



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

Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust

Annual Report and Accounts 2021/22

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1. Chair and Chief Executive's Introduction

Welcome to the 2021/22 Annual Report and Accounts.

There have been many changes in 2021/22 including the retirement of John Lawlor, OBE as Chief Executive. John will be greatly missed by his colleagues and we will continue with his legacy of strong leadership and support, always doing our best to put service users and carers at the heart of everything we do, and continuing on our journey to be the best we can be for the people who need us.

The last few years have been tough for us all, so a large part of our focus over the last 12 months has been on wellbeing. The health and wellbeing of our staff, service users and carers is one of our key priorities. We have been involved in many wellbeing initiatives including establishing a system-wide wellbeing offer of psychological support, and developing a dedicated wellbeing website for our staff, designed to be a 'one stop shop' for health and wellbeing information.

New services have also been developed. For example, the ARMS (At Risk Mental State) service achieved over 100 referrals in less than a year. The service was set up to offer advice and support to young people who may be having some unusual experiences that are causing them distress. Since its inception, the team has helped a group of young people who may not have otherwise been offered an intervention.

We are proud that the 'Reach Out' Delirium team, a specialist service supporting Cumbrian people experiencing delirium won a prestigious national award in recognition of their positive impact on patient care. The team won 'Older-age adult team of the year' at the annual Royal College of Psychiatrists Awards.

We also celebrated with our informatics team who were awarded a 'Bright Ideas in Health' Award for their work to roll out online patient consultations in the 'demonstrating an impact upon patient safety' category. Our Informatics team were celebrating again in February this year when the Trust was formally recognised by NHS England as an Accredited Global Digital Exemplar, an internationally recognised NHS provider delivering exceptional care and efficiency through the use of world-class digital technology and information, and is one of only seven Trusts to be given this status.

We said a fond farewell to Joyce Pennington, a nurse who founded our mental health and deafness service. We are incredibly proud of Joyce and her hard work in setting up a service and developing it over many years whose role it is to remove barriers for deaf people to access services and educate other services on how to communicate and work with deaf people.

Our patient and carer involvement team also continues to go from strength to strength in developing and growing their service. There are now 54 peer supporters working across CNTW who use their own lived experience of mental health to offer hope and help others on their journey to recovery. They also help other staff to empathise with and understand those they care for. Their input and unique perspective is highly valued across the whole organisation.

For several years now we have been investing in 'growing our own' nursing workforce, and at the start of the year we welcomed 17 apprentices on the first cohort of the five-year registered nurse degree apprenticeship to our wards. In conjunction with the University of Sunderland, the course offers apprentices paid employment and education through a combination of supernumerary learning and working in a nursing environment. We are immensely proud that we are the first Trust to offer a mental health or learning disability nurse degree to aspiring nurses.

With the pandemic, many of the things we loved to do were paused, so we are so proud of our voluntary services team who have secured funding from NHS England and Improvement to re-introduce a volunteering scheme, aimed at giving people living in the community independence. The scheme will be available for service users who either have a planned imminent discharge date or are living in the community and using community services. Service users will be matched up with a volunteer befriender and will meet weekly to do an activity they enjoy. The scheme aims to promote people's independence and recovery and break down stigma around mental health and learning disabilities and will allow service users to meet with someone and do the things that we often take for granted, like going for a walk or meeting for a cup of tea or visiting museums and galleries. It is the little things that can have the biggest impact.

We are proud to stand in solidarity with the LGBTQ+ community and in February we made a commitment to support a ban on conversion therapy in the UK. The Trust released a position statement which states that sexual orientation and gender identity is not a 'disorder' or mental health 'problem' that requires change and treatment. The position statement provides assurances that as well as supporting a ban on conversion therapy, the Trust will respect the identities of those people with diverse gender and sexuality expressions as well as ensuring the Trust is a safe place to both work and receive services.

One of the many challenges for everyone in our communities, is the rising cost of living. We are moving into a period which for many, will be the most challenging times of their lives. We are exploring ways to support our workforce through our financial wellbeing initiatives and through our Charity, the SHINE Fund, we are looking at ways of supporting local foodbanks within our region, who are also struggling.

The next 12 months will no doubt be tough, but as always, we will do everything we can to be there for those who need us.

We would like to thank each and every one of you, service users, carers, staff, volunteers, governors, board members and partners across the system for all you have done at this most challenging of times.



Ken Jarrold CBE
Chairman
15 June 2022



James Duncan
Chief Executive
15 June 2022

2. The Performance Report

2.1 Overview of Performance

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

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

This overview will provide an understanding of the CNTW 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 2021/2022.

Our History

Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust (CNTW) was formed on 1 October 2019 following the transfer of mental health and learning disability services from Cumbria Partnership NHS Foundation Trust to Northumberland, Tyne and Wear NHS Foundation Trust.

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 CNTW has members. We have four membership constituencies to represent stakeholder interests:

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

Our Services

CNTW provides a wide range of mental health, learning disability, Autism and neuro-rehabilitation services to a population of 1.7 million people across North Cumbria and 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 £538 million. We employ over 9,000 staff, operate from over 70 sites and provide a range of services including many regional and national services.

We support people in the communities of North Cumbria, 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:

- Carleton Clinic, Carlisle
- 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.

Chief Executive's Statement on the Performance of the Trust

2021/22 was another successful, but extremely challenging year for the Trust. We broadly delivered on all aspects of performance, achieved our financial objectives for the year, and played a significant role in developing partnerships across health and social care. More importantly, despite the impact the pandemic, we were able to maintain safe services throughout the year for those who need us most.

We recognise areas of challenge and areas where we have more to do. These include; tackling unacceptably high waiting times for children and young people; supporting people with learning disabilities and autism; supporting children and young people who need in-patient care; ensuring that we eliminate restrictive practices and minimise the use of restraint; and ensuring that we continue our journey to being a truly person-centred organisation.

Over the years we have achieved a great deal of stability, have achieved and retained our CQC 'Outstanding' status, and gained a strong reputation as a leader in change. We recognise that we need to use this solid grounding to go further, to push for better, and especially now, as we move into an uncertain and ever-changing landscape, use this to re-imagine the future so that we can better support the people and communities that we serve.

Trust responses to the COVID19 pandemic

2020 saw the emergence of the COVID19 global pandemic, an event which has been unprecedented in the lifetime of staff, patients, and families within CNTW and the NHS. The pandemic has significantly impacted on how we have lived our lives including lockdown restrictions and we have continued to deliver services during that time, adjusting to living with COVID19.

Since the beginning of the pandemic, Government and scientific advice has changed, often daily, with the specific objective of combatting the virus with a focus on minimising transmission so that the NHS may continue to work, save lives, and keep everyone safe, including the patients we care for.

Our priority has been to ensure the Infection Prevention and Control (IPC) measures have been in place to protect patients, staff and the community during the response. In addition, we have also supported the Integrated North East and North Cumbria System in response to pressures in other sectors as the pandemic highlighted the opportunity to deliver services differently, work differently and speed up collaborative responses.

The Trust has continued to manage these circumstances under Surge Emergency Planning and Emergency IPC measures through the COVID19 Gold Command Team structure led by the Chief Nurse and the Trust Director of Infection Prevention and Control (DIPC). This process has ensured that we have been able to provide continuous daily updates to our workforce on the key issues and decisions relating to the pandemic. During 2021/22, our approach has shifted from responding to the emergency crisis of the pandemic, to an approach of 'living with COVID19', learning from our experiences and starting to think about how we support our workforce to work differently including how we deliver services now and in the future in an innovative and patient centred way.

Whilst not new to the Trust from an IPC perspective cases of outbreaks at the level experienced as part of the pandemic were very rare. The Trust developed an enhanced outbreak management process which ensured all outbreaks were managed and had a robust action plan in place and outbreak cases continued to reduce.

Since the start of the pandemic the Trust experienced significant staff absence, including as a result of the national lifting of restrictions, the requirement to self-isolate as a result of being identified as a 'close contact'. To support the proactive management of COVID-related staff absence, the Central Absence Line was established to manage the reporting of all staff absence across the Trust. This was resourced using senior workforce leads and senior clinical managers from across the Trust providing a consistent approach to managing sickness, providing clinical advice and support.

The Trust has continued to receive national guidance on managing capacity and demand within inpatient and community mental health, disabilities and autism services. The safety and well-being of our service users continues to be our priority and we took decisions to safely augment service delivery using other modalities e.g. reducing face to face appointments to minimise the potential risk of transmission. We also offered telephone appointments for assessments, reviews, and consultation.

We have supported our workforce to ensure a balance between sustaining our services and supporting those members of staff who were impacted by the pandemic. The Trust has taken a whole system approach to supporting psychological wellbeing of staff and service users during the pandemic, drawing on guidance and learning from the psycho-social impact of mass trauma events to inform an effective support system. Significant resources for our own staff have now been offered to the wider ICS, and health and care colleagues within the region including the care home sector.

As the pandemic began to unfold, it was evident that service delivery would need to change quickly to comply with the new Government guidelines and restrictions. It was essential that a clear governance process was embedded to ensure that any changes to services were reviewed, agreed and communicated to service users, carers, staff, partners and regulators so there was clear understanding of the impact not only for patient safety and experience but for access to Trust services.

A Service Change Panel was convened with Executive level oversight of requests for service change highlighting the key quality impacts of the change, including safety, risk, staffing changes and potential impact to other services including Primary Care and other key stakeholders. This information was then used to provide assurance to commissioners and other key partners around clear governance and audit process embedded to inform decision making.

As the pandemic surge began to ease it has become clear that we would need to begin to stand up services, understanding that these would need to be delivered in line with Government restrictions, but also recognising in some cases the changes to services may have had a positive impact to patient care and experience. It was essential not to lose that learning and return to previous ways of working, the agreed governance process for change requests was utilised again to reinstate and re-establish services that had changed.

The Trust has continued throughout the year to support the Government's plans to vaccinate health and care staff and patients with the COVID19 Vaccination. The Trust vaccination programme commenced in early 8 January 2021 and it is important that we acknowledge our workforce and their efforts to deliver programme successfully.

The Trust could not have achieved the swift response, the innovation and ability maintain a 'fleet of foot' response to an ever changing landscape without the collective efforts of each and every department in corporate and operational services working to protect patients and staff.

Chief Executive's Statement on the Performance of the Trust – other areas of performance

Despite the challenges of the pandemic, 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)

Construction continues on our £72m CEDAR scheme, which will provide state of the art secure in-patient facilities for both adults and children and young people, and adult acute in-patient facilities for the people of Newcastle and Gateshead. It was announced in October 2020 as one of the 40 schemes to be developed under the Health Infrastructure Plan, which commits £3.7bn to deliver 40 hospitals by 2030. Despite the challenges faced by the construction industry during the pandemic, and the ongoing impact on supply lines and costs, the scheme remains on time and budget. This will enable the new facilities to be completed and operational by March 2024.

Provider Collaboratives

On 1st April 2021 commissioning responsibility was transferred to the Provider Collaborative for Adult Secure Services, Children and Young People Tier 4 Services and Adult Eating Disorders services. Working in partnership with Tees, Esk and Wear Valley NHS Foundation Trust we aim to develop and improve services for the population of North East and North Cumbria, ensuring long term stability in full collaboration with partners, service users and carers.

In October 2021 Case Managers were transferred across from NHSE/I to join the Provider Collaborative commissioning team. April 2022 will see the partnership commissioning responsibilities expand to include quality oversight for Secure Acquired Brain Injury and Secure Deaf secure services. During 2023-24 Perinatal services are to follow as the next phase.

Supporting and enabling the development of integrated care

CNTW continues to play a key role in the ongoing development of the North East and North Cumbria Integrated Care System (NENC ICS) which has the potential to deliver significant change in the way health and care services are planned and delivered across our region. We continue to work with system partners including local authorities, voluntary and community sector (VCSE) organisations and NHS colleagues to develop innovative approaches to care and support underpinned by meaningful involvement of people with mental health issues and learning disabilities in this work.

As a key partner in the NENC ICS Mental Health and Learning Disabilities workstreams over the past year the Trust has supported the delivery of key objectives for the transformation of mental health and learning disabilities services in our region. We look forward to building on this work in partnership with colleagues across the system and with people with lived experience of mental illness and learning disabilities over the coming year as our Integrated Care System moves to a statutory footing.

Community Mental Health Transformation

One of the key objectives of the NHS Long Term Plan is to develop new and integrated models of primary and community mental health care to support adults and older adults with severe mental illnesses. Linked to this is the Community Mental Health Framework which aims to achieve radical change in the design of community mental health care by moving away from siloed, hard-to reach services towards joined-up care and whole population approaches. Seven place-based forums have been established by CCGs to take the design and implementation of this work forward, and the Trust continues to support system and partnership working as well as working to transform and improve Trust services.

Primary Care Mental Health workforce development

The Additional Roles Reimbursement Scheme (ARRS) provides funding for 26,000 additional roles nationally to create bespoke multi-disciplinary teams within primary care. The overarching purpose of the scheme is to support Primary Care Networks (PCNs) to work with providers of community services to target support where it is most needed within local communities, in response to growing concern about unmet needs and the desire to move towards a greater focus on prevention and tackling inequalities.

In April 2021 the ARRS scheme was expanded to include funding for primary care mental health practitioners. As of April 2021, every PCN across the CNTW patch became entitled to a fully embedded Whole Time Equivalent (WTE) mental health practitioner, employed and provided by the Trust, subject to locally agreed arrangements. In order to deliver the ARRS scheme, all four CNTW localities are progressing recruitment of mental health practitioners who are employed by CNTW but work within primary care to support GPs' management of patients with mental health needs. Each locality has developed its own approach to implementation which reflects the needs and ambitions of local PCNs. The implementation and embedding of the ARRS scheme in partnership with PCNs will remain a key priority for the Trust within the context of our wider work around community mental health transformation.

Improving care for people with autism and learning disabilities

Accessing care and support can be challenging for patients living with autism and/or learning disabilities and their families and CNTW is committed to working in partnership with people who use our services to improve the way we deliver care as well as our physical environments. Over the past year we have worked in collaboration with people with autism to address how we can improve care, treatment and the ward environment for people with autism who are admitted to our adult mental health wards, and the Trust has secured funding from NHSE to support this work.

We continue to work with advocacy services across the CNTW footprint to help strengthen the voice of all patients, including those with autism and learning disabilities, within our inpatient units. The Trust has begun working with people with lived experience of autism and community organisations to roll out autism training to Trust staff.

Trust Business Model and Structure

The Trust structures its operational services geographically into 'Locality Care Groups' (Localities). This is to support 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 four localities:

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

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

The Central and South localities consist of four clinical business units (CBUs), the North and North Cumbria localities consist of three CBUs (14 CBUs 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.cntw.nhs.uk/services/>

Wholly Owned Subsidiary Company

The Trust established NTW Solutions Limited (NTWS) 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 parts of their organisation. Wholly owned subsidiary companies are separate legal entities. NTWS is part of the "CNTW Group", sharing the vision and values of the Trust in carrying out its activities, with the Trust holding 100% of the Company's shares.

NTWS provides the Trust's estates and facilities management services and a range of other services including: workforce recruitment; staff records; procurement; materials management; some financial services; car leasing and other staff benefit schemes; digital dictation; and outpatient pharmacy dispensing. It employed 743 staff (physical number of staff not full time equivalents) as at 31st March 2022, the majority of whom were transferred from the Trust to the company under TUPE regulations, thereby protecting their NHS terms and conditions. New company staff appointed since April 2017 are employed on company terms and conditions of service.

AuditOne

AuditOne, is a not-for-profit provider of internal audit, technology risk and counter fraud services which is hosted by CNTW. 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.

CNTW Charity

The Trust's charity was established 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 services, wards and departments.

Our Vision, Values, Quality Goals and Strategic Objectives

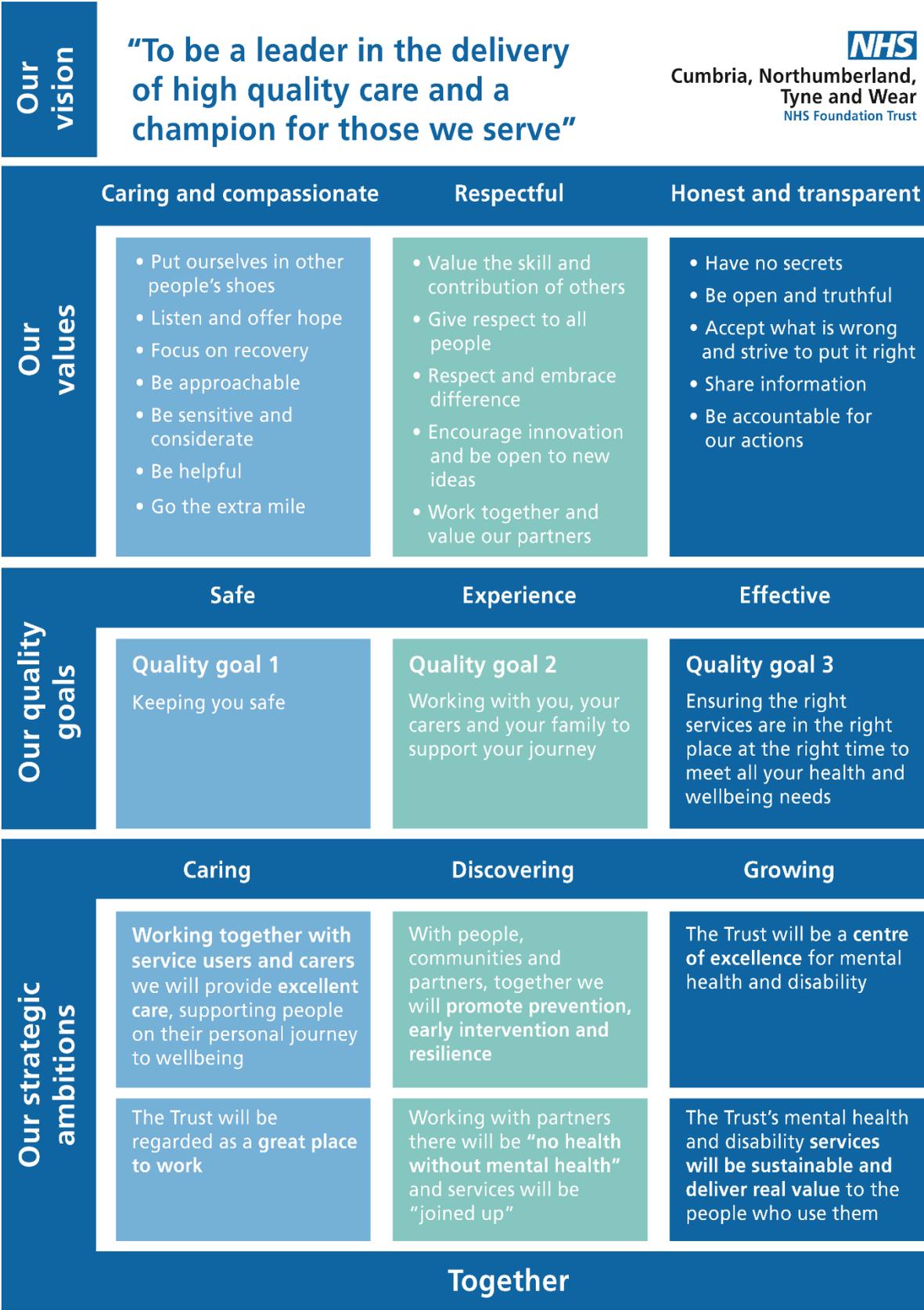
The Trust implemented the 'Caring, Discovering, Growing: Together' strategy in April 2017 following an engagement process that sought the views of service users, carers, staff, Governors and other stakeholders on the Trust's vision, values and strategy. The Trust's values, that were originally established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

We are in the process of reviewing our strategy, taking into to consideration the national Community Services Transformation programme, the establishment of North East and North Cumbria Integrated Care Boards and Place-based arrangements, and learning from the pandemic.

We are undergoing an extensive engagement programme to help shape our strategy for the future taking into consideration input from our workforce, service users and carers, partners and local communities.

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

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



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).

NTW Solutions Limited Strategy

NTW Solutions refreshed its strategy in 2021 to build on the firm foundations established since the company was founded. The overall company strategy is to support our partners to deliver better care by:

- Being the collaborative partner of choice
- Embedding our values in everything we do
- Tackling the climate emergency
- Developing a culture of quality and innovation
- Being a great and inclusive place to work



Going Concern Disclosure

After making enquiries, the directors have a reasonable expectation that the services provided by the NHS Foundation Trust will continue to be provided by the public sector for the foreseeable future. For this reason, the directors have adopted the going concern basis in preparing the accounts, following the definition of going concern in the public sector adopted by HM Treasury's Financial Reporting Manual.

Summary of Performance 2021/22

We have achieved a great deal over the course of the last financial year. In a year that began with COVID19 restrictions still in place, there is much to be proud of. Here are just some of the highlights of our achievements.

April marked the opening of Lotus Ward, a 10-bed inpatient unit at Acklam Road Hospital providing mental health care and treatment for young people aged 13-18. Lotus Ward offers specialist care and treatment 24/7, 365 days a year, to young people with complex mental health needs. The ward had undergone an extensive refurbishment before opening, with the design of the ward being developed in collaboration with young people, offering access to private outdoor spaces, a gym, dedicated activity rooms and classrooms to promote young people's independence and recovery.

Also in April, CNTW announced it was to become the first Trust in the region to offer a mental health and learning disability nurse degree apprenticeship to aspiring nurses. The Registered Nurse Degree Apprenticeship, in conjunction with the University of Sunderland, offers paid employment and education through a combination of learning and working in a nursing environment.

In May, Chief Nurse Gary O'Hare met with Matt Hancock, then Secretary of State for Health and Social Care. They talked about resilience of staff during the pandemic, supporting staff and the use of technology in the NHS. The pair paid tribute to the health and social care staff of the region for their efforts and also talked about the importance of accessing help for those who need it.

Mental Health Awareness Week also fell in May. The theme was nature and gave the Trust an opportunity to raise awareness of how nature can boost our wellbeing. This also gave the chance to promote the various walking routes, gardening initiatives and wildlife at our sites.

June was a time to recognise our wonderful volunteers during Volunteers' Week. We shared the story of Stevie Matthews who had been volunteering in the COVID19 vaccination centre at St George's Park, Morpeth. Stevie normally volunteers on a ward but knew she wanted to help and be a part of the biggest vaccine roll-out in NHS history.

Also in June, Trust psychiatrist Alan Currie announced he would be among a team of clinicians providing mental health support to Team GB athletes during the Tokyo Olympics last summer. Alan was selected for his role as a result of his work with the mental health panel of the English Institute of Sport. As part of the advisory role, Alan was involved in developing Team GB's mental health strategy whilst also providing on-

call support on the days leading up to the Games, during the competition and in the days afterwards.

The Trust announced the launch of its Armed Forces and Veterans Staff Network in June. The network aims to ensure the Trust provides sufficient support to staff who are connected with the armed forces. The network is key in helping the Trust fulfil its duties under the Armed Forces Covenant and the requirements of being a Veterans Aware organisation.

In July, CNTW announced it was one of 24 sites across the country taking part in an Alzheimer's study. The Pathfinder study looks at a newly adapted form of talking therapy for people with Alzheimer's disease who have become depressed. It aims to reduce negative emotions associated with depression, as well as promoting positive emotions.

July was also the month a service user raised money for the Northumberland Head Injuries Service, who helped him rebuild his life after a mountain bike accident. David Howcroft wanted to give something back to the service so released an eight-track cassette on his record label. All proceeds from the sale of the cassette went towards the service, which David promised to personally match. The money was going to be used to purchase equipment which would enable the service to provide a nurse-led clinic to head injury survivors.

In August, the Carlisle Community Mental Health Assessment and Recovery Team (CMHART) joined with staff from The Glenmore Trust, a charity which supports people with mental health problems and learning disabilities. The partnership came about due to staffing pressures during the pandemic and worked together to provide enhanced support and care to patients with mental health conditions in the community.

In September, two specialist services for people experiencing delirium were shortlisted in prestigious national awards. The Reach Out delirium service in North Cumbria was shortlisted for Psychiatric Team of the Year at the Royal College of Psychiatrist Awards. While the Delirium Liaison Pathway in South Tyneside were shortlisted for Mental Health Innovation of the Year in the Health Service Journal Awards.

September also saw nine runners take on the Great North Run to raise money for the Trust's charity, The SHINE Fund. Money from The SHINE Fund is used to provide 'little extras' that make a big difference to people's recovery and wellbeing. It often funds day trips and activities for patients, as well as vocational and educational activities.

In October, we supported Black History Month and Show Racism the Red Card Day, uniting our organisation to raise awareness and take positive action against racism. The month culminated in a Black History Month event celebrating black history and the role black people have had in shaping our communities.

Also in October, we shared the story of staff member Victoria Wilson. Victoria works as a Peer Support Facilitator and was diagnosed with Attention Deficit Hyperactivity Disorder (ADHD) at the age of 40. Victoria shared her experience to raise awareness of ADHD.

November was a month for awards. The Care Home Education Support Service in Cumbria and the Digital Services Team were among the innovators shortlisted in the Bright Ideas in Health Awards. The awards recognised innovators that helped transform patient care. The Care Home Education Support Service was shortlisted in the 'Celebrating Innovation Related to the pandemic' category, while the Trust's Digital Services team was shortlisted in the 'Demonstrating an Impact upon Patient Safety and/or Quality Improvement' category, for their speedy implementation of online consultations. The Digital Services Team went on to win this award, which celebrated the achievements of individuals and teams who have improved services for patients, either through technical innovation or through better service delivery.

In December, the Trust announced it would be offering a welcome bonus to new registered nurses and medical staff. The aim of the incentive is to support recruitment onto inpatient wards and support staff in helping to address short-term shortages. This is one of a number of initiatives the Trust has introduced to prioritise wellbeing.

In January, we announced James Duncan as our new Chief Executive. James took up the role on 1st February 2022, taking the reins from John Lawlor OBE. James has 27 years of experience in the health service, having joined the NHS Graduate Scheme in 1992. He held the post of Deputy Chief Executive and Executive Director of Finance for a number of years.

January saw the expansion of the Individual Placement and Support service (IPS) in the largest recruitment drive since the service's expansion. IPS provides specialist employment support to people receiving care and treatment from mental health services. Part of the community transformation programme, the expansion has been made possible thanks to funding from NHS Northumberland Clinical Commissioning Group. Community mental health services for people with serious mental illness in Northumberland are to receive £2 million of additional funding over the next three years.

In February, CNTW appointed six assistant psychologists from marginalised backgrounds in a bid to make clinical psychology more accessible. The national funding from Health Education England allowed the Trust to offer fixed-term positions for people to gain experience in psychological professions. The positions were open to people who have been marginalised in some way, whether because of their race, socio-economic status, or their carer responsibilities.

February also saw specialist nurse Joyce Pennington retire after 50 years in the NHS. Joyce began her career during a flu epidemic and retired following the COVID19 pandemic. Joyce was instrumental in setting up the Mental Health and Deafness Service, working with people who are D/deaf and deafblind who have mental health problems. Joyce plans to spend her retirement travelling to Spain and looking after her grandkids.

Eating Disorders Awareness Week took place in March. We shared the story of Tom Rebar, not only a service user himself, but also one of the Trust's Governors, to raise awareness of the first signs of an eating disorder, particularly Anorexia Nervosa. Tom shared his experience in the hope that others who may be experiencing an eating disorder will reach out for help.

Also in March, Community Nurse Practitioner Adrian Anim was shortlisted in the national Great British Care Awards. Adrian trained as a nurse after a 20-year career as a decorator and now works in the Sunderland Learning Disability Community Treatment Team. He was nominated following feedback from the mother a service user with physical and mental health needs.

The month ended with the Trust receiving a Silver Employer award for their commitment to LGBTQ+ inclusion at work. The award was part of Stonewall's Bring Yourself to Work campaign which highlights the importance of inclusive work environments. CNTW received the accolade thanks to its commitment to inclusion of lesbian, gay, bi, trans and queer people in the workplace.

This is just a snapshot of the things our staff have achieved in a short space of time.

2.2 Performance Analysis

Performance relating to the quality of NHS services provided

The CNTW Quality Account 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. Copies of the Quality Account can be obtained from the Trust's website www.cntw.nhs.uk or the NHS website www.nhs.uk.

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 2021/2022.

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 seven Mental Health and Disability Trusts in the country to be rated as such, as at 31 March 2022.

During 2020, the CQC conducted two focused inspections; wards for people with a learning disability or autism and child and adolescent mental health wards. We are addressing all identified areas for improvement, which included:

- Care plans to contain relevant supporting information and to be reflective of current need
- Patients being cared for in long term segregation and seclusion will have appropriate safeguards in place in accordance with the Mental Health Act Code of Practice
- Risk assessments will be regularly updated to reflect current risk and needs of patients
- Reduce the use of restraint and mechanical restraint and ensure there is a clear debrief process after an incident

Mental health and learning disability services from North Cumbria transferred to the Trust on 1 October 2019 and with those services accepted 38 areas of improvement that had been identified by CQC at previous inspections. 12 areas of improvement have since been actioned and we are looking to address all remaining areas of improvement.

Performance Analysis

NHS Oversight Framework

NHS England and NHS Improvement's NHS 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
- 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.

Segmentation

NHS Improvement have assessed Cumbria, 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 March 2021. Current segmentation information for NHS Trusts and foundation Trusts is published on the NHS Improvement website.

Note that 'finance and use of resources rating' was suspended since quarter 1 2020/21 due to the financial arrangements put in place during the pandemic.

Finance and Use of Resources

The use of Resources scoring methodology has been suspended during 2021/22, due to the ongoing management of the response to the COVID pandemic. Organisations have been managing within an exceptional finance regime, which was being underpinned by nationally determined block allocations for each organisation based upon adjusted levels of expenditure from 2019/20. The Trust committed to delivering financial break-even as part of the North East and North Cumbria Integrated Care System. The Trust successfully delivered its target in 2021/22.

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

The Trust has committed to updating the internal dashboards that contain 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. The updates will provide staff with more data that is joined up and will aid planning. 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 2021/22 were as follows:

- Six Clinical Commissioning Groups across Cumbria, Northumberland, Tyne and Wear;
- NHS England
- Two 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.

During 2021/22, there were no contracts in place with CCG's due to the on-going pressures whilst managing through the pandemic. The Trust continued to fulfil usual contractual requirements of submitting routine commissioner data however which has allowed us to maintain our positive relationship with commissioners. The Trust has also been developing and maintaining these positive relationships as the ICB/ICS takes shape. We continue to be a New Care Model for adult secure and children's inpatient services, working in partnership with NHS England and Tees, Esk and Wear Valley NHS Foundation Trust. Commissioners monitor our performance through monthly monitoring reports and regular contract review meetings. We performed broadly in line with 2021/22 patient care contracts over the year despite issues that we faced through the COVID19 pandemic.

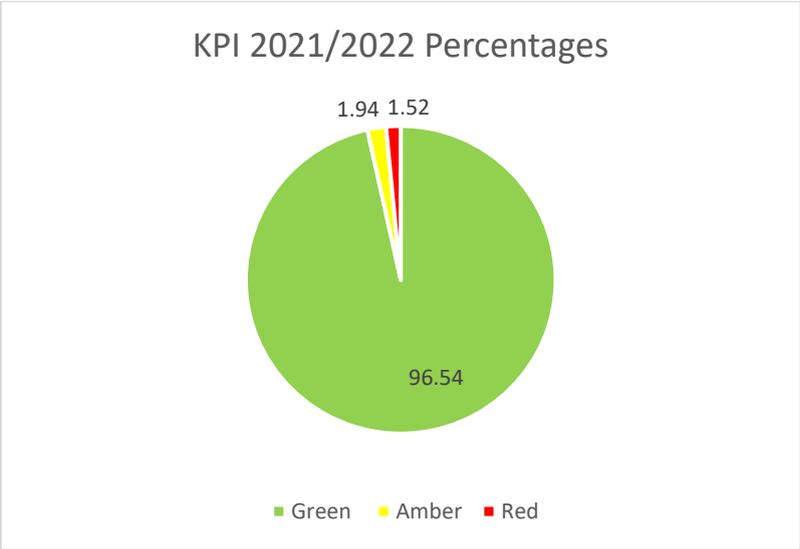
NTW Solutions Limited Performance

The Trust's subsidiary company is included within the financial performance of the group. The annual accounts for NTW Solutions will not be formally approved until July/August 2022. The level of profit returned to the trust will be lower than the pre-covid period due to the financial impact of dealing with the pandemic itself, however the financial performance of the company is likely to be in line with projections. All profits generated by NTW Solutions are retained and reinvested by the Trust as part of the CNTW Group.

