governors meeting to obtain information about performance of the Trust's functions or the directors' performance of their duties, and to help the Council of Governors to decide whether to propose a vote on the Trust's or directors' performance.

The Council of Governors is not responsible for the day to day running of the organisation and cannot therefore veto decisions made by the Board.

## **Annual Report on the work of the Audit Committee 2018/19**

### Overview

The Audit Committee provides a central means by which the Board of Directors ensures effective internal control arrangements are in place. The Committee also provides a form of independent check upon the executive arm of the Board of Directors. It is the responsibility of Executive Directors and the Accountable Officer to establish and maintain processes for governance and for the Board of Directors to receive assurance that such procedures are in place. The Audit Committee, comprised of independent Non-Executive Directors, independently monitors, reviews and reports to the Board of Directors on the process of governance and risk management and, where appropriate, facilitates and supports, through its independence, the attainment of effective processes.

### Audit Committee Composition and Attendance:

The Audit Committee is comprised of three Non-Executive Directors. Martin Cocker was Chair of the Audit Committee until his term as a Non-Executive Director came to an end on 31 December 2018. David Arthur was subsequently appointed as Non-Executive Director and Chair of the Audit Committee on 14 January 2019.

Each of the Non-Executive Directors who have been members of the Audit Committee during the 2018/19 period were considered to be independent. The Board is satisfied that the Chair of the Audit Committee has recent and relevant financial experience.

In addition to the non-executive directors, the Deputy Chief Executive/Executive Director of Finance, Executive Director of Commissioning and Quality Assurance, Director of Finance and Deputy MD of NTW Solutions Limited, External Audit and Internal Audit, including Counter Fraud, were all invited to each meeting during the year.

A Governor Representative was also invited to attend each Audit Committee meeting.

The Audit Committee met six times during the financial year. Attendance at those meetings was as follows in figure 19:

**Figure 19: Audit Committee Attendance 2018/19**

Member	Meetings	
	Total	Attended
David Arthur (Chair from 14.01.19 to date)	2	2
Martin Cocker (Chair until 31.12.18)	4	4
Miriam Harte (Member until 11.01.19)	4	3
Michael Robinson (Member from 27.02.19)	1	1
Peter Studd	6	5

In attendance	Meetings	
	Total	Attended
James Duncan, Deputy Chief Executive/ Executive Director of Finance	6	6
Lisa Quinn, Executive Director of Commissioning and Quality Assurance	6	5
Tracey Sopp, Director of Finance and Deputy MD NTW Solutions Limited	6	6
Caroline Wild, Deputy Director of Communications and Corporate Relations (Company Secretary)	2	2
Debbie Henderson, Deputy Director of Communications and Corporate Affairs (Company Secretary)	1	1
Internal Audit	6	6
External Audit	6	6
Counter Fraud	6	4

External Audit and Internal Audit were given opportunities at the end of each meeting to discuss confidential matters with the Audit Committee without Executive management being present.

### Programme of Works

The Audit Committee follows an annual work programme that covers the principal responsibilities set out within its terms of reference. In 2018/19, this included, amongst other matters, the following activities:

- Assessed the integrity of the Group's consolidated and NTW Solutions standalone financial statements for the year ended March 31, 2018;
- Reviewed the Annual Governance Statement in light of the Head of Internal Audit opinion, the External Audit opinion relating to the year end and any reports issued by CQC and NHS Improvement;
- Reviewed External Audit's findings and opinions on the Quality Report, the securing of economy, efficiency and effectiveness, and the areas of the Annual Report subject to audit review;
- Considered whether the Trust's Board Assurance Framework ('BAF') and Corporate Risk Register were complete, monitored, fit for purpose and in line with Department of Health expectations, as well as receiving assurance on the ongoing process for review;
- Reviewed the arrangements by which staff may raise in confidence concerns about possible improprieties in matters of financial reporting and control, clinical quality, patient safety or other matters;
- Reviewed the process established by the Trust to ensure compliance with NHS Improvement/Monitor's Code of Governance;

- Challenged and approved the Internal Audit programme, Counter Fraud and informatics plan, operational plans and detailed programmes of work for the year. The Audit Committee confirmed the effectiveness of Internal Audit and Counter Fraud and the adequacy of their staffing and resources;
- Considered the major findings of Internal Audit, Counter Fraud and Informatics throughout the year. The Audit Committee agreed that the remedial actions proposed were appropriate and then monitored the timely implementation of those remedial actions by management;
- Reviewed the work of other Board Committees and considered how matters discussed at those committees impacted the work of the Audit Committee.

### Significant Issues

Throughout the year, the Audit Committee has debated and concluded on a number of matters. The more significant issues discussed and the actions taken by the Audit Committee to ensure that those issues were dealt with promptly and in an appropriate manner, are noted below.

#### 1. Integrity of financial reporting

The Audit Committee reviewed the integrity of the financial statements of the Trust. On April 1, 2017 the Trust established a fully owned subsidiary company, NTW Solutions. Accordingly, the Trust has prepared consolidated financial statements for the year ended March 31, 2019 which will be presented to the Audit Committee in May 2019.

The significant matters considered were:

##### Impairment of Accounts Receivable:

The Trust has a number of legal or constructive obligations of uncertain timing or amount. Provision for these obligations is made where it is probable that there will be a future outflow of cash or other resources and where a reliable estimate can be made of the amount.

At March 31, 2019, the Group provided approximately £0.6 million against potential irrecoverable debts (Trust £0.6m). At March 31, 2018, the Group provided approximately £0.5 million against potential irrecoverable debts (Trust £0.5m).

After consideration, the Audit Committee was satisfied that the level of provision made in the financial statements reflects the best estimate of the economic outflow likely to occur.

##### Going Concern:

The Audit Committee formally considered the assumptions relating the going concern basis of reporting of the financial statements for 2017/18. After careful analysis and debate, the Audit Committee recommended to the Board that the use of going concern basis for the preparation of the annual financial statements was appropriate.

## 2. Board Assurance Framework

The Audit Committee has a responsibility to ensure that the Trust's system of risk management is adequate in both identifying risks and how those risks are managed.

The Trust's principal risks and the mitigating controls are reflected in the Board Assurance Framework ('BAF'). During 2018/19, the Audit Committee was responsible for the formal review of the BAF.

The Audit Committee provided challenge and scrutiny directly the Executive Director of Commissioning and Quality Assurance as to the system for the regular re-assessment of the principal risks and mitigating controls reflected in the BAF. The Audit Committee also noted the work performed at Board level during 2018/19 to assess risk appetite.

The Audit Committee provided challenge and scrutiny directly the Head of Internal Audit to determine if the results of audits conducted to date and a comparison of the Trust's BAF to the equivalent documents in other similar organisations indicated any significant duplications or omissions in the Trust's governance systems.

Finally, the Audit Committee reviewed the Head of Internal Audit Opinion, presented to the Audit Committee in May 2018. The Trust was provided with substantial assurance on the basis that there is "generally sound system of internal control, designed to meet the organisation's objectives".

After careful scrutiny and consideration, the Audit Committee concluded that:

- The system of risk management is adequate in identifying risks and allowing the Board to understand the appropriate management of those risks; and
- The BAF was comprehensive and fit for purpose; and
- There were no significant omissions or duplications in the Trust's systems of governance.

## 3. Annual Governance Statement

The Audit Committee is required to consider the Annual Governance Statement and determine whether it is consistent with the Audit Committee's view on the Trust's system of internal control.

During the year, matters have been brought to the attention of the Audit Committee, mainly through the reports of Internal Audit. Therefore, the Audit Committee needed to formally consider these matters in forming its conclusion on the Annual Governance Statement for 2017/18. This was supported by other Audit Committee reviews such as of the Board Assurance Framework, Corporate Risk Register, Head of Internal Audit Opinion and CQC registration.

After due challenge and debate, the Audit Committee concluded that the matters identified together with the remedial actions taken meant that its view on the Trust's system of internal control was consistent with the Annual Governance Statement. Accordingly, the Audit Committee supported the Board's approval of the Annual Governance Statement for 2017/18.

#### 4. Clinical Audit

Clinical Audit continues to report to the Quality and Performance sub-committee of the Board ('Q&P') and not to the Audit Committee. One member of the Audit Committee is also a member of Q&P. Therefore, the Audit Committee is able to monitor any issues raised by Clinical Audit to Q&P.

In addition, the Chair of Q&P brings to the attention of the Audit Committee any matters raised by Clinical Audit, and the proposed remedies, which impact any of the Trust's key risks as recorded in the BAF.

This ensures that the Audit Committee is aware of any key issues raised by Clinical Audit but does not add unnecessary bureaucracy, duplication or contradiction into the process.

#### External Audit

The Audit Committee places great importance on ensuring that there are high standards of quality and effectiveness in the Trust's external audit process.

Mazars was required to report to the Trust whether:

- The financial statements for the 2017/18 year have been prepared in accordance with directions under Paragraph 25 of Schedule 7 of the National Health Service Act 2006; and
- The financial statements for 2017/18 comply with the requirements of all other provisions contained in, or having effect under, any enactment which is applicable to the financial statements; and
- The Trust has made proper arrangements for securing economy, efficiency and effectiveness; and
- The Trust's Quality Report for 2017/18 has been prepared in accordance with detailed guidance issued by Monitor.

In January 2019, Mazars presented the audit plans for Northumberland Tyne and Wear NHS Foundation Trust (and Group) to the Audit Committee. The audit plan was challenged robustly, particularly in terms of timing, resources required versus fee proposed, impact on the Trust's day-to-day activities, areas of audit risk, interaction with Internal Audit and the quality and independence of the Mazars team.

Following the challenge and debate, the Audit Committee was satisfied that the audit plan for 2019/20 was appropriate for achieving the goals of the audit and that the proposed fee was reasonable for the audit of an entity of the size and complexity of the Trust.

Throughout the audit process, Mazars reported to the Audit Committee, noting any issues of principle or timing identified by the audit, changes in the External Auditor's assessment of risk and any significant control weaknesses or errors identified.

Mazars identified no changes in their assessment of risk nor did they identify any significant control weaknesses. The audit did identify some instances of minor misstatement. None of the misstatements identified were assessed as material. The Trust's financial statements 2017-18 were adjusted for all the matters identified.

Mazars was appointed as the Trust's External Auditor on completion of a tender for Audit services in 2014. The contract was awarded for three years with an option of two individual years thereafter. Following a review in 2018, the Audit Committee recommend that the Council of Governors exercise the option of re-appointing Mazars for the final year for the year end March 31, 2019. After due consideration, the Council of Governors, at their meeting on 11 September 2018, approved the reappointment of Mazars as the Trusts Independent Auditor for the one remaining year that was contractually permitted.

The Council of Governors Audit Working Group was established in April 2018 to lead the tender process for the appointment of the Trust's External Auditors. The Group agreed a specification which defined the role of the Auditors and the capabilities required. It was agreed that the Trust would be looking for Auditors with experience and expertise relating to NHS Subsidiary Companies and Group Audits. The scoring methodology was designed to ensure that the quality of audit service provided could be scored to ensure the decision was not solely based on price. Following this, with the support of the Trust's Procurement Officer, external audit companies were invited to tender for the supply of External Audit services to the Northumberland, Tyne and Wear NHS Foundation Trust Group. Two companies submitted a bid for the tender and delivered a presentation to the Audit Working Group. The Audit Working Group subsequently scored the presentation and tender submissions and unanimously agreed to recommend to the full Council of Governors to offer the contract to Mazars. The Council of Governors, on 20 December 2018, ratified the decision to award the External Audit contract to Mazars to commence 1 June 2019, for a period of 36 months with an option to extend for a further 24 months.

The Trust has a policy in place for non-audit services provided by External Audit, which has been approved by the Council of Governors. During 2018/19 Mazars also undertook the audit of NTW Solutions Limited and an independent examination of the Trusts Charitable Funds; Northumberland, Tyne and Wear NHS Foundation Trust Charity.

The Audit Committee considered the scope of the work being requested from Mazars and the proposed fee. The Audit Committee also confirmed that the scope of the work had been subject to Mazars' own internal independence review. After careful consideration, the Audit Committee agreed that the proposed scope of work and associated fee would not impair the independence of the External Auditor.

#### Internal Audit & Counter Fraud

The Trust has an established Internal Audit and Counter Fraud function, provided by AuditOne (hosted by NTW), to provide independent objective assurance and advisory oversight of the operations and systems of internal control within the Trust. AuditOne is an NHS audit consortium providing services to a number of NHS trusts in northern England.

AuditOne helps the Trust to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

The Committee reviewed, challenged and approved the proposed AuditOne audit and counter fraud plans and budgets for 2018/19.

The results of each audit and counter fraud engagement were presented to the Committee along with the responses of management. The Committee considered the findings made and the adequacy and completeness of management responses. The implications of any significant findings on the effectiveness of the overall internal control system and the BAF were assessed.

The Audit Committee monitored that any remedial actions required were undertaken according to the agreed timescales. Where delays occurred, the reasons were reported to the Audit Committee.

After careful consideration, the Committee is satisfied that:

1. The Trust has an adequate and effective framework for risk management, governance and internal control; and
2. Any delays in taking remedial actions were justifiable.

### Policies

The Board has delegated responsibility for the review and oversight of the Raising Concerns (Whistleblowing), Declarations of Interest and Fraud Bribery and Corruption policies.

The Declaration of Interest and Fraud Bribery and Corruption Policy will be reviewed during 2019/20.

In relation to the Raising Concerns (whistleblowing) policy, the application of that policy is managed by the Quality and Performance Committee. Any significant matters arising are brought to the attention of the Audit Committee by the Chair of the Quality and Performance Committee. However, the Audit Committee is responsible for assessing the independence, autonomy and effectiveness of the resolution of any significant matters subject to a whistleblowing event. No such matters were brought to the attention of the Audit Committee during the year.

### Annual Review of Audit Committee Effectiveness

Audit Committee members carried out a self-assessment exercise during March 2019 in line with the requirements and guidance of the NHS Audit Committee Handbook. The feedback was very positive in the majority of areas which cover: composition, establishment and duties; compliance with legislation and regulation; internal control and risk management; Internal Audit, Counter Fraud and Counter Fraud; clinical audit; and annual accounts and disclosure statements.

Areas for further consideration and focus for 2019/20 are:

- Dedicate a minimum of one meeting per year to clinical and quality issues extending an invitation to other sub-committee Chairs in this area;

- Discuss the outcomes and reflect on the decisions made at the end of each meeting (implemented since March 2019);
- Development of criteria for more formally assessing the performance of Internal and External audit;
- Consider whether further assurances from third parties (i.e., Payroll) is required;
- Improve the mechanisms for triangulation with other Board sub-committees eradicating the potential for 'surprises'.

The actions and areas for further consideration will be addressed by David Arthur, Audit Committee Chair and Debbie Henderson, Deputy Director of Corporate Affairs and Communications during 2019/20.

### Conclusion

The above report outlines the work of the Audit Committee during the past year upon which the assurances given to the Board of Directors during the year have been based.

The Committee recognises the challenges which the Trust will continue to face in terms of the transfer of Mental Health and Learning Disability Services from Cumbria Partnership NHS Foundation Trust, delivery of the CEDAR Programme and the risks associated with such change, but it is confident that key controls will be maintained through the Trust's governance framework in order to assist the Trust in achieving its objectives.

The Committee has acknowledged the internal audits rated as 'Limited' and would urge the Board to be conscious of the 'risk based' approach to audit and the Committee's endorsement of such an approach, so that the Trust can utilise audit resources in the areas of most significant risk to best prepare ourselves for the future.

### **Understanding the views of Governors and Members**

The Board of Directors ensure that they develop an understanding of the views of the Governors and members about the Foundation Trust by:

- Board members attending Governor Engagement Sessions and Council of Governor Meetings;
- Council of Governors' updates being received at meetings of the Board of Directors;
- Annual joint meeting of the Council of Governors and Board of Directors;
- Informal opportunities to network; and
- Governor Representatives attending sub-committees of the Board, provides a further opportunity to share views;
- Council of Governors attendance at the Board of Directors meetings.

The Council of Governors has been established to include both elected and appointed Governors and their roles and responsibilities are set out in the Trust's constitution. Elected Governors consist of public Governors, service user and carer Governors and staff Governors, and appointed Governors are from partner organisations. The composition of the Council of Governors is also detailed in the Trust's Constitution available on the website at [www.ntw.nhs.uk](http://www.ntw.nhs.uk)

Service users and carers are represented separately with six seats each, reflecting our commitment to these groups. Public Governors represent those in their local authority area. There are six public Governors, one for each local government area. Any individual who lives outside one of the six local government areas but within England and Wales may become a public member and they will be represented by the Newcastle upon Tyne/ Rest of England and Wales.

Substantively employed staff are automatically members unless they decide to opt out, which was determined by the Trust in partnership with Staff Side. They are represented by one governor for medical staff and two each from non-clinical and clinical areas.

We have also sought to ensure that our partners including local authorities, universities and voluntary organisations, are represented.

An elected governor's tenure comes to an end after three years, but they may seek re-election by the members of their constituency for a further three years, and then a further two years up to a maximum of eight years in total.

Appointed Governors also hold office for a period of three years and are eligible for re-appointment at the end of that period for a further three years and then a further two years and may not hold office for more than eight years.

The table below shows the individuals making up the Council of Governors during 2018/19, their constituencies, whether they were elected and their attendance during 2018/19.

Fiona Grant became the lead governor on 1<sup>st</sup> December 2015 and continues in this role following a formal re-appointment, approved by the Council of Governors in December 2018.

An election took place during the autumn of 2018 resulting in some changes from 1 December 2018. During 2018/19, there were significant changes to the Council of Governors, due to elections and some resignations for other reasons. These are set out in the table below.

As at 31 March 2019, the Council of Governors carried a vacancy for one Carer Governor.

It is a fundamental principle of the NHS Act 2006 that no governor shall receive any form of salary but reasonable reimbursement will be made for allowable expenses.

The Trust's policy is that reasonable expenses will be reimbursed to attend authorised training and induction events, and meetings attended relating to their role as a Governor.

**Figure 20: Membership of the Council of Governors and Attendance**  
**April 2018-March 2019**

Governor	Constituency	Elected	Date		Period of office (months )	No. of meetings	
			Start	Left (and reason)		Total	Attended
Margaret Adams	Public South Tyneside	Yes	01.03.14		61	5	5
Stephen Blair	Public, Newcastle and Rest of England/Wales	Yes	01.12.18		4	1	1
Sharon Boyd	Public Sunderland	Yes	01.12.18		4	1	0
Russell Bowman	Service User, Neuro Disability Services	Yes	01.12.09 01.12.18	Term ended 30.11.12	36 4	- 1	- 1
Colin Browne	Public, South Tyneside Carer OPS	Yes	01.12.13 01.12.16		36 28	5	2
Victoria Bullerwell	Staff Non-Clinical	Yes	01.12.17		16	5	2
Michael Butler	Public Sunderland	Yes	01.12.15	Term ended 30.11.18	36	-	-
Anne Carlile	Carer Adult Services	Yes	01.04.16		36	5	4
Kevin Chapman	Staff Clinical	Yes	01.12.18		4	1	0
Andrew Davidson	Service User Learning Disability Services	Yes	01.12.09 01.12.18	Term ended 30.11.12	36 4	- 1	- 0
Andrew Fothergill	Service User Adult Services	Yes	01.12.17		16	5	3
Fiona Grant	Service User Adult Services	Yes	01.12.14		52	5	3
Cllr Margaret Hall	Local Authority North Tyneside	No	20.05.16		34	5	2
Cllr Helen Harran	Local Authority Gateshead	No	30.07.18		8	3	0
Catherine Hepburn	Public North Tyneside	Yes	01.12.16		28	5	4
Prof Kim Holt	University Northumbria University	No	04.10.18		5	2	0
Cllr Audrey Huntley	Local Authority South Tyneside	No	26.04.18		11	5	1
Cllr Veronica Jones	Local Authority Northumberland	No	25.07.17		20	5	0
Claire Keys *	Service User Adult Services Staff Clinical	Yes Yes	01.12.12 01.12.15	14.09.14 (see note)	21 40		2

<b>Diane Kirtley</b>	Carer, Neuro Disability Services	Yes	01.04.16		36	5	1
<b>Felicity Mendelson</b>	Local Authority Newcastle	No	01.02.16		49	5	1
<b>Graeme Miller</b>	Local Authority Sunderland	No	16.05.12	Resigned 17.05.18	72	-	-
<b>Marian Moore</b>	Service User, Older People's Services	Yes	01.03.11	Term ended 28.2.19	96	5	0
<b>Annie Murphy</b>	Community and Voluntary Sector	No	22.06.18		9	4	4
<b>Prof Daniel Nettle</b>	University Newcastle University	No	20.10.17		17	5	1
<b>Peter Okey</b>	Staff Medical	Yes	01.04.16	Resigned 23.08.18	29	2	0
<b>Pauline Pearson</b>	University Northumbria University	No	01.02.13	Resigned 21.09.18	67	3	0
<b>Denise Porter</b>	Community and Voluntary	No	01.04.17		24	5	5
<b>Fiona Regan</b>	Carer, Learning Disability Services	Yes			4	1	1
<b>Lucy Reynolds</b>	Service User Neuro Disability Services	Yes	01.12.12 09.12.15	Term ended 30.11.18	72	5	2
<b>Uma Ruppa Geethanath</b>	Staff Medical	Yes			4	1	0
<b>Janice Santos</b>	Carer, Children & Young People's Services	Yes			4	1	0
<b>Bill Scott</b>	Public, Northumberland	Yes	01.12.14		52	5	3
<b>Rachel Simpson</b>	Service User Learning Disability Services	Yes	01.12.12	Term ended 30.11.18	72	5	0
<b>Cllr Alan Smith</b>	Local Authority South Tyneside	No	04.04.18	Resigned 09.04.18	0	-	-
<b>Lisa Strong</b>	Staff Clinical	Yes	01.12.15	Term ended 30.11.18	36	5	0
<b>Allison Thompson</b>	Local Authority Gateshead	No	01.07.17	Resigned 05.05.18	10	0	0
<b>Bob Waddell</b>	Staff Non-Clinical	Yes	01.12.12		76	5	3
<b>Cllr Geoff Walker</b>	Local Authority Sunderland	No	18.05.18		10	5	0
<b>Jack Wilson</b>	Service User Children & Young People's Service	Yes	01.12.13		64	5	2
<b>Cheryl Wright</b>	Public Gateshead	Yes	01.12.17		16	5	2

\*Claire Keys served as a service User governor for adult services between 1 December 2012 and 14 September 2014, i.e. 21 months. Then from 1 December 2015 – 30 November 2018 (36 months) and from 1 December 2018 as a Clinical Staff Governor for 36 months.

There have been five formal meetings of the Council of Governors during 2018/19, including the Annual Members' Meeting. There has also been a number of training, engagement sessions as determined by the Governors' Steering Group.

**Figure 21: Analysis of attendance of Board members at formal Council of Governors' meetings.**

Council of Governors' meetings held in public, attended by Board members		
Director	Total	Attended
Ken Jarrold	5	5
David Arthur	1	0
Dr Les Boobis	5	4
Alexis Cleveland	5	2
Martin Cocker	4	0
Lisa Crichton-Jones*	0	0
James Duncan	5	4
Miriam Harte	5	3
John Lawlor	5	5
Dr Rajesh Nadkarni	5	3
Gary O'Hare	5	2
Michael Robinson	1	1
Lisa Quinn	5	4
Lynne Shaw	3	1
Peter Studd	5	1
Ruth Thompson	5	0

\*on secondment

## Nominations Committee

The Council of Governors has established a Nominations Committee in line with the requirement within the Trust's Constitution, and its terms of reference are included on the Trust website. Its role includes making recommendations to the full Council of Governors on the appointment of the Chair and Non-Executive Directors (NEDs) and the associated remuneration and allowances and other terms and conditions. Membership and attendance at the Nominations Committee is shown below:

**Figure 22: Nominations Committee Membership and Attendance**

Name	Designation	Total	Attended
Ken Jarrold	Chair	7	7
Anne Carlile	Carer Governor	7	3
Fiona Grant	Service User Governor	7	5
Jack Wilson	Service User Governor	7	3
Margaret Adams	Public Governor	7	6
Bob Waddell	Staff Governor	7	6
Catherine Hepburn	Public Governor	7	5
Denise Porter	Community & Voluntary Sector Governor	7	6

The Nominations Committee is jointly chaired by the Trust Chair and an elected Governor.

The work undertaken by the Nominations Committee entails reviewing job descriptions and person specifications, processes for appointment, considering the need for external support and the subsequent selection of such support, reviewing applications, appraisals, independence and time commitments, interviewing candidates and reporting to the Council of Governors. In addition the Committee performs an annual review of the Chair's and other NEDs' remuneration for Council of Governors' approval.

The Nominations Committee's also includes overseeing the process relating to the termination, where this is not as a result of resignation, of the Chair or another NED coming to the end of their term. This role applies in limited circumstances such as gross misconduct or a request from the Board of Directors for the removal of a particular NED.

In September 2018 the Nominations Committee commenced a process to recruit to two Non-Executive Director positions. In accordance with NHS Improvement guidance, the Committee decided to appoint professional advisors Gatenby Sanderson to support the process. The Council of Governors and the Trust Board discussed the qualities, skills, key attributes and values that were required for Non-Executive Director positions. It was agreed that candidates would be sought with a legal background and accountancy or audit background. Due consideration was also made to balance the gender and ethnicity imbalance within the Board of Directors.

Gatenby Sanderson advertised the positions openly and promoted them to a large number of potential candidates. They then held detailed pre-interviews and reported to Nominations Committee on the suitability of each of the candidates with a recommended shortlist of candidates to be invited for interview. A formal interview was conducted by a Panel

comprising five Governor Members of Nominations Committee and the Chair, supported by the Chief Executive in attendance in an advisory capacity.

The nominations committee presented their recommendation to the full Council of Governors on 20 December 2018, of which Council of Governors approved the recommendation to appoint Michael Robinson and David Arthur to the Non-Executive Director positions for a period of up to three years.

The Nominations Committee also recommended that the Council of Governors reappoint three Non-Executive Directors during the period. Each of the Non-Executive Directors had successfully completed their first 3 year term during 2018/19. Therefore, in alignment with the Trust process, they were subjected to a strengthened appraisal of their performance and were interviewed by the Committee's co-chairs. The Nominations Committee considered the appraisal and interview feedback for each of the Non-Executives and recommended in each case that the Council of Governors approve the re-appointments of Alexis Cleveland, Leslie Boobis and Peter Studd. The Council of Governors' ratified each of the re-appointments at a general meeting held in public.

### **Engagement with the public, members and partner organisations and their views relating to the forward plan**

The Board has regard to the views of the Council of Governors in preparing the Trust's Operational Plans and Strategic Plans. The Council of Governors is consulted on the development of forward plans and any significant changes for the delivery of the Trust's Operational Plan. In 2017/18 the Council of Governors as well as service users, carers and members of the public were fully involved in the development of the Trust's 5 year strategy and in 2018/19, the Council of Governors contributed to the identification of the Trust's Quality Priorities for 2019/20.

Governors' views, including the public and the membership and organisations represented, are included in the Operational Plan paper for consideration by the Board of Directors.

### **Declaration of Interests**

All Governors are asked to declare any interest on the Register of Governors' Interests at the time of appointment and annually every March. The Register is available for inspection on the internet at [www.ntw.nhs.uk](http://www.ntw.nhs.uk) or on request, from Jennifer Cribbes, Corporate Affairs Manager, Chief Executive's Office, St. Nicholas Hospital, Jubilee Road, Gosforth, Newcastle upon Tyne, NE3 3XT. ([Jennifer.Cribbes@ntw.nhs.uk](mailto:Jennifer.Cribbes@ntw.nhs.uk)).

## **Compliance with the Code of Governance**

NHS Improvement, formerly known as Monitor, is the Independent Regulator for NHS Foundation Trusts. They have published a Code of Governance which brings together the best practice of public and private sector corporate governance and which classifies the requirements into six categories.

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

The Trust remains compliant with all provisions of the code. The Audit Committee, on behalf of the Board of Directors, received a full assurance report on:

- Individual requirements of the Code;
- Confirmation of compliance (or an explanation of non-compliance where required);
- Evidence of compliance; and
- Clarification on reporting and disclosure requirements

All requirements where supporting information is required to be made available is available either on request or on the Trusts website at [www.ntw.nhs.uk](http://www.ntw.nhs.uk)

The Trust continues to keep governance arrangements under review to ensure their effectiveness and no material governance concerns were identified. In 2018, the Trust was subject to a comprehensive inspection by the CQC which found the Trust to be 'Outstanding' overall, and outstanding in the Well Led domain, which considered governance and Board arrangements.

## **Information, development and evaluation**

Reports from the Executive Directors, which include in-depth performance and financial information, are circulated to directors prior to every Board meeting to enable the Board to discharge its duties.

The Council of Governors receive regular presentations from the Executive Team and updates from Governors on the work of the Nominations Committee and working groups. On appointment or election all directors and Governors undertake appropriate induction and are encouraged to keep abreast of matters affecting their duties as a director or governor and to attend training relevant to their role.

Robust processes are in place for the annual appraisal of the Board of Directors. The Chair leads the NEDs in their appraisals and the Chief Executive leads the Executive Directors appraisals. The Chief Executive is appraised by the Chair. The Senior Independent Director leads on the Chair's appraisal. The Board of Directors routinely reviews its performance and individual Committees self-assess their performance against their terms of reference annually. The Council of Governors also assesses its effectiveness on an annual basis.

## **Indemnities**

In accordance with the Trust's Constitution, as at the date of this report, indemnities are in place under which the Trust has agreed to indemnify its directors and Governors who act honestly and in good faith will not have to meet out of their personal resources any personal civil liability which is incurred in the execution or purported execution of their functions save where they have acted recklessly. Any costs arising in this respect will be met by the Trust.

## **Membership**

Our approach to membership is one of inclusivity, with membership available to everyone who:

- Is at least 14 years old and;
- Lives in the areas served by the Trust i.e. Northumberland, Newcastle, North Tyneside, South Tyneside, Gateshead, Sunderland and North Easington or the rest of England and Wales;
- Has used our services in the last four years or;
- Has cared for someone who has used our services in the last six years or;
- Is a member of staff on a permanent contract or who has worked for the Trust for 12 months or more

At 31 March 2019 the Trust reported a membership of 11,977 public and 6,241 staff (see the table below for details of numbers per constituency). During the past year we have continued to engage with the membership and encouraged nominations to governor elections.

Regular communication with our members through newsletters, has continued and we are committed to sustaining our membership and their involvement, to ensure that the benefits of having a robust and vibrant membership are attained. The Trust continues to work hard to build, develop and maintain the membership base to ensure appropriate community representation.

Membership targets are set via the Governors steering group of the Council of Governors, with consideration given to the balance between quantity of members and quality of engagement with members.

Our target is to maintain a public membership of 12,000 people with the focus of activity on:

- Ensuring the membership is refreshed and that membership figures are maintained;
- Improving user and carer membership numbers;
- Maintaining a good spread of members in the different localities;
- Engaging in new and meaningful ways with members.

Members are free to contact Governors and/or directors at any time via the Chairman's/Chief Executive Office (telephone number 0191 245 6827) or email [governors@ntw.nhs.uk](mailto:governors@ntw.nhs.uk)

Members are also encouraged to comment, make suggestions or submit articles to the Trust's six-monthly Foundation Trust Membership News, either via email to [members@ntw.nhs.uk](mailto:members@ntw.nhs.uk), [ftnewsletter@ntw.nhs.uk](mailto:ftnewsletter@ntw.nhs.uk) or by telephone.

The table below (Figure 23) shows an analysis of our membership as at 31 March 2019.

**Figure 23: Analysis of membership as at 31 March 2019**

<b>Constituency</b>	<b>31 March 2019</b>
<b>General Public</b>	
Gateshead	971
Newcastle upon Tyne	3,447
Rest of England and Wales	
Northumberland	1,373
North Tyneside	1,461
South Tyneside	793
Sunderland	2,028
<b>Sub total</b>	<b>10,142</b>
<b>Service Users</b>	
Adults	375
Children and young people	135
Learning disability	183
Neuro-disability	116
Older people	40
Unknown*	43
<b>Sub total</b>	<b>892</b>
<b>Carers</b>	
Adults	142
Children and young people	525
Learning disability	105
Neuro-disability	82
Older people	89
<b>Sub total</b>	<b>943</b>
<b>Total All Public</b>	<b>11,977</b>
<b>Staff</b>	
Unspecified	27
Medical	225
Other Clinical	4,293
Non Clinical	1,696
<b>Total All Staff</b>	<b>6,241</b>
<b>Total Members</b>	<b>18,218</b>

Note: \*Included in total are 43 service users who have not stated which service they use and are therefore recorded as unknown

### **3.5 NHS Improvement's Single Oversight Framework**

NHS Improvement's Single Oversight Framework provides the framework for overseeing providers and identifying potential support needs. The framework looks at five themes:

- Quality of care;
- Finance and use of resources;
- Operational performance;
- Strategic change; and
- Leadership and improvement capability (well-led).

Based on information from these themes, providers are segmented from 1 to 4, where '4' reflects providers receiving the most support, and '1' reflects providers with maximum autonomy. A Foundation Trust will only be in segments 3 or 4 where it has been found to be in breach or suspected breach of its licence.

The Single Oversight Framework applied from Quarter 3 of 2016/17. Prior to this, Monitor's *Risk Assessment Framework* (RAF) was in place. Information prior to the RAF has not been presented as the basis of differences in the accountability frameworks. This is in line with NHS Improvement's guidance for annual reports.

#### **Segmentation**

NHS Improvement have assessed Northumberland, Tyne & Wear NHS Foundation Trust as segment 1 – maximum autonomy. There are no enforcement actions placed upon the Trust by NHS Improvement and no actions are being taken or proposed by the organisation.

This segmentation information is the Trust's position as at 31<sup>st</sup> March 2019.

Current segmentation information for NHS Trusts and foundation Trusts is published on the NHS Improvement website.

#### **Finance and Use of Resources**

The Finance and Use of Resources theme is based on the scoring of five measures from '1' to '4', where '1' reflects the strongest performance. These scores are then weighted to give an overall score. Given that finance and use of resources is only one of the five themes feeding into the Single Oversight Framework, the segmentation of the Trust disclosed above might not be the same as the overall finance score here.

**Figure 24: Single oversight framework: Finance and Use of Resources**

Area	Metric	2016/17 Q4	2017/18 Q1, Q2, Q3 & Q4	2018/19 Q1	2018/19 Q2 & Q3	2018/19 Q4
Financial sustainability	Capital service	3	3	4	4	3
	Liquidity	1	1	1	1	1
Financial efficiency	I&E margin	1	1	3	2	1
Financial controls	Distance from	1	1	1	1	1
	Agency spend	3	1	1	1	1
<b>Overall scoring</b>		<b>2</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>1</b>

The Trust has an integrated performance reporting structure, which mirrors the key reporting requirements of the 'Intelligent Mental Health Board'.

The Trust has developed the use of dashboards with a clear set of key performance indicators reflecting not only national targets, but local targets linked to the Trust's strategic and annual objectives balanced across clinical, operational, financial and staff dimensions. This ensures that our strategy, objectives and targets are linked to ensure delivery, with strengthened accountability for performance using key metrics.

In addition to providing a robust analysis of new and existing quality and performance targets and the risk register, the report provides evidence links for the Trust's compliance to CQC registration requirements and supports Board assurance in its annual self-declaration process.

The Trust provides services to a broad range of commissioners. The main commissioners for the Trust in 2018/19 were as follows:

- Five Clinical Commissioning Groups across Northumberland, Tyne and Wear;
- Five Clinical Commissioning Groups across Durham, Darlington and Tees;
- Cumbria and North East Commissioning Hub which is the local team of NHS England;
- CCGs out of area plus Scottish, Welsh and Irish health bodies who commission on an individual named patient contract basis; and
- Local Authorities.

The Trust had legally binding contracts in place to deliver commissioned services and has a positive relationship with commissioners. We are a New Care Model for adult secure and children's inpatient services, working in partnership with NHS England and Tees, Esk & Wear Valley NHS Foundation Trust. Commissioners monitor our performance through monthly monitoring reports and regular contract review meetings. We performed broadly in line with 2018/2019 patient care contracts over the year.

### **3.6 Voluntary Disclosures - Modern Slavery Act Statement**

#### **Introduction**

Slavery and human trafficking remains a hidden blight on our global society. We all have a responsibility to be alert to the risks, however small, in our business and in the wider supply chain. Staff are expected to report concerns and management are expected to act upon them.

#### **Organisation's Structure and Principal Activities**

Northumberland, Tyne & Wear NHS Foundation Trust is a specialist provider of mental health and learning disability services within the UK

#### **Our Supply Chains**

Our supply chains includes the sourcing of all products and services necessary for the provision of high quality care to our service users

#### **Our Policies on Slavery and Human Trafficking**

We are committed to ensuring that there is no modern slavery or human trafficking in our supply chains or in any part of our business.

#### **Due Diligence Processes for Slavery and Human Trafficking**

With regards to national or international supply chains, our point of contact is preferably with a UK company and we expect these entities to have suitable anti-slavery and human trafficking policies and processes. Most of our purchases are against existing supply contracts or frameworks which have been negotiated under the NHS Standard Terms and Conditions of Contract which have the requirement for suppliers to have suitable anti-slavery and human trafficking policies and processes to be in place. We expect each entity in the supply chain to, at least, adopt 'one-up' due diligence on the next link in the chain. It is not practical for us (and every other participant in the chain) to have a direct relationship with all links in the supply chain.

#### **Supplier Adherence to Our Values**

We have zero tolerance to slavery and human trafficking. We expect all those in our supply chain and contractors comply with our values. The Trust will not support or deal with any business knowingly involved in slavery or human trafficking.

#### **Training**

Our Procurement & Logistics Manager is duly qualified as a Fellow of the Chartered Institute of Procurement & Supply and has passed the Ethical Procurement & Supply Final Test attached to this Professional Registration. This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes our Organisation's slavery and human trafficking statement for the current financial year.

### **NTW Solutions Limited**

Although NTW Solutions had a turnover which was below the level required to publish a Modern Slavery Act Statement, their Directors followed good practice in doing so. The company's Modern Slavery Act Statement is published on its website.

### **3.7 Statement of Accounting Officer's Responsibilities**

Statement of the chief executive's responsibilities as the accounting officer of Northumberland, Tyne and Wear NHS Foundation Trust

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

NHS Improvement, in exercise of the powers conferred by Monitor by the NHS Act 2006, has given Accounts Directions which require Northumberland, Tyne and Wear 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 Northumberland, Tyne and Wear NHS Foundation Trust and of its income and expenditure, total recognised gains and losses and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Department of Health Group Accounting Manual and in particular to:

- Observe the Accounts Direction issued by NHS Improvement, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgements and estimates on a reasonable basis;
- State whether applicable accounting standards as set out in the NHS Foundation Trust Annual Reporting Manual (and the Department of Health 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.

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 him/her 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.

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

A handwritten signature in black ink, appearing to read "John Lawlor".

**John Lawlor,  
Chief Executive  
22<sup>nd</sup> May 2019**

### **3.8 Annual Governance Statement 2018/19**

#### **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 Northumberland, Tyne and Wear NHS Foundation Trust and the Group, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Northumberland, Tyne and Wear NHS Foundation Trust and the Group for the year ended 31 March 2019 and up to the date of approval of the annual report and accounts.

#### **Capacity to handle risk**

The Executive Director of Commissioning and Quality Assurance has overall lead responsibility for performance risk management within the Foundation Trust. While the Executive Director of Commissioning and Quality Assurance has a lead role in terms of reporting arrangements, all directors have responsibility for the effective management of risk within their own area of direct management responsibility, and corporate and joint responsibility for the management of risk across the organisation.

Structures and systems are in place to support the delivery of integrated risk management, across the organisation. Risk management training to support the implementation of the Risk Management Strategy and Policy which includes a risk appetite framework has continued to take place throughout the Trust this year. This includes training for new staff as well as training which is specific to roles in areas of clinical and corporate risk. Delivery of training against targets is monitored by the Board of Directors, and managed through the Trust Corporate Decisions Team and its sub groups and devolved management structures. The Foundation Trust has a Board of Directors approved Risk Management Strategy in place.

Committees of the Board of Directors are in place both to ensure effective governance for the major operational and strategic processes and systems of the Foundation Trust, and also to provide assurance that risk is effectively managed. Operations for the Foundation Trust are managed through an organisational structure, with operations divided into three Groups (each of which has four clinical business units), and each has governance committees in place for quality and performance and operational management. Risk registers are maintained and reviewed by each Group and reviewed through the Foundation Trust-wide governance structures.

The Committees of the Board of Directors are required to consider the risks pertaining to their areas of responsibility by reviewing the management of Corporate and Group top risks; reviewing Board Assurance Framework to ensure that effective controls are in place to manage corporate risks and to report any significant risk management and assurance issues to the Board of Directors.

The Corporate Decisions Team and its Risk Management Sub-Group also undertake this review from an operational perspective to ensure that risks are recorded effectively and consistently and that controls in place are appropriate to the level of risk.

The Audit Committee considers the systems and processes in place to maintain and update the Assurance Framework, it considers the effectiveness and completeness of assurances and that documented controls are in place and functioning effectively.

### **The risk and control framework**

The Foundation Trust continually reviews its risk and control framework through its governance and operational structures. It has identified its major strategic risks, and these are monitored, maintained and managed through the Board of Directors Assurance Framework and Corporate Risk Register, supported by Group and Directorate risk registers. The Foundation Trust's principal risks and mechanisms to control them are identified through the Assurance Framework, which is reviewed by the Board of Directors regularly. These risks are reviewed and updated through the Foundation Trust's governance structure. Outcomes are reviewed through consideration of the Assurance Framework to assess for completeness of actions, review of the control mechanisms and on-going assessment and reviews of risk score.

The Foundation Trust's Risk Management Strategy for 2017 – 2022 defines the risk management ambitions for the organisation:-

1. To support greater devolution of decision making and accountability for management of risk throughout the organisation from Board of Directors to point of delivery (Board to Ward).
2. To promote a risk culture of monitoring and improvement, which ensures risks to the delivery of the Trust's ambitions are identified and addressed.
3. To define processes, systems and policies throughout the Trust which are in place to support effective risk management and ensure these are integral to activities in the Trust.
4. To support service users, carers and stakeholders through the reduction of risks to service delivery and improved service provision.
5. To support the Board of Directors in being able to receive assurance that the Trust is continuously monitoring external compliance targets and legislation responsibilities, including standards of clinical quality, NHS Improvement compliance requirements and Trust's licence.

Risks facing the organisation will be identified from a number of sources, for example:

- Risks arising out of the delivery of day to day work related tasks or activities
- The review of strategic or operational ambitions
- As a result of an incident or the outcome of investigations
- Following a complaint, claim or patient feedback

- As a result of a health and safety inspection/assessment, external review or audit report
- National requirements and guidance

The Foundation Trust Board of Directors through its Risk Management Strategy and Policy has adopted a risk appetite statement which shows the amount of risk the Board of Directors is willing to accept in seeking to achieve its Strategic Ambitions. This was agreed following a Board of Directors Development session in February 2017 and is reviewed on an annual basis. This was last reviewed at a Board of Directors Development Session in March 2019. Risk appetite is the level of risk deemed acceptable or unacceptable based on the specific risk category and circumstances/situation facing the Trust. This allows the Trust to measure, monitor and adjust, as necessary, the actual risk positions against the agreed risk appetite.

All risks which exceed the Trust risk appetite will be reported through the Trust Governance Structures to the Board of Directors.

The table below summarises those risks which have exceeded risk appetite, as reported to the Board in the Assurance Framework in March 2019. All risks identified below are considered as in year and future risks relating to the Strategic Ambitions pertinent to 2018-19.

Risk Ref	Risk description	Risk Appetite	Risk Score
SA1.3	That there are adverse impacts on clinical care due to potential future changes in the clinical pathways through changes in commissioning of Services.	Quality Effectiveness (6-10)	12
SA1.4	The risk that high quality, evidence based and safe services will not be provided if there are difficulties in accessing services in a timely manner due to waiting times and bed pressures resulting in the inability to be sufficiently responsive to demands.	Quality Effectiveness (6-10)	16
SA1.1	If the Trust were to acquire additional geographical areas this could have a detrimental impact on NTW as an Organisation.	Compliance/ Regulatory (6-10)	12
SA3.2	Inability to control regional issues including the development of integrated new care models and alliance working could affect the sustainability of MH and disability services.	Quality Effectiveness (6-10)	12
SA4.1	That we have significant loss of income through competition and national policy including the possibility of losing large services and localities.	Finance/VfM (12-16)	20
SA5.1	That we do not meet compliance and quality standards	Compliance/ Regulatory (6-10)	15
SA5.2	That we do not meet statutory and legal requirements in relation to Mental Health Legislation	Compliance/ Regulatory (6-10)	12
SA5.5	That there are risks to the safety of service users and others if we do not have safe and supportive clinical environments.	Quality Safety (1-5)	10

Risk Ref	Risk description	Risk Appetite	Risk Score
SA5.9	Inability to recruit the required number of medical staff or provide alternative ways of multidisciplinary working to support clinical areas could result in the inability to provide safe, effective, high class service	Quality Effectiveness (6-10)	12

In 2018 under SA1.1 the Trust undertook significant due diligence in relation to the proposed transfer of North Cumbria Mental Health and Learning Disability Services. In February 2019 the Trust approved the transfer of these services commencing October 2019.

Action plans are in place to enable any gaps in control to be addressed. This process is managed through the Trust's governance structures described and those supporting and underpinning this are the Audit Committee, Quality and Performance Committee, Resource and Business Assurance Committee, and Mental Health Legislation Committee.

The Trust's governance structures are the subject of periodic review, the last review taking place September 2018 where minor changes were made to the committee terms of reference to reflect updated arrangements.

Each of the committees is chaired by a Non-Executive Director and has Executive Director Membership.

Throughout the year the Audit Committee has operated as the key standing Committee of the Board of Directors with the responsibility for assuring the Board of Directors that effective processes and systems are in place across the organisation to ensure effective internal control, governance and risk management that support the achievement of the organisation's objectives (both clinical and non-clinical).

Each of the sub-committees of the Board of Directors has responsibility for risks pertaining to their area of focus and ensuring the following takes place:

- Review the management of the Corporate Risk Register and the Groups top risks;
- Review the Board Assurance Framework to ensure that the Board of Directors receive assurances that effective controls are in place to manage corporate risks;
- Report to the Board of Directors on any significant risk management and assurance issues.

The Quality and Performance Committee has responsibility for overseeing the Foundation Trust's performance against fundamental standards for quality and safety as part of this role. The Committee also considers all aspects of quality and performance, clinical audit and research.

The Resource and Business Assurance Committee provides assurance that all matters relating to Finance, Estates, Information Management and Technology and Business and Commercial Development are effectively managed and governed.

The Mental Health Legislation Committee has delegated powers to ensure that there are systems, structures and processes in place to support the operation of mental health legislation, within both inpatient and community settings and to ensure compliance with associated codes of practice and recognised best practice.

Quality Governance arrangements are through the governance structures outlined above, ensuring there are arrangements in place from ward to Board. Review, monitoring and oversight of these arrangements takes place through the following, among others:

1. Board of Directors
2. Quality and Performance Committee
3. Group Quality Standards Meetings
4. Corporate Decisions Team meetings and its Quality Sub-Group

The Trust undertook a self-assessment of leadership and governance using the CQC's well led framework during January 2019 which indicated compliance with each of the key questions. An internal audit was undertaken to review the self-assessment providing substantial assurance. An action plan has been produced to address the areas for consideration this will be monitored through Trusts Governance Structures on a twice yearly basis.

The Trust supports an open reporting culture and encourages its staff to report all incidents through its internal reporting system. The Trust's Incident Policy NTW(0)05 and supporting practice Guidance Notes provides the framework for staff for the reporting, management investigation and dissemination of lessons learnt. The Trust has adopted the principles of the National Patient Safety Agency's "Seven Steps to Patient Safety" and embedded them in day to day practice.

The Trust has a data quality improvement plan in place which is monitored through a sub group of Quality and Performance Committee. The Trust audit plan includes a rolling programme of audit against performance and quality indicators.

Registration compliance is managed through the above quality governance structures and is supplemented by the Deputy Chief Operating Officer/Group Director being responsible for the oversight of all compliance assessments and management of on-going compliance through the Trust CQC Compliance Group. This Group reports into the Corporate Decisions Team Quality Sub Group. A process is in place through the governance arrangements highlighted above to learn from external assessments and improve our compliance. The CQC Compliance Group undertakes regular reviews of compliance against the CQC Fundamental Standards including undertaking mock visits and identifying improvement requirements.

This formal governance framework is supplemented by an on-going programme of visits by Executive Directors and members of the Corporate Decisions Team, which are reported through the Corporate Decisions Team and Board of Directors, as well as service visits by Non-Executive Directors.

The Foundation Trust is registered with the CQC and has maintained full registration, with no non-routine conditions, from 1st April 2010. The CQC conducted a Well Led review inspection during 2018 and rated the Trust as 'Outstanding'.

As described above the Trust has robust arrangements for governance in place. Risks to compliance with the requirements of NHS Foundation Trust condition 4 (FT governance) are set out where appropriate within the Assurance Framework and Corporate Risk

Register. The Board of Directors has reviewed its governance structures and the Board of Directors and its Committees undertake an annual self-assessment of effectiveness and annually review their terms of reference.

The Corporate Decisions Team is responsible for the co-ordination and operational management of the system of internal control and for the management of the achievement of the Foundation Trust's objectives agreed by the Board of Directors. Operational management, through the Foundation Trust's directors, is responsible for the delivery of Foundation Trust objectives and national standards and for managing the risks associated with the delivery of these objectives through the implementation of the Foundation Trust's risk and control framework. Governance groups have been in place across all areas throughout this accounting period, with each Group having in place Locality Governance Groups. To fulfil this function the Corporate Decisions Team Risk Sub Group reviews the Assurance Framework and Corporate Risk Register, as well as reviewing Group risks.

The Risk Management Strategy, the associated Risk Management Policy and the governance structure identified above have been developed in line with nationally identified good practice.

As part of CQC's well led review inspection during 2018 the trust governance arrangements came under further external scrutiny. The Trust achieved an 'Outstanding' rating for Well-led in addition to its overall rating.

The Foundation Trust involves public stakeholders in identifying and managing risks to its strategic objectives in a number of ways. These include:

- Working with partners in health and social services in considering business and service change. The Foundation Trust has a framework for managing change to services agreed as part of its contracts with its main commissioners across the North East. The Foundation Trust also has good relationships with Overview and Scrutiny Committees, with an excellent record of obtaining agreement to significant service change.
- Active relationships with Healthwatch and user and carer groups, working with these groups on the management of service risks.
- A Deputy Director, Communications and Corporate Relations reporting directly into the Chief Executive for sustaining effective relationships with the key public stakeholders.
- Active engagement with governors on strategic, service, and quality risks, including active engagement in the preparation of the Annual Plan, Quality Accounts and the setting of Quality Priorities.

The Trust has developed a workforce planning methodology to support business units in their approach to short, medium and long-term planning and work continues to link such plans to demand (activity), quality, and financial planning. This approach will ensure the alignment of workforce, capacity, and resource plans to quality and activity, and as such to commissioning and income targets. It also enables an understanding of medium to high level workforce risks and the development of subsequent actions to mitigate against these. Stakeholders from a wide range of disciplines across both clinical and non-clinical services make significant contributions to the workforce planning process regarding their relevant area of work or profession.

The Trust Workforce plan is aligned to the Trust Wide Workforce Strategy and supporting clinical strategies which outline future developments across professionals and pathways of care. These strategies take account of high level workforce analysis and developments at both a regional and national level – this is subsequently reflected within the workforce planning process which is regarded as a ‘live’ document; responsive to meet public health demands and service delivery.

To support the workforce planning process several tools are available to stakeholders to access. These include internal workforce demographics, population demographics and public health data, Health Education England (HEE) Star toolkit, Care Hours per Patient Day (CHPPD) as part of the Carter and Model Hospital work, time and attendance rostering analysis, and financial establishment information.

Whilst work is undertaken on a regular basis to review and refresh workforce plans at a local level and in line with service changes and demands, the overall Trust Workforce Plan is incorporated into the annual planning cycle and formally reviewed by the Board on an annual basis as part of this cycle. Regular establishment reviews take place, as part of the safer staffing approach across the Trust and in response to wider workforce, quality and financial analysis. This approach ensures that staffing, risks and mitigations are reviewed in conjunction with quality, activity and finance data and not in isolation. A cyclical approach to planning, which will take us beyond the short to medium term, is being further developed and the workforce elements arising from this work will be presented at a future public Board of Directors meeting.

As part of the ongoing work to develop medium to long term staffing plans and mitigate against risk, new roles are a key priority for the Trust and work is ongoing with regards to potential skill mix changes in clinical areas. The Trust is in the process of identifying a structured process through which to monitor the introduction of new roles/ways of working which will ensure such changes have a quality impact assessment and are agreed and approved with effect from April 2019.

The Trust monitors and triangulates a full suite of indicators, of which workforce is included, that report progress on the performance of the organisation through the Trust’s performance and assurance processes, including the Commissioning and Quality Assurance Report to the Board of Directors. A full report is prepared each month highlighting key risks.

The Trust’s performance and assurance systems and processes support the presentation and analysis of information at Trust, Group, Service and Team levels which enables the dissemination of performance information to the various levels of the organisation, including staff teams. Updates are also shared with the Council of Governors. To further enhance this a number of quality dashboards have been developed including workforce, quality, finance and safer care data. Clinical dashboards enable clinical teams to monitor and review their performance and individual members of staff can also access their own personal dashboard which includes workforce and training information.

The foundation trust is fully compliant with the registration requirements of the Care Quality Commission.

The foundation trust has published an up-to-date register of interests for decision-making staff within the past twelve months, as required by the ‘Managing Conflicts of Interest in the NHS’22 guidance.

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

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

The foundation trust has undertaken risk assessments and has a sustainable development management plan in place which takes account of UK Climate Projections 2018 (UKCP18). 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**

The Foundation Trust has a Financial Strategy, which was updated as part of the submission of the 2018-19 Operational Plan, and includes detailed plans for delivery of service and financial objectives to March 2019. A refresh of the operational plans for 2019/20 was approved by the Board in March 2019 in line with national guidance. Budgets are fully aligned with the operational plan submission. All budgets, including Financial Delivery Plans are signed off through the Executive team and Business Delivery Group before submission to the Board of Directors and all budgets are agreed and signed off by budget holders. The financial position is reviewed on a monthly basis, through the Executive Directors meeting, Business Delivery Group and through the Board of Directors and on a quarterly basis by the Resource and Business Assurance Committee.