The Group monitors service and financial performance in NTW Solutions Limited on a monthly basis. Service performance is monitored through a range of Service Level Agreements (SLAs), paying particular attention to agreed Key Performance Indicators (KPIs). At the end of 2021/22 we had 115 KPIs in place. Any KPIs 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. This enables the Trust, as sole shareholder of the Company, to hold it to account for the services provided.

Across the full year we reported on 1,186 KPI measurements, with 96.54% of these meeting the mutually agreed target, as shown in the “RAG” ratings pie chart below. This is a 2% increase on last year’s performance.

In addition, a further 27 results were paused by mutual agreement due to the Coronavirus pandemic.



Social, Community, anti-bribery and Human Rights issues

Mental health issues are common but nine out of ten people who experience them say they face stigma and discrimination as a result. People with learning disabilities, autism and other disabilities and impairments also experience unfairness in many areas of life. CNTW 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.

The Trust continues to report annually on the NHS Improvement Learning disability Improvement standards people with a learning disability and/or autism should receive from mainstream adult mental health services.

The Trust has been a host for Project Choice since June 2017. Project Choice is a supported internship programme for people aged 16-25 with learning disabilities, difficulties or autism. NHS Health Education England supports the programme nationally, which focuses on preparing people to be ready for work and matching their skills to employment. The young learners spend a year within their internships which involves three placements with the Trust, each lasting 10-12 weeks. During this time the learner is very much part of the team and the Project Choice staff and the mentors work with the learner to develop their skill, abilities and confidence.

The Trust also supports Stopping Over-Medication of People with a learning disability, autism or both (STOMP). It is a national project involving many different organisations which are helping to stop the over use of psychotropic medicines. STOMP is about helping people to stay well and have a good quality of life.

The Trust has a Declarations of Interest policy, aligned to NHS England requirements that all CNTW 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

<https://www.cntw.nhs.uk/about/team/registers/gifts-hospitality-sponsorship/> or can be accessed on request by contacting Debbie Henderson, Director of Communications and Corporate Affairs, Chief Executive's Office, St. Nicholas Hospital, Jubilee Road, Gosforth, Newcastle upon Tyne, NE3 3XT. (corporateaffairs@cntw.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 2021/22.

Overseas Operations

The Trust does not engage in any commercial overseas operations.



James Duncan
Chief Executive
15 June 2022

3. Accountability Report

3.1 Directors report 2021/22

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 regular 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 Trust undertook an independent Well Led review of Leadership and Governance using the Good Governance Institute during 2021/22.

During quarter 4 2021/22, the Trust commissioned an independent Well Led Governance Review using the Good Governance Institute. The draft report was shared with the Trust in March 2022 and the Board received high-level feedback noting 16 recommendations identified.

Positive feedback was received regarding management of the process, clear evidence of a cohesive and inclusive Board and Council of Governors, awareness of issues, risks and priorities, decision making being as close to care delivery as possible, the Trust having in place a clear five-year strategy, a positive and open culture, promotion of equality, diversity and inclusion, continuous learning and innovation, and good practice generally across the wider organisation.

Overall, the Good Governance Institute found the Trust to be open and responsive, with a positive "can-do" attitude, where learning, innovation and good practice are at the heart of everything the Trust does.

The recommendations for further work and improvement related to the key lines of inquiry within the CQC Well Led Framework and related to a review of the Board development programme following new appointments to the Board and changed within the Executive Team, review of senior leadership roles to ensure representativeness of the population and staff, improve processes to support to the Trust staff networks, review of the format and style of Board and committee reporting, and continuation of the Trust's plan to revert back to its Collective Leadership model following the move to Command and Control to respond to the pandemic.

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's 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 up to three years. The Trust takes into account the need for progressive refreshing of the Board of Directors. Therefore, the Chair or a NED is subject to an annual appraisal of their performance, similar to the Chief Executive and Executive Directors. 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 report the outcomes of their annual appraisal of their performance to the Council of 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 and was re-appointed for a second term of office on 1 February 2021. 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

Darren Best was appointed to the role as Vice Chair from 1 July 2021 and continues in this role. Alexis Cleveland held the role previously.

The Trust Senior Independent Non-Executive Director

David Arthur was appointed as the Senior Independent Director from 1 July 2021 and continues in this role. The Senior Independent Director leads the performance appraisal of the Chair. Alexis Cleveland held the role previously.

The Chief Executive

The role of Chief Executive has been held by John Lawlor since 23 June 2014. John announced his retirement from the role as of 1st February 2022. James Duncan was appointed as Chief Executive on 1st February 2022. 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 – CNTW 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 and the Governors' Nomination Committee via the Chairman and Chief Executive. As a result of the work of the Nominations Committee and the Council of Governors relating to the Chair and NED appointment and reappointment process, the Trust formally acknowledged and accepted the recommendation that appointments to the Board should seek to ensure consideration of gender, equality and diversity balance with the Board of Directors.

The Trust continues to be committed to this recommendation and will ensure a strong focus on equality, diversity and inclusion is maintained as part of future appointment and re-appointment processes.

The qualifications, skills, expertise and experience of the Trust's directors as at 31 March 2022 are shown below.

Ken Jarrold CBE, Chair

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
- Director and Shareholder of Other People's Shoes Ltd

David Arthur, Non-Executive Director

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;
- Chair of Percy Hedley Foundation;
- 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.

Darren Best, Non-Executive Director

Experience and skills / expertise:

- 30 years as a Police Officer with over a decade working in senior police leadership roles that included;
- Head of Professional Standards, Area Commander and Head of Criminal Investigation Department, Cleveland Police;
- Temporary Assistant Chief Constable, Durham Constabulary;
- Assistant Chief Constable and Deputy Chief Constable, Northumbria Police;
- Experienced and Accredited Commander in Firearms, Public Safety / Order and Multi Agency Gold Incident Command;
- Experienced and Accredited Senior Investigating Officer.
- Chair of Teesside Safeguarding Adults Board.

Michael Robinson, Non-Executive Director

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.

Paula Breen, Non-Executive Director

Qualifications include MA (Strategic Human Resource Management); Chartered Institute of Personnel and Development (CIPD); BA Business Management & Finance; Institute of Leadership and Management (ILAM); Post Graduate Diploma in Education Leadership. Experience and skills/expertise:

- Over 25 years Business Leadership in medium sized public and private organisations in both Executive and Non-Executive roles such as:
- Chair and Head of Finance and HR Eden PCN, Primary Care, Cumbria (current);
- General Manager Primary Care, Cumbria (current);
- Chief Operating Officer Cumbria Education Trust;
- Elected Member and Cabinet Resources Portfolio Holder, Eden District Council;
- Founding Director (NED) Heart of Cumbria Ltd;
- Governor and Chair of Finance, Ullswater Community College;
- Director (NED) Eden Valley Hospice;
- Director of Finance & Resources and Company Secretary, Education;
- Group Chairman (NED) Coast & Country Housing Ltd, previous roles include: Chair of Finance, Chair of Remuneration, Chair of Standards, Chair of Performance Review;
- Director of Business Management, Norcare Ltd;
- Business Leadership Member, North East Region School Leaders Forum;
- Chair, North East Academies Forum;
- Board Member Darlington College.

Alexis Cleveland, Non-Executive Director

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; Department for Work and Pensions;
- Chief Executive Benefits Agency, Department for Work and Pensions;
- Head of Analytical Services Division Department for Social Security;
- 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;
- Member of County Durham and Darlington NHS Foundation Trust.
- Non-Executive Director and Vice-Chair of Karbon Homes.

Brendan Hill, Non-Executive Director

Qualification include Registered Mental Health Nurse and PG in Dip Mental Health Practice. Experience and skills/expertise:

- 38 years working in health and care both in senior clinical and managerial positions
- 17 years as CEO of national mental health charity Mental Health Concern and Insight IAPT
- Executive Chair Bluestone Collaborative (VCSE development agency)
- Partner in Human Learning Systems Collaborative, supporting organisations to adapt and respond to complex systems.
- Trustee of Association of Mental health providers
- Board member- Newcastle Well-being for Life Board
- Chair of Chilli Studios (Community Arts Company)
- Chair of Mental Health Northeast (Regional infrastructure organisation)
- Coaching and mentoring
- RSA fellow

Louise Nelson, Non-Executive

Qualifications include PhD in Mental Health (Crisis resolution and home treatment-Service User experience). Experience and skills/expertise:

- 37 years working in health with 20 years directly in mental health trusts and legacy institutions for Cumbria Partnership NHS Foundation Trust
- 17 years working in Higher Education, culminating as Head of Nursing, Health and Professional Practice at University of Cumbria
- Previous role as Non-Executive Director for CPFT/NCUH and then NCIC
- Trustee for MIND Carlisle and Eden, Chair of Governance sub committee
- Previous advisor for Borderline UK
- Member of Quality Foundation
- Volunteer for Project 5 offering mental health specialist support to NHS staff
- Qualified and practising Executive Coach
- Previous external advisor for Open University
- Health and Wellbeing Champion for NCIC
- Executive leadership in both Health and Education
- Ofsted nominee for University firms inspection in Health apprenticeship
- Nursing education, clinical governance and strategic planning

Dr Les Boobis, Non-Executive Director (until 30th June 2021)

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 including Medical Director of large NHS Acute Trust and laterally four years as NED for CNTW;
- More than 46 years' experience of working in the NHS, 29 of which were as a Consultant Surgeon;
- Eight years' experience as a Medical Director;
- Eight years' experience as the Director of Infection Prevention and Control;
- Ten years' experience as a Trust's Caldicott Guardian;
- Four years' experience as a GMC Responsible Officer;
- Ten years' experience as a 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;
- Four years' experience working as a Physician Consultant for US company Meditech, providers of integrated electronic patient record system.

Peter Studd, Non-Executive Director (until 31st December 2021)

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 at County Durham Housing Group;
- Director UK Skills & Education at A4e;
- Group Board Director at Newcastle College Group (NCG);
- Divisional Board Director at Mouchel Group plc;
- Board Director at HBS Business Services Ltd;
- 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;
- Project Management Consultant at IBM.

John Lawlor OBE, Chief Executive (until 31st January 2022)

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.
- Chair of NHS England independent Panel to improve Children and Adolescent Mental Health, Learning Disability and autism inpatient services
- Chair of North East/North Cumbria Leadership Academy Partnership Board

James Duncan, Chief Executive (as of 1st February 2022, previously Executive Director of Finance)

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, Deputy Chief Executive / Executive Medical Director (*Deputy Chief Executive as of 1st February 2022*)

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:

- 20 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). Significant experience of service development in the area of offender health;
- 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.
- Member of the Mental Health Economics Collaborative Steering Group, which is hosted by the Mental Health Network of NHS Confederation.
- Member of CASS Business School Advisory Group involved in the development of Masters in Medical Leadership, City University of London;
- Member of the Mental Health Economics Collaborative, Mental Health Confederation;
- Member of the National Health and Justice Clinical Reference Group.

Gary O'Hare, Chief Nurse

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 Finance, Commissioning and Quality Assurance

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.

Ramona Duguid, Chief Operating Officer

Qualifications include: BA, MBA: Bachelor of Arts in Business Management. Experience, skills and expertise:

- Over 20 years experience of working in the NHS
- Strategic development and transformation delivery
- Complex change management and stakeholder engagement
- Operational delivery
- Extensive experience in governance, risk management and regulatory compliance
- Quality improvement and service development
- Partnership working and integration

Lynne Shaw, Executive Director of Workforce and Organisational Development

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 over 20 years in the NHS;
- Extensive experience of generalist HR, change management, transformational leadership, workforce development, training, transactional HR processes;
- National NHS Aspirant HR Director's Programme;
- Non-Executive Director/Governor Newcastle College;
- Member of the National Healthcare People Management Association and Regional Vice President for the North East and Cumbria

Number of meetings and attendance

The Trust's Board of Directors met formally 13 times during 2021/22. The table below (Figure 2) 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 Non-Executive Director.

Figure 2: Membership of the Board of Directors and Attendance			
Name	Date of Appointment/ Term of office	Meetings	
		Total	Attended
Ken Jarrold Chairman	01.02.18 (2)	13	13
David Arthur Non-Executive Director/Audit Committee Chair Senior Independent Director from 1/7/21	14.01.19 (2)	13	12
Darren Best Non-Executive Director/People Committee Chair Vice-Chair from 1/7/21	01.10.19 (1)	13	13
Dr Les Boobis – stood down 30/6/21 Non-Executive Director/Charitable Funds Committee Chair (until 30/6/21)	01.07.15 (2)	4	4
Paula Breen Non-Executive Director/Resource and Business Assurance Committee Chair	01.10.19 (1)	13	12
Alexis Cleveland Non-Executive Director Quality Committee Chair Vice Chair (1/2/17 to 30/6/21) Senior Independent Director (1/1/19 to 30/6/21)	01.07.15 (2)	13	13
Michael Robinson Non-Executive Director/Mental Health Legislation Committee Chair/Provider Collaborative Committee Chair	16.01.19 (2)	13	13
Peter Studd – stood down 31/12/21 Non-Executive Director/Resource and Business Assurance Committee Chair (until 31/12/21)	01.01.16 (2)	11	10
Brendan Hill Non-Executive Director	01.10.21 (1)	5	5
Louise Nelson Non-Executive Director/Charitable Funds Committee Chair	01.10.21 (1)	5	5
John Lawlor Chief Executive until 31/1/22	23.06.14	11	10
James Duncan Chief Executive from 1/2/22 Deputy Chief Executive/Director of Finance until 31/1/22	01.12.09	13	12
Dr Rajesh Nadkarni Executive Medical Director/Deputy Chief Executive	16.01.16	13	12
Gary O'Hare Chief Nurse	01.12.09	13	11
Lisa Quinn Executive Director of Finance, Commissioning and Quality Assurance	01.12.09	13	12
Ramona Duguid Chief Operating Officer	06.04.21	13	13
Lynne Shaw Executive Director of Workforce and Organisational Development	01.10.20	13	13

Independent Non-Executive Directors (NEDs)

The Board of Directors is satisfied that the NEDs, who served on the Board of Directors for the period under review, 1 April 2021 to 31 March 2022, 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 NHS Foundation Trust Code of Governance was taken into account in arriving at their view. This continues to be reinforced through the appointments/re-appointments process applied by the Governors' Nominations Committee.

The qualifications, skills, expertise and experience of NTW Solutions Limited directors as at 31 March 2022 are shown below.

Malcolm Aiston, Managing Director

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

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

Tracey Sopp, Director of Finance and Deputy Managing Director

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

- 28 years' experience in NHS financial services including extensive experience in production of annual accounts, taxation, cash management, transactional processing and financial governance and systems;
- Leading business transformation projects and delivering efficiency and process improvements and experience of leading a range of other business support services.

Paul McCabe, Director of Estates and Facilities

Qualifications include being a Chartered Engineer. Experience and skills/expertise:

- 30 years' experience in the NHS in estates and facilities operational, capital development and strategic management roles.
- Former Secretary of the North East Committee of the Institute of Building Services Engineers
- Secretary and Chair of the Northern and Yorkshire Energy and Environmental Group, promoting effective implementation of energy management and sustainability in the NHS

Peter Studd, Chair

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 at County Durham Housing Group;
- Director UK Skills & Education at A4e;
- Group Board Director at Newcastle College Group (NCG);
- Divisional Board Director at Mouchel Group plc;
- Board Director at HBS Business Services Ltd;
- Operating Board Director at Capita plc;
- Director on the Board of Cumbria Inward Investment Agency (CIIA);
- Worked in partnership with central and local government overseeing change programmes delivering service improvement and efficiencies on a variety of £multi-million public private partnerships;
- Project Management Consultant at IBM.
- NED of Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust

Stewart Davies, Chair

Qualifications include PhD and BA University of Cambridge. Experience and skills/expertise:

- Extensive experience across a range of industries including businesses which provide support services.
- Experience in the petrochemicals industry before moving into leadership roles in steel and building products.
- Managing Director/Chief Executive roles leading support service businesses – including facilities management and environmental services companies.
- Extensive experience leading sustainable development, having served on the government's Sustainable Development Commission
- Board member of the Environment Agency

Andrew Buckley, Non-Executive Director

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
- Experience in leading organisational change and held senior level posts with Stanley Tools, Britvic, Seagram, The Sage Group, FTSE and Make UK;
- Latterly Chief Executive with RTC North, a consultancy company helping businesses to innovate, compete and grow;
- Interim Director of Marketing and Communications at University of Durham;
- Chair of the Ouseburn Trust.

James Duncan, Shareholder representative

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.

The NTW Solutions Board of Directors met 11 times in the year. The table below (Figure 3) shows the members of the Board during 2021/22, date of appointment and attendance at Board meetings.

Figure 3: Membership of NTW Solutions Board of Directors and Attendance

Name and Title	Date of Appointment	Meetings 2020/21	
		Total	Attendance
Malcolm Aiston Managing Director	01.04.2017	11	10
Andrew Buckley Non-Executive Director	01.03.2019	11	11
James Duncan Non-Executive Director Shareholder representative from 1/1/22	01.04.2017 – 31.12.2021	9	8
Paul McCabe Director of Estates and Facilities	01.04.2019	11	11
Tracey Sopp Director of Finance and Deputy MD	01.04.2017	11	11
Peter Studd Non-Executive Director Chair	01.04.2017 – 31.12.2021	9	9
Stewart Davies Non-Executive Director Chair	01.01.2022	3	3

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 a review of the Terms of Reference of the Board and Sub-committees in July 2021.

As part of it's last comprehensive inspection by 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.

The Trust commissioned an external review of its governance arrangements against the Well Led Framework, using the Good Governance Institute during quarter 4 2021/22. No material concerns were identified and positive feedback was received regarding management of the process, clear evidence of a cohesive and inclusive Board and Council of Governors, awareness of issues, risks and priorities, decision making being as close to care delivery as possible, the Trust having in place a clear five-year strategy, a positive and open culture, promotion of equality, diversity and inclusion, continuous learning and innovation, and good practice generally across the wider organisation.

Overall, the Good Governance Institute found the Trust to be open and responsive, with a positive "can-do" attitude, where learning, innovation and good practice are at the heart of everything the Trust does.

The recommendations for further work and improvement related to the key lines of inquiry within the CQC Well Led Framework and related to a review of the Board development programme following new appointments to the Board and changed within the Executive Team, review of senior leadership roles to ensure representativeness of the population and staff, improve processes to support to the Trust staff networks, review of the format and style of Board and committee reporting, and continuation of the Trust's plan to revert back to its Collective Leadership model following the move to Command and Control to respond to the pandemic.

In addition to the Remuneration Committee and Audit Committee reporting to the Board, there are also five 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, the Provider Collaborative Committee and the People Committee.

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. Further to full review of the Trust Standing Financial Instructions and Scheme of Reservation and Delegation in February 2021, these were further reviewed and approved by the Board in July 2021.

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. NTW Solutions Board also has four sub groups of Board – Workforce Group, Commercial Governance Group, Senior management Team and Innovation and Commercial Engagement (ICE) Group. All sub-groups have Terms of Reference agreed by the Board and meet on a monthly basis.

Register of Directors' Interests

The Trust maintains a formal Register of Directors' Interests. The Register is available for inspection on the internet at www.cntw.nhs.uk or on request, from Debbie Henderson, Director of Communications and Corporate Affairs, Chief Executive's Office, St. Nicholas Hospital, Jubilee Road, Gosforth, Newcastle upon Tyne, NE3 3XT. (corporateaffairs@cntw.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 Sarah Jones, Director of Legal and Commercial Services/Company Secretary, Arran House, St Nicholas Hospital, Jubilee Road, Gosforth, Newcastle Upon Tyne, NE3 3XT.

HM Treasury, cost allocation and charging guidance

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

Political Donations

The Group and Trust did not make any political donations during 2020/21.

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 4 below.

Figure 4: Payment of Trade Invoices (Group)

Better Payment Practice Code	2021/22 Number of invoices paid within target	2021/22 Value of invoices paid within target	2020/21 Number of invoices paid within target	2020/21 Value of invoices paid within target
Non-NHS Trade Invoices	96.7%	98.3%	96.4%	97.9%
NHS Trade Invoices	99.9%	100.0%	99.1%	99.9%

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 2022 (31st March 2021 : £nil).

NHS Improvement’s well-led framework

The Trust’s Annual Governance Statement 2021/22 (section 3.8), outlines how the Trust has regard to NHS Improvements well-led framework, in arriving at its overall evaluation of the organisation’s performance, internal control and Board Assurance Framework.

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. The Trust commissioned an external review of its governance arrangements against the Well Led Framework, using the Good Governance Institute during quarter 4 2021/22.

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 confirms that there are no material inconsistencies between:

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

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

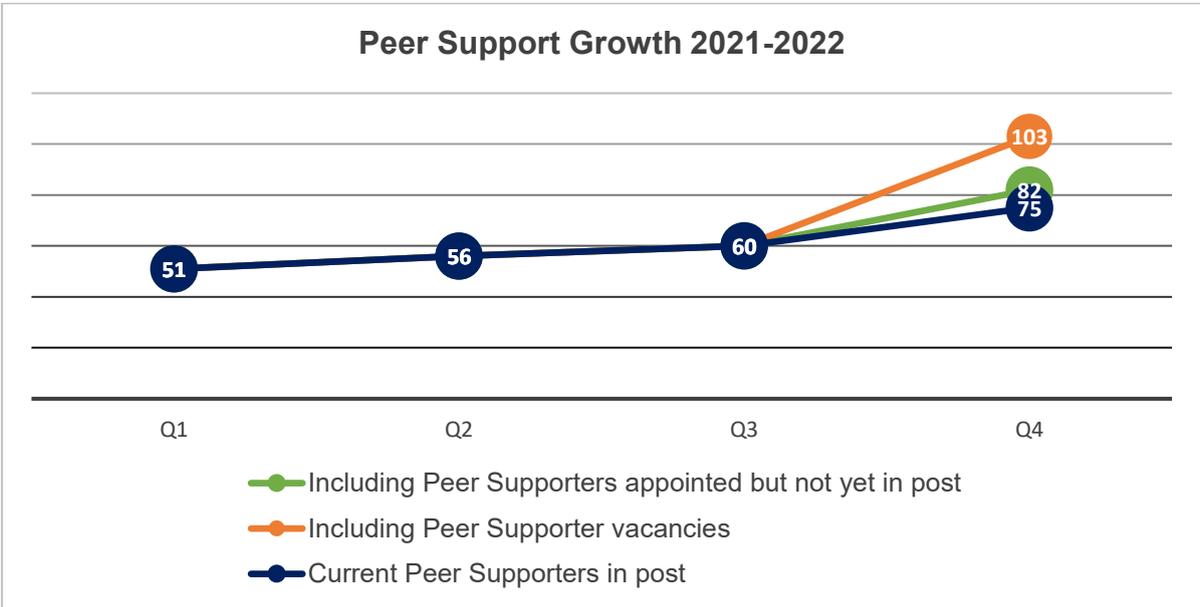
Service User and Carer Involvement

During 2021/22 the Trust has enhanced and evolved our approaches to working in partnership with service users, carers and other stakeholders whilst also providing support to national initiatives and recovery colleges in our geographical footprint. The Trust’s Involvement Bank of Contributors (service users and carers) has received 455 requests for support with involvement activities across the organisation in 2021/22. Our Contributors provide their views on what they require in respect of services and how the Trust’s services should transform and develop.

We have ensured that service users, carers and family members are able to influence our work through a range of consultations, events and surveys, informing a wide range of programmes and initiatives, including the implementation and coproduction of the Autism Consultation Project, the refresh of the Trust CNTW 2030 Strategy and involvement in the recruitment process for senior posts including the new Chief Executive and Chief Operating Officer.

Many of these activities have been supported by third sector partners, and we continue to strive to include lesser heard groups and marginalised communities in conversations.

We support clinical services across the organisation to provide specialist peer support to our service users and carers, with a rapid upturn in this employed workforce demonstrating a real cultural shift in practice. Working with Health Education England we coproduced, developed and delivered an innovative educational programme for Peer Supporters in the Trust.



Additionally, a career pathway for peer support was fully embedded into Trust clinical services during 2021/22.

Locality	Peer Supporters in Post			Total
	Band 3	Band 4	Band 5	
North Cumbria	17	2	2	21
North	11	1	1	13
Central	13	4	0	17
South	19	5	0	24
Total	60	12	3	75

The Trust’s Service User and Carer Reference Group has been delivered bi-monthly throughout 2021/22 in a both a virtual and more recently face to face blended session, involving people in deciding how their views are acted upon and enabling them to know how their views can influence decisions and what decisions have been made.

During 2020/21 service users and carers were involved in the following:

During November and December 2021, the Trust engaged both in person and online with service users and carers to shape our quality priorities for 2022/23. During this time, Governors, Healthwatch members, service users, carers, commissioners and other stakeholders as well as Non-Executive Directors of the Trust were involved in considering the developments of the quality priorities.

Two events were held via Teams and a survey was launched to gain wider view regarding the forthcoming year. The information gained from both the event and the survey has been collated and we are currently awaiting a decision via Trust Board what will be the final Quality Priorities for 2022/23 will be.

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:

The Points of You Survey

The reporting of the Friends and Family Test (FFT) to NHSE/I was paused during the early part of the pandemic as per guidance however the Trust continued to make Points of You (PoY) available to service users and carers, which includes the FFT question throughout the pandemic.

The Trust further developed the accessibility of the survey to support more people to access it, especially online when handling physical copies could be problematic in relation to Coronavirus.

The current version includes the new FFT question 'Overall, how was your experience of our service?'. Other changes include;

- Every question now having a free text box.
- An online version to compliment the traditional hard copy to increase accessibility.
- An accessible guide to filling in the form.
- The option to leave contact details should you want updates on how your feedback has made a difference.
- Developments to the dashboard accessible to all staff that allows for feedback to be understood at Trustwide through to individual team level.

Friends and Family Test

The expectation that Trusts should report this information to NHSE/I was paused during the pandemic. During this period, a new question was introduced (discussed in Points of You section). This is now incorporated into our standard feedback form and levels of feedback have increased.

Other methods of engagement to ensure service user and carer feedback is fed into service development work include:

- The Service User and Carer Network
- Essence of Care
- Complaints, Incidents and Service user Advice and Liaison Service (PALS) Reports
- Service visits by Executive and Non-Executive 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)
- Local and national surveys
- Healthwatch feedback
- Feedback offered through the NHSuk and Care Opinion websites

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.

Significant work has been undertaken with regard to this and a more detailed update can be found in the Trust’s Quality Account which can be obtained from the Trust’s website www.cntw.nhs.uk or the NHS website www.nhs.uk.

Quality priorities

The Trust committed to the following Quality Priorities for 2022/23:



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.

Updates on locality specific feedback are also discussed in local Service User and Carer Involvement and Experience meetings. This supports the localities to understand what the feedback trends are as well as keeping up to date with developments in how the information is available to wards and teams through the dashboard all staff have access to.

Service improvements following staff or service user surveys or CQC reports

During 2021/22 there has been a significant amount of work undertaken to continue to deliver the Quality Priorities identified, here are some highlights from this work;

Quality Priority 1: Safety - Improving the inpatient experience

The back drop remains of reduced bed numbers in the Trust and a pressurised national picture. The Trust continues to monitor out of locality inpatient stays focussing particularly on patients travelling in excess of 50 miles.

The pie chart below shows the numbers of patients travelling east to west and west to east in excess of 50 miles to an inpatient bed showing that the trend to March 2022 continues from that reported in Quarter 3 with approximately 70% of the journeys being made from west to east.

The graph highlights the total number of patients travelling more than 50 miles for an inpatient bed and the bed types. The chart highlights once again the pressures on the adult acute beds and the fluctuating nature of those pressures.

Chart 1. Patients travelling over 50 miles between December 2020 and March 2022

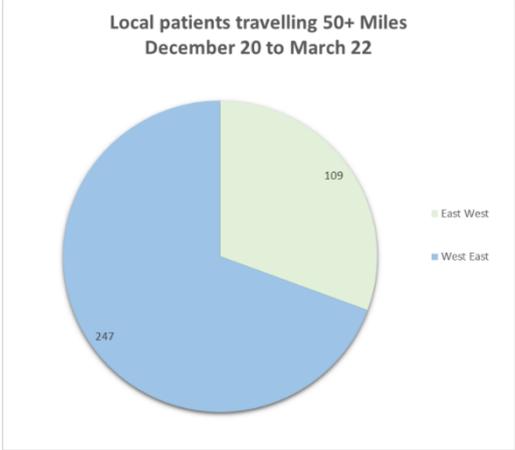
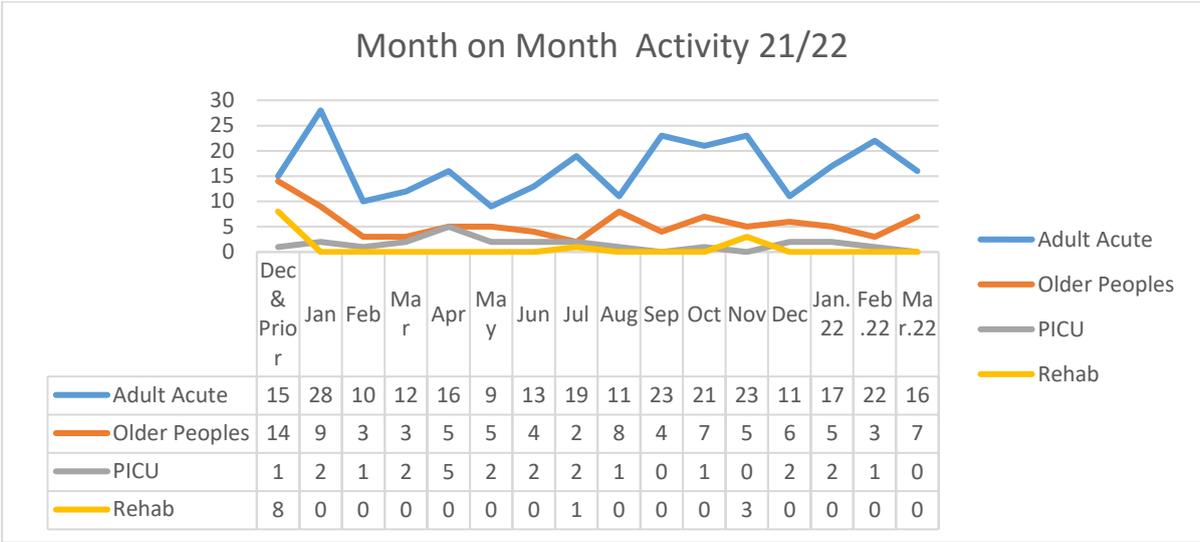


Table 1. Monthly activity by service type

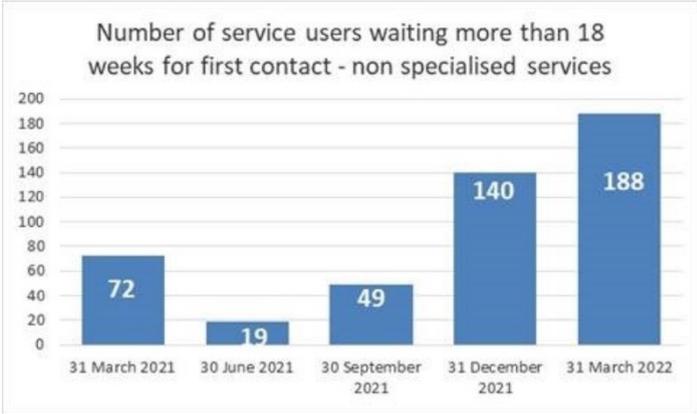


Quality Priority 2: Improving Waiting Times

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, by calculating how many of those service users waiting had been waiting for more or less than 18 weeks at that point.