The Board of Directors receives regular updates on the Financial Delivery Plan, which is also reviewed through the Executive Team, Business Delivery Group and Group meetings, as well as being reviewed by Resource and Business Assurance Committee. An integrated approach has been taken to financial delivery with each scheme assessed for its financial, workforce and quality impact. Each Group reviews its own performance on its contribution to the Trust Financial Delivery Plan at its Operational Management Group. This is subject to review through quarterly Accountability Framework review meetings between Executive Directors and the Groups. The Foundation Trust actively benchmarks its performance, through a range of local, consortium based and national groups, and is actively involved in a range of quality, resource and service improvement initiatives with NHS Improvement

Internal Audit provides regular review of financial procedures on a risk based approach, and the outcomes of these reviews are reported through the Audit Committee. The Internal Audit Plan for the year is approved on an annual basis by the Audit Committee, and the Plan is derived through the consideration of key controls and required assurances as laid out in the Trust Assurance Framework. The Audit Committee have received significant assurance on all key financial systems through this process.

## **Information governance**

The Foundation Trust has effective arrangements in place for Information Governance (IG) with performance against the Data Security and Protection (DSP) Toolkit reported through the Caldicott Health Informatics Group, Quality and Performance Committee and the Corporate Decisions Team.

The DSP Toolkit was released on the 1st April 2018. The Trust has fully met 100 mandatory assertions under this new framework, with an improvement plan relating to just one assertion requiring a Business Continuity Plan (BCP) testing exercise to be undertaken in respect of digital systems.

All IG incidents which occur and are reported by the Trust are assessed in respect of risk and impact to the subjects of the information. Incidents are subject to a robust investigation process to understand the cause and consequences of the breach, the actions taken/required, and shortcomings identified and addressed.

The Trust assessed 3 of the incidents reported to be 'serious' incidents:

Patient identifiable information (paper format) relating to one service user of the Trust was left on public transport. This incident was reported to the Information Commissioner's Office and later closed with no further action being taken.

Member of staff e-mailing patient information to non-Trust e-mail/'home' computer. This incident related to information for a number of service users. This information was not handled in line with Trust policy. This incident was reviewed, and it was considered there was no risk to the confidentiality, integrity or availability of the information. Therefore, this incident was not reported to the Information Commissioner's Office (ICO).

Member of staff using a non-Trust non-encrypted device to transfer patient information to a 'home' computer. This 'home' computer subsequently lost. This incident related to information for a large number of service users, and the Trust have taken action to ensure that those individuals affected by the breach are informed of this incident. This incident was reported to the Information Commissioner's Office and later closed with no further action being taken.

The Trust is committed to ensuring compliance with statutory, legislative and national frameworks/guidance to embed robust data security and information handling practices.

## **Annual Quality Report**

The directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 (as amended) to prepare Quality Accounts for each financial year. NHS Improvement (in exercise of the powers conferred on Monitor) has issued guidance to NHS foundation trust boards on the form and content of annual Quality Reports which incorporate the above legal requirements in the NHS Foundation Trust Annual Reporting Manual.

2018-19 is the 10th year of publishing Quality Accounts/Report for Northumberland, Tyne and Wear NHS Foundation Trust.

The Trust has drawn upon service user, carer and staff feedback as well as the Council of Governors to inform the Quality Account/Report. We have also listened to partner feedback on areas for improvement and our response to these are incorporated in the 2018-19 Quality Account.

Whilst the national requirement is to set annual priorities the Trust has established 3 overarching Quality Goals which span the life of the Trust Strategy, ensuring our annual priorities enable us to continually improve upon the three elements of quality: Patient Safety, Clinical Effectiveness and Patient Experience as shown in the table below.

<b>Goal</b>	<b>Description</b>
Safety	Keeping you safe
Experience	Working with you, your carers and your family to support your journey
Effectiveness	Ensure the right services are in the right place at the right time to meet all your health and wellbeing needs

Our Quality Governance arrangements are set out in section 4 of the Annual Governance Statement. The Executive Director of Commissioning and Quality Assurance has overall responsibility to lead the production and development of the Quality Account/Report. A formal review process was established, the Quality Account/Report drafts were formally reviewed through the Trust governance arrangements (Corporate Decisions Team, Quality and Performance Committee, Audit Committee, Council of Governors and Board of Directors) as well as being shared with partners.

The Trust has put controls in place to ensure the accuracy of the data used in the Quality Account/Report. These controls include:

- Trust policies on quality reporting, key policies include:
  - NTW(O)05 - Incident Policy (including the management of Serious Untoward Incidents)
  - NTW(O)07 - Complaints Policy
  - NTW(O)09 – Records Management Policy
  - NTW(O)26 - Data Quality Policy
  - NTW(O)28 – Information Governance Policy
  - NTW(O)34 - 7 Day Follow Up after discharge from inpatient mental health services
  - NTW(O)62 - Information Sharing Policy
  - NTW(O)36 – Data Protection Policy
  - NTW(O)08 – Emergency Preparedness, Resilience and Response Policy
- Systems and processes have been further improved across the Trust during 2018-19 with the continued expansion of the near real-time dashboard reporting system, reporting quality indicators at every level in the Trust from patient/staff member to Trust level.
- The Trust has training programmes in place to ensure staff have the appropriate skills to record and report quality indicators. Key training includes:
  - Electronic Patient Record (RiO)
  - Trust Induction
  - Data Security Awareness
- The Trust audit plan includes a rolling programme of audits on quality reporting systems and metrics.

- The Internal Audit Plan is fully aligned to the Trust's Corporate Risk Register and Assurance Framework, and integrates with the work of clinical audit where this can provide more appropriate assurance.

Through the engagement and governance arrangements outlined above the Trust has been able to ensure the Quality Account/Report provides a balanced view of the Organisation and appropriate controls are in place to ensure the accuracy of data.

### **Review of effectiveness**

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the NHS foundation trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on the content of the Quality Report attached to this annual report and other 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 audit committee and the Foundation Trust governance committees and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Performance and Assurance Framework provide me with evidence that the effectiveness of controls in place to manage the risks associated with achieving key organisational objectives have been systematically reviewed. Internally I receive assurance through the operation of a governance framework as described above, including the Trustwide Governance Structure, Group level governance structures, internal audit reviews and the Audit Committee.

My review is also informed by (i) On-going registration inspections and Mental Health Act reviews by the Care Quality Commission, (ii) External Audit, (iii) NHS England (iv) NHS Improvement's ongoing assessment of the Foundation Trust's performance, (v) on-going review of performance and quality by our Commissioners and vi) Self-assessment and internal audit of Trust's Leadership and Governance against CQC Well Led Framework.

Throughout the year the Audit Committee has operated as the key standing Committee of the Board of Directors with the responsibility for assuring the Board of Directors that effective processes and systems are in place across the organisation to ensure effective internal control, governance and risk management. The Audit Committee is made up of three Non-Executive Directors, and reports directly to the Board of Directors. The Committee achieves its duties through:

- Overseeing the risk management system and obtaining assurances that there is an effective system operating across the Trust. Reviewing the establishment and maintenance of an effective system of integrated governance, risk management and internal control across the Foundation Trust that supports the achievement of the organisations objectives.
- Consideration of the systems and processes in place to maintain and update the Assurance Framework, and consideration of the effectiveness and completeness of assurances that documented controls are in place and functioning effectively.
- Scrutiny of the corporate governance documentation for the Foundation Trust.

- The agreement of external audit, internal audit and counter fraud plans and detailed scrutiny of progress reports. The Audit Committee pays particular attention to any aspects of limited assurance, any individual areas within reports where particular issues of risk have been highlighted by internal audit, and on follow up actions undertaken. Discussions take place with both sets of auditors and management as the basis for obtaining explanations and clarification.
- Receipt and detailed scrutiny of reports from the Foundation Trust's management concerning the governance and performance management of the organisation, where this is considered appropriate.
- Review of its own effectiveness against national best practice on an annual basis. The terms of reference for the committee were adopted in line with the requirements of the Audit Committee Handbook and Monitor's Code of Governance.

The Board of Directors itself has a comprehensive system of performance reporting, which includes analysis against the full range of performance and compliance standards, regular review of the Assurance Framework and Corporate Risk Register, ongoing assessment of clinical risk through review of complaints, SUIs, incidents, and lessons learned. The Quality and Performance Committee receives a regular update on the performance of clinical audit. The Board of Directors also considers periodically a review of unexpected deaths which includes a comparison with national data, when available.

There are a number of processes and assurances that contribute towards the system of internal control as described above. These are subject to continuous review and assessment. The Assurance Framework encapsulates the work that has been undertaken throughout the year in ensuring that the Board of Directors has an appropriate and effective control environment. This has identified no significant gaps in control and where gaps in assurance have been identified, actions are in place to ensure that these gaps are addressed.

## **Conclusion**

My review confirms that Northumberland, Tyne and Wear NHS Foundation Trust and the Group has a generally sound system of internal control that supports the achievement of its policies, aims and objectives. No significant internal control issues have been identified.



Chief Executive  
Date: 22<sup>nd</sup> May 2019

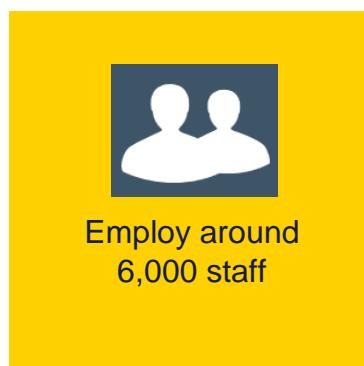
# Quality Account

Northumberland, Tyne and Wear  
NHS Foundation Trust

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2018/19

# Northumberland, Tyne and Wear NHS Foundation Trust at a glance...



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# **Northumberland, Tyne and Wear NHS Foundation Trust 2018/19 in numbers:**

**88%**

The proportion of 7,000 service users and carers who responded to the Friends and Family Test and would recommend our services in 2018/19 an increase of 1% point compared with the previous year.

The mental health average national score in March 2019 was 90%

**1 of 4**

The number of mental health and disability trusts rated “Outstanding” by the Care Quality Commission, out of 52 NHS trusts.

**67%**

The response rate to the 2018 staff survey, which was 13% points above the national average and 3% points higher than the previous year

**40**

The average number of out of area bed days per month that local service users were inappropriately admitted to

**80%**

The number of people with a first episode of psychosis beginning treatment with a NICE recommended care package within two weeks of referral.

**43,100**

The number of service users cared for by the Trust on 31 March 2019

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## Contents

### Part 1

- 7. **Welcome and Introduction to the Quality Account**
- 9. Statement of Quality from the Chief Executive
- 10. Statement from Executive Medical Director and Executive Director of Nursing & Chief Operating Officer
- 11. Statement of Quality from Council of Governors Quality Group Chair

### Part 2a

- 17. **Looking Ahead – Our Quality Priorities for Improvement in 2019/20**

### Part 2b: Looking back – Review of Quality Priorities in 2018/19 and their impact on our long term Quality Goals

- 21. Improving the inpatient experience
- Error! Bookmark not defined.. Freedom to Speak UpError! Reference source not found.**
- 31. Improving waiting times
- 41. Embedding the principles of the Triangle of Care
- 50. Embedding Trust Values

### Part 2c: Mandatory Statements relating to the Quality of NHS Services Provided

- 57. Review of Services
- 57. Participation in clinical audits
- 59. Participation in clinical research
- 60. Goals agreed with commissioners
- 63. Statements from the Care Quality Commission (CQC)
- 66. External Accreditations
- 67. Data Quality
- 69. Learning from Deaths
- 74. Performance against Mandated Core Indicators

### Part 3: Review of Quality Performance

- 78. NHS Improvement Single Oversight Framework
- 80. Performance against contracts with local commissioners
- 81. Staff Training
- 82. Staff Absence
- 83. Staff Survey
- 86. Statements from lead CCGs, Overview and Scrutiny Committees, and Local Healthwatch

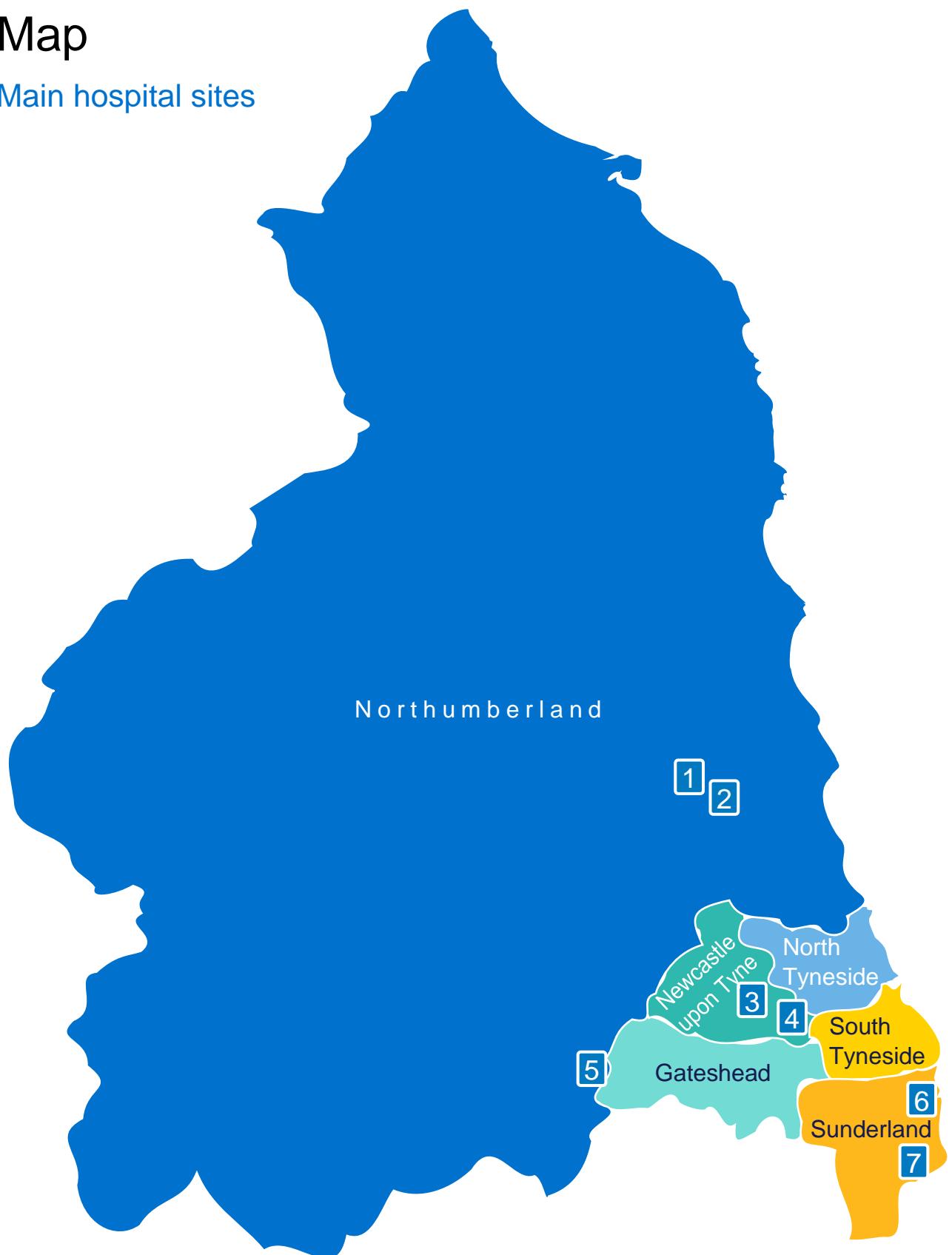
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## Appendices

- 97. CQC Registered locations
- 98. Priority clinical audits undertaken in 2018/19
- 99. Annual report on safe working hours: doctors in training
- 104. Further information on the Points of You experience survey
- 105. Statement of Directors' Responsibilities in respect of the Quality Report
- 107. Limited Assurance Report on the content of the Quality Report
- 111. Glossary

# Map

## Main hospital sites



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## Part 1

# Welcome and Introduction to the Quality Account

Northumberland, Tyne and Wear NHS Foundation Trust was established in 2006, is one of the largest mental health and disability organisations in the country and has an annual income of more than £300 million.

We provide a wide range of mental health, learning disability and neuro-rehabilitation services to a population of 1.4 million people in the North East of England. We employ over 6,000 staff, operate from over 60 sites and provide a range of comprehensive services including some regional and national services.

We support people in the communities of Northumberland, Newcastle, North Tyneside, Gateshead, South Tyneside and Sunderland working with a range of partners to deliver care and support to people in their own homes and from community and hospital based premises. Our main hospital sites are:

- Northgate Hospital, Morpeth (numbered 1 on the map on page 6)
- St. George's Park, Morpeth (2)
- St. Nicholas Hospital, Newcastle upon Tyne (3)
- Walkergate Park, Newcastle upon Tyne (4)
- Ferndene, Prudhoe (5)
- Monkwearmouth Hospital, Sunderland (6)
- Hopewood Park, Sunderland (7)

To focus on local populations and their needs we structure our services geographically into the following “Locality Care Groups”:

- North – Northumberland and North Tyneside
- Central – Newcastle and Gateshead
- South – Sunderland and South Tyneside

# What is a Quality Account?

All NHS healthcare providers are required to produce an annual Quality Account, to provide information on the quality of services they deliver.

We welcome the opportunity to outline how we have performed over the course of 2018/19, taking into account the views of service users, carers, staff and the public, and comparing ourselves with other Mental Health and Disability Trusts. This Quality Account outlines the good work that has been undertaken, the progress made in improving the quality of our services and identifies areas for improvement.

To help with the reading of this document we have provided explanation boxes alongside the text, and some examples of service user and carer experience.

**This is an “explanation” box**

It explains or describes a term or abbreviation found in the report.

Information in this Quality Account includes NTW Solutions, a wholly owned subsidiary company of NTW

**This is an “experience” box**

It gives the experience of service users.

*“My treatment has always been consistent and reliable. I have found a lot of benefit from talking to my therapist as it has given me the strength to face my problems”*

# Statement of Quality from the Chief Executive



Thank you for taking the time to read our 2018/19 Quality Account, reflecting upon another busy year.

In 2018 we continued to develop innovative services, such as virtual reality technology, used with young people and those with phobias, and I was delighted when the Personality Disorder Hub team won a prestigious Health Service Journal award for patient safety.

We have championed mental health and disability awareness both within the wider NHS, via the North East and North Cumbria Integrated Care System, and also with local business leaders. Recently we were also recognised as a “Diversity Champion” by LGBT charity, Stonewall, marking our commitment to making NTW a great place to work for all members of staff.

We were proud in 2018 to once again be rated as “Outstanding” by the Care Quality Commission, highlighting positive findings such as our person centred culture, caring staff and drive to improve services. We know that we have more to do to reduce restrictive practices in inpatient settings, and to reduce the waiting times to access some services.

In early 2019, our Board of Directors agreed to work towards taking on responsibility for the provision of a range of mental health and learning disability services in North Cumbria, currently provided by Cumbria Partnership NHS Foundation Trust. We are looking forward to sharing learning from our services with colleagues in North Cumbria while also enabling them to share their good practice with us.

We have set out in this document how we have performed against local and national priorities - including how we have progressed with our Quality Priorities for 2018/19. We have also set out in this document our Quality Priorities for 2019/20, and look forward to reporting our progress against these in next year’s Quality Account.

To the best of my knowledge, the information in this document is accurate.

A handwritten signature in black ink that reads "John Lawlor".

John Lawlor  
**Chief Executive**

The Northumberland, Tyne and Wear NHS Foundation Trust is often referred to as “NTW” or “NTWFT”.

# Statement from Executive Medical Director and Executive Director of Nursing & Chief Operating Officer

We were proud this year to develop a range of collaborative partnerships, working with other organisations to improve the quality of care for our service users, to learn from others and to share our own learning.

We have launched a collaborative partnership with one of India's largest providers of mental health services, allowing us to mutually share expertise in the delivery of care to different populations.

We have also worked closely throughout the year with colleagues in North Cumbria, developing plans to improve the outcomes and quality of care provided and to improve the sustainability and resilience of mental health services provided in the area.

This year we have focussed upon the following quality priorities:

- Improving waiting times to access services,
- Improving the inpatient experience,
- Embedding the Principles of the “Triangle of Care” (a carer initiative), and
- Embedding Trust Values.

This year we have developed an “Equality, Diversity & Inclusion Strategy” and we will focus upon developing a better understanding of any barriers to accessing our services, particularly for those service users with protected characteristics. Only by understanding and removing those barriers can we meet everyone’s needs and ensure high quality care for all.

A handwritten signature in black ink, appearing to read "Rajesh Nadkarni".

Dr Rajesh Nadkarni  
**Executive Medical Director**



Gary O'Hare  
**Executive  
Director of  
Nursing & Chief  
Operating Officer**

People receiving treatment from NTW are often referred to as “patients”, “service users” or “clients”. To be consistent, we will mostly use the term “service users” throughout this document.

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# Statement of Quality from Council of Governors Quality Group



The Council of Governors scrutinises the quality of services provided by Northumberland, Tyne and Wear NHS Foundation Trust via a Quality Group who meet every two months. The group considers all aspects of quality, with a particular emphasis on the Trust's annual quality priorities.

During 2018/19 the group received a number of presentations and updates from Trust representatives on varied topics including Recovery Colleges, carer initiatives, the Positive and Safe violence reduction strategy and transitions from Children and Young People's services to Adult services.

The presentations provided Governors with a valuable opportunity to engage with staff, understand ongoing initiatives and to evaluate the quality of services provided.

Members of the group have continued to attend the Trust Quality and Performance Committee and we have also played a valuable role in developing the 2019/20 Trust Quality Priorities.

In 2019/20 we will continue to monitor progress towards Quality Priorities and continue to participate in visits to Trust services.

Governors also complement engagement with service users and carers by being active members of the Service User and Carer Reference Group, the Service User & Carer Involvement & Engagement Group, the Triangle of Care Group (see page 41) and are currently involved in the development of the Service User & Carer Involvement Strategy.

All of these activities contribute to a thorough understanding by Governors of the issues impacting on the quality of services provided.

A handwritten signature in black ink, appearing to read "Margaret Adams".

Margaret Adams  
**Chair, Northumberland, Tyne and Wear NHS Foundation Trust Council of Governors Quality Group**

# Care Quality Commission (CQC) Findings

In 2018, the Care Quality Commission (CQC) conducted an inspection of our services and once again rated us as “Outstanding”. We are one of only four Mental Health and Disability Trusts in the country to be rated as such, as at 1 April 2019.

All of our core services are rated overall as either “Good” or “Outstanding”, and we aim to protect, build upon and share our outstanding practice. We are also addressing all identified areas for improvement, which included:

- Reducing blanket restrictive practices,
- Availability of nurse call systems on inpatient wards, and
- Recording of physical health observations following the use of rapid tranquillisation.



Last rated  
26 July 2018

Northumberland, Tyne and Wear NHS Foundation Trust



Last rated  
26 July 2018

Northumberland, Tyne and Wear NHS Foundation Trust



## Are services

Safe?	Good
Effective?	Outstanding
Caring?	Outstanding
Responsive?	Outstanding
Well led?	Outstanding

The Care Quality Commission is the independent regulator of health and social care in England. You can read our inspection report at [www.cqc.org.uk/provider/RX4](http://www.cqc.org.uk/provider/RX4). We would like to hear about your experience of the care you have received, whether good or bad. Call us on 03000 61 61 61, e-mail [enquiries@cqc.org.uk](mailto:enquiries@cqc.org.uk), or go to [www.cqc.org.uk/share-your-experience-finder](http://www.cqc.org.uk/share-your-experience-finder).



# Northumberland, Tyne and Wear NHS Foundation Trust aim at all times to work in accordance with our values:

Caring and compassionate	Respectful	Honest and transparent
Put ourselves in other people's shoes Listen and offer hope Focus on recovery Be approachable Be sensitive and considerate Be helpful Go the extra mile	Value the skill and contribution of others Give respect to all people Respect and embrace difference Encourage innovation and be open to new ideas Work together and value our partners	Have no secrets Be open and truthful Accept what is wrong and strive to put it right Share information Be accountable for our actions

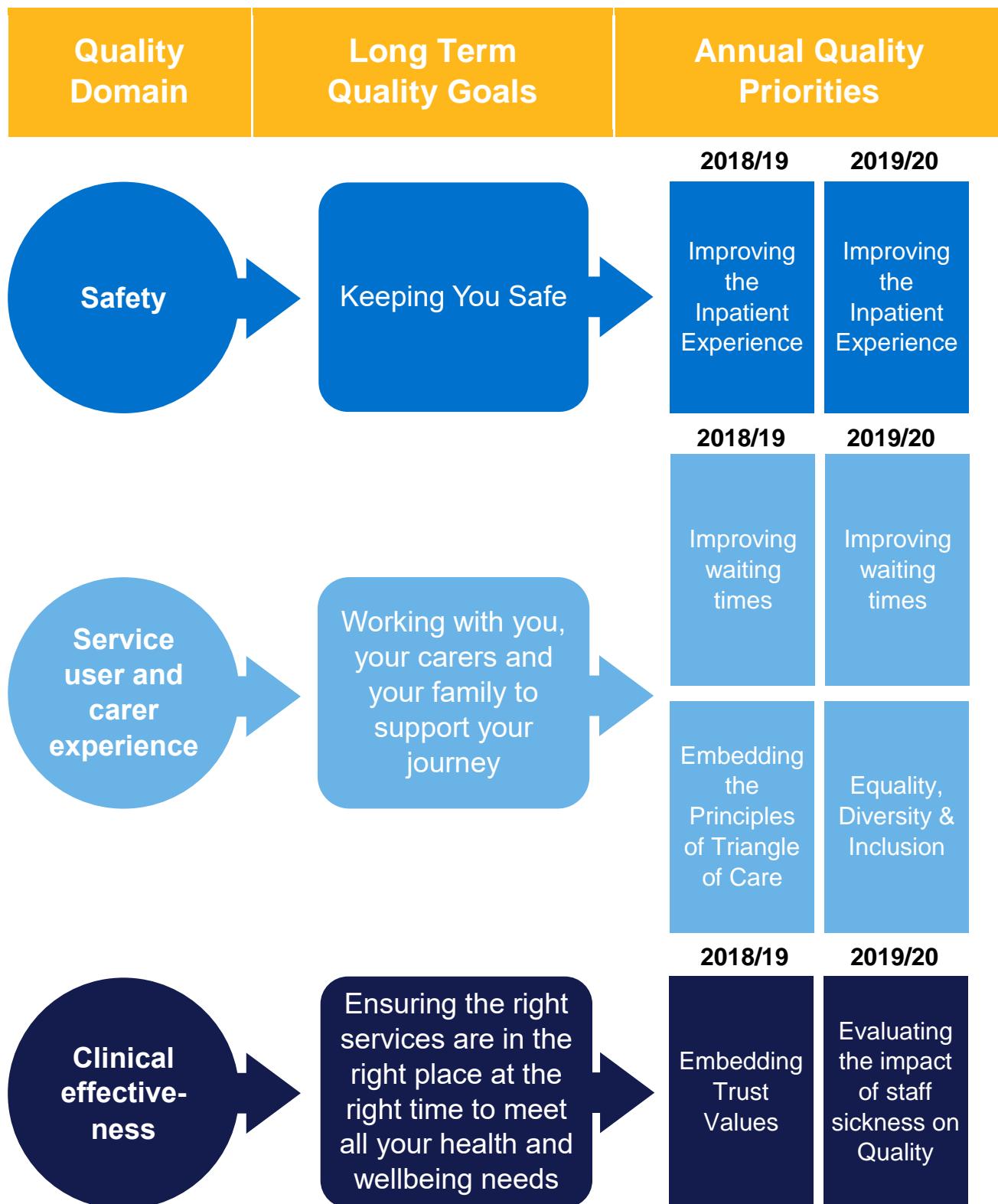
Our values ensure that we will strive to provide the best care, delivered by the best people, to achieve the best outcomes. Our concerns are quality and safety and we will ensure that our values are reflected in all we do:

## Our Strategy for 2017 to 2022

Our strategy takes into account local and national strategies and policies that affect us, and our ambitions are:



Our long term Quality Goals are based on safety, service user and carer experience, and clinical effectiveness. Each year we set Quality Priorities to help us achieve our long term Quality Goals:



# Trust Overview of Service Users

Table 1 below shows the number of current service users as at 31 March 2019 by locality, and Table 2 shows the total number of referrals in the year. Both tables have a comparison to the previous 2 years and the increase in referrals received is mainly attributable to investment in crisis, psychiatric liaison, street triage and substance misuse services.

*Table 1: Service Users by locality 2016/17 to 2018/19 (data source: NTW)*

Clinical Commissioning Group (CCG)	2016/17	2017/18	2018/19
Durham Dales Easington & Sedgefield CCG	475	474	<b>526</b>
North Durham CCG	653	633	<b>721</b>
Darlington CCG	134	110	<b>130</b>
Hartlepool & Stockton CCG	184	193	<b>217</b>
Newcastle Gateshead CCG (Total)	13,210	13,195	<b>13,405</b>
Newcastle	8,592	8,533	<b>8,659</b>
Gateshead	4,618	4,662	<b>4,746</b>
North Tyneside CCG	4,093	4,013	<b>4,161</b>
Northumberland CCG	9,584	9,671	<b>9,274</b>
South Tees CCG	232	223	<b>270</b>
South Tyneside CCG	3,684	3,713	<b>3,735</b>
Sunderland CCG	9,443	9,711	<b>9,917</b>
Other areas	611	636	<b>730</b>
<b>Total Service Users</b>	<b>42,303</b>	<b>42,572</b>	<b>43,086</b>

*Table 2: Total referrals by locality 2016/17 to 2018/19 (data source: NTW)*

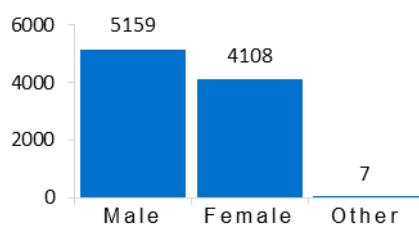
Clinical Commissioning Group (CCG)	2016/17	2017/18	2018/19
Durham Dales Easington & Sedgefield CCG	1,356	1,585	<b>1,596</b>
North Durham CCG	1,079	1,127	<b>1,165</b>
Darlington CCG	133	105	<b>119</b>
Hartlepool & Stockton CCG	183	213	<b>232</b>
Newcastle Gateshead CCG (Total)	35,538	37,467	<b>40,464</b>
Newcastle	20,772	22,486	<b>24,423</b>
Gateshead	14,760	14,980	<b>16,031</b>
North Tyneside CCG	11,550	12,772	<b>13,962</b>
Northumberland CCG	26,411	28,302	<b>29,751</b>
South Tees CCG	194	174	<b>197</b>
South Tyneside CCG	17,323	16,747	<b>16,816</b>
Sunderland CCG	34,333	36,203	<b>37,846</b>
Other areas	1,298	1,402	<b>1,530</b>
<b>Total number of referrals</b>	<b>129,398</b>	<b>136,097</b>	<b>143,678</b>

## Breakdown of service users by age, gender, ethnicity (by CCG)

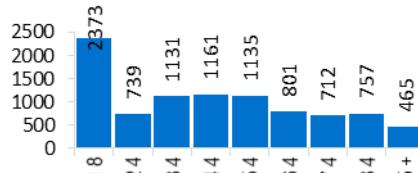
*Figure 1: Gender, age and ethnic group breakdown of service users for our local CCGs*

### Northumberland CCG

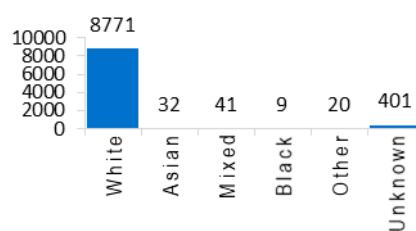
#### Gender Breakdown



#### Age Breakdown

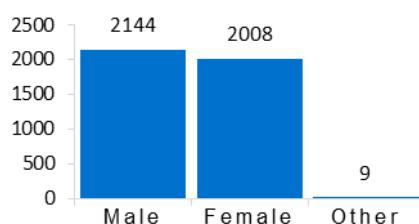


#### Ethnicity Breakdown

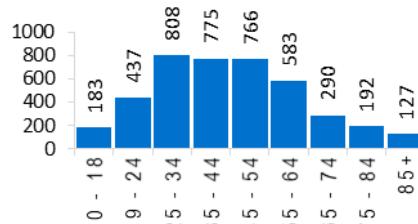


### North Tyneside CCG (see page 36 for more information on services in North Tyneside)

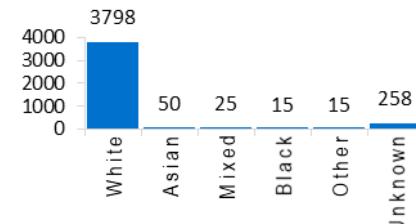
#### Gender Breakdown



#### Age Breakdown

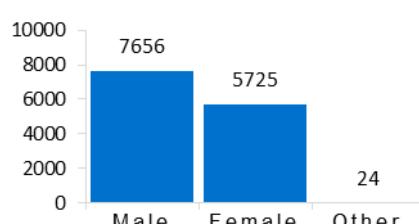


#### Ethnicity Breakdown

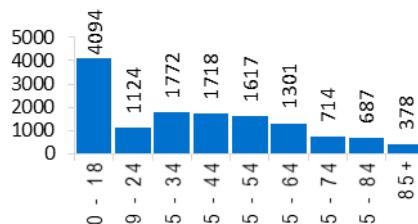


### Newcastle Gateshead CCG

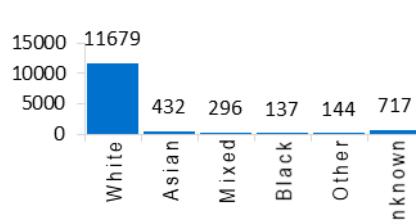
#### Gender Breakdown



#### Age Breakdown

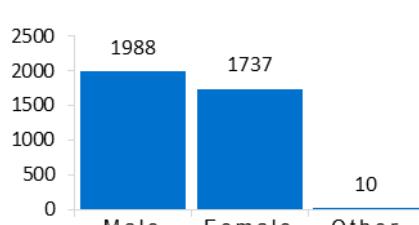


#### Ethnicity Breakdown

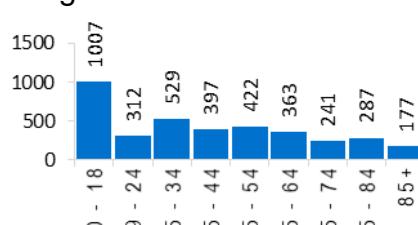


### South Tyneside CCG

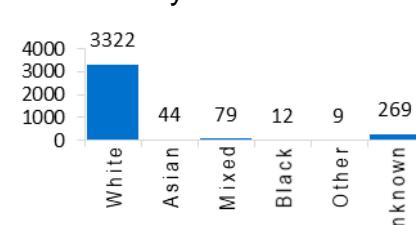
#### Gender Breakdown



#### Age Breakdown

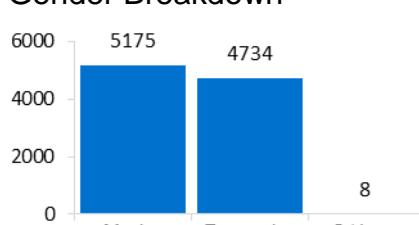


#### Ethnicity Breakdown

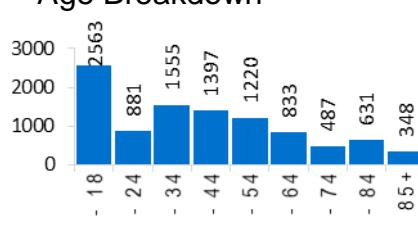


### Sunderland CCG

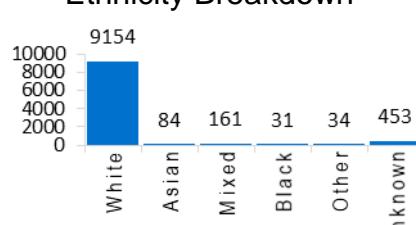
#### Gender Breakdown



#### Age Breakdown



#### Ethnicity Breakdown



Data source: NTW

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## Part 2a

# Looking Ahead – Our Quality Priorities for Improvement in 2019/20

This section of the report outlines the annual Quality Priorities identified by the Trust to improve the quality of our services in 2019/20.

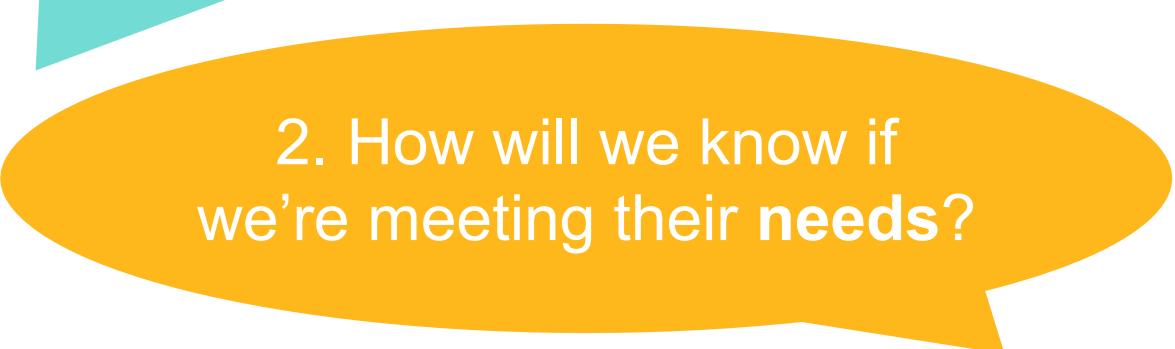
Each year we set annual Quality Priorities to help us to achieve our long term Quality Goals. The Trust identifies these priorities in partnership with service users, carers, staff and partners from their feedback, as well as considering information gained from incidents and complaints, and by learning from Care Quality Commission findings.

Quality Priorities should reflect the greatest pressures that the organisation is currently facing.

An engagement process was undertaken from December 2018 to January 2019, inviting governors, service users, carers, staff, commissioners and other stakeholders to consider two questions relating to our Equality, Diversity & Inclusion Strategy:



1. How can we **understand** the communities we serve?



2. How will we know if we're meeting their **needs**?

By engaging with the diverse communities we serve, gathering information on how our work affects different groups, we can identify and remove barriers that prevent people we serve from being treated equally.

These are the agreed Quality Priorities for the year 2019/20, and how we intend to achieve them:

## Safety

### Improving the inpatient experience

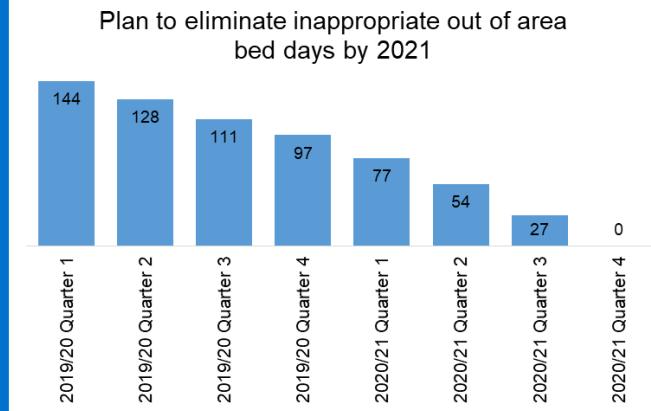
Continue to monitor inappropriate out of area treatment days against plan set out in Figure 2.

Continue to monitor average bed occupancy on adult and older people's mental health wards (including PICU - psychiatric intensive care unit) against the plan in Figure 2.

Implement reporting average patient days receiving out of area treatment within NTW.

Continue to monitor service user and carer experience.

*Figure 2: Inappropriate out of area bed days planned trajectory 2019/20 and 2020/21*



*Table 3: Bed occupancy trajectories including leave, by quarter 2019/20. Excludes rehabilitation.*

Service	Q1	Q2	Q3	Q4
Adults (Assessment & Treatment including PICU)	100%	100%	100%	100%
Older People	77%	77%	77%	94%

In 2019/20, we plan to maintain a stable level of bed occupancy in the adult acute pathway whilst reducing beds in line with the Newcastle/Gateshead CCG "Delivering Together" consultation.

In the older people's pathway, the planned occupancy rate increases in quarter 4 as a consequence of decommissioning existing empty beds. No increase in inpatient admissions is anticipated.

## Service User & Carer Experience

### Improving waiting times

Continue to report waiting times to first contact for adult community services (excluding Autism Spectrum Diagnosis, Attention Deficit Hyperactivity Disorder Diagnosis and Gender Dysphoria services) **with the intention of achieving no waits over 18 weeks by 30 September 2019**. Commence reporting waiting times to treatment for adult and older people's mental health services.

Monitor and report waiting times to treatment for children and young people's services using new methodology and monitor against plan in Table 4. Split waiting times reporting into pathways.

*Table 4: Children and young people community services waiting times trajectories.*

Locality	30 Sep 2019	31 Mar 2020	30 Sep 2020
Northumberland CCG	0	0	0
Newcastle Gateshead CCG	185	0	0
Sunderland & South Tyneside CCGs	400	200	0
<b>NTW</b>	<b>474</b>	<b>200</b>	<b>0</b>

Continue to monitor and report Gender Dysphoria, adult Attention Deficit Hyperactivity Disorder diagnosis and adult Autism Spectrum Disorder diagnosis service waiting times.

Service User & Carer Experience	Clinical Effectiveness
<p><b>Equality, Diversity &amp; Inclusion</b></p> <p>Our implementation will involve a trustwide approach working across Locality Groups, the Equality &amp; Diversity Lead, NTW Academy, Chaplaincy, Commissioning &amp; Quality Assurance, Accessible Information Standard Group, and Communications</p> <p>We will work with the staff networks for Black, Asian and Minority Ethnic, disability, LGBT+ and the Mental Health Staff Network.</p>	<p>Evaluating the impact of staff sickness on quality</p> <p>Determine a methodology for conducting a comparative analysis of staff sickness absence rates.</p> <p>Establish a measure of "continuity of care" for community services.</p> <p>Undertake a comparative analysis of staff sickness absence rates and relevant factors for each locality care group.</p> <p>Highlight the impact of staff sickness on quality to relevant clinical areas.</p>

---

## Part 2b

# Looking Back – Review of Quality Goals and Quality Priorities in 2018/19

In this section we will review our progress against our 2018/19 **Quality Priorities** and consider the impact they may have made on each overarching **Quality Goal**.

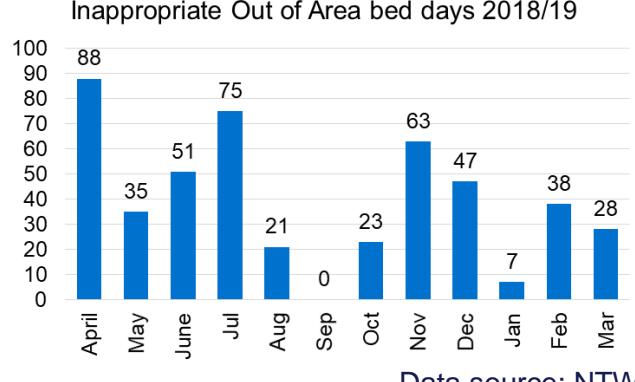
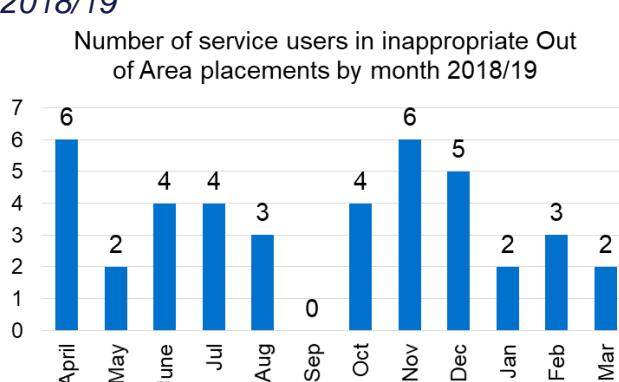
Our 2018/19 Quality Priorities were:

Safety	Clinical Effectiveness
Improving the inpatient experience <ul style="list-style-type: none"><li>• see page 21</li></ul>	Embedding Trust Values <ul style="list-style-type: none"><li>• see page 50</li></ul>

Service User & Carer Experience	
Improving waiting times <ul style="list-style-type: none"><li>• see page 31</li></ul>	Embedding the Principles of Triangle of Care <ul style="list-style-type: none"><li>• see page 41</li></ul>

Safety 2018/19 Quality Priority:

## Improving the inpatient experience

We said we would:	<ol style="list-style-type: none"><li>1. Reduce the number of service users being admitted to inpatient beds outside of the Trust because we have no beds available.</li><li>2. Reduce bed occupancy rates so that beds are always available.</li><li>3. Reduce the number of service users who are admitted to our beds outside of their home locality.</li><li>4. Monitor the feedback we receive from inpatients about their experience of being cared for on our wards.</li></ol>																																																				
Progress	<p><b>Ongoing</b></p> <p>(1) The number of inappropriate out of area bed days during 2018/19 is shown in Figure 3, with the number of service users affected shown in Figure 4. There has been a reducing trend throughout the year.</p> <p><i>Figure 3: Number of inappropriate Out of Area bed days by month, 2018/19</i></p> <p>Inappropriate Out of Area bed days 2018/19</p>  <table border="1"><thead><tr><th>Month</th><th>Inappropriate Out of Area bed days</th></tr></thead><tbody><tr><td>April</td><td>88</td></tr><tr><td>May</td><td>35</td></tr><tr><td>June</td><td>51</td></tr><tr><td>July</td><td>75</td></tr><tr><td>Aug</td><td>21</td></tr><tr><td>Sep</td><td>0</td></tr><tr><td>Oct</td><td>23</td></tr><tr><td>Nov</td><td>63</td></tr><tr><td>Dec</td><td>47</td></tr><tr><td>Jan</td><td>7</td></tr><tr><td>Feb</td><td>38</td></tr><tr><td>Mar</td><td>28</td></tr></tbody></table> <p>Data source: NTW</p> <p><i>Figure 4: Number of service users in inappropriate Out of Area placements, 2018/19</i></p> <p>Number of service users in inappropriate Out of Area placements by month 2018/19</p>  <table border="1"><thead><tr><th>Month</th><th>Number of service users in inappropriate Out of Area placements</th></tr></thead><tbody><tr><td>April</td><td>6</td></tr><tr><td>May</td><td>2</td></tr><tr><td>June</td><td>4</td></tr><tr><td>Jul</td><td>4</td></tr><tr><td>Aug</td><td>3</td></tr><tr><td>Sep</td><td>0</td></tr><tr><td>Oct</td><td>4</td></tr><tr><td>Nov</td><td>6</td></tr><tr><td>Dec</td><td>5</td></tr><tr><td>Jan</td><td>2</td></tr><tr><td>Feb</td><td>3</td></tr><tr><td>Mar</td><td>2</td></tr></tbody></table> <p>Data source: NTW</p> <p>(2) Average bed occupancy levels during 2018/19 have been monitored and are compared with a baseline position from the previous year to ensure the Trust is moving towards achieving the optimal bed occupancy rate of 85% as recommended by the Royal College of Psychiatrists.</p>	Month	Inappropriate Out of Area bed days	April	88	May	35	June	51	July	75	Aug	21	Sep	0	Oct	23	Nov	63	Dec	47	Jan	7	Feb	38	Mar	28	Month	Number of service users in inappropriate Out of Area placements	April	6	May	2	June	4	Jul	4	Aug	3	Sep	0	Oct	4	Nov	6	Dec	5	Jan	2	Feb	3	Mar	2
Month	Inappropriate Out of Area bed days																																																				
April	88																																																				
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During the last quarter of 2017/18 (the baseline period) the average bed occupancy rate in mainstream services (including leave days) was:

- adult (acute, rehab & PICU\*) = 95% occupancy rate
- older people = 88% occupancy rate

*The bed occupancy level in 2018/19 for **adult** mainstream beds reduced between July and December 2018, reaching its lowest level in Q3 at 92.8% (2% point reduction compared to baseline). An increase in occupancy rate is shown in the latest quarter of 2018/19 (January – March 2019) compared to previous months, as shown in*

**Table 5.** During the year the number of available beds in adult mainstream beds have reduced, mostly during Q4, and as a consequence the bed occupancy rate has increased. Over the year there has been a reduction in occupied bed days which is evident in **Table 6**. The graphs and tables below illustrate the bed occupancy over the year.

The bed occupancy level for **older people's** beds during 2018/19 has reduced below the baseline, and has seen a further reduction in the latest quarter (January – March 2019) (9.7% point reduction from baseline). The number of occupied bed days has also reduced in older people's inpatient services. As within adult services, there has been a reduction in available beds.

The management of bed utilisation remains a significant issue for the Trust therefore this will remain a Quality Priority for 2019/20 and 2020/21. There will be a small number of bed reductions during 2019/20 linked to the system wide review of both adult and older people's services within Newcastle and Gateshead, previously known as Deciding/Delivering Together.

*Table 5: Average bed occupancy by locality care group and quarter, 2018/19*

Average bed occupancy including leave	Adult mental health wards including PICU* (Q4 2017/18 baseline = 95%)				Older People's mental health wards (Q4 2017/18 baseline = 88%)			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
North	93.7%	94.3%	91.4%	92.8%	93.9%	91.0%	94.4%	93.8%
Central	99.4%	95.7%	95.9%	96.5%	67.1%	78.0%	88.9%	91.9%
South	98.0%	94.0%	91.4%	91.8%	75.9%	74.7%	71.2%	68.7%
<b>Trustwide</b>	<b>97.0%</b>	<b>94.6%</b>	<b>92.8%</b>	<b>93.5%</b>	<b>78.8%</b>	<b>78.9%</b>	<b>79.3%</b>	<b>78.3%</b>

Data source: NTW

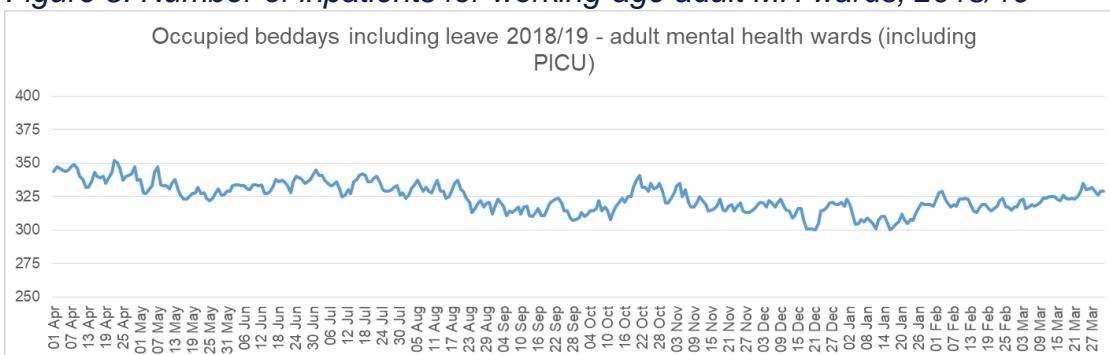
\*PICU = Psychiatric Intensive Care Unit

*Table 6: Occupied mental health beds, 2018/19*

Occupied bed days including leave	Adult mental health wards including PICU*				Older People's mental health wards			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Trustwide	30,510	29,944	29,357	28,609	8,052	7,828	7,738	7,468
Average occupied beds per day	335	325	319	318	88	85	84	83

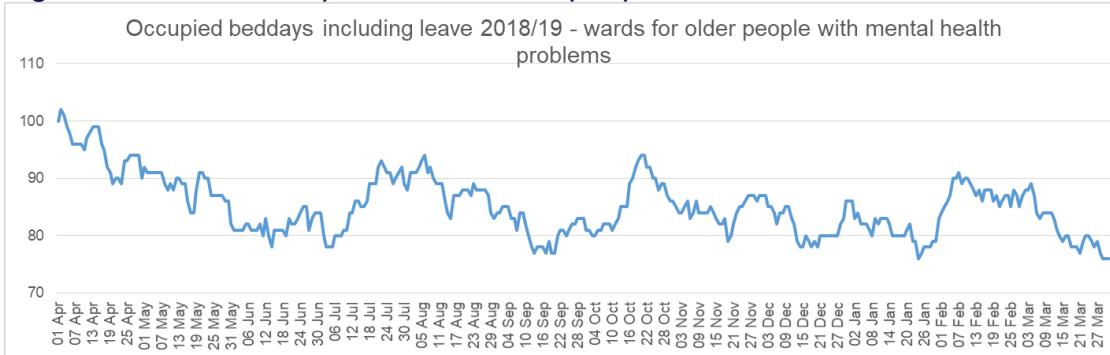
Data source: NTW

*Figure 5: Number of inpatients for working-age adult MH wards, 2018/19*



Data source: NTW

*Figure 6: Number of inpatients for older people's services, 2018/19*

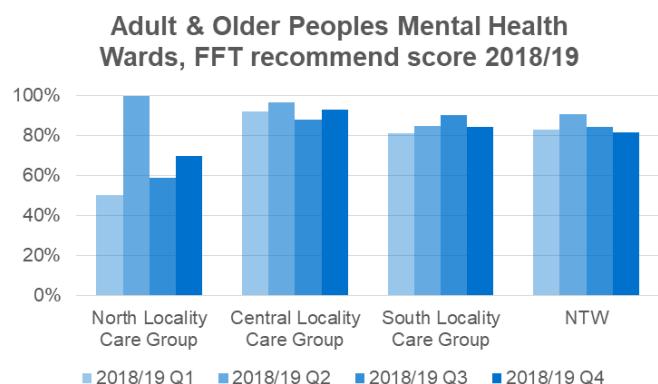


Data source: NTW

(3) An approach to capture inappropriate out of area placement bed usage within the NTW footprint remains in development.

(4) Analysis of the Friends and Family Test recommend scores for adult and older peoples mainstream mental health wards April 2018 to March 2019:

**Figure 7: Friends and Family Test scores for adult and older people's MH wards by quarter 2018/19**



Data source: NTW

The data in Figure 7 is based upon the following number of surveys received:

North Locality 56; Central Locality 108; South Locality 211

Note that uptake of Points of You within some of the inpatient areas remains low, work is ongoing to encourage higher volumes of responses. For more information on Points of You please see pages 48 and 104.

No comments or complaints relating to travelling to wards were received during the year 2018/19.

Figure 5 shows the Friends and Family Test "recommend" score for each quarter of 2018/19. The results are based upon 375 surveys received, and the North locality, which received the fewest surveys, has the greatest variation in scores.