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.

Table 2: People waiting more than 18 weeks for first contact for adult and older peoples community services*, 2021/22.



*excluding adult Autism Spectrum Disorder Diagnosis, Adult Attention Deficit Hyperactivity Disorder diagnosis and Adult Gender Dysphoria services

Quality Priority 3: Service User and Carer Experience - Increasing time staff are able to spend with service users and carers

This quality priority has attracted extensive positive attention over the year. From the outset the quality priority has been discussed and actioned by a range of experts by experience, non-clinicians and clinicians. The outputs from this quality metric to date, have included an extensive analysis of quantity of contact and quality of patient contact,

and qualitative feedback what 'good' contact looks like in both community and inpatient setting.

Following an analysis of data and engagement, clarity was provided on the following themes:

- How well we are undertaking Carers Assessment as part of the treatment pathway, this displayed variation between areas.
- The amount of time available to work with patients both in the community and inpatients, this highlight improvements in this area.
- Contact consistency within some pathway was lower depending on the type of interventions patients access as part of their care plan.

Phase 2 delivery over 2022/23 will require the peer support group to identify new key individuals within the trust to help support the development of this quality priority. It has been identified that the development of this quality priority will require the skills and experience of a member of CNTW staff(s) that can successfully bring about change and rollout a new internal service within the trust.

Quality Priority 4: Equality, Diversity, Inclusion and Human Rights (in relation to the core values of Fairness, Respect, Equality, Dignity and Autonomy (FREDA))

- Making Recruitment/Progression More Inclusive

The Trust had hoped to begin to implement the recommendations of this work during quarter 4, however staffing pressures due to the pandemic during this quarter has delayed the work. Some planning for implementation has taken place and the work is on the Equality Diversity Inclusion action plan for implementation during the early months of 2022-23.

- Tackling Discrimination - Part of the Respect Campaign

During Quarter 4. Workforce and Organisational Development Staff were due to receive training on Respectful Resolution during one of their regular professional development sessions. Due to pandemic pressures the session had to be postponed and is now scheduled to take place in May 2022.

- Improving Disciplinary and Grievance Processes

During Quarter 4 staff involved with managing the disciplinary and grievance processes received a training update from the RCN. The RCN also trained a further 8 members of staff from CNTW to be cultural ambassadors during this quarter.

- Review and Cleanse all Data to Ensure Staff Disability is Recorded Appropriately -This work was completed during Quarter 3.
- Empower Programme

The Empower Programme was established to develop a culture of service user empowerment and the reduction of restrictive interventions across CNTW, led jointly by

Dr Rajesh Nadkarni and Gary O'Hare. There are 4 approaches which form Empower, each with a dedicated lead:

- Trauma Informed Care (Angela Kennedy)
- HOPEs (Anthony Deery)
- Positive & Safe (Ron Weddle)
- Human Rights (Vida Morris/Ian Thorpe)

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. 800+ service user and carer information leaflets, including 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.cntw.nhs.uk/selfhelp

Complaints and Compliments

The Trust acknowledges that it is important for patients and their families and carers to know how to raise a concern or complaint and that a robust system is in place to investigate complaints thoroughly to raise confidence in our services and improve the patient experience. 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 good practice principles.

We are confident that service users, carers and families know how to raise an issue or a complaint. Complaints can be made in writing, by telephone or by email. Information gathered through our complaints process is used to ensure we provide the best possible care to our service users, their families and carers.

Complaints have increased during 2021/22 with a total of 629 received during the year. This is an overall increase of 64 complaints (10%) in comparison to 2020/21. South locality accounted for the highest number of complaints received at 29%; then Central locality with 27%, followed by North locality with 22% and North Cumbria locality with the lowest at 19%. The other 3% of complaints related to the non-clinical directorates.

In comparison to 2020/21, the number of complaints received has increased in all four localities. In Central there was a 4% increase (7), in North there was a 13% increase (18), in South there was a 10% increase (19) and in North Cumbria there was a 14% increase (17).

Of note, the three highest complaint categories were patient care, communication and values and behaviours:

- Complaints related to patient care increased by 32%*
- Complaints relating to communications decreased by 9%
- Complaints relating to values and behaviours increased by 10%

**The category 'patient care' covers complaints where there are a wide range of issues listed or are difficult to assign to a more specific category.*

Complaint categories which have significantly increased in comparison to 2020/21 are:

- Complaints related to waiting times have increased by 22%

Complaint categories which have significantly decreased in comparison to 2020/21 are:

- Complaints related to appointments have decreased by 31%
- Complaints related to admissions and discharges have decreased by 25%

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. Complainants are also signposted to local advocacy services to support them in making a complaint.

Within the Trust there is continuing reflection on the complaints we receive, not only in terms of the subject of the complaint but also on the complaint outcome and compliance with timescales. In 2021/22 we responded to complaints in line with agreed timescales in 82% of cases. This is a 2% decrease in comparison to 2020/21.

Complaints received and triaged for investigation and extensions requests are discussed weekly at the Trust-wide Safety Group. The Quality and Performance Committee regularly reviews the complaints received and identifies trends which are outlined in the monthly and quarterly Safer Care reports. A six monthly review of themes from complaint action plans is circulated Trust-wide with the aim of improving the quality of care.

Stakeholder Relations

The Trust is a significant partner in the North East and North Cumbria Integrated Care System (ICS), taking the lead role in the Mental Health Work Stream. 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. The Trust's Chief Executive, James Duncan, acts as joint senior responsible officer for the ICS Mental Health Work Stream, a named Executive Director leads this work in each locality, supported by operational managers and clinicians.

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, quality priorities and delivers specific presentations on any proposed changes to services.

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

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 on the provision of goods and services for the purposes of the health service in England. The Private Patient Income for 2021/22 is shown in table below (Figure 5).

Figure 5: Private Patient Income

Private Patient Income	Group	Trust	Group	Trust
	2021/22	2021/22	2020/21	2020/21
	£000	£000	£000	£000
Private patient income	0	0	0	0
Total patient related income	497,022	496,470	400,726	399,929
Proportion (as percentage)	0.00%	0.00%	0.00%	0.00%

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.



James Duncan
 Chief Executive
 15 June 2022

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.

The Trust 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.

Acknowledging that the Trust was at that time, a £380 million business employing over 7,000 staff with the added complications of the mental health legislation environment, it was agreed in principal 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.

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.

In line with this process, the Remuneration Committee reviewed the salaries of Executive Directors during 2019/20 and a further review of salaries was not undertaken during 2021/22. However, a non-consolidated Cost of Living increase was introduced for all Executive Directors of £1000.



Ken Jarrold
Chairman
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 2021/22, 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 Executive Medical Director’s package includes a sum for clinical duties as set out in figur77. 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 during 2021/22 and benefits in kind relate to lease cars and salary sacrifice schemes.

The Trust pays a fee to Non-Executive Directors which is detailed in Figure 7.

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.

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

During 2021/22, the Remuneration Committee recognised that in April 2022, it will be three years since NTW Solution Director salaries were agreed. The Remuneration Committee considered the reduced differential between NTW Solutions Directors and other senior postholders, and agreed that for 2021/22, the 3% national Agenda for Change pay award is applied to Directors of NTW Solutions.

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.

Policy on diversity and inclusion used by the remuneration committee.

When appointing senior managers to the Trust, the Remuneration Committee aligns with the Trust's strategy to deliver Workforce Race Equality standards, Workforce Disability Equality Standards and increase inclusive leadership, as a Stonewall diversity champion. The Trust values and promotes diversity and is committed to equality of opportunity for all. CNTW believes that the best Boards are those that reflect the communities they serve and applications are particularly welcomed from women, people from the local black and minority ethnic communities, and disabled people who we know are under-represented in senior manager roles.

Annual Report on Remuneration

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 below and within the Accountability Report.

Remuneration Committee and Disclosures required by Health and Social Care Act

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 CNTW 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 three times during 2021/22. Figure 6 below shows the membership of the Remuneration Committee during 2021/22 along with their attendance.

Figure 6: Membership of the Remuneration Committee and Attendance

Name	Meetings	
	Total	Attended
Ken Jarrold (Chair)	3	3
David Arthur	3	3
Darren Best	3	3
Dr Les Boobis	0	0
Paula Breen	3	2
Alexis Cleveland	3	3
Michael Robinson	3	3
Peter Studd	1	1
Louise Nelson	3	3
Brendan Hill	3	3

The Remuneration Committee has received advice from John Lawlor, Chief Executive (until his departure on 31st January 2022), James Duncan, Chief Executive (from 1st February 2022), Lynne Shaw, Executive Director of Workforce and Organisational Development and Debbie Henderson, Director of Communications and Corporate Affairs/Company Secretary 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. During 2021/22, 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.

During 2021/22 a review of the Executive Director portfolios was undertaken and discussed in detail with the Remuneration Committee. This review was in response to the decision of John Lawlor, Chief Executive to retire on 1st February 2022 and following the decision to introduce an additional role of Chief Operating Officer following a separation of the roles previously held by the Chief Operating Officer/Executive Director of Nursing. An appointment to the Chief Operating Officer post was made in April 2021. The Chief Nurse post was reduced to part-time with a view to recruiting to a substantive full-time post in 2023 in line with planned retirement of the current postholder.

Following the appointment of James Duncan as Chief Executive Officer on 1st February 2022, a decision was also made to transfer the portfolio for the Director of Finance to the Executive Director of Commissioning and Quality Assurance.

The Council of Governors has established a Nominations Committee to provide it with recommendations relating to the appointment of the Chair and Non-Executive Directors 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 2021/22, there were 17 individuals fulfilling the role as director in the Trust, six of them receiving expenses in the reporting period totalling £550.01. The equivalent for 2020/21 for the Trust was 15 individuals, with eight receiving expenses totalling £2,119.

During 2021/22, there were seven individuals fulfilling the role as director in the Trust subsidiary company NTW Solutions, one of them receiving expenses in the period totalling £234.45. The equivalent for 2020/21 for the Trust subsidiary company NTW Solutions was six individuals, with one receiving expenses totalling £144.

During 2021/22, there were 41 individuals in Governor roles. Two Governors received expenses during the year which totalled £38.90. The equivalent for 2020/21 was 39 individuals in Governor roles. Four Governors during 2020/21 received expenses totalling £319.20.

Figure 7: CNTW Board of Directors Remuneration - Remuneration for each board member who served during 2021/22 along with prior year comparatives.

Trust - 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	
	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21
Ken Jarrold - Chair	50 - 55	50 - 55	0	0	0	0	50 - 55	50 - 55
Alexis Cleveland - Non-Executive Director	15 - 20	15 - 20	0	0	0	0	15 - 20	15 - 20
Dr Leslie Boobis - Non-Executive Director	0 - 5	15 - 20	0	0	0	0	0 - 5	15 - 20
Peter Studd - Non-Executive Director *	5 - 10	5 - 10	59	85	0	0	10 - 15	15 - 20
David Arthur - Non-Executive Director	15 - 20	15 - 20	0	0	0	0	15 - 20	15 - 20
Michael Robinson - Non-Executive Director	15 - 20	15 - 20	0	0	0	0	15 - 20	15 - 20
Darren Best - Non-Executive Director	10 - 15	10 - 15	0	0	0	0	10 - 15	10 - 15
Paula Breen - Non-Executive Director	15 - 20	10 - 15	0	0	0	0	15 - 20	10 - 15
Brendan Hill - Non-Executive Director	5 - 10	0 - 0	0	0	0	0	5 - 10	0 - 0
Dr Louise Nelson - Non-Executive Director	5 - 10	0 - 0	0	0	0	0	5 - 10	0 - 0
John Lawlor - Chief Executive	170 - 175	205 - 210	0	0	0.0 - 0.0	115.0 - 117.5	170 - 175	320 - 325
James Duncan - Chief Executive/Executive Director of Finance and Deputy Chief Executive *	130 - 135	125 - 130	12	10	42.5 - 45.0	0.0 - 0.0	175 - 180	125 - 130
Dr Rajesh Nadkarni – Deputy Chief Executive/Executive Medical Director *	210 - 215	205 - 210	66	112	47.5 - 50.0	0.0 - 0.0	265 - 270	215 - 220
Gary O'Hare – Chief Nurse *	60 - 65	130 - 135	36	23	0.0 - 0.0	0.0 - 0.0	65 - 70	130 - 135
Lisa Quinn - Executive Director of Finance, Commissioning and Quality Assurance *	150 - 155	135 - 140	8	8	27.5 - 30.0	132.5 - 135.0	175 - 180	270 - 275
**Lisa Crichton-Jones - Executive Director of Workforce and Organisational Development	0 - 0	0 - 0	0	0	0.0 - 0.0	27.5 - 30.0	0.0 - 0.0	85 - 90
Ramona Duguid - Chief Operating Officer *	140 - 145	0 - 0	0	0	42.5 - 45.0	0.0 - 0.0	180 - 185	0 - 0
Lynne Shaw - Executive Director of Workforce and Organisational Development *	110 - 115	115 - 120	24	47	55.0 - 57.5	102.5 - 105.0	165 - 170	220 - 225

For Dr Rajesh Nadkarni, £31,000 of the remuneration relates to clinical duties (2020/21 £33,000). The remuneration of all other Executive Directors relates to management posts.

John Lawlor and Gary O'Hare have retired from the NHS Pensions Scheme. Dr Rajesh Nadkarni and James Duncan both opted into the NHS Pension Scheme during March 2022.

*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 role as Non-Executive Director of the Trust. Policies and procedures relating to salary sacrifice schemes and NED Terms and Conditions are continually subject to review.

**Lisa Crichton Jones was seconded to the North East and North Cumbria Integrated Care System for the period 1st April 2020 to 30th September 2020. On 30th September 2020 Lisa Crichton Jones formally left the Trust. Lynne Shaw was acting into the role of Director of Workforce and Organisational Development and was appointed into the Executive Director role from 1st October 2020. The full costs of the salary and taxable benefits for 2020/21 were met by Newcastle Gateshead CCG. The pension related benefits for Lisa Crichton Jones have not been adjusted for the part year or to reflect recharges for secondments.

Figure 8: NTW Solutions Board of Directors Remuneration - Remuneration for each NTW Solutions board member who served during 2021/22 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	
	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21
Peter Studd - Chair NTW Solutions	5 - 10	5 - 10	0	0	0	0	5 - 10	5 - 10
Dr Stewart Davies - Chair NTW Solutions	0 - 5	0 - 0	0	0	0	0	0 - 5	0 - 0
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	5 - 10	5 - 10	0	0	0	0	5 - 10	5 - 10
Malcolm Aiston - Managing Director NTW Solutions	105 - 110	100 - 105	1	13	0	0	105 - 110	105 - 110
Tracey Sopp - Director of Finance and Deputy Managing Director NTW Solutions	105 - 110	100 - 105	0	0	42.0 - 42.5	25.0 - 27.5	145 - 150	125 - 130
Paul McCabe - Director of Estates and Facilities NTW Solutions *	95 - 100	85 - 90	56	96	70.0 -72.5	12.5 -15.0	170 - 175	110 - 115

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.

Peter Studd resigned from his post as Chair on 2nd January 2022 and James Duncan stood down as a non-executive director from 31st December 2021. James Duncan now attends the Company Board in the capacity of shareholder representative. Dr Stewart Davies was appointed as the new chair from 2nd January 2022

Malcolm Aiston retired from the NHS Pension Scheme on 30th March 2019. Malcolm Aiston returned to work on a part-time basis from 1st April 2019 and has been a member of the NEST defined contribution scheme from 1st April 2019

Fair Pay

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

The banded remuneration of the highest paid director in the organisation in the financial year 2021/22 was £212,500 (2020/21 £207,500). This is a change between years of 2.4%. The total remuneration includes salary, benefits in kind, but not severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pension.

For employees of the trust as a whole, the range of remuneration in 2021/22 was from £6,750 to £213,788 (2020/21 £6,720 to £208,665). The percentage change in average employee remuneration (based on the total for all employees on an annualised basis divided by the full time equivalent number of employees) between years is 17.3%. No employees received remuneration in excess of the highest paid director in 2021/22 (there were none in 2020/21).

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

Figure 9: Median Remuneration

2021/22	25 th Percentile	Median	75 th Percentile
Salary component of pay	22,549	28,425	39,027
Total pay and benefits excluding pension benefits*	22,549	28,425	39,027
Pay and benefits excluding pension: Pay riation for the highest paid director	9.42	7.48	5.44

*CNTW do not pay performance bonus to managers

2020/21	25 th Percentile	Median	75 th Percentile
Salary component of pay	21,892	27,626	37,890
Total pay and benefits excluding pension benefits*	21,892	27,626	37,890
Pay and benefits excluding pension: Pay riation for the highest paid director	9.48	7.51	5.48

*CNTW do not pay performance bonus to managers

Figure 8: Board of Director Pension Analysis 2021/22 provides further information on the pension benefits accruing to the individual.

Total pension entitlement

Figure 10: Board of Director Pension Analysis 2021/2022 and 2020/21 (CNTW and NTW Solutions)

Trust - Board of Directors	Real Increase in pension at pension age	Real Increase in lump sum at pension age	Total accrued pension at pension age at 31-03-22	Lump sum at pension age related to accrued pension at 31-03-22	Cash Equivalent Transfer Value at 31-03-22	Cash Equivalent Transfer Value at 31-03-21	Real Increase in Cash Equivalent Transfer Value
	Bands of £2.5k	Bands of £2.5k	Bands of £5k	Bands of £5k			
	£000	£000	£000	£000	£000	£000	£000
John Lawlor Chief Executive	0.0 - 0.0	0.0 - 0.0	0 - 0	0 - 0	0	2146	0
James Duncan * Chief Executive/Executive Director of Finance and Deputy Chief Executive	0.0 - 2.5	0.0 - 2.5	50 - 55	105 - 110	1004	945	52
Dr Rajesh Nadkarmi * Executive Medical Director and Deputy Chief Executive	0.0 - 2.5	2.5 - 5.0	60 - 65	145 - 150	1226	1154	60
Gary O'Hare * Chief Nurse ***	0.0 - 0.0	0.0 - 0.0	0 - 0	0 - 0	0	1657	0
Lisa Quinn Executive Director of Finance, Commissioning & Quality Assurance	0.0 - 2.5	0.0 - 0.0	55 - 60	130 - 135	1110	1051	34
Ramona Duguid Chief Operating Officer **	2.5 - 5.0	0.0 - 2.5	35 - 40	65 - 70	518	474	22
Lynne Shaw * Executive Director of Workforce & Organisational Development	2.5 - 5.0	2.5 - 5.0	30 - 35	55 - 60	529	464	47

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.

John Lawlor retired from his post as Chief Executive on 1st February 2022. Gary O'Hare retired from the NHS Pension Scheme on 31st March 2021 and returned to the post of Chief Nurse. Dr Rajesh Nadkarmi and James Duncan have opted back into the NHS Pension scheme from March 2022.

NTW Solutions - Board of Directors	Real Increase in pension at pension age	Real Increase in lump sum at pension age	Total accrued pension at pension age at 31-03-22	Lump sum at pension age related to accrued pension at 31-03-22	Cash Equivalent Transfer Value at 31-03-22	Cash Equivalent Transfer Value at 31-03-21	Real Increase in Cash Equivalent Transfer Value
	Bands of £2.5k	Bands of £2.5k	Bands of £5k	Bands of £5k			
	£000	£000	£000	£000	£000	£000	£000
Malcolm Aiston Managing Director NTW Solutions	0.0 - 0.0	0.0 - 0.0	0 - 0	0 - 0	0	0	0
Tracey Sopp Director of Finance and Deputy Managing Director NTW Solutions	2.5 - 5.0	0.0 - 2.5	25 - 30	50 - 55	498	448	34
Paul McCabe * Director of Estates and Facilities	2.5 - 5.0	5.0 - 7.5	35 - 40	90 - 95	847	749	82

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.

Malcolm Aiston retired from the NHS Pension Scheme on 30th March 2019. From 1st April 2019 Malcolm Aiston has been a member of the NEST defined contribution scheme.

Board of Directors Pension Analysis 2020/21

Trust - Board of Directors	Real Increase in pension at pension age	Real Increase in lump sum at pension age	Total accrued pension at pension age at 31-03-21	Lump sum at pension age related to accrued pension at 31-03-21	Cash Equivalent Transfer Value at 31-03-21	Cash Equivalent Transfer Value at 31-03-20	Real Increase in Cash Equivalent Transfer Value
	Bands of £2.5k	Bands of £2.5k	Bands of £5k	Bands of £5k			
	£000	£000	£000	£000	£000	£000	£000
John Lawlor, Chief Executive	5.0 - 7.5	17.5 - 20.0	85 - 90	260 - 265	2146	1912	171
*James Duncan, Executive Director of Finance and Deputy Chief Executive	0.0 - 0.0	0.0 - 0.0	0 - 0	0 - 0	0	0	0
*Dr Rajesh Nadkarmi, Executive Medical Director	0.0 - 0.0	0.0 - 0.0	0 - 0	0 - 0	0	0	0
*Gary O'Hare, Executive Director of Nursing and Operations ***	0.0 - 0.0	0.0 - 0.0	70 - 75	210 - 215	1657	2192	0
*Lisa Quinn, Executive Director of Commissioning & Quality Assurance	5.0 - 7.5	0.0 - 2.5	55 - 60	130 - 135	1051	890	127
*Lisa Crichton-Jones, Executive Director of Workforce & Organisational Development **	0.0 - 2.5	0.0 - 0.0	35 - 40	65 - 70	614	572	8
*Lynne Shaw, Executive Director of Workforce & Organisational Development	5.0 - 7.5	10.0 - 12.5	25 - 30	50 - 55	464	357	87

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.

** Lisa Crichton-Jones was on secondment to the Integrated Care System for the period 1st April 2020 to 30th September 2020. The increases/(decreases) in pension, lump sum and cash equivalent transfer value have been adjusted to reflect not being in post for the full financial year, 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 as at 31st March 2021.

Dr Rajesh Nadkarmi opted out of the NHS Pension Scheme on 1st September 2018. James Duncan opted out of the pension scheme on 1st July 2019. As Dr Nadkarmi and James Duncan were not members of the pension scheme during 2020/21 the pension scheme information is not provided by the Greenbury team. John Lawlor and Lisa Quinn both opted out of the NHS Pension during 2019/20 but opted back into the scheme on 1st April 2020.

Lynne Shaw was appointed Executive Director of Workforce and Organisational Development on 1st October 2020 and was acting into this role for the period 1st April 2020 to 30th September 2020.

NTW Solutions - Board of Directors	Real Increase in pension at pension age	Real Increase in lump sum at pension age	Total accrued pension at pension age at 31-03-21	Lump sum at pension age related to accrued pension at 31-03-21	Cash Equivalent Transfer Value at 31-03-21	Cash Equivalent Transfer Value at 31-03-20	Real Increase in Cash Equivalent Transfer Value
	Bands of £2.5k	Bands of £2.5k	Bands of £5k	Bands of £5k			
	£000	£000	£000	£000	£000	£000	£000
Malcolm Aiston Managing Director NTW Solutions	0.0 - 0.0	0.0 - 0.0	0 - 0	0 - 0	0	0	0
Tracey Sopp Director of Finance and Deputy Managing Director NTW Solutions	0.0 - 2.5	0.0 - 2.5	25 - 30	50 - 55	448	407	20
Paul McCabe * Director of Estates and Facilities	0.0 - 2.5	0.0 - 0.0	30 - 35	40 - 45	749	705	19

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.

Malcolm Aiston retired from the NHS Pension Scheme on 30th March 2019. From 1st April 2019 Malcolm Aiston has been a member of the NEST defined contribution scheme.

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

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

As Non-Executive members do not receive pensionable remuneration, there will be no entries in respect of pensions for Non-Executive members.

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. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

The method used to calculate CETVs has changed to remove the adjustment for Guaranteed Minimum Pension (GMP) on 8th August 2019. If the individual concerned was entitled to GMP, this will affect the calculation of the real increase in CETV. This is more likely to affect the 1995 Section and the 2008 Section. This does not affect the calculation of the real increase in pension benefits or the total pension related benefit figures disclosed.

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).

The pension benefits and related CETVs disclosed do not allow for any potential future adjustments which may arise from the McCloud judgement.

Payments for loss of office

During 2021/22, no payments have been made to senior managers for loss of office.

Payments to past senior managers

No payments have been made to past senior managers during 2021/22.



James Duncan
Chief Executive
15 June 2022

3.3 Staff Report

Employee Numbers

At the end of March 2022, the Board of Directors for Cumbria, Northumberland, Tyne and Wear Foundation Trust comprised of seven Executive Directors (three female and four male) and seven Non-Executive Directors (three female and four male).

The Directors for NTW Solutions comprises three Directors (one female and two male) and two Non-Executive Directors (two male).

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

The CNTW Group has 8099 employees including Non-Executive Directors (6166 female and 2933 male) of whom 26% work part-time.

2948 employees (2242 female and 706 male) are also registered with one or more of the Trust's staff banks. In addition, there are currently 919 'bank only' workers (646 female and 273 male) who do not hold substantive posts elsewhere in the Trust.

A total of 552 bank only staff worked shifts during 2021/2022.

Figure 11: Employee Expenses and Employee Numbers

Employee Expenses	Group						Trust					
	Total	Permanently Employed	Other									
	2021/22	2021/22	2021/22	2020/21	2020/21	2020/21	2021/22	2021/22	2021/22	2020/21	2020/21	2020/21
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Salaries and wages	281,794	279,780	2,014	265,360	263,309	2,051	265,933	263,937	1,996	250,321	248,330	1,991
Social security costs	27,114	27,114	0	24,526	24,526	0	25,744	25,744	0	23,320	23,320	0
Apprenticeship levy	1,325	1,325	0	1,234	1,234	0	1,258	1,258	0	1,174	1,174	0
Pension cost - employer's contributions to NHS Pensions	32,291	32,291	0	30,341	30,341	0	31,036	31,036	0	29,044	29,044	0
Pension cost - employer's contributions paid by NHSE on provider's behalf (6.3%)**	14,090	14,090	0	13,289	13,289	0	13,538	13,538	0	10,987	12,718	0
Pension cost - other contributions	393	393	0	306	306	0	118	118	0	92	92	0
Temporary staff - agency/contract staff	20,243	0	20,243	15,838	0	15,838	20,161	0	20,161	15,646	0	15,646
Total staff costs	377,250	354,993	22,257	350,894	333,005	17,889	357,788	335,631	22,157	330,584	314,678	17,637
included within:												
Costs capitalised as part of assets	622	622	0	529	529	0	101	101	0	59	59	0
Analysed into operating expenditure												
Employee expenses - staff & executive directors	374,556	352,299	22,257	348,459	330,570	17,889	355,615	333,458	22,157	330,350	312,713	17,637
Research & Development	1,862	1,862	0	1,722	1,722	0	1,862	1,862	0	1,722	1,722	0
Internal audit costs	210	210	0	184	184	0	210	210	0	184	184	0
Total employee benefits excluding capitalised costs	376,628	354,371	22,257	350,365	332,476	17,889	357,687	335,530	22,157	332,256	314,619	17,637

**See note 3.1 for Pension cost - employer's contributions paid by NHSE on provider's behalf (6.3%)

Average Number of Employees (whole time equivalent basis)

	Total	Permanently Employed	Other									
	2021/22	2021/22	2021/22	2020/21	2020/21	2020/21	2021/22	2021/22	2021/22	2020/21	2020/21	2020/21
	Number	Number	Number									
Medical and dental	426	403	23	411	390	21	425	402	23	411	390	21
Administration and estates	1,987	1,962	25	1,912	1,886	26	1,394	1,373	21	1,318	1,297	21
Healthcare assistants and other support staff	2,345	2,063	282	2,225	2,033	192	2,345	2,063	282	2,221	2,029	192
Nursing, midwifery and health visiting staff	2,278	2,239	39	2,255	2,202	53	2,278	2,239	39	2,255	2,202	53
Scientific, therapeutic and technical staff	424	424	0	400	400	0	425	425	0	403	403	0
Healthcare science staff	545	530	15	488	475	13	545	530	15	489	476	13
Total average numbers	8,005	7,621	384	7,691	7,386	305	7,412	7,032	380	7,097	6,797	300
of which:												
Number of employees (WTE) engaged on capital projects	12	12	0	13	13	0	3	3	0	3	3	0

Health and Wellbeing of our Staff

The Trust continues to monitor sickness absence levels carefully, recognising the impact on service user care and wellbeing of our staff. As witnessed nationally and regionally, our staff have also faced significant challenges throughout the course of the COVID19 pandemic, with escalating sickness absence due to the pandemic and isolation rules. As we think ahead to the future, we know there will be a lasting impact upon staff wellbeing and the way we deliver our services, and we recognise this as a priority within the Trust Annual Plan.

In spring 2021, the Trust formally launched the Health and Wellbeing Star, replacing former Health and Wellbeing strategies. The Star depicts an inclusive and diverse health and wellbeing offer that is available to staff within the organisation, delivered in partnership with subject experts, and in line with the vision set out within the NHS People Plan and People Promise.

The Trust has developed and implemented wellbeing conversations for all line managers to have with their staff to support health and wellbeing both in and out of work. Over the last 12 months, and into the year ahead, the wellbeing offer for staff has, and will continue to increase, with support for financial wellbeing and education delivered via Barclays, mid-career workshops, wobble rooms, Schwartz rounds, menopause support for staff and line managers, guided walks to support emotional wellbeing, cycle to work scheme, in house staff psychological support service, and an ongoing calendar of health and wellbeing events. Staff can also access support through the regional Wellbeing Hub including smoking cessation and drug and alcohol support.

In recognition of the support offered to staff and the need to streamline the way in which staff and line managers can access this, the THRIVE website and branding was created. THRIVE can be accessed internally and externally, sets out our health and wellbeing support, incorporating development and sign posting, and is intended to support staff to access the services they need, as well as promoting the Trust as a 'great place to work'.

The Trust has retained the Better Health at Work, Maintaining Excellence Award and a Trust wide Health and Wellbeing Steering group has been established to monitor, assess, and support the development of wellbeing initiatives available to staff. There is also Trust representation on the national network for health and wellbeing hosted by NHS Employers which enables our organisation to provide a national influence and presence in this area and to bring back knowledge and best practice to support with our internal priorities.

Sickness Absence

The staff absence line has continued for staff to report all absences and arrangements are made for staff testing for COVID19 where applicable.

The Trust continues to monitor sickness absence levels carefully, recognising the impact on service user care and wellbeing of our staff. As witnessed nationally and regionally, our staff have also faced significant challenges throughout the course of the pandemic, with escalating sickness absence due to COVID and isolation rules. As we think ahead to the future, we know there will be a lasting impact upon staff wellbeing and the way we deliver

our services, and we recognise this as a priority within the Trust Annual Plan and in the wellbeing initiatives we continue to develop.

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 Jan 2021 to 31 Dec 2021.

Figure 12: Sickness Absence for the period 1st January 2021 to December 2021

Figures Converted by DH to Best Estimates of Required Data Items		Statistics Produced by NHS Digital from ESR Data Warehouse		
Average FTE 2021	Adjusted FTE days lost to Cabinet Office definitions	FTE-Days Available	FTE-Days Lost to Sickness Absence	Average Sick Days per FTE
7,090	103,211	2,587,714	167,432	14.6

Staff Policies and Actions – Applied during the financial year

Workforce Policies

Workforce policies are updated regularly in line with changes to employment law, amendments to national terms and conditions of service and keeping abreast of best practice. In addition, policy review dates are monitored, and policy authors carry out a refresh of the policy within the required timescales. This work is undertaken through engagement with various groups of people across the Trust, to help shape and influence the development of Trust Workforce policies to effectively meet the needs of our staff and in turn support our services.

Equality, Diversity and Inclusion (EDI) key developments

‘Give Respect Get Respect’

The Trust’s Give Respect. Get Respect campaign was launched in July 2021 and is underpinned by the Trust values.

- Caring and compassionate – put ourselves in other people’s shoes and be sensitive and considerate. We will ensure the Trust is approachable and that we listen and offer hope through increasing awareness of, and confidence in, avenues for reporting discrimination.
- Respectful – give respect to all people and respect and embrace difference
- Honest and transparent – accept what is wrong and strive to put it right.

The Trust has reminded all staff of where they can go to get help if they experience or witness discrimination. Everyone deserves respect, and together, we can make work a safe space for everyone. The programme was designed to build in content, materials and momentum over time with the ability to respond to topical issues. One of the issues we have focused upon in the past year is race.

To help our work on race equality Roger Kline, a Research Fellow from Middlesex University and expert in addressing discrimination (including racism) has worked with the Trust during the year its equality, diversity and inclusion priorities. Roger facilitated some roundtable events in November to hear from staff about their experiences working in the Trust. All conversations were confidential, and Roger is working with the Trust to use the themes of those discussions to support us to move forward on this important priority.

Staff Networks

Staff networks have grown significantly during this reporting period. Running virtually has improved attendance and has allowed for the flexibility to hold meetings more frequently and at different times.

All of the networks have developed action plans and have been supported by budgets for activities, release time for Network Chairs and administrative support. Network chairs met regularly with the Equality, Diversity and Inclusion Lead to talk about cross cutting issues and there have been two development days with the networks and their Executive Sponsors. In addition, the Network Chairs meet with Staff Side to explore opportunities to collaborate effectively. The Trust have a central fund for EDI which can be used by the networks to support initiatives that will help address Trust-wide actions, funding that is in addition to the network budgets. The following sections provide highlights of staff network activities during 2021/22.

Armed Forces and Veterans Network (AFV)

The AFV Staff Network met for the first time in June 2021 and has continued to grow and membership now includes veterans, reserves, spouses, and other family members of people in the armed forces.

Recent conflicts such as those in Ukraine, Afghanistan and Iraq have seen changes to the way the Armed Forces and Veterans (AFV) are regarded by society and government. The Armed Forces Bill 2021 gained royal assent in parliament in December enshrining into law the principles of the Armed Forces Covenant (AFC) from April 2022. The Trust has demonstrated support for the AFV community through a number of initiatives including the signing of the AFC in 2021.

By signing the AFC the Trust has agreed to a number of principles including agreeing that the Armed Forces community should not face disadvantage compared to other citizens in the provision of public and commercial services in the area where they live, the giving of special consideration in some cases, especially for those who have given most such as those injured and the bereaved. The Trust recognises the value that serving personnel, reservists, veterans and military families bring to the organisation. Through this the Trust (and NTW Solutions) have pledged to promote that they are an armed forces-friendly organisation and will support the employment of veterans, recognising military skills and

qualifications in the recruitment and selection process and work with the Career Transition Partnership (CTP) to support the employment of service leavers.

The Trust has achieved both the Bronze and Silver Awards for the Defence Employer Recognition Scheme and has re-registered for Step into Health, an NHS Employers initiative that enables NHS organisations to benefit from the transferable skills and values members of the Armed Forces community bring into the workplace and raise awareness of the barriers into employment which members of the community may face.

We are now turning our sights towards having an Armed Forces and Veterans Trust Strategy to shape the development of future work and ambitions.

Our AFV network continues to grow and we continue to welcome new members including those who have served in the military of other nations in the spirit of inclusivity. Please email for further details: StaffArmedForces-Veterans@cntw.nhs.uk.

Cultural Diversity Network

Black History Month was celebrated in October 2021 with events led by the BAME Staff Network. Black History Month aims to promote the knowledge of black history, culture and heritage. Many events took place during the month and culminated with a conference that celebrated the role black people have had in shaping our communities. It served as the culmination of several initiatives the Trust has been involved in throughout

Speakers included:

- Dr Suman Fernando – Emeritus professor, consultant psychiatrist and author
- Jenni Douglas-Todd – Director of Equality & Inclusion for NHS England & Improvement
- Dr Neslyn Watson-Druee CBE

The event was open for all staff and was delivered virtually which allowed for questions to be asked of our speakers and discussions to take place. The event was recorded so that those who could not attend are able to view the speaker sessions at their convenience.

Disability Network

Disability History Month ran from 18 November to 18 December 2021. During the month the Disabled Staff Network organised two key events that were each attended by over 100 members of staff. A disabled staff led organisation 'We are Purple Disability' provided a Disability Equality training session that was available to all staff and has been recorded so that it can be used as an information resource for staff.

Secondly, the network worked with Collingwood Legal to provide a workshop on the Equality Act and Reasonable Adjustments. This 90-minute workshop provided clear practical advice on the provision of reasonable adjustments and was also recorded so that the information can be viewed by staff who were not able to attend the session.

Mental Health and Well-being Network

During the pandemic the network has run regular meetings and 'cafes', informal drop in sessions to help with mood. They have offered regular 'Meditation Cafes' and Mindfulness sessions throughout the past year. The network aims to continue to communicate its work and to grow its support.

LGBT+ Network

This was marked by the Trust between the 15th and 19th of November 2021. To honour this, the CNTW LGBT+ Network flew the trans flag at St Nicholas Hospital. The network also produced and made available a series of videos from trans and non-binary people talking about their life experiences as well as a short video from a parent's perspective of supporting young people coming out as trans.

LGBT History Month

LGBT+ History Month took place during February 2022. The LGBT+ Staff Network group published information and suggestions for activities during the month that helped raise awareness of LGBT+ issues. The month-long series of events culminated on February 25th with a conference which focused on a wide range of LGBT+ issues and in addition looked at intersectionality with other protected characteristics. The conference included presentations from Lord Michael Cashman CBE and Professor Stephen Whittle OBE.

During the month, the Trust issued a position statement on conversion therapy supporting the view that sexual orientation and gender identity is not a 'disorder' or mental health 'problem' that requires change and treatment.

Workforce Race Equality Standards Key Findings

There are disparities between BAME and White staff in their distribution across the pay bands for both non-clinical and clinical roles. Only with the data for Medical Staff do we see a greater likelihood for BAME staff to be employed at higher grades.

- White job applicants are 3.5 times more likely to be appointed from shortlisting compared to BAME applicants. This gap has widened in the past year and is being addressed as part of evidence-based inclusive recruitment interventions to be introduced in 2022/23.
- A BAME member of staff is 1.5 times more likely to enter the formal disciplinary process compared to a White member of staff. This showed a marked improvement on the previous year where the figure stood at 2.5 times more likely.

The WRES submission contains 4 metrics that are based on staff survey questions:

- Two on bullying harassment or abuse – patient/staff
- One on the belief that the Trust provides equal opportunities
- One on experiencing discrimination from managers.

When compared against the results for White staff all these metrics show a gap between the experience of BAME and White staff. We have several initiatives in place with our Give Respect Get Respect programme of work which was launched in the summer of 2021.

Workforce Disability Equality Standards Key Findings

- The recruitment of non-disabled staff to Disabled staff when expressed as a ratio is 0.39:1 This shows that the likelihood of appointment for disabled people to be appointed from shortlist is greater than for non-disabled applicants.
- Disabled members of staff are 3.72 times more likely to enter into a formal capability process compared to non-disabled members of staff.
- All figures for bullying and harassment by patients, staff or managers demonstrate a worse experience for disabled compared to non-disabled staff.
- 19.4% of Disabled Staff felt pressure from their manager to come to work, compared with 13% of non-disabled staff.
- 46.1% of Disabled Staff were satisfied with the extent to which the Trust values their work, compared with 57% of non-disabled staff.
- 84.3% of disabled staff stated that there had been adequate adjustments for them, compared to 83.1% in the previous year.

Work to address these findings is taking place as part of the Give Respect Get Respect programme of work. In addition we have planned for 2022/23:

- Disability Equality Training for staff
- We are partnering with two organisations, Purple and Disability Rights, to offer programmes which aim to build the capacity and capability of the organisation to support staff, with the widest range of disabilities, to succeed. The programmes will complement existing training and development and act as a bridge – an accelerator – to a group of under-represented staff to help them thrive, and the twist, they will also support the individual's direct line manager to develop, therefore ensuring learning is shared and applied quickly, with the participating disabled staff and line managers becoming pioneers – helping create a new normal.

Stonewall Diversity Champions

At the start of 2019 the Trust signed a three year agreement to be Diversity Champions with Stonewall. The Diversity Champions programme is the leading employers' programme for ensuring all LGBT staff are accepted without exception in the workplace. Stonewall work with over 750 organisations, all of whom share a core belief in the power of a workplace that is truly equal. As part of our work with Stonewall we took part in the Workplace Equality Index for the second time. Participating employers were required to demonstrate their work in eight areas of employment policy and practice.

Staff from across the Trust were also invited to complete an anonymous survey about their experiences of diversity and inclusion at work. The Trust received its Index score and feedback during LGBT+ History Month in February. The Trust now stands at 242nd in the ranking, up 115 places from 357 when the index was last refreshed in 2020. In addition, the Trust received a Silver award to mark its improvement from Stonewall.

Staff Survey 2021

The survey opened on 30th September 2021 and closed on 26th November 2021, an eight-week period for completion. 7020 members of staff were eligible to take part in the survey, 3175 staff completed the survey giving an overall response rate of 45%.

For 2021 the Trust utilised a mixed delivery mode, with ward-based locality staff having the option to complete a paper copy of the survey. Of the 3175 responses received 82% were electronic and 18% were paper.

The 2021 response rate is down 5 percentage points on the response rate of 50% in 2020. The 2021 median response rate for Mental Health and Learning Disability Trusts was 52%. This is the first time in five years that the Trust has a below average response rate, however the Trust have seen a drop in response rate year on year since 2018 when our response rate was 66.5% - the highest response rate in our comparator group.

Figure 13: Staff Survey 2021 Compared to Staff Survey 2020 and 2019

Response Rate	2019	2020	2021
Trust	56%	50%	45%
National average (Mental Health and Learning Disability)	54%	49%	52%

Reporting for the 2021 NHS Staff Survey is aligned to the seven elements of the People Promise. Cumbria Northumberland Tyne and Wear scored above average in all of these themes when compared to the 50 other similar Mental Health and Learning Disability Trusts that took part in the survey.



Two of the Trust's scores were the highest recorded in our benchmark group:

- 'I would feel secure in raising concerns about unsafe clinical practice' 82% of staff stated this.
- 'There are opportunities for me to develop my career in this organisation' 62% of staff stated this.

Other highlights

- 96% of staff reported incidences of physical violence at work.
- 91% of staff said that they were trusted to do their job.
- 89% of staff have had an appraisal in the last 12 months.
- 79% of staff state their immediate manager is interested in listening to them when they describe the challenges they face.
- 66% of staff state that the Trust acts fairly with regard to career progression / promotion, regardless of ethnic background, gender, religion, sexual orientation, disability or age.
- Only 6% of staff experienced discrimination at work from patients/service users, their relatives or other members of the public.
- 0% of staff personally experienced physical violence at work from their manager.
- Staff who worked on a COVID ward scored consistently lower across all themes compared with the results for all staff.
- Working from home/remotely scored consistently higher across all themes compared with the results for all staff.
- Results were mixed for those who were redeployed, though the balance is still less favourable compared with the results for all staff.

Compared to our 2020 results, two scores have improved significantly:

- Experienced discrimination on grounds of sexual orientation. 9% in 2020, 5% in 2021. This improvement mirrors our improvement and Silver Award in Stonewall's Workplace Equality Index.
- I would feel secure raising concerns about unsafe clinical practice. 79% in 2020, 82% in 2021. Highest score in our benchmark group for 2021.

We are taking the following actions to address the findings in this year's survey.

- Work to address the response rate, with actions to be developed to improve the response rate for the 2022
- That a Trust wide staff survey takes place which will present the results and look to how we can improve our results on staff engagement and morale and other areas highlighted in this report where there have been large changes in results between 2020 and 2021. And/or where results are lower than the benchmark average.
- That a similar conversation takes place across the localities and corporate services to help develop local actions.
- These conversations will also to consider the impact of the differing experiences of working practices as part of our response to COVID19.
- Analysis of results by protected characteristics to be presented at the Trust wide Equality, Diversity and Inclusion Steering Group and Staff Networks to be involved in the development of any actions that may be necessary to address disparities found between protected characteristics and the results for all staff.
- Workforce Race Equality and Workforce Disability Equality Standard questions to be considered as part of our WRES and WDES submissions.

Organisational Improvement

Organisational Improvement (OI) is a mechanism for aligning strategy, processes, and people, and supporting cultural change.

The Trusts current OI Plan is centred around the strategic aim of "*people at the heart of all we do*" and, our ambition to ensure CNTW is/remains a *Great Place to be cared for and/or work*. There are 8 themes and several ambitions articulated within each theme. These were identified in the early part of 2020 through engaging people in conversations about what mattered most to us (at the time).

The ambitions and interventions are strategically aligned to the Trust Strategy including Annual Plan and quality priorities and, wider national and regional drivers and regulatory requirements, including the NHS People Plan and Promise and the Trust vision, strategic goals, and values.

The past 18 – 22 months have been unprecedented and despite the very real challenges of delivering quality care, with staff shortages and every effort being taken to maintain a present and well workforce, this plan also demonstrates the commitment to not only keep the show on the road but also to continuously move forward and improve.

Below are a few examples of Oi interventions (themed) undertaken in the past year.

COVID19 reset and recovery

- Establishment of a comprehensive health and wellbeing offer
- Staff Covid Support – risk assessments, vaccination programmes, PCR support, clinical help/accessibility, and support for non-vaccinated staff
- Thank you and acknowledgements – Annual Awards, Hampers and Christmas Bonus
- Improved and enabled flexible working including working from home

People engagement and experience

- CNTW 2030 work – staff, service user, carer, and partner engagement
- Staff/Service user engagement in determination of quality priorities
- Launch of Give Respects, Get Respect programme of work
- Development of the Engagement and Involvement Plan
- Staff Survey BIG Conversations, leading to identification of 3 shared areas for improvement
- Launch/embedding of The Improvement Collaborative
- Inclusive Mentoring – 10 relationships being formed
- Leadership walkabouts – with a focus on inclusion
- Staff Networks – growth in both membership and contribution to organisational improvement

Leadership & Management Development

- Development and launch of the Collective Leadership and Management Development Programme
- Leadership/Management Development career pathway, articulated
- Bespoke development of leadership teams, including Edward Jenner Pilot for AHP Clinical Leads
- Review/development of Managing People content/approach
- Coaching support for leaders and staff and development of coaching capacity in leadership and management community. Including growth and accreditation of the Coaching Network.

Improving People Practices

- Development and publication of the 'CNTW Development Offer' - supporting personal and professional development
- Inclusion work, including, recruitment and retention review, expert support via Roger Kline, Show Racism the Red Card, and growth of Cultural Ambassadors
- Refresh of Appraisal Policy, documentation, and training
- Talent Management Plan approved and soft launch of Career Conversations
- Launch and embedding of Health and Wellbeing Conversations
- Bespoke leadership, team, and service development and interventions

Partnerships

- Development of system partnership/working with, for example, Mental Health workstream, Gateshead Cares and Newcastle Academic Health Partners
- Partner in the Newcastle System Leadership Development Programme, which was awarded the 2021 Health Business Collaboration Award
- Developing internal partnership working – Trade unions, Staff Networks, Strategic Clinical Networks
- Collaboration with Universities, e.g., Sunderland University, involving the Helen McArdle Institute of Care - range of projects around nursing and AHP development.

Creativity, Improvement, and Innovation

- Transformation workstreams and focus on 'time to care'
- Centre for Public Impact work, supporting development of the Trust as a learning organisation
- Innovation and refreshed Research and Development Strategies - range of projects with commercialisation potential and reputational benefit are in development.
- Opportunities for Improvement Collaborative members to engage as expert advisors

Planning and People Analytics

- Integrated Workforce Dashboards, in development
- Disability data cleanse exercise
- Approval of ESR Business Case (ESR as Trust's single workforce information system) and appointment of ESR Transformation Lead. Establishment of joint Allocate and ESR Project Board to progress the Business case.

Employee Consultation

We continue to value the strong working relationships we have developed with our staff side representatives. During COVID19 Executive Directors met with Staff Side on a weekly basis to ensure partnership working was maintained. Regular meetings also took place with regional representatives. The partnership working in Trust with staff side was highlighted as exemplar at the National Social partnership forum.

Trade Union Management Forum and Local Negotiating Committee remains the forums to discuss key Trust wide and strategic issues with trade union representatives.

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.

The Trust have developed 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 have 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 2021/2022 specific consultations with staff have included the following:

Locality	Consultations
Central	Gateshead Community Team – harmonisation of policies Secure services – shift pattern Universal crisis team – service redesign
South	Bed Management – service redesign
North Cumbria	Haverigg Drug and Alcohol Recovery Treatment Team – TUPE Edenwood – Service redesign CAMHS West – Relocation First Step (IAPT) – change to professional registration requirements CYPS – Service redesign Crisis West – Relocation
North	No consultations
Corporate	Workforce and OD – service redesign Chief Executive Office – service redesign Commissioning and Quality Assurance -TUPE

Involvement 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 and again in 2018 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 (FTSUG) 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. The trust has been actively recruiting Champions and we have increased to 57 champions over the past year. The FTSUG has been given two days protected time to fulfil the FTUG role. This includes raising the profile of the role as well as supporting individual cases.

During the past year 51 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.

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

The Raising concerns policy was due for review in 2022 however was delayed at the request of the National Freedom to Speak Up Guardian office who is in the process of revising the national policy. Once the national policy is published the Trust will revise its policy.

Staff Engagement

Engagement is about connecting hearts and minds, to motivate action which will positively impact on the organisation.

Being an employer of choice is important and our values of being caring, compassionate respectful, honest, and transparent underpin our approach to staff engagement. Engagement is key in helping us meet the many challenges we (and all NHS organisations) face and in realising our strategic ambitions of being a Great Place to Work and Receive Care.

As a Learning Organisation we challenge ourselves every day to learn and to apply learning to continuously improve and positively transform the way we work and the care we give. Engagement is one of the main ways we can encourage participation, involvement, learning and collective action to help us deliver high quality care and high quality experiences for service users and staff each and every day.

We know engagement is the right thing to do because evidence, including feedback from our staff, tells us that, amongst other things:

- people are more emotionally invested in developing and improving what we do and how we do it when they feel engaged
- good conversation, involvement and listening leads to better performance and a healthier culture – it leads to openness, honesty, trust, and continuous learning which in turn leads to high quality care and service user and employee satisfaction
- engagement supports ongoing development of the organisation and culture. It embraces the differences each person can bring and allows for new and different thinking, fresh perspectives and ideas and it helps ensure that decisions are rooted in doing what's best for our people

Simply, by always listening to each other and acting on what we hear we will become even better at what we do. However, the ability to engage all staff is a challenge particularly due to our size, geography and number of people employed and so the Trust is constantly looking to: use all available data and intelligence to support our approach; ensure the effectiveness of what is already in place; and introduce new and innovative techniques and approaches to further build and embed staff engagement practice.

The Trust has well-established engagement approaches and we strive to maintain high levels of engagement at all times. The Trust supports several regular opportunities for staff to engage including:

- Weekly Bulletin;
- Executive Q&A sessions open to all staff
- Social media
- The Speak Easy programme
- Virtual Executive Question and Answer sessions
- Regular e-bulletins to all staff
- Five Staff Networks (mental health and wellbeing; Armed Forces; cultural diversity; disability; and LGBT+)

Additionally, there are a number of other approaches/forums which include:

- The Annual Staff Excellence Awards – staff nominated awards and recognition of team and individual achievements and contribution
- Trade Union and Management Partnership Forum
- Leadership walkabouts (including Executive and Non-Executive members of the Board and Governors)
- Schwartz Rounds
- The Council of Governors (Public and Staff)
- Talk First
- The Service User and Carer Involvement Forum and Bank.
- Locality engagement events
- Embedding of collective leadership and devolution – with decisions made as near to delivery of care as possible

Engagement remained high during the pandemic and we used many of these approaches to ensure we reached staff right across the organisation. We have learnt so much during the past two years or so and we are using this learning to shape our current and future approaches to staff engagement.

This year, we saw the introduction of creative, new approaches which are now being used more widely to support teams, individuals, leaders and managers, such as Wobble Rooms, the virtual Executive Question and Answer sessions, and, the launch of the Improvement Collaborative, which will help us engage a diverse section of the workforce in the continued development of the Trust and provides another vehicle for people to thrive and reach their full potential (Great Place to Work/Receive Care).

We are also in the development of a Trust Engagement and Involvement Plan setting out our ambitions for evaluating current practice, reinvigorating and reintroducing approaches staff tell us they miss and setting out our intention to develop and implement new approaches to ensure there is something for everyone to participate in. new approaches/techniques include Coffee with a colleague, Round Table conversations and Walkabouts.

As a Trust we are aspiring to move towards more models of two way communication. We are aware that there is a difference between communication and engagement and recognise the importance of ensure the Trust listens, and responds to the opinions of everyone we communicate with. The pandemic provided us with an opportunity to communicate differently, for example, we have live-streamed events allowing anyone to join online as well as in person, we have live-streamed meetings giving us the ability to reach people in their homes, and the introduction of the Executive Q&A virtual session which are open to all staff, regardless of designation and geography.

Occupational Health, Counselling and Health Promotion

The organisation embarked on a new contract with People Asset Management (PAM) for Occupational Health Services for the former NTW element of the organisation. This is a collaborative piece of work between the Trust, NTW Solutions and Tees, Esk and Wear Valleys NHS Foundation Trust. The service provides Occupational advice and support including but not limited to new starter health declarations, Immunisations and Physiotherapy. PAM also provide an Employee Assistance Service both over the telephone and online. To support staff who may require more in depth support to what is available via EAP the Trust has developed its own Psychological Wellbeing Service to provide further support where staff need it.

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 441 5935. Alternatively fraud can be reported through the confidential Fraud Reporting Hotline on 0191 441 5936 or on the National NHS Fraud Reporting Hotline 0800 028 40 60 between 8am and 6pm, Monday to Friday or online at 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:

- 28 relevant union officials during the period.
- 24 employees spent between 1-50% of their working time on facility time and one between 51-99%.
- 0.06% of NTW's total pay bill spent on Facility time.
- 13.3% 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 2020/21 is provided within the Annual Accounts in note 4 (section 5).

Off-Payroll Engagements – CNTW Group

The Trusts policy for off payroll engagements is to reduce these wherever possible, this is done by engagement with the acquiring service and the identified staff to transfer these to on-payroll arrangements. These type of transactions range from consultancy, training, workshops, webinars and assessments.

Figure 14: Off-Payroll Engagements – CNTW Group

Highly paid off-payroll worker engagements as at 31st March 2022, earning £245 per day or greater

Number of existing engagements as of 31st March 2022	0
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 Stafflow are now on-payroll arrangements following the implementation of IR35.

Highly-paid off-payroll workers engaged at any point during the year ended 31 March 2022 earning £245 per day or greater

Number of off-payroll workers engaged during the year ended 31 March 2022	10
Of which.....	
Not subject to off-payroll legislation *	0
Subject to off-payroll legislation and determined as in-scope of IR35 *	2
Subject to off-payroll legislation and determined as out-of-scope of IR35 *	8
Number of engagements reassessed for compliance or assurance purposes during the year	0
Of which: number of engagements that saw a change to IR35 status following review	0

* A worker that provides their services through their own limited company or another type of intermediary to the client will be subject to off-payroll legislation and the Trust must undertake an assessment to determine whether that worker is in-scope of Intermediaries legislation (IR35) or out-of-scope for tax purposes.

Number of New Off-Payroll Engagements of Board Members or Senior Officials with significant financial responsibility between 1 April 2021 and 31 March 2022.

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

Exit Packages

The table below (Figure 15) shows the total exit packages from the CNTW Group in 2021/22 and 2020/21.

Figure 15: Exit Packages 2021/22 and 2020/21

Exit Packages 2021/22

	Compulsory Redundancies	Compulsory Redundancies	Other Departures Agreed	Group Other Departures Agreed	Total Exit Packages	Total Exit Packages	Special Payments	Special Payments
	Number	£000	Number	£000	Number	£000	Number	£000
Exit package cost band:								
< £10,000	0	0	29	88	29	88	0	0
£10,001 to £25,000	0	0	0	0	0	0	0	0
£25,001 to £50,000	0	0	1	25	1	25	0	0
£50,001 to £100,000	0	0	1	78	1	78	0	0
£100,001 to £150,000	0	0	0	0	0	0	0	0
£150,001 to £200,000	0	0	1	160	1	160	0	0
> £200,001	0	0	0	0	0	0	0	0
Total	0	0	32	351	32	351	0	0
	Compulsory Redundancies	Compulsory Redundancies	Other Departures Agreed	Trust Other Departures Agreed	Total Exit Packages	Total Exit Packages	Special Payments	Special Payments
	Number	£000	Number	£000	Number	£000	Number	£000
Exit package cost band:								
< £10,000	0	0	24	75	24	75	0	0
£10,001 to £25,000	0	0	0	0	0	0	0	0
£25,001 to £50,000	0	0	1	25	1	25	0	0
£50,001 to £100,000	0	0	1	78	1	78	0	0
£100,001 to £150,000	0	0	0	0	0	0	0	0
£150,001 to £200,000	0	0	1	160	1	160	0	0
> £200,001	0	0	0	0	0	0	0	0
Total	0	0	27	338	27	338	0	0

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.

Exit Packages 2020/21

	Compulsory Redundancies	Compulsory Redundancies	Other Departures Agreed	Group Other Departures Agreed	Total Exit Packages	Total Exit Packages	Special Payments	Special Payments
	Number	£000	Number	£000	Number	£000	Number	£000
Exit package cost band:								
< £10,000	0	0	19	75	19	75	0	0
£10,001 to £25,000	0	0	3	58	3	58	0	0
£25,001 to £50,000	0	0	2	62	2	62	0	0
£50,001 to £100,000	0	0	1	82	1	82	0	0
£100,001 to £150,000	0	0	1	121	1	121	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
Total	0	0	26	398	26	398	0	0

	Compulsory Redundancies	Compulsory Redundancies	Other Departures Agreed	Trust Other Departures Agreed	Total Exit Packages	Total Exit Packages	Special Payments	Special Payments
	Number	£000	Number	£000	Number	£000	Number	£000
Exit package cost band:								
< £10,000	0	0	15	68	15	68	0	0
£10,001 to £25,000	0	0	3	58	3	58	0	0
£25,001 to £50,000	0	0	2	62	2	62	0	0
£50,001 to £100,000	0	0	1	82	1	82	0	0
£100,001 to £150,000	0	0	1	121	1	121	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
Total	0	0	22	391	22	391	0	0

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.

Gender pay gap

The Gender Pay Gap Report for Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust is presented annually at our Board of Directors meeting held in Public. The report can also be accessed on the Trust website at www.cntw.nhs.uk or on the Cabinet Office website <https://gender-pay-gap.service.gov.uk/>

3.4 Disclosures set out in the NHS Foundation Trust Code of Governance (The Governance Report)

Cumbria, 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 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 (NEDs) 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 2021/22

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. David Arthur was appointed as Chair of the Audit Committee on 14 January 2019 and continues in this role. The Board is satisfied that the Chair of the Audit Committee has recent and relevant financial experience.

There has been a recent change to the membership of the Non-Executive Director membership of the Committee due to retirement of a Non-Executive Director in December 2021 and the subsequent appointment of a new Non-Executive Director in April 2022. All Non-Executive Directors are considered to be independent.

In addition to the Non-Executive Directors, the Deputy Chief Executive/Executive Director of Finance (in post until 31st January 2022), Executive Director of Commissioning and Quality Assurance (taking on the role of Executive Director of Finance from 1st February 2022), Director of Communications and Corporate Affairs, Deputy Managing Director of NTW Solutions Limited, External Audit and Internal Audit, including Counter Fraud, were all invited to each meeting during the year. A Governor Representative also attends meetings of the Audit Committee.

From February 2022 the role of the Deputy Chief Executive/Executive Director of Finance role changed to Chief Executive therefore no longer attended meetings of the Committee from 31st January 2022.

The role of Executive Director of Commissioning and Quality Assurance role also changed from February 2022 to take on the role of Executive Director of Finance.

The Audit Committee met five times during the financial year. Attendance at those meetings was as follows in Figure 16 below:

Figure 16: Audit Committee Attendance 2021/22

Committee member	Audit Committee meeting dates 2021/22				
	14/04/21	4/06/21	28/07/21	27/10/21	26/01/22
David Arthur, Chair – Non-Executive Director	Y	Y	Y	Y	Y
Michael Robinson, Non-Executive Director	Y	Y	Y	Y	Y
Peter Studd, Non-Executive Director	Y	X	Y	Y	N/A

Members in attendance	Audit Committee meeting dates 2021/22				
	14/04/21	04/06/21	28/07/21	27/10/21	26/01/22
James Duncan, Deputy Chief Executive / Executive Director of Finance	Y	Y	Y	Y	Y
Lisa Quinn, Executive Director of Commissioning and Quality Assurance	Y	Y	Y	N	Y
Debbie Henderson, Director of Communications and Corporate Affairs	Y	Y	Y	Y	Y
Tracey Sopp, Deputy Managing Director / Director of Finance, NTW Solutions Ltd	Y	Y	Y	Y	Y
Internal Audit representative (Carl Best, Helen Stephenson, Paul Tilney, Andrew Metcalfe, Stephen Watson)	Y	Y	Y	Y	Y
Local Counter Fraud representative (Iain Flinn, David Wearmouth)	Y	Y	Y	Y	Y
External Audit representative (Campbell Dearden, Mark Kirkham)	Y	Y	Y	Y	Y

Programme of Works

The Audit Committee follows an annual work programme that covers the principal responsibilities set out within its terms of reference. In 2021/22, 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, 2021.
- 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 securing of economy, efficiency and effectiveness, and the areas of the Annual Report subject to audit review. Due to the impact of the COVID19 pandemic, External Auditors were not required to review the findings of the Quality Report as Trusts were exempt from these statutory provisions for the 2020/21 year.

- 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 NHS Foundation Trust Code of Governance.
- Challenged and approved the Internal Audit programme, Local Counter Fraud Service annual 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 and Counter Fraud 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, 2022, which will be presented to the Audit Committee in June 2022.

Other significant matters considered throughout the 2021/22 year were:

The Committee received regular updates throughout the year with regard to the impact of the COVID19 pandemic not only on provision of services but also the introduction of financial arrangements for NHS Trusts at a national level including receiving funding to cover the additional costs incurred as a result of COVID19 and additional support to achieve break even over the period. It was also noted that it was expected that there will be a larger impact on Mental Health Trusts during the recovery period. The financial impact of the pandemic continued to be monitored by the Trust's Resource and Business Assurance Committee.

The Audit Committee formally considered the assumptions relating the Going Concern basis of reporting of the financial statements for 2020/21. 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.

During the year the Committee discussed the progress to Electronic Discharge Summaries being clinician driven and as practice is being evolved as well as the flow through services, discharge summaries are now owned by the whole multi-disciplinary team being responsible for the high-quality care during inpatient stay contributing to discharge summaries.

At its meeting in October, the Committee explored emerging IT risks with a longstanding significant risk which has now been removed related to the inability of sharing information across partner agencies. Following the implementation of the Great North Care Record health information exchange for direct clinical use between organisations, staff can now view GP records with an increasing number of acute sector organisations and CNTW, enabling sharing of information back across the wider health economy.

At its meeting in October, the Committee discussed progress with regard to Integrated Care Systems/Integrated Care Partnership governance arrangements acknowledging the opportunities for system-wide working, whilst recognising the risks to Trusts and operations.

During the year when the Trust, NHS and country faced unprecedented challenges, the Committee were cognisant of the impact of the COVID19 pandemic on the ability to maintain the Internal Audit Plan for the year. It was acknowledged that the workforce would be under immense pressure to not only respond to the pandemic, but to continue to deliver safe services. It was agreed that Committee supported the priority of the workforce in this regard.