*"I wish the hospital ... was a care home, as my Dad is so happy, I've never seen him so happy. The staff are so lovely and caring, it will be so sad to see my Dad leave... I worry all the time about my Dad as I live down south, it's so hard being away from him. I call every day the staff are so lovely even put my Dad on the phone. I came back after visiting for a couple of days and I have no worries where he is as he is so settled and come a long way since I last saw him. Thank you so much..."*

*"...My first weekend leave went well however when I returned on the Monday (lunch time) there was no (room/bed) for me and had to wait 6hrs. My husband or myself could have been informed. The following day I was allowed home (Tuesday) on leave, waited 6 1/2 hours for discharge to be arranged..."*

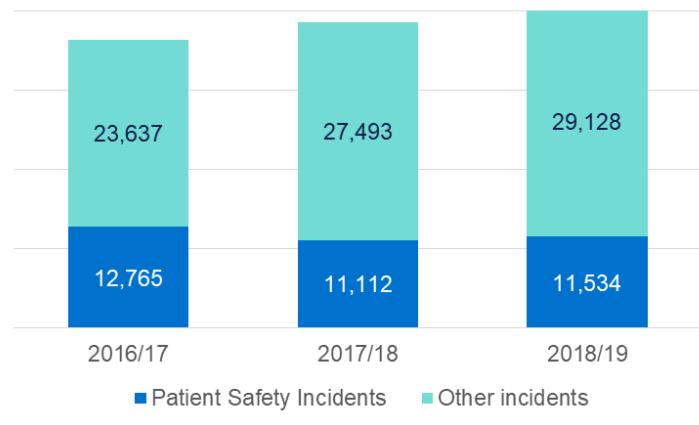
# How has the Improving the inpatient experience Quality Priority helped support the Safety Quality Goal of Keeping You Safe?

We aim to demonstrate success against this quality goal by reducing the severity of incidents and the number of serious incidents across the Trust's services.

Figure 6 shows the total number of patient safety incidents reported by the Trust over the past 3 years:

Compared with the previous year, there has been a 4% increase in the number of patient safety incidents. Patient safety incidents represent 28% of the total number of incidents reported for the year, which totalled 40,662 (an increase of 5% from the previous year).

*Figure 8: Number of reported patient safety incidents and total incidents 2016/17 to 2018/19*



Data source: NTW

*Table 7: Number and percentage of patient safety incidents by impact 2016/17 to 2018/19*

Number of Patient Safety incidents reported by impact:	2016/17		2017/18		2018/19	
No Harm	6,626	51.9%	6,584	59.3%	<b>7,328</b>	<b>63.5%</b>
Minor Harm	5,181	40.6%	3,692	33.2%	<b>3,595</b>	<b>31.2%</b>
Moderate Harm	770	6.0%	752	6.8%	<b>540</b>	<b>4.7%</b>
Major Harm	79	0.6%	38	0.3%	<b>46</b>	<b>0.4%</b>
Catastrophic, Death*	109	0.9%	46	0.4%	<b>25</b>	<b>0.2%</b>
Total patient safety incidents	12,765	100%	11,112	100%	<b>11,534</b>	<b>100%</b>

Data source: NTW

*Note, annual totals for previous years may differ from previously reported data due to ongoing data quality improvement work and to reflect coroner's conclusions when known. Data is as at 2 April 2019.*

*\*The reduction in the number of reported deaths from 2017/18 follows changes to national reporting rules regarding deaths of unknown cause. We are now only required to report actual self-harm related deaths.*

The “no harm” or “minor harm” patient safety incidents now account for 95% of reported patient safety incidents, with an increase in the number assessed as “no harm”.

### Degree of harm in incident reports

The following categories are used across the NHS for patient safety incident reports:

**No Harm** – a situation where no harm occurred: either a prevented patient safety incident or a no harm incident

**Minor Harm** – any unexpected or unintended incident that required extra observation or minor treatment and caused minimal harm to one or more persons

**Moderate Harm** – any unexpected or unintended incident that resulted in further treatment, possible surgical intervention, cancelling of treatment, or transfer to another area, and which caused short-term harm to one or more persons

**Major Harm** – any unexpected or unintended incident that caused permanent or long-term harm to one or more persons

**Catastrophic, Death** – any unexpected or unintended event that caused the death of one or more persons.

NTW also uses these categories for non-patient safety incidents. These are incidents that do not relate to harm to a service user: for example physical assaults and violence against staff, information governance, and security incidents.

*Table 8: Total incidents 2018/19 for local CCGs, includes patient safety and non-patient safety incidents*

Total incidents by locality	No Harm	Minor Harm	Moderate Harm	Major Harm	Catastrophic, Death*
NHS Northumberland CCG	7,804	2,215	237	18	156
NHS North Tyneside CCG	2,164	650	75	10	109
NHS Newcastle Gateshead CCG	7,877	2,260	271	21	337
Newcastle	5,730	1,633	173	13	259
Gateshead	2,147	627	98	8	78
NHS South Tyneside CCG	1,812	546	71	9	122
NHS Sunderland CCG	4,793	1,756	336	29	263
<b>Total for local CCGs</b>	<b>24,450</b>	<b>7,427</b>	<b>990</b>	<b>87</b>	<b>987</b>

Data source: NTW

\*Note that the “Catastrophic, Death” column includes all deaths including by natural causes, and that there are also incidents relating to service users from other non-local CCGs, the trust total deaths for NTW is 1,035. There is more information on Learning from Deaths on page 69.

## Openness and Honesty when things go wrong: the Professional Duty of Candour

All healthcare professionals have a duty of candour which is a professional responsibility to be honest with service users and their advocates, carers and families when things go wrong. The key features of this responsibility are that healthcare professionals must:

- Tell the service user (or, where appropriate, the service user's advocate, carer or family) when something has gone wrong.
- Apologise to the service user. Offer an appropriate remedy or support to put matters right (if possible).
- Explain fully to the service user the short and long term effects of what has happened.

At NTW we try to provide the best service we can. Unfortunately, sometimes things go wrong. It is important that we know about these so we can try to put things right, and stop them from going wrong again.

If you wish to make a complaint you can do so by post to: Complaints Department, St. Nicholas Hospital, Gosforth, Newcastle upon Tyne NE3 3XT

By email: [complaints@ntw.nhs.uk](mailto:complaints@ntw.nhs.uk)

By phone: 0191 245 6672

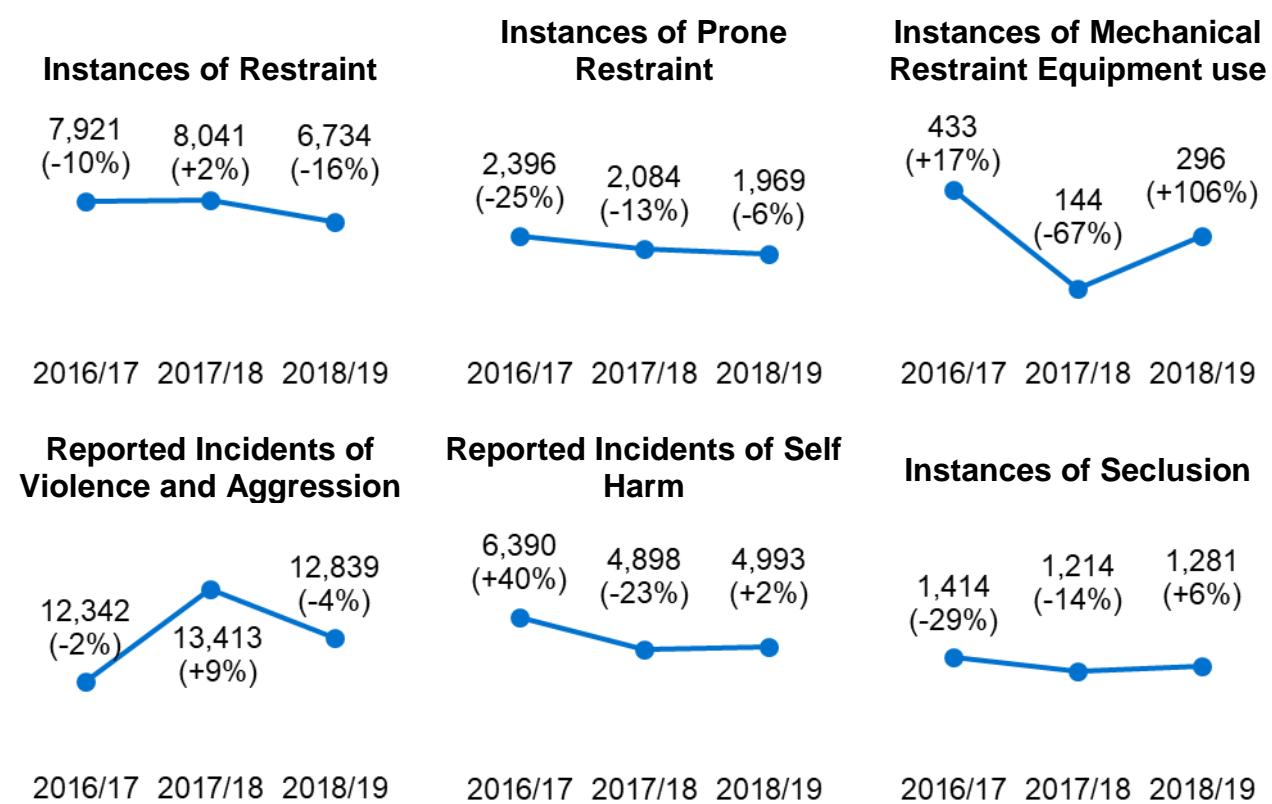
A key requirement is for individuals and organisations to learn from events and implement change to improve the safety and quality of care. We have implemented the Duty of Candour, developed a process to allow thematic analysis of reported cases, raised awareness of the duty at all levels of the organisation and we are also reviewing how we can improve the way we learn and ensure that teams and individuals have the tools and opportunities to reflect on incidents and share learning with colleagues. Healthcare professionals must also be open and honest and take part in reviews and investigations when requested. All staff are aware that they should report incidents or raise concerns promptly, that they must support and encourage each other to be open and honest, and not stop anyone from raising concerns.

We have reviewed our approach to Duty of Candour, in light of the national publications on death reviews and have been applying this new approach since April 2017.

Through the last year the Safer Care Team has continued to report through the governance system of the Trust producing monthly and quarterly Safer Care reports for the clinical care groups. Learning has developed over the last year with the creation of the Learning and Improvement Group, as well as significant development of the Safer Care Intranet site and Safer Care Bulletin. These have been well received and embedded throughout the organisation. The Safer Care Team continues through its subject experts to support key governance systems such as Infection, Prevention and Control, Safeguarding, Health, Safety, Security and Emergency Preparedness, and has improved significantly over the last year the key corporate processes of serious incidents, including learning from deaths and mortality reviews as well as complaints, claims and complex case panel reviews. All of the learning is shared through the Safer Care reports and presented to the Board of Directors as well as the Quality Review Groups where shared learning with our Commissioners takes place.

## Positive and Safe Strategy - impact in numbers:

Figure 9: Talk 1st number of incidents (and change on previous year) 2016/17 to 2018/19



Data source: NTW

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## **Restraint**

Restraint across the Trust is significantly reduced since the commencement of the Positive and Safe strategy. There continues to be variance at ward and team level. Ongoing analysis continues to monitor like for like services variance and the Positive and Safe Care team continue to work closely with all teams.

Increases are recorded in children and young people's services and acute services in the north clinical business unit, this is a small change. It must be noted the overall restraint numbers still include low level supportive care where staff hold patients to aid in toileting and other personal needs. Development of the Safeguard incident reporting system, under new guidelines, will allow us to disaggregate this information to provide further clarity.

## **Prone Restraint**

The results since the implementation of the Positive and Safe strategy are encouraging with a notable decrease of the use of prone restraint across the trust. The team will continue to focus on the reduction of this intervention, with additional strategies planned, working closely with our colleagues in NTW Academy.

Increases in the use of prone restraint are evident at Ferndene, a small number of young people make up the majority of the incidents recorded.

## **Mechanical Restraint Equipment**

There is a significant reduction in the use of MRE (mechanical restraint equipment) in the four years since the implementation of the Positive and Safe strategy. MRE use has increased in 2018/19 within autism services, forensic learning disability and inpatients children and young people's services. A small number of service users within these areas make up a high percentage of the overall trust figure. Monthly analysis of MRE use continues to find it being used in a planned way for the safe movement of patients, for example, general ward area to seclusion, court appearances and external appointments.

## **Seclusion**

Whilst there has been a slight increase in the use of seclusion in 2018/19 there is a cautious and welcome reduction since the implementation of the Positive and Safe Strategy. Increases in seclusion have been noted in Adult Acute North, Oswin and Autism. The number of seclusions must be considered alongside the duration of seclusion. Talk 1st dashboards indicate duration increased in the middle part of 2018/19 that have more recently decreased. A small number of long term seclusions have impacted on average duration times.

## **Self-Harm**

There is a small increase across the Trust as a whole. The increase in the last year has largely been due to better reporting by our community teams as well as a rise in personality disorder secure services and female rehabilitation in the south.

## **Violence and Aggression**

Activity remains high in autism and children and young people's services. It should be noted this includes a very broad range of incidents. Reporting of violence and aggression has remained broadly static over the four year period.

### **Freedom to Speak Up**

As the key to the delivery of safe and compassionate care, the Trust is committed to an open reporting culture about the quality of care, patient safety, or bullying. Staff are encouraged to embrace as normal practice the raising of concerns, speaking to their manager or in team meetings. They are further supported by the Freedom to Speak Up Guardian and a network of 31 Freedom to Speak Up Champions. Managers are required to also inform self-employed, contractors, agency staff, volunteers, or students/apprentices/trainees on placement, about the raising concerns process.

Every page of the staff Intranet gives Raising Concerns information, including details of how to raise concerns outside the Trust, giving details of (among others) the CQC and Public Concern at Work. Posters detailing how to contact the Freedom to Speak Up Guardian are widely distributed.

Concerns are responded to as locally as possible. Those hearing the concerns may instigate investigatory processes. Those hearing concerns are required to report back to those raising concerns about the outcome of any enquiry and any proposed remedial action. This is usually done in writing or in a feedback meeting, and may be done to individuals or staff groups.

As a matter of policy, staff who speak up are protected from detriment even if it later transpires that they were mistaken in their suspicions or belief. The Trust does not tolerate bullying, harassment or victimisation of anyone raising a concern, and such behaviour would be dealt with under the Trust's Disciplinary Procedure (including the possibility of dismissal).

#### **Neil Cockling**

Freedom to Speak Up Guardian  
Northumberland, Tyne and Wear NHS Foundation Trust

Service User & Carer Experience 2018/19 Quality Priority:

## Improving waiting times

We said we would:	<p><b>Improve waiting times for adult and older people's services so the 18 week Trust standard is achieved.</b></p> <p><b>Improve waiting times for children and young people to ensure that the 18 week treatment standard is achieved by the end of the year.</b></p> <p><b>Report waiting times for specialised services separately.</b></p>												
Progress	<p><b>Partially Met</b></p> <p>Nobody should wait more than 18 weeks for their first contact with a community service. In line with nationally reported 18 weeks data, we measure progress against this by looking at the waiting list at the end of the year, and calculating how many of those service users waiting had been waiting for more or less than 18 weeks at that point.</p> <p>Referrals which are regarded as a priority or emergency by the clinical team would not be expected to wait 18 weeks for first contact. The definition of what constitutes a priority or emergency referral differs per service.</p> <p>We encourage service users, carers and referrers to keep in touch with us while they are waiting for the first contact with a service, to manage risks and to ensure that we understand if anything about their situation changes.</p> <p>This year we have seen significant improvements within community services for adults and older people* with 57 people waiting more than 18 weeks for their first contact with a service at 31st March 2019, which is a decrease of 80% when compared with the same date last year, when 285 people were waiting.</p> <p>The biggest reductions have been seen in the North locality (Northumberland and North Tyneside).</p> <p><i>Figure 10: People waiting more than 18 weeks for first contact for adult and older peoples community services*, 2018/19</i></p> <p>Number of adult service users waiting more than 18 weeks for first contact with community services*</p> <table><thead><tr><th>Date</th><th>Number of service users</th></tr></thead><tbody><tr><td>31 Mar 2018</td><td>285</td></tr><tr><td>30 Jun 2018</td><td>143</td></tr><tr><td>30 Sep 2018</td><td>94</td></tr><tr><td>31 Dec 2018</td><td>69</td></tr><tr><td>31 Mar 2019</td><td>57</td></tr></tbody></table> <p>Data source: NTW</p> <p>*excluding adult Autism Spectrum Disorder Diagnosis, adult Attention Deficit Hyperactivity Disorder diagnosis and Gender Dysphoria services</p>	Date	Number of service users	31 Mar 2018	285	30 Jun 2018	143	30 Sep 2018	94	31 Dec 2018	69	31 Mar 2019	57
Date	Number of service users												
31 Mar 2018	285												
30 Jun 2018	143												
30 Sep 2018	94												
31 Dec 2018	69												
31 Mar 2019	57												

Reported waiting times to access community services for children and young people have significantly improved in Northumberland and there has been large reductions in the number waiting in Newcastle and Gateshead – see overleaf for further information.

Note that the methodology used to calculate waiting times for children and young people's services is changing in 2019/20.

### **How we support service users while waiting to access our services**

- *For people whose referrals are not accepted by us*

If a referral is not accepted by the Trust the service user will be provided with a list of alternative services, which they may find useful, while their care requirements are reassessed by the referring organisation.

- *Support offered to service users who are waiting for their treatment to start*

All service users are provided with contact numbers for out of hours services and a leaflet for their local Crisis Team with a verbal explanation or discussion about the services available. Whilst on the waiting list service users are contacted monthly for a telephone review which consists of; updating of current issues, risk, clinical presentation and review of support available. If the service user's clinical presentation deteriorates, the trust will seek to provide the service user with an earlier appointment.

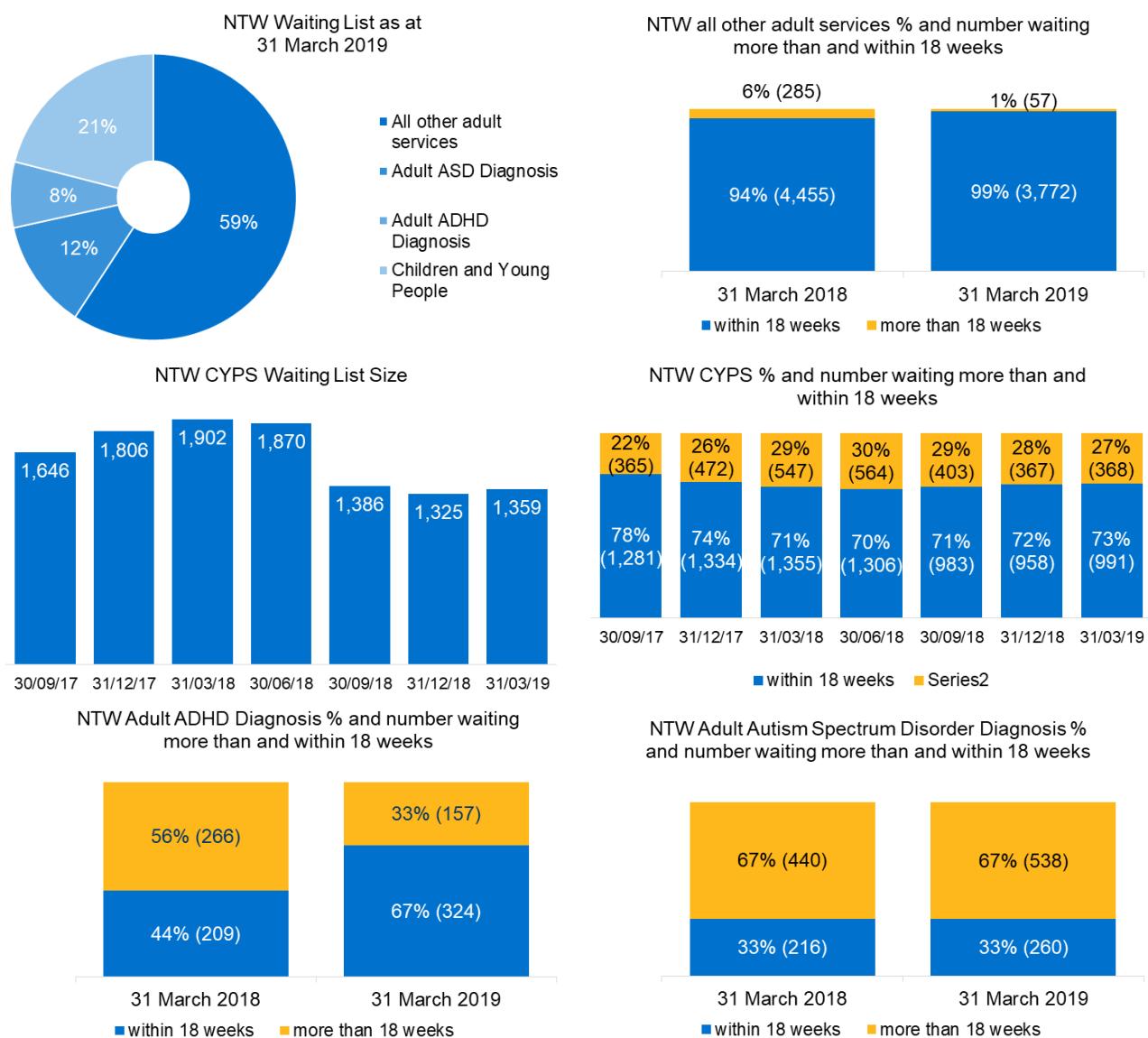
## Trustwide waiting times analysis

The charts below show the waiting times position trustwide, as at 31 March 2019 and compared to the previous year. The number of adults waiting for community services has reduced from 285 to 57 in the year (excluding adult Autism Spectrum Disorder Diagnosis, adult Attention Deficit Hyperactivity Disorder diagnosis and Gender Dysphoria services).

The number of children and young people waiting for treatment has significantly reduced while the proportion waiting less than 18 weeks has remained stable.

There has been improvement to waiting times for the adult Attention Deficit Hyperactivity Disorder diagnosis service, and a stable position continues for the adult Autism Spectrum Disorder diagnosis service.

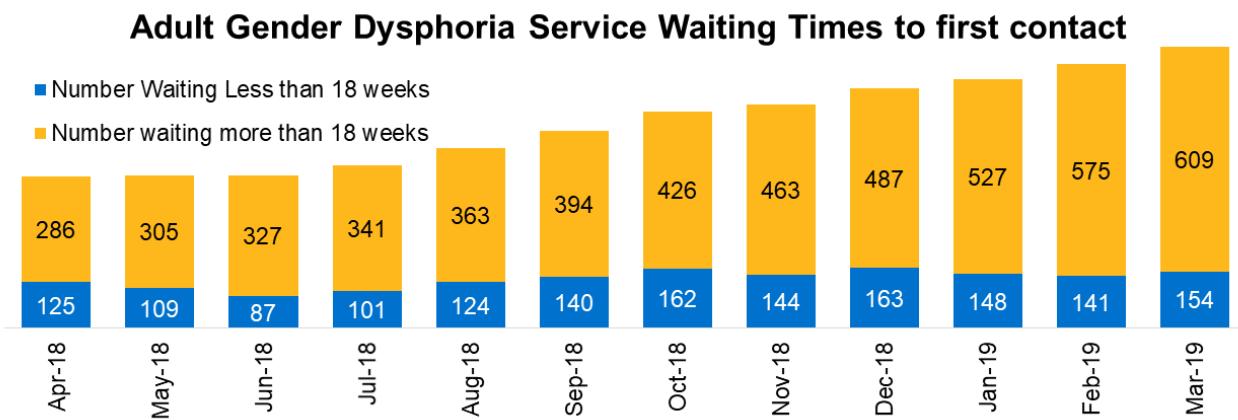
*Figure 11a-f: Northumberland, Tyne and Wear NHS Foundation Trust waiting lists, assorted metrics*



Data source: NTW

The **Gender Identity Service** is a regional service commissioned by NHS England, therefore the data for this service is not displayed at Clinical Commissioning Group (CCG) level.

*Figure 12: Gender identity service waiting list 2018/19*



Data source: NTW

The overall waiting list for the adult Gender Dysphoria service has dramatically increased during the year, due to the sustained increase in referrals received. As at 31 March 2019, there were a total of 763 adults waiting to access the service, more than double the equivalent number as at 31 March 2018 (366). NHS England has recognised the national difficulties in meeting the demand for these services and a procurement exercise is taking place during 2019 to review the current provision.

NTW data for **Five Year Forward View for Mental Health** waiting time standards:

*Table 9: Five Year Forward View for Mental Health waiting times data 2018/19*

Area	Waiting time measure	Minimum standard	NTW data	Data period
Early Intervention in Psychosis (EIP)	% starting treatment within two weeks of referral	50%	79.6%	April 2018 to March 2019
Improving Access to Psychological Therapies (IAPT)	% entering treatment within 6 weeks	75%	99.8%	April 2018 to March 2019
Children and young people with an eating disorder	% urgent cases starting treatment within one week of referral	95% by 2020/21	100%	April 2018 to March 2019
	% routine cases starting treatment within four weeks of referral		86.2%	

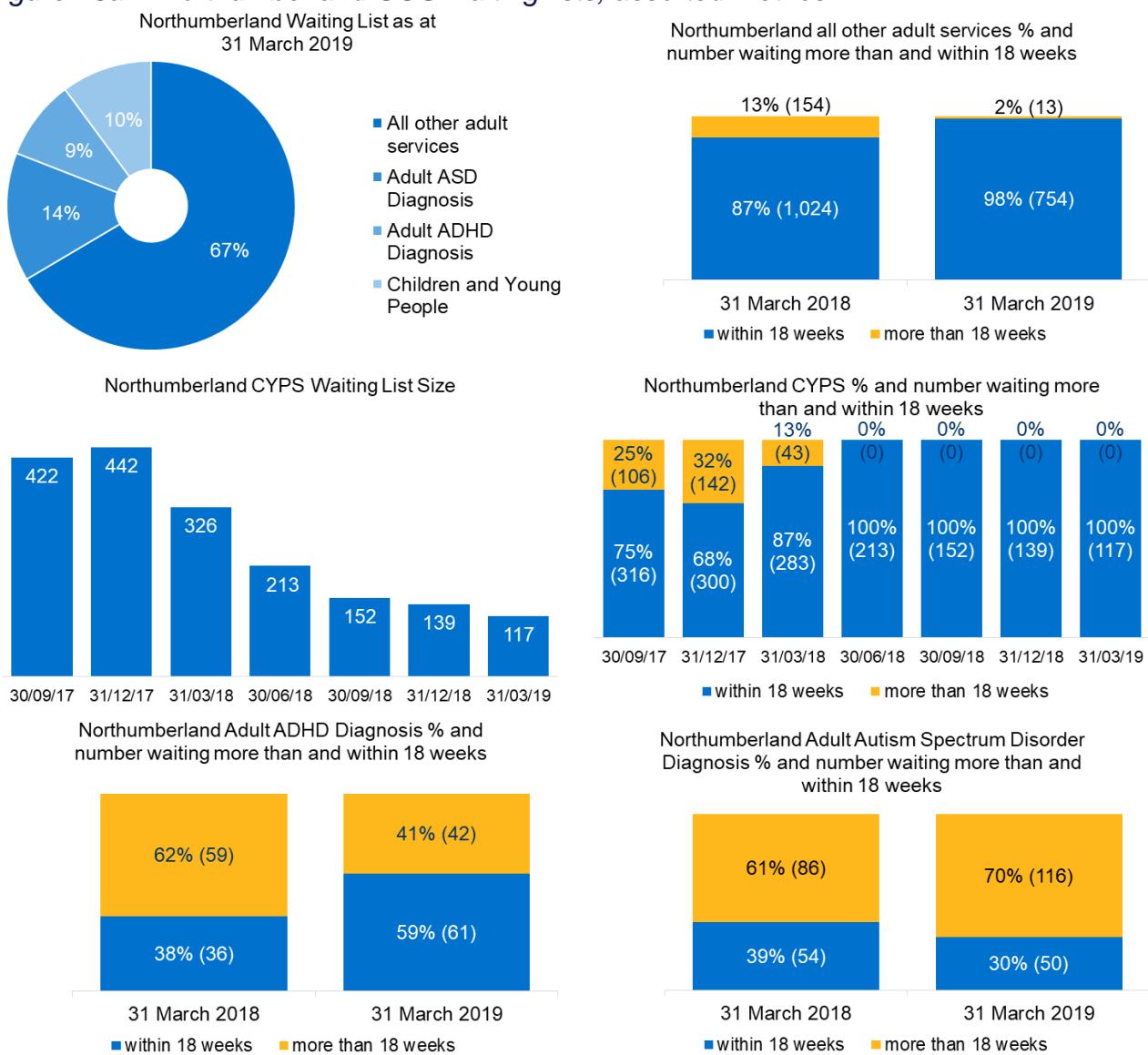
Data source: NTW

## Waiting times analysis at locality level

In [Northumberland](#), waiting times for adult services have reduced, with 13 individuals waiting more than 18 weeks for their first contact as at 31 March 2019 (excluding adult Autism Spectrum Disorder Diagnosis, adult Attention Deficit Hyperactivity Disorder diagnosis and Gender Dysphoria services).

Within services for Children and Young People (CYPS), there has been a sustained improvement, with no child or young person waiting more than 18 weeks for treatment during the whole year. Waiting times for the adult attention deficit hyperactivity disorder diagnosis services have improved and waits for the adult Autism Spectrum Disorder diagnosis service have slightly lengthened.

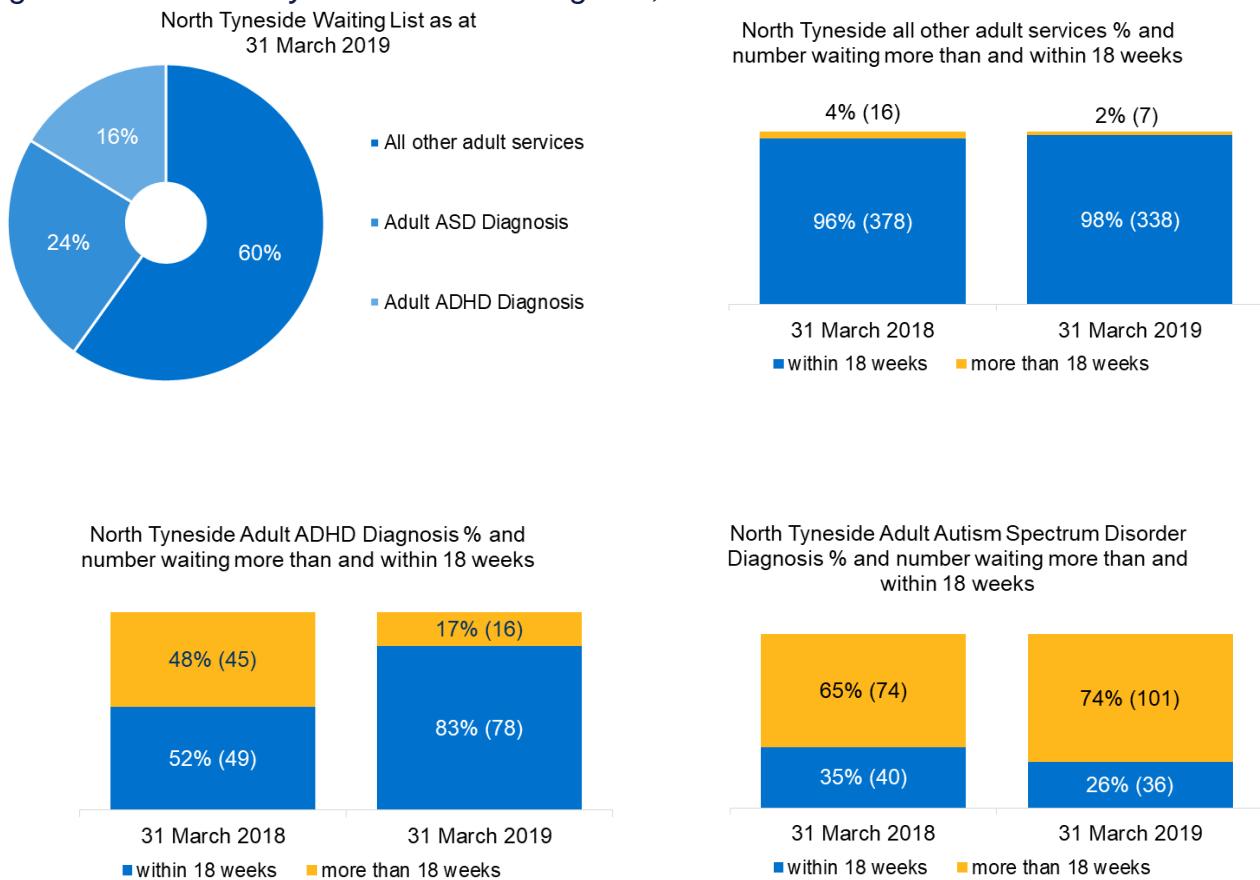
*Figure 13a-f: Northumberland CCG waiting lists, assorted metrics*



Data source: NTW

In **North Tyneside**, the waiting times for adult services excluding adult Autism Spectrum Disorder Diagnosis, adult Attention Deficit Hyperactivity Disorder diagnosis and Gender Dysphoria services) have remained broadly under 18 weeks and waits for adult ADHD (Attention Deficit Hyperactivity Disorder) services have reduced. There has been some increase in services users experiencing long waits for the adult Autism Spectrum Disorder diagnosis service.

**Figure 14a-d: North Tyneside CCG waiting lists, assorted metrics**



Data source: NTW

Note there is no chart provided for community services for children and young people in North Tyneside as this service is provided by Northumbria Healthcare NHS Foundation Trust, not NTW, for more information please see:..

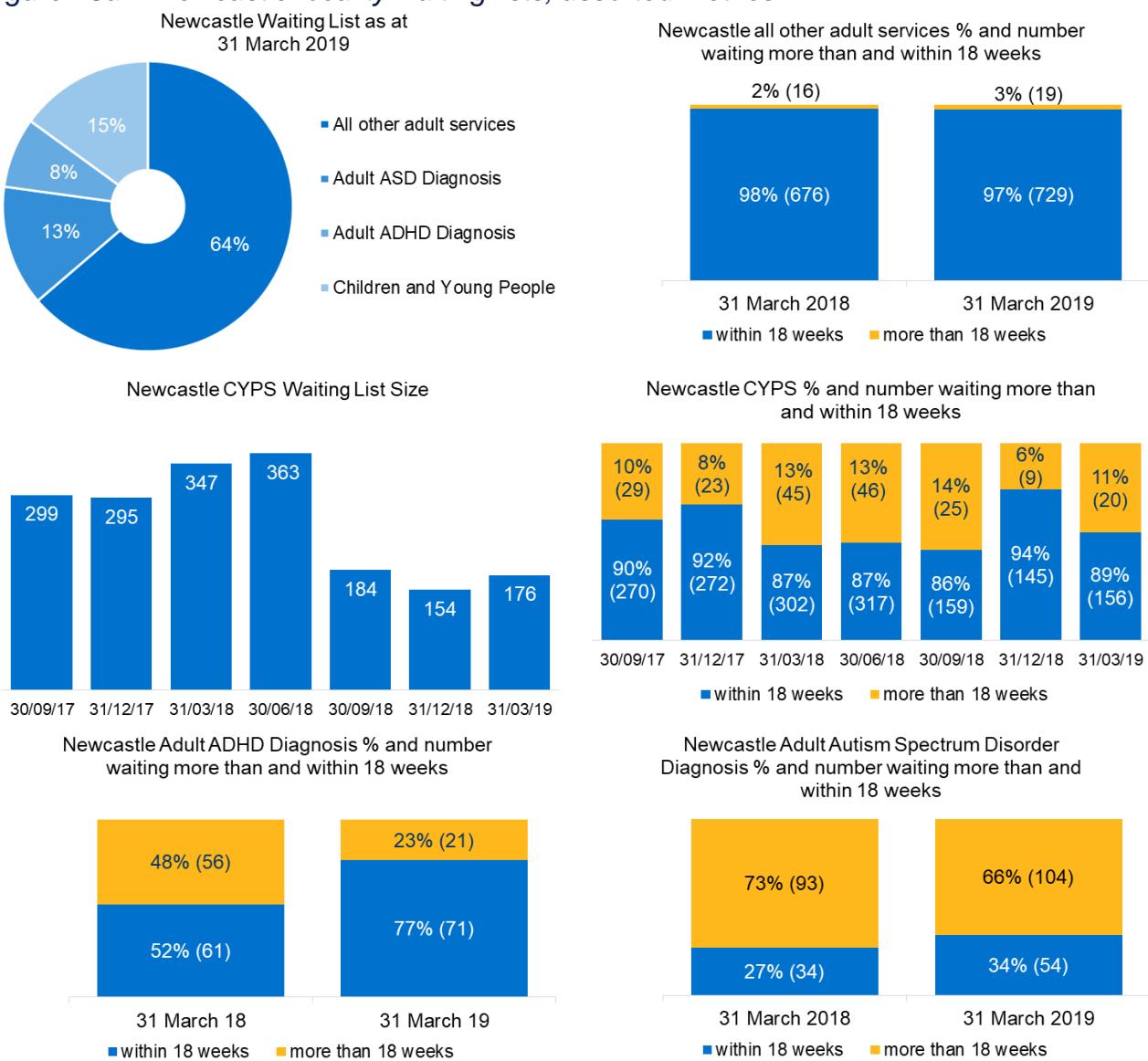
<https://www.northumbria.nhs.uk/our-services/childrens-services/child-and-adolescent-mental-health-service-camhs/>

In **Newcastle**, the waiting times for adult services are similar to last year where very few service users have a long wait to be seen (excluding adult Autism Spectrum Disorder Diagnosis, adult Attention Deficit Hyperactivity Disorder diagnosis and Gender Dysphoria services).

The introduction of a single point of contact for children and young people's services in Newcastle has seen a reduction in the numbers waiting, although the *proportion* waiting more than 18 weeks has remained broadly similar throughout the last year.

There has been reductions in the waiting times for the adult attention deficit hyperactivity disorder diagnosis services and for the adult Autism Spectrum Disorder diagnosis service.

**Figure 15a-f: Newcastle locality waiting lists, assorted metrics**

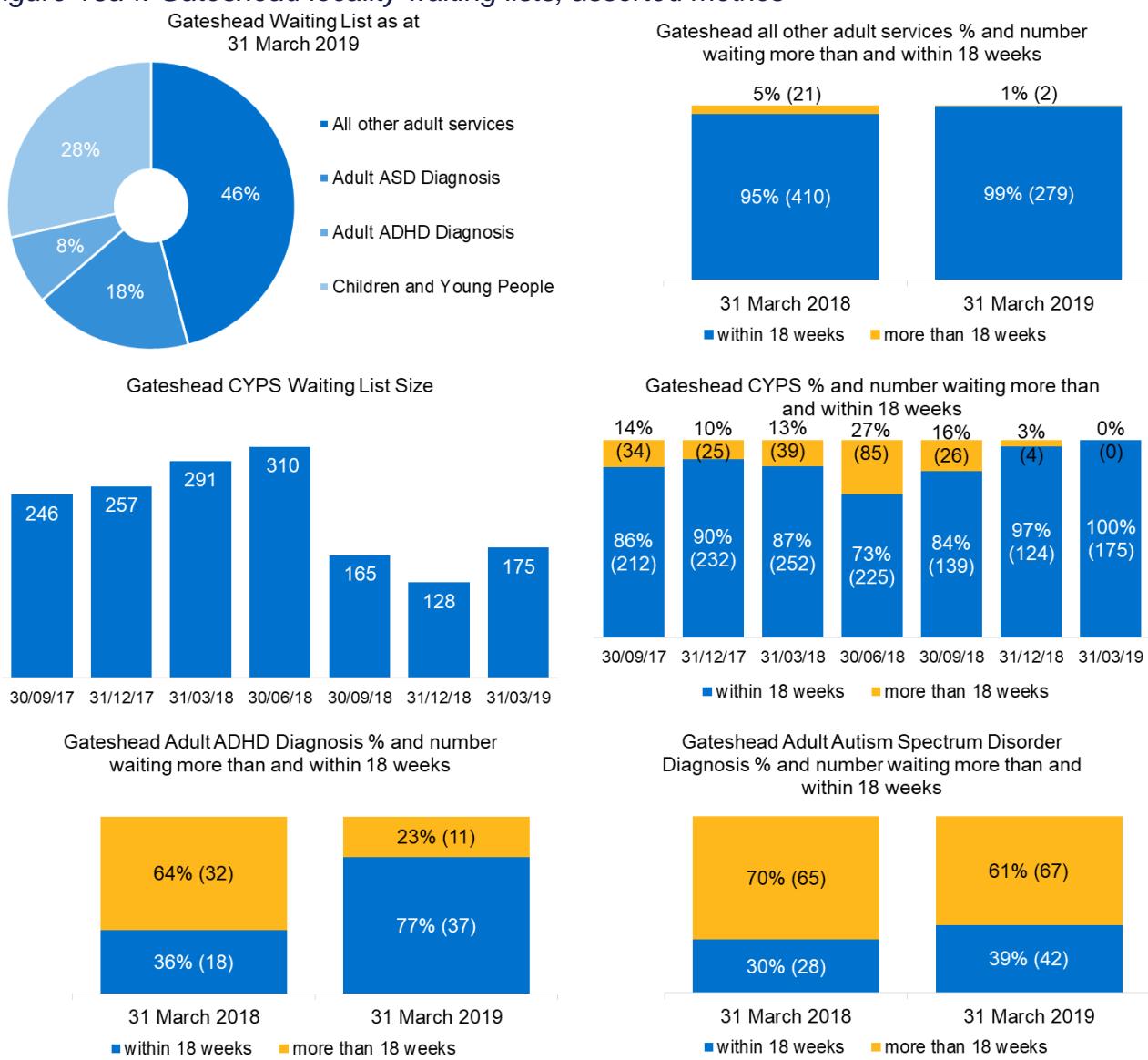


Data source: NTW

In **Gateshead**, there has been improvements in the waiting times for all service areas.

There has been a reduction in the number of Children and Young People waiting for treatment and at 31 March 2019 there were none waiting more than 18 weeks.

**Figure 16a-f: Gateshead locality waiting lists, assorted metrics**



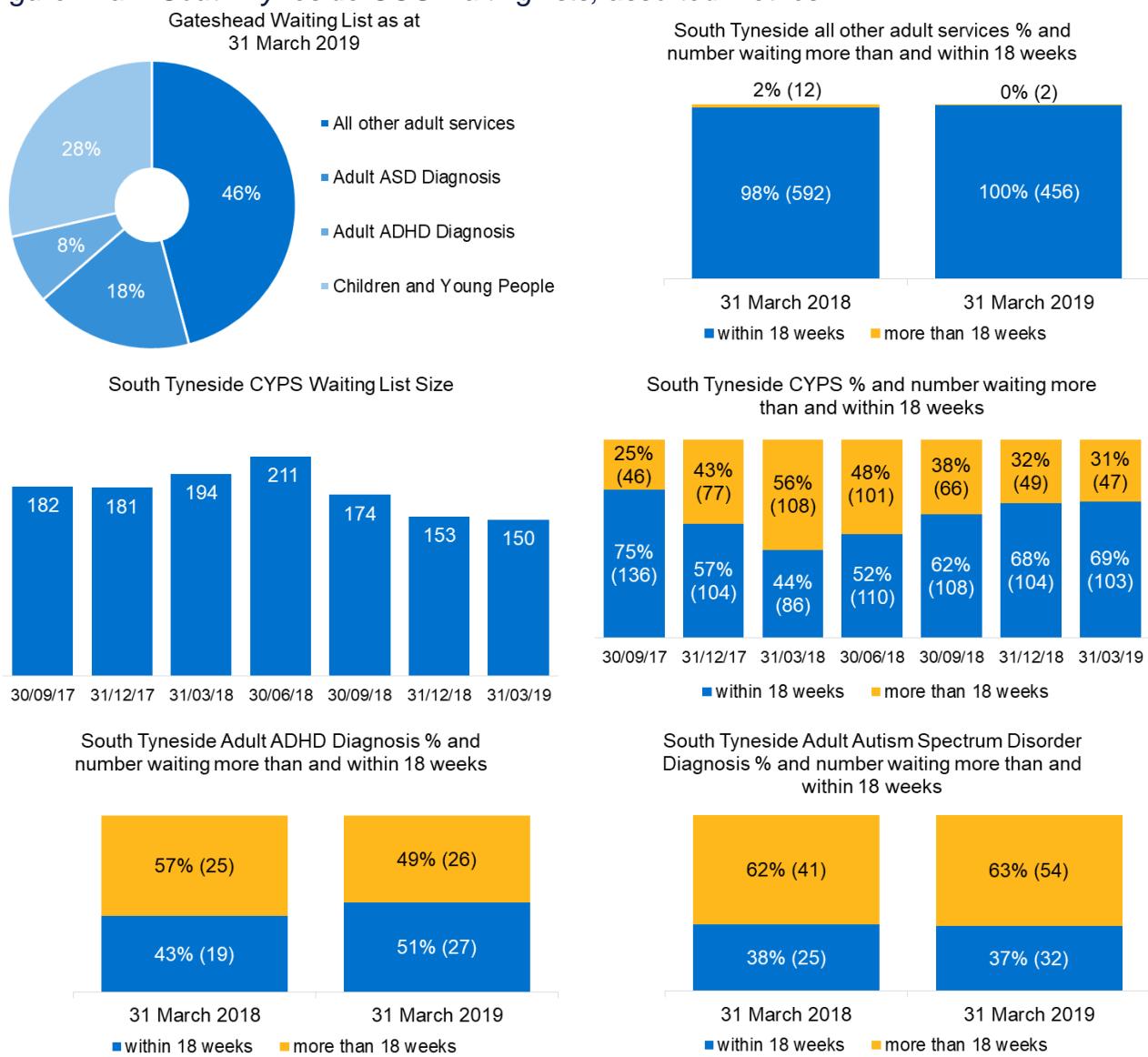
Data source: NTW

In **South Tyneside**, there has been further improvements in the waiting times to first contact for adult services, with none waiting more than 18 weeks (excluding adult Autism Spectrum Disorder Diagnosis, adult Attention Deficit Hyperactivity Disorder diagnosis and Gender Dysphoria services).

Waiting times for children and young people services have seen a reduction in both number waiting and proportion waiting over 18 weeks compared with one year ago.

There has been an improvement in waits to access the adult attention deficit hyperactivity disorder diagnosis service and an increase in the number waiting to access the adult Autism Spectrum Disorder diagnosis service.

**Figure 17a-f: South Tyneside CCG waiting lists, assorted metrics**



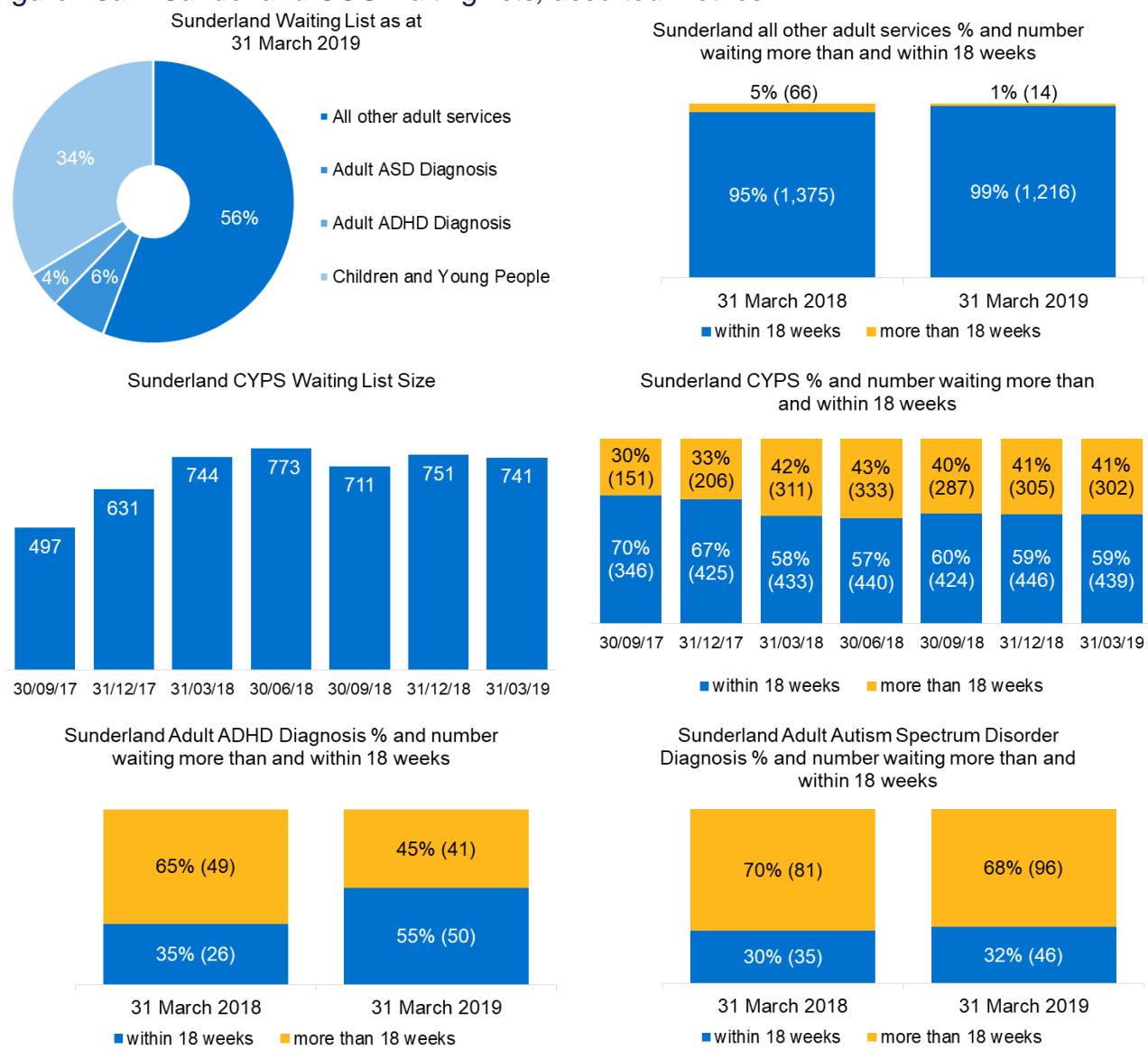
Data source: NTW

In Sunderland, waiting times for adult services (excluding adult Autism Spectrum Disorder Diagnosis, adult Attention Deficit Hyperactivity Disorder diagnosis and Gender Dysphoria services) have improved

Waiting times for children and young people have remained stable throughout the year, with 41% waiting more than 18 weeks as at 31 March 2019.

There has been a slight improvement in waits to access the adult Autism Spectrum Disorder diagnosis service and the adult Attention Deficit Hyperactivity Disorder diagnosis service.

**Figure 18a-f: Sunderland CCG waiting lists, assorted metrics**



Data source: NTW

Service User & Carer Experience 2018/19 Quality Priority:

## Embedding the principles of the Triangle of Care

<b>We said we would:</b>	<p><b>Continue to embed the Triangle of Care, ensuring that we work in partnership with service users and carers.</b></p> <p><b>Roll out the use of the Triangle of Care to services for Children and Young People.</b></p> <p><b>Closely monitor feedback from carers to measure the impact of this initiative.</b></p>
<b>Progress</b>	<p><b>Partially Met</b></p> <p>An initial meeting has taken place with Tyne and Wear Citizens Programme to discuss an evaluation of the impact of Triangle of Care. This would potentially involve a working group involving Carers, Carer Centre leads, representation from Tyne and Wear Citizens Programme and NTW.</p> <p>We are awaiting the findings from a national survey regarding Triangle of Care to influence the development of the evaluation tool and its implementation.</p> <p>Triangle of Care self-assessments and action plans are continuously monitored through the carer champion forums and individual wards and teams. Regular updates are provided and discussed throughout team meetings. Any outstanding actions from the action plans are discussed at the Trust Wide Triangle of Care Steering Group, which reports into the Trust Quality and Performance committee via the Service User and Carer Involvement and Experience group.</p> <p>We are awaiting enhancements to the electronic clinical record which will support the Getting To Know You process for identifying carers.</p> <p>Existing groups and structures are in place for Triangle of Care Children and Young People to report into. We are awaiting National Guidance for Triangle of Care and Young People Self-assessment.</p>

## Statement on Triangle of Care

The Triangle of Care is a national scheme, to promote therapeutic alliance between the service user, their mental health professional and their carers, promoting safety, supporting recovery and sustaining wellbeing. The Trust adopted the scheme a number of years ago and has placed significant emphasis on embedding these principles across the organisation by making Triangle of Care a Quality Priority for each of the last three years.

During the last year, I have been involved in an in-depth review of the effectiveness of Triangle of Care in practice, considering the impact of organisational changes and the development of the engagement function. I am pleased to see that the governance processes relating to this initiative have been strengthened, ensuring that Governors and Board members will remain sighted on progress towards Triangle of Care aims, via the Quality & Performance Committee.

We will continue to engage with both carers and the workforce to ensure that the principles of Triangle of Care become second nature, and that NTW continues to participate in the national Triangle of Care initiative. While Triangle of Care is no longer a Trust Quality Priority, I am confident that NTW will continue to place significant emphasis on this important piece of work.

**Margaret Adams**

Chair, Northumberland, Tyne and Wear NHS Foundation Trust Council of Governors Quality Group

### **The six key principles of Triangle of Care are:**

1. Carers and the essential role they play are identified at first contact or as soon as possible thereafter
2. Staff are ‘carer aware’ and trained in carer engagement strategies
3. Policy and practice protocols re: confidentiality and sharing information, are in place
4. Defined post(s) responsible for carers are in place
5. A carer introduction to the service and staff is available, with a relevant range of information across the care pathway
6. A range of carer support services are available

# How have the two Service User & Carer Experience 2018/19 Quality Priorities helped support the Service User & Carer Experience Quality Goal to **work with you, your carers and your family to support your journey?**

We aim to demonstrate success against this Quality Goal by improving the overall score achieved in the annual CQC survey of adult community mental health services and by reducing the number of complaints received. We will also review the feedback received from our Points of You survey which includes the national “Friends and Family Test”.

## CQC Community Mental Health Service User Survey 2018

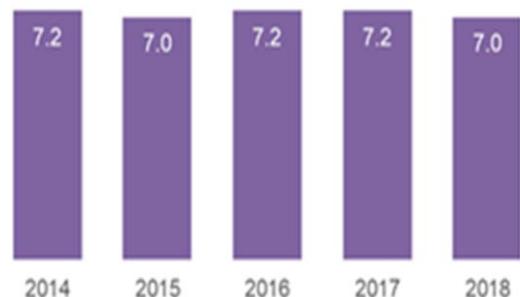
This national survey gathered information from over 12,000 adults across England who were in receipt of community mental health services between September 2017 and November 2017. NTW's response rate was broadly in line with the national response rate of 28%.