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') and Corporate Risk Register ('CRR'). During 2021/22, the Audit Committee contributed to the formal annual review of the BAF and CRR.

The Audit Committee provided challenge and scrutiny directly the Executive 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 2021/22 to assess and update the Trust's 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 on 4 June 2021. The Trust was provided with good 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 2020/21. 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 2020/21.

4. Clinical Audit

Clinical Audit continued to be reported 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 attends a minimum of one meeting of the Audit Committee per year to bring 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 2020/21 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 2020/21 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 2020/21 has been prepared in accordance with detailed guidance issued by Monitor.

On 21 January 2021, Mazars presented the audit plans for Cumbria, 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 2021/22 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 misstatement. None of the unadjusted misstatements identified were assessed as material. The Trust's financial statements 2020-21 were adjusted for all the matters identified.

Mazars was re-appointed as the Trusts External Auditor on completion of a tender for Audit services in 2018. The Council of Governors Audit Working Group led the tender process for the appointment of the Trust's External Auditors and 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.

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. At the Audit Committee on 26th January 2022. At the Council of Governors meeting 17 March 2022 ratified the decision to extent Mazars current contract for a further period of 12 months with an option to review a further 12 months thereafter highlighting Mazars are providing the Trust with a good level of service, performing well in that they do.

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 2020/21 Mazars also undertook the audit of NTW Solutions Limited and an independent examination of the Trusts

Charitable Funds; Cumbria, 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 CNTW), 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 2021/22.

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 Committee has delegated responsibility for the review and oversight of the Declarations of Interest and Fraud Bribery and Corruption policies.

The Declaration of Interest Policy was reviewed and updated during 2020/21 and 2021/22 to include further clarity in relation to indirect interests, in particular, relationships and Bribery and Corruption.

The Fraud, Bribery and Corruption Policy and Response policy was reviewed during 2020/21 and Governance changes were made.

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 2022 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 will be addressed by David Arthur, Audit Committee Chair and Debbie Henderson, Director of Communications and Corporate Affairs during 2022/23.

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 face in terms of the impact of the COVID19 pandemic, the challenges relating to financial planning and service delivery, workforce pressures, increasing demand, changes to legislation and governance structures associated with the establishment of Integrated Care Boards and 'placed-based' working. The Committee is confident that key controls will be maintained through the Trust's governance framework in order to assist the Trust in achieving its objectives.

As a result of the ongoing COVID19 pandemic and the number of staff involved to support the Trust's response, the Committee recognises that staff have not been as available to the Trusts Auditors which may impact on a number of internal audits being deferred or cancelled in the coming year. This is to ensure that the capacity of the Trusts operational staff is prioritised to manage the response and recovery to the pandemic. However, it is intended that enough audits are completed to ensure that enough assurance is gained for auditors to provide an opinion.

Therefore, the Committee has acknowledged the ongoing impact of the COVID19 pandemic and internal audit ratings during 2021/22 and would again 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.

David Arthur
Audit Committee Chair

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 Council of Governor General Meetings, Governor Engagement Sessions and Governor sub-group meetings;
- Council of Governors' attendance 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;

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.cntw.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 resulting in the Trust having seven public Governors, one for each local authority area within the Trust footprint. Any individual who lives outside one of the seven 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 constituency.

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 three 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.

The tenure for elected and appointed Governors comes to an end after three years, but they may seek re-election by the members of their constituency for a maximum of a further two terms of office of up to three years each. An elected Governor may not hold office for longer than a continuous period of nine consecutive years.

The table below shows the individuals making up the Council of Governors during 2021/22, their constituencies, whether they were elected and their attendance at general meetings of the Council of Governors during 2021/22.

Fiona Grant was nominated Lead Governor on 1st December 2015 and continued in this role following a formal re-appointment, approved by the Council of Governors in December 2018. A process was undertaken during 2021 to review and refresh the position of Lead Governor and at it's meeting held 10th November 2021, the Council of Governors approved the appointment of Margaret Adams as Lead Governor from 1st December 2021.

Governor Elections 2021/22

A Governor Election process took place in December 2021 for the following constituencies for a three year term:

Constituency	No. of Seats	No. of Candidates	Total number of valid votes	Elected No. of votes
Public Northumberland	1	2	87	49
Service User : Adult Services	1	3	21	8
Staff Clinical	1	2	247	160

The following seats were elected unopposed.

Constituency	No. of Seats	No. of Candidates
Service User: LD and Autism	1	1
Public : Newcastle, Rest of England and Wales	1	1
Carer: LD and Autism	1	1
Staff : Non-Clinical	1	1
Carer: Adult Services	2	1
Service User: Neuro Disability	1	1
Staff Medical	1	1
Carer: Neuro Disability	1	0

Following the Governor Election process undertaken in December 2021, three seats within the Council remained vacant therefore a bi-election was undertaken in March 2022 for the remaining vacant seats.

Constituency and Class	No of seats	No. of candidates
Carer Governor – Adult Services	1	1
Carer Governor – Neuro-Disability Services	1	0
Public Governor – Sunderland	1	0

The benefits of proceeding with a by-election process is to ensure that the Council of Governors is fully represented while the Trust continue its journey to address the challenges faced by the Trust and wider health and care system.

As at 31 March 2022, the Council of Governors carries two vacancies: Carer Neuro-Disability Services and Public Governor Sunderland. A number of current Governors' term of office is due to end November 2022, therefore the Trust will partake in a further election process at the beginning of September 2022.

**Figure 17: Membership of the Council of Governors and Attendance at Council of Governor General meetings
1 April 2021 – March 2022**

Governor	Constituency	Date		Current term	Attendance/ total number of meetings held
		Start	Stood down		
Elected Governors (service users, carers and public)					
Fiona Grant**	Service User, Adult Services	01.12.14	-	3 rd	7/8
Tom Rehair***	Service User, Adult Services	01.03.21	-	1 st	7/8
Kat Boulton	Service User, Children and Young People's Services	01.12.19	-	1 st	3/8
Andrew Davidson	Service User, Learning Disability and Autism	01.12.18	31.12.21	1 st	0/8
Russell Bowman	Service User, Neuro Disability Services	01.12.18	31.12.21	1 st	6/8
Russell Stronach	Service User, Learning Disability and Autism	01.01.22	-	1 st	1/1
Mark Charlesworth	Service User, Neuro Disability	01.01.22	-	1 st	1/1
Mary Laver	Service User, Older People's Services	01.12.19	11.04.22	1 st	0/8
Colin Browne	Carer Governor, Older People's Services	01.12.16	-	2 nd	1/8
Anne Carlile	Carer, Adult Services	01.04.16	-	2 nd	8/8
Grace Wood***	Carer, Adult Services	01.03.21	20.05.21	1 st	1/2
Janice Santos	Carer, Children and Young People's Services	01.12.18	-	2 nd	5/8
Fiona Regan	Carer, Learning Disability and Autism	01.12.18	-	2 nd	5/8
VACANCY	Carer, Older People's Services	N/A	N/A	N/A	N/A
Margaret Adams*	Public, South Tyneside	01.03.14	-	3 rd	8/8
Tom Bentley	Public, Gateshead	01.12.19	-	1 st	4/8
Evelyn Bitcon***	Public, North Cumbria	01.03.21	-	1 st	5/8
Karen Lane	Newcastle/Rest of England and Wales	01.01.22		1 st	0/1
Leyton Rahman	Public, Northumberland	01.01.22	-	1 st	0/1
Stephen Blair	Public, Newcastle/Rest of England and Wales	01.12.18	21.12.21	1 st	6/7
Sharon Boyd	Public, Sunderland	01.12.18	21.12.21	1 st	0/7
Catherine Hepburn	Public, North Tyneside	01.12.16	-	2 nd	1/8
Bill Scott**	Public, Northumberland	01.12.14	21.12.21	2 nd	0/7

Staff Governors					
Bob Waddell	Staff, Non-Clinical	01.12.12	21.12.21	3 rd	6/7
Daniel Cain	Staff, Non-Clinical	01.01.22	-	1 st	1/1
Victoria Bullerwell	Staff, Non-Clinical	01.12.17	-	2 nd	5/8
Revell Cornell	Staff, Non-Clinical	01.12.19	-	1 st	7/8
Dr Thomas Lewis	Staff, Medical	01.01.22	-	1 st	0/1
Claire Keys	Staff, Clinical	01.12.15	-	3 rd	3/8
Allan Brownrigg***	Staff, Clinical	01.03.21	-	1 st	6/8
Raza Rahman***	Staff, Clinical	01.03.21	-	1 st	1/8
Uma Ruppia Geethanath	Staff, Medical	01.12.18	21.12.21	1 st	2/7
Appointed Governors					
Cllr Kelly Chequer	Local Authority, Sunderland	08.08.19	-	1 st	1/8
Cllr Wilf Flynn	Local Authority, South Tyneside	01.10.19	-	1 st	2/8
Cllr Paul Richardson	Local Authority, North Tyneside	01.03.21	-	1 st	5/8
Cllr Maria Hall	Local Authority, Gateshead	01.06.19	-	1 st	2/8
Cllr Wendy Pattison	Local Authority, Northumberland	01.05.21	-	1 st	0/6
Cllr Alex Hay	Local Authority, Newcastle	01.02.22	-	1 st	1/1
Prof Kim Holt	University, Northumbria University	04.10.18	-	2 nd	0/8
Jacqui Rodgers	Universities, Newcastle University	25.10.19	-	1 st	2/8
Annie Murphy	Community and Voluntary Sector	22.06.18	-	2 nd	7/8
Denise Porter	Community and Voluntary Sector	01.04.17	-	2 nd	8/8

*Lead Governor

**Term of office extended to 31 December 2021 due to COVID19 pandemic

***Appointed until 30th November 2023 to coincide with planned election periods

There have been five formal meetings of the Council of Governors during 2021/22, including the Annual Members' Meeting. There has also been a number of training, engagement sessions as determined by the Governors' Steering Group.

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 18: Analysis of attendance of Board members at formal Council of Governors' meetings (including Annual Members' Meeting/AGM).

Council of Governors' General meetings attended by Board members	
Board member	Attendance/ total number of meetings held
Ken Jarrold, Chair	8/8
David Arthur, Non-Executive Director	5/5
Darren Best, Non-Executive Director	4/5
Les Boobis, Non-Executive Director	1/1
Paula Breen, Non-Executive Director	5/5
Alexis Cleveland, Non-Executive Director/Vice-Chair	3/5
Michael Robinson, Non-Executive Director	4/5
Peter Studd, Non-Executive Director	2/4
Brenda Hill, Non-Executive Director	2/2
Louise Nelson, Non-Executive Director	0/2
John Lawlor, Chief Executive (until 31/1/22)	3/5
James Duncan, Chief Executive (from 1/2/22) Deputy Chief Executive/Director of Finance (until 31/1/22)	4/5
Dr Rajesh Nadkarni, Deputy Chief Executive/Medical Director	4/5
Gary O'Hare, Chief Nurse	2/5
Ramona Duguid, Chief Operating Officer	4/5
Lisa Quinn, Director of Commissioning and Quality Assurance	3/5
Lynne Shaw, Director of Workforce and Organisational Development	5/5

Three Extraordinary meetings of the Council of Governors were held during 2021/22. Executive and Non-Executive Directors were not required to attend these meetings

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 2021/22 the Council of Governors as well as service users, carers and members of the public were fully involved in the development of the of the Trust's Quality Priorities for 2022/23.

Despite the challenges of the pandemic in terms of ability to engage with members, service users, carers and the public, we have continued to engage with people and provide support where possible. Following the implementation of an e-newsletter for all members with an email address, this has continued to be shared on a monthly basis. Newsletters provide information regarding Trust developments, staff and service developments and service user stories. The newsletter has also provided details of support available for those people who may require mental health support. This has been incredibly welcomed, particularly in the context of the pandemic and the 'click rate' of newsletters increased by 45% during the year.

Members have also been invited to take part in Live Streamed events, and engagement events during the year.

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.cntw.nhs.uk or on request, from Debbie Henderson, Director of Communications and Corporate Affairs, Chief Executive's Office, St. Nicholas Hospital, Jubilee Road, Gosforth, Newcastle upon Tyne, NE3 3XT. (debbie.henderson@cntw.nhs.uk).

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 19: Nominations Committee Membership and Attendance

Name	Attendance/ total number of meetings held
Ken Jarrold, Chairman*	4/4
Margaret Adams, Deputy Lead Governor/Public Governor for South Tyneside*	4/4
Fiona Grant, Lead Governor/Service User Governor for Adult Services	3/4
Anne Carlile, Carer Governor for Adult Services	4/4
Bob Waddell, Staff Governor – Non-Clinical	3/4
Catherine Hepburn, Public Governor for North Tyneside	0/4
Denise Porter, Community and Voluntary Sector Governor	4/4
Tom Bentley, Public Governor for Gateshead	3/4

* Co-Chairs of the Governors' Nomination Committee

The Nominations Committee is jointly chaired by the Trust Chair and Margaret Adams, Lead Governor/Public Governor for South Tyneside.

The work undertaken by the Nominations Committee entails: reviewing job descriptions and person specifications; agreeing processes for re-appointment and appointment of the Chairman and other NEDs; considering the need for external support; and the associated work underpinning such processes. In addition the Committee performs a regular 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.

During 2021/22, the Nomination Committee reviewed the terms of office for those Non-Executive Directors who had served two terms (six years in total). It was agreed that

Alexis Cleveland would serve a further 12 months, beyond her two-terms served, so that the Trust could maintain a level of continuity following confirmation of two Non-Executive Directors stepping down at the end of their terms during the year. As a consequence, a review of the role of Vice-Chair and Senior Independent Director was also undertaken (both roles at the time being undertaken by Alexis Cleveland). Following consultation and agreement with the Council of Governors, Darren Best, Non-Executive Director was appointed as Vice-Chair from 1st July 2021 and David Arthur, Non-Executive Director was appointed as Senior Independent Director from 1st July 2021.

Due to the two Non-Executive Directors fulfilling their second term of office during the year, the Nomination Committee agreed a process for the appointment of new Non-Executive Directors. This involved a review of the skill mix of the Board of Directors, the need for consideration of gender and equality on the Board of Directors, and a review of the job description and applicant pack for the recruitment process. As part of the process, an external agency was engaged to support the 'search' element of the process.

Following a robust appointment process which included formal interview, focus groups comprised of Governors, service users and carers, Board members and representatives from the Trust subsidiary company, the Council of Governors, on the recommendation from the Nomination Committee, appointed Louise Nelson and Brendan Hill as Non-Executive Directors, commencing in their role on 1st October 2021.

The Nomination Committee were also involved in other areas of activity throughout the year including: supporting the process for the appointment of a new Chair of NTW Solutions Limited, the Trust subsidiary company and the process for the appointment of a new Chief Executive.

The Committee continues to review the appointment/re-appointment process and timeline for current Non-Executive Directors to ensure appropriate succession planning is in place and in March 2022 reviewed the terms, conditions and remuneration of the Chairman and Non-Executive Directors. The review continued to align to NHS England Guidance on the structure to align remuneration for Chairs and Non-Executive Directors of NHS Trusts and NHS Foundation Trusts. The Committee confirmed an 'explain' approach with regard to additional payments for Non-Executive Chairs of Board Sub-Committees choosing to apply payments for all sub-committees of the Board. The Committee also agreed to take an 'explain' approach to additional payments for the role of Vice-Chair, approving an additional payment to the Vice-Chair for additional duties in the context of the Trust's large geographical footprint and support to the Integrated Care System.

NHS Foundation Trust Code of Governance

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

Cumbria, 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 remains compliant with all provisions of the code. 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.cntw.nhs.uk

The Trust continues to keep governance arrangements under review to ensure their effectiveness and no material governance concerns were identified.

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 an appropriate induction programme and are encouraged to keep abreast of matters affecting their duties.

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.

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. Cumbria, Northumberland, North Tyneside, South Tyneside, Gateshead, Sunderland and Newcastle, or the rest of England and Wales;
- Has used our services in the last six 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 2022 the Trust reported a membership of 11,604 public, service users and carers and 8,292 staff (see the table below for details of numbers per constituency).

Our approach to engagement during the year has been impacted significantly due to the global and national restrictions associated with the COVID19 pandemic. Having said that, we have continued to increase our engagement via monthly e-bulletins, the Trust website and social media channels and the provision of advice, support and guidance to our members and the public as a whole during what has been a challenging year for everyone.

We have also taken an engagement and involvement approach to the review of the Trust's long-term strategy. Service users, staff, members of the public and stakeholders have been able to contribute to the development of the Trust's strategy, objectives and priorities now and in the future via on-line engagement events, surveys, and on-line question and answer events.

The Governors' Steering Group has delegated responsibility for monitoring the Membership Engagement and Governor Development Plan. The plan has been refreshed during the year, acknowledging the need to consider alternative and more innovative ways of engaging with members, the public and other stakeholders given the long term impact of COVID19.

The Trust membership remains relatively static and work is planned to undertake targeted recruitment during 2022/23 particularly within hard to reach groups. Although the Trust continues to work hard to build, develop and maintain the membership base to ensure appropriate community representation, it is the view of the Trust and the Council of Governors, that following the change in Governor duties as part of the Health and Social Act 2012 implementation, to represent the public as a whole, our focus will continue to be on 'quality' of our engagement and communication.

Our target is to maintain a focus of activity based on ensuring the membership is refreshed and that membership figures are maintained. Whilst acknowledging the work to increase

user and carer membership it is important that we introduce a more targeted approach to communication and engagement to ensure dialogue with members and the public is more meaningful. This includes ensuring good representation within the different localities we serve and engaging in new and more meaningful ways with the community as a whole.

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 corporateaffairs@cntw.nhs.uk.

The table below shows an analysis of our membership as at 31 March 2022.

Figure 20: Analysis of membership as at 31 March 2022

Constituency	31 March 2020	31 March 2021	31 March 2022
Public			
Cumbria	77	81	83
Gateshead	967	955	947
Newcastle upon Tyne/Rest of England and Wales	3,476	3,403	3399
Northumberland	1,379	1,347	1285
North Tyneside	1,447	1,417	1410
South Tyneside	794	784	780
Sunderland	2,012	1,980	1970
Sub total	10,152	9,967	9,909
Service Users			
Adults	374	379	356
Children and young people	135	134	133
Learning disability	87	88	87
Neuro-disability	112	113	112
Older people	39	41	38
Unknown*	44	52	52
Sub total	791	807	726
Carers			
Adults	141	140	142
Children and young people	524	516	515
Learning disability	105	103	103
Neuro-disability	79	79	78
Older people	83	81	79
Sub total	932	919	917
TOTAL	11,875	11,693	11,604
Staff			
Unspecified	17	110	59
Medical	354	416	475
Other Clinical	4,867	3,306	3,422
Non Clinical	2,095	4,409	4,336
Total All Staff	7,333	7,881	8,292
TOTAL MEMBERS	19,208	19,610	19,896

3.5 NHS Oversight Framework

NHS England and NHS Improvement's NHS 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
- 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.

Segmentation

NHS Improvement have assessed Cumbria, Northumberland, Tyne and 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 March 2022. Current segmentation information for NHS Trusts and foundation Trusts is published on the NHS Improvement website.

Finance and Use of Resources

The use of Resources scoring methodology has been suspended during 2021/22, due to the ongoing management of the response to the COVID pandemic. Organisations have been managing within an exceptional finance regime, which was being underpinned by nationally determined block allocations for each organisation based upon adjusted levels of expenditure from 2019/20. The Trust committed to delivering financial break-even as part of the North East and North Cumbria Integrated Care System. The Trust successfully delivered its target in 2021/22.

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

The Trust has committed to updating the internal dashboards that contain 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. The updates will provide staff with more data that is joined up and will aid planning. 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 2021/22 were as follows:

- Six Clinical Commissioning Groups across Cumbria, Northumberland, Tyne and Wear;
- NHS England
- Two 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.

During 2021/22, there were no contracts in place with CCG's due to the on-going pressures whilst managing through the pandemic. The Trust continued to fulfil usual contractual requirements of submitting routine commissioner data however which has allowed us to maintain our positive relationship with commissioners. The Trust has also been developing and maintaining these positive relationships as the ICB/ICS takes shape. We continue to be a New Care Model for adult secure and children's inpatient services, working in partnership with NHS England and Tees, Esk and Wear Valley NHS Foundation Trust.

Commissioners monitor our performance through monthly monitoring reports and regular contract review meetings. We performed broadly in line with 2021/22 patient care contracts over the year despite issues that we faced through the COVID19 pandemic.

3.6 Voluntary Disclosures

3.6.1 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. The Trust Modern Slavery Act statement is available on the website [Modern Slavery Statement May 2021 - Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust \(cntw.nhs.uk\)](https://www.cntw.nhs.uk/modern-slavery-statement)

Organisation's Structure and Principal Activities

Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust is a specialist provider of mental health and 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 and in line with the requirements of the Modern Slavery Act 2015, the Trust publishes its Modern Slavery Statement on the Trust website on annual basis.

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 and 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.

3.6.2 Sustainability Report

Statement on the Trusts commitment to Climate and Environmental Issues.

The Trust Board has declared a Climate and Ecological Emergency, committing to net zero carbon emissions by 2040, and has a Green Plan in place in line with the Greener NHS commitments.

Key Green Plan achievements during the year include:

Energy and Travel:

- Installation of 56 new Electric Vehicle charging points across 13 sites.
- Comparing March 2022 with March 2021, the petrol/diesel element of the Trust fleet of (c1,370 lease vehicles) decreased from 75% to 65%. The fleet comprises 15% hybrid vehicles (no change) and the proportion of fully electric vehicles has doubled from 10% to 20% of the fleet.
- An audit of main Trust sites was undertaken to evaluate possibilities for energy conservation and reduction to support our Net Zero by 2040 carbon target. The audit, which cost c£50k and was funded by the SALIX decarbonisation fund, puts the Trust in a stronger position to bid for further funding to decarbonise our Trust sites. The St Nicholas Hospital site emits the most carbon via energy use, and it is estimated that achieving net zero carbon energy for this site would cost between £4m and £8.5m, depending on the technology deployed.

Staff Engagement, Green Spaces and Biodiversity:

- NTW Solutions commissioned a Biodiversity Audit of main Trust sites.
- 250 saplings were sourced from NHS Forest and planted across eight Trust sites in March 2022. The placement and variety of trees planted was informed by the biodiversity audit.

Business Processes and Models of Care:

- NTW Solutions have reduced the proportion of single use plastic items used in catering from 69% to 22% during the year.
- The paper-based ward system for ordering patient meals is to be changed to an electronic system, which may reduce food waste. In line with anticipated regulations limiting the use of waste disposal units, the use of composting technology is being

explored to manage both food waste and compostable food container waste. This would reduce landfill and support gardening activities across Trust sites.

- Canteens now sell reusable bottles and containers and charges for disposable cups and takeaway containers are being considered.

Influence and Adaptation:

- CNTW representatives participate actively in the ICS sustainability group and associated sub-groups, ensuring representation from the Mental Health and Disability sector in decision-making at regional level.
- The Trust has co-led the development of a 'Green Minds' peer network for organisations within the sector to network and share good practice.

3.7 Statement of Accounting Officer's Responsibilities

Statement of the chief executive's responsibilities as the accounting officer of Cumbria, 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 Cumbria, 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 Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust and of its income and expenditure, other items of comprehensive income and cash flows for the financial year.

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

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

The accounting officer is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the NHS foundation trust and to enable them to ensure that the accounts comply with requirements outlined in the above mentioned Act. The Accounting Officer is also responsible for safeguarding the assets of

the NHS foundation trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

A handwritten signature in black ink, consisting of a stylized initial 'J' followed by a series of loops and a long horizontal stroke extending to the right.

James Duncan
Chief Executive
15 June 2022

3.8 Annual Governance Statement 2021/22

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 Cumbria, 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 Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust and the Group for the year ended 31 March 2022 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The Executive Director of Finance, Commissioning and Quality Assurance has overall lead responsibility for performance risk management within the Foundation Trust. While the Executive Director of Finance, 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 standards is monitored by the Board of Directors and managed through the Trust Corporate Decisions Team and its subgroups 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 four Groups (each of which has several clinical business units), and each has governance

groups 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.

Internal Audit provides assurance on the management of key risks and the effectiveness of the Risk Management Framework and process on a yearly basis. The Risk Management process is evaluated by Internal Audit on compliance and areas of best practice focusing on the BAF risk register and ensuring it is considered by the Trust Board and Committees sufficiently as well as risks at all levels and that there is evidence that the risks are appropriately managed.

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 standards and legislation responsibilities, including standards of clinical quality, NHS Improvement compliance requirements and Trust's licence.

Risks facing the organisation will be identified from several 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 in February 2022. 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's risk appetite are 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 2022. All risks identified below are considered as in year and future risks relating to the Strategic Ambitions pertinent to 2021-22.

Risk Ref	Risk description	Risk Appetite	Risk Score
1680 V47 SA1 & SA6	If the Trust were to acquire additional services and geographical areas this could have a detrimental impact on CNTW as an organisation.	Compliance/ Regulatory (6-10)	3x4 = 12
1683 V24 SA1	There is a risk that high quality, evidence based safe services will not be provided if there are difficulties accessing inpatient services in a timely manner due to bed pressures resulting in the inability to sufficiently respond to demands.	Quality Effectiveness (6-10)	4x4 = 16
1688 V44 SA5	Due to the compliance standards set from NHSI, CQC and for Legislation there is a risk that we do not meet and maintain standards which could compromise the Trust's statutory duties and regulatory requirements.	Compliance/ Regulatory (6-10)	3x5 = 15
1691 V32 SA5	As a result of not meeting statutory and legal requirements regarding Mental Health Legislation this may compromise the Trust's compliance with statutory duties and regulatory requirements.	Compliance/ Regulator (6-10)	3x4 = 12
1694 V20 SA5 & SA6	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 services	Quality Effectiveness (6-10)	3x4 = 12
1836 V13 SA4	A failure to develop flexible robust Community Mental Health Services may well lead to quality and service failures which could impact on the people we serve and cause reputational harm.	Quality Effectiveness (6-10)	3x4 = 12
1853 V15 SA4	The climate and ecological change is affecting the physical and mental health of current and future generations and adaptation plan to be in place regarding the infrastructure and preparedness for extreme weather. The delivery of the Green Plan is paramount to reduce the impact of climate change. (Description changed in version 5 at review in May 21)	Climate & Ecological Sustainability (6-10)	3x4 = 12
2041 V7 SA3 & SA2	Inability to influence the changing NHS structural architecture leading to adverse impacts on clinical care that could affect the sustainability of MH and disability services.	Quality Effectiveness (6-10)	3x4 = 12

The Trust's governance structures are the subject of periodic review, the last review taking place July 2021 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 Group's 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, workforce (dual function with People Committee during Quarter 4), 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.

The Provider Collaborative and Lead Provider Committee provides assurance on the delivery of all Provider Collaboratives and Lead Provider Models, including the sub-contracts of the Lead Provider contract.

The People Committee has responsibility for overseeing the delivery of the Trust's Workforce Strategy and its enabling strategies, programmes and plans for delivery.

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

During 2021-22 the Trust's Governance arrangements were supplemented an incident management approach to the COVID Pandemic. A Gold Command was established led by Chief Nurse Officer, Gary O'Hare. All senior leaders across the Trust and representatives from NTW Solutions were part of the Incident Management Group. Regular updates were reported through to the Board of Directors at its monthly meeting.

The Trust undertook a self-assessment of leadership and governance using the CQC's well led framework during February 2021 which indicated compliance with each of the key questions. In December 2021 the Good Governance Institute were appointed to undertake an independent review on the trust's leadership and governance functions using the Care Quality Commission's well-led framework, from service to Board. The findings from this review will be presented to the Board of Directors in May 2022.

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 CNTW(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 the 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 Group Director (Central) 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 Subgroup. 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. These have been limited and sometimes virtual during the COVID pandemic.

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 Subgroup 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 CQCs 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 Northeast and North Cumbria. 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 Director of Communications and Corporate Affairs 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.

In line with the NHS Long Term Plan and associated People Plan, the Trust continues to embed its workforce planning methodology to support business units in their approach to short, medium and long-term planning. Work has progressed at pace to link such plans to demand (activity), quality, and financial planning and to support the alignment of workforce, capacity, and resource to quality and activity. The Trust approach to workforce planning not only encompasses an overview of staffing numbers, roles, and skill mix, but also takes into consideration the development and cultural changes needed to support the workforce of the future. This approach supports a better 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. The Trust Workforce Strategy will be reviewed this year, and work undertaken as part of the approach to workforce planning will inform the future vision for the workforce, including health, wellbeing, retention, and talent management, whilst being mindful of developing work across the wider system.

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, HEE Star toolkit, CHPPD as part of the Carter and Model Hospital work, time and attendance rostering analysis, activity analysis, staff engagement data e.g., staff survey and financial establishment information.

Whilst work is undertaken 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. 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.

As part of the ongoing work to develop medium to long term staffing plans and mitigate against risk, new roles are a focus for the Trust and work is ongoing with regards to skill mix changes in clinical areas. These are monitored through local groups as well as the Trust wide Strategic Staffing Group and Recruitment and Retention group, ensuring oversight of the quality and safety impact upon the workforce. In addition, Safer Staffing reports are provided to Executive Directors and Trust Board and risks and mitigations identified.

The Trust monitors and triangulates a full suite of indicators, of which workforce is included, to 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.

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 several 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 on its website an up-to-date register of interests, including gifts and hospitality, for decision-making staff (as defined by the trust with reference to the guidance) within the past twelve months as required by the *Managing Conflicts of Interest in the NHS23* guidance.

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

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

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

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

The Trust has a Long Term Financial Plan, which was updated and included in the Integrated Care System Long Term Plan in autumn 2019. Annually, the Trust produces an Operational Plan, which includes detailed plans for delivery of service and financial objectives. A refresh of the operational plans and budgets for 2021/22 were approved by the Trust Board in April 2020 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 monthly, through the Executive Directors meeting and through the Board of Directors and on a quarterly basis by the Resource and Business Assurance Committee.

The Board of Directors receive 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 and Information Governance Group, Quality and Performance Committee and the Corporate Decisions Team.

The Data Protection and Security Toolkit (DSPT) is the mandated method for monitoring the Trust performance in the key areas of data protection and technical/cyber security on an annual basis. This is based on the NHS Data Security Standards and is focussed on ensuring the Trust remains compliant with laws concerning the handling and sharing of personal information, along with remaining resilient to cyber threats. The DSPT Standards for 2021/2022 require the Trust to provide evidence for 110 mandatory assertions.

The Trust adheres to the guidance issued by NHS Digital: 'Guide to the Notification of Data Security and Protection Incidents. All IG incidents are subject to a robust internal assessment and investigation process to understand the cause and consequences of the breach, the actions taken/required, and shortcomings identified and addressed. Where the incident is assessed as being reportable to the Information Commissioners Office as a serious incident then the Trust submits this through the Data Security and Protection Toolkit.

Three incidents were reported to the Department of Health and Social Care and ICO via the Data Security and Protection Toolkit during the period 1st April 2021 to 31st March 2022. The incidents were confidentiality breaches – inappropriate staff access to local patient information systems and correspondence being sent to the wrong recipients. The incidents were fully investigated by the Trust and appropriate actions undertaken. The ICO notified the Trust of no further action for one of the incidents as all appropriate actions had been completed. The Trust is currently awaiting decisions from the ICO in respect to the other two incidents reported.

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

Data quality and governance

2021/22 is the 13th year of publishing Quality Accounts for Cumbria, 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. We have also listened to partner feedback on areas for improvement and our response to these are incorporated in the 2021/22 Quality Account.

Whilst the national requirement is to set annual priorities the Trust has established three 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.

Goal	Description
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 Finance, Commissioning and Quality Assurance has overall responsibility to lead the production and development of the Quality Account. A formal review process was established, the Quality Account/Report drafts were formally reviewed through the Trust governance arrangements (Executive Directors, Corporate Decisions Team - Quality, 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. These controls include:

- Trust policies on quality reporting, key policies include:
 - CNTW(O)05 - Incident Policy (including the management of Serious Untoward Incidents)
 - CNTW(O)07 - Complaints Policy
 - CNTW(O)09 – Records Management Policy
 - CNTW(O)26 - Data Quality Policy
 - CNTW(O)28 – Information Governance Policy
 - CNTW(O)34 - 7 Day Follow Up after discharge from inpatient mental health services
 - CNTW(O)62 - Information Sharing Policy
 - CNTW(O)36 – Data Protection Policy
 - CNTW(O)08 – Emergency Preparedness, Resilience and Response Policy
- Systems and processes have been further improved across the Trust during 2021-22 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 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 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 Trust sub-committees of the board and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Performance and Assurance Framework provides 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 Trust-wide 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 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 several 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 Cumbria, 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.



James Duncan
Chief Executive
15 June 2022

Foreword to the Accounts

Cumbria, Northumberland, Tyne & Wear NHS Foundation Trust Group

These accounts for the period ended 31st March 2022 have been prepared by the Cumbria, 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 'James Duncan', with a long horizontal flourish extending to the right.

James Duncan
Chief Executive

Statement of Comprehensive Income

	Note	Group 2021/22 £000	Trust 2021/22 £000	Group 2020/21 £000	Trust 2020/21 £000
Operating income					
Operating income from patient care activities		497,022	496,470	400,726	399,929
Other operating income		40,537	42,138	52,754	54,442
Operating income from continuing operations	3	537,559	538,608	453,480	454,371
Operating expenses from continuing operations	4	(532,422)	(535,257)	(439,368)	(441,873)
Operating surplus from continuing operations		5,137	3,351	14,112	12,498
Finance costs					
Finance income	10	80	505	52	561
Finance expense	11	(5,576)	(5,574)	(5,522)	(5,522)
PDC dividend expense		(517)	(517)	(204)	(204)
Net finance costs		(6,013)	(5,586)	(5,674)	(5,165)
Other (losses)		(3,323)	(3,323)	(1,870)	(1,870)
Share of profit from associates/ joint ventures		202	202	68	68
Gains from transfers by absorption		0	0	0	0
Corporation tax expense		(254)	0	(223)	0
(Deficit) / surplus from continuing operations		(4,251)	(5,356)	6,413	5,531
(Deficit) / Surplus for the financial year		(4,251)	(5,356)	6,413	5,531
Other comprehensive income					
Of which will not be reclassified to income and expenditure					
Impairments		443	443	126	126
Revaluations		0	0	0	0
Other recognised gains and losses		(3)	(3)	0	0
Total comprehensive (expense) / income for the year *		(3,811)	(4,916)	6,539	5,657

* The Trust's performance for the year against the agreed NHS Improvement control total is detailed in note 1.26.

From 1st April 2021, the Trust took on responsibility as lead provider for the three specialist services provider collaboratives, adult secure services, children and young people's services and adult eating disorder services. As lead provider for North East and North Cumbria Mental Health, Learning Disability and Autism Partnership, the Trust is accountable to NHS England and Improvement and as such recognises the income and expenditure associated with the commissioning of services from other providers in these accounts. The income and expenditure budgets associated with being lead provider are circa £83m.

Statement of Financial Position

	Note	Group 31st March 2022 £000	Trust 31st March 2022 £000	Group 31st March 2021 £000	Trust 31st March 2021 £000
Non-current assets					
Intangible assets	13	945	942	956	950
Property, plant and equipment	14	182,536	181,449	160,517	159,897
Investments in Subsidiaries	15	0	12,516	0	12,516
Loans to Subsidiaries	15	0	10,271	0	13,622
Investments in associates and joint ventures	15	303	303	101	101
Trade and other receivables	20	975	964	892	877
Total non-current assets		184,759	206,445	162,466	187,963
Current assets					
Inventories	19	702	457	1,552	1,396
Trade and other receivables	20	21,298	19,772	15,480	15,647
Other investments	15	675	0	530	0
Loans to Subsidiaries	15	0	377	0	465
Non-current assets for sale and assets in disposal groups	16	545	545	545	545
Cash and cash equivalents	21	66,081	60,557	62,758	56,369
Total current assets		89,301	81,708	80,865	74,422
Current liabilities					
Trade and other payables	22	(59,228)	(55,539)	(48,850)	(45,474)
Borrowings	23	(4,833)	(4,833)	(4,509)	(4,509)
Provisions	26	(3,117)	(3,093)	(1,563)	(1,479)
Other liabilities	24	(1,572)	(2,836)	(1,503)	(4,532)
Total current liabilities		(68,750)	(66,301)	(56,425)	(55,994)
Total assets less current liabilities		205,310	221,852	186,906	206,391
Non-current liabilities					
Borrowings	23	(72,254)	(72,254)	(76,901)	(76,901)
Provisions	26	(11,002)	(11,002)	(11,452)	(11,451)
Other liabilities	24	(238)	(24,263)	(595)	(26,459)
Total non-current liabilities		(83,494)	(107,519)	(88,948)	(114,811)
Total assets employed		121,816	114,333	97,958	91,580
Financed by					
Taxpayers' equity:					
Public Dividend Capital		254,791	254,791	227,122	227,122
Revaluation reserve	28	4,385	4,385	3,945	3,945
Income and expenditure reserve		(138,422)	(144,843)	(134,258)	(139,487)
Total taxpayers' equity		120,754	114,333	96,809	91,580
Other's equity:					
Charitable fund reserves		1,062	0	1,149	0
Total taxpayers' and others' equity		121,816	114,333	97,958	91,580

The financial statements were approved by the Board on 15th June 2022 and signed on its behalf by:



James Duncan
Chief Executive

Statement of Changes in Taxpayers' Equity: 1st April 2021 to 31st March 2022

	Group					Trust			
	Total	Public	Revaluation	Charitable	Income &	Total	Public	Revaluation	Income and
	£000	Dividend	Reserve	Fund	Expenditure	£000	Dividend	Reserve	Reserve
		Capital	£000	Reserve	Reserve		Capital	£000	Reserve
		£000		£000	£000		£000		£000
Others' and Taxpayers' equity at 1st April 2021	97,958	227,122	3,945	1,149	(134,258)	91,580	227,122	3,945	(139,487)
Surplus/(deficit) for the year	(4,251)	0	0	(87)	(4,164)	(5,356)	0	0	(5,356)
Net Impairments	443	0	443	0	0	443	0	443	0
Other recognised gains and losses	(3)	0	(3)	0	0	(3)	0	(3)	0
Public Dividend Capital received	27,669	27,669	0	0	0	27,669	27,669	0	0
Public Dividend Capital repaid	0	0	0	0	0	0	0	0	0
Others' and Taxpayers' equity at 31st March 2022	121,816	254,791	4,385	1,062	(138,422)	114,333	254,791	4,385	(144,843)

Statement of Changes in Taxpayers' Equity: 1st April 2020 to 31st March 2021

	Group					Trust			
	Total	Public	Revaluation	Charitable	Income &	Total	Public	Revaluation	Income and
	£000	Dividend	Reserve	Fund	Expenditure	£000	Dividend	Reserve	Reserve
		Capital	£000	Reserve	Reserve		Capital	£000	Reserve
		£000		£000	£000		£000		£000
Others' and Taxpayers' equity at 1st April 2020	71,051	206,754	3,819	1,185	(140,707)	65,555	206,754	3,819	(145,018)
Surplus/(deficit) for the year	6,413	0	0	(36)	6,449	5,531	0	0	5,531
Transfers by absorption: transfers between reserves	126	0	126	0	0	126	0	126	0
Net Impairments	0	0	0	0	0	0	0	0	0
Transfer to retained earnings on disposal of assets	22,368	22,368	0	0	0	22,368	22,368	0	0
Public Dividend Capital received	(2,000)	(2,000)	0	0	0	(2,000)	(2,000)	0	0
Others' and Taxpayers' equity at 31st March 2021	97,958	227,122	3,945	1,149	(134,258)	91,580	227,122	3,945	(139,487)

Statement of Cash Flows

	Note	Group 2021/22 £000	Trust 2021/22 £000	Group 2020/21 £000	Trust 2020/21 £000
Cash flows from operating activities:					
Operating surplus from continuing operations		5,137	3,351	14,112	12,498
Operating surplus		5,137	3,351	14,112	12,498
Non-cash income and expense:					
Depreciation and amortisation		6,893	6,790	7,178	7,084
Impairments and (reversals)		3,378	3,378	(5,213)	(5,213)
(Increase) /decrease in contract and other receivables		(3,041)	(1,352)	8,304	7,182
Decrease / (increase) in inventories		850	939	(1,123)	(1,119)
Increase in trade and other payables		6,848	6,253	10,574	9,559
(Decrease) / increase in other liabilities		(288)	(3,892)	1,018	(2,011)
Increase in provisions		1,202	1,263	3,314	3,320
Movements in charitable fund working capital		(18)	0	19	0
NHS charitable funds other movements in operating cash flows		(101)	0	20	0
Corporation tax (paid)		(215)	0	(478)	0
Other movements in operating cash flows		(300)	(300)	0	0
Net cash flows from operating activities		20,345	16,430	37,725	31,300
Cash flows from investing activities:					
Interest received		36	505	10	568
Issue / movement in loan with subsidiary		0	3,440	0	3,512
Purchase of intangible assets		(140)	(140)	(11)	(11)
Purchase of property, plant and equipment and investment property		(34,214)	(33,343)	(17,731)	(17,807)
NHS charitable funds : net cash flows from investing activities		0	0	0	0
Proceeds from property, plant and equipment and investment property		102	102	0	0
Net cash (used in) investing activities		(34,216)	(29,436)	(17,732)	(13,738)
Cash flows from financing activities:					
Public dividend capital received		27,669	27,669	22,368	22,368
Public dividend capital repaid		0	0	(2,000)	(2,000)
Movement in loans from the Department of Health and Social Care		(2,549)	(2,549)	(2,549)	(2,549)
Capital element of finance lease rental payments		(60)	(60)	(60)	(60)
Capital element of PFI, LIFT and other service concession payments		(1,700)	(1,700)	(1,252)	(1,252)
Interest paid on Department of Health and Social Care loans		(924)	(924)	(977)	(977)
Interest element of finance lease		(29)	(29)	(31)	(31)
Interest element of PFI, LIFT and other service concession obligations		(4,736)	(4,736)	(4,569)	(4,569)
PDC dividend (paid)		(477)	(477)	(158)	(158)
Net cash flows from financing activities		17,194	17,194	10,772	10,772
Increase in cash and cash equivalents		3,323	4,188	30,765	28,334
Cash and cash equivalents at 1st April		62,758	56,369	31,993	28,035
Cash and cash equivalents at 31st March	21	66,081	60,557	62,758	56,369

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 2021/22 issued by the Department of Health and Social Care. The accounting policies contained in the GAM follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the Trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to the accounts.

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

1.1.2 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 Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust is the corporate trustee to the Cumbria, 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 Cumbria, 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 owns a 50% shareholding in a Limited Liability Partnership with independent healthcare providers Insight Ltd (formerly MHCO). The 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.

In December 2021, the CCG gave notice to put this service out to tender with a new provider to be in place in July 2022. CNTW will not be tendering for this service and discussions are taking place to wind up the LLP during the 2022/23 financial year.

The Trust has minority shareholdings in two companies. The Trust holds 50 ordinary £1 shares in Healthcall Solutions Limited, a company with a purpose of designing, promoting and deploying digital health solutions. The Trust also holds 200 ordinary £1 shares in XR Therapeutics Limited, a company with a purpose of developing and commercialising the intellectual property created by the Trust and University models of treatment for children and young people with autism via programmes that utilise technology.

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 NHS Foundation Trust for the provision of North East Quality Observatory Services (NEQOS) to provide quality measurement services. The Trust also has a collaboration agreement with Cadabams Mental Health Services PVT Limited to work in collaboration to develop the quality of the healthcare provision in India.

The Trust is also part of two NHS consortium arrangements. The Trust is a member of the NHS Payroll Services Consortium and is a member and host of the AuditOne Consortium and as host, is the employer of all designated staff who provide audit and counterfraud services to the consortium members.

Notes to the Accounts (Group - continued)

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

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 Cumbria, 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 Cumbria, 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, provisions totalling £113,000 were made for probable transfers of economic benefits in respect of public liability claims, employee claims 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. Provisions totalling £3,798,000 have been made for probable transfers of economic benefits for legal or constructive liabilities in relation to Trust assets. Also, under IAS 19, accruals have been made for the value of carried forward annual leave owed totalling £2,185,000.

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.

Notes to the Accounts (Group - continued)

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).

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 be satisfied in a future period, the income is deferred and recognised as a contract liability.

Revenue from NHS contracts

The main source of income for the Trust is contracts with commissioners for health care services. In 2021/22 and 2020/21, the majority of the Trust's income from NHS commissioners was in the form of block contract arrangements. The Trust receives block funding from its commissioners, where funding envelopes are set at a Integrated Care System/Sustainability and Transformation Partnership level. For the first half of the 2020/21 comparative year these blocks were set for individual NHS providers directly, but the revenue recognition principles are the same. The related performance obligation is the delivery of healthcare and related services during the period, with the Trust's entitlement to consideration not varying based on the levels of activity performed.

The Trust also received additional income outside of the block payments to reimburse specific costs incurred and, in 2020/21, other income top-ups to support the delivery of services. Reimbursement and top-up income is accounted for as variable consideration.

1.3.1 Mental health provider collaboratives

NHS led provider collaboratives for specialised mental health, learning disability and autism services involve a lead NHS provider taking responsibility for managing services, care pathways and specialised commissioning budgets for a population. As lead provider for North East and North Cumbria Mental Health, Learning Disability and Autism Partnership, the Trust is accountable to NHS England and Improvement and as such recognises the income and expenditure associated with the commissioning of services from other providers in these accounts. Where the Trust is the provider of commissioned services, this element of income is recognised in respect of the provision of services, after eliminating internal transactions.

1.3.2 Revenue from research contracts

Where research contracts fall under IFRS 15, revenue is recognised as and when performance obligations are satisfied. For some contracts, it is assessed that the revenue project constitutes one performance obligation over the course of the multi-year contract. In these cases it is assessed that the Trust's interim performance does not create an asset with alternative use for the Trust, and the Trust has an enforceable right to payment for the performance completed to date. It is therefore considered that the performance obligation is satisfied over time, and the Trust recognises revenue each year over the course of the contract. Some research income alternatively falls within the provisions of IAS 20 for government grants.

1.3.3 Grants and donations

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

1.3.4 Apprenticeship service income

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

1.3.5 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)

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 carry-forward leave into the following period.

Pension Costs**NHS Pensions Scheme**

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

Other Pension Schemes

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

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.

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.

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.

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.

Notes to the Accounts (Group - continued)

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:

- 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.

For specialised assets, current value in existing use is interpreted as the present value of the asset's remaining service potential, which is assumed to be at least equal to the cost of replacing that service potential. Specialised assets are therefore valued at their depreciated replacement cost (DRC) on a modern equivalent asset (MEA) basis. An MEA basis assumes that the asset will be replaced with a modern asset of equivalent capacity and meeting the location requirements of the services being provided. Assets held at depreciated replacement cost have been valued on an alternative site basis where this would meet the location requirements.

Valuation guidance issued by the Royal Institute of Chartered Surveyors states that valuations are performed net of VAT where the VAT is recoverable by the entity. This basis has been applied to the Trust's estate provided by its subsidiary company where the construction is completed by a special purpose vehicle and the costs have recoverable VAT for the Trust.

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 use.

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

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 are not depreciated until the asset is brought into use.

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)

• 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 expenditure.

Revaluation losses are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to operating expenses.

Gains and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'.

Impairments

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

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 in IFRS 5 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.

From 2020/21 this includes assets donated to the trust by the Department of Health and Social Care as part of the response to the coronavirus pandemic. As defined in the GAM, the trust applies the principle of donated asset accounting to assets that the Trust controls and is obtaining economic benefits from at the year end.

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 HM Treasury's FReM, 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 element of the unitary payment increase due to cumulative indexation is treated as contingent rent and is expensed as incurred. 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.

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 where it meets the requirements set out in IAS 38.

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 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.

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)

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.

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

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 Assets and Financial Liabilities

Recognition

Financial assets and financial liabilities arise where the Trust is party to the contractual provisions of a financial instrument, and as a result has a legal right to receive or a legal obligation to pay cash or another financial instrument. The GAM expands the definition of a contract to include legislation and regulations which give rise to arrangements that in all other respects would be a financial instrument and do not give rise to transactions classified as a tax by ONS.

This includes the purchase or sale of non-financial items (such as goods or services), which are entered into in accordance with the Trust's normal purchase, sale or usage requirements and are recognised when, and to the extent which, performance occurs, 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)

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 profit or loss

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 has irrevocably elected to measure the following financial assets/financial liabilities at fair value through profit and loss. 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 transactions 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 loss allowances. Loss allowances 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)

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 implicit interest rate is that which produces a constant periodic rate of interest on the outstanding liability.

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

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

Contingent rentals are recognised 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 leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the Trust's net investment outstanding in respect of the 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, note 7.1 discloses a description of significant leasing arrangements and this would include where significant;

- (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.

Early retirement provisions and injury benefit provisions both use the HM Treasury's pension discount rate of minus 1.30% in real terms (prior year: minus 0.95%).

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)

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 organisation. 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, with certain additions and deductions as defined by the Department of Health and Social Care.

This policy is available at <https://www.gov.uk/government/publications/guidance-on-financing-available-to-nhs-trusts-and-foundation-trusts>.

In accordance with the requirements laid down by the Department of Health (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 property, plant and equipment. 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 Cumbria, 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 is sterling.

A transaction which is denominated in a foreign currency is translated into the functional currency at the spot exchange rate on the date of the transaction.

Where the Trust has assets or liabilities denominated in a foreign currency at the Statement of Financial Position date:

- monetary items (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)

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).

The losses and special payments note (Note 36) 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 transaction is accounted for as a transfer by absorption. The assets and liabilities are recognised in the accounts using the book value as at the date of transfer. The assets and liabilities are not adjusted to fair value prior to recognition. The net gain or loss corresponding to the net assets/ liabilities transferred is recognised within income or 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-recognised 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) 2021/22 and therefore do not apply to the 2021/22 annual accounts are set out below:

- IFRS 14 Regulatory Deferral Accounts
- IFRS 16 Leases
- IFRS 17 Insurance Contracts

The GAM 2021/22 does not require these Standards and interpretations to be applied in 2021/22. 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 significant impact from the adoption of these standards in future periods with the exception of IFRS16 which will have a significant impact when adopted. This Standard will result in a number 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.

IFRS 16 Leases

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

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

Notes to the Accounts (Group - continued)

On transition to IFRS 16 on 1 April 2022, the Trust will apply the standard retrospectively with the cumulative effect of initially applying the standard recognised in the income and expenditure reserve at that date. For existing operating leases with a remaining lease term of more than 12 months and an underlying asset value of at least £5,000, a lease liability will be recognised equal to the value of remaining lease payments discounted on transition at the Trust's incremental borrowing rate. The Trust's incremental borrowing rate will be a rate defined by HM Treasury. For 2022, this rate is 0.95%. The related right of use asset will be measured equal to the lease liability adjusted for any prepaid or accrued lease payments. For existing peppercorn leases not classified as finance leases, a right of use asset will be measured at current value in existing use or fair value. The difference between the asset value and the calculated lease liability will be recognised in the income and expenditure reserve on transition. No adjustments will be made on 1 April 2022 for existing finance leases.

For leases commencing in 2022/23, the Trust will not recognise a right of use asset or lease liability for short term leases (less than or equal to 12 months) or for leases of low value assets (less than £5,000). Right of use assets will be subsequently measured on a basis consistent with owned assets and depreciated over the length of the lease term.

The Trust has estimated the impact of applying IFRS 16 in 2022/23 on the opening statement of financial position and the in-year impact on the statement of comprehensive income and capital additions as follows:

	£000
Estimated impact on 1 April 2022 statement of financial position	
Additional right of use assets recognised for existing operating leases	53,517
Additional lease obligations recognised for existing operating leases	(52,660)
Changes to other statement of financial position items	-
Net impact on net assets on 1 April 2022	857
Estimated in-year impact in 2022/23	
Additional depreciation on right of use assets	(3,406)
Additional finance costs on lease liabilities	(467)
Lease rentals no longer charged to operating expenditure	3,780
Other impacts on income and / expenditure	(423)
Estimated impact on surplus / deficit in 2022/23	(516)
Estimated increase in capital additions for new leases commencing in 2022/23	42,125

Included in estimates capital additions for new leases commencing in 22/23 significant judgements have been made in relation to 4 significant new projects and 2 renewal schemes.

From 1 April 2022, the principles of IFRS 16 will also be applied to the Trust's PFI liabilities where future payments are linked to a price index representing the rate of inflation. The PFI liability will be remeasured when a change in the index causes a change in future repayments and that change has taken effect in the cash flow. Under existing accounting practices, amounts relating to changes in the price index are expensed as incurred. This is expected to increase the PFI liability on the statement of financial position upon transition to IFRS 16. The effect of this has not yet been quantified.

HM Treasury has recognised that the guidance within the IFRS 16 standard does not envisage scenarios where an arrangement exists but there is no actual contract in place and have therefore provided guidance for NHS organisations to enable them to accrue account for these situations.

The Cumbria, Northumberland, Tyne and Wear NHS FT Group has applied this adaptation to 17 lease properties where arrangements are in place and no contract is available.

1.23 Accounting Standards issued that have been adopted early

No new Accounting Standards or revisions to existing standards have been early adopted in 2021/22.

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 Climate Change Levy (CCL)

Expenditure on the climate change levy is recognised in the Statement of Comprehensive Income as incurred, based on the prevailing chargeable rates for energy consumption.

Notes to the Accounts (Group - continued)

	Group 2021/22 £000	Group 2020/21 £000
1.26 Adjusted financial performance		
(Deficit) / surplus for the period	(4,251)	6,413
Add back net outgoings from charitable funds	87	36
(Deficit) / surplus for the period (before consolidation of charity)	(4,164)	6,449
Add back net impairments charged to the Statement of Comprehensive Income	3,378	(5,213)
Adjusted for (gains) on transfers by absorption	0	0
Surplus before impairments and transfers	(786)	1,236
Remove capital donations/grants income and expenditure impact	2	2
Adjusted financial performance surplus	(784)	1,238
Remove net impact of DHSC centrally procured inventories	955	(1,183)
Control Total	0	0
Adjusted financial performance surplus above control total	171	55

2. Segmental Analysis (Group and Trust)

The Cumbria, Northumberland, Tyne and Wear NHS 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. NTW Solutions Limited and the Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust Charity operate as distinct reporting entities and form the differences between the performance of the Group and the Trust

Within the healthcare activities of Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust, from 1st April 2021 the Trust took on responsibility as a Provider Collaborative lead, providing specialist children's services, secure services and eating disorders services. This has not resulted in any significant changes in the decision making framework of the organisation.

The Board of Director / Chief Executive acts as the Chief Operating Decision Maker for Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust and the monthly financial position of the Group is presented/reported to them as a single segment.

	Group		Trust	
	2021/22 Total £000	2021/22 Healthcare £000	2021/22 Total £000	2021/22 Healthcare £000
Total Operating Income				
Total income from patient care activities	497,022	497,022	496,470	496,470
Total other operating income	40,537	40,537	42,138	42,138
	<u>537,559</u>	<u>537,559</u>	<u>538,608</u>	<u>538,608</u>

Of the total group income reported during the financial year, £477,802,000, 89% of total group income, was received from Clinical Commissioning Groups (CCGs) and NHS England (2020/21: £379,847,000 and 84%). As CCGs and NHS England are under common control they are classed as a single customer for this purpose.

	Group		Trust	
	2020/21 Total £000	2020/21 Healthcare £000	2020/21 Total £000	2020/21 Healthcare £000
Total Operating Income				
Total income from patient care activities	400,726	400,726	399,929	399,929
Total other operating income	52,754	52,754	54,442	54,442
	<u>453,480</u>	<u>453,480</u>	<u>454,371</u>	<u>454,371</u>

Of the total group income reported during the financial year, £379,847,000, 84% of total group income, was received from Clinical Commissioning Groups (CCGs) and NHS England (2019/20: £327,241,000 and 86%). 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)**

	Group 2020/21 £000	Trust 2020/21 £000	Group 2020/21 £000	Trust 2020/21 £000
Income from activities				
Block contract / system envelope income	374,541	374,541	368,596	368,598
Services delivered as part of a mental health collaborative***	34,662	34,662	0	0
Income for commissioning services from other providers as a mental health collaborative lead provider***	54,262	54,262	0	0
Other clinical income from mandatory services	2,599	2,599	2,456	2,456
Additional pension contribution central funding**	14,090	13,538	13,289	12,718
Other clinical income	16,868	16,868	16,385	16,157
Total income from patient care activities	497,022	496,470	400,726	399,929
Other operating income				
Research and development	7,154	7,215	3,361	3,361
Education and training	15,662	15,632	12,823	12,796
Non-patient care services to other bodies	4,562	4,088	3,292	2,458
Reimbursement and top up funding	101	101	16,408	16,408
Income in respect of staff costs where accounted on gross basis	2,474	2,507	2,283	2,346
Education and training - notional income from apprenticeship fund	1,325	1,258	1,234	1,174
Contributions to expenditure - receipt of equipment from DHSC for COVID below capitalisation threshold	0	0	18	18
Contributions to expenditure - consumables (inventory) donated from DHSC group bodies for COVID response	449	449	4,627	4,627
Rental revenue from operating leases - minimum lease receipts	570	554	598	575
Charitable fund incoming resources	21	0	309	0
Other*	8,219	10,334	7,801	10,679
Total other operating income	40,537	42,138	52,754	54,442
Total operating income	537,559	538,608	453,480	454,371
of which:				
Related to Continuing Operations	537,559	538,608	453,480	454,371
Related to Discontinued Operations	0	0	0	0

* Other operating income - Other is analysed in note 3.4

**The employer contribution rate for NHS pensions increased from 14.3% to 20.6% (excluding administration charge) from 1 April 2019. For 2020/21 and 2021/22, NHS providers continued to pay over contributions at the former rate with the additional amount being paid over by NHS England on providers' behalf. The full cost and related funding have been recognised in these accounts.

*** New income from 1st April 2021, due to the Trust becoming a lead provider as part of a mental health provider collaborative.

During 2021/22 and 2020/21, interim financial arrangements were implemented to support the NHS to be able to respond to the pandemic. This was managed through a system of block payments supplemented by funds allocated as a system level. All income from NHS England and English CCGs has been paid directly through a central block payment without invoices being raised.

3. Income (Group and Trust - continued)**3.2 Private Patient Income**

	Group 2021/22 £000	Trust 2021/22 £000	Group 2020/21 £000	Trust 2020/21 £000
Private patient income	0	0	0	0
Total patient related income	497,022	496,470	400,726	399,929
Proportion (as percentage)	0.00%	0.00%	0.00%	0.00%

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 2021/22 £000	Trust 2021/22 £000	Group 2020/21 £000	Trust 2020/21 £000
Operating lease income				
Rental revenue from operating leases - minimum lease receipts	570	554	598	575
Total operating lease income	570	554	598	575
Future minimum lease payments due:				
on leases of land expiring				
- not later than one year;	2	2	2	2
- later than one year and not later than five years;	10	10	10	10
- later than five years.	179	179	179	179
sub total	191	191	191	191
on leases of buildings expiring				
- not later than one year;	586	563	586	563
- later than one year and not later than five years;	160	110	235	185
- later than five years.	233	121	233	121
sub total	979	794	1,054	869
Total future minimum lease payments due	1,170	985	1,245	1,060

3. Income (Group and Trust - continued)**3.4 Operating income (by source)**

	Group 2021/22 £000	Trust 2021/22 £000	Group 2020/21 £000	Trust 2020/21 £000
Income from activities				
NHS England	147,315	146,763	82,493	81,696
Clinical Commissioning Groups	330,239	330,239	297,354	297,354
NHS Foundation Trusts	2,599	2,599	2,456	2,456
Local Authorities	11,117	11,117	13,271	13,271
Non NHS:other	5,752	5,752	5,152	5,152
Total income from patient care activities	497,022	496,470	400,726	399,929
Of which:				
Related to continuing operations	497,022	496,470	400,726	399,929
Related to discontinued operations	0	0	0	0
Other operating income				
Research and development	7,154	7,215	3,361	3,361
Education and training	15,662	15,632	12,823	12,796
Non-patient care services to other bodies	4,562	4,088	3,292	2,458
Reimbursement and top up funding	101	101	16,408	16,408
Income in respect of employee benefits accounted for on a gross basis	2,474	2,507	2,283	2,346
Other*	8,219	10,334	7,801	10,679
Education and training - notional income from apprenticeship fund	1,325	1,258	1,234	1,174
Contributions to expenditure - receipt of equipment from DHSC for COVID below capitalisation threshold	0	0	18	18
Contributions to expenditure - consumables (inventory) donated from DHSC group bodies for COVID response	449	449	4,627	4,627
Charitable and other contributions to expenditure - received from other bodies	0	0	0	0
Rental revenue from operating leases - minimum lease receipts	570	554	598	575
Charitable fund incoming resources	21	0	309	0
Total other operating income	40,537	42,138	52,754	54,442
Of which:				
Related to continuing operations	40,537	42,138	52,754	54,442
Related to discontinued operations	0	0	0	0
*Analysis of "Other operating income - Other"				
Car parking	56	0	19	0
Estates recharges	234	0	(5)	2
Staff accommodation rental	39	39	15	14
IT recharges	63	470	48	454
Clinical excellence awards	147	147	138	138
Catering	631	90	389	(9)
Pharmacy sales	4	4	4	4
Grossing up consortium arrangements	3,704	3,704	3,815	3,815
Other income generation schemes	3,341	5,880	3,378	6,261
Total	8,219	10,334	7,801	10,679

3.5 Analysis of Income from activities arising from Commissioner Requested Services and all other Services

Under the terms of its provider licence, the trust is required to analyse the level of income from activities that has arisen from commissioner requested and non-commissioner requested services. Commissioner requested services are defined in the provider licence and are services that commissioners believe would need to be protected in the event of provider failure. This information is provided in the table below:

	Group 2021/22 £000	Trust 2021/22 £000	Group 2020/21 £000	Trust 2020/21 £000
Commissioner Requested Services	482,932	482,932	387,438	387,211
Non-Commissioner Requested Services	14,090	13,538	13,288	12,718
Total income from activities	497,022	496,470	400,726	399,929

4. Operating Expenses (Group and Trust)

	Group 2021/22 £000	Trust 2021/22 £000	Group 2020/21 £000	Trust 2020/21 £000
Purchase of healthcare from NHS and DHSC bodies	2,333	2,333	2,990	2,990
Purchase of healthcare from non-NHS and non-DHSC bodies	17,338	17,338	10,109	10,109
Mental health collaboratives (lead provider) - purchase of healthcare from NHS bodies*	41,515	41,515	0	0
Mental health collaboratives (lead provider) - purchase of healthcare from non-NHS bodies*	12,546	12,546	0	0
Staff and executive directors costs	374,556	355,615	348,459	330,350
Non-executive directors	195	177	191	171
Supplies and services - clinical (excluding drug costs)	4,922	4,602	4,672	4,346
Supplies and services – clinical: utilisation of consumables donated from DHSC group bodies for COVID response**	1,358	1,358	2,311	2,311
Supplies and services - general	3,712	14,951	4,088	12,700
Supplies and services - general: notional cost of equipment donated from DHSC for COVID response below capitalisation threshold	0	0	18	18
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	7,068	7,068	6,997	6,997
Inventories written down (net, including drugs)	9	9	25	17
Inventories written down (consumables donated from DHSC group bodies for COVID response)	46	46	1,133	1,133
Consultancy	631	580	677	641
Establishment	5,738	5,093	5,798	5,248
Premises - business rates collected by local authorities	1,826	1,686	1,889	1,668
Premises - other	19,932	33,914	23,615	39,606
Transport (business travel only)	1,470	1,419	1,177	1,146
Transport - other (including patient travel)	3,048	2,736	2,755	2,473
Depreciation	6,742	6,642	6,823	6,729
Amortisation	151	148	355	355
Impairments, net of (reversals)	3,378	3,378	(5,213)	(5,213)
Movement in credit loss allowance for contract receivables	(708)	(722)	1,309	1,142
Change in provisions discount rates	314	314	410	410
Audit services - Statutory audit***	74	60	79	60
Other auditor remuneration - external auditor	6	6	0	0
Internal audit - staff costs	210	210	184	184
Internal audit - non-staff costs	41	23	58	43
Clinical negligence	1,157	1,157	826	826
Legal fees	817	802	838	623
Insurance	652	496	680	495
Research and development - staff costs	1,862	1,862	1,722	1,722
Research and development - non-staff costs	6,308	6,308	2,078	2,082
Education and training - non staff	1,938	1,816	1,740	1,683
Education and training - notional expenditure funded from apprenticeship fund	1,325	1,258	1,234	1,174
Operating lease expenditure (net)	3,752	2,752	2,305	1,327
Early retirements - (Not included in employee expenses)	95	95	240	240
Redundancy - (Not included in employee expenses)	258	258	247	247
Charges to operating expenditure for on-SOFP IFRIC 12 schemes (e.g. PFI / LIFT) on IFRS basis	2,227	2,227	2,842	2,842
Car Parking and security	748	839	728	698
Hospitality	6	6	1	1
Other losses, ex gratia & special payments - (Not included in employee expenses)	271	14	223	49
Other services	432	396	428	379
Other NHS charitable fund resources expended	152	0	395	0
Other	1,971	1,926	1,932	1,851
Total	532,422	535,257	439,368	441,873
of which:				
Related to Continuing Operations	532,422	535,257	439,368	441,873
Related to Discontinued Operations	0	0	0	0

* There are new expenditure lines from 1st April 2021 due to the Trust becoming a lead provider as part of a mental health provider collaborative. This has also led to an increase in costs of purchase of healthcare from non-NHS and non-DHSC bodies.