**Overall, the Trust scored 7.0 (out of 10) in response to the question about overall experience of care. This was within the expected range for the Trust and the NTW result for this question has been relatively static for the last four years (see Figure 19).**

When comparing results with other providers, CQC identifies whether a Trust performed “better”, “worse” or “about the same” as the majority of trusts for each question. The results were an improvement against the previous year and there were three areas in 2018 where NTW performed better than other trusts to an extent that is not considered to be through chance. These related to the following questions:

- Do you know how to contact this person if you have a concern about their care? (answered by all who were told who was in charge of their care and services)
- Did you feel that decisions were made together by you and the person you saw during this discussion? (answered by all who had a formal meeting to discuss their care with someone from NHS mental health services in the last 12 months)
- Were you involved as much as you wanted to be in deciding what NHS therapies to use? (answered by those who have been receiving NHS therapies in the previous 12 months)

*Figure 19: NTW's overall experience of care score 2014 to 2018*



Data source: [CQC](#)

There were no areas where NTW performed worse than expected. Quantitative comments made by survey respondents can be grouped into the following themes:

- Waiting times
- Medication issues
- Continuity of care
- Accessing services in a crisis

The NTW scores by survey section are shown below, highlighting that NTW score in the upper range of scores for all sections: none of the year on year score changes are considered statistically significant.

*Table 10: National Mental Health Community Patient Survey results for 2016 to 2018*

Survey section	2016 NTW score (out of 10)	2017 NTW score (out of 10)	2018 NTW score (out of 10)	2018 lowest – highest question score	2018 Position relative to other mental health trusts
1. Health and Social Care Workers	7.9	7.8	<b>7.4</b>	5.9– 7.7	About the Same
2. Organising Care	8.6	8.5	<b>8.6</b>	7.9 – 9.0	About the Same
3. Planning Care	7.0	7.0	<b>7.2</b>	5.9 – 7.5	About the Same
4. Reviewing Care	7.9	7.4	<b>8.0</b>	6.5 – 8.2	About the Same
5. Changes in who you see	6.0	6.7	<b>6.4</b>	5.1 – 7.3	About the Same
6. Crisis Care	6.5	6.2	<b>7.3</b>	5.8 – 7.9	About the Same
7. Medicines			<b>7.5</b>	6.2 – 7.9	About the Same
8. Treatments			<b>8.0</b>	6.7 – 8.5	About the Same
9. Support & Wellbeing	5.3	5.1	<b>5.0</b>	3.3 – 5.2	About the Same
10. Overall Views of Care and Services	7.6	7.4	<b>7.5</b>	5.8 – 7.8	About the Same
<b>11. Overall Experience</b>	<b>7.2</b>	<b>7.2</b>	<b>7.0</b>	<b>5.6 – 7.5</b>	

Data source: [CQC](#). The Medicines and Treatments sections have changed from previous years.

## Complaints

Information gathered through our complaints process is used to inform service improvements and ensure we provide the best possible care to our service users, their families and carers.

Complaints have decreased during 2018/19 with a total of 483 received during the year. This is an overall decrease of 61 (11%) from 2017/18.

In the North locality complaints decreased by 21% to 135, in the Central locality by 14% to 155

complaints. There were 182 complaints in the South locality which was very similar to the previous year. Complaint categories where a significant reduction is noted in comparison to 2017/18 are:

- Complaints related to prescribing categories have decreased by 52%.
- Complaints related to appointment categories have decreased by 44%
- Complaints related to values and behaviours categories have decreased by 19%
- Complaints related to waiting times categories have decreased by 59%.

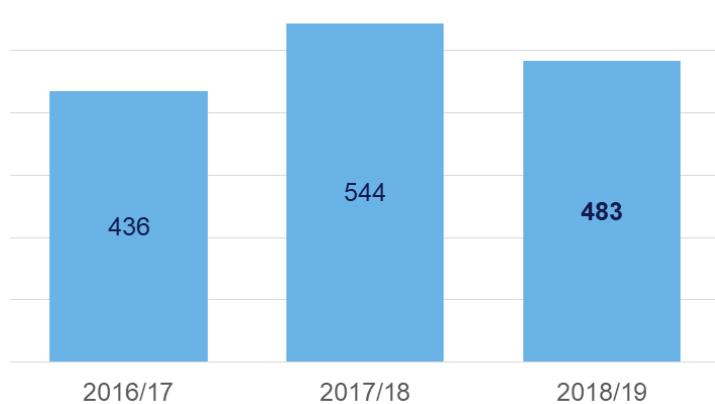
The complaint categories where an increase is noted in comparison to 2017/18 is communication; which have increased by 28%. At the time of writing, 41% of complaints categorised as communication were upheld or partially upheld.

The Patient Advice and Liaison Service (PALS) gives service users and carers an alternative to making a formal complaint. The service provides advice and support to service users, their families, carers and staff, providing information, signposting to appropriate agencies, listening to concerns and following up concerns with the aim of helping to sort out problems quickly.

*Table 11: Number of complaints received by category 2016/17 to 2018/19*

Complaint Category	2016/17	2017/18	2018/19
Patient Care	124	157	139
Communications	75	83	114
Values and Behaviours	64	109	87
Admissions and Discharges	21	37	24
Prescribing	26	31	15
Clinical Treatment	20	21	25
Appointments	20	22	18
Trust Admin/ Policies/ Procedures	17	17	22
Facilities	29	7	10

*Figure 20: Number of complaints received 2016/17 to 2018/19*



Data source: NTW

Complaint Category	2016/17	2017/18	2018/19
Other	13	13	4
Waiting Times	3	17	7
Access to Treatment or Drugs	7	10	9
Privacy, Dignity and Wellbeing	12	4	6
Restraint	4	2	0
Staff Numbers	0	2	2
Integrated Care	0	1	1
Commissioning	1	0	0
Consent	0	1	0
Total	436	544	483

Data source: NTW

## Outcomes of complaints

Within the Trust there is continuing reflection on the complaints we receive, not just on the subject of the complaint but also on the complaint outcome. In 2018/19 we responded to complaints in line with agreed timescales in 90% of cases. Table 12 indicates the numbers of complaints and the associated outcomes for the past three years:

*Table 12: Number (and percentage) of complaint outcomes 2016/17 to 2018/19*

Complaint Outcome	2016/17	2017/18	2018/19
Closed – Not Upheld	135 (31%)	150 (27%)	<b>132 (27%)</b>
Closed – Partially Upheld	107 (25%)	163 (30%)	<b>150 (31%)</b>
Closed – Upheld	87 (20%)	80 (15%)	<b>71 (15%)</b>
Comment		1 (0%)	<b>2 (0%)</b>
Complaint withdrawn	50 (11%)	48 (9%)	<b>42 (9%)</b>
Decision not to investigate	5 (1%)	3 (1%)	<b>4 (1%)</b>
Query Completed			<b>3 (1%)</b>
Still awaiting completion	34 (8%)	72 (13%)	<b>52 (11%)</b>
Unable to investigate	17 (4%)	27 (5%)	<b>27 (6%)</b>
Total	436	544	<b>483</b>

Data source: NTW

## Complaints referred to the Parliamentary and Health Service Ombudsman

If a complainant is dissatisfied with the outcome of a complaint investigation they are given the option to contact the Trust again to explore issues further. However, if they choose not to do so or remain unhappy with responses provided, they are able to refer their complaint to the Parliamentary and Health Service Ombudsman (PHSO).

The role of the PHSO is to investigate complaints that individuals have been treated unfairly or have received poor service from government departments and other public organisations and the NHS in England.

Outcome of complaints considered by PHSO, as at 31 March 2019 there were 23 cases still ongoing and their current status at the time of writing is as follows:

*Table 13: Outcome of complaints considered by the PHSO*

Enquiry	18
Draft – partially upheld	1
Draft – not upheld	1
Intention to investigate	3

Data source: NTW/PHSO

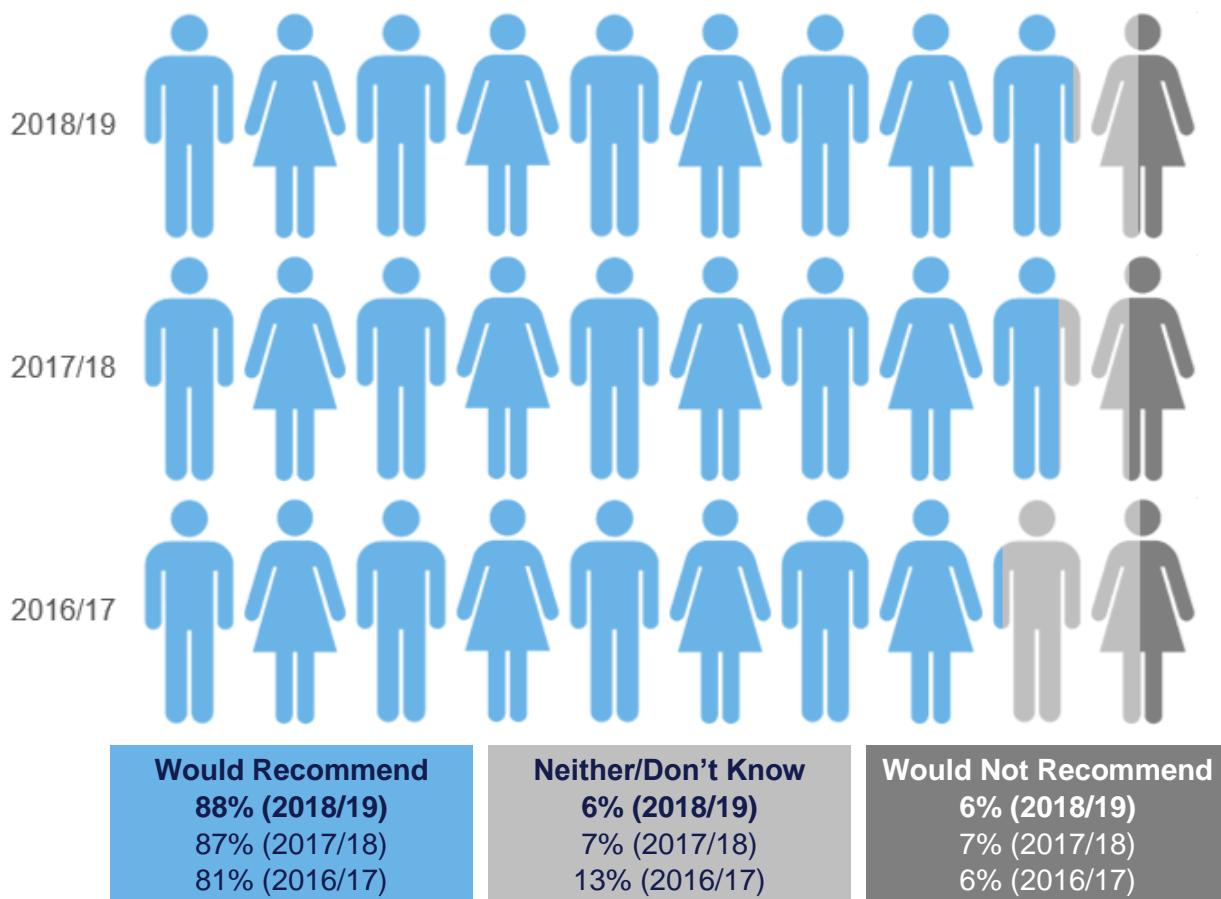
## Friends and Family Test – Service Users and Carers

The NHS Friends and Family Test is a national service user and carer experience feedback programme. The Friends and Family Test question asks:

**How likely are you to recommend our service to friends and family if they needed similar care or treatment?**

There are 5 possible answer options ranging from extremely likely to extremely unlikely (with an additional option of 'don't know').

*Figure 21: Percentage of respondents who would or would not recommend the services they received to their friends and family 2016/17 to 2018/19.* Data source: NTW



During 2018/19, around 7,000 responses to the Friends and Family Test question were received which was a 6% increase in responses compared to 2017/18. Of respondents, 88% said they would recommend the service they received (rating of extremely likely or likely), this score has increased slightly compared to 2017/18. Six percent of respondents indicated they would not recommend the service they received (ratings of extremely unlikely or unlikely) which is also a small decrease compared to 2017/18.

## Points of You Survey

We use the Points of You survey to gather feedback from service users and carers about their experience of our services. For more information on Points of You please see page 104.

The below Table 14 shows the questions asked in the survey and the results for the past 2 years, in 2018/19 around 75% of feedback received was from service users and 25% was from carers. All question scores have increased compared with the previous year.

*Table 14: Points of You question scores (out of 10), 2017/18 to 2018/19*

Question	2017/18	2018/19
How kind and caring were staff to you?	9.3	<b>9.4</b>
Were you encouraged to have your say in the treatment or service received and what was going to happen?	8.5	<b>8.6</b>
Did we listen to you?	8.8	<b>8.9</b>
If you had any questions about the service being provided did you know who to talk to?	8.5	<b>8.5</b>
Were you given the information you needed?	9.0	<b>9.1</b>
Were you happy with how much time we spent with you?	8.2	<b>8.3</b>
Did staff help you to feel safe when we were working with you?	9.1	<b>9.2</b>
Overall did we help?	8.6	<b>8.7</b>

Data source: NTW

This data for 2018/19 can be displayed by service type, as per Table 15 below:

*Table 15: Points of You responses by service type, April 2018 to March 2019*

	Number of Responses 2018/19	Q2 - Kind and caring	Q3 - Have your say	Q4 - Listen to you	Q5 - Know who to talk to	Q6 - Information you needed	Q7 - Time we spent with you	Q8 - Feel safe	Q9 - Did we help
<b>Trust</b>	<b>7101</b>	<b>9.4</b>	<b>8.6</b>	<b>8.9</b>	<b>8.5</b>	<b>9.1</b>	<b>8.3</b>	<b>9.2</b>	<b>8.7</b>
Neuro Rehab Inpatients (Acute Medicine)	99	9.7	8.4	8.9	8.8	9.1	8.2	9.4	9.2
Neuro Rehab Outpatients (Acute Outpatients)	682	9.8	9.2	9.4	9.3	9.6	9.0	9.6	9.5
Community mental health services for people with learning disabilities or autism	242	9.6	9.0	9.2	8.6	9.4	8.6	9.4	9.2

	Number of Responses 2018/19	Q2 - Kind and caring	Q3 - Have your say	Q4 - Listen to you	Q5 - Know who to talk to	Q6 - Information you needed	Q7 - Time we spent with you	Q8 - Feel safe	Q9 - Did we help
Community-based mental health services for adults of working age	1403	8.9	8.1	8.4	7.9	8.6	7.8	8.8	8.0
Community-based mental health services for older people	1821	9.7	8.8	9.2	8.5	9.4	8.6	9.5	9.1
Mental health crisis services and health-based places of safety	352	8.9	8.2	8.5	7.6	8.6	7.9	8.5	8.0
Acute wards for adults of working age and psychiatric intensive care units	177	8.5	7.1	7.7	8.0	8.3	7.4	8.3	8.3
Child and adolescent mental health wards	86	9.2	8.2	8.7	9.2	9.5	8.1	8.7	9.1
Forensic inpatient/secure ward	18	7.5	6.1	6.6	7.8	8.8	6.8	8.1	7.8
Long stay/rehabilitation mental health wards for working age adults	120	9.7	8.6	8.9	9.6	9.6	8.6	9.1	9.3
Wards for older people with mental health problems	94	9.7	8.7	8.9	9.3	9.5	8.7	9.2	9.4
Wards for people with learning disabilities or autism	28	8.7	8.3	8.2	8.1	8.1	8.1	9.3	8.7
Children and Young Peoples Community Mental Health Services	722	9.3	8.6	8.8	8.5	8.6	7.9	9.2	8.0
Substance Misuse	487	9.3	8.6	8.9	9.0	9.2	8.2	9.2	8.9
Other	691	9.6	8.7	9.1	9.2	9.5	8.6	9.4	9.1

Data source: NTW

Key to colours in Points of You question scores:

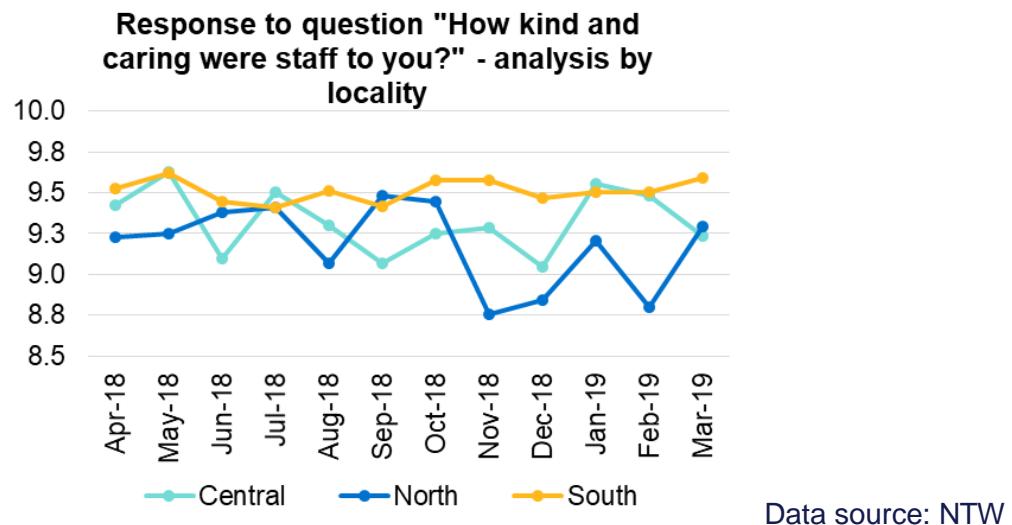
Score 8-10 (highest score)	Score 6-7.9

2018/19 Clinical Effectiveness Quality Priority:

## Embedding Trust Values

We said we would:	<p><b>Identify and reduce instances where we are not displaying the Trust values of being caring and compassionate, respectful, honest and transparent.</b></p> <p><b>Align themes and monitor complaints and feedback from staff, service users and carers to measure the progress of this Quality Priority.</b></p>																										
Progress	<p><b>Partially Met</b></p> <p>We have monitored feedback received in the year through a range of sources, to identify instances where services have not always demonstrated the Trust values of Caring, Respectful, Honest, and Transparent.</p> <p>These sources are:</p> <ul style="list-style-type: none"><li>• complaints</li><li>• comments received via Patient Advice and Liaison Services</li><li>• general feedback and comments received through the Points of You service user and carer survey, for more information on Points of You please see pages 48 and 104</li><li>• feedback and comments received via social media</li></ul> <p>We have also aligned the categories used to theme comments received via the different sources, to assist comparison and analysis of data.</p> <p>Specific analysis of responses to the Points of You question: "How kind and caring were staff to you?" shows a relatively stable position throughout the year trustwide, with the South locality consistently reporting the highest score to this question (score is out of ten):</p> <p><i>Figure 20: Scored responses to Kind and caring experiences, by month 2018/19</i></p> <p style="text-align: center;"><b>Trust response to question 2 "How kind and caring were staff to you?"</b></p> <table><thead><tr><th>Month</th><th>Score</th></tr></thead><tbody><tr><td>Apr-18</td><td>9.4</td></tr><tr><td>May-18</td><td>9.5</td></tr><tr><td>Jun-18</td><td>9.3</td></tr><tr><td>Jul-18</td><td>9.4</td></tr><tr><td>Aug-18</td><td>9.4</td></tr><tr><td>Sep-18</td><td>9.4</td></tr><tr><td>Oct-18</td><td>9.4</td></tr><tr><td>Nov-18</td><td>9.3</td></tr><tr><td>Dec-18</td><td>9.2</td></tr><tr><td>Jan-19</td><td>9.5</td></tr><tr><td>Feb-19</td><td>9.3</td></tr><tr><td>Mar-19</td><td>9.4</td></tr></tbody></table> <p>Data source: NTW</p>	Month	Score	Apr-18	9.4	May-18	9.5	Jun-18	9.3	Jul-18	9.4	Aug-18	9.4	Sep-18	9.4	Oct-18	9.4	Nov-18	9.3	Dec-18	9.2	Jan-19	9.5	Feb-19	9.3	Mar-19	9.4
Month	Score																										
Apr-18	9.4																										
May-18	9.5																										
Jun-18	9.3																										
Jul-18	9.4																										
Aug-18	9.4																										
Sep-18	9.4																										
Oct-18	9.4																										
Nov-18	9.3																										
Dec-18	9.2																										
Jan-19	9.5																										
Feb-19	9.3																										
Mar-19	9.4																										

*Figure 22: Kind and caring experience scores, by locality care group and month 2018/19*



Other activities supporting this quality priority during the year include:

- A “Compassionate Leadership” training session was delivered to the Trust wide Nursing Leadership Forum focusing on value based appreciation of leading and managing teams in understanding the emotional needs of patients and families
- A Compassionate Leadership training workshop for Complaints and Serious incident investigators took place in November
- The 2019 Nursing Conference – Delivering Compassion in Practice: Shaping the Future was held in March. Reflecting on the achievements of the previous 5 year Nursing Strategy and going forward highlighting the unique position nurses hold in shaping patient experience and person centred care
- The Nursing Leadership forum have focused on specific initiatives to improve staff Health & Wellbeing, for example a Pop up staff wellbeing café held at Monkwearmouth Hospital in January 2019
- The development of locality based action plans has not progressed as planned. This requirement will be reviewed during 2019/20.

Note that this activity will not continue to be classified as a quality priority in 2019/20. Ongoing work to support the Trust values will be monitored via the Trust Corporate Decisions Team – Quality group. Planned future activity includes:

- The development of a “Living the Values” staff recognition scheme
- Reflecting the focus on values through the development of the overarching multi-professional Clinical Strategy

- The development (via the NTW Academy) and implementation of customer care training
- Continued promotion of the Trust values through initiatives such as Trust lanyards etc.

## How has the Embedding Trust Values Quality Priority helped support the Clinical Effectiveness Quality Goal of ensuring the right services are in the right place at the right time to meet all your health and wellbeing needs?

Underpinned by the organisation's approach to delivering the Clinical Effectiveness Strategy, we will demonstrate success by delivering improvements in service delivery.

### Service Improvement and Developments throughout 2018/19

These are some of the key service improvements and developments that the Trust implemented during 2018/19:

#### Northumberland

##### **Specialised Children's Services**

Over the last year, Ferndene has developed to provide services in a much more flexible way to meet the needs of young people. Wards have undertaken training and worked in partnership with community teams and other agencies to broaden the spectrum of young people they can provide care to.

Spanning no less than eight project areas across specialised children's services, teams and individuals are working together with service users and families to lead specialised children's services into a new era. Working in synergy, these projects have combined to deliver significant benefit.

Current data shows that these new ways of working have avoided 2,000 out of area bed days compared with the baseline position. This is hugely beneficial to local young people and the financial savings associated with reduced out of area placements will remain within the local health economy, reinvested into healthcare services to further improve care provision.

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## North Tyneside

### **Mental Health Practitioners in Primary Care**

The North Locality Care Group with key partners (CCG's and Primary Care) have recruited into additional senior nurse posts. These new innovative roles will undertake key tasks including, assessment and triage, evidence based psychological therapies, service development, and supervision to support the broader Primary Care Team for some GP practices. This model of enhanced Primary Care is gaining prominence as a concept and is likely to be replicated across other localities

## Newcastle and Gateshead

Agencies across Newcastle and Gateshead are working together to redesign mental health services, ensuring that people can easily access the right care and treatment for their needs within their community.

### **Enhanced Bed Management**

We have supported the development of an enhanced bed management service to improve how it feels for people using our inpatient services across admission, treatment and discharge the process. This service:

- Uses the skills of medical staff and Multi-Disciplinary Teams to support people moving through their care pathway including the discharge process.
- Uses the national role of Trusted Assessment in Mental Health services, NTW is the first mental health trust to have implemented the national role of Trusted Assessment into mental health services.
- Has up to date information about potential delays, what might delay somebody's discharge and where beds are available. All this helps people to be moved through their care pathway more quickly and efficiently.
- Helps ensure that lengths of stay for our patients are appropriate.
- Helps to reduce the reliance on out of area beds.

This development has resulted in an enhanced bed management service which has created flow, efficiencies and productivity within the system. Implementation of new information technology systems, processes and the work of the staff, have all helped in the success of this innovative project.

## South Tyneside and Sunderland

### **Positive and safe in community services**

A Positive and Safe launch event was held in November 2018 for the community services within our locality. This was a fantastic opportunity to find out about the success of the strategy within inpatient services and consider how we can transfer the learning and good practice to the community. Staff were keen to make a start on implementing interventions

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following the event; acknowledging that some service users move between inpatients to the community, therefore would recognise and understand the interventions.

We have commenced a Positive and Safe forum and each of our community teams have nominated Positive and Safe representatives. The enthusiasm from the teams has been fantastic, with staff making immediate changes and implementing interventions to improve the service user and carer experience. Examples were bringing in book cases and books for waiting areas as well as toys for children.

### **Lesson Learned Reflective Forum for Community services**

A reflective practice forum has been established within the South community clinical business unit to support the lessons learned framework. The forum reviews all serious incidents, after action reviews and mortality reviews using a reflective model to consider any learning from the event and consider actions to reduce future reoccurrence. The forum also includes the sharing of good practice and positive news stories. To date the forum has engaged over 30 clinicians with representation from all South community clinical services.

### **Non-medical prescribing strategy**

Developments are occurring within the South Tyneside community team with a view to evaluation and further roll out across other services. The work of the non-medical prescribing lead also includes chairing a local non-medical prescribing development forum, supporting the supervision of non-medical prescribers and recruitment of clinicians who wish to undertake training within this area (in line with the workforce plan).

# NICE Guidance Assessments Completed

## 2018/19

The National Institute for Health and Care Excellence (NICE) provides national guidance and advice to improve health and social care. During 2018/19 the Trust undertook the following assessments against appropriate guidance to further improve quality of service provided. Assessments were conducted against all published NICE guidance deemed relevant to the Trust

*Table 16: NICE Guidance Assessments Completed in 2018/19*

Ref	Topic Details / Objective	Compliance Status/ main actions
QS 53	Anxiety	Partially Compliant: The development of an anxiety e-pathway is an important enabler in ensuring anxiety Interventions are evidence based
QS 139	Oral health promotion in the community	Partially Compliant: Develop a Service Level Agreement with the dental service in Newcastle upon Tyne Hospitals
NG6	Excess winter deaths and illness and the health risks associated with cold homes	Non-Compliant: Identify services within Northumberland that are appropriate for signposting patients
QS117	Preventing excess winter deaths and illness associated with cold homes	Non-Compliant: Align protocol to Safeguarding procedures
NG76	Child abuse and neglect	Fully Compliant: Recommendations specific to child trafficking (1.3.45 – 1.3.47) requires adding to Safeguarding Children Policy (NTW(c) 04) )
QS 88	Personality Disorders: Borderline and antisocial	Fully Compliant: Increase joint working and scaffolding between Children and Young People and adult services with clients undergoing transition (use of 'Moving on Plan' and the transition protocol).
QS147	Healthy workplaces: improving employee mental and physical health and wellbeing	Partially Compliant: clinical business units ensure that there is a strategic approach to staff wellbeing and included in service development plans. All operational levels of decision-making take account of the impact on staff wellbeing and team resilience
QS 144	Care of Dying Adults in the last days of Life	Fully Compliant: Ensure medicines are available for safe administration when required and staff have an awareness of anticipatory medicines.
NG 108	Decision Making and Mental Capacity	Fully Compliant: Improvements to the formation of Patient Care plans by supporting decision makers in relation to capacity assessments and best interest decisions

Ref	Topic Details / Objective	Compliance Status/ main actions
NG 93	Learning disabilities and behaviour that challenges: service design and delivery	Partially Compliant: It has been agreed by the Autism and Learning Disability Clinical Strategic Network to develop a Positive Behaviour Support Steering group. The purpose of this group will be to oversee the maintenance of quality in the delivery of Positive Behaviour Support. This will include the development and delivery of in-house training to new staff and to offer on-going training as part of an agreed Training-Star.
NG 56	Multimorbidity: clinical assessment and management	Partially Compliant: Need to optimize care for long term conditions – More integrated services
NG 54	Learning disabilities: identifying and managing mental health problems	Partially Compliant: We have expertise in therapeutic areas but not consistently across the Trust. The use of an agreed training strategy will enable the delivery of skills within house at a manageable pace within existing resources.
QS 142	Mental health problems in people with learning disabilities: prevention, assessment and management	Partially Compliant: We have expertise in therapeutic areas but not consistently across the Trust. The use of an agreed training strategy will enable the delivery of skills within house at a manageable pace within existing resources.

Data source: NTW

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## Part 2c

# Mandatory Statements relating to the Quality of NHS Services Provided

## Review of Services

During 2018/19 the Northumberland, Tyne and Wear NHS Foundation Trust provided and/or sub-contracted 174 NHS Services.

The Northumberland, Tyne and Wear NHS Foundation Trust have reviewed all the data available to them on the quality of care in all 174 of these relevant health services.

The income generated by the relevant health services reviewed in 2018/19 represents 100 per cent of the total income generated from the provision of relevant health services by the Northumberland, Tyne and Wear NHS Foundation Trust for 2018/19.

## Participation in clinical audits

During 2018/19, 16 national clinical audits and 1 national confidential enquiry covered relevant health services that Northumberland, Tyne and Wear NHS Foundation Trust provides.

The national clinical audits eligible for participation by Northumberland, Tyne and Wear NHS Foundation Trust during 2018/19 are shown in Table 17.

*Table 17: National Clinical Audits 2018/19 and National Confidential Enquiries 2018/19*

National Clinical Audits 2018/19	
1	POMH-UK Topics 1g & 3d: Prescribing High Dose & Combined Anti-Psychotics
2	POMH-UK Topic 17a: Use of Depot / LA Anti-psychotic injections for relapse prevention
3	POMH-UK Topic 15b: Prescribing Valproate for Bipolar Disorder
4	POMH-UK Topic 16b: Rapid Tranquillisation
5	POMH-UK Topic 18a: Prescribing Clozapine
6	POMH-UK Topic 6d: Assessment of the Side Effects of Depot Anti-Psychotics (BAF)
7	POMH-UK Topic 7f: Monitoring of Patients Prescribed Lithium
8	Specialist Rehabilitation for Patients with Complex Needs following Major Injury
9	National Clinical Audit of Psychosis (NCAP)
10	CCQI Early Intervention in Psychosis Network: Self-Assessment Audit 2017/18
11	National Clinical Audit of Anxiety & Depression (NCAAD)
12	National Audit of Care at the End of Life
13	NCAP Spotlight Audit: Early Interventions in Psychosis (EIP)
14	Audit of Comprehensive Health Assessment Tool (CHAT)
15	NCAAD Spotlight Audit: Psychological Therapies
16	National Audit for Falls (Falls & Fragility Fractures Audit Programme)
National Confidential Enquiries 2018/19	
1	National Confidential Inquiry into Suicide and Safety in Mental Health (NCISH)

Data source: NTW and [HQIP](#)

During that period Northumberland, Tyne and Wear NHS Foundation Trust participated in 100% of national clinical audits and 100% of national confidential enquiries of the national clinical audits and national confidential enquiries which it was eligible to participate in.

The national clinical audits that Northumberland, Tyne and Wear NHS Foundation Trust participated in, **and for which data collection was completed during 2018/19**, are listed below alongside the number of cases submitted to each audit, and as a percentage of the number of registered cases required by the terms of that audit if applicable.

*Table 18: Cases submitted for National Clinical Audits 2018/19*

National Clinical Audits 2018/19		Cases submitted	Cases required	%
1	National Clinical Audit of Anxiety & Depression (CA-17-0029)	Sample Provided: 105 Core Audit: 100 Random Quality Check: 5	105	100%
2	National Audit of Care at the End of Life (CA-18-0001)	Contextual Data only	n/a	n/a
3	NCAP Spotlight Audit: Early Interventions in Psychosis (CA-18-0014)	Sample Provided: 233 Contextual Questionnaires: 6	233	100%
4	Audit of Comprehensive Health Assessment Tool (CA-18-0015)	Sample Provided: 30	30	100%
5	NCAAD Spotlight Audit: Psychological Therapies (CA-18-0018)	Sample Provided: 122 Core Audit: 83 Random Quality Check: 39	122	100%
6	POMH-UK Topic 16b: Rapid Tranquillisation (CA-17-0033)	Sample Provided: 46	46	100%
7	POMH-UK Topic 18a: Prescribing Clozapine (CA-18-0013)	Sample Provided: 194	194	100%
8	POMH-UK Topic 7f: Monitoring of Patients Prescribed Lithium (CA-18-0028)	Sample Provided: 110	110	100%
9	POMH-UK Topic 6d: Assessment of the Side Effects of Depot Anti-Psychotics (BAF)	Sample Provided: 223	223	100%

Data source: NTW and [HQIP](#)

Northumberland, Tyne and Wear NHS Foundation Trust returned 98% of National Confidential Inquiry into Suicide and Safety in Mental Health questionnaires between 2015 and 2018.

The reports of 4 national clinical audits were reviewed by the provider in 2018/19, and Northumberland, Tyne and Wear NHS Foundation Trust intends to take the following actions to improve the quality of healthcare provided:

*Table 19: Actions to be taken in response to National Clinical Audits*

Project	Actions
1 Topic 1g & 3d: Prescribing High Dose and Combined Anti-Psychotics (CA-16-0089)	<ol style="list-style-type: none"> <li>1. To enhance awareness of HDAT guidelines for trainees working in rehabilitation wards.</li> <li>2. To educate staff members in HDAT monitoring in rehab/complex needs teams.</li> <li>3. To include CGI as part of standard documents i.e. care-coordination document in RiO, so can be completed at CPA meeting every 3 months.</li> <li>4. To establish a prescribing meeting on each rehab/complex needs ward and incorporate review of HDAT monitoring in the prescribing meetings.</li> <li>5. To share findings with Rehabilitation / Complex Needs Clinical Network</li> </ol>
2 Topic 17a: Use of Depot / Long Acting Anti-psychotic injections for relapse prevention. (CA-17-0008)	<ol style="list-style-type: none"> <li>1. To share with staff across Trust via Safer care outlining audit results and reminding staff of needs based approach of care plans and depot card standards.</li> <li>2. To update Trust Policies with specific reference to prescribers needing to re-write depot charts within six months and to include reference to CTO 11/12 forms and the need for these to be located with the depot chart.</li> </ol>
3 POMH-UK Topic 15b: Prescribing Valproate for Bipolar Disorder (CA-17-0011)	<ol style="list-style-type: none"> <li>1. To Update Safe Prescribing of Valproate policy incorporating Pregnancy Prevention Programme and disseminate to Trust-wide</li> <li>2. Present CRIS valproate search results to localities and encourage annual audit against standards contained in PPT-PGN-25</li> <li>3. To Update valproate risk register entry</li> </ol>
4 NCAP Spotlight Audit: Early Interventions in Psychosis (CA-18-0014)	<ol style="list-style-type: none"> <li>1. To prepare Wave 2 transformation funding of IPS workers.</li> <li>2. To provide Feedback to the teams to encourage routine collection of outcome data and share results with staff</li> <li>3. To improve use of QPR on RiO and include scoring in supervision and CPA review</li> <li>4. To nominate a lead for physical health assessments and interventions within each team.</li> <li>5. To develop a local team action plan around reducing weight gain and smoking</li> <li>6. To encourage the use of Triangle of Care and REACT to ensure carer support is provided.</li> </ol>

Data source: NTW

Additionally, 16 Priority clinical audits were reviewed by the provider in 2018/19 and the details can be found in Appendix 2.

## Participation in clinical research

The number of patients receiving relevant health services provided or sub-contracted by Northumberland, Tyne and Wear NHS Foundation Trust in 2018/19 that were recruited

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during that period to participate in research approved by a research ethics committee was 2992.

This is an 80% increase on last year's recruitment figure.

The Trust was involved in 80 clinical research studies in mental health, dementia, learning disability and neuro-rehabilitation related topics during 2018/19, of which 52 were National Institute for Health Research (NIHR) portfolio studies.

This is a 6% increase from last year's figure.

During 2018/2019, 164 clinical staff employed by the trust participated in ethics committee approved research.

We have continued to work closely with the NIHR Clinical Research Network to support large scale national portfolio research projects and have achieved further successes with respect to large scale research funding in collaboration with Newcastle University.

According to the latest NIHR Clinical Research Network annual league tables NTW are the 4th most research active mental health and disability trust in England based on the number of active research studies.

## Goals agreed with commissioners

### **Use of the Commissioning for Quality & Innovation (CQUIN) framework**

The CQUIN framework aims to embed quality improvement and innovation at the heart of service provision and commissioner-provider discussions. It also ensures that local quality improvement priorities are discussed and agreed at board level in all organisations. It enables commissioners to reward excellence by linking a proportion of English healthcare providers' income to the achievement of local quality improvement goals.

A proportion of Northumberland, Tyne and Wear NHS Foundation Trust income in 2018/19 was conditional on achieving quality improvement and innovation goals agreed between Northumberland, Tyne and Wear NHS Foundation Trust and any person or body they entered into a contract, agreement or arrangement with for the provision of relevant health services, through the Commissioning for Quality and Innovation payment framework. Further details of the agreed goals for 2018/19 and for the following 12 month period are available electronically at [www.ntw.nhs.uk](http://www.ntw.nhs.uk).

For 2018/19, 6.0m of Northumberland, Tyne and Wear NHS Foundation Trust's contracted income <sup>Table 22</sup> was conditional on the achievement of these CQUIN indicators (£6.4m in 2017/18).

## CQUIN Indicators

All CQUIN requirements for 2018/19 are fully delivered for quarters 1 to 3 and pending agreement for quarter 4. A summary of CQUIN indicators for 2017/18 and 2018/19 is shown in Table 20 to below, with a summary of the actions completed for each indicator.

Note that the CQUIN indicators are either mandated or developed in collaboration with NHS England and local Clinical Commissioning Groups (CCGs), the current CQUIN programme

spans two years 2017/18 and 2018/19. The range of CQUIN indicators can vary by commissioner, reflecting the differing needs and priorities of different populations.

*Table 20: CQUIN Indicators to improve Safety*

CQUIN Indicators to improve Safety
<b>Reducing Restrictive Practices within adult low and medium secure inpatient services</b>
Reducing Restrictive Practice is part of the Trust's CQC compliance strategies and a Trustwide group has been established to develop a Trust Practice Guidance Note to ensure that Restrictive Practice is managed across the organisation.  An overarching statement was developed for the CQC by the Trust to outline its response. A patient "Speak Easy" event is being arranged to engage and develop a co-produced response to the CQUIN and enable further work to be undertaken regarding the identified restrictive interventions, practices, blanket restrictions, and life on the Secure Care wards. All data and Restriction With Reason care is discussed within multi-disciplinary team and clinical management team meetings for Secure Clinical Business Unit.  Training will be undertaken across Secure Care and the Trust.  Data collection is ongoing however further work to the Trust internal dashboard and RiO is required to capture more data.
<b>Improving Staff Health &amp; Wellbeing</b>
The Trust was required to achieve a 5% point improvement in two of the three NHS annual staff survey questions on health and wellbeing, musculoskeletal problems and stress. Although the required improvement was not achieved, we were significantly above the national average.  The Trust achieved all of the requirements of the health food survey and have met some of the 2018/19 requirements. These includes:  a) Signing up to the national sugar-sweetened beverage reduction scheme b) Total litres of sugar-sweetened beverage sold account for 10% or less of all litres of drinks sold in 2018/19 c) 80% of confectionary and sweets do not exceed 250 Kcal d) At least 75% of pre-packed sandwiches and other savoury pre-packed meals (wraps, salads, pasta salads) available contain 400kcal (1680 kJ) or less per serving and do not exceed 5.0g saturated fat per 100g.  76% of frontline workers received the influenza vaccine (75% target).
<b>Improving physical healthcare to reduce premature mortality in people with Severe Mental Illness</b>
Whilst the Trust has made significant strides in relation to sharing information with GP colleagues as NTW staff can view primary care records via the Medical Operability Gateway performance in relation to the use of an electronic format for discharge and CPA summaries has fallen short of the CQUIN requirements. NTW has however continued to

<b>CQUIN Indicators to improve Safety</b>
send paper formats ensuring GP colleagues have continued to receive timely information following discharge.
The Trust was successful in ensuring all targets were met in relation to the screening and intervention of service users with severe mental illness or Early Intervention in Psychosis as indicated within the Lester tool
<b>Preventing ill health by risky behaviours – alcohol and tobacco</b>

*Table 21: CQUIN Indicators to improve Patient Experience*

**CQUIN Indicators to improve Service User & Carer Experience**

**Health & Justice – Patient Experience**

The Points of You feedback survey has been rolled out in Liaison and Diversion services with work ongoing to improve the response rates, for more information on Points of You please see pages 48 and 104. Regular meetings and drop in sessions have been set up throughout the year. Courses running through the period include Patient Perspective, This is me, caring for yourself and others, Dialectical Behaviour Therapy and Wellness Recovery Action Plan, Tai Chi, Creative Wellness, mood and food, Getting back to Nature, Recovery Garden, Challenge Cup, Yoga, astronomy, Music through recovery, Road to recovery, DIY, Locker Project, Photography.

*Table 22: CQUIN Indicators to improve Clinical Effectiveness*

**CQUIN Indicators to improve Clinical Effectiveness**

**Development of Recovery Colleges for adult medium and low secure inpatients**

A variety of courses are provided for service users with regular review of how they have engaged and enjoyed the courses.

**Transitions out of Children and Young People's Community Mental Health Services**

An audit of those transitioning from the mental health care pathway was completed, and has identified that young people and their families were involved in and agreed their transition plan. However, further work needs to be done to ensure that transition planning begins as early as possible with the relevant people (recommended 6-12 months prior to transition). Our services will continue to embed the 'My Moving On Plan' booklet to promote a smooth transition for young people from Child and Young People's Community Mental Health Services.

**Children and Young People's Inpatient Transitions**

All 5 areas have been achieved:

1. Planning for discharge/transition at the point of admission
2. Involve the young person in all discussions and decisions (as much as possible/appropriate)

## CQUIN Indicators to improve Clinical Effectiveness

3. Involve the family/carers in all discussions and decisions (as much as possible/appropriate) - Ongoing work to involve families in shaping patients care will be undertaken via the Service User and Carer Review Meeting.
4. Liaise early with other agencies
5. Numbers of delayed discharges - There has been a reduction in delayed discharges as a result of dedicated staff having been employed to support the passage of young people through the pathway at Ferndene.

## Specialised Services Discharge & Resettlement

Systems are now in place to record and report estimated discharge dates in Forensic services. The service continually monitors discharge dates and delayed discharges are regularly monitored.

A small fund has been set up to support discharges that may otherwise be delayed due to issues relating to small items of expenditure (for example, a service user requiring a fridge).

## Improving services for people with mental health needs who present to A&E

Building on the work undertaken in 2017/18 NTW has worked in partnership with acute trust colleagues to identify service users who would benefit from a multi-agency care plan with the aim of reducing the number of A&E attendances . The 20% reduction was achieved in the South however the target was narrowly missed for the North and Central CCGs. This was in relation to service users with comorbid physical and mental health problems who as a result of physical issues have continued to attend A&E.

Data source (Table 20 to Table 22): [NHS England](#) and NTW

## Statements from the Care Quality Commission (CQC)

Northumberland, Tyne and Wear NHS Foundation Trust is required to register with the Care Quality Commission and its current registration status is registered without conditions and therefore licensed to provide services. The Care Quality Commission has not taken enforcement action against Northumberland, Tyne and Wear NHS Foundation Trust during 2018/19.

Northumberland, Tyne and Wear NHS Foundation Trust has not participated in any special reviews or investigations by the Care Quality Commission during 2018/19. In April 2018 the Care Quality Commission conducted a routine inspection of four core services (Acute wards for adults of working age and psychiatric intensive care units, Wards for older people with mental health problems, Child and Adolescent mental health wards and Specialist community mental health services for children and young people) and rated the Trust as "Outstanding".

Northumberland, Tyne and Wear NHS Foundation Trust intends to take the following actions to address the conclusions or requirements reported by the CQC:

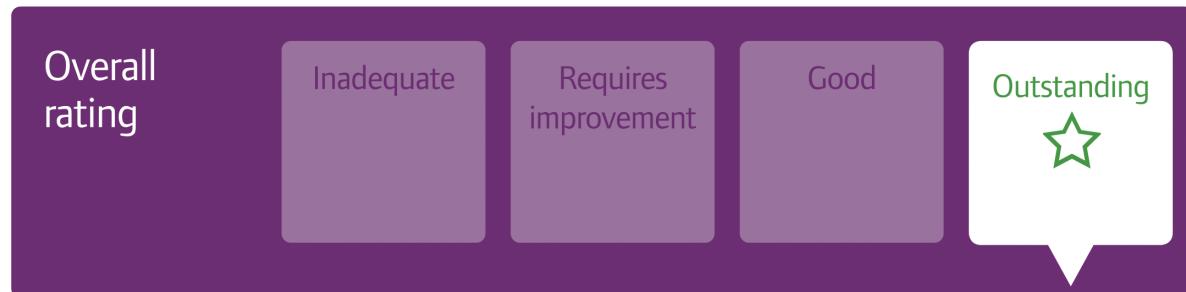
- We will ensure that staff monitor the physical health of patients following the administration of rapid tranquillisation.

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- We will ensure that blanket restrictions are reviewed and ensure that all restrictions are individually risk assessed.
  - We will ensure patients have access to a nurse call system in the event of an emergency.

In April 2018 the Trust participated in a Thematic Review of Never Events. The findings from the national review are awaited.

In February 2019 the Trust participated in a Thematic Review of Restraint, Seclusion and Long Term Segregation Thematic Review. The findings from the national review are awaited.

## Northumberland, Tyne and Wear NHS Foundation Trust



	Safe	Effective	Caring	Responsive	Well led	Overall
Acute wards for adults of working age and psychiatric intensive care units	Requires improvement	Good	Good	Good	Good	Good
Child and adolescent mental health wards	Good	Outstanding 	Good	Good	Outstanding 	Outstanding 
Community mental health services for people with learning disabilities or autism	Good	Outstanding 	Outstanding 	Outstanding 	Outstanding 	Outstanding 
Community-based mental health services for adults of working age	Good	Outstanding 	Outstanding 	Good	Good	Outstanding 
Community-based mental health services for older people	Good	Good	Outstanding 	Outstanding 	Outstanding 	Outstanding 
Forensic inpatient/secure wards	Good	Good	Good	Good	Good	Good
Long stay/rehabilitation mental health wards for working age adults	Good	Good	Good	Outstanding 	Outstanding 	Outstanding 
Mental health crisis services and health-based places of safety	Good	Good	Good	Good	Good	Good
Specialist community mental health services for children and young people	Good	Outstanding 	Outstanding 	Good	Outstanding 	Outstanding 
Substance misuse services	Good	Good	Good	Good	Good	Good
Wards for older people with mental health problems	Good	Good	Outstanding 	Good	Good	Good
Wards for people with learning disabilities or autism	Good	Outstanding 	Outstanding 	Outstanding 	Outstanding 	Outstanding 

## External Accreditations

The Trust has gained national accreditation for the quality of services provided in many wards and teams.

43% of adult, older people's and rehabilitation mental health wards have achieved the Accreditation for Inpatient Mental Health Services.

100% of the adult forensic medium and low secure wards have been accredited by the Quality Network for Forensic Mental Health Services.

100% of children and young people's wards have been accredited by the Quality Network for Inpatient Children and Adolescent Mental Health Services.

*Table 23: Current clinical external accreditations (as at 31 March 2019)*

External Accreditation	Ward/Department	Location
Accreditation for Working Age Wards (AIMS)	Collingwood Court	Campus for Ageing and Vitality
	Longview	Hopewood Park
	Shoredrift	Hopewood Park
	Springrise	Hopewood Park
Quality Network for Psychiatric Intensive Care Unit (QNPICU)	Beckfield	Hopewood Park
Quality Network for Older Adult Wards (QNOAMHS)	Akenside	Campus for Ageing and Vitality
	Hauxley	St George's Park
	Mowbray	Monkwearmouth Hospital
	Roker	Monkwearmouth Hospital
Accreditation for Rehabilitation Wards (AIMS)	Aldervale	Hopewood Park
	Kinnersley	St George's Park
	Newton	St George's Park
Quality Network for Forensic Mental Health Services (QNFMHS)	Bamburgh Clinic	St Nicholas Hospital
	Bede Ward	St Nicholas Hospital
	Kenneth Day Unit	Northgate Hospital
Quality Network for Inpatient CAMHS (QNIC)	Stephenson	Ferndene
	Fraser	Ferndene
	Redburn	Ferndene
	Ferndene PICU	Ferndene
	Alnwood	St Nicholas Hospital
Quality Network for Community CAMHS (QNCC)	Northumberland CYPs	Northgate Hospital
	Sunderland and South Tyneside CYPs	Monkwearmouth Hospital
ECT Accreditation Scheme (ECTAS)	Hadrian ECT Clinic	Campus for Ageing and Vitality
	ECT Treatment Centre	St George's Park
Psychiatric Liaison Accreditation Network (PLAN)	Sunderland Psychiatric Liaison Team	Sunderland Royal Hospital

Quality Network for Eating Disorders (QED)	Ward 31a	Royal Victoria Infirmary
Home Treatment Accreditation Scheme (HTAS)	Newcastle Crisis Assessment and Home Based Treatment Service	Ravenswood Clinic
	Sunderland Crisis Team	Hopewood Park
	South Tyneside Crisis Team	Palmers Community Hospital
	Gateshead Crisis Team	Tranwell Unit
	Northumberland Crisis Team	St George's Park
Accreditation for Psychological Therapies Services (APPTS)	Sunderland Psychological Wellbeing Service (IAPT)	Monkwearmouth Hospital
	Sunderland and South Tyneside Psychological Services	Monkton Hall

Data source: NTW

## Data Quality

Good quality information underpins the effective delivery of care and is essential if improvements in quality of care are to be made. The Trust has already made extensive improvements in data quality. During 2019/20 the Trust will build upon actions already taken to ensure that we continually improve the quality of information we provide.

*Table 24: Actions to be taken to improve data quality*

Clinical Record Keeping	We will continue to monitor the use of the RiO clinical record system, learning from feedback and incidents, measuring adherence to the Clinical Records Keeping Guidance and highlighting the impact of good practice on data quality and on quality assurance recording. We will continue to improve and develop the RiO clinical record system in line with service requirements.
NTW Dashboard development	We will continue to review the content and format of the existing NTW dashboards, to reflect current priorities including the development and monitoring of new and shadow metrics that are introduced in line with national requirements. We will continue to develop and embed the Points of You dashboards. For more information on Points of You please see pages 48 and 104.
Data Quality Kite Marks	We will continue to roll out and review the use of data quality kite marks in quality assurance reports further.
Data Quality Group	We will implement a Trust wide data quality group.
Mental Health Services Dataset	We will continue to understand and improve data quality issues and maintain the use of national benchmarking data. We will seek to gain greater understanding of the key quality metric data shared between

	<p>Mental Health Services Dataset, NHS Improvement and the Care Quality Commission.</p> <p>We will continue to improve our data maturity index score and understand areas where improvement is required.</p>
Consent recording	We will continue to redesign the consent recording process in line with national guidance and support the improvement of the recorded consent status rates.
ICD10 Diagnosis Recording	We will continue to increase the level of ICD10 diagnosis recording within community services.
Mental Health Clustering	We will increase the numbers of clinicians trained in the use of the Mental Health Clustering Tool and improve data quality and data completeness, focusing on issues such as cluster waiting times analysis, casemix analysis, national benchmarking and four factor analysis to support the consistent implementation of outcomes approaches in mental health.
Contract and national information requirements	We will continue to develop quality assurance reporting to commissioners and national bodies in line with their requirements. We will monitor and improve our data quality in line with our CQUIN requirements, Specialised Mental Health and the Aggregate Contract Monitoring dataset.
Quality Priorities	We will continue to develop a robust reporting structure to support the quality priorities relating to waiting times and improving inpatient care.
Outcome Measures	We will enhance the current analysis of outcome measures focusing on reporting information back to clinical teams.

Data source: NTW

## North East Quality Observatory (NEQOS) Retrospective Benchmarking of 2017/18 Quality Account Indicators

NEQOS provide expert clinical quality measurement services to many NHS organisations in the North East.

NTW once again commissioned NEQOS to undertake a benchmarking exercise, comparing the Trust's Quality Account 2017/18 with those of all other NHS Mental Health and Disability organisations. A summary of frequent indicators found in all Quality Accounts has been provided in Table 25 below:

Table 25: Nationally available Quality Account indicators for 2017/18

Quality Account Indicators		Target	England Average	Peer*	NTW
1	Staff who would recommend the trust to their family/friends	-	3.66	3.65	<b>3.81</b>
2	Admissions to adult urgent care wards gatekept by Crisis Resolution Home Treatment Teams (%) Q4 17/18	95%	98.7	98.8	<b>99.7</b>
3	Inpatients receiving follow up contact within 7 days of discharge (%) Q4 17/18	95%	95.5	95.7	<b>97.7</b>
4	Incidents of severe harm/death (%) 2017/18	-	1.1	1.7	<b>0.7</b>

Quality Account Indicators		Target	England Average	Peer*	NTW
5	CPA formal review within 12 months (per March 2018)	95%	77.8	85.8	<b>83.2</b>
6	Early Intervention in Psychosis patients treated within 2 weeks March 2018	50%	75.9	80.5	<b>95.2</b>
7	Patients recommending service (%),Friends and Family Test Jan to March 2018		88.7	87.7	<b>89.1</b>
8	Written complaints per 1,000 FTEs, 2017/18		83.3	111.1	<b>55.2</b>

Data source: North East Quality Observatory

The above table shows that the Trust consistently performs above average.

\*Table 25 includes data for a peer group of similar trusts: Birmingham and Solihull Mental Health NHS Foundation Trust; Cheshire and Wirral Partnership NHS Foundation Trust; Lancashire Care NHS Foundation Trust; North East Essex Mental Health NHS Trust; Oxford Health NHS Foundation Trust; South London and Maudsley NHS Foundation Trust; Sussex Partnership NHS Foundation Trust; and Tees, Esk and Wear Valleys NHS Foundation Trust

## Learning from Deaths

The Serious Incident Framework (2015) forms the basis for the Trust's Incident Policy which guides/informs the organisation about reporting, investigating and learning from incidents including deaths. The Learning from Deaths policy supports and enhances this learning and investigation process. This is currently being revised in collaboration with other mental health and learning disability Trusts in the North of England.

We report all deaths of people with learning disabilities who are service users to the Learning Disabilities Mortality Review (LeDeR) Programme for further investigation, from which we have received no feedback to date.

During 2018/19, 1,035 of Northumberland, Tyne and Wear NHS Foundation Trust's patients were reported to have died, with the majority of these being natural deaths in nature.

This comprised the following number of deaths which occurred in each quarter of that reporting period: 284 in the first quarter; 244 in the second quarter; 242 in the third quarter; 264 in the fourth quarter.

Of the 1,035 deaths, and in line with our Incident Policy – NTW (O) 05 and our Learning from Deaths Policy – NTW(C) 12, 280 of these deaths would fit the criteria for further investigation.

Of the 280 deaths subject to an investigation, 51 have been subject to or are currently subject to a mortality case record review and 229 have been or are currently subject to a level 1 (after action review) or level 2 (full serious incident) investigation.

By 11 April 2019, the following investigations were carried out and completed in each quarter, 76 in the first quarter; 67 in the second quarter; 60 in the third quarter and 67 in the

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fourth quarter, some of which remain under investigation and reports not completed due to the time frames.

Three deaths representing 0.28% of the patient deaths during 2018/19 are judged to be more likely than not to have been due to problems in the care provided to the patient.

In relation to each quarter, this consisted of:

0 representing 0.00% for the first quarter;

2 representing 0.82% for the second quarter;

1 representing 0.41% for the third quarter;

0 representing 0.00% for the fourth quarter.

These numbers have been estimated using the findings from Serious Incident investigations. Where there has been either a root or contributory cause found from the incident review then this has been used as a way to determine if the patient death may have been attributable to problems with care provided. There is currently no agreed or validated tool to determine whether problems in the care of the patient contributed to a death within mental health or learning disability services so we are using this approach until such a tool becomes available. This means that currently mental health and learning disability organisations are using differing ways of assessing this. The Royal College of Psychiatrists has developed a mortality review tool which the Trust is currently piloting along with other mental health and learning disability trusts.

Over the last twelve months our investigations have identified five main areas of **learning**:

### **Risk assessment**

It has been identified that when assessing the risk of the patient the FACE risk scoring is not correlating with the narrative of risk. Also when there is a change to the presentation of risk this is not being reflected in the risk management plan.

A Trust-wide review of FACE has been undertaken and a guide “FACE – Frequently Asked Questions” (March 2019) produced to guide staff to use the tool consistently. This is attached to the Care Co-ordination Policy NTW(C) 20. This has been published in the Safer Care Bulletin and a presentation arranged for the Learning and Improvement Group.

### **Physical health monitoring**

The management of problems relating to physical health monitoring has been identified in several cases, with examples of learning needs identified including policies not being followed and lack of awareness of clinical symptoms. Specifically, the prescribing of anti-psychotics with a patient who has a diagnosis of dementia and the recording of rationale for use has been highlighted.

Venous Thromboembolism assessment and monitoring has also been identified as not always being carried out in an appropriate and timely fashion.

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Central Alerts, learning bulletins and specific training sessions have been actioned to educate and raise staff awareness.

### **Safeguarding**

Issues identified include variable understanding about the importance of raising Safeguarding alerts internally and the support and supervision that is available once this has been carried out. Also, variable awareness of the process of obtaining a forensic history from the police and the difference between local and national intelligence.

Safety Bulletins have been used to raise awareness and training for staff has been provided by the Safeguarding Team.

### **Clinical Judgement**

Investigations have found that the rationale for choosing a specific treatment plan is not always documented appropriately. Teams should consider that the service user's presentation is not static, and to have the space for discussion when there is a differing of conclusion about presentation and risk.

Staff are asked to reflect on incidents reviewed via team meetings and supervision.

### **Management of Waiting Lists**

Several incidents have been reviewed where the patient was waiting for treatment. These cases have all been individual and waiting times vary between teams. However a trust wide project is currently underway and will be presented at a forthcoming Quality Review Groups for to provide assurance for the Commissioners of mental health services.

### **Dissemination of Learning**

Learning can be both trust wide and individual/team specific and the Trust uses a variety of methods to share learning across the organisation. This includes discussing learning within team meetings, learning groups and individual supervision of staff.

Making sure the learning becomes part of practice within the organisation and across the organisation is done in several different ways. The organisation has a variety of audit programmes running which will check if any learning from deaths is put into practice. Changes made from learning are introduced into policies which are regularly reviewed. Training programmes are changed and updated following learning from incident investigation findings. Teams have learning at the top of their agenda for meetings to ensure awareness raising is constantly maintained and becomes part of everyday culture. Learning groups use incident findings to inform their agendas to check out staff understanding of learning and the impact on their service areas.

The Trust has developed a Safer Care monthly bulletin which disseminates lessons arising from investigations to all staff. The Central Alert System is used when a message is so important it needs to go across the whole organisation very quickly.

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NTW has introduced a formal Learning and Improvement Group to monitor all of the above and evaluate the impact of actions identified from incident and complaint investigations. This meeting is chaired jointly by the Executive Director of Nursing & Operations and Executive Medical Director, and can be accessed by staff from across the Trust using Skype.

## Investigations into deaths in 2017/18

No case record reviews and 18 investigations completed after 11 April 2018 which related to deaths which took place before the start of 2018/19.

One representing 0.10% of the patient deaths before the reporting period, are judged to be more likely than not to have been due to problems in the care provided to the patient. This number has been estimated using the findings from Serious Incident investigations. Where there has been either a root or contributory cause found from the incident review then this has been used as a way to determine if the patient death may have been attributable to problems with care provided. There is currently no agreed or validated tool to determine whether problems in the care of the patient contributed to a death within mental health or learning disability services so we are using this approach until such a tool becomes available. This means that currently mental health and learning disability organisations are using differing ways of assessing this. The Royal College of Psychiatrists has developed a mortality review tool which the Trust is currently piloting along with other mental health and learning disability trusts.

9 representing 0.87% of the patient deaths during 2017/18 are judged to be more likely than not to have been due to problems in the care provided to the patient.

## NHS Number and General Medical Practice Code Validity

Northumberland, Tyne and Wear NHS Foundation Trust submitted records during 2018/19 to the Secondary Uses service for inclusion in the Hospital Episode Statistics which are included in the latest published data for April 2018 to January 2019.

The percentage of records in the published data which included the patient's valid NHS number was:

99.6% for admitted patient care; and 99.5% for outpatient care.

The percentage of records in the published data which included the patient's valid General Medical Practice Code was:

99.9% for admitted patient care; and 99.9% for outpatient care.

## Data Security and Protection Toolkit attainment

The Northumberland, Tyne and Wear NHS Foundation Trust Data Security and Protection Toolkit submission for March 2019 was that we fully met 100 out of 100 assertions. In 2018/19 the Information Governance Toolkit was replaced by the Data Security and Protection Toolkit.

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## **Clinical Coding error rate**

Northumberland, Tyne and Wear NHS Foundation Trust was not subject to the Payment by Results clinical coding audit during 2018/19 by the Audit Commission.

## **Safe working hours for doctors in training**

A report on safe working hours for doctors in training covering January to December 2018 was presented to the NTW Trust board in January 2019. The report is reproduced in Appendix 3.

# Performance against mandated core indicators

The mandated indicators applicable to Northumberland, Tyne and Wear NHS Foundation Trust are as follows:

The percentage of patients on Care Programme Approach (CPA) who were followed up within 7 days after discharge from psychiatric inpatient care during the reporting period (data governed by a national definition)

The Northumberland, Tyne and Wear NHS Foundation Trust considers that this data is as described for the following reason - we have established, robust reporting systems in place through our electronic patient record system (RiO) and adopt a systematic approach to data quality improvement.

The Northumberland, Tyne and Wear NHS Foundation Trust has taken the following actions to improve this percentage, and so the quality of its services by ensuring clinicians are aware of their responsibilities to complete these reviews.

*Table 26: 7 day follow up data 2016/17 to 2018/19 (higher scores are better)*

7 day follow up %	2016/17				2017/18				2018/19			
	Q1	Q2	Q1	Q2	Q1	Q2	Q1	Q2	Q1	Q2	Q3	Q4
NTW	99.1%	98.5%	99.1%	98.5%	99.1%	98.5%	99.1%	98.5%	97.1%	96.5%	96.7%	96.9%
National Average	97.0%	96.8%	97.0%	96.8%	97.0%	96.8%	97.0%	96.8%	95.8%	95.7%	95.5%	95.8%
Highest national	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Lowest national	88.9%	83.4%	88.9%	83.4%	88.9%	83.4%	88.9%	83.4%	73.4%	83.0%	81.6%	83.5%

Data source: [NHS England](#)

The percentage of admissions to acute wards for which the Crisis Home Treatment Team acted as a gatekeeper during the reporting period (data governed by a national definition)

The Northumberland, Tyne and Wear NHS Foundation Trust considers that this data is as described for the following reasons - we have established, robust reporting systems in place through our electronic patient record system (RiO) and adopt a systematic approach to data quality improvement.

The Northumberland, Tyne and Wear NHS Foundation Trust intends to take the following actions to improve this percentage, and so the quality of its services by closely monitoring this requirement and quickly alerting professionals to any deterioration in performance.

*Table 27: Gatekeeping data 2016/17 to 2018/19 (higher scores are better)*

Gate-Keeping %	2016/17				2017/18				2018/19			
	Q2	Q3	Q2	Q3	Q2	Q3	Q2	Q3	Q1	Q2	Q3	Q4
NTW	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
National Average	97.0%	97.4%	97.0%	97.4%	98.7%	98.6%	98.5%	98.7%	98.1%	98.4%	97.8%	98.1%
Highest national	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Lowest national	48.5%	61.9%	48.5%	61.9%	88.9%	94.0%	84.3%	88.7%	85.1%	81.4%	78.8%	88.2%

Data source: [NHS England](#)

The score from staff employed by, or under contract to, the trust during the reporting period who would recommend the trust as a provider of care to their family or friends

The Northumberland, Tyne and Wear NHS Foundation Trust consider that this data is as described for the following reasons – this is an externally commissioned survey.

The Northumberland, Tyne and Wear NHS Foundation Trust has taken the following actions to improve this score, and so the quality of its services by continuing to hold multidisciplinary staff engagement sessions at Trust and local levels regarding the results of the staff survey and identifying actions for improvement.

**“If a friend or relative needed treatment I would be happy with the standard of care provided by this organisation”**

*Table 28: NHS staff survey data (question 21d), shown against benchmarking group*

% Agree or Strongly Agree	2016	2017	2018
NTW %	72%	68%	69%
National Average %	59%	61%	61%
Highest national %	82%	87%	81%
Lowest national %	44%	42%	38%

Data source: [Staff Survey Coordination Centre](#)

## 'Patient experience of community mental health services' indicator score with regard to a patients experience of contact with a health or social care worker during the reporting period

The Northumberland, Tyne and Wear NHS Foundation Trust considers that this data is as described for the following reasons – this is an externally commissioned survey.

The Northumberland, Tyne and Wear NHS Foundation Trust has taken the following actions to improve this score, and so the quality of its services by constantly engaging with service users and carers to ensure we are responsive to their needs and continually improve our services.

*Table 29: Community Mental Health survey scores, 2016 to 2018*

Health and social care workers	2016	2017	2018
NTW	7.7	7.6	<b>7.4</b>
National Average	7.3	7.2	<b>7.1</b>
Highest national	8.0	8.0	<b>7.7</b>
Lowest national	6.5	6.0	<b>5.9</b>

Score out of 10, higher are better. Scores based on same two questions used in 2018

Data source: [CQC](#)

## The number and, where available the rate of patient safety incidents reported within the trust during the reporting period, and the number and percentage of such patient safety incidents that resulted in severe harm or death (data governed by a national definition)

The Northumberland, Tyne and Wear NHS Foundation Trust considers that this data is as described for the following reasons – this is data we have uploaded to the National Reporting and Learning System (NRLS).

The Northumberland, Tyne and Wear NHS Foundation Trust has taken the following actions to improve this rate/number/percentage, and so the quality of its services by ensuring all serious Patient Safety Incidents are robustly investigated and lessons shared throughout the organisation (including the early identification of any themes or trends).

*Table 30: Patient Safety Incidents, National Reporting and Learning System*

Indicator	Performance	2016/17 Apr-Sep	2016/17 Oct-Mar	2017/18 Apr-Sep	2017/18 Oct-Mar	2018/19 Apr-Sep	2018/19 Oct-Mar
Number of PSI reported (per 1,000 bed days)	NTW	49	52	43	44	<b>48</b>	
	National average	42	42	48	46	<b>51</b>	
	Highest national	89	88	127	97	<b>114</b>	
	Lowest national*	10	11	16	15	<b>25</b>	
Severe PSI (% of incidents reported)	NTW	0.8%	0.5%	0.4%	0.3%	<b>0.4%</b>	
	National average	0.3%	0.3%	0.3%	0.3%	<b>0.3%</b>	
	Highest national	2.9%	1.8%	2.0%	2.1%	<b>2.1%</b>	
	Lowest national*	0.0%	0.0%	0.0%	0.0%	<b>0.0%</b>	
PSI Deaths	NTW	0.8%	1.0%	0.5%	0.2%	<b>0.3%</b>	
	National average	0.8%	0.8%	0.7%	0.8%	<b>0.8%</b>	

Indicator	Performance	2016/17 Apr-Sep	2016/17 Oct-Mar	2017/18 Apr-Sep	2017/18 Oct-Mar	<b>2018/19 Apr-Sep</b>	<b>2018/19 Oct-Mar</b>
(% of incidents reported)	Highest national	10.0%	3.8%	3.4%	3.9%	<b>2.3%</b>	
	Lowest national*	0.1%	0.0%	0.0%	0.0%	<b>0.1%</b>	

Data source: [NHS Improvement](#) Data for October 2018 to March 2019 will be published on 25 September 2019

\*note that some organisations report zero patient safety incidents, national average for mental health trusts

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## Part 3

# Review of Quality Performance

In this section we report on the quality of the services we provide, by reviewing progress against indicators for quality improvement, including the NHS Improvement Single Oversight Framework, performance against contracts with local commissioners, statutory and mandatory training, staff sickness absence and staff survey results.

We have reviewed the information we include in this section to remove duplication and less relevant data compared to previous quality accounts. We have included key measures for each of the quality domains (safety, service user experience and clinical effectiveness) that we know are meaningful to our staff, our Council of Governors, commissioners and partners.

## NHS Improvement Single Oversight Framework

The NHS Improvement Single Oversight Framework identifies NHS providers' potential support needs across five themes:

- quality of care
- finance and use of resources
- operational performance
- strategic change
- leadership and improvement capability

Individual trusts are “segmented” by NHS Improvement according to the level of support each trust needs. In 2018/19 NTW has been assigned a segment of “1 – maximum autonomy”.

**Table 31: Self-assessment against the Single Oversight Framework as at March 2019  
(previous year data in brackets where available)**

	Period	Trustwide	Newcastle Gateshead CCG	Northumberland CCG	North Tyneside CCG	South Tyneside CCG	Sunderland CCG
<b>Patient Safety Quality Indicators</b>							
Admissions to adult facilities of patients under 16	2018/19 (2017/18)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)
CPA follow up - proportion of discharges from hospital followed up within 7 days	2018/19 (2017/18)	96.8% (97.2%)	95.3% (96.3%)	99.0% (98.1%)	97.9% (96.1%)	95.1% (97.4%)	97.8% (98.6%)
Inappropriate Out of Area Placements <i>average bed days per month</i>	2018/19 (2017/18 Q4 avg.per month)	40 (16)	11 (28)	6 (0)	8 (13)	1 (0)	14 (7)
<b>Clinical Effectiveness Quality Indicators</b>							
% clients in settled accommodation	2018/19 (2017/18)	80.7% (77.3%)	82.8% (79.9%)	80.9% (74.7%)	84.5% (79.8%)	77.9% (81.9%)	81.4% (73.9%)
% clients in employment	2018/19 (2017/18)	6.7% (6.5%)	5.9% (6.3%)	8.7% (8.9%)	7.2% (6.8%)	9.0% (4.7%)	5.2% (4.3%)
Ensure that cardio-metabolic assessment and treatment for people with psychosis is delivered routinely in the following service areas:							
• Inpatient wards	2018/19 (31/03/2018)	98.4% (85.0%)					
• Early intervention in psychosis services	2018/19 (31/03/2018)	90.7% (76.7%)					
• Community mental health services (people on care programme approach)	2018/19 (31/03/2018)	98.2% (58.8%)					
Data Quality Maturity Index	Q2 2018/19 (Q2 2017/18)	95.8% (91.7%)					
IAPT- Proportion of people completing treatment who move to recovery	March 2018 (Q4 2017/18)	55.3% (52.4%)					55.3% (52.4%)
<b>Service User Experience Quality Indicators</b>							
RTT Percentage of Incomplete (unseen) referrals waiting less than 18 weeks*	2018/19 (2017/18)	100% (99.6%)	100% (98.6%)	100% (100%)	100% (100%)	100% (100%)	100% (100%)
People with a first episode of psychosis begin treatment with a NICE recommended care package within two weeks of referral	2018/19 (2017/18)	79.6% (83.9%)	66.7% (76.7%)	75.3% (81.6%)	80.8% (74.0%)	92.2% (95.7%)	98.6% (95.1%)
IAPT Waiting Times to begin treatment – incomplete							
• 6 weeks	March 2019 (March 18)	99.2% (99.6%)					99.2% (99.6%)
• 18 weeks	March 2019 (March 18)	99.8% (100%)					99.8% (100%)

Data source: NTW. \*Note that this relates only to a small number of consultant-led services

## Performance against contracts with local commissioners

During 2018/19 the Trust had a number of contractual targets to meet with local clinical commissioning groups (CCGs). Table 26 below highlights the targets and the performance of each CCG against them for quarter four 2018/19 (1 January 2019 to 31 March 2019).

*Table 32: Contract performance targets 2018/19 Quarter 4 (2017/18 Quarter 4 in brackets)*

CCG Contract performance targets Quarter 4 2018/19 (target in brackets)	Newcastle Gateshead CCG	Northumberland CCG	North Tyneside CCG	Sunderland CCG	South Tyneside CCG
CPA Service Users reviewed in the last 12 months (95%)	97.5% (97.4%)	98.0% (93.3%)	97.0% (95.8%)	98.7% (98.0%)	98.0% (98.1%)
CPA Service Users with a risk assessment undertaken/reviewed in the last 12 months (95%)	98.2% (99.0%)	97.2% (95.8%)	97.5% (93.5%)	97.8% (99.5%)	98.1% (98.5%)
CPA Service Users with identified risks who have at least a 12 monthly crisis and contingency plan (95%)	96.0% (96.3%)	97.1% (93.6%)	96.6% (93.4%)	95.0% (95.6%)	96.2% (95.9%)
Number of inpatient discharges from adult mental health illness specialties followed up within 7 days (95%)	96.1% (97.1%)	98.3% (97.8%)	97.1% (96.1%)	96.2% (100%)	95.2% (100%)
Current delayed transfers of care -including social care (<7.5%)	1.7% (1.5%)	4.0% (2.6%)	2.4% (0.0%)	3.2% (0.9%)	4.6% (3.2%)
RTT percentage of incomplete (unseen) referrals waiting less than 18 weeks (92%) Note that this relates only to a small number of consultant-led services	100% (98.6%)	100% (100%)	100% (100%)	100% (100%)	100% (100%)
Current service users aged 18 and over with a valid NHS Number (99%)	99.9% (99.9%)	99.9% (99.7%)	99.9% (99.8%)	100% (99.7%)	100% (99.9%)
Current service users aged 18 and over with valid Ethnicity completed (90%)	93.5% (91.8%)	94.1% (93.9%)	92.9% (92.7%)	94.7% (96.2%)	90.6% (95.5%)
The number of people who have completed IAPT treatment during the reporting period (50%)	n/a	n/a	n/a	54.3% (54.9%)	n/a

Data source: NTW

Note the figures above relate to quarter 4 average while the equivalent data in Table 31 on the previous page is for the whole of 2018/19.

# Statutory and Mandatory Training for 2018/19

It is important that our staff receive the training they need in order to carry out their roles safely.

Table 33: Training position as at 31 March 2019

Training Course	Trust Standard	Position at 31/03/2018	Position at 31/03/2019
Fire Training	85%	88.6%	90.1%
Health and Safety Training	85%	93.6%	95.8%
Moving and Handling Training	85%	94.4%	92.3%
Clinical Risk Training	85%	91.8%	77.5%
Clinical Supervision Training	85%	83.6%	87.9%
Safeguarding Children Training	85%	95.1%	92.6%
Safeguarding Adults Training	85%	94.2%	94.5%
Equality and Diversity Introduction	85%	94.0%	95.1%
Hand Hygiene Training	85%	93.2%	94.0%
Medicines Management Training	85%	83.8%	91.4%
Rapid Tranquillisation Training	85%	78.3%	91.2%
MHCT Clustering Training	85%	90.3%	87.7%
Mental Capacity Act / Mental Health Act / DOLS Combined Training	85%	74.3%	78.1%
Seclusion Training (Priority Areas)	85%	92.7%	94.1%
Dual Diagnosis Training	80%	89.2%	85.8%
PMVA Basic Training	85%	80.6%	79.4%
PMVA Breakaway Training	85%	82.3%	90.0%
Information Governance Training	95%	95.0%	95%*
Records and Record Keeping Training	85%	98.3%	98.8%

Data source: NTW. Data includes NTW Solutions, a wholly owned subsidiary company of NTW.

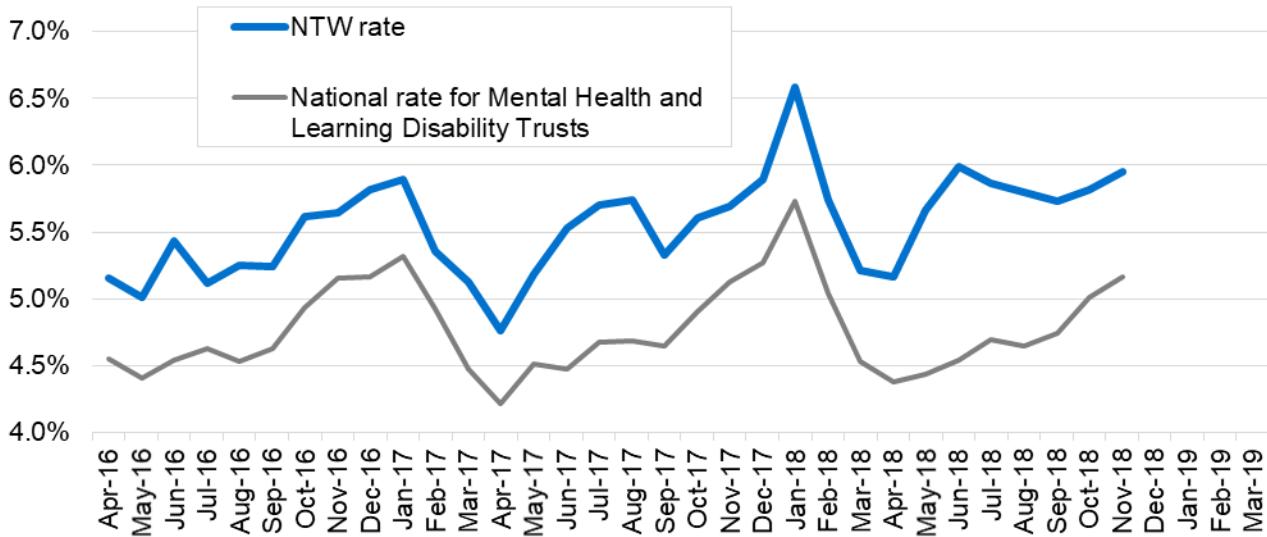
\*Information Governance training calculated slightly differently to align with NHS Improvement requirements.

Performance at or above target
Performance within 5% of target
Under Performance greater than 5%

# Staff Absence through Sickness Rate

High levels of staff sickness impact on service user care, therefore the Trust monitors sickness absence levels carefully.

Figure 23: Monthly staff sickness, NTW and national, April 2016 to November 2018



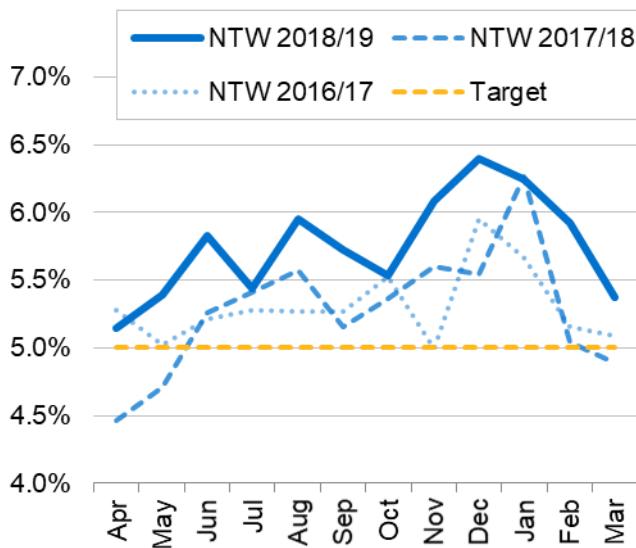
Data source: NHS Digital, Electronic Staff Record. Data includes NTW Solutions, a wholly owned subsidiary company of NTW.

The Trust continues to place a high priority on supporting the wellbeing and health of staff and this is highlighted in the Workforce and Organisational Development strategy 2017-2022.

The Trust is continually reviewing the Wellbeing and Health Agenda ensuring it is taking into account the differing needs of the staff as well as incorporating best practice and both Local and National Wellbeing agendas. Evaluating the impact of staff sickness is a Quality Priority for 2019/20.

The Trust is working with staff and partners to revise Wellbeing and Health policies which includes a review of the Trusts Occupational Health provision. There will be an increased focus on supporting staff mental health including looking at socioeconomic factors and their impact on Mental health.

Figure 24: NTW Sickness (in month) 2016/17 to 2018/19



Data source: NTW. Data includes NTW Solutions, a wholly owned subsidiary company of NTW.

We continue to hold the Better Health at Work, continuing excellence award.

## Staff Survey

Since 2010 the Trust has adopted a census approach to the Staff Survey, seeking views from all staff. Whilst the results listed here are relating to the National Survey (based on a sample), our action planning also takes into account the findings from our census report as well as themes identified from the comments received.

The Trust, in the past five years, and as a direct consequence of staff survey findings, has been working on improving its approach to staff engagement. We have developed a schedule of listening events called Speak Easy where Senior Managers listen to the views of staff across the Trust, with a focus on empowering people to be able to take action to improve matters at a local level. Staff Survey results are disseminated widely throughout the Trust with presentation of key findings at meetings with Trust Board, Corporate Decisions Team, Business Development Group, Council of Governors, Staff Side and Corporate and Operational Directorates throughout the Trust. At each of these meetings views are sought on our intentions to take action on issues highlighted in the survey results. The Trust wide Staff Survey Action Plan is agreed by Trust Board and is monitored through the Trust's Corporate Decisions Team (Workforce) Group. In addition localities also develop their own specific action plans which are monitored through local assurance groups.

*Table 34: NHS staff survey responses 2016 to 2018*

Response rate	2016	2017	2018
Trust	46%	64%	<b>67%</b>
National Average (Mental Health/Learning Disability)	50%	52%	<b>54%</b>

From 2018 onwards, the results from questions are grouped to give scores in ten indicators. The indicator scores are based on a score out of 10 for certain questions with the indicator score being the average of those. Scores for each indicator together with that of the survey benchmarking group Mental Health /Learning Disability Trusts are presented below.

*Table 35: Response scores by theme, Staff Survey 2016 to 2018*

Theme	2016		2017		2018	
	NTW	Benchmarking Group	NTW	Benchmarking Group	NTW	Benchmarking Group
Equality, diversity and inclusion	9.4	9.0	9.3	9.0	<b>9.3</b>	8.8
Health and wellbeing	6.6	6.2	6.6	6.2	<b>6.5</b>	6.1

Theme	2016		2017		2018	
	NTW	Benchmarking Group	NTW	Benchmarking Group	NTW	Benchmarking Group
Immediate managers	7.3	7.1	7.5	7.2	<b>7.5</b>	7.2
Morale					<b>6.6</b>	6.2
Quality of appraisals	5.9	5.5	5.9	5.5	<b>5.9</b>	5.7
Quality of care	7.7	7.4	7.5	7.3	<b>7.5</b>	7.3
Safe environment – bullying and harassment	8.3	8.0	8.3	8.0	<b>8.2</b>	7.9
Safe environment – violence	9.0	9.2	8.9	9.2	<b>9.1</b>	9.3
Safety culture	7.0	6.6	7.0	6.7	<b>7.0</b>	6.7
Staff engagement	7.2	6.9	7.1	7.0	<b>7.1</b>	7.0

Data source (*Table 34* and *Table 35*): [Staff Survey Coordination Centre](#). Data includes NTW Solutions, a wholly owned subsidiary company of NTW.

## Actions

The following are actions under consideration

- Continue to identify any concentrations of staff reporting discrimination. Actions to form part of Equality Diversity and Inclusion Group work.
- Continue to prioritise the issue of reported physical deterioration and stress at work and analyse ways in which we can meet problems.
- Look to reinforce the positive view of commitment from staff and being aware that this should not come at a cost to their own health and wellbeing.
- Continue to prioritise the development of line managers. Consider how this links directly to some of the other areas covered in the survey.
- Ensure that line managers are able to make the link between the Trust's goals and how staff fit in with this.
- Ensure that managerial and supervisory roles include the duty to give feedback to staff including both positive and negative comments as appropriate.
- Improve staff involvement in changes that happen in their area of work. Communication is key.
- Consider how all staff can be made to feel more involved in decision making processes and having more control over how they carry out their work.
- Continued focus on appraisals cycle.
- Ensure that patient experience data is regularly shared with staff to highlight areas which are positive as well as areas for improvement.
- Continue to promote awareness of the need to report incidents of violence, harassment, bullying and abuse and ensure that staff are aware of the process around this.
- Identify the location of spikes in Harassment, Bullying and Abuse from patients and the public / Managers and other colleagues.
- Explore support groups and de-briefing sessions.

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- Continue to ensure that staff are aware of the policy and process for raising concerns about unsafe clinical practice and are provided with reassurance about how these would be handled to encourage and reassure staff that their concerns will be treated seriously and with transparency.
  - Ensure that team members have shared objectives and that these are communicated effectively and understood.

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## Statements from Clinical Commissioning Groups (CCG), local Healthwatch and Local Authorities

[\*\*We have invited our partners from all localities covered by Trust Services to comment on our Quality Account.\*\*](#)

# **Corroborative statement from Newcastle Gateshead, North Tyneside, Northumberland, South Tyneside and Sunderland Clinical Commissioning Groups for Northumberland Tyne & Wear NHS Foundation Trust Quality Account 2018/19**

The CCGs welcome the opportunity to review and comment on the Trust Quality Account for 2018/19 and would like to offer the following commentary.

Newcastle Gateshead, North Tyneside, Northumberland, South Tyneside and Sunderland Clinical Commissioning Groups (CCGs) are committed to commissioning high quality services from Northumberland Tyne and Wear NHS Foundation Trust (NTWFT) and have a responsibility to ensure that the healthcare needs of the patients that they represent are safe, effective and that they ensure that the experience of patients are reflected and acted upon.

The CCGs would like to take the opportunity to congratulate the Trust on once again being rated as "Outstanding" by the Care Quality Commission in 2018. The Trust has also won awards such as the Health Service Journal award for patient safety in the Personality Disorder teams and the Trust were recognised as a "Diversity Champion" by the LGBT charity Stonewall. The Trust has gained national recognition for the use of the Talk 1st programme. Using this approach has resulted in reductions in the use of restraint, prone restraint and violence and aggression and it is encouraging to see that inpatient and community teams across the Trust are engaged in this programme.

It is clear that the Trust has developed collaborative partnerships as evidenced in the partnership launched with one of India's largest providers of mental health services which will allow the sharing of expertise in the delivery of care to different populations. Locally the Trust has also collaborated with colleagues in North Cumbria to develop plans to improve outcomes and resilience of mental health services in the area.

Within the Safety quality goal, the CCGs commend the Trust for the ongoing improvements that are demonstrated in the 'inpatient experience' priority. Clear progress has been made as shown in higher patient satisfaction levels and in the reduction of the number of complaints made. It has been encouraging to see that the bed occupancy level for older people's beds during 2018/19 reduced to below the baseline, with a further reduction shown in Q4. The reduction in occupancy reflects better planned care and more patients being cared for in the community. It is acknowledged that bed

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utilisation remains a significant issue for the Trust and the CCGs are pleased to note that this will remain a quality priority.

The CCGs note that the Trust has not met the 'Improving waiting times' quality priority, however there have been significant improvements within non-specialised community services for adults and older people and the CCGs would like to see this continued improvement. Waiting times for children and young people have also improved compared to 2017/18 with the exception of the Sunderland CCG area where the waiting times, although remaining stable, show 41% of children and young people are still waiting more than 18 weeks. In the South Tyneside area, a reduction has been reported when compared to March 2018, however towards the end of 2018/19 this reduction slowed down. The biggest reductions in waiting times were reported in the North locality – particularly Northumberland and North Tyneside CCG areas with a sustained improvement shown since June 2018.

The CCGs note that there appears to have been an increase in service users experiencing long waits for the adult autism spectrum disorder diagnosis service in Northumberland, North Tyneside and South Tyneside CCG areas. Improvements have been noted for all CCGs in the waits for the adult attention deficit hyperactivity disorder diagnosis service. There has been a national increase in demand for the service and it is acknowledged that the Trust cannot meet the waiting times on the current planned activity levels. The CCGs will continue to work with the Trust to help address these issues. The Gender Identity Service waiting list has dramatically increased during the year due to the sustained increase in referrals received. The CCGs note that NHS England has recognised the national challenges and look forward to seeing the results of the procurement exercise to review and improve the current provision. The CCGs are pleased to see that this priority will continue into 2019/20.

Through 'Embedding the principles of the Triangle of Care', it is encouraging to see the partnership work that the Trust is undertaking with service users and carers. Commissioners look forward to seeing the development of the evaluation tool once the findings from a national survey are received. The CCGs continue to be assured that the Trust is putting patients and carers first and fully support the enhancements to the electronic clinical record which will support the Getting to Know You process.

We acknowledge the key improvements and service developments that have been implemented in each CCG area in the 'Embedding Trust Values' priority. Although the Trust will not be continuing this as a quality priority, it is encouraging that the ongoing work to support these values will be monitored at the Trust Corporate Decisions Team Quality Group.

It is encouraging to see that the results of the CQC Community Mental Health Service User Survey 2018 show an improvement against the previous year and that there were three areas in 2018 where NTW performed considerably better than other trusts;

- Do you know how to contact this person if you have a concern about the care?
- Did you feel that decisions were made together by you and the person you saw during their discussion?
- Were you involved as much as you wanted to be in deciding what NHS therapies to use?

In so far as we have been able to check the factual details, the CCGs' view is that the Quality Account is materially accurate. It is clearly presented in the format required by NHS England and the information it contains accurately represents the Trust's quality profile. Finally, the CCGs would like to offer congratulations to the Trust on the achievements outlined in this report which we believe accurately reflects the Trust's commitment to delivering high quality, patient centred services. The

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CCGs look forward to continuing to work in partnership with the Trust to assure the quality of services commissioned in 2019/20.

Annie Topping

Director of Nursing, Quality & Patient Safety  
NHS Northumberland CCG

Chris Piercy

Executive Director of Nursing, Patient Safety & Quality  
NHS Newcastle Gateshead CCG

Jeanette Scott

Executive Director of Nursing, Quality and Safety  
NHS South Tyneside CCG

Lesley Young Murphy

Executive Director of Nursing & Chief Operating Officer  
NHS North Tyneside CCG

Ann Fox

Executive Director of Nursing, Quality & Safety  
NHS Sunderland CCG

## Healthwatch North Tyneside statement for Northumberland, Tyne and Wear NHS Foundation Trust's Quality Account 2018/19

Thank you for the opportunity to comment on Northumberland, Tyne and Wear NHS Foundation Trust's (NTW) latest Quality Account.

Overall it was great to read of the continued success with the CQC and your progress against the priorities you have set. You have clearly had a very successful year and it is in that context that we make the following comments which highlight some of the areas that could be improved.

Your report is an interesting and informative read with the information being well presented. The addition of baseline data for all your comparisons should be considered for next year. It was particularly interesting to see greater parity in the gender of people accessing your services from North Tyneside (Page 16).

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We would like to make the following detailed comments:

### **Improving the inpatient experience**

It was good to see the progress you have made with out of area beds and occupancy. There is obviously more work to do on this and your commitment to continuing the focus on this during 19/20 is appreciated.

The Friends and Family Test scores for the North locality need further investigation given the fluctuation and generally lower scores than in your other localities.

Your progress with the quality goal of 'keeping you safe' is much appreciated.

### **Improving waiting times**

For the residents of North Tyneside, it's good to see that you are meeting your 18 week target for waiting times in 98% of cases as you report on page 36. It would be helpful if you would also present average waiting times so that we can better understand the service user's experiences.

We note your 2019/20 commitment to 'Continue to monitor and report Gender Dysphoria, Adult ADHD and Adult Autism Spectrum Disorder diagnosis waiting times'. Your data shows there has been a significant improvement in meeting your 18 week target for adult ADHD diagnosis during this period and whilst there is more work to do, it is great to see this progress. We are concerned about waiting times for Adult Autism Spectrum Disorder service in North Tyneside which seems to have worsened during this period and residents of North Tyneside appearing to have a poorer experience than any other locality in your patch. It would be useful to better understand what you are planning to address this issue in addition to 'monitoring and reporting'.

Similarly the Gender Identity Service is under significant pressure and it will be interesting to see how the procurement exercise in 2019 helps to improve this service for users.

### **The Triangle of Care**

The carer's experience is one of the main issues local people raise with us about NTW's services and we acknowledge the difficult balance that your staff need to maintain. We appreciate NTW's continued very active participation in North Tyneside's Carers' Partnership Board. We are pleased to see you continue to be committed to embedding this approach across the organisation. You show your progress as 'partly met' and we would have preferred this issue to be carried forward as a priority for 2019/20 to ensure that progress is maintained. We would encourage you to continue to monitor and report progress in future years.

### **Feedback from users**

It's great to see the improvements you have achieved over the years with user experience and satisfaction across NTW. It would be interesting to hear what steps you are taking to understand and address the 'things you can do better' feedback you receive through your various mechanisms.

### **Priorities for 2019/20**

Your agreed priorities for 19/20 seem sensible. We feel there is an opportunity missed to ensure The Triangle of Care is further embedded and a greater focus on the services where waiting times are furthest away from your 18 week target.

### **Thank you**

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Mental health has been a priority for Healthwatch North Tyneside during 2018/19 and we have valued the support of NTW teams in helping us gather feedback from your service users and helping to shape our research approach. Your response to our Mental Health Crisis report published in November 2018 <https://healthwatchnorthtyneside.co.uk/your-issues/mental-health/> was appreciated.

We will be looking into older people's experiences of mental health services during 19/20 and look forward working with you on this.

## Newcastle City Council Health Scrutiny Committee's statement:

As Chair of Newcastle Health Scrutiny Committee, I welcome the opportunity to comment on your draft Quality Account for 2018/19.

We recognise the importance of the Quality Account as a tool in ensuring that services are reviewed objectively and as a means of illustrating to patients, carers and partners the performance of the trust in relation to your quality priorities.

Firstly, I would like to comment on the overall improvement in performance, which has been achieved in the context of unprecedented challenges facing mental health services. We are also pleased to note the outcome of the CQC inspection during 2018, which reaffirmed the overall performance of the trust as outstanding. We would like an update from you next year on those areas the CQC identified for further improvement.

In relation to progress against your 2018/19 priorities, we make the following points:

- We are pleased to note that inappropriate out of area placements fell to 28 days in March 2019 from 88 days in April 2018. However, the Quality Account does highlight significant peaks during the year, suggesting that the position may not be a stable one. This is obviously related closely to bed occupancy levels, which remain high. In particular, we note an increase in bed occupancy levels for older people in the Newcastle area, from 67.1% to 80%, which we understand is linked to the reconfiguration of older people's services. We will review progress on this next year.
- We are pleased to note an improvement in overall waiting times for adult and children and young people's services, taking into account unprecedent levels of demand, and at our meeting we sought and received assurance that there is a flow through services and delays are not arising elsewhere in the pathway.
- In respect of non-compliance with NICE Guidance on winter deaths, we note that a detailed action plan is in place to ensure compliance and that this will be monitored closely.
- We welcome the reduction in complaints from last year, particularly the reduction in relation to patient care, where there had been an increase the previous year.
- We note an increase in patient incidents reported as 'no harm' and 'major harm'. We understand and welcome the trusts encouragement of incident reporting, which can have a positive effect on patient safety, and note the arrangements that are in place to use this information to influence changes to care. We will review this next year in respect of reported incidents of higher harm.

In relation to 2019/20 priorities, we make the following points:

- 
- We welcome the continuation of priorities in relation to improving the inpatient experience and improving waiting times, which includes work to encourage feedback through the 'Points of View' patient survey.
  - We welcome the inclusion of a new priority in relation to equality, diversity and inclusion. Linked to this we have recently established a task and finish group to consider challenges faced by BAME groups in accessing services and we can share the results of that with you.
  - We note the higher than average staff sickness levels and welcome the inclusion of a priority that will link this to experience and quality of services. However, we would suggest some caution to ensure that that this does not indirectly put additional pressure on staff.
  - Overall, we support the priorities proposed for 2019/20, as being a fair reflection of areas that are of high importance to Newcastle residents.

Finally, I would like to acknowledge the continued efforts of the trust to engage with stakeholders and to use that feedback to influence the development of your quality priorities.

Yours sincerely

Cllr Wendy Taylor

Chair, Health Scrutiny Committee

## Northumberland County Council Health and Wellbeing Overview and Scrutiny Committee's statement:

The Health and Wellbeing Overview and Scrutiny Committee welcomes the opportunity to submit a commentary for inclusion in your Annual Plan and Quality Account for 2018/19 as presented to the committee in draft, and about our ongoing engagement with the Trust over the past year. We have continued to receive information from the Trust with participation of your officers at some of our committee's bimonthly meetings.

At our 26 March 2019 meeting we received a presentation on your draft Quality Account for 2018/19 and your priorities for 2019/20. At that meeting we also received a presentation from the North East Ambulance Service NHS Foundation Trust on their Quality Account. Before this we also received presentations from Northumbria Healthcare NHS Foundation Trust and Newcastle upon Tyne Hospitals NHS Foundation Trust about their Quality Accounts at our previous meeting on 5 March 2019. We believe that considering all four Trusts' Quality Accounts within the same month provides a good joined up picture of the many NHS services provided in Northumberland. Members responded favourably to the information you presented, with reference to the highly valued staff and clinical support provided.

Members welcomed the information you presented, including the progress made against the 2018/19 quality priorities: improving the inpatient experience, improving waiting times, embedding the principles of Triangle of Care and embedding Trust values. Regarding your priorities for 2019/20, members welcomed the continuation of a quality priority of both improving the inpatient experience and improving waiting times. Members also welcomed your two new priorities for next year, equality, diversity and inclusion and evaluating the impact of staff sickness on quality.

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Reference was also made to the work and assistance that North East Ambulance Service had contributed through their work addressing sickness absence.

The committee's Vice-chair and Policy Officer Mr Allen also attended your launch event for your Quality Account on 11 April.

From the information you have provided to the committee over the past year, including the presentation about your draft 2018/19 Quality Account, we believe the information provided is a fair and accurate representation of the services provided by the Trust and reflects the priorities of the community. Members also support your priorities for improvement planned for 2019/20.

We also would be very grateful if I could get in contact with you again soon to further discuss possible agenda items for the Health and Wellbeing Overview and Scrutiny Committee to consider about the Trust's services during the next council year beginning on 1 May 2019.

We would also appreciate if we could diarise when you will attend to give next year's equivalent Quality Account and future priorities presentation. I would be very grateful if you could confirm whether the OSC's meeting on Tuesday 31 March 2020 (beginning at 1.00pm) would be suitable please?

If I can be of any further assistance please do not hesitate to contact me.

Yours sincerely,

Mike Bird

Senior Democratic Services Officer, Democratic Services

On behalf of Councillor Jeff Watson, Chair, Northumberland County Council Health and Wellbeing Overview and Scrutiny Committee

## Healthwatch Northumberland Statement:

We welcome the opportunity to respond to the draft quality account of Northumberland, Tyne & Wear NHS Foundation Trust and congratulate the Trust on some good results.

Overall we considered the report gives a fair reflection of the services provided by the Trust. We felt that the document despite being very detailed is easy to read, logical and clear throughout. Plain English usage is much appreciated with very few acronyms. We found the glossary and the explanation boxes to be useful.

We have identified below areas where we believe the Trust has performed well –

- The improved waiting times in Northumberland (with exception of adult Autism Spectrum Disorder diagnosis) are greatly welcomed, especially for children and young people.
- The reduction in complaints overall and especially in the North locality – but see below for further comment.
- The increased response rate to the 'Friends and Family Test' and the improvement in the highest rating score.
- The development of the Specialised Children's Services in Northumberland which resulted in reductions in out of area placements.

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- The NICE Guidance Assessments conducted in 2018/19 showed some interesting results and should repay careful consideration of those few aspects in which NTW was considered non-compliant, particularly in relation to signposting to services in Northumberland.

Mental health and services which support good mental health are a concern to the people of Northumberland. Healthwatch Northumberland conducts an annual survey to hear the people of Northumberland's views and experiences of health and social care. This year's survey reached a record 770 people from a wide range of backgrounds.

As part of the survey, people were asked to rate the priorities that Healthwatch Northumberland should focus on in 2019/20. Mental health services were identified as the top priority and Healthwatch Northumberland will look further at the recurring themes of the availability of information and signposting to support for community based services, waiting times and co-ordination within and between services.

We anticipate, and would appreciate, working with NTW, commissioners and stakeholders in taking this forward.

With this in mind we have identified below areas for improvements –

- We noted last year that the Patient Advice and Liaison Service (PALS) is rightly mentioned as source of advice and support to service users, families and carers. We suggested the Healthwatch function (across all of the Trust's area) is also highlighted as a way of communicating experiences both good and less good and are disappointed to this has not been done in this draft. We suggest it again as an improvement and NTW look to inclusion of Healthwatch feedback/insight into its processes and reporting.
- Complaints – within the context of an overall reduction we note the sharp increase in those relating to 'communications' and how many have been fully or partially upheld. We also note smaller increases in complaints about 'facilities' and 'privacy, dignity and wellbeing'. As these relate directly to service user experience we would welcome further information about what learning the Trust takes from this and any actions to address the issues raised. We would also ask if there may be a link to the hiatus in the 'PLACE' assessments?

Regarding the Trust's priorities for 2019/20, the plans to improve performance appear positive and achievable. We particularly welcome the emphasis on equality and diversity, staff sickness and waiting times.

With regard to equality and diversity, we believe the example used to illustrate the Trust's work in the presentation to the Northumberland Health and Wellbeing Overview and Scrutiny Committee could have been illustrated by a Northumberland based example. We feel it is important, that due to the large rural area and dispersed populations, NTW gives particular emphasis to how it engages with, and provides equitable access to, services for people with protected characteristics who may feel additional isolation and vulnerability.

We are pleased to see that consideration is being given to the impact of staff sickness and the emphasis on health and wellbeing as well quality of care. We look forward to working with NTW in the coming year and continuing to build on the positive working relationship we have established.

Yours sincerely

Derry Nugent

Project Coordinator

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# Gateshead Council Overview and Scrutiny Committee's statement:

Based on Gateshead Care, Health and Wellbeing OSC's knowledge of the work of the Trust during 2018-19 we feel able to comment as follows:-

## **Quality Priorities for Improvement 2019 - 20**

The OSC was supportive of all the quality priorities outlined for 2019-20 but expressed particular support for quality priorities 1. improving the inpatient experience and quality priority 2. improving waiting times.

In relation to quality priority 1. – improving the inpatient experience, OSC noted that as part of the Trust's service improvement and developments during 2018-19 the Trust had been working with other agencies across Newcastle and Gateshead to redesign mental health services to ensure that people can easily access the right care and treatment for their needs within the community.

OSC acknowledged that for a variety of reasons implementation of this work was not occurring at the pace originally anticipated. However, OSC indicated that it was particularly keen to receive regular information from the Trust on the various stages of implementation and timeframes for this work during 2019-20. OSC planned to consider progress on this work as part of its 2019-20 work programme.

## **Progress against Quality Priorities in 2018-19**

### **Safety – Improving the Inpatient Experience**

The OSC has previously raised concerns with the Trust regarding the availability of inpatient beds and the fact that some service users are having to be admitted to beds outside their home locality / go out of area and was pleased to note that there has been a reducing trend in the number of inappropriate out of area bed days during 2018-19. However, the OSC was keen that the position continues to be monitored to ensure that this good work is sustained.

### **Improving Waiting Times**

OSC has previously raised concerns in relation to waiting times and was pleased to note that in Gateshead there have been improvements across waiting times for all service areas. OSC was particularly pleased to note the significant reduction in the number of children waiting for treatment and that none were waiting more than 18 weeks as at 31 March 2019. However, the OSC noted that changes to the provider arrangements for children's services (with NTW now acting as lead provider and sub-contracting with other providers as required) may impact on waiting times going forwards. Changes in national reporting will also affect waiting times. It felt that this situation should be closely monitored and mitigating actions put in place as appropriate.

### **CQC**

The OSC congratulated the Trust on achieving an overall rating of Outstanding from CQC and being one of only two mental health provider Trusts nationally to have achieved this rating.

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The OSC was very pleased to note that all the Trust's core services have been rated as either good or outstanding and was very pleased to note that the Trust's Children and Adolescent Mental Health Wards have now been re-categorised as Good in the Safe category due to reductions in restrictive practices and that wards for older people with mental health problems have been re-categorised to Good in the Effective category due to improvements in personalisation of care plans having both previously been rated as requires improvement.

However, the OSC noted that, during this period, acute wards for adults of working age and psychiatric intensive care units have been rated as "Requires Improvement" in terms of the category of Safety but received reassurances around actions being taken by the Trust to address this situation. The OSC also noted that the Trust has been accredited by the Accreditation for Working Age Wards (AIMS) and the Quality Network for Psychiatric Intensive Care Unit.

## South Tyneside Council Overview and Scrutiny Committee's statement:

Thank you for the opportunity to comment on your 18/19 Quality Report.

We have not asked representatives of NTW to attend any of our scrutiny committees this year as our programme has been very much focussed once again on the "Path to Excellence" programme.

We had intended to look at the Learning Disability Transformation Programme in our schedule for this year but that has not been possible. It will be scheduled in for early in 19/20.

As regards the report itself, we continue to appreciate the high performance standards that the Trust is maintaining in many areas. However, whilst we acknowledge the progress you have made over the waiting times for Child and Adolescent Mental Health Services, we continue to believe that no child should wait more than 9 weeks for services. We understand that driving waiting times down is tough task against the financial, workforce and workload pressures that the Trust are operating under. But we do believe that this is very important so we are therefore pleased that waiting times continue to remain in your priorities for 19/20.

It is concerning that the number of patient safety incidents has continued to grow but we have some assurance that the Trust is treating this issue very seriously through the very open approach you are taking and the governance changes that are being made through learning from previous incidents.

We are assured that NTW is a high performing, caring and very self-aware organisation who are focussing on continuous improvement.

I hope these comments are helpful.

Yours sincerely

Cllr Rob Dix

Chair, South Tyneside Council Overview and Scrutiny Coordinating and Call-in Committee

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# Sunderland City Council Health and Wellbeing Scrutiny Committee's statement:

Sunderland City Council's Health and Wellbeing Scrutiny Committee are once again pleased to be able to comment on the Northumberland Tyne and Wear NHS Foundation Trust Quality Report 2018/19. The quality account provides a clear and concise overview of future and previous priorities as well as reviewing the Trust's quality performance. It is also reassuring for the Scrutiny Committee to acknowledge that the Trust has once again been rated outstanding following a Care Quality Commission inspection.

The committee are pleased to be able to recognise the achievements against the quality priorities set for 2018/19. In particular the progress made in the 'Improving the Inpatient Experience' priority to ensure that beds are always available and inpatient feedback is monitored. Although the 'Improving Waiting Times' priority has not been met it is encouraging to see that significant improvements have been evidenced across the service.

The Children, Education and Skills Scrutiny Committee in Sunderland continues to take an active interest in the waiting times associated with the Children and Young Peoples Service (CYPS). There has been little improvement to waiting times with 41% of children and young people waiting more than 18 weeks and the committee will continue to monitor waiting times in this service area.

The Health and Wellbeing Scrutiny Committee are also pleased to note that both of these priorities remain a focus of the Trust through 2019/20 along with 'Evaluating the impact of staff sickness on quality' and 'Equality, Diversity and Inclusion'. The Committee agrees that it is important that NTW Foundation Trust has a connect with the communities that it serves and operates within, and that it understands the diverse nature of those communities across the North East.

Northumberland Tyne and Wear Foundation Trust are an integral part of the health landscape and provide several important and key services to the people of Sunderland. The Scrutiny function will therefore continue to provide challenge and focus to the Trust that are identified as key issues or priorities within Sunderland. The Health and Wellbeing Scrutiny Committee are therefore satisfied to endorse the quality report for 2018/19.

Cllr Darryl Dixon

Chair of the Health and Wellbeing Scrutiny Committee

# Appendix 1

## CQC Registered locations

The following table outlines the Trust's primary locations for healthcare services as at 31st March 2019.