**Supplies and services – clinical: utilisation of equipment and consumables donated from DHSC group bodies for COVID response relates to the items received via the push system to manage the COVID-19 pandemic.

*** The statutory audit fees reported are inclusive of any non-recoverable VAT

5. Exit Packages (Group and Trust)**5.1 Exit Packages 2021/22**

	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
Exit package cost band:								
< £10,000	0	0	29	88	29	88	0	0
£10,001 to £25,000	0	0	0	0	0	0	0	0
£25,001 to £50,000	0	0	1	25	1	25	0	0
£50,001 to £100,000	0	0	1	78	1	78	0	0
£100,001 to £150,000	0	0	0	0	0	0	0	0
£150,001 to £200,000	0	0	1	160	1	160	0	0
> £200,001	0	0	0	0	0	0	0	0
Total	0	0	32	351	32	351	0	0

	Compulsory Redundancies Number	Compulsory Redundancies £000	Other Departures Agreed Number	Trust Other Departures Agreed £000	Total Exit Packages Number	Total Exit Packages £000	Special Payments Number	Special Payments £000
Exit package cost band:								
< £10,000	0	0	24	75	24	75	0	0
£10,001 to £25,000	0	0	0	0	0	0	0	0
£25,001 to £50,000	0	0	1	25	1	25	0	0
£50,001 to £100,000	0	0	1	78	1	78	0	0
£100,001 to £150,000	0	0	0	0	0	0	0	0
£150,001 to £200,000	0	0	1	160	1	160	0	0
> £200,001	0	0	0	0	0	0	0	0
Total	0	0	27	338	27	338	0	0

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 2020/21

	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
Exit package cost band:								
< £10,000	0	0	19	75	19	75	0	0
£10,001 to £25,000	0	0	3	58	3	58	0	0
£25,001 to £50,000	0	0	2	62	2	62	0	0
£50,001 to £100,000	0	0	1	82	1	82	0	0
£100,001 to £150,000	0	0	1	121	1	121	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
Total	0	0	26	398	26	398	0	0

	Compulsory Redundancies Number	Compulsory Redundancies £000	Other Departures Agreed Number	Trust Other Departures Agreed £000	Total Exit Packages Number	Total Exit Packages £000	Special Payments Number	Special Payments £000
Exit package cost band:								
< £10,000	0	0	15	68	15	68	0	0
£10,001 to £25,000	0	0	3	58	3	58	0	0
£25,001 to £50,000	0	0	2	62	2	62	0	0
£50,001 to £100,000	0	0	1	82	1	82	0	0
£100,001 to £150,000	0	0	1	121	1	121	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
Total	0	0	22	391	22	391	0	0

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	Permanently	Other									
	2021/22 £000	Employed 2021/22 £000	2021/22 £000	2020/21 £000	Employed 2020/21 £000	2020/21 £000	2021/22 £000	Employed 2021/22 £000	2021/22 £000	2020/21 £000	Employed 2020/21 £000	2020/21 £000
Salaries and wages	281,794	279,780	2,014	265,360	263,309	2,051	265,933	263,937	1,996	250,321	248,330	1,991
Social security costs	27,114	27,114	0	24,526	24,526	0	25,744	25,744	0	23,320	23,320	0
Apprenticeship levy	1,325	1,325	0	1,234	1,234	0	1,258	1,258	0	1,174	1,174	0
Pension cost - employer's contributions to NHS Pensions	32,291	32,291	0	30,341	30,341	0	31,036	31,036	0	29,044	29,044	0
Pension cost - employer's contributions paid by NHSE on provider's behalf (6.3%)**												
	14,090	14,090	0	13,289	13,289	0	13,538	13,538	0	12,718	12,718	0
Pension cost - other contributions	393	393	0	306	306	0	118	118	0	92	92	0
Temporary staff - agency/contract staff	20,243	0	20,243	15,838	0	15,838	20,161	0	20,161	15,646	0	15,646
Total staff costs	377,250	354,993	22,257	350,894	333,005	17,889	357,788	335,631	22,157	332,315	314,678	17,637
included within:												
Costs capitalised as part of assets	622	622	0	529	529	0	101	101	0	59	59	0
Analysed into operating expenditure												
Employee expenses - staff & executive directors	374,556	352,299	22,257	348,459	330,570	17,889	355,615	333,458	22,157	330,350	312,713	17,637
Research & Development	1,862	1,862	0	1,722	1,722	0	1,862	1,862	0	1,722	1,722	0
Internal audit costs	210	210	0	184	184	0	210	210	0	184	184	0
Total employee benefits excluding capitalised costs	376,628	354,371	22,257	350,365	332,476	17,889	357,687	335,530	22,157	332,256	314,619	17,637

**See note 3.1 for Pension cost - employer's contributions paid by NHSE on provider's behalf (6.3%)

6.2 Average Number of Employees (whole time equivalent basis)

	Group						Trust					
	Total	Permanently	Other									
	2021/22 Number	Employed 2021/22 Number	2021/22 Number	2020/21 Number	Employed 2020/21 Number	2020/21 Number	2021/22 Number	Employed 2021/22 Number	2021/22 Number	2020/21 Number	Employed 2020/21 Number	2020/21 Number
Medical and dental	426	403	23	411	390	21	425	402	23	411	390	21
Administration and estates	1,987	1,962	25	1,912	1,886	26	1,394	1,373	21	1,318	1,297	21
Healthcare assistants and other support staff	2,345	2,063	282	2,225	2,033	192	2,345	2,063	282	2,221	2,029	192
Nursing, midwifery and health visiting staff	2,278	2,239	39	2,255	2,202	53	2,278	2,239	39	2,255	2,202	53
Scientific, therapeutic and technical staff	424	424	0	400	400	0	425	425	0	403	403	0
Healthcare science staff	545	530	15	488	475	13	545	530	15	489	476	13
Total average numbers	8,005	7,621	384	7,691	7,386	305	7,412	7,032	380	7,097	6,797	300
of which:												
Number of employees (WTE) engaged on capital projects	12	12	0	13	13	0	3	3	0	3	3	0

6.3 Exit Packages: other (non-compulsory) departure payments

	Group				Trust			
	Payments	Total Value of	Restated	Restated	Payments	Total Value of	Restated	Restated
	Agreed 2021/22 Number	Agreements 2021/22 £000	Payments Agreed 2020/21 Number	Payments Agreed 2020/21 £000	Agreed 2021/22 Number	Agreements 2021/22 £000	Payments Agreed 2020/21 Number	Payments Agreed 2020/21 £000
Voluntary redundancies including early retirement contractual costs	2	238	6	253	2	238	6	253
Contractual payments in lieu of notice	29	105	25	145	24	92	21	138
Exit payments following employment tribunals or court orders	1	8	0	0	1	8	0	0
Total Exit packages	32	351	31	398	27	338	27	391

6. Employee Expenses (Group and Trust - continued)**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. Flexi time accrued but not yet taken at the end of the period is also recognised in the financial statements. There were no other employee benefits during the year (2020/21 : £nil).

6.5 Early Retirements due to Ill Health (Group)

During the year there were 8 early retirements (2020/21 : 7) agreed on the grounds of ill-health. The estimated additional pension liabilities of these ill-health retirements will be £376,000 (2020/21 : £168,000). The cost of these ill-health retirements will be borne by the NHS Business Services Authority - Pensions Division.

7. Operating Miscellaneous (Group)**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).

	Group 2021/22 £000	Trust 2021/22 £000	Group 2020/21 £000	Trust 2020/21 £000
Minimum lease payments	3,698	2,675	2,689	2,138
Contingent rents	111	111	214	35
Less sublease payments received	(57)	(34)	(599)	(575)
Total	3,752	2,752	2,304	1,598
	Group 2021/22 £000	Trust 2021/22 £000	Restated Group 2020/21 £000	Restated Trust 2020/21 £000
Future minimum lease payments due relating to buildings leases:				
- not later than one year;	3,338	1,889	1,782	1,442
- later than one year and not later than five years;	7,320	1,587	2,313	2,145
- later than five years.	37,996	4,586	7,681	4,671
Total	48,654	8,062	11,776	8,258
Total of future minimum sublease lease payments to be received	(219)	(34)	(219)	(34)
Future minimum lease payments due to other leases:				
- not later than one year;	1,286	785	1,037	686
- later than one year and not later than five years;	1,710	729	1,082	374
- later than five years;	32	0	38	0
Total	3,028	1,514	2,157	1,060

The 2020/21 comparatives have been restated in relation to minimum sublease payments to be received.

7.2 Limitations on Auditor's Liability (Group and Trust)

There is no specified limitation on the auditor's liability for the year (2020/21 : 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 2022 (31st March 2021 : £nil).

7.4 Audit Remuneration (Trust)

The Trust had other audit remuneration for 2021/22 for additional fee's of £6,000 relating to a one-off project (2020/21 : NIL). 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 2022 (31st March 2021 : £nil).

9. Corporation Tax (Group)

	Group 2021/22 £000	Group 2020/21 £000
UK Corporation tax expense	254	223
Adjustment in respect of prior years	<u>0</u>	<u>0</u>
Current tax expense	254	223
Deferred tax credit	<u>0</u>	<u>0</u>
Total tax expense in Statement of Comprehensive Income	<u>254</u>	<u>223</u>

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

10. Finance Income (Group and Trust)

	Group 2021/22 £000	Trust 2021/22 £000	Group 2020/21 £000	Trust 2020/21 £000
Interest on bank accounts	36	36	2	0
Interest received on loans to Subsidiary	0	469	0	561
NHS charitable fund investment income	44	0	50	0
Total	80	505	52	561

11. Finance Expense (Group and Trust)

	Group 2021/22 £000	Trust 2021/22 £000	Group 2020/21 £000	Trust 2020/21 £000
Interest expense:				
Capital loans from the Department of Health and Social Care	909	907	961	961
Finance leases	29	29	31	31
Finance Costs on PFI and other service concession arrangements (excluding LIFT)				
Main finance costs	2,522	2,522	2,618	2,618
Contingent finance costs	2,214	2,214	1,951	1,951
Unwinding of discount on provisions	(98)	(98)	(39)	(39)
Total	5,576	5,574	5,522	5,522

12. Impairment of Assets (Group and Trust)

During the year, the Trust recognised net impairments of £3,378,000 charged to operating expenditure due to changes in market price from the valuations carried out by Cushman & Wakefield as at 31st March 2022. The net charge is made up of reversals of impairments of £5,346,000 credited to operating expenditure and £8,724,000 charged to operating expenditure. Net impairments totalling £443,000 were also credited to the revaluation reserve, made up of £656,000 of reversals of impairments previously charged to the revaluation reserve and £213,000 charged against the revaluation reserve. Impairments are reported in note 14 and note 4 as operating expenses and in the Statement of Changes in Taxpayers equity for 2021/22 and 2020/21.

Reversals of impairments relates to an increase in building values of circa 3.95% from the valuations carried out by Cushman & Wakefield. The impairments recognised during the year of £8,724,000 predominantly relate to impairments following enhancement schemes when the assets are brought into operational use, the most significant schemes being an enhancement scheme on the Ferndene Residential Blocks where there was also a reduction in bed numbers and a scheme at Carleton Clinic main block.

There were no impairment of assets during 2021/22 for NTW Solutions Ltd or for the Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust Charity (2020/21 £nil).

13. Intangible Assets (Group and Trust)**13.1 Intangible Assets 2021/22**

	Group			Trust		
	Total 2021/22 £000	Software Licences purchased 2021/22 £000	Intangible Assets under Construction 2021/22 £000	Total 2021/22 £000	Software Licences purchased 2021/22 £000	Intangible Assets under Construction 2021/22 £000
Valuation/gross cost at 1st April 2021	1,253	754	499	1,241	743	498
Additions - purchased	140	0	140	140	0	140
Disposals	(76)	(76)	0	(76)	(76)	0
Valuation/gross cost at 31st March 2022	1,317	678	639	1,305	667	638
Amortisation at 1st April 2021	297	297	0	291	291	0
Provided during the year	151	151	0	148	148	0
Disposals	(76)	(76)	0	(76)	(76)	0
Amortisation at 31st March 2022	372	372	0	363	363	0
Net book value by ownership:						
NBV - purchased at 31st March	945	306	639	942	304	638

13.2 Economic Life of Intangible Assets 2021/22

	Minimum Life Years	Maximum Life Years	Minimum Life Years	Maximum Life Years
Software licences purchased	1	3	1	3

13.3 Intangible Assets 2020/21

	Group			Trust		
	Total 2020/21 £000	Software Licences purchased 2020/21 £000	Intangible Assets under Construction 2020/21 £000	Total 2020/21 £000	Software Licences purchased 2020/21 £000	Intangible Assets under Construction 2020/21 £000
Valuation/gross cost at 1st April 2020	2,442	1,954	488	2,430	1,943	487
Additions - purchased	11	0	11	11	0	11
Disposals	(1,200)	(1,200)	0	(1,200)	(1,200)	0
Valuation/gross cost at 31st March 2021	1,253	754	499	1,241	743	498
Amortisation at 1st April 2020	638	638	0	632	632	0
Provided during the year	355	355	0	355	355	0
Disposals	(696)	(696)	0	(696)	(696)	0
Amortisation at 31st March 2021	297	297	0	291	291	0
Net book value by ownership:						
NBV - purchased at 31st March	956	457	499	950	452	498

13.4 Economic Life of Intangible Assets 2020/21

	Minimum Life Years	Maximum Life Years	Minimum Life Years	Maximum Life Years
Software licences purchased	1	4	1	4

14. Property, Plant and Equipment (Group and Trust)**14.1 Property, Plant and Equipment 2021/22 - 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
Valuation/gross cost at 1st April 2021	169,086	6,648	124,857	382	17,576	4,668	42	11,496	3,417
Additions - purchased	37,721	0	6,636	0	28,935	930	0	1,021	199
Impairments charged to the revaluation reserve	(213)	0	(213)	0	0	0	0	0	0
Reversal of impairments credited to the revaluation reserve	656	43	601	12	0	0	0	0	0
Reclassifications	0	0	2,858	0	(2,861)	0	0	0	3
Revaluations	(7,088)	473	(7,553)	(8)	0	0	0	0	0
Disposals	(10,523)	(341)	(2,728)	0	0	(541)	(19)	(5,949)	(945)
Valuation/gross cost at 31st March 2022	189,639	6,823	124,458	386	43,650	5,057	23	6,568	2,674
Accumulated depreciation at 1st April 2021	8,569	0	0	0	0	3,046	42	3,258	2,223
Provided during the year	6,742	0	3,788	13	0	305	0	2,311	325
Impairments charged to operating expenses	8,724	2	8,722	0	0	0	0	0	0
Reversal of impairments credited to operating expenses	(5,346)	(475)	(4,866)	(5)	0	0	0	0	0
Revaluations	(7,088)	473	(7,553)	(8)	0	0	0	0	0
Disposals	(4,498)	0	(91)	0	0	(541)	(19)	(2,902)	(945)
Accumulated depreciation at 31st March 2022	7,103	0	0	0	0	2,810	23	2,667	1,603
Net book value by ownership:									
Owned	145,635	6,768	87,612	386	43,650	2,247	0	3,901	1,071
Finance leased	596	55	541	0	0	0	0	0	0
On-Statement of Financial Position PFI contracts	36,242	0	36,242	0	0	0	0	0	0
Owned - government granted	63	0	63	0	0	0	0	0	0
Net book value by ownership total at 31st March 2022	182,536	6,823	124,458	386	43,650	2,247	0	3,901	1,071

To ensure that asset values at 31st March 2022 reflect current market conditions valuations were carried out by Cushman & Wakefield.

Of the totals at 31st March 2022, £4,620,000 related to land, £116,263,000 related to buildings valued on a Modern Equivalent Asset alternative site basis.

Of the totals at 31st March 2022, £617,000 related to land, £4,616,000 related to buildings valued on a Modern Equivalent Asset no alternative site basis in relation to assets such as tenants improvements.

Of the totals at 31st March 2022, £1,164,000 related to land, £2,686,000 related to buildings and £386,000 related to dwellings valued on a Market Value in Existing Use basis.

Of the totals at 31st March 2022, £422,000 related to land, £893,000 related to buildings valued on a fair value basis. These relate to surplus non-operational assets

Of the totals at 31st March 2022, plant and machinery, transport equipment, information technology and furniture and fittings are all valued on the basis of depreciated historical cost.

14. Property, Plant and Equipment (Group and Trust)**14.2 Property, Plant and Equipment 2021/22 - 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
Valuation/gross cost at 1st April 2021	168,032	6,648	124,839	382	17,572	3,999	42	11,496	3,054
Additions - purchased	37,155	0	6,636	0	28,915	534	0	1,022	48
Impairments charged to the revaluation reserve	(213)	0	(213)	0	0	0	0	0	0
Reversal of impairments credited to the revaluation reserve	656	43	601	12	0	0	0	0	0
Reclassifications	0	0	2,858	0	(2,861)	0	0	0	3
Revaluations	(7,088)	473	(7,553)	(8)	0	0	0	0	0
Disposals	(10,523)	(341)	(2,727)	0	0	(541)	(19)	(5,950)	(945)
Valuation/gross cost at 31st March 2022	188,019	6,823	124,441	386	43,626	3,992	23	6,568	2,160
Accumulated depreciation at 1st April 2021	8,135	0	0	0	0	2,705	42	3,258	2,130
Provided during the year	6,642	0	3,788	13	0	246	0	2,311	284
Impairments charged to operating expenses	8,724	2	8,722	0	0	0	0	0	0
Reversal of impairments credited to operating expenses	(5,346)	(475)	(4,866)	(5)	0	0	0	0	0
Revaluations	(7,088)	473	(7,553)	(8)	0	0	0	0	0
Disposals	(4,497)	0	(91)	0	0	(541)	(19)	(2,901)	(945)
Accumulated depreciation at 31st March 2022	6,570	0	0	0	0	2,410	23	2,668	1,469
Net book value by ownership:									
Owned	144,548	6,768	87,595	386	43,626	1,582	0	3,900	691
Finance leased	596	55	541	0	0	0	0	0	0
On-Statement of Financial Position PFI contracts	36,242	0	36,242	0	0	0	0	0	0
Owned - government granted	63	0	63	0	0	0	0	0	0
Net book value by ownership total at 31st March 2022	181,449	6,823	124,441	386	43,626	1,582	0	3,900	691

To ensure that asset values at 31st March 2022 reflect current market conditions valuations were carried out by Cushman & Wakefield.

Of the totals at 31st March 2022, £4,620,000 related to land, £116,263,000 related to buildings valued on a Modern Equivalent Asset alternative site basis.

Of the totals at 31st March 2022, £617,000 related to land, £4,616,000 related to buildings valued on a Modern Equivalent Asset no alternative site basis in relation to assets such as tenants improvements.

Of the totals at 31st March 2022, £1,164,000 related to land, £2,686,000 related to buildings and £386,000 related to dwellings valued on a Market Value in Existing Use basis.

Of the totals at 31st March 2022, £422,000 related to land, £893,000 related to buildings valued on a fair value basis. These relate to surplus non-operational assets

Of the totals at 31st March 2022, plant and machinery, transport equipment, information technology and furniture and fittings are all valued on the basis of depreciated historical cost.

14. Property, Plant and Equipment (Group and Trust)**14.1 Property, Plant and Equipment 2020/21 - 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
Valuation/gross cost at 1st April 2020	154,543	5,637	121,438	374	5,920	4,555	42	13,116	3,461
Additions - purchased	19,021	0	2,327	0	12,480	175	0	3,981	58
Impairments charged to the revaluation reserve	(667)	(52)	(614)	(1)	0	0	0	0	0
Reversal of impairments credited to the revaluation reserve	793	42	733	18	0	0	0	0	0
Reclassifications	0	0	238	0	(261)	0	0	0	23
Revaluations	1,747	1,021	735	(9)	0	0	0	0	0
Disposals	(6,351)	0	0	0	(563)	(62)	0	(5,601)	(125)
Valuation/gross cost at 31st March 2021	169,086	6,648	124,857	382	17,576	4,668	42	11,496	3,417
Accumulated depreciation at 1st April 2020	10,197	0	0	0	0	2,735	42	5,432	1,988
Provided during the year	6,823	0	3,455	11	0	373	0	2,624	360
Impairments charged to operating expenses	9,493	70	9,418	5	0	0	0	0	0
Reversal of impairments credited to operating expenses	(14,706)	(1,091)	(13,608)	(7)	0	0	0	0	0
Revaluations	1,747	1,021	735	(9)	0	0	0	0	0
Disposals	(4,985)	0	0	0	0	(62)	0	(4,798)	(125)
Accumulated depreciation at 31st March 2021	8,569	0	0	0	0	3,046	42	3,258	2,223
Net book value by ownership:									
Owned	124,701	6,598	89,091	382	17,576	1,622	0	8,238	1,194
Finance leased	586	50	536	0	0	0	0	0	0
On-Statement of Financial Position PFI contracts	35,164	0	35,164	0	0	0	0	0	0
Owned - government granted	66	0	66	0	0	0	0	0	0
Net book value by ownership total at 31st March 2021	160,517	6,648	124,857	382	17,576	1,622	0	8,238	1,194

To ensure that asset values at 31st March 2021 reflect current market conditions valuations were carried out by Cushman & Wakefield.

Of the totals at 31st March 2021, £4,560,000 related to land, £116,741,000 related to buildings valued on a Modern Equivalent Asset alternative site basis.

Of the totals at 31st March 2021, £572,000 related to land, £4,711,000 related to buildings valued on a Modern Equivalent Asset no alternative site basis in relation to assets such as tenants improvements.

Of the totals at 31st March 2021, £1,110,000 related to land, £2,551,000 related to buildings and £382,000 related to dwellings valued on a Market Value in Existing Use basis.

Of the totals at 31st March 2021, £406,000 related to land, £854,000 related to buildings valued on a fair value basis. These relate to surplus non-operational assets

Of the totals at 31st March 2021, plant and machinery, transport equipment, information technology and furniture and fittings are all valued on the basis of depreciated historical cost.

Valuations of these assets were carried out by Cushman & Wakefield as at 31st March 2021. The valuation report includes a 'market conditions explanatory note' in relation to the impact of COVID on the economy and markets in order to be clear and transparent

Of the totals at 31st March 2020, £1,134,000 related to land, £2,585,000 related to buildings and £374,000 related to dwellings valued on a Market Value in Existing Use basis.

Of the totals at 31st March 2020, £399,000 related to land, £881,000 related to buildings valued on a fair value basis. These relate to surplus non-operational assets

Of the totals at 31st March 2020, plant and machinery, transport equipment, information technology and furniture and fittings are all valued on the basis of depreciated replacement cost.

Valuations of these assets were carried out by Cushman & Wakefield as at 31st March 2020. The valuation reports include a material valuation uncertainty disclosure in order to be clear and transparent that less certainty can be attached to the valuations than would otherwise be the case due to the impact of Covid-19 on market activity.

14. Property, Plant and Equipment (Group and Trust)**14.2 Property, Plant and Equipment 2020/21 - 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
Valuation/gross cost at 1st April 2020	153,585	5,637	121,421	374	5,893	3,945	42	13,116	3,157
Additions - purchased	18,926	0	2,327	0	12,480	116	0	3,981	22
Impairments charged to the revaluation reserve	(667)	(52)	(614)	(1)	0	0	0	0	0
Reversal of impairments credited to the revaluation reserve	793	42	733	18	0	0	0	0	0
Reclassifications	0	0	238	0	(238)	0	0	0	0
Revaluations	1,746	1,021	734	(9)	0	0	0	0	0
Disposals	(6,351)	0	0	0	(563)	(62)	0	(5,601)	(125)
Valuation/gross cost at 31st March 2021	168,032	6,648	124,839	382	17,572	3,999	42	11,496	3,054
Accumulated depreciation at 1st April 2020	9,858	0	0	0	0	2,456	42	5,432	1,928
Provided during the year	6,729	0	3,455	12	0	311	0	2,624	327
Impairments charged to operating expenses	9,493	70	9,418	5	0	0	0	0	0
Reversal of impairments credited to operating expenses	(14,706)	(1,091)	(13,607)	(8)	0	0	0	0	0
Revaluations	1,746	1,021	734	(9)	0	0	0	0	0
Disposals	(4,985)	0	0	0	0	(62)	0	(4,798)	(125)
Accumulated depreciation at 31st March 2021	8,135	0	0	0	0	2,705	42	3,258	2,130
Net book value by ownership:									
Owned	124,081	6,598	89,073	382	17,572	1,294	0	8,238	924
Finance leased	586	50	536	0	0	0	0	0	0
On-Statement of Financial Position PFI contracts	35,164	0	35,164	0	0	0	0	0	0
Owned - government granted	66	0	66	0	0	0	0	0	0
Net book value by ownership total at 31st March 2021	159,897	6,648	124,839	382	17,572	1,294	0	8,238	924

To ensure that asset values at 31st March 2021 reflect current market conditions valuations were carried out by Cushman & Wakefield.

Of the totals at 31st March 2021, £4,560,000 related to land, £116,741,000 related to buildings valued on a Modern Equivalent Asset alternative site basis.

Of the totals at 31st March 2021, £572,000 related to land, £4,711,000 related to buildings valued on a Modern Equivalent Asset no alternative site basis in relation to assets such as tenants improvements.

Of the totals at 31st March 2021, £1,110,000 related to land, £2,551,000 related to buildings and £382,000 related to dwellings valued on a Market Value in Existing Use basis.

Of the totals at 31st March 2021, £406,000 related to land, £854,000 related to buildings valued on a fair value basis. These relate to surplus non-operational assets

Of the totals at 31st March 2021, plant and machinery, transport equipment, information technology and furniture and fittings are all valued on the basis of depreciated historical cost.

Valuations of these assets were carried out by Cushman & Wakefield as at 31st March 2021. The valuation report includes a 'market conditions explanatory note' in relation to the impact of COVID on the economy and markets in order to be clear and transparent

Of the totals at 31st March 2020, plant and machinery, transport equipment, information technology and furniture and fittings are all valued on the basis of depreciated replacement cost.

Valuations of these assets were carried out by Cushman & Wakefield as at 31st March 2020. The valuation reports include a material valuation uncertainty disclosure in order to be clear and transparent that less certainty can be attached to the valuations than would otherwise be the case due to the impact of Covid-19 on market activity.

14. Property, Plant and Equipment (Group and Trust - continued)

14.3 Economic Life of Property, Plant and Equipment (Group and Trust)

Group & Trust	Minimum Life Years	Maximum Life Years
Land	Indefinite	Indefinite
Buildings excluding dwellings	1	53
Dwellings	28	33
Plant & machinery	0	15
Transport equipment	0	1
Information technology	0	5
Furniture & fittings	0	10

15. Investments (Group and Trust)**15.1 Investments**

	Group		Trust	
	2021/22	2020/21	2021/22	2020/21
	Investments in associates and joint ventures	Investments in associates and joint ventures	Investments in associates and joint ventures	Investments in associates and joint ventures
	£000	£000	£000	£000
Carrying value at 1st April	101	33	101	33
Share of profit	202	68	202	68
Disbursements/dividends received	0	0	0	0
Carrying value at 31st March	303	101	303	101

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.

The Trust also has minority shareholdings in two companies. The Trust holds 50 ordinary £1 shares in Healthcall Solutions Limited, a company with a purpose of designing, promoting and deploying digital health solutions. The Trust also holds 200 ordinary £1 shares in XR Therapeutics Limited, a company with a purpose of developing and commercialising the intellectual property created by the Trust and University models of treatment for children and young people with autism via programmes that utilise technology.

15.2 Fair value of investments in associates and joint ventures

	Group		Trust	
	Value	Interest Held	Value	Interest Held
	£000	%	£000	%
As at 31st March 2022				
MHC / NTW LLP	606	50%	606	50%
As at 31st March 2021				
MHC / NTW LLP	202	50%	202	50%

(MHC / NTW LLP formally known as Insight Ltd / NTW LLP)

15.3 Investments in Subsidiary Undertakings

	Trust	
	2021/22	2020/21
	Investments in subsidiary undertakings	Investments in subsidiary undertakings
	£000	£000
Shares in subsidiary undertakings	12,516	12,516
Loans to subsidiary undertakings under 1 year	377	465
Loans to subsidiary undertakings over 1 year	10,271	13,622
	23,164	26,603

The shares in the subsidiary company NTW Solutions Limited is a 100% wholly owned subsidiary consisting of £1 ordinary shares.

15.4 Other investments/financial assets

	Group		Trust	
	2021/22	2020/21	2021/22	2020/21
	Other investments / financial assets	Other investments / financial assets	Other investments / financial assets	Other investments / financial assets
	£000	£000	£000	£000
Other current financial assets	0	0	0	0
Other current financial assets - Charitable Fund Investments	675	530	0	0
	675	530	0	0

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 2021/22**

	Group			Trust		
	Total	Property, Plant & Equipment: Land	Property, Plant & Equipment: Buildings	Total	Property, Plant & Equipment: Land	Property, Plant & Equipment: Buildings
	£000	£000	£000	£000	£000	£000
Net book value at 1st April 2021	545	405	140	545	405	140
Plus assets classified as available for sale in the year	0	0	0	0	0	0
Less assets sold in year	0	0	0	0	0	0
Net book value at 31st March 2022	545	405	140	545	405	140

The Trust held three assets reclassified as held for sale as at 1st April 2021. Delays have been experienced in the disposal of these assets due to COVID-19 and these assets therefore remain as held for sale as at 31st March 2022. For 2 assets the sale has been agreed with completion dates agreed during 2022/23. A bidder has been agreed for the disposal to proceed for the other asset.

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 2020/21**

	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
Net book value at 1st April 2020	545	405	140	545	405	140
Plus assets classified as available for sale in the year	0	0	0	0	0	0
Less assets sold in year	0	0	0	0	0	0
Net book value at 31st March 2021	545	405	140	545	405	140

The Trust held three assets reclassified as held for sale as at 1st April 2020. Delays have been experienced in the disposal of these assets due to COVID-19 and these assets therefore remain as held for sale as at 31st March 2021. These are assets are still being actively marketed. During the year no new assets have been reclassified as held for sale.