*Table 36: CQC registered locations*

Location	Regulated Activities				Service Types					
	Treatment of disease, disorder or injury	Assessment or medical treatment for persons detained under the Mental Health Act 1983	Diagnostic and Screening Procedures	CHC	LDC	LTC	MHC	MLS	PHS	RHS
Brooke House	●	●	●							●
Elm House	●	●	●					●		
Ferndene	●	●	●			●		●		●
Hopewood Park	●	●	●			●		●		●
Monkwearmouth Hospital	●	●	●			●		●		●
Campus for Ageing and Vitality	●	●	●					●		●
Northgate Hospital	●	●	●			●		●		●
Queen Elizabeth Hospital	●	●	●					●		
Rose Lodge	●	●	●					●		
Royal Victoria Infirmary	●	●	●					●		
St George's Park	●	●	●			●		●		●
St Nicholas Hospital	●	●	●	●	●	●	●	●	●	●
Walkergate Park	●	●	●					●		●

**Service Types:**

**CHC** – Community health care services

**LDC** – Community based services for people with a learning disability

**LTC** – Long-term conditions services

**MHC** – Community based services for people with mental health needs

**MLS** – Hospital services for people with mental health needs, and/or learning disabilities, and/or problems with substance misuse

**PHS** – Prison healthcare services

**RHS** – Rehabilitation services

**SMC** – Community based services for people who misuse substances

*Table 37: CQC Registered Locations for social and residential activities*

Registered Home/Service	Regulated Activity	Service Type
	Accommodation for persons who require nursing or personal care	Care home service without nursing
Easterfield Court	●	●

Data source (Table 36 and Table 37): [CQC](#)

## Appendix 2

# Priority clinical audits undertaken in 2018/19

*Table 38: Priority clinical audits undertaken in 2018/19*

Board Assurance (6)		
1	CA-17-0007	Care Co-ordination Audit – Community Services
2	CA-17-0028	Clinical Supervision
3	CA-17-0012	Engagement & Observation Audit
4	CA-17-0019	High Dose Anti-Psychotic Prescribing in Community Services
5	CA-17-0020	Six-monthly Reviews of Depot Medication (Joint with CA-17-0008)
6	CA-17-0009	NICE NG72: ADHD in the Adult ADHD Service
7	CA-17-0013	Benchmarking Acuphase Use on Inpatient Care Wards in NTW
8	CA-18-0017	Administration & Electroconvulsive Therapy (ECT)
9	CA-18-0021	Benzodiazepine & Z-Drug Prescribing (PPT-PGN-21) (Inpatient)
10	CA-18-0019	Audit of Risk Assessment in Children & Young People Assessed by Eating Disorders Intensive Community Treatment Team (EDICT)
11	CA-17-0016	NICE (Implementation) QS90 Urinary Tract Infections
12	CA-17-0032	NICE (Implementation) QS161 Sepsis
13	CA-17-0003	Medicines Management: Safe & Secure Medicines Handling (MMRA)
14	CA-17-0015	Controlled Drugs
15	CA-17-0027	Audit of Prescribing Botulinum Toxin (NTW PPT PGN 20) & Administration of Botulinum Toxin (PGD 07)
16	CA-18-0009	Medicines Management: Prescribing Administration & Prescribing Clinical Checking Standards (Take 5 Audit)

Data source: NTW

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## Appendix 3

# Annual report on safe working hours: doctors in training

This report covering the period January to December 2018 was presented to the Trust Board in January 2019

## Executive summary

All new Psychiatry Trainees and GP Trainees rotating into a Psychiatry placement from 2nd August 2017 are on the New 2016 Terms and Conditions of Service. There are currently 117 trainees working into NTW with 96 on the new Terms and Conditions of Service via the accredited training scheme via Health Education England. There are an additional 26 trainees employed directly by NTW working as Trust Grade Doctors or Teaching Fellows. (Total 143).

## Introduction

This is the Annual Board report on Safe Working Hours which focuses on Junior Doctors. The process of reporting has been built into the new junior doctor contract and aims to allow trusts to have an overview of working practices of junior doctors as well as training delivered.

The new contract is gradually implemented by being offered to new trainees' as they take up training posts, in effect this will mean for a number of years we will have trainees employed on two different contracts. It is also of note that although we host over 160 trainee posts, we do not directly employ the majority of these trainees, also due to current recruitment challenges a number of the senior posts are vacant.

## High level data

Number of doctors in training (total): 117 Trainees (at December 2018)

Number of doctors in training on 2016 Terms and Conditions of Service (total): 96 Trainees (December 2018)

Amount of time available in job plan for guardian to do the role: This is being remunerated through payment of 1 Additional Programmed Activity

Admin support provided to the guardian (if any): Ad Hoc by Medical Education, Development and Staffing Team

Amount of job-planned time for educational supervisors: 0.5 PAs per trainee

New Trust Guardian of Safeworking: Dr Clare McLeod

## Exception reports (with regard to working hours)

*Table 39: Working hours exception reports received*

Grade	Rota	Q1	Q2	Q3	Q4	Total Hours & Rest	Total Education
CT1-3	Gateshead			5		5	
CT1-3	St George's Park	4	4		1	9	
CT1-3	NGH			5		4	1
CT1-3	RVl	2			4	6	
CT1-3	St Nicholas	4	1	1		5	1
ST4+	North of Tyne	1			1	2	
ST4+	South of Tyne			1		1	
ST4+	CAMHS	1			1	2	
<b>Total</b>		<b>36</b>	<b>12</b>	<b>5</b>	<b>7</b>	<b>12</b>	<b>2</b>

## Work schedule reviews

During the year there have been 36 Exception Reports submitted from Trainees; the outcome of which was that TOIL was granted for 27 cases, 5 no action required, 2 cases were not agreed and payment was made on 2 occasions. Emergency rota cover is arranged when no cover can be found from either Agency or current trainees. The rotas are covered by 2 trainees rather than 3 and payment is made to the 2 trainees providing cover at half rate.

### a) Locum bookings

*Table 40: Locum bookings (agency) by department*

Specialty	Q1	Q2	Q3	Q4
Neuro Rehab				
Hopewood Park	3	3	2	2
Gateshead	1			
NGH	4	3	2	
RVl				
SNH	1			
CAMHS				
LD				
SGP	5	6	1	
South of Tyne			1	1
North of Tyne			3	
<b>Total</b>	<b>14</b>	<b>12</b>	<b>9</b>	<b>3</b>

*Table 41: Locum bookings (agency) by grade*

Grade	Q1	Q2	Q3	Q4
F2				
CT1-3	14	9	5	2
ST4+		3	4	1
<b>Total</b>	<b>14</b>	<b>12</b>	<b>9</b>	<b>3</b>

*Table 42: Locum bookings (agency) by reason*

Reason	Q1	Q2	Q3	Q4
Vacancy	14	12	5	3
Sickness/other			4	
<b>Total</b>	<b>14</b>	<b>12</b>	<b>9</b>	<b>3</b>

### b) Locum work carried out by trainees

*Table 43: Number of locum shifts worked by trainees*

Area	Q1	Q2	Q3	Q4	Total
SNH	17	22	13	11	63
SGP	41	26	16	12	95
Gateshead	8	10	3	8	29
Crisis	9	4	5	8	26
Hopewood Park	16	20	13	13	62
RVl	14	4	6	4	28
NGH	17	6	3	16	42
North of Tyne	33	11	16	22	82
South of Tyne	0	0	18	26	44
CAMHS	6	4	1	0	11
<b>Total</b>	<b>161</b>	<b>107</b>	<b>94</b>	<b>120</b>	<b>482</b>

### c) Vacancies

Table 44: Vacancies by quarter

Area	Grade	Q1	Q2	Q3	Q4
NGH/CAV	CT	3	3		3
	GP	3	3	1	
SNH	CT	3		3	3
	GP			2	
SGP	CT	9	9	6	6
	GP	3	3	1	1
RFI	CT				
HWP	CT	6	9	8	4
	FY2			2	2
Gateshead	CT		1	2	1
	GP			2	2
Total		27	28	27	22

### d) Emergency Rota Cover

Table 45: Emergency Rota Cover by Trainees

Reason	Q1	Q2	Q3	Q4
Vacancy	3	2	4	1
Sickness/other	4	11	19	11
Total	7	13	23	12

### e) Fines

There was 1 fine during the year. This was due to inadequate rest between shifts due to working late following emergency admissions at St George's Park. The doctor has received payment accordingly and the Guardian has issued a fine to the service of £383.96. At the Junior Doctor Forum agreement was reached to purchase books to assist trainees sitting CASC exams.

### Qualitative information:

Very low numbers of Exception Reports continue despite efforts to raise the profile at Junior Doctor Forums and Induction. Guardian of Safe-working and Medical Staffing Representative are attending various sites to meet with trainees following teaching to raise awareness of Exception

Reporting. Dates have been added to the calendar for 2019.

### Issues arising

There have been 17 IR1s submitted for Insufficient Medical Handover since the system was introduced in May 2018 which relate to insufficient handover when a patient is admitted to hospital.

Some trainees find attending the Junior Doctors Forum difficult on a Friday, due to other clinical and training commitments.

The BMA have produced the Fatigue and Facilities charter which outlines steps to promote better working conditions for doctors to reduce fatigue, improve safety and provide more efficient care.

Matt Hancock, Secretary of State for Health and Social Care, has allocated funds to be spent by the Guardian of each trust specifically to improve the working conditions for junior doctors. These funds are contingent on trusts agreeing to the principles outlined in the BMA Fatigue and Facilities charter.

### Actions taken to resolve issues:

The Director of Medical Education has reviewed and summarised the IR1s submitted for Insufficient Medical Handover up until November 2018. This summary has been circulated to all medical staff and crisis team managers in the trust. The guidance of when to submit an IR1 has again been circulated to all medical staff and the crisis teams. The Guardian and Medical Staffing representative have met with trainees at HWP and SGP to explain about when and how to submit an IR1 form for Insufficient Medical Handover and have arranged to visit trainees at CAV in January 2019.

The number of IR1s submitted has increased since the Guardian visits to trainees. These will continue to be reviewed and reported through the forum and report to the Board. IR1s with both possible reporting codes (PC12: Insufficient Medical Handover and SD08: Poor Transition of Care) are now included in the reports which are sent to the Guardian, DME and Medical Staffing Manager.

The Forum now alternates between a Thursday and a Friday. Following feedback from trainees, it was agreed that a room with a large screen set up with skype would be arranged so that trainees could join the forum together. This will be piloted at HWP for the meeting on 10th January.

The profile of Exception Reporting continues to be raised through the Junior Doctor Forum, at Induction for new doctors and at visits to trainees. The document "What is Work" which is guidance as to when it would be appropriate to raise an Exception Report, originally developed by the Guardians of Safe Working across the Region has been updated following discussions in the Junior Doctors Forum and is now on the trust intranet. The Guardian has shared the document with all trainees in the trust and will continue to use it at Induction. The Guardian and the Medical Staffing Team have met with trainees at HWP on 7th November and SGP on 10th December to raise awareness of Exception Reporting. There are dates to meet trainees rotating through four trust sites on a monthly basis, arranged at times to coincide with training; the next meeting is at CAV on 31st January.

At the Guardian Forum on 16th November, it was confirmed that the trust agrees in principle with the BMA Fatigue and Facilities charter. It was agreed that a working group be formed to review the charter, to agree

the points which were relevant to this trust and to add any additional points more specific to NTW. The first meeting was held on 17th December. The charter was agreed in the main. The Guardian will ensure that information relating to the importance of taking breaks is conveyed at Induction and review the information given about safety when travelling to trust sites out of hours and about changing facilities and showers.

Rest facilities for trainees to use when on duty and to sleep after a night shift to ensure safety to drive home were discussed in this working group. The current facilities are shared with day-time teams and need to be vacated at 9am. The difficulty identifying appropriate accommodation was discussed. It was proposed that the money received on the adoption of the charter could be used to fund appropriate rest facilities and it was suggested that this could be the purchase of pods which would be directly accessed from trust buildings for the sole use of junior doctors to provide appropriate rest facilities. The Director of Workforce Planning will write to Mr. Hancock to enquire about the likely amount the trust would have to spend on improving conditions for junior doctors, on acceptance of the charter, to inform the discussions about how best to use these funds. This will continue to be discussed through the Forum.

## Summary

Work is continuing to promote the importance of Exception Reporting and emphasise that it is a positive process.

The process to record episodes of Insufficient Medical Handover is now established and will continue to be reviewed at the Guardian Forum. A summary of reports submitted to date and the guidance

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has been shared with all medical staff and crisis team managers.

The Guardian and medical staffing representatives have arranged monthly meetings with trainees rotating through four trust sites to discuss Exception Reporting, medical handover and for any other issues that arise.

It is hoped that by alternating the day of the forum and through the use of Skype, attendance at the Forum can be facilitated and allow more trainees to attend.

Through the Guardian Forum, the BMA Fatigue and Facilities charter is being

reviewed. It has been accepted in principle and a working group has been convened to look at trust specific issues to add to or amend the document. Once adopted, we understand that the trust would receive funds from the Secretary of State for Health and Social Care to be spent by the Guardian to improve the working conditions for junior doctors.

**Dr Clare McLeod**  
Trust Guardian of Safeworking

January 2019

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## Appendix 4

# Further information on the Points of You experience survey

Points of You is a survey designed with service user and carer involvement to capture feedback about their experience of the care and treatment provided. The survey is composed of 10 questions to help Northumberland, Tyne and Wear NHS Foundation Trust make improvements in specific areas. NHS England requires us to ask the 'Friends and Family Test' question which is also included in the Points of You survey as the first question.

Service user and carer experience is an important indicator of service quality, and only by asking our service users and carers about their experience can we monitor and continuously improve the quality of our services. All service users and carers should have the opportunity to provide feedback of their experience. It is important to hear from all service users and carers who are accessing or have recently accessed our inpatient, community and outpatient services.

Points of You can be completed as a hard copy that should be freely available in all clinical areas, online at [www.ntw.nhs.uk/poy](http://www.ntw.nhs.uk/poy), or via a postal survey.

The questions we ask are:

1. How likely are you to recommend our team or ward to friends and family if they needed similar care or treatment?
2. How kind and caring were staff to you?
3. Were you encouraged to have your say in the treatment or service received and what was going to happen?
4. Did we listen to you?
5. If you had any questions about the service being provided did you know who to talk to?
6. Were you given the information you needed?
7. Were you happy with how much time we spent with you?
8. Did staff help you to feel safe when we were working with you?
9. Overall did we help?
10. Is there anything else you would like to tell us about the team or ward? (You can also use this space to tell us more about any of the questions on this survey)

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## Appendix 5

# Statement of Directors' Responsibilities in respect of the Quality Report

The directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations to prepare Quality Accounts for each financial year.

NHS Improvement has issued guidance to NHS foundation trust boards on the form and content of annual quality reports (which incorporate the above legal requirements) and on the arrangements that NHS foundation trust boards should put in place to support the data quality for the preparation of the quality report.

In preparing the quality report, directors are required to take steps to satisfy themselves that:

- the content of the quality report meets the requirements set out in the NHS foundation trust annual reporting manual 2018/19 and supporting guidance Detailed requirements for quality reports 2018/19
- the content of the quality report is not inconsistent with internal and external sources of information including:
  - board minutes and papers for the period April 2018 to May 2019
  - papers relating to quality reported to the board over the period April 2018 to May 2019
  - feedback from commissioners dated May 2019
  - feedback from governors dated May 2019
  - feedback from local Healthwatch organisations dated May 2019
  - feedback from overview and scrutiny committee dated May 2019
  - the trust's Annual review of complaints information which was presented to the Board within the Safer Care (Quarter 4) report published under Regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated April 2019
  - the 2018 national patient survey
  - the 2018 national staff survey
  - the Head of Internal Audit's annual opinion of the trust's control environment dated May 2019
  - CQC inspection report dated 26/07/2018
- the quality report presents a balanced picture of the NHS foundation trust's performance over the period covered
- the performance information reported in the quality report is reliable and accurate
- there are proper internal controls over the collection and reporting of the measures of performance included in the quality report, and these controls are subject to review to confirm that they are working effectively in practice
- the data underpinning the measures of performance reported in the quality report is robust and reliable, conforms to specified data quality standards and prescribed definitions, is subject to appropriate scrutiny and review
- the quality report has been prepared in accordance with NHS Improvement's annual reporting manual and supporting guidance (which incorporates the quality accounts regulations) as well as the standards to support data quality for the preparation of the quality report.

The directors confirm to the best of their knowledge and belief they have complied with the above requirements in preparing the quality report.

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By order of the Board

22 May 2019

A handwritten signature consisting of the letters 'Ken' and 'Jarrold' written in cursive.

Ken Jarrold

Chair

22 May 2019

A handwritten signature consisting of the letters 'John' and 'Lawlor' written in cursive.

John Lawlor

Chief Executive

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## Appendix 6

# Limited Assurance Report on the content of the Quality Report

### **Independent auditor's report to the Council of Governors of Northumberland, Tyne and Wear NHS Foundation Trust on the Quality Report**

We have been engaged by the Council of Governors of Northumberland, Tyne and Wear NHS Foundation Trust to perform an independent assurance engagement in respect of Northumberland, Tyne and Wear NHS Foundation Trust's Quality Report for the year ended 31 March 2019 (the "Quality Report") and certain performance indicators contained therein.

#### **Scope and subject matter**

The indicators for the year ended 31 March 2019 subject to limited assurance consist of the national priority indicators as mandated by NHS Improvement:

- Early intervention in psychosis (EIP): people experiencing a first episode of psychosis treated with a National Institute for Health and Care Excellence (NICE)-approved care package within two weeks of referral; and
- Inappropriate out-of-area placements for adult mental health services

We refer to these national priority indicators collectively as the "indicators".

#### **Respective responsibilities of the Directors and auditors**

The Directors are responsible for the content and the preparation of the Quality Report in accordance with the criteria set out in the NHS Foundation Trust Annual Reporting Manual issued by NHS Improvement.

Our responsibility is to form a conclusion, based on limited assurance procedures, on whether anything has come to our attention that causes us to believe that:

- the Quality Report is not prepared in all material respects in line with the criteria set out in the NHS Foundation Trust Annual Reporting Manual and supporting guidance;
- the Quality Report is not consistent in all material respects with the sources specified in NHS Improvement's Detailed Requirements for External Assurance for Quality Reports 2018/19; and
- the indicators in the Quality Report identified as having been the subject of limited assurance in the Quality Report are not reasonably stated in all material respects in accordance with the NHS Foundation Trust Annual Reporting Manual and supporting guidance and the six dimensions of data quality set out in the Detailed Requirements for External Assurance on Quality Reports.

We read the Quality Report and consider whether it addresses the content requirements of the NHS Foundation Trust Annual Reporting Manual and supporting guidance, and consider the implications for our report if we become aware of any material omissions.

We read the other information contained in the Quality Report and consider whether it is materially inconsistent with:

- 
- Board minutes for the period April 2018 to April 2019;
  - Papers relating to quality reported to the Board over the period April 2018 to April 2019
  - Feedback from Commissioners: Newcastle Gateshead, North Tyneside, Northumberland, South Tyneside and Sunderland Clinical Commissioning Groups (dated 14 May 2019);
  - Feedback from Governors;
  - Feedback from local Healthwatch organisations: Healthwatch Northumberland (dated 10 May 2019) and Healthwatch North Tyneside (dated 21 May 2019);
  - Feedback from the Overview and Scrutiny Committees: South Tyneside Council (dated 16 April 2019), Northumberland County Council (dated 7 May 2019), Sunderland City Council (dated 8 May 2019), Newcastle City Council (dated 10 May 2019) and Gateshead Council (dated 17 May 2019);
  - The Trust's complaints information that will inform its complaints report to be published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009;
  - The national patient survey (dated 2018);
  - The national NHS staff survey (dated 2018);
  - Care Quality Commission inspection report (dated 26 July 2018);
  - The Head of Internal Audit's annual opinion over the trust's control environment for the period April 2018 to March 2019 (dated 15 May 2019); and
  - Any other information included in our review.

We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with those documents (collectively the “documents”). Our responsibilities do not extend to any other information.

We are in compliance with the applicable independence and competency requirements of the Institute of Chartered Accountants in England and Wales (ICAEW) Code of Ethics. Our team comprised assurance practitioners and relevant subject matter experts.

This report, including the conclusion, has been prepared solely for the Council of Governors of Northumberland, Tyne and Wear NHS Foundation Trust as a body, in reporting Northumberland, Tyne and Wear NHS Foundation Trust's quality agenda, performance and activities. We permit the disclosure of this report within the Annual Report for the year ended 31 March 2019, to enable the Council of Governors to demonstrate that it has discharged their governance responsibilities by commissioning an independent assurance report in connection with the indicators. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors as a body and Northumberland, Tyne and Wear NHS Foundation Trust for our work or this report, except where terms are expressly agreed and with our prior consent in writing.

### **Assurance work performed**

We conducted this limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) – ‘Assurance Engagements other than Audits or Reviews of Historical Financial Information’ issued by the International Auditing and Assurance Standards Board ('ISAE 3000'). Our limited assurance procedures included:

- evaluating the design and implementation of the key processes and controls for managing and reporting the indicators;
- making enquiries of management;
- testing key management controls;

- 
- limited testing, on a selective basis, of the data used to calculate the indicator back to supporting documentation;
  - comparing the content requirements of the NHS Foundation Trust Annual Reporting Manual to the categories reported in the Quality Report; and
  - reading the documents.

A limited assurance engagement is smaller in scope than a reasonable assurance engagement. The nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement.

### **Limitations**

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information.

The absence of a significant body of established practice on which to draw allows for the selection of different but acceptable measurement techniques which can result in materially different measurements and can impact comparability. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision of these criteria, may change over time. It is important to read the Quality Report in the context of the criteria set out in the NHS Foundation Trust Annual Reporting Manual and supporting guidance.

The scope of our assurance work has not included governance over quality or non-mandated indicators which have been determined locally by Northumberland, Tyne and Wear NHS Foundation Trust.

### **Conclusion**

Based on the results of our procedures, nothing has come to our attention that causes us to believe that, for the year ended 31 March 2019:

- the Quality Report is not prepared in all material respects in line with the criteria set out in the NHS Foundation Trust Annual Reporting Manual and supporting guidance;
- the Quality Report is not consistent in all material respects with the sources specified in NHS Improvement's Detailed Requirements for External Assurance for Quality Reports 2018/19; and
- the indicators in the Quality Report subject to limited assurance have not been reasonably stated in all material respects in accordance with the NHS Foundation Trust Annual Reporting Manual and supporting guidance.

Signed:



Gareth Davies

Partner, for and on behalf of Mazars LLP

Date: 22 May 2019

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Chartered Accountants and Statutory Auditor

Salvus House

Aykley Heads

Durham

DH1 5TS

## Appendix 7

# Glossary

<b>A&amp;E</b>	Accident & Emergency department
<b>ADHD</b>	Attention Deficit Hyperactivity Disorder – a group of behavioural symptoms that include inattentiveness, hyperactivity and impulsiveness
<b>AIMS</b>	Accreditation for Inpatient Mental health Services
<b>Bed days</b>	The number of days that a hospital bed is occupied overnight.
<b>Blanket restriction</b>	Rules or policies that restrict a service user's liberty and other rights, which are routinely applied to a group of service users without individual risk assessments to justify their application.
<b>CAMHS</b>	Children and Adolescent Mental Health Services. In NTW we usually refer to our services as CYPS (see below)
<b>Casemix</b>	a term used to identify groups of statistically similar patients
<b>CCG</b>	Clinical Commissioning Group – a type of NHS organisation that commissions primary, community and secondary care from providers
<b>CAS alert</b>	The Central Alerting System is a web-based cascading system for issuing patient safety alerts, important public health messages and other safety critical information and guidance to the NHS.
<b>CCQI</b>	College Centre for Quality Improvement – part of the Royal College of Psychiatrists, working with services to assess and increase the quality of care they provide.
<b>CGI</b>	Clinical Global Impression Rating Scale
<b>Commissioner</b>	Members of Clinical Commissioning Groups (CCGs), regional and national commissioning groups responsible for purchasing health and social care services from NHS Trusts.
<b>CQUIN</b>	Commissioning for Quality and Innovation – a scheme whereby part of our income is dependent upon improving quality
<b>Clinician</b>	A healthcare professional working directly with service users. Clinicians come from a number of healthcare professions such as psychiatrists, psychologists, nurses and occupational therapists.
<b>Cluster / Clustering</b>	Mental health clusters are used to describe groups of service users with similar types of characteristics.
<b>CQC</b>	Care Quality Commission – the independent regulator of health and adult social care in England. The CQC registers (licenses) providers of care services if they meet essential standards of quality and safety and monitor them to make sure they continue to meet those standards.
<b>CPA</b>	Care Programme Approach – a package of care for some service users, including a care coordinator and a care plan.
<b>CRIS</b>	Clinical Record Interactive System allows researchers to conduct research using the large amount of information from electronic patient records
<b>CTO</b>	Community Treatment Order

<b>CYPS</b>	Children and Young Peoples Services – also known as CAMHS
<b>Dashboard</b>	An electronic system that presents relevant information to staff, service users and the public
<b>DOLS</b>	Deprivation Of Liberty Safeguards – a set of rules within the Mental Capacity Act for where service users can't make decisions about how they are cared for.
<b>Dual Diagnosis</b>	Service users who have a mental health need combined with alcohol or drug usage
<b>ECT</b>	Electroconvulsive therapy
<b>EIP</b>	Early Intervention in Psychosis
<b>Forensic</b>	Forensic teams provide services to service users who have committed serious offences or who may be at risk of doing so
<b>Freedom to Speak Up</b>	Encouraging and supporting staff to raise concerns at work, based on recommendation from Sir Robert Francis' Freedom to Speak Up Review in response to the Mid-Staffordshire scandal.
<b>Friends and Family Test (FFT)</b>	A process for people who use NHS services to provide feedback on their experience.
<b>FTE</b>	Full-Time Equivalent, a unit of employment that accounts for some people working part-time
<b>Gatekept</b>	Gatekeeping involves assessing the service user before admission to hospital to consider whether there are alternatives to admission
<b>GP</b>	General Practitioner – a primary care doctor
<b>HDAT</b>	High Dose Antipsychotic Therapy
<b>HQIP</b>	The Healthcare Quality Improvement Partnership promotes quality in healthcare, and in particular to increase the impact that clinical audit has on healthcare quality improvement
<b>IAPT</b>	Improving Access to Psychological Therapies – a national programme to implement National Institute for Health and Clinical Excellence (NICE) guidelines for people suffering from depression and anxiety disorders.
<b>ICD10</b>	International Classification of Diseases (ICD) 10th Revision, used to code diagnoses
<b>Integrated Care System</b>	A collaborative arrangement where NHS organisations, local councils and others take collective responsibility for managing resources, delivering NHS standards, and improving the health of the population they serve.
<b>LD</b>	Learning Disabilities
<b>LeDeR</b>	The Learning Disabilities Mortality Review Programme aims to make improvements in the quality of health and social care for people with learning disabilities, and to reduce premature deaths in this population.
<b>Lester Tool</b>	The Lester Positive Cardiometabolic Health Resource provides a simple framework for identifying and treating cardiovascular and type 2 diabetes risks in service users with psychosis receiving antipsychotic medication.
<b>LGBT</b>	Lesbian, Gay, Bisexual, and Transgender

<b>MHCT</b>	Mental Health Clustering Tool – a computerised system used in clustering
<b>Multimorbidity</b>	Relating to service users with several co-occurring diseases
<b>NHS</b>	National Health Service – the publicly funded national healthcare system for England
<b>NHS Improvement</b>	The independent regulator of NHS Foundation Trusts, ensuring they are well led and financially robust.
<b>Single Oversight Framework</b>	An NHS Improvement framework for assessing the performance of NHS Foundation Trusts (replacing the Monitor Risk Assessment Framework)
<b>NEQOS</b>	North East Quality Observatory System – an organisation that helps NHS Trusts to improve quality through data measurement
<b>NICE</b>	National Institute for Health and Care Excellence – an organisation that produces best practice guidance for clinicians
<b>NIHR</b>	National Institute of Health Research – an NHS organisation undertaking healthcare related research
<b>NRLS</b>	National Reporting and Learning System – a system for recording patient safety incidents, operated by NHS Improvement
<b>NTW</b>	Northumberland, Tyne and Wear NHS Foundation Trust
<b>Out of area placements</b>	Service users admitted inappropriately to an inpatient unit that does not usually receive admissions of people living in the catchment of the person's local community mental health team.
<b>Pathway</b>	A service user journey through the Trust, people may come into contact with many different services
<b>Personality Disorder</b>	a class of mental disorders characterized by enduring maladaptive patterns of behaviour, cognition, and inner experience
<b>PHSO</b>	The Parliamentary And Health Service Ombudsman
<b>PICU</b>	Psychiatric Intensive Care Unit
<b>Points of You</b>	An NTW service user and carer feedback system that allows us to evaluate the quality of services provided. For more information on Points of You please see page 104.
<b>POMH-UK</b>	Prescribing Observatory for Mental Health – a national organisation that helps mental health trusts to improve their prescribing practice.
<b>PMVA</b>	Prevention and Management of Violence and Aggression
<b>QPR</b>	Process of Recovery Questionnaire, a patient reported outcome measure
<b>Rapid tranquillisation</b>	When medicines are given to a person who is very agitated or displaying aggressive behaviour to help quickly calm them.
<b>REACT</b>	Relatives Education And Coping Toolkit, an online self-help package for relatives and friends of people with mental health problems
<b>Recovery College</b>	Recovery Colleges take an educational approach to provide a safe space where people can connect, gain knowledge and develop skills.
<b>RiO</b>	NTW's electronic patient record
<b>RTT</b>	Referral To Treatment – used in many waiting times calculations

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<b>Serious Incident</b>	An incident resulting in death, serious injury or harm to service users, staff or the public, significant loss or damage to property or the environment, or otherwise likely to be of significant public concern. This includes 'near misses' or low impact incidents which have the potential to cause serious harm.
<b>Talk 1st</b>	Part of NTW's Positive & Safe Care Strategy. We aim to reduce violence and aggression, and restrictive interventions.
<b>Transition</b>	When a service user moves from one service to another, for example from an inpatient unit to being cared for at home by a community team.
<b>Triangle of Care</b>	a national scheme, to promote therapeutic alliance between the service user, their mental health professional and their carers
<b>Tyne and Wear Citizens Programme</b>	The local chapter of Citizens UK, organising communities to act together for power, social justice and the common good.

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For other versions telephone 0191 246 6935 or email  
[qualityassurance@ntw.nhs.uk](mailto:qualityassurance@ntw.nhs.uk)

Copies of this Quality Account can be obtained from our website ([www.ntw.nhs.uk](http://www.ntw.nhs.uk)) and the NHS Choices website ([www.nhs.uk](http://www.nhs.uk)). If you have any feedback or suggestions on how we could improve our quality account, please do let us know by emailing [qualityassurance@ntw.nhs.uk](mailto:qualityassurance@ntw.nhs.uk) or calling 0191 246 6935.

Printed copies can be obtained by contacting:

Commissioning and Quality Assurance Department

St Nicholas Hospital  
Jubilee Road, Gosforth  
Newcastle upon Tyne  
NE3 3XT

Tel: 0191 246 6935

## Foreword to the Accounts

### Northumberland, Tyne & Wear NHS Foundation Trust Group

These accounts for the period ended 31st March 2019 have been prepared by the Northumberland, Tyne & Wear NHS Foundation Trust under Schedule 7 of the National Health Service Act 2006, paragraphs 24 and 25 and in accordance with directions given by NHS Improvement, the Independent Regulator of Foundation Trusts, and have been prepared on a going concern basis.

A handwritten signature in black ink, appearing to read "John Lawlor".

John Lawlor  
Chief Executive  
22 May 2019

**Statement of Comprehensive Income**

	Note	Group 2018/19 £000	Trust 2018/19 £000	Group 2017/18 £000	Trust 2017/18 £000
<b>Operating income</b>					
Operating income from patient care activities		296,227	296,227	289,873	289,873
Other operating income		27,405	30,329	25,637	28,543
<b>Operating income from continuing operations</b>	3	323,632	326,556	315,510	318,416
<b>Operating expenses from continuing operations</b>	4	(312,935)	(317,968)	(295,792)	(301,126)
<b>Operating surplus from continuing operations</b>		10,697	8,588	19,718	17,290
<b>Finance costs</b>					
Finance income	10	165	1,022	54	953
Finance expense	11	(5,533)	(5,532)	(5,490)	(5,490)
PDC dividends payable		(833)	(833)	(520)	(520)
<b>Net finance costs</b>		(6,201)	(5,343)	(5,956)	(5,057)
Asset disposals		2,534	2,534	1,698	1,698
Corporation tax expense		(232)	0	(344)	0
Share of surplus from joint ventures		39	39	0	0
<b>Surplus from continuing operations</b>		6,837	5,818	15,116	13,931
<b>Surplus for the financial year</b>		6,837	5,818	15,116	13,931
<b>Other comprehensive income</b>					
Impairments		185	185	813	813
Revaluations		0	0	0	0
Other reserve movements		0	0	0	0
<b>Total comprehensive income income for the year</b>		7,022	6,003	15,929	14,744

**Statement of Financial Position**

	Note	Group 2018/19 £000	Trust 2018/19 £000	Group 2017/18 £000	Trust 2017/18 £000
<b>Non-current assets</b>					
Intangible assets	13	1,238	1,231	1,050	1,040
Property, plant and equipment	14	130,044	129,462	128,958	128,531
Investments in Subsidiaries	15	0	12,516	0	12,516
Loans to Subsidiaries	15	0	20,576	0	26,769
Investments in associates and joint ventures	15	20	20	0	0
Trade and other receivables	20	247	230	470	468
<b>Total non-current assets</b>		<b>131,549</b>	<b>164,035</b>	<b>130,478</b>	<b>169,324</b>
<b>Current assets</b>					
Inventories	19	437	273	319	236
Trade and other receivables	20	20,809	20,672	21,321	21,461
Loans to Subsidiaries	15	0	615	0	751
Non-current assets for sale and assets in disposal groups	16	325	325	285	285
Cash and cash equivalents	21	31,641	27,864	24,465	18,981
<b>Total current assets</b>		<b>53,212</b>	<b>49,749</b>	<b>46,390</b>	<b>41,714</b>
<b>Current liabilities</b>					
Trade and other payables	22	(30,955)	(28,721)	(25,408)	(24,273)
Borrowings	23	(4,980)	(4,980)	(6,312)	(6,312)
Provisions	26	(773)	(764)	(600)	(591)
Other liabilities	24	(484)	(3,513)	(338)	(3,367)
<b>Total current liabilities</b>		<b>(37,192)</b>	<b>(37,978)</b>	<b>(32,658)</b>	<b>(34,543)</b>
<b>Total assets less current liabilities</b>		<b>147,569</b>	<b>175,806</b>	<b>144,210</b>	<b>176,495</b>
<b>Non-current liabilities</b>					
Borrowings	23	(85,072)	(85,072)	(89,825)	(89,825)
Provisions	26	(6,372)	(6,372)	(6,625)	(6,625)
Other liabilities	24	(324)	(32,246)	(250)	(35,201)
<b>Total non-current liabilities</b>		<b>(91,768)</b>	<b>(123,690)</b>	<b>(96,700)</b>	<b>(131,651)</b>
<b>Total assets employed</b>		<b>55,801</b>	<b>52,116</b>	<b>47,510</b>	<b>44,844</b>
<b>Financed by</b>					
<b>Taxpayers' equity:</b>					
Public Dividend Capital			204,755	203,486	203,486
Revaluation reserve	28	3,095	3,095	3,008	3,008
Income and expenditure reserve		(153,294)	(155,734)	(160,384)	(161,650)
<b>Total taxpayers' equity</b>		<b>54,556</b>	<b>52,116</b>	<b>46,110</b>	<b>44,844</b>
<b>Other's equity:</b>					
Charitable fund reserves		1,245	0	1,400	0
<b>Total taxpayers' and others' equity</b>		<b>55,801</b>	<b>52,116</b>	<b>47,510</b>	<b>44,844</b>

The financial statements were approved by the Board on 22 May 2019 and signed on its behalf by:

John Lawlor  
Chief Executive  
22-May-19

**Statement of Changes in Taxpayers' Equity: 1st April 2018 to 31st March 2019**

	Group					Trust			
	Taxpayers' Equity 2018/19				Income & Expenditure Reserve £000	Taxpayers' Equity 2018/19			Income and Expenditure Reserve £000
	Total £000	Public Dividend Capital £000	Revaluation Reserve £000	Charitable Fund Reserve £000		Total £000	Public Dividend Capital £000	Revaluation Reserve £000	
<b>Others' and Taxpayers' equity at 1st April 2018</b>	<b>47,510</b>	203,486	3,008	1,400	(160,384)	<b>44,844</b>	203,486	3,008	(161,650)
Surplus/(deficit) for the year	6,837	0	0	(155)	6,992	5,818	0	0	5,818
Net Impairments	185	0	185	0	0	185	0	185	0
Revaluations - property, plant and equipment	0	0	0	0	0	0	0	0	0
Transfer to retained earnings on disposal of assets	0	0	(98)	0	98	0	0	(98)	98
Public Dividend Capital received	1,269	1,269	0	0	0	1,269	1,269	0	0
<b>Others' and Taxpayers' equity at 31st March 2019</b>	<b>55,801</b>	<b>204,755</b>	<b>3,095</b>	<b>1,245</b>	<b>(153,294)</b>	<b>52,116</b>	<b>204,755</b>	<b>3,095</b>	<b>(155,734)</b>

**Statement of Changes in Taxpayers' Equity: 1st April 2017 to 31st March 2018**

	Group					Trust			
	Taxpayers' Equity 2017/18				Income & Expenditure Reserve £000	Taxpayers' Equity 2017/18			Income and Expenditure Reserve £000
	Total £000	Public Dividend Capital £000	Revaluation Reserve £000	Charitable Fund Reserve £000		Total £000	Public Dividend Capital £000	Revaluation Reserve £000	
<b>Others' and Taxpayers' equity at 1st April 2017</b>	<b>30,706</b>	202,611	2,215	1,481	(175,601)	<b>29,225</b>	202,611	2,215	(175,601)
Surplus/(deficit) for the year	15,116	0	0	(81)	15,197	13,931	0	0	13,931
Net Impairments	813	0	813	0	0	813	0	813	0
Revaluations - property, plant and equipment	0	0	0	0	0	0	0	0	0
Transfer to retained earnings on disposal of assets	0	0	(20)	0	20	0	0	(20)	20
Public Dividend Capital received	875	875	0	0	0	875	875	0	0
<b>Others' and Taxpayers' equity at 31st March 2018</b>	<b>47,510</b>	<b>203,486</b>	<b>3,008</b>	<b>1,400</b>	<b>(160,384)</b>	<b>44,844</b>	<b>203,486</b>	<b>3,008</b>	<b>(161,650)</b>

**Statement of Cash Flows**

	Note	Group 2018/19 £000	Trust 2018/19 £000	Group 2017/18 £000	Restated Trust 2017/18 £000
<b>Cash flows from operating activities:</b>					
Operating surplus from continuing operations		10,697	8,588	19,718	17,290
<b>Operating surplus/(deficit)</b>		<b>10,697</b>	<b>8,588</b>	<b>19,718</b>	<b>17,290</b>
<b>Non-cash income and expense:</b>					
Depreciation and amortisation		4,949	4,804	4,747	4,614
Net impairments and net (reversals) of impairments		798	798	(6,197)	(6,197)
Income recognised in respect of capital donations		(25)	(25)	0	0
(Increase)/decrease in contract and other receivables		(642)	(359)	(32)	590
(Increase)/decrease in inventories		(118)	(37)	40	123
Increase in trade and other payables		5,381	4,351	4,767	3,180
Increase/(decrease) in other liabilities		220	(2,809)	(235)	37,745
(Decrease) in provisions		(99)	(99)	(659)	(668)
Movements in charitable fund working capital		16	0	19	0
NHS charitable funds other movements in operating cash flows		10	0	8	0
Tax (paid)/received		(339)	0	(344)	0
Other movements in operating cash flows		0	0	0	(900)
<b>Net cash generated from operations</b>		<b>20,848</b>	<b>15,212</b>	<b>21,832</b>	<b>55,777</b>
<b>Cash flows from investing activities:</b>					
Interest received		147	1,022	45	952
Purchase of shares in Subsidiary		0	0	0	(12,516)
Issue / Movement in loan with Subsidiary		0	6,329	0	(27,520)
Proceeds from investments in Associates		20	20	0	0
Purchase of intangible assets		(366)	(366)	(533)	(522)
Purchase of Property, Plant and Equipment and Investment Property		(6,876)	(6,921)	(5,308)	(4,717)
Sales of Property, Plant and Equipment and Investment Property		4,966	4,967	357	357
Sales of Property, Plant and Equipment and Inventory to Subsidiary		0	182	0	590
Receipt of cash donations to purchase capital assets		25	25	0	0
<b>Net cash (used in) investing activities</b>		<b>(2,084)</b>	<b>5,258</b>	<b>(5,439)</b>	<b>(43,376)</b>
<b>Cash flows from financing activities:</b>					
Public dividend capital received		1,269	1,269	875	875
Movement in loans from the Department of Health and Social Care		(5,315)	(5,315)	(5,314)	(5,314)
Capital element of finance lease rental payments		(61)	(61)	(60)	(60)
Capital element of PFI, LIFT and other service concession payments		(937)	(937)	(791)	(791)
Interest paid		(1,178)	(1,178)	(1,307)	(1,307)
Interest element of finance lease		(35)	(35)	(38)	(38)
Interest element of PFI, LIFT and other service concession obligations		(4,314)	(4,314)	(4,146)	(4,146)
PDC dividend paid		(1,017)	(1,017)	(109)	(109)
<b>Net cash (used in) financing activities</b>		<b>(11,588)</b>	<b>(11,588)</b>	<b>(10,890)</b>	<b>(10,890)</b>
<b>(Decrease)/increase in cash and cash equivalents</b>		<b>7,176</b>	<b>8,882</b>	<b>5,503</b>	<b>1,511</b>
<b>Cash and cash equivalents at 1st April</b>		<b>24,465</b>	<b>18,981</b>	<b>18,962</b>	<b>17,470</b>
<b>Cash and cash equivalents at 31st March</b>	21	<b>31,641</b>	<b>27,864</b>	<b>24,465</b>	<b>18,981</b>

Restatement of Trust 17/18 is related to the movement of the Trust investment in NTW Solutions from receivables to investing activities

## **Notes to the Accounts (Group)**

### **1. Accounting Policies and other Information**

NHS Improvement, in exercising the statutory functions conferred on Monitor, has directed that the financial statements of the Trust shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (GAM) which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the GAM 2018/19 issued by the Department of Health and Social Care. The accounting policies contained in GAM follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the Trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to the accounts.

#### **1.1 Accounting Convention**

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

##### **1.1.1 Going Concern**

These accounts have been prepared on a going concern basis. This is based on financial projections taking into account the working capital position, agreed 2018/19 contractual income and expenditure plans. After undertaking an assessment, the directors have a reasonable expectation that the Group and the Foundation Trust has adequate resources to continue in operational existence. The Trust has a history of profitable operations and will have access to adequate resources to continue in operational existence for the foreseeable future. Although the Trust is facing some particular challenges in 2018/19 there are no significant financial, operating or other risks that would jeopardise the Trust's continuing operation.

##### **1.1.2 Consolidation**

The group financial statements consolidate the financial statements of the Foundation Trust and entities controlled by the Foundation Trust (its subsidiaries) and incorporate its share of the results of wholly owned and jointly controlled entities and associates using the equity method of accounting. The financial statements of the subsidiaries are prepared for the same reporting year as the Foundation Trust. The materiality level of all of the entities controlled by the Foundation Trust was considered in the determination to prepare consolidated financial statements.

##### **NHS Charitable Funds**

The Northumberland Tyne and Wear NHS Foundation Trust is the corporate trustee to the Northumberland Tyne and Wear NHS Foundation Trust Charity. The NHS Foundation Trust has assessed its relationship with the Charity and determined it to be a subsidiary as the Foundation Trust is exposed to, or has rights to variable returns and other benefits for itself and patients from its involvement with the charity. Furthermore, it has the ability to affect those returns and other benefits through its power to govern the financial and operating policies of the charity.

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

- recognise and measure transactions in accordance with the accounting policies of the Foundation Trust;
- eliminate intra-group transactions, balances and gains and losses.

##### **Other Subsidiaries**

Subsidiary entities are those over which the Foundation Trust is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The income, expenditure, assets, liabilities, equity and reserves of subsidiaries are consolidated in full into the appropriate lines of the financial statements.

The amounts consolidated are drawn from the published financial statements of the subsidiaries for the year.

Where the accounting policies of the subsidiary are not aligned to those of the Foundation Trust (including where they report under FRS 102), amounts are adjusted during consolidation where the differences are material. Inter-entity transactions, gains and losses are eliminated in full on consolidation.

NTW Solutions Ltd was incorporated on 2nd November 2016 and is a wholly owned subsidiary of the Northumberland Tyne and Wear NHS Foundation Trust. The company commenced trading on 1st April 2017 and the primary purpose of the company is to provide managed healthcare facilities and provide estates management services, facilities management services and other support services.

#### **1.1.3 Investments in Associates and Joint Ventures and Joint Arrangements**

##### **Joint Ventures**

Joint ventures are arrangements in which the Trust has joint control with one or more other parties, and where it has the rights to the net assets of the arrangement. Accounting as a joint venture generally applies where arrangements are structured through a separate vehicle, which confers a separation between the parties and the vehicle. As a result, the assets, liabilities, revenues and expenses held are those of the separate vehicle and the Trust only has an investment in the net assets of the vehicle. Joint ventures and investments in associates are accounted for using the equity method and reported in its separate financial statements in accordance with IAS 28. The joint venture is initially recognised at cost. It is increased or decreased subsequently to reflect the Trust's share of the entity's profit or loss or other gains and losses. It is also reduced when any distribution, e.g. share dividends, are received by the Trust from the joint venture.

The Foundation Trust also has a 50% share in a Limited Liability Partnership with independent healthcare providers Insight Ltd (formerly MHCO). The MHC/NTW LLP has been commissioned by NHS Newcastle Gateshead CCG to deliver a service aimed at 'Improving Access to Psychological Therapies - IAPT' for the people of Newcastle.

##### **Joint Operations**

Joint operations are arrangements in which the Trust has joint control with one or more other parties. Joint arrangements generally operate without the establishment of a separate formal entity and the Trust therefore has the rights to the assets, and obligations for the liabilities, relating to the arrangement. The Trust includes within its financial statements its share of the assets, liabilities, income and expenses for joint operations.

The Trust has a joint operation with South Tees Foundation Trust for the provision of North East Quality Observatory System.

**Notes to the Accounts (Group - continued)**

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**1.2 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 other 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 estimate 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.

**1.2.1 Critical judgements in applying accounting policies**

The following are critical judgements, apart from those involving estimations (see 1.2.2) 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 has made critical judgements in relation to the Modern Equivalent Asset (MEA) revaluation as at the 31st March 2019. 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 2019.

On 1st April 2017, NTW Solutions Ltd paid a premium to its shareholder for the leasehold interests of a number of properties and for furniture and equipment relating to those properties. A further leasehold interest premium was paid in November 2017 for further properties, furniture and equipment and the lease arrangements underpinning these transactions are for 25 years for the properties and approximately 5 years for the equipment. These assets are provided back to the Northumberland Tyne and Wear NHS Foundation Trust as part of service contracts for the provision of operated healthcare facilities. A judgement has been made that substantially all of the risks and rewards incidental to ownership of the property and equipment assets were retained by Northumberland Tyne and Wear NHS Foundation Trust. These assets have therefore not been derecognised by the Foundation Trust and are accounted for as prepayments in the accounts of NTW Solutions Limited and the shareholder has recognised corresponding deferred income liabilities.

**1.2.2 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.

Under International Accounting Standard (IAS) 37, significant provisions totalling £276,000 were made for probable transfers of economic benefits in respect of employee claim and legal costs. Legal claims are based on professional assessments, which are uncertain to the extent that they are an estimate of the probable outcome of individual cases. Also, under IAS 19, accruals have been made for the value of carried forward annual leave owed totalling £919,000 and £49,000 receivable for leave taken in advance.

The Trust's revaluations of land and buildings are based on professional valuations provided by Cushman & Wakefield on a Modern Equivalent Asset basis as per note 1.6. Impairments are recognised on the basis of these valuations.

**1.3 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). As directed by the GAM, the transition to IFRS 15 in 2018/19 has been completed in accordance with paragraph C3 (b) of the Standard: applying the Standard retrospectively but recognising the cumulative effects at the date of initial application (1 April 2018).

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 or receivable relates to a performance obligation that is to

**Revenue from NHS contracts**

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

Revenue is recognised to the extent that collection of consideration is probable. Where contract challenges from commissioners are expected to be upheld, the Trust reflects this in the transaction price and derecognises the relevant portion of income.

**1.3.1 Revenue grants and other contributions to expenditure**

Government grants are grants from government bodies other than income from commissioners or trusts for the provision of services. Where a grant is used to fund revenue expenditure it is taken to the Statement of Comprehensive Income to match that expenditure.

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, the corresponding expense is also recognised at the point of recognition for the benefit.

**1.3.2 Other income**

Income from the sale of non-current assets is recognised only when all material conditions of sale have been met, and is measured as the sums due under the sale contract.

## **Notes to the Accounts (Group - continued)**

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### **1.4 Expenditure on Employee Benefits**

#### ***Short-term Employee Benefits***

Salaries, wages and employment-related payments such as social security costs and the apprenticeship levy are recognised in the period in which the service is received from employees. The cost of annual leave entitlement earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to

#### ***Pension Costs: NHS Pension Scheme***

Past and present employees are covered by the provisions of the NHS Pension Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, General Practices and other bodies, allowed under the direction of Secretary of State, in England and Wales. The scheme is not designed in a way that would enable employers to identify its share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as though it is a defined contribution scheme.

Employer's pension cost contributions are charged to operating expenses as and when 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.

### **1.5 Expenditure on other Goods and Services**

Expenditure on goods and services are 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.

### **1.6 Property, Plant and Equipment**

#### **1.6.1 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;
- the cost of the item can be measured reliably; and
- the item has cost 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, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or
- items form part of the initial equipping and setting-up cost of a new building, ward or unit, irrespective of their individual or collective cost.

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

#### **1.6.2 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.

All assets are measured subsequently at valuation. Assets which are held for their service potential and are in use (ie operational assets used to deliver either front line services or back office functions) are measured at their current value in existing use. Assets that were most recently held for their service potential but are surplus with no plan to bring them back into use are measured at fair value where there are no restrictions on sale at the reporting date and where they do not meet the definitions of investment properties or assets held for sale.

##### **(a) Property Assets**

Land and buildings used for the Trust's services or for administrative purposes are stated in the statement of financial position at their re-valued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses. Revaluations are performed with sufficient regularity to ensure that carrying amounts are not materially different from those that would be determined at the end of the reporting period. Current values in existing use are determined as follows:

## **Notes to the Accounts (Group - continued)**

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- Land and non-specialised buildings – market value for existing use
- Specialised buildings – depreciated replacement cost on a modern equivalent asset basis

For non-operational properties including surplus land, the valuations are carried out at open market value.

HM Treasury has adopted a standard approach to depreciated replacement cost valuations based on modern equivalent assets and, where it would meet the location requirements of the service being provided, an alternative site can be valued. The Trust has applied the modern equivalent asset approach to valuations since 1 April 2009. The Trust's appointed professionally qualified valuer is Cushman & Wakefield Newcastle Office. IAS 16 requires that the carrying value of property is not materially different to fair value at the balance sheet date. To reflect changes in the property market and building cost indexation since the last valuation as at 31 March 2018 by Cushman & Wakefield, a review of the values of land and buildings was undertaken as at 31st March 2019.

Additional alternative valuations of open market value or value in existing use have been obtained for non-operational assets held for sale or operational properties where disposal is planned and imminent.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees and, where capitalised in accordance with IAS 23, borrowing costs. Assets are re-valued and depreciation commences when they are brought into operational use.

### **(b) Non-property Assets**

NHS bodies may elect to adopt a depreciated historical cost basis as a proxy for fair value for assets that have short useful lives or low values (or both). For depreciated historical cost to be considered as a proxy for fair value, the useful life must be a realistic reflection of the life of the asset and the depreciation method used must provide a realistic reflection of the consumption of that asset class.

Assets that are not covered by the above paragraph should be carried at fair value and should be valued using the most appropriate valuation methodology available.

Until 31st March 2008, fixtures and equipment were carried at replacement cost, as assessed by indexation and depreciation of historic cost. From 1st April 2008 indexation has ceased. The carrying value of existing assets at that date will be written off over their remaining useful lives and new fixtures and equipment are carried at depreciated historic cost as this is not considered to be materially different from fair value.

### ***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.

### ***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 in off-Statement of Financial Position PFI contract assets are not depreciated until the asset is brought into use or reverts to the Trust, respectively.

Buildings, installations and fittings are depreciated on their current value over the estimated remaining life of the asset as assessed by the Trust's professional valuers. Leaseholds are depreciated over the primary lease term.

Equipment held for operational use is valued at depreciated historic cost where these assets have short useful lives or low values or both, as this is not considered to be materially different from current value in existing use.

Equipment is depreciated on current cost evenly over the estimated life. The Trust adheres to standard lives for equipment assets except where it is clear that the standard lives are materially inappropriate. Standard equipment lives are:

- |   |          |
|---|----------|
| • Short life engineering plant and equipment  | 5 years  |
| • Medium life engineering plant and equipment | 10 years |
| • Long life engineering plant and equipment   | 15 years |

## **Notes to the Accounts (Group - continued)**

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• Vehicles	7 years
• Furniture	10 years
• Office and IT equipment	5 years
• Soft furnishings	7 years

### ***Revaluation Gains and Losses***

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

Revaluation losses are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to operating expenses.

Gains and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'.

### ***Impairments***

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

An impairment that arises from a clear consumption of economic benefit or of service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss is reversed. Reversals are recognised in operating expenditure to the extent that the asset is restored to the carrying amount it would have had if the impairment had never been recognised. Any remaining reversal is recognised in the revaluation reserve. Where, at the time of the original impairment, a transfer was made from the revaluation reserve to the income and expenditure reserve, an amount is transferred back to the revaluation reserve when the impairment reversal is recognised.

Other impairments are treated as revaluation losses. Reversals of 'other impairments' are treated as revaluation gains.

### ***De-recognition***

Assets intended for disposal are reclassified as 'Held for Sale' once all of the following criteria are met:

- the asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales;
- the sale must be highly probable i.e.:
  - management are committed to a plan to sell the asset;
  - an active programme has begun to find a buyer and complete the sale;
  - the asset is being actively marketed at a reasonable price;
  - the sale is expected to be completed within 12 months of the date of classification as 'Held for Sale'; and
  - the actions needed to complete the plan indicate it is unlikely that the plan will be dropped or significant changes made to it.

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. 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.

The revaluation surplus included in equity in respect of an item of property, plant and equipment is transferred in full to retained earnings at the point in time when an asset is derecognised. This applies when an asset is sold or when an asset is retired or disposed of.

### ***Donated, government grant and other grant funded assets***

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

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

## **Notes to the Accounts (Group - continued)**

### ***Private Finance Initiative (PFI) Transactions***

PFI transactions which meet the International Financial Reporting Interpretations Committee (IFRIC) 12 definition of a service concession, as interpreted in HM Treasury's FReM, are accounted for as 'on-Statement of Financial Position' by the Trust. In accordance with IAS 17, the underlying assets are recognised as Property, Plant and Equipment together with an equivalent finance lease liability. Subsequently, the assets are accounted for as property, plant and equipment assets.

The annual contract payments are apportioned between the repayment of the liability, a finance cost and the charges for the services. The finance cost is calculated using the implicit interest rate for the scheme, which is in accordance with guidance issued by the Department of Health: 'Accounting for PFI under IFRS'.

The service charge is recognised in operating expenses and the finance cost is charged to Finance Costs in the Statement of Comprehensive Income.

For each year of the contract, an element of unitary payment is allocated to lifecycle replacement based on the capital costs that the operator expect, at financial close, to incur for that year. Life-cycle expenditure is capitalised in accordance with IAS 16 when the expenditure meets the Trust's recognition criteria as detailed above to the extent that the capital is funded by the unitary payment. Where all or part of the capital cost is unanticipated, or the cost of the asset is greater than planned, the Trust treats it as a free asset. Where the operator replaces lifecycle components earlier or later than planned but the cost of the replacement was anticipated in the operator's model, this is recognised as a temporary liability or temporary prepayment.

## **1.7 Intangible Assets**

### ***Recognition***

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the Trust's business or which arise from contractual or other legal rights. They are recognised only where it is probable that future economic benefits will flow to, or service potential be provided to, the Trust and where the cost of the asset can be measured reliably and where the cost is at least £5,000.

### ***Internally Generated Intangible Assets***

Internally generated goodwill, brands, mastheads, publishing titles, customer lists and similar items are not capitalised as intangible assets.

Expenditure on research is not capitalised.

Expenditure on development is capitalised only where all of the following can be demonstrated:

- the project is technically feasible to the point of completion and will result in an intangible asset for sale or use;
- the Trust intends to complete the asset and sell or use it;
- the Trust has the ability to sell or use the asset;
- how the intangible asset will generate probable future economic or service delivery benefits e.g. the presence of a market for it or its output, or where it is to be used for internal use, the usefulness of the asset;
- adequate financial, technical and other resources are available to the Trust to complete the development and sell or use the asset; and
- the Trust can measure reliably the expenses attributable to the asset during development.

### ***Software***

Software which is integral to the operation of hardware e.g. an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software which is not integral to the operation of hardware e.g. application software, is capitalised as an intangible asset.

### ***Measurement***

Intangible assets are recognised initially at cost, comprising all directly attributable costs needed to create, produce and prepare the asset to the point that it is capable of operating in the manner intended by management.

Subsequently intangible assets are measured at current value in existing use. Where no active market exists, intangible assets are valued at the lower of depreciated replacement cost and the value in use where the asset is income generating. Revaluation gains and losses and impairments are treated in the same manner as for Property, Plant and Equipment. An intangible asset which is surplus with no plan to bring it back into use is valued at fair value under IFRS 13, if it does not meet the requirements of IAS 40 or IFRS 5.

Intangible assets held for sale are measured at the lower of their carrying amount or 'fair value less costs to sell'.

### ***Amortisation***

Intangible assets are amortised over their expected useful economic lives in a manner consistent with the consumption of economic or service delivery benefits.

Software is amortised on current cost evenly over the estimated life. The Trust adheres to standard lives for software assets except where it is clear that the standard lives are materially inappropriate. The asset lives for standard software is 5 years.

## **Notes to the Accounts (Group - continued)**

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### **1.8 Inventories**

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is measured using the first in, first out (FIFO) basis. This is considered to be a reasonable approximation to fair value due to the high turnover of inventories.

### **1.9 Investment properties**

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, for 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.

### **1.10 Cash and cash equivalents**

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

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

Cash and cash equivalents include cash held in the Government Banking Service, cash with commercial banks and cash in hand. Cash and bank balances are recorded at the current values of these balances in the Trust's cash book.

As the Trust has no bank overdrafts, there is no difference between the amounts disclosed as cash and cash equivalents in the Statement of Financial Position and in the Statement of Cash Flows.

### **1.11 Financial Instruments 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, ie, 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 except where the asset or liability is not measured at fair value through income and expenditure. 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 finance leases are recognised and measured in accordance with the accounting policy for leases described in note 1.12.

Subsequent movements in the fair value of financial assets and financial liabilities are recognised as gains or losses in the Statement of Comprehensive Income.

#### ***Financial assets and financial liabilities at amortised cost***

Financial assets and financial liabilities at amortised cost are those held with the objective of collecting contractual cash flows and where cash flows are solely payments of principal and interest. This includes cash equivalents, contract and other receivables, trade and other payables, rights and obligations under lease arrangements and loans receivable and payable.

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

Interest revenue or expense is calculated by applying the effective interest rate to the gross carrying amount of a financial asset or amortised cost of a financial liability and recognised in the Statement of Comprehensive Income 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.

## **Notes to the Accounts (Group - continued)**

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### ***Financial assets measured at fair value through other comprehensive income***

A financial asset is measured at fair value through other comprehensive income where business model objectives are met by both collecting contractual cash flows and selling financial assets and where the cash flows are solely payments of principal and interest. Movements in the fair value of financial assets in this category are recognised as gains or losses in other comprehensive income except for impairment losses. On de-recognition, cumulative gains and losses previously recognised in other comprehensive income are reclassified from equity to income and expenditure, except where the Trust elected to measure an equity instrument in this category on initial recognition.

### ***Financial assets measured at fair value through income and expenditure***

Financial assets measured at fair value through profit or loss are those that are not otherwise measured at amortised cost or at fair value through other comprehensive income. This category also includes financial assets and liabilities acquired principally for the purpose of selling in the short term (held for trading) and derivatives. Derivatives which are embedded in other contracts, but which are separable from the host contract are measured within this category. Movements in the fair value of financial assets and liabilities in this category are recognised as gains or losses in the Statement of Comprehensive Income.

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. They are included in current assets.

The Trust's loans and receivables comprise: current investments, cash and cash equivalents, NHS receivables, accrued income and 'other receivables'.

Loans and receivables are recognised initially at fair value, net of transaction costs, and are measured subsequently at amortised cost, using the effective interest method. The effective interest rate is the rate that discounts exactly estimated future cash receipts through the expected life of the financial asset or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

Interest on loans and receivables are calculated using the effective interest method and credited to the Statement of Comprehensive Income.

### ***Available for Sale Financial Assets***

Available for sale financial assets are non-derivative financial assets which are either designated in this category or not classified in any of the other categories. They are included in long-term assets unless the Trust intends to dispose of them within 12 months of the Statement of Financial Position date.

Available for sale financial assets are recognised initially at fair value, including transaction costs, and measured subsequently at fair value, with gains or losses recognised in reserves and reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'. When items classified as 'available-for-sale' are sold or impaired, the accumulated fair value adjustments recognised are transferred from reserves and recognised in 'Finance Costs' in the Statement of Comprehensive Income.

### ***Other Financial Liabilities***

All other financial liabilities are recognised initially at fair value, net of transaction costs incurred, and measured subsequently at amortised cost using the effective interest method. The effective interest rate is the rate that discounts exactly estimated future cash payments through the expected life of the financial liability or, when appropriate, a shorter period, to the net carrying amount of the financial liability.

They are included in current liabilities except for amounts payable more than 12 months after the Statement of Financial Position date, which are classified as long-term liabilities.

Interest on financial liabilities carried at amortised cost is calculated using the effective interest method and charged to Finance Costs. Interest on financial liabilities taken out to finance Property, Plant and Equipment or intangible assets is not capitalised as part of the cost of those assets.

### ***Determination of Fair Value***

For financial assets and financial liabilities carried at fair value, the carrying amounts are determined from quoted market prices, independent appraisals, discounted cash flow analysis or other appropriate methods.

### ***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.

For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. The loss is recognised in the Statement of Comprehensive Income and the carrying amount of the asset is reduced through the use of a provision for irrecoverable debt. Irrecoverable debt provisions are made when debts are over three months old, unless there is a reason not to make the provision, such as an agreement to pay. In the case of disputes, provisions are made for debts less than three months old.

### ***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.

## **Notes to the Accounts (Group - continued)**

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### **1.12 Leases**

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

#### **1.12.1 Trust as Lessee**

##### ***Finance Leases***

Where substantially all risks and rewards of ownership of a leased asset are borne by the Trust, the asset is recorded as Property, Plant and Equipment and a corresponding liability is recorded. The value at which both are recognised is the lower of the fair value of the asset or the present value of the minimum lease payments, discounted using the interest rate implicit in the lease.

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

The annual rental is split between the repayment of the liability and a finance cost so as to achieve a constant rate of finance over the life of the lease. The annual finance cost is charged to Finance Costs in the Statement of Comprehensive Income. The lease liability is de-recognised when the liability is discharged, cancelled or expires.

##### ***Operating Leases***

Other leases are regarded as operating leases and the rentals are charged to operating expenses on a straight-line basis over the term of the lease. Operating lease incentives received are added to the lease rentals and charged to operating expenses over the life of the lease.

Contingent rentals are recognised in the period in which they are incurred.

##### ***Leases of Land and Buildings***

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

#### **1.12.2 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 lease. 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 lease.

##### ***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 on a straight-line basis over the lease term.

#### **1.12.3 Disclosures**

In accordance with IAS 17 the Trust will disclose a description of significant leasing arrangements including;

- (i) the basis on which contingent rent is determined;
- (ii) the existence and terms of renewal, purchase options and escalation clauses; and
- (iii) any restrictions imposed by lease arrangements.

### **1.13 Provisions**

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

##### ***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 the 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 in note 26.2 but is not recognised in the Trust's accounts.

##### ***Non-clinical Risk Pooling***

The Trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the Trust pays an annual contribution to NHS Resolution and in return receives assistance with the costs of claims arising. The annual membership contributions and any 'excesses' payable in respect of particular claims are charged to operating expenses when the liability arises.

## **Notes to the Accounts (Group - continued)**

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### **1.14 Contingencies**

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets, but are disclosed in note 27 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 27, 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.

### **1.15 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.

At any time, the Secretary of State can issue new PDC to, and require repayments of PDC from, the Trust. PDC is recorded at the value received.

A charge, reflecting the cost of capital utilised by the 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 Trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for (i) donated assets, (ii) average daily cash balances held with the Government Banking Services (GBS) and National Loans Fund (NLF) deposits, excluding cash balances held in GBS accounts that relate to a short-term working capital facility, (iii) any PDC dividend balance receivable or payable and (iv) Sustainability and Transformation Fund Incentive and Bonus balance receivable. In accordance with the requirements laid down by the Department of Health (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 thus calculated is not revised should any adjustment to net assets occur as a result of the audit of the annual accounts.

### **1.16 Value Added Tax**

Most of the activities of the 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.

The activities of the Trust's subsidiary company NTW Solutions Limited are inside the scope of VAT and therefore output tax applies and input tax on purchases is recoverable.

### **1.17 Corporation Tax**

NTW Solutions Ltd is a wholly owned subsidiary of Northumberland Tyne and Wear NHS Foundation Trust and is subject to corporation tax on its profits. Tax on the profit or loss for the year comprises current and any deferred tax. Tax is recognised in the Statement of Comprehensive Income except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

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 Statement of Financial Position 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 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 Statement of Financial Position 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.

### **1.18 Foreign Exchange**

The functional and presentational currencies of the Trust are sterling.

A transaction which is denominated in a foreign currency is translated into the functional currency at the spot exchange rate on the date of the transaction.

Where the Trust has assets or liabilities denominated in a foreign currency at the Statement of Financial Position date:

- monetary items (other than financial instruments measured at 'fair value through income and expenditure') are translated at the spot exchange rate on 31 March;
- non-monetary assets and liabilities measured at historical cost are translated using the spot exchange rate at the date of the transaction; and
- non-monetary assets and liabilities measured at fair value are translated using the spot exchange rate at the date the fair value was determined.

Exchange gains or losses on monetary items (arising on settlement of the transaction or on re-translation at the Statement of Financial Position date) are recognised in income or expense in the period in which they arise.

Exchange gains or losses on non-monetary assets and liabilities are recognised in the same manner as other gains and losses on these items.

## **Notes to the Accounts (Group - continued)**

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### **1.19 Third Party Assets**

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the Trust has no beneficial interest in them. However, they are disclosed in a separate note to the accounts in accordance with the requirements of HM Treasury's FReM.

### **1.20 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, including losses which would have been made good through insurance cover had NHS Foundation Trusts not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure).

However, 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.

### **1.21 Transfers of Functions**

For functions that have been transferred to the Trust from another NHS or Local Government body, the assets and liabilities transferred are recognised in the accounts as at the date of transfer. The assets and liabilities are not adjusted to fair value prior to recognition. The net gain/loss corresponding to the net assets/liabilities transferred is recognised within income/expenses, but not within operating activities.

For Property Plant and Equipment assets and intangible assets, the Cost and Accumulated Depreciation/Amortisation balances from the transferring entity's accounts are preserved on recognition in the Trust's accounts. Where the transferring body recognised revaluation reserve balances attributable to the assets, the Trust makes a transfer from its income and expenditure reserve to its revaluation reserve to maintain transparency within public sector accounts.

For functions that the Trust has transferred to another NHS/Local Government body, the assets and liabilities transferred are de-recognised from the accounts as at the date of transfer. The net loss/gain corresponding to the net assets/liabilities transferred is recognised within expenses/income, but not within operating activities. Any revaluation reserve balances attributable to assets de-recoanised are transferred to the income and expenditure reserve.

Adjustments to align the acquired function to the Foundation Trust's accounting policies are applied after initial recognition and are adjusted directly in taxpayers' equity.

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

The standards or amendments which have been released but which are not yet adopted in HM Treasury's Financial Reporting Manual (FReM) 2018/19 and therefore do not apply to the 2018/19 annual accounts are set out below:

- IFRS 14 Regulatory Deferral Accounts
- IFRS 16 Leases
- IFRS 17 Insurance Contracts
- IFRIC 23 Uncertainty over Income Tax Treatments

The GAM 2018/19 does not require these Standards and interpretations to be applied in 2018/19. These Standards are still subject to HM Treasury FReM adoption, with IFRS 14 Regulatory Deferral Accounts only applying to first time adopters of IFRS after 1 January 2016 which is therefore not applicable to Department of Health and Social Care group bodies.

There is not expected to be a material impact from the adoption of these standards in future periods with the exception of IFRS16 which may have a significant impact when adopted. This Standard will result in a significant amount of leases, which are currently classified as operating leases being reclassified as finance leases and being recorded as assets and liabilities onto the Statement of Financial Position.

### **1.23 Accounting Standards issued that have been adopted early**

No new Accounting Standards or revisions to existing standards have been early adopted in 2018/19.

### **1.24 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 unremunerated transfers, such as the loan of an asset for its expected useful life and the sale or lease of assets at below market value.

### **1.25 Carbon Reduction Commitment Scheme (CRC)**

The CRC scheme is a mandatory cap and trade scheme for non-transport CO<sub>2</sub> emissions. The Trust is registered with the CRC scheme, and is therefore required to surrender to the Government an allowance for every tonne of CO<sub>2</sub> it emits during the financial year. A liability and related expense is recognised in respect of this obligation as CO<sub>2</sub> emissions are made.

The carrying amount of the liability at the financial year end will therefore reflect the CO<sub>2</sub> emissions that have been made during that financial year, less the allowances (if any) surrendered voluntarily during the financial year in respect of that financial year.

The liability will be measured at the amount expected to be incurred in settling the obligation. This will be the cost of the number of allowances required to settle the obligation.

Allowances acquired under the scheme are recognised as intangible assets.

## **2. Segmental Analysis (Group and Trust)**

The Foundation Trust operates within a single reportable segment, ie healthcare. The Foundation Trust is solely involved in health care activities and does not consider that its clinical services represent distinct operating segments.

Of the total income reported during the financial year, £271,690,000, 84% of total income, was received from Clinical Commissioning Groups (CCGs) and NHS England (2017/18: £270,112,000 and 85%). As CCGs and NHS England are under common control they are classed as a single customer for this purpose.

## **3. Income (Group and Trust)**

### **3.1 Operating Income (by nature)**

	<b>Group 2018/19 £000</b>	<b>Trust 2018/19 £000</b>	<b>Group 2017/18 £000</b>	<b>Trust 2017/18 £000</b>
<b>Income from activities</b>				
Cost and volume contract income	<b>29,973</b>	29,973	<b>30,733</b>	30,733
Block contract income	<b>243,682</b>	243,682	<b>240,815</b>	240,815
Private patient income	<b>0</b>	0	<b>0</b>	0
Agenda for change pay award central funding	<b>2,932</b>	2,932	<b>0</b>	0
Other clinical income	<b>19,640</b>	19,640	<b>18,325</b>	18,325
<b>Total income from activities</b>	<b>296,227</b>	296,227	<b>289,873</b>	289,873
<b>Other operating income</b>				
Research and development	<b>3,026</b>	3,026	<b>2,499</b>	2,499
Education and training	<b>8,479</b>	8,473	<b>8,580</b>	8,531
Non-patient care services to other bodies	<b>2,297</b>	2,097	<b>2,133</b>	1,966
Sustainability and Transformation Fund income	<b>5,161</b>	5,161	<b>3,784</b>	3,784
Income in respect of staff costs where accounted on gross basis	<b>2,672</b>	2,737	<b>2,852</b>	2,955
Cash donations for the purchase of capital assets	<b>25</b>	25	<b>0</b>	0
Rental revenue from operating leases - minimum lease receipts	<b>229</b>	180	<b>188</b>	179
Charitable fund incoming resources	<b>59</b>	0	<b>30</b>	0
Other*	<b>5,457</b>	8,630	<b>5,571</b>	8,629
<b>Total other operating income</b>	<b>27,405</b>	30,329	<b>25,637</b>	28,543
<b>Total operating income</b>	<b>323,632</b>	326,556	<b>315,510</b>	318,416
<b>of which:</b>				
Related to Continuing Operations	<b>323,632</b>	326,556	<b>315,510</b>	318,416
Related to Discontinued Operations	<b>0</b>	0	<b>0</b>	0

\* Other operating income - Other is analysed in note 3.4

### 3. Income (Group and Trust - continued)

#### 3.2 Private Patient Income

	Group 2018/19 £000	Trust 2018/19 £000	Group 2017/18 £000	Trust 2017/18 £000
Private patient income	0	0	0	0
Total patient related income	296,227	296,227	289,873	289,873
<b>Proportion (as percentage)</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>

The statutory limitation on private patient income in section 44 of the 2006 Act was repealed with effect from 1 October 2012 by the Health and Social Care Act 2012. The Health and Social Care Act 2012 requires Foundation Trusts to make sure that the income they receive from providing goods and services for the NHS (their principle purpose) is greater than their income from other sources.

#### 3.3 Operating Lease Income (Group and Trust)

The Trust leases land and buildings to a number of external bodies, mainly other NHS bodies.

	Group 2018/19 £000	Trust 2018/19 £000	Group 2017/18 £000	Trust 2017/18 £000
<b>Operating lease income</b>				
Rental revenue from operating leases - minimum lease receipts	229	180	188	179
<b>Total operating lease income</b>	<b>229</b>	<b>180</b>	<b>188</b>	<b>179</b>
 <b>Future minimum lease payments due:</b>				
<b>on leases of land expiring</b>				
- not later than one year;	1	1	1	1
- later than one year and not later than five years;	4	4	4	4
- later than five years.	83	83	85	85
<b>sub total</b>	<b>88</b>	<b>88</b>	<b>90</b>	<b>90</b>
<b>on leases of buildings expiring</b>				
- not later than one year;	229	179	188	185
- later than one year and not later than five years;	403	403	510	510
- later than five years.	240	240	225	225
<b>sub total</b>	<b>872</b>	<b>822</b>	<b>923</b>	<b>920</b>
 <b>Total future minimum lease payments due</b>	<b>960</b>	<b>910</b>	<b>1,013</b>	<b>1,010</b>

**3. Income (Group and Trust - continued)****3.4 Operating income (by source)**

	<b>Group 2018/19 £000</b>	<b>Trust 2018/19 £000</b>	<b>Group 2017/18 £000</b>	<b>Trust 2017/18 £000</b>
<b>Income from activities</b>				
NHS England	<b>58,885</b>	58,885	<b>57,309</b>	57,309
Clinical Commissioning Groups	<b>212,805</b>	212,806	<b>212,802</b>	212,802
NHS Foundation Trusts	<b>1,965</b>	1,965	<b>1,436</b>	1,436
Local Authorities	<b>11,175</b>	11,175	<b>10,870</b>	10,870
Department of Health and Social Care	<b>2,932</b>	2,932	<b>0</b>	0
Non NHS:overseas patients (non-reciprocal - chargeable to patient)	<b>0</b>	0	<b>92</b>	92
Injury cost recovery scheme	<b>0</b>	0	<b>46</b>	46
Non NHS:other	<b>8,465</b>	8,464	<b>7,318</b>	7,318
<b>Total income from patient care activities</b>	<b>296,227</b>	296,227	<b>289,873</b>	289,873
<b>Of which:</b>				
Related to continuing operations	<b>296,227</b>	296,227	<b>289,873</b>	289,873
Related to discontinued operations	<b>0</b>	0	<b>0</b>	0
<b>Other operating income</b>				
Research and development	<b>3,026</b>	3,026	<b>2,499</b>	2,499
Education and training	<b>8,479</b>	8,473	<b>8,580</b>	8,531
Non-patient care services to other bodies	<b>2,297</b>	2,097	<b>2,133</b>	1,966
Provider Sustainability and Transformation Fund income	<b>5,161</b>	5,161	<b>3,784</b>	3,784
Other*	<b>5,457</b>	8,630	<b>5,571</b>	8,629
Cash donations for the purchase of capital assets	<b>25</b>	25	<b>0</b>	0
Rental revenue from operating leases - minimum lease receipts	<b>229</b>	180	<b>188</b>	179
Income in respect of staff costs where accounted on gross basis	<b>2,672</b>	2,737	<b>2,852</b>	2,955
Charitable fund incoming resources	<b>59</b>	0	<b>30</b>	0
<b>Total other operating income</b>	<b>27,405</b>	30,329	<b>25,637</b>	28,543
<b>Of which:</b>				
Related to continuing operations	<b>27,405</b>	30,329	<b>25,637</b>	28,543
Related to discontinued operations	<b>0</b>	0	<b>0</b>	0
<b>*Analysis of "Other operating income - Other"</b>				
Car parking	<b>51</b>	0	<b>57</b>	15
Estates recharges	<b>144</b>	12	<b>106</b>	33
IT recharges	<b>88</b>	412	<b>72</b>	401
Pharmacy sales	<b>0</b>	0	<b>13</b>	13
Clinical tests	<b>0</b>	0	<b>41</b>	41
Clinical excellence awards	<b>205</b>	205	<b>218</b>	218
Catering	<b>626</b>	0	<b>801</b>	1
Grossing up consortium arrangements	<b>3,953</b>	3,970	<b>4,014</b>	3,895
Other	<b>390</b>	4,031	<b>249</b>	4,012
<b>Total</b>	<b>5,457</b>	8,630	<b>5,571</b>	8,629

**3.5 Analysis of Income from activities arising from Commissioner Requested Services and all other Services**

	<b>Group 2018/19 £000</b>	<b>Trust 2018/19 £000</b>	<b>Group 2017/18 £000</b>	<b>Trust 2017/18 £000</b>
Commissioner Requested Services	<b>296,075</b>	296,075	<b>289,622</b>	289,622
Non-Commissioner Requested Services	<b>152</b>	152	<b>251</b>	251
<b>Total income from activities</b>	<b>296,227</b>	296,227	<b>289,873</b>	289,873

**4. Operating Expenses (Group and Trust)**

	<b>Group 2018/19 £000</b>	<b>Trust 2018/19 £000</b>	<b>Group 2017/18 £000</b>	<b>Trust 2017/18 £000</b>
Purchase of healthcare from NHS and DHSC bodies	170	170	167	168
Purchase of healthcare from non-NHS and non-DHSC bodies	5,621	5,621	5,834	5,834
Staff and executive directors costs	252,902	237,868	247,319	233,137
Non-executive directors	168	154	168	157
Supplies and services - clinical (excluding drug costs)	4,085	3,869	3,742	3,590
Supplies and services - general	3,384	10,831	3,510	10,353
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	5,959	5,990	5,512	5,512
Inventories written down (net, including drugs)	4	4	5	4
Consultancy	524	484	289	236
Establishment	3,835	3,059	3,282	2,509
Premises - business rates collected by local authorities	1,386	1,183	1,325	1,325
Premises - other	10,048	25,771	9,612	24,486
Transport (business travel only)	2,344	2,302	2,292	2,222
Transport - other (including patient travel)	2,118	1,994	2,284	2,175
Depreciation	4,771	4,629	4,675	4,543
Amortisation	178	175	72	71
Impairments, net of (reversals)	798	798	(6,197)	(6,197)
Movement in credit loss allowance for contract receivables	174	174	(663)	(667)
Change in provisions discount rates	(155)	(155)	119	119
Audit services - Statutory audit	54	43	54	44
Other auditor remuneration - external auditor	7	7	12	12
Charitable fund audit	0	0	1	0
Internal audit - staff costs	257	257	159	149
Internal audit - non-staff costs	58	58	34	32
Clinical negligence	635	635	489	489
Legal fees	997	961	923	813
Insurance	675	455	591	422
Research and development - staff costs	1,356	1,356	1,312	1,312
Research and development - non-staff costs	1,652	1,652	739	735
Education and training - non staff	1,003	951	963	882
Operating lease expenditure (net)	2,639	1,734	2,413	2,071
Early retirements - (Not included in employee expenses)	255	255	25	25
Redundancy - (Not included in employee expenses)	114	114	(224)	(224)
Charges to operating expenditure for on-SOFP IFRIC 12 schemes (e.g. PFI / LIFT) on IFRS basis	3,000	3,000	3,025	3,025
Hospitality	8	8	22	20
Other losses, ex gratia & special payments - (Not included in employee expenses)	73	4	59	55
Other NHS charitable fund resources expended	224	0	118	0
Other	1,614	1,557	1,730	1,687
<b>Total</b>	<b>312,935</b>	<b>317,968</b>	<b>295,792</b>	<b>301,126</b>
<b>of which:</b>				
Related to Continuing Operations	312,935	317,968	295,792	301,126
Related to Discontinued Operations	0	0	0	0

**5. Exit Packages (Group and Trust)****5.1 Exit Packages 2018/19**

	Compulsory Redundancies Number	Compulsory Redundancies £000	Other Departures Agreed Number	Other Departures Agreed £000	Total Exit Packages Number	Total Exit Packages £000	Special Payments Number	Special Payments £000
<b>Exit package cost band:</b>								
< £10,000	0	0	30	122	30	122	0	0
£10,001 to £25,000	0	0	2	26	2	26	0	0
£25,001 to £50,000	0	0	1	31	1	31	0	0
£50,001 to £100,000	0	0	0	0	0	0	0	0
£100,001 to £150,000	0	0	0	0	0	0	0	0
£150,001 to £200,000	0	0	0	0	0	0	0	0
> £200,001	0	0	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>33</b>	<b>179</b>	<b>33</b>	<b>179</b>	<b>0</b>	<b>0</b>
	Compulsory Redundancies Number	Compulsory Redundancies £000	Other Departures Agreed Number	Other Departures Agreed £000	Total Exit Packages Number	Total Exit Packages £000	Special Payments Number	Special Payments £000
<b>Exit package cost band:</b>								
< £10,000	0	0	20	95	20	95	0	0
£10,001 to £25,000	0	0	2	26	2	26	0	0
£25,001 to £50,000	0	0	1	31	1	31	0	0
£50,001 to £100,000	0	0	0	0	0	0	0	0
£100,001 to £150,000	0	0	0	0	0	0	0	0
£150,001 to £200,000	0	0	0	0	0	0	0	0
> £200,001	0	0	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>23</b>	<b>152</b>	<b>23</b>	<b>152</b>	<b>0</b>	<b>0</b>

Redundancy and other departure costs have been paid within the provisions of Agenda for Change terms and conditions.

The termination benefits included in exit packages relate to redundancy and early retirement contractual costs.

**5.2 Exit Packages 2017/18**

	Compulsory Redundancies Number	Compulsory Redundancies £000	Other Departures Agreed Number	Other Departures Agreed £000	Total Exit Packages Number	Total Exit Packages £000	Special Payments Number	Special Payments £000
<b>Exit package cost band:</b>								
< £10,000	0	0	36	171	36	171	0	0
£10,001 to £25,000	0	0	3	46	3	46	0	0
£25,001 to £50,000	0	0	7	303	7	303	0	0
£50,001 to £100,000	0	0	0	0	0	0	0	0
£100,001 to £150,000	0	0	0	0	0	0	0	0
£150,001 to £200,000	0	0	0	0	0	0	0	0
> £200,001	0	0	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>46</b>	<b>520</b>	<b>46</b>	<b>520</b>	<b>0</b>	<b>0</b>
	Compulsory Redundancies Number	Compulsory Redundancies £000	Other Departures Agreed Number	Other Departures Agreed £000	Total Exit Packages Number	Total Exit Packages £000	Special Payments Number	Special Payments £000
<b>Exit package cost band:</b>								
< £10,000	0	0	32	162	32	162	0	0
£10,001 to £25,000	0	0	3	46	3	46	0	0
£25,001 to £50,000	0	0	7	303	7	303	0	0
£50,001 to £100,000	0	0	0	0	0	0	0	0
£100,001 to £150,000	0	0	0	0	0	0	0	0
£150,001 to £200,000	0	0	0	0	0	0	0	0
> £200,001	0	0	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>42</b>	<b>511</b>	<b>42</b>	<b>511</b>	<b>0</b>	<b>0</b>

Redundancy and other departure costs have been paid within the provisions of Agenda for Change terms and conditions.

The termination benefits included in exit packages relate to redundancy and early retirement contractual costs.

**6. Employee Expenses (Group and Trust)****6.1 Employee Expenses**

	Group						Trust					
	Total 2018/19 £000	Permanently Employed 2018/19 £000	Other 2018/19 £000	Total 2017/18 £000	Permanently Employed 2017/18 £000	Other 2017/18 £000	Total 2018/19 £000	Permanently Employed 2018/19 £000	Other 2018/19 £000	Total 2017/18 £000	Permanently Employed 2017/18 £000	Other 2017/18 £000
Salaries and wages	203,137	202,236	901	197,439	196,641	798	190,427	189,548	879	185,208	184,410	798
Social security costs	18,982	18,982	0	18,290	18,290	0	17,982	17,982	0	17,456	17,456	0
Apprenticeship levy	936	936	0	919	919	0	897	897	0	876	876	0
Pension cost - defined contribution plans:												
Employer's contributions to NHS Pensions	24,259	24,259	0	24,808	24,808	0	22,888	22,888	0	23,743	23,743	0
Pension cost - other contributions	83	83	0	0	0	0	29	29	0	0	0	0
Temporary staff - agency/contract staff	7,642	0	7,642	7,663	0	7,663	7,395	0	7,395	7,323	0	7,323
<b>Total staff costs</b>	<b>255,039</b>	<b>246,496</b>	<b>8,543</b>	<b>249,119</b>	<b>240,658</b>	<b>8,461</b>	<b>239,618</b>	<b>231,344</b>	<b>8,274</b>	<b>234,606</b>	<b>226,485</b>	<b>8,121</b>
included within:												
<b>Costs capitalised as part of assets</b>	<b>524</b>	<b>524</b>	<b>0</b>	<b>329</b>	<b>329</b>	<b>0</b>	<b>137</b>	<b>137</b>	<b>0</b>	<b>8</b>	<b>8</b>	<b>0</b>
<b>Analysed into operating expenditure</b>												
Employee expenses - staff & executive directors	252,902	244,359	8,543	247,319	238,858	8,461	237,868	229,594	8,274	233,137	225,016	8,121
Research & Development	1,356	1,356	0	1,312	1,312	0	1,356	1,356	0	1,312	1,312	0
Internal audit costs	257	257	0	159	159	0	257	257	0	149	149	0
<b>Total employee benefits excluding capitalised costs</b>	<b>254,515</b>	<b>245,972</b>	<b>8,543</b>	<b>248,790</b>	<b>240,329</b>	<b>8,461</b>	<b>239,481</b>	<b>231,207</b>	<b>8,274</b>	<b>234,598</b>	<b>226,477</b>	<b>8,121</b>

**6.2 Average Number of Employees (whole time equivalent basis)**

	Group						Trust					
	Total 2018/19 Number	Permanently Employed 2018/19 Number	Other 2018/19 Number	Total 2017/18 Number	Restated Permanently Employed 2017/18 Number	Restated Other 2017/18 Number	Total 2018/19 Number	Permanently Employed 2018/19 Number	Other 2018/19 Number	Total 2017/18 Number	Restated Permanently Employed 2017/18 Number	Restated Other 2017/18 Number
Medical and dental	361	341	20	336	315	21	361	341	20	336	315	21
Administration and estates	1,624	1,589	35	1,670	1,616	54	1,098	1,073	25	1,144	1,104	40
Healthcare assistants and other support staff	1,720	1,660	60	1,776	1,731	45	1,720	1,660	60	1,776	1,731	45
Nursing, midwifery and health visiting staff	1,897	1,878	19	1,860	1,839	21	1,897	1,878	19	1,860	1,839	21
Scientific, therapeutic and technical staff	279	273	6	379	369	10	279	273	6	379	369	10
Healthcare science staff	378	378	0	265	265	0	378	378	0	265	265	0
<b>Total average numbers</b>	<b>6,259</b>	<b>6,119</b>	<b>140</b>	<b>6,286</b>	<b>6,135</b>	<b>151</b>	<b>5,733</b>	<b>5,603</b>	<b>130</b>	<b>5,760</b>	<b>5,623</b>	<b>137</b>
of which:												
Number of employees (WTE) engaged on capital projects	10	10	0	10	10	0	10	10	0	10	10	0

The 2017/18 comparators have been restated due to the reclassification of unqualified nursing staff.

**6.3 Exit Packages: other (non-compulsory) departure payments**

	Group				Trust			
	Payments Agreed 2018/19 Number	Total Value of Agreements 2018/19 £000	Payments Agreed 2017/18 Number	Payments Agreed 2017/18 £000	Payments Agreed 2018/19 Number	Total Value of Agreements 2018/19 £000	Payments Agreed 2017/18 Number	Payments Agreed 2017/18 £000
Voluntary redundancies including early retirement contractual costs	33	179	46	520	23	152	42	511
<b>Total Exit packages</b>	<b>33</b>	<b>179</b>	<b>46</b>	<b>520</b>	<b>23</b>	<b>152</b>	<b>42</b>	<b>511</b>

## **6. Employee Expenses (Group and Trust - continued)**

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### **6.4 Employee Benefits (Group and Trust)**

The cost of leave 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. There were no other employee benefits during the year (2017/18 : £nil).

### **6.5 Early Retirements due to Ill Health (Group)**

During the year there were 5 early retirements (2017/18 : 8) agreed on the grounds of ill-health. The estimated additional pension liabilities of these ill-health retirements will be £193,000 (2017/18 : £659,000). The cost of these ill-health retirements will be borne by the NHS Business Services Authority - Pensions Division.

## **7. Operating Miscellaneous (Group)**

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### **7.1 Operating Leases (Group)**

The Group and Trust has operating lease arrangements for the use of land, buildings, vehicles and equipment. Within some of these arrangements contingent rent is paid based on an annual uplift for future price indices (RPI).

	<b>Group 2018/19 £000</b>	<b>Trust 2018/19 £000</b>	<b>Group 2017/18 £000</b>	<b>Trust 2017/18 £000</b>
Minimum lease payments	2,543	1,694	2,354	2,012
Contingent rents	109	40	72	66
Less sublease payments received	(13)	0	(13)	(7)
<b>Total</b>	<b>2,639</b>	<b>1,734</b>	<b>2,413</b>	<b>2,071</b>

In 2017/18 salary sacrifice vehicles were removed from the minimum lease payments, as they are not recorded through expenditure.

	<b>Group 2018/19 £000</b>	<b>Trust 2018/19 £000</b>	<b>Group 2017/18 £000</b>	<b>Trust 2017/18 £000</b>
<b>Future minimum lease payments due relating to buildings leases:</b>				
- not later than one year;	2,140	1,459	1,926	1,616
- later than one year and not later than five years;	3,416	2,181	1,984	1,338
- later than five years.	7,894	4,865	5,203	2,367
<b>Total</b>	<b>13,450</b>	<b>8,505</b>	<b>9,113</b>	<b>5,321</b>
<b>Total of future minimum sublease lease payments to be received</b>	<b>(13)</b>	<b>0</b>	<b>(13)</b>	<b>(7)</b>
<b>Future minimum lease payments due to other leases:</b>				
- not later than one year;	3,314	2,953	3,664	3,322
- later than one year and not later than five years;	2,154	1,877	3,113	2,884
<b>Total</b>	<b>5,468</b>	<b>4,830</b>	<b>6,777</b>	<b>6,206</b>

Future minimum lease payments includes amounts relating to staff salary sacrifice lease cars where the Trust and Company have a commitment to pay the leasing company and then these charges are recovered from individual staff. £3,128,000 is included within not later than one year and £2,097,000 is included within later than one year and not later than five years.

### **7.2 Limitations on Auditor's Liability (Group and Trust)**

There is no specified limitation on the auditor's liability for the year (2017/18 : no specified limitation).

## **7. Operating Miscellaneous (Group - continued)**

### **7.3 The Late Payment of Commercial Debts (Interest) Act 1998 (Group)**

The Group and Trust had no interest on late payment of commercial debts or compensation paid to cover debt recovery costs as at 31st March 2019 (31st March 2018 : £nil).

### **7.4 Audit Remuneration (Trust)**

The Group and Trust had other audit remuneration of £7,000 for audit of the Quality Accounts (31st March 2018 : £7,000 for the Quality Accounts and £6,000 for clinical workshop sessions). Auditor remuneration for the statutory audit is shown in note 4.

## **8. Discontinued Operations (Group)**

The Group and Trust had no discontinued operations as at 31st March 2019 (31st March 2018 : £nil).

## **9. Corporation Tax (Group)**

	<b>Group 2018/19 £000</b>	<b>Group 2017/18 £000</b>
UK Corporation tax expense	232	344
Adjustment in respect of prior years	0	0
Current tax expense	232	344
Deferred tax credit	0	0
Total tax expense in Statement of Comprehensive Income	<b>232</b>	<b>344</b>

The Trust has no corporation tax expense (2017/18 £nil).

**10. Finance Income (Group and Trust)**

	<b>Group 2018/19 £000</b>	<b>Trust 2018/19 £000</b>	<b>Group 2017/18 £000</b>	<b>Trust 2017/18 £000</b>
Interest on bank accounts	155	138	46	46
Interest received on loans to Subsidiary	0	884	0	907
NHS charitable fund investment income	10	0	8	0
<b>Total</b>	<b>165</b>	<b>1,022</b>	<b>54</b>	<b>953</b>

**11. Finance Costs (Group and Trust)**

	<b>Group 2018/19 £000</b>	<b>Trust 2018/19 £000</b>	<b>Group 2017/18 £000</b>	<b>Trust 2017/18 £000</b>
<b>Interest expense:</b>				
Capital loans from the Department of Health and Social Care	1,165	1,164	1,297	1,297
Finance leases	35	35	38	38
<b>Finance Costs on PFI and other service concession arrangements (excluding LIFT)</b>				
Main finance costs	2,730	2,730	2,781	2,781
Contingent finance costs	1,584	1,584	1,365	1,365
<b>Unwinding of discount on provisions</b>				
<b>Total</b>	<b>5,533</b>	<b>5,532</b>	<b>5,490</b>	<b>5,490</b>

**12. Impairment of Assets (Group and Trust)**

During the year, the Trust recognised net impairments of £798,000 charged to operating expenses made up of impairments of £2,018,000 and reversal of impairments of £1,220,000 and net impairments totalling £185,000 being credited to the revaluation reserve.

The impairments recognised during the year of £798,000 predominantly relate to changes in market prices for buildings and obsolescence. This reflects the valuations of land and buildings in the modern equivalent asset valuations carried out by Cushman & Wakefield as at 31st March 2019.

There were no impairment of assets during 2018/19 for NTW Solutions Ltd or for the Northumberland Tyne and Wear NHS Foundation Trust Charity (2017/18 £nil).

**13. Intangible Assets (Group and Trust)**

**13.1 Intangible Assets 2018/19**

	Group			Trust		
	Total 2018/19 £000	Software Licences purchased 2018/19 £000	Intangible Assets under Construction 2018/19 £000	Total 2018/19 £000	Software Licences purchased 2018/19 £000	Intangible Assets under Construction 2018/19 £000
<b>Valuation/gross cost at 1st April 2018</b>	<b>1,249</b>	886	363	<b>1,238</b>	875	363
Additions - purchased Disposals	366 (102)	285 (102)	81 0	366 (102)	285 (102)	81 0
<b>Valuation/gross cost at 31st March 2019</b>	<b>1,513</b>	1,069	444	<b>1,502</b>	1,058	444
<b>Amortisation at 1st April 2018</b>	<b>199</b>	199	0	<b>198</b>	198	0
Provided during the year Disposals	178 (102)	178 (102)	0 0	175 (102)	175 (102)	0 0
<b>Amortisation at 31st March 2019</b>	<b>275</b>	275	0	<b>271</b>	271	0
<b>Net book value by ownership:</b> NBV - purchased at 31st March	<b>1,238</b>	794	444	<b>1,231</b>	787	444

**13.2 Economic Life of Intangible Assets 2018/19**

	Minimum Life Years	Maximum Life Years		Minimum Life Years	Maximum Life Years
Software licences purchased	1	5		1	5

**13.3 Intangible Assets 2017/18**

	Group			Trust		
	Total 2017/18 £000	Software Licences purchased 2017/18 £000	Intangible Assets under Construction 2017/18 £000	Total 2017/18 £000	Software Licences purchased 2017/18 £000	Intangible Assets under Construction 2017/18 £000
<b>Valuation/gross cost at 1st April 2017</b>	<b>716</b>	353	363	<b>716</b>	353	363
Additions - purchased	533	533	0	522	522	0
<b>Valuation/gross cost at 31st March 2018</b>	<b>1,249</b>	886	363	<b>1,238</b>	875	363
<b>Amortisation at 1st April 2017</b>	<b>127</b>	127	0	<b>127</b>	127	0
Provided during the year	72	72	0	71	71	0
<b>Amortisation at 31st March 2018</b>	<b>199</b>	199	0	<b>198</b>	198	0
<b>Net book value by ownership:</b> NBV - purchased at 31st March	<b>1,050</b>	687	363	<b>1,040</b>	677	363

**13.4 Economic Life of Intangible Assets 2017/18**

	Minimum Life Years	Maximum Life Years		Minimum Life Years	Maximum Life Years
Software licences purchased	2	5		2	5

#### 14. Property, Plant and Equipment (Group and Trust)

##### 14.1 Property, Plant and Equipment 2018/19 - Group

	Total	Land	Buildings exc. Dwellings	Dwellings	Assets under Construction	Plant & Machinery	Transport Equipment	Information Technology	Furniture & Fittings
	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Valuation/gross cost at 1st April 2018</b>	<b>136,423</b>	5,213	112,863	123	2,013	3,432	59	9,320	3,400
Additions - purchased	7,464	0	2,410	0	2,326	0	0	2,624	104
Additions - assets purchased from cash donations	25	0	25	0	0	0	0	0	0
Impairments charged to the revaluation reserve	(96)	0	(96)	0	0	0	0	0	0
Reversal of impairments credited to the revaluation reserve	281	0	281	0	0	0	0	0	0
Reclassifications	0	0	1,276	0	(1,276)	0	0	0	0
Revaluations	(2,999)	(64)	(2,935)	0	0	0	0	0	0
Transfers to/from assets held for sale & assets in disposal groups	(325)	(97)	(228)	0	0	0	0	0	0
Disposals	(3,213)	(50)	(644)	0	0	0	(8)	(2,272)	(239)
<b>Valuation/gross cost at 31st March 2019</b>	<b>137,560</b>	5,002	112,952	123	3,063	3,432	51	9,672	3,265
<b>Accumulated depreciation at 1st April 2018</b>	<b>7,465</b>	0	0	0	0	1,574	59	4,210	1,622
Provided during the year	4,771	0	2,200	2	0	363	0	1,861	345
Impairments charged to operating expenses	2,018	104	1,914	0	0	0	0	0	0
Reversal of impairments credited to operating expenses	(1,220)	(40)	(1,178)	(2)	0	0	0	0	0
Revaluations	(2,999)	(64)	(2,935)	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Disposals	(2,519)	0	0	0	0	0	(8)	(2,272)	(239)
<b>Accumulated depreciation at 31st March 2019</b>	<b>7,516</b>	0	1	0	0	1,937	51	3,799	1,728
<b>Net book value by ownership:</b>									
Owned	98,232	4,952	81,189	123	3,063	1,495	0	5,873	1,537
Finance leased	635	50	585	0	0	0	0	0	0
On-Statement of Financial Position PFI contracts	31,119	0	31,119	0	0	0	0	0	0
Owned - government granted	33	0	33	0	0	0	0	0	0
Owned - donated	25	0	25	0	0	0	0	0	0
<b>Net book value by ownership total at 31st March 2019</b>	<b>130,044</b>	5,002	112,951	123	3,063	1,495	0	5,873	1,537

To ensure that asset values at 31st March 2019 reflect current market conditions valuations were carried out by Cushman & Wakefield.

Of the totals at 31st March 2019, £3,250,000 related to land, £105,963,000 related to buildings valued on a Modern Equivalent Asset alternative site basis.

Of the totals at 31st March 2019, £95,000 related to land, £3,508,000 related to buildings valued on a Modern Equivalent Asset no alternative site basis in relation to tenants improvements.

Of the totals at 31st March 2019, £1,063,000 related to land, £2,594,000 related to buildings and £123,000 related to dwellings valued on a Market Value in Existing Use basis.

Of the totals at 31st March 2019, £594,000 related to land, £886,000 related to buildings valued on a fair value basis. These relate to surplus non-operational assets

Of the totals at 31st March 2019, plant and machinery, transport equipment, information technology and furniture and fittings are all valued on the basis of depreciated replacement cost.

#### **14. Property, Plant and Equipment (Group and Trust)**

##### **14.2 Property, Plant and Equipment 2018/19 - Trust**

	<b>Total</b>	Land	Buildings exc. Dwellings	Dwellings	Assets under Construction	Plant & Machinery	Transport Equipment	Information Technology	Furniture & Fittings
	<b>£000</b>	£000	£000	£000	£000	£000	£000	£000	£000
<b>Valuation/gross cost at 1st April 2018</b>	<b>135,874</b>	5,213	112,864	123	2,013	3,007	59	9,320	3,275
Additions - purchased	7,349	0	2,388	0	2,315	0	0	2,624	22
Additions - leased	0	0	0	0	0	0	0	0	0
Additions - assets purchased from cash donations	25	0	25	0	0	0	0	0	0
Impairments charged to the revaluation reserve	(96)	0	(96)	0	0	0	0	0	0
Reversal of impairments credited to the revaluation reserve	281	0	281	0	0	0	0	0	0
Reclassifications	0	0	1,276	0	(1,276)	0	0	0	0
Revaluations	(2,996)	(64)	(2,932)	0	0	0	0	0	0
Transfers to/from assets held for sale & assets in disposal groups	(325)	(97)	(228)	0	0	0	0	0	0
Disposals	(3,405)	(50)	(644)	0	0	(193)	(8)	(2,272)	(238)
<b>Valuation/gross cost at 31st March 2019</b>	<b>136,707</b>	<b>5,002</b>	<b>112,934</b>	<b>123</b>	<b>3,052</b>	<b>2,814</b>	<b>51</b>	<b>9,672</b>	<b>3,059</b>
<b>Accumulated depreciation at 1st April 2018</b>	<b>7,343</b>	0	0	0	0	1,463	59	4,210	1,611
Provided during the year	4,629	0	2,196	2	0	245	0	1,861	325
Impairments charged to operating expenses	2,018	104	1,914	0	0	0	0	0	0
Reversal of impairments credited to operating expenses	(1,220)	(40)	(1,178)	(2)	0	0	0	0	0
Revaluations	(2,996)	(64)	(2,932)	0	0	0	0	0	0
Disposals	(2,529)	0	0	0	0	(10)	(8)	(2,272)	(239)
<b>Accumulated depreciation at 31st March 2019</b>	<b>7,245</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,698</b>	<b>51</b>	<b>3,799</b>	<b>1,697</b>
<b>Net book value by ownership:</b>									
Owned	97,650	4,952	81,172	123	3,052	1,116	0	5,873	1,362
Finance leased	635	50	585	0	0	0	0	0	0
On-Statement of Financial Position PFI contracts	31,119	0	31,119	0	0	0	0	0	0
Owned - government granted	33	0	33	0	0	0	0	0	0
Owned - donated	25	0	25	0	0	0	0	0	0
<b>Net book value by ownership total at 31st March 2019</b>	<b>129,462</b>	<b>5,002</b>	<b>112,934</b>	<b>123</b>	<b>3,052</b>	<b>1,116</b>	<b>0</b>	<b>5,873</b>	<b>1,362</b>

To ensure that asset values at 31st March 2019 reflect current market conditions valuations were carried out by Cushman & Wakefield.

Of the totals at 31st March 2019, £3,250,000 related to land, £105,963,000 related to buildings valued on a Modern Equivalent Asset alternative site basis.

Of the totals at 31st March 2019, £95,000 related to land, £3,508,000 related to buildings valued on a Modern Equivalent Asset no alternative site basis in relation to tenants improvements.

Of the totals at 31st March 2019, £1,063,000 related to land, £2,594,000 related to buildings and £123,000 related to dwellings valued on a Market Value in Existing Use basis.

Of the totals at 31st March 2019, £594,000 related to land, £886,000 related to buildings valued on a fair value basis. These relate to surplus non-operational assets

Of the totals at 31st March 2019, plant and machinery, transport equipment, information technology and furniture and fittings are all valued on the basis of depreciated replacement cost.

#### 14. Property, Plant and Equipment (Group and Trust)

##### 14.1 Property, Plant and Equipment 2017/18 - Group

	Total	Land	Buildings exc. Dwellings	Dwellings	Assets under Construction	Plant & Machinery	Transport Equipment	Information Technology	Furniture & Fittings
	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Valuation/gross cost at 1st April 2017</b>	<b>129,801</b>	5,391	105,018	105	1,869	4,128	72	9,749	3,469
Additions - purchased	5,572	45	2,088	0	1,288	217	0	1,825	109
Impairments charged to the revaluation reserve	(151)	(15)	(136)	0	0	0	0	0	0
Reversal of impairments credited to the revaluation reserve	964	0	964	0	0	0	0	0	0
Reclassifications	(1)	0	1,134	0	(1,144)	9	0	0	0
Revaluations	4,214	(25)	4,221	18	0	0	0	0	0
Transfers to/from assets held for sale & assets in disposal groups	(609)	(183)	(426)	0	0	0	0	0	0
Disposals	(3,367)	0	0	0	0	(922)	(13)	(2,254)	(178)
<b>Valuation/gross cost at 31st March 2018</b>	<b>136,423</b>	5,213	112,863	123	2,013	3,432	59	9,320	3,400
<b>Accumulated depreciation at 1st April 2017</b>	<b>8,141</b>	0	0	0	0	2,109	72	4,512	1,448
Provided during the year	4,675	0	1,982	2	0	387	0	1,952	352
Impairments charged to operating expenses	3,105	47	3,058	0	0	0	0	0	0
Reversal of impairments credited to operating expenses	(9,302)	(22)	(9,260)	(20)	0	0	0	0	0
Revaluations	4,214	(25)	4,221	18	0	0	0	0	0
Reclassifications	(1)	0	(1)	0	0	0	0	0	0
Disposals	(3,367)	0	0	0	0	(922)	(13)	(2,254)	(178)
<b>Accumulated depreciation at 31st March 2018</b>	<b>7,465</b>	0	0	0	0	1,574	59	4,210	1,622
<b>Net book value by ownership:</b>									
Owned	97,156	5,163	81,111	123	2,013	1,858	0	5,110	1,778
Finance leased	644	50	594	0	0	0	0	0	0
On-Statement of Financial Position PFI contracts	31,125	0	31,125	0	0	0	0	0	0
Owned - government granted	33	0	33	0	0	0	0	0	0
<b>Net book value by ownership total at 31st March 2018</b>	<b>128,958</b>	5,213	112,863	123	2,013	1,858	0	5,110	1,778

To ensure that asset values at 31st March 2018 reflect current market conditions valuations were carried out by Cushman & Wakefield.

Of the totals at 31st March 2018, £3,260,000 related to land, £105,144,000 related to buildings valued on a Modern Equivalent Asset alternative site basis.

Of the totals at 31st March 2018, £95,000 related to land, £3,835,000 related to buildings valued on a Modern Equivalent Asset no alternative site basis in relation to tenants improvements.

Of the totals at 31st March 2018, £1,264,000 related to land, £2,998,000 related to buildings and £123,000 related to dwellings valued on a Market Value in Existing Use basis.

Of the totals at 31st March 2018, £594,000 related to land, £886,000 related to buildings valued on a fair value basis. These relate to surplus non-operational assets

Of the totals at 31st March 2018, plant and machinery, transport equipment, information technology and furniture and fittings are all valued on the basis of depreciated replacement cost.

#### 14. Property, Plant and Equipment (Group and Trust)

##### 14.2 Property, Plant and Equipment 2017/18 - Trust

	Total	Land	Buildings exc. Dwellings	Dwellings	Assets under Construction	Plant & Machinery	Transport Equipment	Information Technology	Furniture & Fittings
	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Valuation/gross cost at 1st April 2017</b>	<b>129,801</b>	5,391	105,018	105	1,869	4,128	72	9,749	3,469
Additions - purchased	5,454	45	2,088	0	1,288	208	0	1,825	0
Additions - leased	0	0	0	0	0	0	0	0	0
Impairments charged to the revaluation reserve	(151)	(15)	(136)	0	0	0	0	0	0
Reversal of impairments credited to the revaluation reserve	964	0	964	0	0	0	0	0	0
Reclassifications	0	0	1,135	0	(1,144)	9	0	0	0
Revaluations	4,214	(25)	4,221	18	0	0	0	0	0
Transfers to/from assets held for sale & assets in disposal groups	(609)	(183)	(426)	0	0	0	0	0	0
Disposals	(3,799)	0	0	0	0	(1,338)	(13)	(2,254)	(194)
<b>Valuation/gross cost at 31st March 2018</b>	<b>135,874</b>	5,213	112,864	123	2,013	3,007	59	9,320	3,275
<b>Accumulated depreciation at 1st April 2017</b>	<b>8,141</b>	0	0	0	0	2,109	72	4,512	1,448
Provided during the year	4,543	0	1,982	2	0	265	0	1,952	342
Impairments charged to operating expenses	3,105	47	3,058	0	0	0	0	0	0
Reversal of impairments credited to operating expenses	(9,302)	(22)	(9,260)	(20)	0	0	0	0	0
Revaluations	4,213	(25)	4,220	18	0	0	0	0	0
Disposals	(3,357)	0	0	0	0	(911)	(13)	(2,254)	(179)
<b>Accumulated depreciation at 31st March 2018</b>	<b>7,343</b>	0	0	0	0	1,463	59	4,210	1,611
<b>Net book value by ownership:</b>									
Owned	96,730	5,163	81,113	123	2,013	1,544	0	5,110	1,664
Finance leased	644	50	594	0	0	0	0	0	0
On-Statement of Financial Position PFI contracts	31,124	0	31,124	0	0	0	0	0	0
Owned - government granted	33	0	33	0	0	0	0	0	0
<b>Net book value by ownership total at 31st March 2018</b>	<b>128,531</b>	5,213	112,864	123	2,013	1,544	0	5,110	1,664

To ensure that asset values at 31st March 2018 reflect current market conditions valuations were carried out by Cushman & Wakefield.