16.2 Liabilities in Disposal Groups (Group and Trust)

The Group and Trust has no liabilities in disposal groups as at 31st March 2022; (31st March 2021 : £nil).

17. Other Assets (Group and Trust)

The Group and Trust has no other assets as at 31st March 2022; (31st March 2021 : £nil).

18. Other Financial Assets (Group and Trust)

The Group and Trust has no other financial assets as at 31st March 2022; (31st March 2021 : £nil).

19. Inventories (Group and Trust)**19.1 Inventories 2021/22**

	Group						Trust				
	Total	Drugs	Consumables	Consumables donated from DHSC group bodies	Energy	Other	Total	Drugs	Consumables donated from DHSC group bodies	Energy	Other
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Carrying Value at 1st April 2021	1,552	309	3	1,183	22	35	1,396	212	1,183	0	1
Additions	2,113	1,481	2	0	32	598	1,369	1,367	0	0	2
Additions (donated) - from DHSC	449	0	0	449	0	0	449	0	449	0	0
Additions (donated) - from NHS provider (purchased by DHSC)	0	0	0	0	0	0	0	0	0	0	0
Inventories consumed (recognised in expenses)	(3,357)	(1,441)	(3)	(1,358)	(26)	(529)	(2,702)	(1,344)	(1,358)	0	0
Write down of inventories recognised as an expense	(55)	(9)	0	(46)	0	0	(55)	(9)	(46)	0	0
Carrying Value at 31st March 2022	702	340	2	228	28	104	457	226	228	0	3

During the financial years 2021/22 the Trust has received donated PPE consumables from DHSC bodies as part of the coronavirus pandemic response.

19.2 Inventories 2020/21

	Group						Trust				
	Total	Drugs	Consumables	Consumables donated from DHSC group bodies	Energy	Other	Total	Drugs	Consumables donated from DHSC group bodies	Energy	Other
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Carrying Value at 1st April 2020	429	360	4	0	21	44	277	276	0	0	1
Additions	1,796	1,443	8	0	1	344	1,347	1,346	0	0	1
Additions (donated) - from DHSC	4,534	0	0	4,534	0	0	4,534	0	4,534	0	0
Additions (donated) - from NHS provider (purchased by DHSC)	93	0	0	93	0	0	93	0	93	0	0
Inventories consumed (recognised in expenses)	(4,142)	(1,469)	(9)	(2,311)	0	(353)	(3,705)	(1,393)	(2,311)	0	(1)
Write down of inventories recognised as an expense	(1,158)	(25)	0	(1,133)	0	0	(1,150)	(17)	(1,133)	0	0
Carrying Value at 31st March 2021	1,552	309	3	1,183	22	35	1,396	212	1,183	0	1

During the financial year 2020/21 the Trust has received donated PPE consumables from DHSC bodies as part of the coronavirus pandemic response.

20. Trade and Other Receivables (Group and Trust)**20.1 Trade and Other Receivables**

	Group	Trust	Group	Trust
	31st March 2022 £000	31st March 2022 £000	31st March 2021 £000	31st March 2021 £000
Current				
Contract receivables invoiced	6,634	5,665	6,900	7,429
Contract receivables not yet invoiced	4,116	4,070	2,251	2,048
Capital receivables	3,113	3,113	213	213
Allowance for impaired contract receivables	(1,186)	(1,033)	(2,006)	(1,832)
Deposits and advances	19	13	14	13
Prepayments (non-PFI)	5,052	4,414	5,276	4,916
PDC dividend receivable	343	343	383	383
VAT receivable	2,702	2,702	2,030	2,030
Clinical pension tax provision reimbursement funding from NHSE	12	12	0	0
Other receivables - revenue	493	473	419	447
Total current trade and other receivables	21,298	19,772	15,480	15,647
Non-current				
Prepayments (non-PFI)	146	135	126	111
Clinical pension tax provision reimbursement funding from NHSE	829	829	766	766
Total non-current trade and other receivables	975	964	892	877
Total trade and other receivables	22,273	20,736	16,372	16,524

20.2 Allowance for credit losses

	Group	Trust	Group	Trust
	2021/22 £000	2021/22 £000	2020/21 £000	2020/21 £000
At 1st April	2,006	1,832	766	759
Net allowances arising	1,602	1,389	6,682	6,514
Utilisation of allowances where receivable is written off	(112)	(77)	(69)	(69)
Reversal of allowances where receivable is collected in year	(2,310)	(2,111)	(5,373)	(5,372)
At 31st March	1,186	1,033	2,006	1,832

20.3 Finance Lease Receivables (Group and Trust)

The Group and Trust had no finance lease receivables at 31st March 2022 (31st March 2021 : £nil).

21. Cash and Cash Equivalents (Group and Trust)

	Group 2021/22 Cash and cash equivalents £000	Trust 2021/22 Cash and cash equivalents £000	Group 2020/21 Cash and cash equivalents £000	Trust 2020/21 Cash and cash equivalents £000
At 1st April	62,758	56,369	31,993	28,035
Net change in year	3,323	4,188	30,765	28,334
At 31st March	66,081	60,557	62,758	56,369
Broken down into:				
Cash at commercial banks and in hand	5,368	241	4,797	65
Charitable funds cash and cash equivalents	397	0	647	0
Cash with the Government Banking Service (GBS)	60,316	60,316	56,305	56,304
Other current investments (short term deposits)	0	0	1,009	0
Cash and cash equivalents as per the Statement of Financial Position	66,081	60,557	62,758	56,369
Bank overdrafts - (GBS and commercial banks)	0	0	0	0
Drawdown in committed facility	0	0	0	0
Cash and cash equivalents as per the Statement of Cash Flows	66,081	60,557	62,758	56,369

The Trust held £1,089,000 cash and cash equivalents at 31st March 2022 (31st March 2021 : £1,171,000) which relates to monies held on behalf of patients. The Group also held £344,000 in relation to staff savings schemes (31st March 2021 : £328,000). 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**

	Group 31st March 2022 £000	Trust 31st March 2022 £000	Group 31st March 2021 £000	Trust 31st March 2021 £000
Current				
Trade payables	5,874	4,642	5,316	4,692
Other trade payables - capital	7,119	7,887	3,612	4,075
Accruals	26,948	25,403	20,899	19,218
Annual leave accrual	2,185	2,133	3,981	3,918
Social Security costs	5,007	4,878	4,719	4,487
VAT payables	823	0	621	0
Other taxes payable	3,442	3,051	2,784	2,506
Other payables	7,820	7,545	6,890	6,578
NHS Charitable funds trade and other payables	10	0	28	0
Total current trade and other payables	59,228	55,539	48,850	45,474

The Group and Trust had no non-current trade and other payables at 31st March 2022 (31st March 2021 : £nil).

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 2021 : £nil).

23. Borrowings (Group and Trust)**23.1 Borrowings**

	Group 31st March 2022 £000	Trust 31st March 2022 £000	Group 31st March 2021 £000	Trust 31st March 2021 £000
Current				
Capital loans from Department of Health and Social Care	2,733	2,733	2,748	2,748
Obligations under finance leases	60	60	60	60
Obligations under PFI contracts (excl. lifecycle)	2,040	2,040	1,701	1,701
Total current borrowings	4,833	4,833	4,509	4,509
Non-current				
Capital loans from Department of Health and Social Care	39,183	39,183	41,732	41,732
Obligations under finance leases	713	713	773	773
Obligations under Private Finance Initiative contracts	32,358	32,358	34,396	34,396
Total non-current borrowings	72,254	72,254	76,901	76,901

23.2 Reconciliation of liabilities arising from financing activities (Group and Trust)

	Loans from DHSC £000	Finance Leases £000	PFI Schemes £000	Total £000
Carrying value at 1st April 2021	44,480	833	36,097	81,410
Cash movements				
Financing cash flows - payments of principle	(2,549)	(60)	(1,700)	(4,309)
Financing cash flows - payments of interest	(924)	(29)	(2,521)	(3,474)
Non cash movements				
Interest expense	909	29	2,522	3,460
Non-cash movements	0	0	0	0
Impact of implementing IFRS 9 on 1st April - interest payable liabilities	0	0	0	0
Carrying value at 31st March 2022	41,916	773	34,398	77,087

23.3 Reconciliation of liabilities arising from financing activities (Group and Trust)

	Loans from DHSC £000	Finance Leases £000	PFI Schemes £000	Total £000
Carrying value at 1st April 2020	47,045	893	37,350	85,288
Cash movements				
Financing cash flows - payments of principle	(2,549)	(60)	(1,252)	(3,861)
Financing cash flows - payments of interest	(977)	(31)	(2,619)	(3,627)
Non cash movements				
Interest expense	961	31	2,618	3,610
Non-cash movements	0	0	0	0
Impact of implementing IFRS 9 on 1st April - interest payable liabilities	0	0	0	0
Carrying value at 31st March 2021	44,480	833	36,097	81,410

24. Other Liabilities (Group and Trust)

	Group 31st March 2022 £000	Trust 31st March 2022 £000	Group 31st March 2021 £000	Trust 31st March 2021 £000
Current				
Other deferred income	1,572	2,836	1,503	4,532
Total current other liabilities	1,572	2,836	1,503	4,532
Non-current				
Other deferred income	238	24,263	595	26,459
Total non-current other liabilities	238	24,263	595	26,459

25. Other Financial Liabilities (Group and Trust)

The Group and Trust had no other financial liabilities at 31st March 2022 (31st March 2021 : Nil).

26. Provisions for Liabilities and Charges (Group and Trust)**26.1 Provisions for Liabilities and Charges**

	Group Current		Group Non-current		Trust Current		Trust Non-current	
	31st March 2022 £000	31st March 2021 £000						
Pensions - early departure costs	107	115	1,086	1,222	107	115	1,085	1,221
Pensions - injury benefits	272	270	6,127	6,124	272	270	6,127	6,124
Redundancy	258	0	0	0	258	0	0	0
Other legal claims	89	185	0	0	89	101	0	0
Lease dilapidations	168	152	560	505	168	152	560	505
Clinician' pension tax reimbursement	12	0	829	766	12	0	829	766
Other	2,211	841	2,400	2,835	2,187	841	2,401	2,835
Total	3,117	1,563	11,002	11,452	3,093	1,479	11,002	11,451

The 2020/21 prior year has been restated to disclose lease delapidations which was included in other during 2020/21.

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	Lease dilapidations	Clinical pension tax reimbursement	Other	Total	Pensions - early departure costs	Pensions - injury benefits costs	Other Legal Claims	Redundancy	Lease dilapidations	Clinical pension tax reimbursement	Other
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
At 1st April 2021	13,015	1,337	6,394	185	0	657	766	3,676	12,930	1,336	6,394	101	0	657	766	3,676
Change in the discount rate	314	28	286	0	0	0	0	0	314	28	286	0	0	0	0	0
Arising during the year	2,257	24	71	88	258	71	75	1,670	2,175	24	71	89	258	71	75	1,587
Utilised during the year - accruals	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Utilised during the year - cash	(1,077)	(107)	(269)	(57)	0	0	0	(644)	(1,040)	(107)	(269)	(57)	0	0	0	(607)
Reversed unused	(292)	(74)	0	(127)	0	0	0	(91)	(186)	(74)	0	(44)	0	0	0	(68)
Unwinding of discount	(98)	(15)	(83)	0	0	0	0	0	(98)	(15)	(83)	0	0	0	0	0
At 31st March 2022	14,119	1,193	6,399	89	258	728	841	4,611	14,095	1,192	6,399	89	258	728	841	4,588
Expected timing of cashflows:																
- not later than one year;	3,117	107	272	89	258	168	12	2,211	3,093	107	272	89	258	168	12	2,187
- later than one year and not later than five years;	2,553	440	1,125	0	0	381	107	500	2,553	440	1,125	0	0	381	107	500
- later than five years.	8,449	646	5,002	0	0	179	722	1,900	8,449	645	5,002	0	0	179	722	1,901
Total	14,119	1,193	6,399	89	258	728	841	4,611	14,095	1,192	6,399	89	258	728	841	4,588

The total value of clinical negligence provisions carried by NHS Resolution (formerly known as NHS Litigation Authority) on behalf of the Trust is £699,000 at 31st March 2022 (31st March 2021 : £828,000) 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.

Other 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 and potential employee claims.
- property related liabilities including asbestos and fire related liabilities and other liabilities relating to land and buildings
- provision relating to lease car VAT due to employees and former scheme members.

The Treasury Pension rate applied to the Pensions and Injury Benefits provision has changed to -1.30% (previously -0.95%).

27. Contingencies (Group and Trust)

	Group 31st March 2022 £000	Trust 31st March 2022 £000	Group 31st March 2021 £000	Trust 31st March 2021 £000
Value of contingent liabilities:				
NHS Resolution legal claims	(69)	(69)	(80)	(80)
Other	0	0	0	0
Gross value of contingent liabilities	(69)	(69)	(80)	(80)
Amounts recoverable against liabilities	0	0	0	0
Net value of contingent liabilities	(69)	(69)	(80)	(80)
Net value of contingent assets	0	0	1,516	1,516

Contingent liabilities include:
- estimates provided by NHS Resolution for public liability and employer liability cases.

The Trust had a contingent asset of £1,516,000 in relation to a VAT claim which had been submitted to HM Revenue and Customs. The claim was successful and the funds were received from the claim during 2021/22.

28. Revaluation Reserve (Group & Trust)**28.1 Revaluation Reserve 2021/22 (Trust)**

	Total £000	Property, Plant & Equipment £000	Assets Held for Sale £000
Revaluation reserve at 1st April 2021	3,945	3,795	150
Net Impairments	443	443	0
Other recognised gains and losses	(3)	(3)	0
Transfer to I&E reserve upon asset disposal	0	0	0
Revaluation reserve at 31st March 2022	4,385	4,235	150

All revaluation reserve balances are held by the Trust.

28.2 Revaluation Reserve 2020/21

	Total £000	Property, Plant & Equipment £000	Assets Held for Sale £000
Revaluation reserve at 1st April 2020	3,819	3,669	150
Transfers by absorption	0	0	0
Net Impairments	126	126	0
Transfer to other reserves	0	0	0
Transfer to I&E reserve upon asset disposal	0	0	0
Revaluation reserve at 31st March 2021	3,945	3,795	150

All revaluation reserve balances are held by the Trust.

29. Related Parties (Group)**29.1 Related Party Transactions 2021/22**

	Group Income £000	Group Expenditure £000
Transactions with parties related to board members:		
David Arthur, Non-Executive - Director/Trustee of Mental Health Concern	20	322
Alexis Cleveland, Non-Executive - Trustee: Barnardo's Childrens Charity	0	1,230
James Duncan, Chief Executive - Vice Chair of the HFMA Mental Health Faculty. The Trust has paid/accrued for purchase invoices in respect of fees.	0	4
Gary O'Hare, Executive Director of Nursing and Operations - Wife, Mrs Janice O'Hare, is engaged by the Trust to manage the return of Trust patients who have been in long term out of area placements reporting to the Executive Director of Finance, Commissioning and Quality Assurance. The engagement is through JOH Associates Ltd	0	118
Ken Jarrold, Chairman - Has made donations to the Guardian Newspaper	0	3
Value of transactions with parties related to board members	20	1,677
Value of transactions with key staff members	0	0
Value of transactions with other related parties:		
Non-consolidated subsidiaries and associates/joint ventures	164	0
Total value of transactions with related parties in 2021/22	184	1,677

29. Related Parties Group (continued)**29.2 Related Party Balances at 31st March 2022**

	Group Receivables £000	Group Payables £000
Balances (other than salary) with parties related to board members:		
David Arthur, Non-Executive - Director/Trustee of Mental Health Concern	2	322
Gary O'Hare, Executive Director of Nursing and Operations - Wife, Mrs Janice O'Hare, is engaged by the Trust to manage the return of Trust patients who have been in long term out of area placements reporting to the Executive Director of Finance, Commissioning and Quality Assurance. The engagement is through JOH Associates Ltd	0	8
Value of balances (other than salary) with parties related to board members	2	330
Value of balances (other than salary) with key staff members	0	0
Value of balances (other than salary) with related parties in relation to doubtful debts	0	0
Value of balances (other than salary) with related parties in respect of doubtful debts written off in year	0	0
Value of balances with other related parties:		
Non-consolidated subsidiaries and associates/joint ventures	23	0
Total balances with related parties at 31st March 2022	25	330

29. Related Parties (Group)**29.1 Related Party Transactions 2020/21**

	Group Income £000	Group Expenditure £000
Transactions with parties related to board members:		
David Arthur, Non-Executive - Director/Trustee of Mental Health Concern	50	137
Alexis Cleveland, Non-Executive - Trustee: Barnardo's Childrens Charity	0	560
James Duncan, Executive Director of Finance and Deputy Chief Executive - brother in law is a partner at Bond Dickinson LLP. The Trust has paid/accrued for purchase invoices in respect of legal fees.	0	0
- Vice Chair of the HFMA Mental Health Faculty. The Trust has paid/accrued for purchase invoices in respect of fees.	0	1
Gary O'Hare, Executive Director of Nursing and Operations Wife, Mrs Janice O'Hare, is engaged by the Trust to manage the return of Trust patients who have been in long term out of area placements reporting to the Executive Director of Commissioning and Quality Assurance. The engagement is through JOH Associates Ltd	0	127
Value of transactions with parties related to board members	50	825
Value of transactions with key staff members	0	0
Value of transactions with other related parties:		
Non-consolidated subsidiaries and associates/joint ventures	158	0
Total value of transactions with related parties in 2020/21	208	825

29. Related Parties Group (continued)**29.2 Related Party Balances at 31st March 2021**

	Group Receivables £000	Group Payables £000
Balances (other than salary) with parties related to board members:		
David Arthur, Non-Executive - Director/Trustee of Mental Health Concern	4	0
Alexis Cleveland, Acting Chair - Trustee: Barnardo's Childrens Charity	0	115
John Lawlor, Chief Executive - Board member at the North East and North Cumbria AHSN	0	6
Gary O'Hare, Executive Director of Nursing and Operations - Wife, Mrs Janice O'Hare, is engaged by the Trust to manage the return of Trust patients who have been in long term out of area placements reporting to the Executive Director of Commissioning and Quality Assurance. The engagement is through JOH Associates Ltd	0	11
Value of balances (other than salary) with parties related to board members	4	132
Value of balances (other than salary) with key staff members	0	0
Value of balances (other than salary) with related parties in relation to doubtful debts	0	0
Value of balances (other than salary) with related parties in respect of doubtful debts written off in year	0	0
Value of balances with other related parties:		
Non-consolidated subsidiaries and associates/joint ventures	40	0
Total balances with related parties at 31st March 2021	44	132

29. Related Parties (Group - continued)

29.3 Related Party Balances at 31st March 2022 (Group and Trust)

The Department of Health and Social Care 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
North Cumbria Integrated Care NHS Foundation Trust
Northumbria Healthcare NHS Foundation Trust
South Tyneside and Sunderland NHS Foundation Trust
Tees, Esk and Wear Valleys NHS Foundation Trust
The Newcastle Upon Tyne Hospitals NHS Foundation Trust

NHS and DHSC

NHS Bassetlaw CCG
NHS County Durham CCG
NHS Morecambe Bay CCG
NHS Newcastle Gateshead CCG
NHS North Cumbria CCG
NHS North Tyneside CCG
NHS Northumberland CCG
NHS South Tyneside CCG
NHS Sunderland CCG
NHS Tees Valley CCG
NHS England - Core
Health Education England
NHS Resolution
Department of Health and Social Care
NHS Property Services

Local Government bodies:

Newcastle upon Tyne City Council
North Tyneside Metropolitan Borough Council
Northumberland Unitary Authority
Sunderland City Metropolitan Borough Council

Central Government bodies:

HM Revenue & Customs
NHS Pension Scheme

The Group and the Trust have had other material transactions (under £1,000,000) with other related parties as listed below:

County Durham and Darlington NHS Foundation Trust, Humber Teaching NHS Foundation Trust, North East Ambulance Service NHS Foundation Trust, North Tees and Hartlepool NHS Foundation Trust, Pennine Care NHS Foundation Trust, NHS Bradford District and Craven CCG, NHS East Sussex CCG, NHS North Lincolnshire CCG, NHS Rotherham CCG, NHS Wakefield CCG, National Institute for Health and Care Excellence, Welsh Assembly Government, National Employment Savings Trust (NEST), Department for Transport, Leeds City Council

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 2022 (Group and Trust - continued)

The Trust also had the following transactions with its inter group related parties:

	Trust Income 2021/22 £000	Trust Expenditure 2021/22 £000	Trust Receivables 2021/22 £000	Trust Payables 2021/22 £000
NTW Solutions Ltd	4,480	37,616	7	33,065

The Trust also has a receivable loan with NTW Solutions Ltd to the value of £10,648,000.00 (Current £377,000, Non-current £10,271,000)

James Duncan, Chief Executive and Peter Studd, Non Executive Director of the Trust were also members of NTW Solutions Ltd Board during the year, titles being;
James Duncan, Non-Executive Director - NTW Solutions Ltd
Peter Studd, Chair - NTW Solutions Ltd
James Duncan was a Non-Executive Director up to 31st January 2022 and Peter Studd left his roles in the Trust and NTW Solutions Ltd on 2nd January 2022.

	Trust Income 2021/22 £000	Trust Expenditure 2021/22 £000	Trust Receivables 2021/22 £000	Trust Payables 2021/22 £000
Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust Charity	219	0	60	0

	Trust Income 2020/21 £000	Trust Expenditure 2020/21 £000	Trust Receivables 2020/21 £000	Trust Payables 2020/21 £000
NTW Solutions Ltd	4,695	35,092	984	32,722

The Trust also has a receivable loan with NTW Solutions Ltd to the value of £14,089,000.00 (Current £465,000 Non-current £13,624,000)

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 2020/21 £000	Trust Expenditure 2020/21 £000	Trust Receivables 2020/21 £000	Trust Payables 2020/21 £000
Cumbria, Northumberland Tyne and Wear NHS Foundation Trust Charity	89	0	16	0

30. Commitments (Group and Trust)**30.1 Contractual Capital Commitments (Group)**

	Group 31st March 2022 £000	Trust 31st March 2022 £000	Group 31st March 2021 £000	Trust 31st March 2021 £000
Commitments in respect of capital expenditure at 31st March:				
Property, plant and equipment	20,920	287	48,377	47
Total	20,920	287	48,377	47

30.2 Other Financial Commitments (Group)

	Group 31st March 2022 £000	Trust 31st March 2022 £000	Group 31st March 2021 £000	Trust 31st March 2021 £000
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 2022 as follows, analysed by the period during which the payment is made:				
not later than 1 year	67,705	66,479	8,100	7,203
after 1 year and not later than 5 years	48,447	48,410	761	754
paid thereafter	0	0	0	0
Total	116,152	114,889	8,861	7,957

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 2022 as follows, analysed by the period during which the payment is made:

not later than 1 year	67,705	66,479	8,100	7,203
after 1 year and not later than 5 years	48,447	48,410	761	754
paid thereafter	0	0	0	0
Total	116,152	114,889	8,861	7,957

The other financial commitments has increased from 1st April 2021 due to the Trust becoming a lead provider as part of a mental health provider collaborative.

31. Finance Lease Obligations (Group and Trust)

	Group 31st March 2022 £000	Trust 31st March 2022 £000	Group 31st March 2021 £000	Trust 31st March 2021 £000
Gross lease liabilities	961	961	1,050	1,050
of which liabilities are due				
- not later than one year;	87	87	89	89
- later than one year and not later than five years;	327	327	336	336
- later than five years.	547	547	625	625
Finance charges allocated to future periods	(188)	(188)	(217)	(217)
Net lease liabilities	773	773	833	833
- 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.	473	473	533	533
Total	773	773	833	833

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: 12 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: 15 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 2022 £000	Group & Trust 31st March 2021 £000
Gross PFI liabilities	53,743	57,965
of which liabilities are due		
- not later than one year;	4,434	4,223
- later than one year and not later than five years;	15,122	15,710
- later than five years.	34,187	38,032
Finance charges allocated to future periods	(19,345)	(21,868)
Net PFI liabilities	34,398	36,097
- not later than one year;	2,040	1,701
- later than one year and not later than five years;	6,787	6,883
- later than five years.	25,571	27,513

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 2022 £000	Group & Trust 31st March 2021 £000
Total future payments committed in respect of PFI arrangements	148,163	149,248
of which liabilities are due		
- not later than one year;	9,499	8,781
- later than one year and not later than five years;	40,430	37,374
- later than five years.	98,234	103,093
Total	148,163	149,248

32.3 On-Statement of Financial Position PFI Commitments (service element)

	Group & Trust Total 31st March 2022 £000	Group & Trust Total 31st March 2021 £000
Commitments in respect of the service element of the PFI:		
not later than one year	2,189	2,343
later than one year and not later than five years	13,901	11,944
later than five years	28,088	29,930
Total	44,178	44,217

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 2022 £000	Group & Trust Total 31st March 2021 £000
Unitary payment payable to service concession operator	8,665	8,663
Consisting of:		
- interest charge	2,522	2,618
- repayment of finance lease liability	1,702	1,252
- service element	2,227	2,842
- contingent rent	2,214	1,951
Total	8,665	8,663

33. Events after the Reporting Period (Group and Trust)

There are no events after the reporting period to disclose and there are no adjusting events included within the accounts (31st March 2021 : £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 £41,916,000 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

	Group Held at amortised cost £000	Trust Held at amortised cost £000
Assets as per the Statement of Financial Position at 31st March 2022:		
Receivables (excluding non financial assets) - with DHSC group bodies	7,715	7,033
Receivables (excluding non financial assets) - with other bodies	6,296	6,095
Other investments / financial assets	303	23,469
Cash and cash equivalents at bank and in hand	65,684	60,557
Consolidated NHS Charitable Fund assets	1,072	0
Total at 31st March 2022	81,070	97,154
	Group Loans & Receivables £000	Trust Loans & Receivables £000

Assets as per the Statement of Financial Position at 31st March 2021:

	Restated	Restated
Receivables (excluding non financial assets) - with DHSC group bodies	4,441	5,207
Receivables (excluding non financial assets) - with other bodies	4,102	3,863
Other investments / financial assets	101	26,704
Cash and cash equivalents at bank and in hand	62,111	56,369
Consolidated NHS Charitable Fund assets	1,177	0
Total at 31st March 2021	71,932	92,143

34. Financial Instruments (Group and Trust - continued)**34.2 Carrying value of Financial Liabilities held at amortised cost**

	Group Held at amortised cost £000	Trust Held at amortised cost £000
Liabilities as per the Statement of Financial Position at 31st March 2022:		
Department of Health and Social Care Loans	41,916	41,916
Obligations under finance leases	773	773
Obligations under Private Finance Initiative contracts	34,398	34,398
Trade and other payables with NHS and DH bodies	7,983	15,571
Trade and other payables with other bodies	41,960	32,038
Total at 31st March 2022	127,030	124,696
Liabilities as per the Statement of Financial Position at 31st March 2021:		
Department of Health and Social Care Loans	44,480	44,480
Obligations under finance leases	833	833
Obligations under Private Finance Initiative contracts	36,097	36,097
Trade and other payables with NHS and DH bodies	6,274	10,006
Trade and other payables with other bodies	34,424	28,475
Total at 31st March 2021	122,108	119,891

34.3 Maturity of Financial Liabilities

	Group 31st March 2022 £000	Trust 31st March 2022 £000	Group 31st March 2021 £000	Trust 31st March 2021 £000
In one year or less	57,198	54,864	47,760	45,542
In more than one year but not more than five years	25,645	25,645	26,242	26,242
In more than five years	63,722	63,722	70,194	70,194
Total at 31st March	146,565	144,231	144,196	141,978

35. Pensions (Group)

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. Details of the benefits payable from the NHS Pension Schemes and rules of the Schemes can be found on the NHS Pensions website at 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 and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years". An outline of these follows:

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2022, is based on valuation data as 31 March 2021, updated to 31 March 2022 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 to 20.6% of pensionable pay. The 2016 funding valuation also tested the cost of the Scheme relative to the employer cost cap that was set following the 2012 valuation. There was initially a pause to the cost control element of the 2016 valuations, due to the uncertainty around member benefits caused by the discrimination ruling relating to the McCloud case.

HMT published valuation directions dated 7 October 2021 (see Amending Directions 2021) that set out the technical detail of how the costs of remedy are included in the 2016 valuation process. Following these directions, the scheme actuary has completed the cost control element of the 2016 valuation for the NHS Pension Scheme, which concludes no changes to benefits or member contributions are required. The 2016 valuation reports can be found on the NHS Pensions website at <https://www.nhsbsa.nhs.uk/nhs-pension-scheme-accounts-and-valuation-reports>.

36. Losses and Special Payments (Group and Trust)**36.1 Losses**

	Group	Group	Group	Group
	Total	Total value	Total	Total value
	number of	of cases	number of	of cases
	2021/22	2021/22	2020/21	2020/21
	Number	£000	Number	£000
Losses of cash due to:				
- theft, fraud etc	7	0	7	0
- overpayment of salaries	0	0	0	0
Fruitless payments and constructive losses	31	3	28	3
Bad debts and claims abandoned	130	96	285	74
Stores losses	1	9	1	25
Total losses	169	108	321	102

Special Payments

	Group	Group	Group	Group
	Total	Total value	Total	Total value
	number of	of cases	number of	of cases
	2021/22	2021/22	2020/21	2020/21
	Number	£000	Number	£000
Ex gratia payments in respect of:				
- loss of personal effects	25	6	39	11
- clinical negligence with advice	0	0	0	0
- personal injury with advice	12	65	19	86
- overtime corrective payments (nationally funded)*	0	0	1	973
- overtime corrective payments (additional amounts locally agreed and funded)*	1	22	1	204
Total Special Payments	38	93	60	1274
Total Losses and Special Payments	207	201	381	1376

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.

* the overtime corrective payments disclosures are new disclosure requirements for 2021/22 and the 2020/21 comparatives have been restated to include these new disclosures. These payments relate to overtime corrective payments in relation to the Flowers judgement.

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 2022 (31st March 2021 : £nil).

37. Gifts (Group and Trust)

The Group received no gifts in 2021/22 (2020/21 : £nil).

Independent auditor's report to the Council of Governors of Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust

Report on the audit of the financial statements

Opinion on the financial statements

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

In our opinion, the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in these regards.

Responsibilities of the Accounting Officer for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

- discussing with management and the Audit Committee the policies and procedures regarding compliance with laws and regulations;

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

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

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

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

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

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

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

Matter on which we are required to report by exception

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

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

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

Responsibilities of the Accounting Officer

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

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

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

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

Report on other legal and regulatory requirements

Opinion on other matters prescribed by the Code of Audit Practice

In our opinion:

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

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

We are required to report to you if:

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

We have nothing to report in respect of these matters.

Use of the audit report

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

Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate until we have completed the work necessary to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.



Mark Kirkham (Jun 21, 2022 20:23 GMT+1)

Mark Kirkham, Partner
For and on behalf of Mazars LLP

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

21 June 2022

Audit Completion Certificate issued to the Council of Governors of Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust for the year ended 31 March 2022

In our auditor's report dated 21 June 2022 we explained that the audit could not be formally concluded until we had completed the work necessary to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

This work has now been completed.

No matters have come to our attention since 21 June 2022 that would have a material impact on the financial statements on which we gave our unqualified opinion.

The Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

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

On the basis of our work, having regard to the guidance issued by the Comptroller and Auditor General in December 2021, we have nothing to report in this respect.

Certificate

We certify that we have completed the audit of Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust in accordance with the requirements of chapter 5 of part 2 of the National Health Service Act 2006 and the Code of Audit Practice.

Signature: 
Mark Kirkham (Aug 12, 2022 08:47 GMT+1)

Email: mark.kirkham@mazars.co.uk

Mark Kirkham (Audit Partner)
For and on behalf of Mazars LLP

The Corner
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12 August 2022