Of the totals at 31st March 2018, £3,260,000 related to land, £105,144,000 related to buildings valued on a Modern Equivalent Asset alternative site basis.

Of the totals at 31st March 2018, £95,000 related to land, £3,835,000 related to buildings valued on a Modern Equivalent Asset no alternative site basis in relation to tenants improvements.

Of the totals at 31st March 2018, £1,264,000 related to land, £2,998,000 related to buildings and £123,000 related to dwellings valued on a Market Value in Existing Use basis.

Of the totals at 31st March 2018, £594,000 related to land, £886,000 related to buildings valued on a fair value basis. These relate to surplus non-operational assets

Of the totals at 31st March 2018, plant and machinery, transport equipment, information technology and furniture and fittings are all valued on the basis of depreciated replacement cost.

## **14. Property, Plant and Equipment (Group and Trust - continued)**

### **14.3 Economic Life of Property, Plant and Equipment (Group and Trust)**

<b>Group &amp; Trust</b>	<b>Minimum Life Years</b>	<b>Maximum Life Years</b>
Land	Indefinite	Indefinite
Buildings excluding dwellings	2	55
Dwellings	35	35
Plant & machinery	0	15
Transport equipment	0	0
Information technology	0	5
Furniture & fittings	0	10

**15. Investments (Group and Trust)****15.1 Investments**

	Group		Trust	
	2018/19	2017/18	2018/19	2017/18
	Investments in associates and joint ventures £000			
<b>Carrying value at 1st April</b>	0	0	0	0
Share of profit	39	0	39	0
Disbursements/dividends received	(19)	0	(19)	0
<b>Carrying value at 31st March</b>	<b>20</b>	<b>0</b>	<b>20</b>	<b>0</b>

The Trust has a 50% share in a Limited Liability Partnership (LLP) established on 1st March 2011 with independent healthcare providers Insight Ltd (formerly MHCO). The Newcastle Talking Therapies LLP has been commissioned by NHS Newcastle Gateshead CCG to deliver a new service aimed at 'Improving Access to Psychological Therapies - IAPT' for the people of Newcastle.

**15.2 Fair value of investments in associates and joint ventures**

	Group		Trust	
	Value £000	Interest Held %	Value £000	Interest Held %

**As at 31st March 2018**

MHC / NTW LLP	0	50%	0	50%
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**As at 31st March 2017**

MHC / NTW LLP	0	50%	0	50%
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(MHC / NTW LLP formerly known as Insight Ltd / NTW LLP)

**15.3 Investments in Subsidiary Undertakings**

	Trust	
	2018/19	2017/18
	Investments in subsidiary undertakings £000	Investments in subsidiary undertakings £000
Shares in subsidiary undertakings	12,516	12,516
Loans to subsidiary undertakings under 1 year	615	751
Loans to subsidiary undertakings over 1 year	<u>20,576</u>	<u>26,769</u>
	<b>33,707</b>	<b>40,036</b>

The shares in the subsidiary company NTW Solutions Limited is a 100% wholly owned subsidiary consisting of £1 ordinary shares.

**16. Non-current Assets for Sale and Assets in Disposal Groups (Group and Trust)****16.1 Non-current Assets for Sale and Assets in Disposal Groups 2018/19**

	Group		Trust		
	Total £000	Property, Plant & Equipment: Land £000	Property, Plant & Equipment: Buildings £000	Total £000	Property, Plant & Equipment: Land £000
<b>Net book value at 1st April 2018</b>	285	86	199	285	86
Plus assets classified as available for sale in the year	325	97	228	325	97
Less assets sold in year	(285)	(86)	(199)	(285)	(86)
<b>Net book value at 31st March 2019</b>	<b>325</b>	<b>97</b>	<b>228</b>	<b>325</b>	<b>97</b>
					228

At 1st April 2018, the Trust held two assets for sale in disposal groups. During the year, both of these properties were sold and two further properties were reclassified as held for sale.

**16. Non-current Assets for Sale and Assets in Disposal Groups (Group and Trust - continued)****16.1 Non-current Assets for Sale and Assets in Disposal Groups 2017/18**

	Group			Trust		
	Total £000	Property, Plant & Equipment: Land £000	Property, Plant & Equipment: Buildings £000	Total £000	Property, Plant & Equipment: Land £000	Property, Plant & Equipment: Buildings £000
<b>Net book value at 1st April 2017</b>	<b>0</b>	0	0	<b>0</b>	0	0
Plus assets classified as available for sale in the year	609	183	426	609	183	426
Less assets sold in year	(324)	(97)	(227)	(324)	(97)	(227)
Less Impairment of assets held for sale	0	0	0	0	0	0
<b>Net book value at 31st March 2018</b>	<b>285</b>	<b>86</b>	<b>199</b>	<b>285</b>	<b>86</b>	<b>199</b>

At 1st April 2017, the Trust held no assets for sale in disposal groups. During the year, three properties were reclassified as held for sale and one property was sold during the year.

**16.2 Liabilities in Disposal Groups (Group and Trust)**

The Group and Trust has no liabilities in disposal groups as at 31st March 2019; (31st March 2018 : £nil).

**17. Other Assets (Group and Trust)**

The Group and Trust has no other assets as at 31st March 2019; (31st March 2018 : £nil).

**18. Other Financial Assets (Group and Trust)**

The Group and Trust has no other financial assets as at 31st March 2019; (31st March 2018 : £nil).

**19. Inventory (Group and Trust)**

**19.1 Inventory 2018/19**

	Group					Trust				
	Total £000	Drugs £000	Consumables £000	Energy £000	Other £000	Total £000	Drugs £000	Consumables £000	Energy £000	Other £000
<b>Carrying Value at 1st April 2018</b>	<b>319</b>	236	4	15	64	<b>235</b>	234	0	0	1
Additions	3,377	3,284	10	10	73	3,192	3,191	0	0	1
Inventories consumed (recognised in expenses)	(3,255)	(3,150)	(11)	(4)	(90)	(3,150)	(3,150)	0	0	0
Write down of inventories recognised as an expense	(4)	(4)	0	0	0	(4)	(4)	0	0	0
<b>Carrying Value at 31st March 2019</b>	<b>437</b>	<b>366</b>	<b>3</b>	<b>21</b>	<b>47</b>	<b>273</b>	<b>271</b>	<b>0</b>	<b>0</b>	<b>2</b>

**19.2 Inventory 2017/18**

	Group					Trust				
	Total £000	Drugs £000	Consumables £000	Energy £000	Other £000	Total £000	Drugs £000	Consumables £000	Energy £000	Other £000
<b>Carrying Value at 1st April 2017</b>	<b>359</b>	271	4	14	70	<b>359</b>	271	4	13	70
Additions	3,666	3,505	15	2	144	3,419	3,505	(4)	(13)	(69)
Inventories consumed (recognised in expenses)	(3,701)	(3,535)	(15)	(1)	(150)	(3,538)	(3,538)	0	0	0
Write down of inventories recognised as an expense	(5)	(5)	0	0	0	(4)	(4)	0	0	0
<b>Carrying Value at 31st March 2018</b>	<b>319</b>	<b>236</b>	<b>4</b>	<b>15</b>	<b>64</b>	<b>236</b>	<b>234</b>	<b>0</b>	<b>0</b>	<b>1</b>

**20. Trade Receivables and Other Receivables (Group and Trust)****20.1 Trade Receivables and Other Receivables**

	Restated		Restated	
	Group		Group	
	31st March 2019 £000	31st March 2019 £000	31st March 2018 £000	31st March 2018 £000
<b>Current</b>				
Contract receivables invoiced	12,668	12,969	13,220	13,081
Contract receivables not yet invoiced	3,791	3,779	1,961	2,199
Capital receivables	213	212	1,665	1,665
Allowance for impaired contract receivables	(577)	(573)	(513)	(509)
Deposits and advances	1	1	10	5
Prepayments (non-PFI)	3,615	3,374	3,657	3,355
Interest receivable	10	2	2	2
PDC dividend receivable	67	67	0	0
VAT receivable	358	358	943	1,302
Corporation and other taxes receivable	0	0	13	0
Other receivables - revenue	663	483	363	361
<b>Total current trade and other receivables</b>	<b>20,809</b>	<b>20,672</b>	<b>21,321</b>	<b>21,461</b>
<b>Non-current</b>				
Prepayments (non-PFI)	247	230	470	468
<b>Total non-current trade and other receivables</b>	<b>247</b>	<b>230</b>	<b>470</b>	<b>468</b>
<b>Total trade and other receivables</b>	<b>21,056</b>	<b>20,902</b>	<b>21,791</b>	<b>21,929</b>
Restatement related to the movement of Loan to subsidiary to investments Note 15.3				
<b>20.2 Allowance for credit losses</b>				
	Group 2018/19 £000	Trust 2018/19 £000	Group 2017/18 £000	Trust 2017/18 £000
<b>At 1st April</b>	513	509	1,221	1,221
Net allowances arising	543	543	494	490
Utilisation of allowances where receivable is written off	(110)	(110)	(45)	(45)
Reversal of allowances where receivable is collected in year	(369)	(369)	(1,157)	(1,157)
<b>At 31st March</b>	<b>577</b>	<b>573</b>	<b>513</b>	<b>509</b>
<b>20.3 Finance Lease Receivables (Group and Trust)</b>				
The Group and Trust had no finance lease receivables at 31st March 2019 (31st March 2018 : £nil).				

**21. Cash and Cash Equivalents (Group and Trust)**

	<b>Group 2018/19 Cash and cash equivalents £000</b>	<b>Trust 2018/19 Cash and cash equivalents £000</b>	<b>Group 2017/18 Cash and cash equivalents £000</b>	<b>Trust 2017/18 Cash and cash equivalents £000</b>
<b>At 1st April</b>	<b>24,465</b>	<b>18,981</b>	<b>18,962</b>	<b>17,470</b>
Net change in year	<b>7,176</b>	<b>8,883</b>	<b>5,503</b>	<b>1,511</b>
<b>At 31st March</b>	<b>31,641</b>	<b>27,864</b>	<b>24,465</b>	<b>18,981</b>
Broken down into:				
Cash at commercial banks and in hand	1,650	160	3,196	137
Charitable funds cash and cash equivalents	1,287	0	1,425	0
Cash with the Government Banking Service (GBS)	9,704	9,704	18,844	18,844
Deposits with the National Loans Fund	18,000	18,000	0	0
Other current investments (short term deposits)	1,000	0	1,000	0
<b>Cash and cash equivalents as per the Statement of Financial Position</b>	<b>31,641</b>	<b>27,864</b>	<b>24,465</b>	<b>18,981</b>
Bank overdrafts - (GBS and commercial banks)	0	0	0	0
Drawdown in committed facility	0	0	0	0
<b>Cash and cash equivalents as per the Statement of Cash Flows</b>	<b>31,641</b>	<b>27,864</b>	<b>24,465</b>	<b>18,981</b>

The Trust held £1,177,000 cash and cash equivalents at 31st March 2019 (31st March 2018 : £1,177,000) which relates to monies held on behalf of patients. The Group also held £267,000 in relation to staff savings schemes (31st March 2018 : £nil). These balances have been excluded from the cash and cash equivalents figure reported in the accounts.

**22. Trade and Other Payables (Group and Trust)****22.1 Trade and Other Payables**

	<b>Group 31st March 2019 £000</b>	<b>Trust 31st March 2019 £000</b>	<b>Restated Group 31st March 2018 £000</b>	<b>Restated Trust 31st March 2018 £000</b>
<b>Current</b>				
Trade payables	2,923	2,361	4,095	3,023
Other trade payables - capital	1,816	2,129	1,203	1,676
Accruals	14,827	14,022	8,892	9,396
Social Security costs	3,585	3,386	3,213	3,022
VAT payables	508	0	89	0
Other taxes payable	1,991	1,895	2,278	1,835
PDC dividend payable	0	0	117	117
Accrued interest on DHSC loans	0	0	239	239
Other payables	5,268	4,928	5,261	4,965
NHS Charitable funds trade and other payables	37	0	21	0
<b>Total current trade and other payables</b>	<b>30,955</b>	<b>28,721</b>	<b>25,408</b>	<b>24,273</b>

The Group and Trust had no non-current trade and other payables at 31st March 2019 (31st March 2018 : £nil).

Restatement due to change of classification of salary deduction balances from taxes to social security costs.

**22.2 Early Retirements included in NHS Payables above (Group and Trust)**

The Group and Trust had no liabilities for early retirements payable over 5 years (31st March 2018 : £nil).

**23. Borrowings (Group and Trust)****23.1 Borrowings**

	Group 31st March 2019 £000	Trust 31st March 2019 £000	Group 31st March 2018 £000	Trust 31st March 2018 £000
<b>Current</b>				
Capital loans from Department of Health and Social Care	4,163	4,163	5,315	5,315
Obligations under finance leases	60	60	60	60
Obligations under PFI contracts (excl. lifecycle)	757	757	937	937
<b>Total current borrowings</b>	<b>4,980</b>	<b>4,980</b>	<b>6,312</b>	<b>6,312</b>
<b>Non-current</b>				
Capital loans from Department of Health and Social Care	46,830	46,830	50,767	50,767
Obligations under finance leases	892	892	953	953
Obligations under Private Finance Initiative contracts	37,350	37,350	38,105	38,105
<b>Total non-current borrowings</b>	<b>85,072</b>	<b>85,072</b>	<b>89,825</b>	<b>89,825</b>

**23.2 Reconciliation of liabilities arising from financing activities (Group and Trust)**

	Loans from DHSC £000	Finance Leases £000	PFI Schemes £000	Total £000
<b>Carrying value at 1st April 2018</b>	<b>56,082</b>	<b>1,013</b>	<b>39,042</b>	<b>96,137</b>
<b>Cash movements</b>				
Financing cash flows - payments of principle	(5,315)	(61)	(937)	(6,313)
Financing cash flows - payments of interest	(1,178)	(35)	(4,314)	(5,527)
<b>Non cash movements</b>				
Interest expense	1,165	35	4,314	5,514
Non-cash movements	14	0	2	16
Impact of implementing IFRS 9 on 1st April - interest payable liabilities	225	0	0	225
<b>Carrying value at 31st March 2019</b>	<b>50,993</b>	<b>952</b>	<b>38,107</b>	<b>90,052</b>

**23.3 Reconciliation of liabilities arising from financing activities (Group and Trust)**

	Loans from DHSC £000	Finance Leases £000	PFI Schemes £000	Total £000
<b>Carrying value at 1st April 2017</b>	<b>61,397</b>	<b>1,073</b>	<b>39,832</b>	<b>102,302</b>
<b>Cash movements</b>				
Financing cash flows - payments of principle	(5,314)	(60)	(791)	(6,165)
Financing cash flows - payments of interest	(1,307)	(38)	(4,146)	(5,491)
<b>Non cash movements</b>				
Interest expense	1,297	38	4,146	5,481
Non-cash movements	9	0	1	10
<b>Carrying value at 31st March 2018</b>	<b>56,082</b>	<b>1,013</b>	<b>39,042</b>	<b>96,137</b>

**24. Other Liabilities (Group and Trust)**

	<b>Group</b> <b>31st March</b> <b>2019</b> <b>£000</b>	<b>Trust</b> <b>31st March</b> <b>2019</b> <b>£000</b>	<b>Group</b> <b>31st March</b> <b>2018</b> <b>£000</b>	<b>Trust</b> <b>31st March</b> <b>2018</b> <b>£000</b>
<b>Current</b>				
Other deferred income	484	3,513	338	3,367
<b>Total current other liabilities</b>	<b>484</b>	<b>3,513</b>	<b>338</b>	<b>3,367</b>
<b>Non-current</b>				
Other deferred income	324	32,246	250	35,201
<b>Total non-current other liabilities</b>	<b>324</b>	<b>32,246</b>	<b>250</b>	<b>35,201</b>

**25. Other Financial Liabilities (Group and Trust)**

The Group and Trust had no other financial liabilities at 31st March 2019 (31st March 2018 : £nil).

**26. Provisions for Liabilities and Charges (Group and Trust)****26.1 Provisions for Liabilities and Charges**

	<b>Group</b>		<b>Group</b>		<b>Trust</b>		<b>Trust</b>	
	<b>Current</b>		<b>Non-current</b>		<b>Current</b>		<b>Non-current</b>	
	<b>31st March</b> <b>2019</b> <b>£000</b>	<b>31st March</b> <b>2018</b> <b>£000</b>						
Pensions - early departure costs	114	114	1,222	1,276	114	114	1,222	1,276
Pensions - injury benefits	249	243	5,150	5,349	249	243	5,150	5,349
Other legal claims	107	116	0	0	98	107	0	0
Redundancy	125	0	0	0	125	0	0	0
Other	178	127	0	0	178	127	0	0
<b>Total</b>	<b>773</b>	<b>600</b>	<b>6,372</b>	<b>6,625</b>	<b>764</b>	<b>591</b>	<b>6,372</b>	<b>6,625</b>
								0

**26. Provisions for Liabilities and Charges (Group and Trust - continued)****26.2 Provisions for Liabilities and Charges Analysis - Group and Trust**

	Group						Trust					
	Total	Pensions - early departure costs	Pensions - injury benefits costs	Other Legal Claims	Redundancy	Other	Total	Pensions - early departure costs	Pensions - injury benefits costs	Other Legal Claims	Redundancy	Other
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>At 1st April 2018</b>	<b>7,225</b>	1,390	5,592	116	0	127	<b>7,216</b>	1,390	5,592	107	0	127
Change in the discount rate	(155)	(19)	(136)	0	0	0	(155)	(19)	(136)	0	0	0
Arising during the year	565	106	179	56	125	99	565	106	179	56	125	99
Utilised during the year - accruals	(92)	(29)	(63)	0	0	0	(92)	(29)	(63)	0	0	0
Utilised during the year - cash	(344)	(86)	(188)	(32)	0	(38)	(344)	(86)	(188)	(32)	0	(38)
Reversed unused	(73)	(30)	0	(33)	0	(10)	(73)	(30)	0	(33)	0	(10)
Unwinding of discount	19	4	15	0	0	0	19	4	15	0	0	0
<b>At 31st March 2019</b>	<b>7,145</b>	<b>1,336</b>	<b>5,399</b>	<b>107</b>	<b>125</b>	<b>178</b>	<b>7,136</b>	<b>1,336</b>	<b>5,399</b>	<b>98</b>	<b>125</b>	<b>178</b>
<b>Expected timing of cashflows:</b>												
- not later than one year;	773	114	249	107	125	178	764	114	249	98	125	178
- later than one year and not later than five years;	1,437	450	987	0	0	0	1,437	450	987	0	0	0
- later than five years.	4,935	772	4,163	0	0	0	4,935	772	4,163	0	0	0
<b>Total</b>	<b>7,145</b>	<b>1,336</b>	<b>5,399</b>	<b>107</b>	<b>125</b>	<b>178</b>	<b>7,136</b>	<b>1,336</b>	<b>5,399</b>	<b>98</b>	<b>125</b>	<b>178</b>

The total value of clinical negligence provisions carried by NHS Resolution (formerly known as NHS Litigation Authority) on behalf of the Trust is £4,073,000 at 31st March 2019 (31st March 2018 : £5,746,000) and these liabilities are not recognised in the Trust's accounts.

**Pensions - early departure provisions**

The pension provisions are based on pension payments and average life expectancies of former employees. The value and timing of the provision would therefore not be expected to vary significantly.

**Pensions - injury benefit provisions**

The injury benefit provisions are based on future payments in respect of injury benefit claims and average life expectancies.

**Legal Claims**

Legal claims includes provisions for employer and public liability claims against the Group. Information regarding the probability of success, values and timings of these claims has been provided by NHS Resolution and Royal Sun Alliance. All of the cases are subject to future change, in particular they may take longer to settle, due to the nature of legal cases.

**Other**

This represents provisions by the Trust for the following:

- provisions for employee litigation cases.

The Treasury Pension rate applied to the Pensions and Injury Benefits provision has changed to 0.29% (previously 0.10%).

**27. Contingencies (Group and Trust)**

	Group 31st March 2019 £000	Trust 31st March 2019 £000	Group 31st March 2018 £000	Trust 31st March 2018 £000
<b>Value of contingent liabilities:</b>				
NHS Litigation Authority Legal Cases	(70) 0	(70) 0	(84) 0	(84) 0
Other				
<b>Gross value of contingent liabilities</b>	<b>(70) 0</b>	<b>(70) 0</b>	<b>(84) 0</b>	<b>(84) 0</b>
Amounts recoverable against liabilities				
<b>Net value of contingent liabilities</b>	<b>(70)</b>	<b>(70)</b>	<b>(84)</b>	<b>(84)</b>
<b>Net value of contingent assets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Contingent liabilities include:

- estimates provided by NHS Resolution for public liability and employer liability cases.

**28. Revaluation Reserve (Group & Trust)****28.1 Revaluation Reserve 2018/19 (Trust)**

	Total £000	Property, Plant & Equipment £000	Assets Held for Sale £000
<b>Revaluation reserve at 1st April 2018</b>			
Net Impairments	185	185	0
Revaluations	0	0	0
Transfer to I&E reserve upon asset disposal	(98)	(98)	0
<b>Revaluation reserve at 31st March 2019</b>	<b>3,095</b>	<b>3,095</b>	<b>0</b>

All revaluation reserve balances are held by the Trust.

**28.2 Revaluation Reserve 2017/18**

	Total £000	Property, Plant & Equipment £000	Assets Held for Sale £000
<b>Revaluation reserve at 1st April 2017</b>			
Net Impairments	813	813	0
Revaluations	0	0	0
Transfer to I&E reserve upon asset disposal	(20)	(20)	0
<b>Revaluation reserve at 31st March 2018</b>	<b>3,008</b>	<b>3,008</b>	<b>0</b>

All revaluation reserve balances are held by the Trust.

**29. Related Parties (Group)**

**29.1 Related Party Transactions 2018/19**

	Group Income £000	Group Expenditure £000
<b>Transactions with parties related to board members:</b>		
David Arthur, Non-Executive Director		
- Director/Trustee of Mental Health Concern	11	0
- Consultant to MHA LLP chartered accountants network	0	1
- Member of Newcastle University Business Engagement & Advisory Board	159	743
Alexis Cleveland, Non-Executive Director		
- Chair: University College Council Durham University	22	117
- Trustee: Barnardo's Childrens Charity	0	1
James Duncan, Executive Director of Finance & Deputy Chief Executive and Non Executive, NTW Solutions Ltd		
- brother in law is a partner at Womble Bond Dickinson LLP. The Trust has paid/accrued for purchase invoices in respect of legal fees.	0	17
- Vice Chair of the HFMA Mental Health Faculty. The Trust has paid/accrued for purchase invoices in respect of fees.	0	5
Dr Rajesh Nadkarni, Executive Medical Director		
- Member of Advisory Board, Cass Business School, City University of London	31	0
<b>Value of transactions with parties related to board members</b>	<b>223</b>	<b>884</b>
<b>Value of transactions with key staff members</b>	<b>0</b>	<b>0</b>
<b>Value of transactions with other related parties:</b>		
Non-consolidated subsidiaries and associates/joint ventures	136	0
<b>Total value of transactions with related parties in 2018/19</b>	<b>359</b>	<b>884</b>

**29. Related Parties Group (continued)****29.2 Related Party Balances at 31st March 2019**

	Group Receivables £000	Group Payables £000
<b>Balances (other than salary) with parties related to board members:</b>		
David Arthur, Non-Executive Director		
- Director/Trustee of Mental Health Concern	6	0
- Member of Newcastle University Business Engagement & Advisory Board	154	683
Alexis Cleveland, Non-Executive Director		
- Vice Chair and Trustee : Durham University Council and Chair : University College Council		
Durham University. The Trust has raised invoices in relation to training	17	116
- Trustee: Barnardo's Childrens Charity	0	0
James Duncan, Executive Director of Finance & Deputy Chief Executive and Non Executive, NTW Solutions Ltd		
- Vice Chair of the HFMA Mental Health Faculty. The Trust held a purchase invoices in respect of fees.	0	1
Dr Rajesh Nadkarni, Executive Medical Director		
- Member of Advisory Board, Cass Business School, City University of London	0	2
<b>Value of balances (other than salary) with parties related to board members</b>	<b>177</b>	<b>802</b>
<b>Value of balances (other than salary) with key staff members</b>	<b>0</b>	<b>0</b>
<b>Value of balances (other than salary) with related parties in relation to doubtful debts</b>	<b>0</b>	<b>0</b>
<b>Value of balances (other than salary) with related parties in respect of doubtful debts written off in year</b>	<b>0</b>	<b>0</b>
<b>Value of balances with other related parties:</b>		
Non-consolidated subsidiaries and associates/joint ventures	57	0
<b>Total balances with related parties at 31st March 2019</b>	<b>234</b>	<b>802</b>

**29. Related Parties (Group)**

<b>29.1 Related Party Transactions 2017/18</b>	<b>Restated Group Income £000</b>	<b>Restated Group Expenditure £000</b>
<b>Transactions with parties related to board members:</b>		
Ken Jarrold, Chair		
- Consultant: Dearden HR	0	5
- Director / Sole Share Holder: Other Peoples Shoes Ltd	0	1
Dr Les Boobis, Non-Executive Director		
- Daughter is Research and Evaluation Lead for Changing Lives up to 24/01/2018	45	1,396
Paul McEldon - Non-Executive Director		
- Governor : City of Sunderland College. The Trust has paid purchase invoices.	0	6
Alexis Cleveland, Non-Executive Director		
- Chair: University College Council Durham University	86	2
James Duncan, Executive Director of Finance & Deputy Chief Executive and Non Executive, NTW Solutions Ltd		
- brother in law is a partner at Bond Dickinson LLP. The Trust has paid/accrued for purchase invoices in respect of legal fees.	0	84
- Vice Chair of the HFMA Mental Health Faculty. The Trust has paid/accrued for purchase invoices in respect of fees.	0	0
Lisa Crichton-Jones, Executive Director of Workforce and Organisational Development		
- Governor: East Durham College	0	1
Gary O'Hare, Executive Director of Nursing and Operations		
- wife is engaged by the North of England Mental Health Development Unit which has been commissioned to support work to repatriate out of area placements and invoices have been paid in respect of professional services.	0	103
<b>Value of transactions with parties related to board members</b>	<b>131</b>	<b>1,599</b>
<b>Value of transactions with key staff members</b>	<b>0</b>	<b>0</b>
<b>Value of transactions with other related parties:</b>		

**29. Related Parties Group (continued)**

29.2 Related Party Balances at 31st March 2018	Restated Group Receivables £000	Restated Group Payables £000
<b>Balances (other than salary) with parties related to board members:</b>		
Ken Jarrold, Chair		
- Director / Sole Share Holder: Other Peoples Shoes Ltd	0	1
Alexis Cleveland, Non-Executive Director		
- Vice Chair and Trustee : Durham University Council and Chair : University College Council Durham University. The Trust has raised invoices in relation to training	11	0
Dr Les Boobis, Non-Executive Director		
- Daughter was Research and Evaluation Lead for Changing Lives up to 24/01/18. The Trust has held purchase invoices in relation to a course and the Oaktrees recovery centre in relation to accommodation charges and councelling and care services for addictions	0	70
Paul McEldon, Non-Executive Director		
- Governor : City of Sunderland College. The Trust holds invoices in relation to tuition fees	3	2
James Duncan, Executive Director of Finance & Deputy Chief Executive		
- Brother in Law is a partner with Bond Dickinson LLP. The Trust held a purchase invoices in respect of legal fees	0	2
- Vice Chair of the HFMA Mental Health Faculty. The Trust held a purchase invoices in respect of fees.	0	0
Gary O'Hare, Executive Director of Nursing and Operations		
- wife is engaged by the Trust through a limited company JOH Associates to manage the return of Trust patients who have been in long-term out of area placements. The Trust held purchase invoices and has made accruals in relation to fees	0	11
<b>Value of balances (other than salary) with parties related to board members</b>	<b>14</b>	<b>86</b>
<b>Value of balances (other than salary) with key staff members</b>	<b>0</b>	<b>0</b>
<b>Value of balances (other than salary) with related parties in relation to doubtful debts</b>	<b>0</b>	<b>0</b>
<b>Value of balances (other than salary) with related parties in respect of doubtful debts written off in year</b>	<b>0</b>	<b>0</b>
<b>Value of balances with other related parties:</b>		

## **29. Related Parties (Group - continued)**

### **29.3 Related Party Balances at 31st March 2019 (Group and Trust)**

The Department of Health is regarded as a related party. During the period 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 organisation. Details of main entities within the public sector which the Group has had transactions in excess of £1,000,000 are:

#### **NHS Foundation Trusts:**

Gateshead Health NHS Foundation Trust  
Tees, Esk and Wear Valleys NHS Foundation Trust  
The Newcastle Upon Tyne Hospitals NHS Foundation Trust

#### **NHS and DHSC**

NHS North Cumbria CCG  
NHS Darlington CCG  
NHS Durham Dales, Easington and Sedgefield CCG  
NHS Newcastle Gateshead CCG  
NHS North Durham CCG  
NHS North Tyneside CCG  
NHS Northumberland CCG  
NHS South Tees CCG  
NHS South Tyneside CCG  
NHS Sunderland CCG  
Health Education England  
NHS Property Services  
Department of Health and Social Care  
NHS England - Core  
NHS England - Cumbria and North East Local Office  
NHS England - North East Specialised Commissioning Hub  
NHS England - Yorkshire and the Humber Specialised Commissioning Hub

#### **Local Government bodies:**

Leeds City Council  
Newcastle upon Tyne City Council  
North Tyneside Metropolitan Borough Council  
Northumberland Unitary Authority  
Sunderland City Metropolitan Borough Council

#### **Central Government bodies:**

Leeds City Council  
Newcastle upon Tyne City Council  
North Tyneside Metropolitan Borough Council  
Northumberland Unitary Authority  
Sunderland City Metropolitan Borough Council

The Group and the Trust have had other material transactions (under £1,000,000) with other relates parties as listed below:

City Hospitals Sunderland NHS Foundation Trust, B37, North East Ambulance Service NHS Foundation Trust, North Tees and Hartlepool NHS Foundation Trust, Northumbria Healthcare NHS Foundation Trust, Pennine Care NHS Foundation Trust, South Tyneside NHS Foundation Trust, NHS Bassetlaw CCG, NHS Bradford Districts CCG, NHS Hartlepool and Stockton-on-Tees CCG, NHS North Lincolnshire CCG, NHS Rotherham CCG, NHS Sheffield CCG, NHS Wakefield CCG, NHS Resolution, HM Revenue & Customs - VAT, Welsh Assembly Government, Department for Transport

The Trust has had transactions with MHC / NTW LLP (formerly known as Insight Ltd) as part of the Trust's joint venture.

## **29. Related Parties (Group - continued)**

### **29.3 Related Party Balances at 31st March 2019 (Group and Trust - continued)**

The Trust also had the following transactions with its inter group related parties;

	Trust Income 2018/19 £000	Trust Expenditure 2018/19 £000	Trust Receivables 2018/19 £000	Trust Payables 2018/19 £000
NTW Solutions Ltd	4,963	31,515	556	36,481

The Trust also has a receivable loan with NTW Solutions Ltd to the value of £21,191,000 (Current £615k, Non-current £20,576k)

James Duncan, Executive Director of Finance and Deputy Chief Executive & Peter Studd, Non Executive Director of the Trust are also members of NTW Solutions Ltd Board titles being;

James Duncan, Non-Executive Director - NTW Solutions Ltd  
Peter Studd, Chair - NTW Solutions Ltd

	Trust Income 2018/19 £000	Trust Expenditure 2018/19 £000	Trust Receivables 2018/19 £000	Trust Payables 2018/19 £000
Northumberland Tyne and Wear NHS Foundation Trust Charity	80	0	5	0

	Trust Income 2017/18 £000	Trust Expenditure 2017/18 £000	Trust Receivables 2017/18 £000	Trust Payables 2017/18 £000
NTW Solutions Ltd	5,118	29,305	273	41,527

The Trust also has a receivable loan with NTW Solutions Ltd to the value of £27,520,000 (Current £751k, Non-current £26,769k)

James Duncan, Executive Director of Finance and Deputy Chief Executive & Peter Studd, Non Executive Director of the Trust are also members of NTW Solutions Ltd Board titles being;

James Duncan, Non-Executive Director - NTW Solutions Ltd  
Peter Studd, Chair - NTW Solutions Ltd

	Trust Income 2017/18 £000	Trust Expenditure 2017/18 £000	Trust Receivables 2017/18 £000	Trust Payables 2017/18 £000
Northumberland Tyne and Wear NHS Foundation Trust Charity	90	0	4	0

**30. Commitments (Group and Trust)****30.1 Contractual Capital Commitments (Group)**

	Group 31st March 2019 £000	Trust 31st March 2019 £000	Group 31st March 2018 £000	Trust 31st March 2018 £000
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**Commitments in respect of capital expenditure at 31st March:**

Property, plant and equipment	1,186	1,102	716	2
<b>Total</b>	<b>1,186</b>	<b>1,102</b>	<b>716</b>	<b>2</b>

**30.2 Other Financial Commitments (Group)**

	Group 31st March 2019 £000	Trust 31st March 2019 £000	Group 31st March 2018 £000	Trust 31st March 2018 £000
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The Group is committed to making the following annual payments under non-cancellable contracts (which are not leases, PFI contracts or other service concession arrangements) at 31 March 2019 as follows, analysed by the period during which the payment is made:

not later than 1 year	2,137	1,303	4,823	2,903
after 1 year and not later than 5 years	391	159	407	363
paid thereafter	0	0	0	0
<b>Total</b>	<b>2,528</b>	<b>1,462</b>	<b>5,230</b>	<b>3,266</b>

**31. Finance Lease Obligations (Group and Trust)**

	Group 31st March 2019 £000	Trust 31st March 2019 £000	Group 31st March 2018 £000	Trust 31st March 2018 £000
<b>Gross lease liabilities</b>	<b>1,234</b>	<b>1,234</b>	<b>1,330</b>	<b>1,330</b>
of which liabilities are due				
- not later than one year;	93	93	95	95
- later than one year and not later than five years;	352	352	361	361
- later than five years.	789	789	874	874
Finance charges allocated to future periods	(282)	(282)	(317)	(317)
<b>Net lease liabilities</b>	<b>952</b>	<b>952</b>	<b>1,013</b>	<b>1,013</b>
not later than one year;	60	60	60	60
later than one year and not later than five years;	240	240	240	240
later than five years.	652	652	713	713

The finance lease obligations relate to building lease liabilities.

## **32. Private Finance Initiative (PFI) Obligations deemed to be on the Statement of Financial Position (Group & Trust)**

The Trust has two PFI schemes deemed to be on-Statement of Financial Position.

**St Georges Park** (hospital accommodation for the provision of mental health services):

Estimated Capital Value: £27.5m  
 Total Length of Project: 30 years  
 Contract Start Date: 10 May 2004  
 Number of Years to End of Project: 15 years

**Walkergate Park** (hospital accommodation providing specialised services for people with neurological and neuropsychiatric conditions):

Estimated Capital Value: £23.7m  
 Total Length of Project: 32 years  
 Contract Start Date: 21 July 2005  
 Number of Years to End of Project: 18 years

Both contracts contain payment mechanisms providing for deductions in the unitary payment made by the Trust for poor performance and unavailability.

The unitary charge for both schemes is subject to an annual uplift for future price indices (RPI).

The operators are responsible for providing a full service for the length of each contract, after such time these responsibilities revert to the Trust.

During the reporting period there were no changes to the contractual arrangements of either scheme. However, the Trust signed a contract variation in respect of buildings works at St Georges Park which came into effect during 2012/13 and results in a increase to the Unitary Charge going forward.

Both schemes are treated as an asset of the Trust and the substance of each contract is that the Trust has a finance lease. Payments comprise two elements; imputed finance lease charges and service charges.

**32.1 Total Obligations for On-SoFP PFI obligations on the Statement of Financial Position**

	Group & Trust 31st March 2019 £000	Group & Trust 31st March 2018 £000
<b>Gross PFI liabilities</b>	<b>65,268</b>	68,934
<b>of which liabilities are due</b>		
- not later than one year;	3,431	3,667
- later than one year and not later than five years;	16,389	15,959
- later than five years.	45,448	49,308
Finance charges allocated to future periods	(27,161)	(29,892)
<b>Net PFI liabilities</b>	<b>38,107</b>	39,042
- not later than one year;	757	937
- later than one year and not later than five years;	6,597	5,749
- later than five years.	30,753	32,356

**32. Private Finance Initiative (PFI) Obligations deemed to be on the Statement of Financial Position (Group and Trust - continued)**

**32.2 Total On-SoFP PFI Commitments**

	Group & Trust 31st March 2019 £000	Group & Trust 31st March 2018 £000
<b>Total future payments committed in respect of PFI arrangements</b>	<b>168,097</b>	<b>176,378</b>
<b>of which liabilities are due</b>		
- not later than one year;	8,455	8,250
- later than one year and not later than five years;	35,985	35,114
- later than five years.	123,657	133,014
<b>Total</b>	<b>168,097</b>	<b>176,378</b>

**32.3 On-Statement of Financial Position PFI Commitments (service element)**

	Group & Trust Total 31st March 2019 £000	Group & Trust Total 31st March 2018 £000
Commitments in respect of the service element of the PFI:		
not later than one year	3,419	3,000
later than one year and not later than five years	10,389	10,733
later than five years	37,183	40,268
<b>Total</b>	<b>50,991</b>	<b>54,001</b>

The commitments disclosed include future estimated indexation applied to service charges.

**32.4 Analysis of amounts payable to service concession operator**

	Group & Trust Total 31st March 2019 £000	Group & Trust Total 31st March 2018 £000
Unitary payment payable to service concession operator	8,250	7,962
Consisting of:		
- interest charge	2,730	2,781
- repayment of finance lease liability	936	791
- service element	3,000	3,025
- contingent rent	1,584	1,365
<b>Total</b>	<b>8,250</b>	<b>7,962</b>

### **33. Events after the Reporting Period (Group and Trust)**

There are no events after the reporting period to disclose which have not already been included in the accounts as adjusting events (31st March 2018 : £nil).

### **34. Financial Instruments (Group and Trust)**

IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. Due to the continuing service provider relationship that the Trust has with Clinical Commissioning Groups (CCGs) and NHS England and the way those NHS organisations are financed, the Trust is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which the financial reporting standards mainly apply.

The Group has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Group in undertaking its activities.

The Group's treasury management operations operate within parameters defined formally within the Trust's Standing Financial Instructions and policies agreed by the board of directors. Treasury activity is subject to review by the Group's internal auditors.

#### *Currency Risk*

The Trust is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and sterling based. The Group and Trust has no overseas operations and therefore has low exposure to currency rate fluctuations.

#### *Credit Risk*

The Trust can borrow within affordable limits and NHS Improvement will assess the affordability of material borrowing. The Trust can invest surplus funds in accordance with NHS guidance on Managing Operating Cash. This includes strict criteria on permitted institutions, including credit ratings from recognised agencies. Financial assets and liabilities are generated by day-to-day operational activities rather than being held to manage the risks facing the Group and Trust in undertaking its activities.

#### *Liquidity Risk*

The Trust's net operating income is received under legally binding contracts with local Clinical Commissioning Groups (CCGs) and NHS England, which are financed from resources voted annually by Parliament. The Trust has financed capital expenditure from internally generated resources, and net borrowing of £50,993,000 which is within its affordable limits. The Trust and Group is not, therefore, exposed to significant liquidity risks.

#### *Market Risk*

The main potential market risk to the Trust and Group is interest rate risk. The Group and Trust's financial liabilities carry nil or fixed rates of interest. Cash balances are held in interest bearing accounts for which the interest rate is linked to bank base rates and changes are notified to the Group and Trust in advance. The Trust is not, therefore, exposed to significant interest-rate risk.

#### **34.1 Carrying value of Financial Assets held at amortised cost**

IFRS 9 Financial Instruments is applied retrospectively from 1 April 2018 without restatement of comparatives. As such, comparative disclosures have been prepared under IAS 39 and the measurement categories differ to those in the current year analyses.

	Group Held at amortised cost £000	Trust Held at amortised cost £000
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#### **Assets as per the Statement of Financial Position at 31st March 2019 under IFRS 9:**

Receivables (excluding non financial assets) - with DHSC group bodies	13,174	13,233
Receivables (excluding non financial assets) - with other bodies	3,594	4,258
Other investments / financial assets	0	33,707
Cash and cash equivalents at bank and in hand	30,354	27,864
Consolidated NHS Charitable Fund assets	1,287	0
<b>Total at 31st March 2019</b>	<b>48,409</b>	<b>79,062</b>

Group Loans & Receivables £000	Trust Loans & Receivables £000
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#### **Assets as per the Statement of Financial Position at 31st March 2018 under IAS 39:**

Receivables (excluding non financial assets) - with DHSC group bodies	9,822	9,673
Receivables (excluding non financial assets) - with other bodies	5,923	5,318
Other investments / financial assets	0	27,519
Cash and cash equivalents at bank and in hand	23,040	18,981
Consolidated NHS Charitable Fund assets	1,425	0

**34. Financial Instruments (Group and Trust - continued)****34.2 Carrying value of Financial Liabilities held at amortised cost**

IFRS 9 Financial Instruments is applied retrospectively from 1 April 2018 without restatement of comparatives. As such, comparative disclosures have been prepared under IAS 39 and the measurement categories differ to those in the current year analyses.

	Group Held at amortised cost £000	Trust Held at amortised cost £000
<b>Liabilities as per the Statement of Financial Position at 31st March 2019 under IFRS 9:</b>		
Department of Health and Social Care Loans	50,993	50,993
Obligations under finance leases	952	952
Obligations under Private Finance Initiative contracts	38,107	38,107
Trade and other payables with NHS and DH bodies	5,811	5,801
Trade and other payables with other bodies	18,990	17,919
<b>Total at 31st March 2019</b>	<b>114,853</b>	<b>113,772</b>
<b>Liabilities as per the Statement of Financial Position at 31st March 2018 under IAS 39:</b>		
Department of Health and Social Care Loans	56,082	56,082
Obligations under finance leases	1,013	1,013
Obligations under Private Finance Initiative contracts	39,042	39,042
Trade and other payables with NHS and DH bodies	3,189	3,094
Trade and other payables with other bodies	16,933	16,203
<b>Total at 31st March 2018</b>	<b>116,259</b>	<b>115,434</b>

**34.3 Maturity of Financial Liabilities**

	Group 31st March 2019 £000	Trust 31st March 2019 £000	Group 31st March 2018 £000	Trust 31st March 2018 £000
In one year or less	29,780	28,699	26,434	25,609
In more than one year but not more than two years	3,861	3,861	4,753	4,753
In more than two years but not more than five years	13,171	13,171	12,820	12,820
In more than five years	68,041	68,041	72,252	72,252
<b>Total at 31st March</b>	<b>114,853</b>	<b>113,772</b>	<b>116,259</b>	<b>115,434</b>

**34.4 Carrying value of Financial Assets held at Fair Value at 31st March 2019**

	Group Book Value £000	Group Fair Value £000	Trust Book Value £000	Trust Fair Value £000
Non-current trade and other receivables excluding non-financial assets	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

There were no financial assets held at fair value as at 31st March 2018.

**34.5 Carrying value of Financial Liabilities held at Fair Value at 31st March 2019**

	Group Book Value £000	Group Fair Value £000	Trust Book Value £000	Trust Fair Value £000
Loans	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## **35. Pensions (Group)**

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The majority of past and present employees are covered by the provisions of the two NHS Pension Schemes. The Group also operates a defined contribution workplace pension scheme for employees who are unable to access the NHS Pension Scheme. The defined contribution scheme is the National Employment Savings Trust Scheme (NEST) which is a scheme set up by the government and details can be accessed on the NEST website [www.nestpensions.org.uk](http://www.nestpensions.org.uk). Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions). Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years". An outline of these follows

### **a) Accounting valuation**

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2019, is based on valuation data as 31 March 2018, updated to 31 March 2019 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

### **(b) Full actuarial (funding) valuation**

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019. The Department of Health and Social Care have recently laid Scheme Regulations confirming that

**36. Losses and Special Payments (Group and Trust)****36.1 Losses**

	<b>Group</b>	<b>Group</b>	<b>Group</b>	<b>Group</b>
	Total number of cases 2018/19 Number	Total value of cases 2018/19 £000	Total number of cases 2017/18 Number	Total value of cases 2017/18 £000
Losses of cash due to:				
- theft, fraud etc	6	0	4	0
- overpayment of salaries	26	25	8	38
Fruitless payments and constructive losses	8	1	6	1
Bad debts and claims abandoned	4	91	2	15
Stores losses	2	5	2	5
<b>Total losses</b>	<b>46</b>	<b>122</b>	<b>22</b>	<b>59</b>

**Special Payments**

	<b>Group</b>	<b>Group</b>	<b>Group</b>	<b>Group</b>
	Total number of cases 2018/19 Number	Total value of cases 2018/19 £000	Total number of cases 2017/18 Number	Total value of cases 2017/18 £000
Ex gratia payments in respect of:				
- loss of personal effects	44	4	50	7
- clinical negligence with advice	0	0	0	0
- personal injury with advice	12	35	10	31
<b>Total Special Payments</b>	<b>56</b>	<b>39</b>	<b>60</b>	<b>38</b>
<b>Total Losses and Special Payments</b>	<b>102</b>	<b>161</b>	<b>82</b>	<b>97</b>

Losses and Special Payments has been reported for Group and Trust on a combined basis as the difference between the Group and the Trust is immaterial.

These amounts are reported on an accruals basis but exclude provisions for future losses.

**36.2 Recovered Losses (Group and Trust)**

The Group received no compensation payments in relation to losses as at 31st March 2019 (31st March 2018 : £nil).

**37. Gifts (Group and Trust)**

The Group received no gifts in 2018/19 (2017/18 : £nil).

## **38. Initial application of new accounting standards (Group and Trust)**

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### **38.1 Initial application of IFRS 9**

IFRS 9 Financial Instruments as interpreted and adapted by the GAM has been applied by the Trust from 1 April 2018. The standard is applied retrospectively with the cumulative effect of initial application recognised as an adjustment to reserves on 1 April 2018.

IFRS 9 replaces IAS 39 and introduces a revised approach to classification and measurement of financial assets and financial liabilities, a new forward-looking 'expected loss' impairment model and a revised approach to hedge accounting.

Under IFRS 9, borrowings from the Department of Health and Social Care, which were previously held at historic cost, are measured on an amortised cost basis. Consequently, on 1 April 2018 borrowings increased by £239,000, and trade payables correspondingly reduced.

Allowances for credit losses have been assessed due to the implementation of IFRS 9. Due to the prudent approach applied in relation to the provisions for the impairment of credit losses, no general allowances for credit losses has been applied and therefore there is a £nil credit loss applied under the expected loss model and the impairment for credit losses follows the methodology outlined in note 1.11.

There is no material impact in relation to the initial implementation of IFRS 9.

### **38.1 Initial application of IFRS 15**

IFRS 15 Revenue from Contracts with Customers as interpreted and adapted by the GAM has been applied by the Trust from 1 April 2018. The standard is applied retrospectively with the cumulative effect of initial application recognised as an adjustment to the income and expenditure

IFRS 15 introduces a new model for the recognition of revenue from contracts with customers replacing the previous standards IAS 11, IAS 18 and related Interpretations. The core principle of IFRS 15 is that an entity recognises revenue when it satisfies performance obligations through the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those goods or services.

As directed by the GAM, the Trust has applied the practical expedient offered in C7A of the standard removing the need to retrospectively restate any contract modifications that occurred before the date of implementation (1 April 2018).

There is no material impact in relation to the initial implementation of IFRS 15.

## **Independent auditor's report to the Council of Governors of Northumberland, Tyne and Wear NHS Foundation Trust**

### **Opinion**

We have audited the financial statements of Northumberland, Tyne and Wear NHS Foundation Trust ('the Trust') and Northumberland, Tyne and Wear NHS Foundation Trust Group ('the Group') for the year ended 31 March 2018. The financial statements comprise the Statement of Comprehensive Income (Trust and Group), the Statement of Financial Position (Trust and Group), the Statement of Changes in Taxpayers' Equity (Trust and Group), the Statement of Cash Flows (Trust and Group), and notes to the financial statements, including the summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the Government Financial Reporting Manual 2017/18 as contained in the Department of Health and Social Care Group Accounting Manual 2017/18, and the Accounts Direction issued under section 25(2) of Schedule 7 of the National Health Service Act 2006.

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's and of the Group's affairs as at 31 March 2018 and of the Trust's and of 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 2017/18; and
- have been properly prepared in accordance with the requirements of the National Health Service Act 2006.

### **Basis for opinion**

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

### **Use of the audit report**

This report is made solely to the Council of Governors of Northumberland, Tyne and Wear 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.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Accounting Officer's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Accounting Officer has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Trust's or Group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## **Key audit matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<b>Key audit matter</b>	<b>Our response and key observations</b>
<b>Revenue recognition (Trust)</b>  There is a risk of fraud in the financial reporting relating to revenue recognition due to the potential to inappropriately record revenue in the wrong period.	We undertook a range of substantive procedures including: <ul style="list-style-type: none"><li>• testing of income around the year-end to ensure transactions are recognised in the correct financial year;</li><li>• testing year-end receivables to ensure transactions are recognised in the correct financial year;</li><li>• reviewing intra-NHS reconciliations and data matches provided by the Department of Health and Social Care/NHSI;</li><li>• review of management oversight of material accounting estimates, review of changes to accounting policies and challenge/testing of material accounting estimates; and</li><li>• testing of adjustment journals, selected using specific risk characteristics.</li></ul> Our work provided the assurance we sought in respect of this key audit matter.
<b>Property valuations (Trust)</b>  Land and buildings are the Trust's highest value assets. Management engage Cushman & Wakefield, as an expert, to assist in determining the fair value of property to be included in the financial statements. There is a high degree of estimation uncertainty and changes in the value of property may impact on the Statement of Comprehensive Income depending on the circumstances and the specific accounting requirements of the Department and Health and Social Care Group Accounting Manual.	We liaised with management to update our understanding on the approach taken by the Trust in its valuation of land and buildings.  We reviewed and considered: <ul style="list-style-type: none"><li>• the scope and terms of the engagement with Cushman &amp; Wakefield; and</li><li>• how management use the Cushman &amp; Wakefield's report to value land and buildings in the financial statements.</li></ul> We wrote to Cushman & Wakefield to obtain information on the methodology and their procedures to ensure objectivity and quality.  We tested a sample of valuation movements to gain assurance that the accounting treatment is appropriate, and also considered evidence of regional valuation trends.  Our work provided the assurance we sought in respect of this key audit matter.

## **Our application of materiality**

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements on the financial statements and our audit. Materiality is used so we can plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free from material misstatement. The level of materiality we set is based on our assessment of the magnitude of misstatements that individually or in aggregate, could reasonably be expected to have influence on the economic decisions the users of the financial statements may take based on the information included in the financial statements.

Based on our professional judgement, we determined materiality for Northumberland, Tyne and Wear NHS Foundation Trust and Group for the financial statements as a whole as follows:

<b>Overall materiality</b>	£4.437m for the Trust and the Group.
<b>Basis for determining materiality</b>	Approximately 1.5% of operating expenses of continuing operations.
<b>Rationale for benchmark applied</b>	Operating expenses of continuing operations was chosen as the appropriate benchmark for overall materiality as this is a key measure of financial performance for users of the financial statements.

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £133,000, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

## **An overview of the scope of our audit**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Trust's and Group's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Accounting Officer and the overall presentation of the financial statements. The risks of material misstatement that had the greatest effect on our audit, including the allocation of our resources and effort, are discussed in the "Key audit matters" section of this report. In addition we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## **Other information**

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

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

We have nothing to report in this regard.

## **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 2017/18; 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**

### **Annual Governance Statement**

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 2017/18 ; or
- the Annual Governance Statement is misleading or is not consistent with our knowledge of the Trust and other information of which we are aware from our audit of the financial statements.

We have nothing to report in respect of these matters.

### **Reports to the regulator and in the public interest**

We are required to report to you if:

- we refer a matter to the regulator under Schedule 10(6) of the National Health Service Act 2006 because we have a reason to believe that the Trust, or a director or officer of the Trust, is about to make, or has made, a decision involving unlawful expenditure, or is about to take, or has taken, unlawful action likely to cause a loss or deficiency; 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 resources**

We are required to report to you if the Trust has not put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

We have nothing to report in respect of this matter.

### **Other information**

We are required to read the other information and report to you if the other information is:

- materially inconsistent with the audited financial statements or our knowledge obtained in the course of performing our audit; or
- otherwise appears to be materially misstated.

We have not identified any such material inconsistencies or misstatements.

We are also required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the directors' statement that they consider the Annual Report is fair, balanced and understandable and whether the Annual Report appropriately discloses those matters that we communicated to the audit committee which we consider should have been disclosed.

## **Responsibilities of the Accounting Officer**

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

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

The Chief Executive as Accounting Officer is also 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**

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.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## **Scope of the review of arrangements for securing economy, efficiency and effectiveness in the use of resources**

We are also required under Schedule 10(1) of the National Health Service Act 2006 to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. 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 review in accordance with the Code of Audit Practice prepared by the Comptroller and Auditor General (C&AG), having regard to the guidance on the specified criterion issued by the C&AG in November 2017, as to whether the Trust had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. The C&AG determined this criterion as that necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Trust put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2018.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary.

## **Certificate**

We certify that we have completed the audit of the financial statements of Northumberland, Tyne and Wear NHS Foundation Trust and Northumberland, Tyne and Wear NHS Foundation Trust Group in accordance with the requirements of chapter 5 of part 2 of the National Health Service Act 2006 and the Code of Audit Practice.



Gareth Davies  
For and on behalf of Mazars LLP

Salvus House  
Aykley Heads  
Durham  
DH1 5TS

23 May 2018



